




Policy - Company Vehicle (Canada)

1. Document Control

Name:	Title:	Title: Company Vehicle Policy (Canada)					
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Apply to:	Region: 	Division: All	Function: All				
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2. Purpose

This policy applies to all Canadian personnel of Savanna Energy Services Management Ltd. (“Savanna”) and its subsidiaries and provides employees with the guidelines and expectations regarding eligibility and use of company vehicles at Savanna.

3. Scope

Savanna is committed to safe and responsible operation of motor vehicles at all times and understands that operating vehicles on public roads is a privilege not a right. This commitment requires each of us to act with the highest integrity when operating a vehicle for company business whether the vehicle is: personal, company owned, leased or rented. When operating a vehicle employees are expected to respect all laws, comply with company policies and drive in a safe and courteous manner that protects and enhances Savanna’s corporate reputation.

Remember, anyone who violates the law or a company policy may be subject to disciplinary action, up to and including termination or release.

4. Definitions & References

Company vehicles are defined as any assigned vehicles owned, leased/rented, and/or paid for by Savanna

Company floater vehicles are defined as any unassigned vehicles owned, leased/rented and/or paid for by Savanna that are available to employees for business use at their office locations.

Shop vehicles are defined as vehicles owned, leased/rented or paid for by Savanna that are available for use at an assigned branch or location by approved employees for the purpose of picking up or delivering goods and other equipment for business needs.

Personal vehicles are defined as a vehicle owned by and registered to the employee.



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Commercial vehicles is defined as a truck, truck-tractor, trailer or semi-trailer or combination thereof exceeding a gross vehicle weight rating (GVWR) of 4,500 kg, or a bus with a designated seating capacity of more than 10, including the driver.

Commercial vehicle drivers is defined as an individual who has the proper credentials, drivers license requirements and approval to operate a commercial vehicle.

5. Policy Statements

5.1 Eligibility

Employees required to drive significantly as part of their position may be eligible for a company vehicle with prior written approval from their immediate Supervisor, Operations Manager and General Manager.

5.2 Requesting a Company Vehicle

Employees eligible for a company vehicle must complete and submit a Savanna Vehicle Request Form (Available on Savnet) approved by their immediate Supervisor, Operations Manager, and General Manager.

Employees are also required to submit the following documentation to Human Resources in Calgary: Copy of your valid driver's license, driver's abstract consent form, and driver's responsibility form (if applicable). The above mentioned forms are available on Savnet or through Human Resources.

5.3 Infrequent Use

Employees who are required to drive for business purposes but are not eligible for a company vehicle should:

- Use a company floater vehicle if one is available at their office location.
- If a company floater vehicle is not available an employee may use a personal vehicle or rental vehicle with the prior approval of their immediate supervisor.
- Prior to using a Floater Vehicle complete the Floater Vehicle Declaration Form (attached in Appendix 1).
- Complete the pre- and post-vehicle inspection forms for their trip provided in each floater vehicle.

5.4 Driver Responsibilities Information

The following responsibilities are for drivers of both commercial, company or floater vehicles:

- Know the location of the registration and inspection papers for your assigned vehicle.
- Prior to operating a commercial vehicle complete a trip inspection.
- Report any defects immediately and have repairs completed before driving.
- Understand that Savanna will not tolerate any use of alcohol or drugs while in control of a commercial, company or floater vehicle.
- Advise Savanna of any driver license changes (e.g. suspensions, terminations, expirations, conditions, etc.)
- Only transport authorized passengers.



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The following responsibilities are for drivers of commercial vehicles only:

- Prior to operating a commercial motor vehicle, complete a trip inspection report and turn in the trip inspection report to Savanna within twenty (20) days of completion.
- Electronic logbooks are to be completed accurately up to the last change of duty.
- Electronic logbooks are to be maintained and submitted at all times.
- Submit a copy of all on-road inspections to Savanna within fourteen (14) days of completion.
- Submit any accident/incident reports to Savanna immediately through your manager.
- Abide by the hours of service regulations for drivers of commercial vehicles.
- Ensure that the vehicle's load is secure and brakes are always adjusted properly.
- Realize the dangers of fatigue as provided in fatigue management training.

All drivers are responsible for complying with regulations and failure to comply may result in disciplinary action up to and including termination of employment.

5.5 Motor Vehicle Abstracts

New hires and rehires who may have access to a commercial vehicle as part of their job will be required to submit a recent copy (less than 30 days old) of a commercial driver's abstract (5-year record check) at their own cost.

New hires and rehires who may be assigned a company vehicle or may need access to a floater vehicle as part of their job will be required to submit a recent copy (less than 30 days old) of a standard driver's abstract (3-year record check) at their own cost.

Savanna will conduct, at a minimum, an annual standard driver's abstract check (3-year record check) on employees with access to a company or floater vehicle. For commercial drivers, Savanna will conduct, at a minimum, a semi-annual commercial driver's abstract check (5-year record check).

Drivers with seven (7) demerits or more must receive written approval from the appropriate Vice President/General Manager or Director to be eligible to access a company or floater vehicle.

Any driver with seven (7) demerits or more will be notified and given the opportunity to take a defensive driving course that reduces his or her demerits. This will be at the driver's own cost.

Management reserves the right to evaluate driver performance at their discretion and to take the appropriate disciplinary action.

5.6 Driver Exclusions

Employees who operate company or floater vehicles, or who use their personal vehicle for business purposes are required to strictly adhere to Safe Driving requirements as stated in Savanna's Health and Safety Manual.

Failure to comply with HSE guidelines or recurring convictions, major conviction(s) or criminal conviction(s) could result in an individual being disqualified or disentitled to operate a vehicle for or on behalf of Savanna. If this impacts the individual's ability to carry out their duties in the opinion of management the employment of the individual may be subject to termination with cause.



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The following guidance is provided as to when conviction(s) require management review for entitlement to operate a vehicle:

- One or more Criminal Conviction(s) in a 60 month period;
- One or more Major Conviction(s) in a 36 month period;
- Two or more Serious Convictions in a 36 month period;
- Three or more Minor Convictions in a 24 month period;
- One Serious Conviction and two Minor Convictions in a 36 month period.

For definitions of criminal convictions please refer to Appendix 3.

5.7 Vehicles Used for Business Purposes

5.7.1 Company Floater Vehicles

Company floater vehicles must be returned with a full tank of gas, washed and cleaned inside and out (subject to weather conditions). Company floater vehicles are NOT to be used for personal use such as moving or transporting goods, personal errands or any other unauthorized activities.

5.7.2 Shop Vehicles

Shop vehicles are to be used only by approved personnel at their assigned location for business related purposes. Shop vehicles must be kept at the assigned Savanna location at all times unless approved by Operations Management. Using shop vehicles for personal use such as moving or transporting goods, personal errands or any other unauthorized activities, is not permitted without prior approval of the Operations Manager or VP & General Manager of their division.

5.7.3 Rental Vehicles

When travelling on business employees may rent vehicles for business use. When operating a rented vehicle employees are required to adhere to this policy and all other safety and related policies. Many rental vehicles are non-smoking, please respect the rental companies instructions in regards to maintaining the vehicle.

Any charges by the rental company for unauthorized use, including cleaning will be charged to the employee.

5.7.4 Personal Vehicles

Employees who are approved to use their personal vehicles for business trips will be compensated for mileage subject to Savanna's automobile allowance rate (Available on Savnet) these allowances are subject to change.

Automobile allowance rates shall serve as full reimbursement for the use of the employee's personal vehicle including but not limited to all maintenance repairs, damage to windshields, tires, oil, fuel, insurance, registration fees and for the repair of any damage sustained while driving the vehicle for business use.



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Personal vehicles used for business related activities must carry a minimum of \$2 million of auto liability coverage.

NOTE: SAVANNA WILL NOT BE RESPONSIBLE FOR ANY DAMAGE TO PERSONAL VEHICLES USED ON COMPANY BUSINESS.

5.7.5 Personal Vehicles for Rig Manager and Operator (Driller, Well Servicing only) Positions

Under certain circumstances, Rig Managers and Operators (Driller, Well Servicing only) may use personal vehicles for business purposes, upon receiving approval from the appropriate Field Superintendent or Operations Manager of their division in writing and that their vehicle meets minimum specifications acceptable to Savanna. Personal vehicles must carry a minimum \$2 million of auto liability coverage. Proof of valid insurance and commercial registration must be provided to Savanna before a personal truck can be used for business use.

Rig Managers and Operators (Drillers, Well Servicing only) approved to use their personal vehicle for business purposes must maintain their personal vehicle regularly in accordance to section 5.11 of this policy. Personal vehicles that are approved to be used for business purposes must be a half ton or heavier with 4 wheel drive. The truck must be in good condition and no more than 5 years old and is subject to Field Superintendent or Operations Manager approval.

NOTE: SAVANNA WILL NOT BE RESPONSIBLE FOR ANY DAMAGE TO PERSONAL VEHICLES USED ON COMPANY BUSINESS.

5.8 Personal Driving of Company Provided Vehicles

Employees may use company assigned vehicles for limited personal driving. The following outlines personal driving that is permitted:

- Travel between home and work.
- Personal driving on a limited basis. Total personal driving should not exceed 10% of total driving without the written permission of their immediate Supervisor.
- Towing of personal trailers is not permitted without the prior written approval of the Operations Manager or VP & General Manager of their division.
- Long distance holiday trips (500 km or more) are not permitted without the prior written approval of the VP & General Manager of their division.

At all times, Drivers must operate the vehicle in accordance with the Traffic Safety Act for the jurisdictions in which they are travelling and follow the Transportation of Dangerous Goods (TDG) regulations as applicable. Passengers are permitted in the vehicle, provided they too are compliant with all applicable rules governing the safe operation of company vehicles.

5.9 Taxable Benefit

In compliance with the Canadian Income Tax Act employees with company assigned vehicles are subject to a taxable benefit for personal use. To ensure compliance with the Canadian Income Tax Act each employee assigned a company vehicle is required to maintain a log of the total kilometers of business and personal use.



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Failure to report usage or disclose usage to tax authorities may result in penalties or fines to the employee. Responsibility for reporting and paying taxes related to personal use is the sole responsibility of the employee. Savanna will not be liable for filing any taxes on behalf of employees or paying any costs, fines or fees related to filing or not filing taxes. Contact Payroll for further assistance on tax matters or to setup withholding for tax liabilities.

5.10 Appropriate Use

Employees operating a vehicle for company business must adhere to the following:

- Carry and maintain a current valid driver's license and insurance card at all times;
- Follow all HSE policies and procedures in respect to safe vehicle operations;
- Refrain from using mobile phones, personal listening devices and from conducting any other activities which may impede the drivers ability to focus on safely operating the vehicle while it is in motion;
- Ensure the security of the company vehicle assigned or used by them;
- Do not allow unauthorized personnel to ride in company vehicles (e.g. hitch-hikers);
- Never operate a vehicle if under the influence of alcohol or drugs, or when impaired by illness, fatigue, injury or prescription medication;
- Comply with all laws governing motor vehicle operations.

5.11 Vehicle Maintenance

If you or your group is assigned a company vehicle, you are responsible for the regular maintenance of the vehicle. Employees assigned with a company vehicle or company floater vehicle are, to the extent possible, to use the fuel and maintenance card to pay for regular oil changes and maintenance check-ups. If any major maintenance is required for a company vehicle or company floater vehicle please contact your local Supply Chain Personnel or appropriate Operations Manager for assistance.

If a personal credit card is used for vehicle maintenance a copy of receipts, including an invoice from the service provider, description of the expense and the vehicle reference number should be include on the expense report.

The company vehicle should be well maintained in accordance with the manufacturer recommendations and kept clean (inside and out). Maintenance and inspection of a company vehicle is the responsibility of the assigned driver. Employees assigned with a company vehicle are also expected to adhere to Savanna's graphic standards.

5.12 Use of Fuel Cards and Maintenance Cards

Each company vehicle is assigned a company fuel and maintenance card. These are to be used only for business purposes and to help maintain the company vehicle. This includes filling up the assigned vehicle with a tank of gas, and any regular maintenance check-ups or oil changes. Use of fuel cards for purchasing fuel for personal vehicles or to purchase personal items is a violation of this policy and Savanna's Code of Conduct and shall be subject to disciplinary action up to and including termination.

5.13 Loaning of Company Vehicles to Other Drivers

Company vehicles shall be operated only by or under the direct supervision of an employee of Savanna.



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5.14 Motor Vehicles Moving or Stationary Violations

Employees are expected to comply and adhere to respective laws governing motor vehicle operations. Employees are required to notify their supervisor immediately upon receipt or notification of any infractions received (including photo radar) while operating a commercial, company or floater vehicle and may be subject to disciplinary action. The company will not pay for any motor vehicle violations (moving or stationary). Such violations are the responsibility of the employee operating the vehicle. Savanna's payroll department will deduct any motor vehicle violations (e.g. speeding tickets or parking tickets) from the pay of the employee who the vehicle is assigned to.

Savanna has a policy of zero tolerance for anyone who is convicted with a criminal offence while driving a company vehicle. If the employee is found to be criminally responsible, the employee will be subject to termination for cause.

Employees with access to a commercial, floater or company vehicle are required to inform Savanna immediately through their Manager of any driver's license changes such as suspensions, terminations, expirations or conditions. In these situations, Savanna has the right to revoke driving privileges until the employee has the proper license in place again. Employees that fail to report this information may be subject to disciplinary action up to and including termination of employment for cause.

5.15 Accidents

In the event of an accident while operating any vehicle on company business the employee must immediately report any accident or damage to the vehicle to their direct supervisor and strictly follow the requirements of Section 4 - '*Incident Management*' of the Savanna Energy Services Health and Safety Manual. Failure to report accidents is subject to disciplinary action.



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6. Acknowledgement and Agreement:

I, _____, acknowledge that I have read and understand the Savanna Company Vehicle Policy (Canada), and I agree to adhere to this agreement in its entirety and will ensure that employees working under my direction adhere to this Policy. I understand that if I violate the rules set forth in the Policy, I may face legal, punitive, or corrective action.

Name: _____

Signature: _____

Date: _____

Witness: _____



APPENDIX 1



Floater Vehicle Declaration Form

Please complete the following form and return to Human Resources

Every Savanna Employee MUST agree to the terms and conditions set forth in the Company Vehicle Policy and in this declaration form before utilizing a Savanna floater vehicle. Before gaining access to a Savanna floater vehicle, employees must give this signed declaration form and a copy of their valid driver's license to Human Resources who will provide access for the employee. This form will only need to be submitted once to HR.

I request authorization for the use of Savanna's floater vehicle. I acknowledge that use of a Savanna floater vehicle is expressly conditioned on my agreement to the terms of the Company Vehicle Policy and the conditions of this document.

I understand, acknowledge, and agree to the following terms/conditions for each usage of a floater vehicle:

- I certify that I have a current and valid Driver's License;
- I agree to comply with respective laws governing motor vehicle operations while using a Savanna floater vehicle at all times;
- I understand and agree to adhere to Savanna's Company Vehicle Policy;
- I represent and acknowledge that I have read and fully understood this declaration form and Savanna's Company Vehicle Policy.

Employee Name and Position	
Division <input type="checkbox"/> Corporate <input type="checkbox"/> SWS <input type="checkbox"/> Drilling <input type="checkbox"/> D&D	
Driver's License Number and Expiration Date	
Employee Signature	Date



APPENDIX 2
Sample Log Book

Vehicle Reference Number: _____

DATE	KILOMETERS			LOCATION	
	Start (km)	Finish (km)	Subtotal (km)	From	To

Total Kilometers Driven	
--	--

Employee's Name _____

Employee's Signature _____

Date _____



APPENDIX 3

Examples of Convictions

Criminal Convictions include, but are not limited to, the following:

- Driving While Intoxicated (DWI), Driving Under the Influence (DUI), OUI (Operating Under the Influence)
- Refusing a substance test
- Criminal negligence
- Reckless Driving
- Manslaughter
- Hit and Run
- Dangerous operation of a vehicle
- Flight from a Peace Officer
- Driving with a suspended license

Major Convictions include, but are not limited to, the following:

- Careless driving
- Failing to remain at the scene of an accident
- Failing to stop for a school bus
- Racing
- Speed exceeding the limit by more than 50km/h (30 mph)
- Failing to stop at a railway crossing for a school bus or vehicle carrying explosives, gas or flammable liquids
- Failing to stop for a Peace Officer

Serious Convictions include, but are not limited to, the following:

- Failing to yield to a pedestrian in a crosswalk
- Following too close
- Speed exceeding the limit by more than 15 km/h (10 mph) but less than 50 km/h (30 mph)
- Speeding at an unreasonable rate
- Driving left of center
- Driving the wrong way on a one way
- Failing to report an accident
- Failing to stop at a stop sign
- Failing to stop at a red light
- Impeding a passing vehicle
- Improper passing
- Stunting

Minor Convictions include, but are not limited to, the following:

- Failing to obey instruction of traffic control device
- Improper backing
- Improper turns
- Improper u-turns
- Traffic lane violation



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- Speed exceeding the limit up to 15 km/h (10 mph)