

SAMPLE VEHICLE FLEET SAFETY & USAGE POLICY

Policy

The purpose of this policy is to ensure the safety of those individuals who drive company vehicles and to provide guidance on the proper use of company fleet vehicles. Vehicle accidents are costly to our company, but more importantly, they may result in injury to you or others. It is the driver's responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. As such, employer endorses all applicable state motor vehicle regulations relating to driver responsibility. The employer expects each driver to drive in a safe and courteous manner pursuant to the following safety rules. The attitude you take when behind the wheel is the single most important factor in driving safely. Fleet Administration, Security, and the Fleet Safety Committee are responsible for general administration of this policy.

Fleet Safety Committee: The Fleet Safety Committee is comprised of the Director of Operations, the Fleet Coordinator, a Security representative, and a Human Resources representative. The committee is responsible for:

- Reviewing accidents and employer's overall driver safety record to determine if there should be changes in policy or procedure; or if other corrective action (such as training, equipment changes, etc.), should be implemented to enhance the safe operation of company vehicles, and/or personal vehicles on company business.
- Reviewing driving records of individual employees and making recommendations to Executive Management when driving privileges should be suspended or revoked.
- Reviewing all other issues that arise with respect to compliance with this policy.

Driver Guidelines and Reporting Requirements

1. Company vehicles are to be driven by authorized employees only, except in case of repair testing by a mechanic.
2. Any employee who has a driver's license revoked or suspended shall immediately notify the Security and Fleet offices by 9 a.m. eastern time the next business day and immediately discontinues operation of the company vehicle. Failure to do so may result in disciplinary action, including termination of employment.
3. All accidents in company vehicles, regardless of severity, must be reported to the police and to the Security and Fleet offices. Accidents are to be reported immediately (from the

scene, during the same day, or as soon as practicable if immediate or same day reporting is not possible). Accidents in personal vehicles while on company business* must follow these same accident procedures. Accidents involving the employee's personal injury must be reported to Human Resources for Worker's Compensation purposes. Failing to stop after an accident and/or failure to report an accident may result in disciplinary action, up to and including termination of employment.

4. Drivers must report all ticket violations received during the operation of a company vehicle or while driving a personal vehicle on company business*, within 72 hours to the Security and Fleet offices.

5. Motor Vehicle Records will be obtained on all drivers prior to employment and on an annual basis. A driving record that fails to meet the criteria stated in this policy, or is considered to be in violation of the intent of this policy by the Fleet Safety Committee, will result in a loss of the privilege of driving a company vehicle.

**Company business is defined as driving at the direction or for the benefit of the employer. It does not include normal commuting to and from work.*

Driver Criteria & Administration

Employees must have a valid and current Driver's license to operate a company vehicle, or a personal vehicle with current auto insurance while on company business.

Employees are expected to drive in a safe and responsible manner and to maintain a good driving record. The Fleet Safety Committee is responsible for reviewing records, including accidents, moving violations, etc., to determine if an employee's driving record indicates a pattern of unsafe or irresponsible driving, and to make a recommendation to Executive Management for suspension or revocation of driving privileges.

Criteria that may indicate an unacceptable record includes, but is not limited to:

- Three or more moving violations* in a year.
- Three or more chargeable accidents within a year. Chargeable means that the driver is determined to be the primary cause of the accident through speeding, unattention, etc. Such contributing factor as weather or mechanical problems, will be taken into consideration.
- Any combination of accidents and/or moving violations.

** Violations include a ticket, charge, or other law enforcement proceeding relating to these, as well as independent evidence of violations deemed satisfactory for the Security Department.*

Driver Safety Rules

1. The use of a company vehicle while under the influence of intoxicants and other drugs (which could impair driving ability) is forbidden and is sufficient cause for discipline, up to and including termination of employment.
2. Cell phone use while driving should be kept to a minimum. Drivers need to be aware when use of the cell phone is creating a distraction from safe driving and adjust their usage accordingly, including pulling off the road to continue/finish the conversation if needed. Whenever possible, Drivers should complete calls while the vehicle is parked and/or use the phone in a "hands free" mode via a headset or speaker. While driving, attention to the road and safety should always take precedence over conducting business over the phone.
3. No driver shall operate a company vehicle when his/her ability to do so safely has been impaired by illness, fatigue, injury, or prescription medication.
4. All drivers and passengers operating or riding in a company vehicle **must** wear seat belts, even if air bags are available.
5. No unauthorized personnel are allowed to ride in company vehicles.
6. Drivers are responsible for the security of company vehicles assigned to them. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended.
7. Head lights shall be used 2 hour before sunset and until 2 hours after sunrise, or during inclement weather or at any time when a distance of 500 feet ahead of the vehicle cannot be clearly seen.
8. All State and Local laws must be obeyed.

Defensive Driving Guidelines

- Drivers are required to maintain a safe following distance at all times. Drivers should keep a two second interval between their vehicle and the vehicle immediately ahead. During slippery road conditions, the following distance should be increased to at least four seconds.
- Drivers must yield the right of way at all traffic control signals and signs requiring them to do so. Drivers should also be prepared to yield for safety's sake at any time. Pedestrians and bicycles in the roadway always have the right of way.

- Drivers must honor posted speed limits. In adverse driving conditions, reduce speed to a safe operating speed that is consistent with the conditions of the road, weather, lighting, and volume of traffic. Tires can hydroplane on wet pavement at speeds as low as 40 mph.
- Radar Detectors are strictly prohibited in company Vehicles. Drivers are to drive at the speed of traffic and never to exceed the posted speed limit.
- Turn signals must be used to show where you are heading; while going into traffic and before every turn or lane change.
- When passing or changing lanes, view the entire vehicle in your rear view mirror before pulling back into that lane.
- Be alert of other vehicles, pedestrians, and bicyclists when approaching intersections. Never speed through an intersection on a caution light. When the traffic light turns green, look both ways for oncoming traffic before proceeding.
- When waiting to make left turns, keep your wheels facing straight ahead. If rear ended, you will not be pushed into the lane of oncoming traffic.
- When stopping behind another vehicle, leave enough space so you can see the rear wheels of the car in front. This allows room to go around the vehicle if necessary, and may prevent you from being pushed into the car in front of you if you are rear-ended.
- Avoid backing where possible, but when necessary, keep the distance traveled to a minimum and be particularly careful.

**Check behind your vehicle before backing.*

**Back to the driver's side. Do not back around a corner or into an area of no visibility.*

Accident Procedures

1. In an attempt to minimize the results of an accident, the driver must prevent further damages or injuries and obtain all pertinent information and report it accurately.

- Call for medical aid if necessary.
- Call the police. All accidents, regardless of severity, must be reported to the police. **If** the driver cannot get to a phone, he should write a note giving location to a reliable appearing motorist and ask him to notify the police.
- Record names and addresses of driver, witnesses, and occupants of the other vehicles and any medical personnel who may arrive at the scene.

- Complete the form located in the Vehicle Accident Packet. Pertinent information to obtain includes: license number of other drivers; insurance company names and policy numbers of other vehicles; make, model, and year of other vehicles; date and time of accident; and overall road and weather conditions.
2. Do not discuss the accident with anyone at the scene except the police. Do not accept any responsibility for the accident. Don't argue with anyone.
 3. Provide the other party with your name, address, driver's license number, and insurance information.
 4. Immediately report the accident to the Security and Fleet offices. Provide a copy of the accident report and/or your written description of the accident to the Fleet office ASAP.
 5. There will be a formal accident review conducted on each accident to determine cause and how the accident could have been prevented.

Vehicle Maintenance

1. Proper vehicle maintenance is a basic element of any fleet safety program, not only to ensure a safe, road worthy vehicle, but also to avoid costly repair expenses and unexpected breakdowns.
 - Routine inspections or safety checks of critical items, such as brakes, lights, tires, wipers, etc., must be done every 15,000 miles or sooner if a problem arises.
 - Oil changes and tire rotations are due every 5,000 miles.
 - Every 30,000 miles, vehicles should have a tune-up, transmission service, cooling system service, brake service, AC service, etc.
 - The vehicle must be cleaned (*interior and exterior*) regularly to help maintain its good appearance for you and the company. A clean vehicle makes a good impression on customers.
2. Prior approval from the Fleet Department is required on any vehicle maintenance needs.
3. *All maintenance performed for the month must be listed on the mileage reports.*

Personal Automobiles

1. Corporate non-owned auto insurance coverage only covers liability on the corporation for damage to a third party automobile or personal injury while the automobile is being used by the employee for company business. Damage to employee owned personal autos, as well as injury to

family members, friends, etc., will not be covered by the corporate coverage and therefore, is the sole responsibility of the employee.

1. Those employees who occasionally use their personal vehicle for company business will be reimbursed for mileage pursuant to IRS regulations. Reimbursed mileage is defined as mileage driven over and above the employee's normal commuting mileage.

Personal Use, Passengers, & Authorized Drivers of Company Vehicles

1. Company vehicles are to be driven by authorized employees only, or in case of repair testing, by a mechanic. Spouses, other family members, or other non-employees, are *not* authorized to drive company vehicles.
2. Passengers are generally limited to those individuals who need to ride in the vehicle to conduct employer business, such as other employees, vendor representatives, retailers, etc.
3. The following guidelines are established to provide accommodation for restricted, need based, personal use of company vehicles. These guidelines are written to ensure safe and appropriate use of company assets. Based on safety concerns, the guidelines are divided according to vehicle type. **NOTE:** Children age 12 and under should never ride in a front passenger seat. **If** an employee's child, age 12 or under, is transported in a company vehicle, the child should ride buckled up in the rear seat. They should use child safety seats, booster seats, or safety belts appropriate to their age and size.

Vehicles Designed for Passengers (cars, SUV, etc.)

- Restricted, need based use, to run errands and other limited personal business may be done during the work day and on the way to and from work. Mileage driven on personal business must be tracked separately for income tax purposes. A mileage log book will be completed daily, indicating per trip mileage, purpose, etc., and a copy will be attached to the monthly mileage report which is turned into the Fleet Coordinator. Company vehicles will not be used on weekends or holidays for personal use without prior authorization on a case (per incident) basis by the Vice President of the respective department and the Fleet Coordinator.
- Non-employee family members may be passengers during this restricted, need based use. Employees who use the vehicle to transport non-employees (for example, to pick up a child from day care) must understand that they are liable for any damages, payments, or costs that exceed the limits of employer insurance coverage. Employees who transport non-employees during personal use of a company vehicle should be aware that such use indicates acceptable of any liability not covered by company insurance.

Vehicles Designed Primarily to Transport Cargo (Vans, Pickup Trucks, etc.)

- Restricted, need based use, to run errands and other limited personal business may be done during the work day and on the way to and from work. Company vehicles will not be used on weekends or holidays for personal use unless authorized on a case (per incident) basis by the Vice President and the Fleet Coordinator. Approval for exceptional use should be in advance unless emergency circumstances prevent advance approval. To track personal use, a mileage log book will be

Completed daily, indicating per trip mileage, purpose, etc., and a copy will be attached to the monthly mileage report which is turned into the Fleet Coordinator.

- Due to the design of these vehicles and related safety concerns, transport of non-employee family members is not allowed except on a case (per incident) basis due to emergency or exceptional needs. Such use may be approved on a case (per incident) basis by the Vice President of the respective department and the Fleet Coordinator, and will not be allowed for children age 12 and under. Approval for exceptional use should be in advance unless emergency circumstances prevent advance approval. Once approved, the employee should be aware that such use indicates acceptance of any liability not covered by company insurance.

Tax treatment for personal mileage

Mileage driven in a company vehicle on personal business must be tracked separately for income tax purposes, unless specific exclusions (listed elsewhere in the policy) apply. The IRS considers personal use of a company vehicle to be a taxable fringe benefit to the employee.