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HR-101	CUC Employee Company Vehicle & Driver Policy for Commuter and Designated Drivers	1/1/2024
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#3	Tina Barrington, Director Human Resources	5/1/2023
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01/012025	William Hughston, CHRO	7/1/2020

SCOPE

This policy (the “Policy”) applies to all non-officers and designated business sector leaders of Chesapeake Utilities Corporation and its subsidiaries (collectively, “CUC” or the “Company”) who drive a Company-owned vehicle or drive a rental vehicle on Company business. Use of personal vehicles on Company business is covered by the Business Use of Personal Vehicle Policy. Any exception to any provision of this Policy must be approved by the Chief Human Resources Officer (“CHRO”) and Chief Financial Officer (“CFO”).

SAFETY STATEMENT

This Company Vehicle and Driver policy document was designed to manage the Company’s fleet and provide safety requirements consistent with our values of Care, Integrity, and Excellence for the operation of Covered Vehicles (as defined below) used for Company business. We are committed to providing and maintaining a safe working environment for our employees and protecting the citizens of the communities where we conduct business. Operating a vehicle on Company business is governed by our Driver Authorization Policy and Procedures (DAPP). Each employee’s commitment to these policies and procedures is vital to building a safe driving culture within our company and ensuring personal safety, the safety of others and the success of the business.

Alternate Fueled Vehicles (AFV)

The Company encourages the use of alternate fueled vehicles, such as propane, natural gas, or electric vehicles, to reduce carbon emissions and promote sustainability. Employees who choose to use alternate fueled vehicles may be eligible for incentives, such as preferred parking spots, use of fueling stations at Company premises, or other benefits as determined by the Company.

The Company will strive to provide sufficient fueling infrastructure to support the needs of employees using AFVs (ALTERNATE FUELED VEHICLES). Employees using alternate fueled vehicles must receive proper training on fueling procedures, safety guidelines, and vehicle–specific features to ensure efficient and safe operation.

GENERAL POLICY DEFINITIONS

Authorized Driver: CUC employee designated by the Company as satisfying the criteria to operate a motor vehicle in the course of their employment

Covered Vehicles: All motorized vehicles operated by CUC employees in the course of their employment other than personal vehicles: Company-owned passenger vehicles, rented vehicles used for Company business, non-CDL commercial vehicles, CDL (Commercial Driver License) class vehicles, and industrial vehicles which require additional operational qualifications and/or licenses including forklifts

Driver Authorization Policy and Procedures (DAPP): All Authorized Drivers are subject to the DAPP

Driver Certification: Authorized Drivers must read and sign an acknowledgement of this Policy, complete all required training, and meet the other requirements outlined in the DAPP.

Logoed Vehicle: A Company-owned vehicle that displays a Company logo

ELIGIBILITY REQUIREMENTS AND CRITERIA FOR COMPANY VEHICLE OR CAR ALLOWANCE

POLICY

The eligibility requirements and criteria to be assigned a Company vehicle or a car allowance are as follows:

- (1) Employees whose essential responsibility of their job is to operate a vehicle to perform their job responsibilities and/or drive more than 15,000 business miles in a year (excluding the mileage commute to a primary office) will be assigned a vehicle.
- (2) Employees who drive their personal vehicle more than 10,000 miles per year (excluding the mileage commute to a primary office) for Company-related business may be approved for a car allowance.
- (3) Employees who drive their personal vehicle less than 10,000 miles per year (excluding the mileage commute to a primary office) for Company-related business can request mileage reimbursement.
- (4) Employees required to drive to perform their daily job will be assigned a Logoed Vehicle. Employees who take their vehicle home are subject to applicable IRS (Internal Revenue Service) tax requirements and will be taxed at \$3/day for each workday of the month.
- (5) Eligibility requirements must be maintained for internal job transfers.
- (6) Employees must be eligible to drive under our Driver Authorization Policy and Procedures (DAPP) and have a valid driver's license.

- (7) Drivers must successfully complete the Company-sponsored driver training course for their position as outlined in the Driver Training Policy and Procedures.

Company vehicle assignment and car allowance allotment requires Senior Leadership Team (“SLT”) and CHRO (Chief Human Resources Officer) approval.

COMPANY VEHICLE USE CATEGORIES

Authorized Drivers who are provided with a Company vehicle may be assigned to one of the following Company Vehicle Use Categories:

Category C – Commuter Driver: Employees required to drive a Logoed Vehicle to perform their daily work functions, and/or on call and must be dispatched from home. Personal use is prohibited outside of de minimis usage while commuting to and from work assignments and the office location. Non-employee passengers are not allowed unless required for a business purpose. Category C employees are taxed according to the appropriate IRS rule for personal use at a \$3/day rate.

Reporting Requirements *Category C employees are no longer required to report personal and business trips. Effective immediately, Category C employees will be charged for each working day of the month.*

Category D – Designated Driver: All other employees are permitted to operate any Company vehicle for business purposes and not fall within Category C. Non-employee passengers are not allowed unless required for a business purpose.

Category D employees are restricted to business use only. Business use includes use for employees who take the vehicle home as part of on-call and/or responsibilities for emergency response duties. Vehicle use for commuting and personal use is prohibited.

GENERAL GUIDELINES FOR THE USE OF COVERED VEHICLES

The following reflects the Company’s expectations of Authorized Drivers operating Covered Vehicles:

- (1) Non-employee passengers are not allowed in Covered Vehicles unless required for a business purpose.
- (2) Keys must never be left in the vehicle when unattended.
- (3) Authorized Drivers are responsible for all cargo and the security of any Covered Vehicle.
- (4) Covered Vehicles must be maintained in accordance with Company procedures and specifications.

- (5) Authorized Drivers must only operate Covered Vehicles in which they have the proper license endorsements.
- (6) The use of cigarettes, cigars, smokeless tobacco, e-cigarettes, vaporizers, or any other method of tobacco consumption is prohibited in Covered Vehicles.
- (7) Authorized Drivers must immediately report to their direct supervisor any moving violations, citations, accidents, incidents (i.e., suspensions, parking violations and all other non-moving violations), theft or damage involving a Covered Vehicle.
- (8) No alcohol or illegal substances are allowed in Covered Vehicles.
- (9) Authorized Drivers must not request or accept payment for carrying passengers or materials. Neither should any Covered Vehicle be used for any enterprise outside the Company. For example, Covered Vehicles may not be used for ridesharing or food/package delivery.
- (10) The Company prohibits the possession or use of weapons on Company property, except as specifically provided in relevant state law and in the Employee Handbook. Employees are prohibited from bringing or otherwise carrying firearms or other weapons inside Covered Vehicles.
- (11) Employees are responsible for complying with established use guidelines and responsibilities for the Company Vehicle Use Category to which they have been assigned.
- (12) The Company reserves the unconditional right to modify the guidelines and any employee's Company Vehicle Use Category at any time and for any reason.
- (13) If an employee is unsure of their approved Company Vehicle Use Category under this Policy, they must obtain clarification from Human Resources.
- (14) Company vehicles will be assigned to employees at the discretion of the Company. Any exceptions to this Policy require CHRO approval.