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[Select Date]	Tina Barrington	10/1/2020

CUC

Safe



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MVR (Motor Vehicle Record): A report of driving history as reported from the State Department of Motor Vehicles or similar government entity responsible for issuing drivers licenses.

Points: Points assessed to an Authorized Driver or potential Authorized Driver under CUC's driver point scale.

Preventable Collision: A collision in which the Authorized Driver failed to take reasonable actions to avoid the collision.

Serious Violation: Any of the driving violations set forth in the Serious Violations section of this Driver Authorization Policy and Procedures.

Vehicle Citations: Any law enforcement action taken with regard to any Covered Vehicle or other vehicle operated by an Authorized Driver.

POLICY

This Driver Authorization Policy and Procedures (DAPP) sets forth the requirements with which CUC employees must comply to be authorized to operate a Covered Vehicle. Driver authorization will be determined for current employees and applicants, both internal and external, who may drive at any time on behalf of CUC. An employee or applicant's authorization to drive on CUC's behalf will be determined and reviewed by the HR, Safety, and/or Risk Groups on an ongoing basis including at the following times:

- (1) prior to hire;
- (2) when an employee moves into a position requiring driving;
- (3) when any Vehicle Citation is received;
- (4) after any Incident; and
- (5) after receiving driving-related complaints.

Employees must satisfy the following criteria to be designated as an Authorized Driver (Non-CDL):

- Held a driver's license for at least 2 years;
- No more than 15 Points;
- No Serious Violations within the last 5 years; and
- No more than 1 Preventable Collision within the last 5 years.

The Company will review CDL holders' driving records and accident history on an annual basis in accordance with federal requirements. Additionally, employees holding a CDL must satisfy the above criteria

for Non-CDL Authorized Drivers and the following criteria to be designated as an Authorized Driver holding a CDL:

- No more than 1 Preventable Collision and no more than 2 combined Moving Violations and collisions in the past 5 years;
- No Serious Violations during the course of employment; and
- No Serious Violations as reflected on the MVR within 5 years preceding hire date.

Applicants must meet the applicable criteria above, but applicants will generally be expected to have 6 or fewer points to be considered for any position where driving is a primary responsibility.

The driving records of Authorized Drivers will be monitored on an ongoing basis.

Applicants and Employees who are not designated as Authorized Drivers or who lose their designation will not be qualified for positions that require driving. Employees in positions requiring driving who lose their Authorized Driver designation will be removed from their position and may be discharged if there is no available, non-driving position for which the employee is qualified.

Any exception to the Authorized Driver requirements must be approved by the Senior Executive of HR and the associated Business Unit Executive on the advice of the Insurance and Safety Departments. All exceptions must be documented as a part of the hiring process or in the driver's personnel file.

MVR Records

All applicants and employees who will operate a Covered Vehicle (either on a regular or occasional basis) must provide authorization for the Company to obtain current copies of their MVR throughout their employment as needed.

Specifically, all applicants and employees who will operate a Covered Vehicle must:

- Authorize the Company to review their driving history;
- Authorize the Company to conduct on-going MVR reviews and provide specific authorizations when requested; and
- Acknowledge that not meeting the Authorized Driver criteria at any time prior to or during employment may result in the denial of a position or termination of employment if the position sought or held requires driving on the Company's behalf.

Reporting

Authorized Drivers must report all Vehicle Citations received while operating any vehicle for any purpose (whether on business or personal time) to their direct supervisor within 24 hours. Vehicle Citations are the responsibility of the employee. The Company will not pay any Vehicle Citation issued to Covered Vehicles or Authorized Drivers unless required by law.

Authorized Drivers must report all Incidents occurring when operating any vehicle (whether on business or personal time) to their direct supervisor immediately following the Incident. Authorized Drivers reporting an Incident must complete a written report on the day the Incident is reported. Reported Incidents involving any collision will be investigated to determine preventability or non-preventability. The goal of the investigation is to improve safety and prevent future collisions.

Authorized Drivers must immediately report the suspension, restriction, limitation, or revocation of any motor vehicle license by any issuing entity to their direct supervisor and such Authorized Driver must immediately cease operating Covered Vehicles. Authorized Drivers whose motor vehicle license is suspended, restricted, limited, or revoked may be subject to disciplinary action up to and including discharge.

Failure to report a Vehicle Citation, Incident, or action on a motor vehicle license by an issuing entity as required may result in discipline, up to and including termination of employment. If you have a question about whether any series of events constitutes a Vehicle Citation, Incident, or license action, report it.

Driver Point Scale

The following driver Points will be assessed to Authorized Drivers or applicants for engaging in specific driving-related acts and will be considered when determining if any individual will be or remain designated as an Authorized Driver. The Company's Driver Point Scale may or may not correspond with the point scale used by entities responsible for the issuance of drivers' licenses for purpose of the MVR.

- Seat belt violations 2 Points
- Unregistered vehicle operation 2 Points
- Driving without a license or endorsement 2 Points
- Suspension of driver's license for admin. reasons 2 points
- Improper lane change 4 Points

- Failure to yield right of way 4 Points
- Speeding 10mph or less over limit 4 Points
- Distracted driving 4 Points
- Careless driving 4 Points
- Failure to obey traffic control device 4 Points
- Following vehicle ahead too closely 4 Points
- Driving fast for conditions 4 Points
- Preventable Collision 4 Points
- Speeding 11 mph to 19 mph over limit 6 Points
- Chargeable/citation accident 6 Points
- Cell Phone Violation 10 points

Serious Violations

The following actions are Serious Violations for purposes of the DAPP, and engaging in any Serious Violation may result in the immediate revocation of an employee's or applicant's Authorized Driver designation or the disqualification of any employee or applicant for any position that requires driving. This list is not all-inclusive, and may change at any time. Serious Violations include, but are not limited to the following:

- Speeding 20 mph or more over the posted limit
- Operating any vehicle while intoxicated/DUI
- Failure to report any Vehicle Citation or Incident
- Suspension or revocation of driver's license by any governmental entity
- Felony use of any vehicle
- Leaving the scene of any law enforcement action related to any vehicle before being released by law enforcement
- Driving a Covered Vehicle on a suspended or revoked license
- Drag racing
- Reckless driving
- Use of alcohol or controlled substance, absent a valid prescription, while driving any vehicle
- School zone/bus violations
- Crossing RR tracks against activated warnings
- Preventable Collision resulting in a fatality, serious bodily injury, or significant property damage
- Unauthorized use of any Covered Vehicle owned by the Company.
- Vehicle Citations or Incidents which show a significant disregard for the safe operation of a motor vehicle

Law enforcement action is not necessary to establish a Serious Violation for purposes of the DAPP. Serious Violations may be

reported by any individual and, if substantiated, may result in the immediate revocation of an Authorized Driver designation or other appropriate action, up to and including termination.

Training

All Authorized Drivers must complete driver training as provided by the Driver Training Policy and Procedures.

Authorized Drivers with 2-6 Points and CDL holders with no more than 1 Moving Violation in the past 5 years must complete Company-designated defensive driver training according to the Driver Training Policy and Procedures. These Authorized Drivers may also be required to attend off-site, Company-sponsored training and any Covered Vehicle take-home privileges may be suspended.

Authorized Drivers with 8 or more Points and CDL holders with 2 Moving Violations or 1 Preventable Collision within the past 5 years must complete Company-designated defensive driver training as required by the Driver Training Policy and Procedures. These Authorized Drivers may also be subjected to other requirements including, but not limited to

Long-term restricted vehicle use;

- Revocation of take-home privileges;
- Implementation of Non-Driving Waiver;
- Quarterly MVR/Safety Reviews with BU Leadership, Safety, HR, and the Risk Group; and/or
- Temporary or permanent revocation of Authorized Driver designation. If driving is required in an employee's role, employee may be subject to discharge.

Authorized Drivers who receive any Vehicle Citation, Moving Violation, or are involved in any Incident may be required to undergo retraining based on the specific circumstances. When retraining is required, it should be accomplished as soon as reasonably possible, preferably within one week, but no more than 30 days from the Vehicle Citation, Moving Violation or Incident requiring retraining.

Authorized Driver Expectations

Authorized Drivers are expected to operate Covered Vehicles in a safe and courteous manner at all times.

Please note, motor vehicle laws for the area where a Covered Vehicle is operated may be different than those where the Covered Vehicle is garaged. It is the Authorized Driver's responsibility to be aware of and comply with all applicable traffic regulations.

In addition to complying with applicable motor vehicle laws, the following reflect the Company's basic expectations of Authorized Drivers operating Covered Vehicles:

- Seatbelts must be used by the driver and all passengers at all times.
- Keys must never be left in the vehicle when unattended.
- Company inventory/materials must not be left in plain view where they may become susceptible to theft or damage.
- Authorized Drivers are responsible for all cargo and the security of any Company-owned Covered Vehicle.
- Company-owned Covered Vehicles must be maintained in accordance with Company policy and specifications.
- Authorized Drivers will only operate Company-owned Covered Vehicles that they are qualified and approved to operate.
- Only the Authorized Driver assigned to a Covered Vehicle or another designated Authorized Driver may operate a Company-owned Covered Vehicle.
- Authorized Drivers must complete all required driver safety training and required remediation in a timely manner.

Points	Action
1 - 5	May still operate a vehicle (no intervention outside of required training every 2-3 years)
6 – 14	<p><u>Existing drivers</u> should be monitored and reviewed by management with the following intervention training plan:</p> <ul style="list-style-type: none"> - Internal Defensive Driver Training - Driver take home privileges may be restricted - External defensive driver training programs <p><u>Applicants</u> will not generally be considered for positions where driving is a primary responsibility.</p> <p><u>Non-CDL drivers</u> should be advised upon hire of driving expectations and correction actions required when violations occur.</p>
15 – or More	<u>Existing drivers'</u> Authorized Driver designation should be removed.

NOTE: Points reflect CUC's Driver Point Scale not MVR issued points

Effective Date	April 1, 2023	
Review Date		
RELATED TOPICS		
FORMS		
APPROVED BY		Date:

**DRIVER AUTHORIZATION POLICY & PROCEDURES (DAPP)
ACKNOWLEDGMENT**

This is to acknowledge that I have received a copy of Chesapeake Utilities Corporation's (together with its subsidiaries, the "Company") Driver Authorization Policy & Procedures and understand that it contains important information concerning my ability to operate any vehicle in the course of my employment with the Company and the Company's procedures for determining whether employees may operate any vehicle in the course of their employment.

I acknowledge that I am expected to read, understand, and adhere to the Company DAPP. I further acknowledge, that failing to maintain an Authorized Driver designation may result in the immediate removal of my ability to operate any vehicle in the course of my employment with the Company and may result in disciplinary action up to and including discharge.

I understand that the Company may change, rescind, or add to any policies, programs or procedures described in the DAPP from time to time at its sole and absolute discretion with or without prior notice.

Name: <i>(Please print)</i>	
Location:	
Position:	
Signature:	
Date:	

(This form is to be signed, removed, and included in your personnel file.)