

COMPANY VEHICLE POLICY

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Overview

As an authorized driver of a company vehicle, you have been given certain privileges. You assume the duty of obeying all motor vehicle laws, maintaining the vehicle properly at all times and, otherwise, following the policies and procedures outlined in the following.

Chief Executive Officer _____

Fleet Administrator _____

Vehicle Fleet Purpose

Company vehicles are provided to support business activities and are to be used only by qualified and authorized employees. They are not to be considered a part of an employee's compensation and must not be used as an inducement for employment. In all cases, these vehicles are to be operated in strict compliance with motor vehicle laws of the jurisdiction in which they are driven and with the utmost regard for their care and cost efficient use.

- Company vehicles may not be used for business activities of other companies.
- Company vehicles may not be driven to Mexico.

Driver Licensing

Company drivers and anyone authorized to drive the company vehicles must have a valid driver's license issued in the state of residence for the class of the vehicle being operated and must be able to drive a vehicle. Obtaining a driver's license is a personal expense.

Driver Qualifications

Driver qualifications are as follows:

1. Authorized employee of company, employees, spouse or significant other.
2. Must be at least 21 years of age.
3. Have at least one year of experience in the class of vehicle operated.
4. Must meet licensing requirements.
5. Will not qualify for a company vehicle if, during the last 36 months, the driver had any of the following experiences:
 - Been convicted of a felony.
 - Been convicted of sale, handling or use of drugs.
 - Has automobile insurance canceled, declined or not renewed by a company.
 - Been convicted of an alcohol- or drug-related offense while driving.
 - Had driver's license suspended or revoked.
 - Been convicted of three or more speeding violations or one or more other serious violations.
 - Been involved in three or more chargeable accidents.

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Review of Motor Vehicle Record

State Motor Vehicle Records (MVRs) will be used as the source for verifying driver history. MVRs will be obtained and reviewed at least annually on employee, employee spouse or significant other. (The insurance company requires that we provide them with the driver's license number and date of birth for anyone who may drive a company vehicle.) Driving privileges may be withdrawn or suspended and/or the company vehicle removed from any authorized driver not meeting the above requirements. In addition, appropriate disciplinary action may be taken, up to and including termination of employment.

PLEASE READ, DATE AND SIGN ATTACHED "EMPLOYEE AUTHORIZATION FOR MVR REVIEW".

Personal Use

Company vehicles are provided primarily for business purposes, however, occasional personal use is permitted. **Personal use is a privilege extended only to the authorized employee, employee's spouse or significant other.** The privilege of personal use may be withdrawn at any time by the company.

Rules Applying to Use of Company Vehicles:

- Only authorized employee, employee spouse or significant other. Employee, employees spouse or significant other must meet all driver qualifications and rules in this agreement.
- Use by employees spouse or significant other should be on occasional basis only.
- Personal trailers, including boat and recreational vehicles, are not to be pulled.
- Company vehicle is not to be driven while under the influence of alcohol or any controlled substance.
- Possession, transportation or consumption of alcohol or illegal drugs by anyone in the vehicle is not allowed.
- Driver and all passengers must wear available personal restraints.
- Report any accident immediately to police and your manager.

Any exceptions to these rules requires advance, written approval by approved company manager or officer. Violation of these rules will result in disciplinary action from removal of driving privileges to termination of employment.

Maintenance

Authorized drivers are required to properly maintain their company vehicles at all times. Vehicles should not be operated with any defect that would inhibit safe operation during current and foreseeable weather and lighting conditions. Preventive maintenance such as, but not limited to regular oil changes, lubrication, tire pressure, tire replacement, brake pad & rotor replacement and fluid checks determine to a large extent whether you will have a reliable, safe vehicle to drive and support work activities. You should have preventive maintenance on your vehicle, as required in the owner's manual, performed by a certified dealer.

Employee Use of Other than Company Owned Vehicles-For Business Use

The company does not assume any liability for bodily injuries or property damage the employee may become personally obligated to pay arising out of an incident occurring in connection with operation of other than company owned vehicles. The reimbursement to the employee for the

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operation of other than company owned vehicles on company business includes the allowance for the expense of automobile insurance. You are required to have minimum liability limits of \$250,000/\$500,000/\$100,000, plus EXCESS LIABILITY OF \$1,000,000. The company does not specify and assumes no responsibility for any other coverage employees carry on the vehicles used since this is a matter of individual status and preference. The employee is responsible for providing proof of coverage to the employer on an annual basis.

Traffic Violations

Fines for parking or moving violations, towing storage or impoundment are the personal responsibility of the assigned operator. The company will not condone nor excuse ignorance of any motor vehicle violations that result in court summons being directed to itself as owner of the vehicle.

Each driver is required to report all moving violations to Alan Taub – Fleet Manager within 24 hours. This requirement applies to violations involving the use of any vehicle (company, personal or other) while on company business. Failure to report violations will result in appropriate disciplinary action, including revoking of driver privileges and possible termination of employment.

Please be aware that motor vehicle violations incurred during non-business (personal use) hours will also affect your driving status as well and are subject to review.

Cellular/mobile phones

Cellular/mobile phones should not be used while operating a vehicle. Using a cell phone while driving leads to an increased risk of having an accident through a lack of attention to driving. Inattention is the #1 cause of vehicle accidents in America. Inattention can also involve adjusting the radio, eating, smoking, daydreaming, talking to passengers, things outside the vehicle, and other distractions.

Researchers at the University of Toronto found that the risk of having a traffic accident while using a cell phone is the same as that while driving drunk. In eleven countries and several US cities it is illegal to use a cell phone while operating a vehicle. Regulation of the use of phones in vehicles has been the subject of more than one hundred bills in thirty-seven states.

- Allow voice mail to handle your calls and return them at your safe convenience.
- If you need to place or receive a call pull off the road to a safe location.
- Ask a passenger to make or take the call.
- Inform regular callers your driving schedule, and when you will be available to talk.
- Keep your hands on the wheel and your eyes and mind on the road while driving.
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Accidents Involving Company Vehicles

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In the event of an accident:

- **Call the police on all accidents and obtain a copy of the police report.**
- Do not admit negligence or liability.
- Do not attempt settlement, regardless of how minor.
- Get name, address and phone number of injured person and witnesses if possible.
- Exchange vehicle identification, insurance company name and policy numbers with the other driver.
- Take a photograph of the scene of accident if possible.
- Complete the accident report in your vehicle.
- Turn all information over to Alan Taub – Fleet Manager within 24 hours.

Thefts

In the event of the theft of a company vehicle, notify local police and Fleet Manager Alan Taub immediately.

Driver Responsibilities

Each driver is responsible for the actual possession, care and use of the company vehicle in their possession. Therefore, a driver's responsibilities include, but are not limited to, the following:

- Operation of the vehicle in a manner consistent with reasonable practices that avoid abuse, theft, neglect or disrespect of the equipment.
- Obey all traffic laws.
- The use of seat belts and shoulder harness is mandatory for driver and passengers.
- Adhering to manufacturer's recommendations regarding service, maintenance and inspection. Vehicles should not be operated with any defect that would prevent safe operation.
- Attention to and practice of safe driving techniques and adherence to current safety requirements.
- Restricting the use of vehicles to authorized driver, spouse or significant other.
- Reporting the occurrence of moving violations.
- Accurate, comprehensive and timely reporting of all accidents by an authorized driver and thefts of a company vehicle to the company Fleet Manager Alan Taub.

Failure to comply with any of these responsibilities will result in disciplinary action, up to and including termination of employment.

Preventable Accidents

A preventable accident is defined as any accident involving a company vehicle – whether being used for company or personal use – or any vehicle while being used on company business that results in property damage and/or personal injury, and in which the driver in question failed to exercise every **reasonable precaution** to prevent the accident.

1. Safety Guidelines to Prevent Accidents

- Do Not Follow too close
- Do Not Drive too fast for conditions

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- Do Not Fail to observe clearances
- Do Not Fail to obey signs
- Do Not Make Improper turns
- Do Not Fail to observe signals from other drivers
- Do Not Fail to reduce speed
- Do Not Park improperly
- Do Not Pass improperly
- Do Not Fail to yield
- Do Not Back up improperly
- Do Not Fail to obey traffic signals or directions
- Do Not Exceed the posted speed limit
- Do Not Drive While Intoxicated (DWI) or Drive Under the Influence (DUI) or similar charges.

I have read and will abide by the conditions as stated in this document regarding the operation of any vehicle for company business.

Name (printed) _____

Signature _____ Today's date _____

Witness _____ Today's date _____

EMPLOYEE AUTHORIZATION FOR MVR REVIEW

As a prospective employee or current employee, I understand a Motor Vehicle Abstract will be ordered and reviewed to assess minimum eligibility to determine driving privileges.

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As a driver of a company vehicle or my own vehicle on the company's behalf, I understand that it is my responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. Drivers must have a valid driver's license for the type of vehicle to be operated and keep the licenses(s) with them at all times while driving. All drivers must comply with all applicable regulations.

I also understand that my employer will periodically review my Motor Vehicle Record to determine continued eligibility to drive a company vehicle or operate my own vehicle on the company's behalf. In accordance with the Fair Credit Reporting Act, I have been informed that a Motor Vehicle Record will be periodically obtained on me for continued employment purposes.

I acknowledge the receipt of the above disclosure and authorize my employer or its designated agent to obtain a Motor Vehicle Record Report. This authorization is valid as long as I am an employee or employee candidate and may only be rescinded in writing.

Employee Name (Print)

Drivers License Number

Employee's Signature

Date

Reviewer's Signature

Date

(Sign and retain the original copy in the employee's file)