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COMPANY VEHICLE POLICY

Approved By: DocuSigned by: Cliff Swadling C88DD90C21B04B8... Cliff Swadling, Vice President Operations **Date:** 4/12/2023
Revision: April 2023

INTRODUCTION

This Policy addresses the acquisition, assignment, operation, and retirement of Company Vehicles. Obsidian Energy Ltd. and its subsidiaries are referred to as "Obsidian Energy" or "the Company." Unless stated otherwise, this Policy applies to the directors, officers, employees, and contractors (referred to collectively as "Representatives") of Obsidian Energy. Any exceptions to this Policy require written authorization from the Vice President, Operations.

DEFINITIONS

"Fleet Manager" is a general reference to the position in the Company that has been assigned responsibility for fleet management. This includes functions such as obtaining and filing drivers abstracts, control of maintenance records, fleet cost reporting, Company Vehicle acquisitions, disposals, and management of leasing company contracts.

"Company Vehicle" refers to a vehicle leased, owned, or rented by Obsidian Energy and provided to an individual driver who is responsible for its operation.

"Demerit Points" are used in the Province of Alberta to maintain an accurate account of a driver's convictions on their driving record. Demerit points are assigned in accordance with the Regulations under the Motor Vehicle Administration Act. Convictions in other provinces will be converted to Demerit Points by the Fleet Manager to assess whether an individual is an approved driver.

"Electronic Tracking Technologies" means a technological method or system used to observe, monitor, collect or send information, including Global Positioning Systems (GPS), wireless technology, or location-based technologies. Electronic Tracking Technology may include event data recorders (EDR) sensing and diagnostic modules (SDM) or other systems that are used for the purpose of identifying, diagnosing, or monitoring functions related to the potential need to repair, service, or perform maintenance on Company Vehicles, to capture safety-related data for retrieval after a collision, incident, near miss, or similar events, or to verify vehicle location and driver behavior.

"opLYNX" is a web based third party software utilized by Obsidian Energy to facilitate field reporting and management of field operators.

"Representative" is any person, employee, contractor, or otherwise who may use Company Vehicles or represent Obsidian Energy as it pertains to the use of Company Vehicles.

"Approved Drivers" are Representatives who have met all driver qualification requirements.

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COMPANY VEHICLE ACQUISITION

Positions considered for a Company Vehicle require the approval of the Vice President, Operations.

All Company Vehicles, off-road vehicles and trailers must be accounted for and set up with an internal unit number. A copy of the bill of sale (and original New Vehicle Information Statement for new purchases only) must be forwarded to the Fleet Manager.

COMPANY VEHICLE STANDARDS AND ACCESSORIES

Specifications for Company Vehicles are determined by the Fleet Manager. Any non-standard equipment must be approved by the Supervisor of the Representative to which the Company Vehicle has been assigned. After the Company Vehicle is acquired, a Representative must not modify it or install any further accessories, even at personal expense, without prior approval in writing from their Supervisor and Fleet Manager.

DRIVER QUALIFICATION

Company Vehicles and vehicles rented under Obsidian Energy's insurance may only be operated by approved drivers. Approved drivers must:

- Comply with all laws, authorities, and regulations
- Possess a valid drivers' license for the class of vehicle they are operating
- Consent to Obsidian Energy obtaining their Drivers' Abstract covering the past three years and future years from the time it is obtained. Obsidian Energy shall have full discretion to obtain the Drivers' Abstract at any time or multiple times without notice
- Maintain satisfactory driving record in accordance with applicable laws and regulations
- Review and sign the Company Vehicles Policy Acknowledgement and Consent as Appendix "A"
- Comply with this Policy

TICKETS, DRIVING OFFENCES AND COMPLAINTS

Representatives are responsible and liable for traffic tickets, citations and parking violations incurred while the Representative has possession of the Company Vehicle. Obsidian Energy may pay the fine on the Representative's behalf and the Representative is required to reimburse Obsidian Energy. All complaints concerning the operations of Company Vehicles will be reviewed.

ELECTRONIC TRACKING TECHNOLOGIES

Obsidian Energy may utilize Electronic Tracking Technologies and other electronic solutions in support of driver safety, driver behavior, and to identify opportunities for improvement of its operations. Electronic Tracking Technologies cannot be tampered with, disabled, or altered in any way.

COMPANY VEHICLE CARE, COSTS & SAFE OPERATION

Representatives are responsible for ensuring that:

- Keys and Fuel card assigned are protected
- The vehicle is locked and valuables are removed from it whilst unattended
- Report business and personal mileage monthly
- All incidents involving their company vehicle are immediately reported to their direct supervisor

Theft or loss of personal items from a Company Vehicle are the responsibility of the Representative and Obsidian Energy is not responsible nor obligated to insure the vehicle for such losses.

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MAINTENANCE AND AUTO BODY REPAIRS

Auto Body Repairs

Upon a vehicle incident requiring auto body repairs, a body shop estimate must be completed and forwarded to the Fleet Manager. If the repair estimate exceeds $2,000.00 or involves a third party, a Police Report is required.

In the event of an incident involving a third party, this must be coordinated by the Fleet Manager. Repairs are not to proceed until insurance liability is confirmed by the Fleet Manager. The Representative is not authorized to negotiate liability coverage or repair with the third party.

Maintenance

The Representative is responsible for ensuring that their company vehicle is properly maintained in accordance with the manufacturer's specifications.

The Representative is responsible to ensure that their company vehicle maintains a professional looking appearance by conducting regular housekeeping including exterior washing, interior cleaning, and disposal of garbage.

Smoking

Smoking, including the use of electronic smoking devices, is strictly prohibited inside pool vehicles, shared vehicles, or any vehicle that may be assigned to another driver at any point in its life cycle.

PERSONAL USE AND TAXABLE BENEFITS

Personal use of Company Vehicles is set out in Schedule "B". Except as outlined in Schedule "B", personal use of Company Vehicles is not permitted.

All Obsidian Energy safety standards and procedures remain in effect during personal use. The company will follow the Canada Revenue Agency (CRA) regulations and calculations. In the event of a CRA audit, it is the Representative's responsibility to prove their personal driving.

The CRA considers the personal driving of an employer's automobile to be a taxable benefit to the Representative. Personal driving is any driving by a Representative for any purpose not related to their employment, including the travel between home and work, even if the employer insists that the Representative drive the vehicle home. All personnel with an assigned vehicle will be assessed a taxable benefit.

USE OF PERSONAL VEHICLES FOR BUSINESS

Use of personal vehicles for business purposes must be authorized by the Representative's Manager.

For any loss or damage incurred while using a personal vehicle for business, representatives are aware that:

- The loss will become part of the Representative's 'loss history'
- The Representative's own auto insurance will always be the first to respond to a claim
- Deductible payments and limits are the responsibility of the Representative
- Obsidian Energy is not responsible for any damage occurring while Representative was using their personal vehicle for business
- If Obsidian Energy is named in a claim, it will provide defense/coverage for any liability that may attach to Obsidian Energy directly

Representatives who choose to use personal vehicles for business travel will be compensated at the CRA automobile allowance rate for the calendar year the expense incurred. Obsidian Energy will not provide further compensation for vehicle usage beyond the CRA published rate, including but not limited to:

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- Cost offsets for increases in employee insurance premiums
- Expenses related to maintenance and wear and tear on personal vehicles
- Fuel costs
- Physical damage
- Incurred tax liabilities
- Deductible premiums for loss claim through the Representative's auto insurance policy

COMPANY VEHICLE RETIREMENT AND RETURN PROCEDURES

The Fleet Manager has the authority to direct how a retired Company Vehicle will be disposed of. The purchase of a retired Company Vehicle by the Representative requires the approval of the Vice President, Operations. In the event of a Representative purchase of a retired Company Vehicle, the transaction is between the Representative and the Leasing Company, in which Obsidian Energy has no interest or obligations.

All Representatives starting maternity, paternity, educational, compassionate care, leave greater than 120 days or any without pay leave, forfeit the use of the Company Vehicle. The Company Vehicle must be returned along with keys and the fuel card. When the Representative returns to work, there is no guarantee the Representative will receive the same type or originally assigned vehicle. Obsidian Energy has the right to request to have any vehicle returned to the company at any time without notice.

BREACHES OF THIS POLICY

Violation of this Policy or other Obsidian Energy Policies may result in disciplinary action. This may include termination with cause of employment, contract, or consulting services. Representatives who are aware of a violation of this policy must inform their supervisor. The loss of approved driver status may result in termination of employment with cause. Suspension of driving privileges must be reported to the Representative's supervisor immediately.

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SCHEDULE "A"

OpLYNX, TELEMATICS, AND COMPANY VEHICLES POLICY
ACKNOWLEDGEMENT AND CONSENT

I, _____, am providing services for the benefit of Obsidian Energy Ltd. ("Obsidian Energy" or "Company"). I have either been assigned a Company Vehicle for my exclusive use, I may be permitted to use a Company Vehicle on an as-needed basis, or I may be permitted to rent a vehicle under the Company's insurance.

I understand that the Company is committed to ensuring safe operations and to minimizing the impacts of its operations on both the environment and in the communities in which it operates. I also understand that the Company continually strives to improve the efficiency and reduce the costs of its operations. In order to assist the Company to meet these commitments, individuals may be issued tablets containing opLYNX software ("opLYNX") and Company vehicles may be fitted with GPS/AVL tracking and remote diagnostic tools ("Electronic Tracking Technology").

opLYNX uses GPS technology in order to assist with the management of operations. Obsidian Energy only requires that opLYNX be utilized during work hours. As such, any collection of data outside of work hours is incidental and deemed to be with the consent of the individual. opLYNX may collect and transmit information to Obsidian Energy concerning the following while the tablet is powered up:

- Location of the tablet
- Duration at a location
- Route travelled
- Content of Obsidian Energy tickets and forms completed by the operator

Electronic Tracking Technology permits the Company to collect information concerning and to monitor the following, during and outside of work hours:

- Location of the Company Vehicle including, without limit, current location, historical location, and route travelled by the vehicle
- Operation of the Company Vehicle including, without limit:
    - Compliance with /contravention of Company Policies and applicable law
    - Speed
    - Hours of operation
    - Idling

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  - Fuel usage/CO2 emissions
  - Damage, accidents and near-misses
  - Seat Belt usage
  - Braking
  - Acceleration/deceleration
  - Cornering
- Need to repair, service or perform maintenance including preventative maintenance, as well as compliance with maintenance schedules.

I understand that data obtained from opLYNX and Electronic Tracking Technology on any Company Vehicle that is assigned to me or that I am permitted to use may contain my personal employee information and may be utilized by Company for purposes related to the following:

- To confirm compliance with Company Policies and applicable law
- To confirm safe use of the Company Vehicle
- To confirm unauthorized usage or theft
- As part of an investigation following a collision, incident, near miss or similar event involving me or the Company vehicle
- To review and assess validity of complaints concerning operation of the Company Vehicle
- To analyze and improve the efficiency of use of the Company Vehicle and all Company Vehicles
- To analyze and improve efficiency and productivity through the management of human resources
- To facilitate the tracking of personal use and business use of the Company Vehicle
- To facilitate the assessment of a taxable benefit in the event I am authorized to use the Company Vehicle for personal use
- To mitigate any legal exposure arising out of the fact that the vehicle is owned by the Company or that I am permitted by the Company to operate a Company Vehicle
- To confirm compliance with the terms and conditions of Company Vehicle insurance policies

I understand that the Company will retain the personal employee information collected using opLYNX and Electronic Tracking Technology for the period of 12 months following its collection and that if I wish to access this information that I may request to view this information by contacting the Fleet Manager.

Dated this _____ day of _____, 20___.

_____

SIGNATURE

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SCHEDULE "B"



PERSONAL USAGE FOR ASSIGNED COMPANY VEHICLES

Personal Use Summary

Level 1	Personal use within 50 km radius while on call and no personal towing
Level 2	Personal use within 300 km radius and no personal towing
Level 3	Personal use within Western Provinces/Territories and personal towing limited to 80% of vehicle towing capacity

For all levels, any use of company vehicles, personal or otherwise, outside of the Western Provinces/Territories, requires written approval from the Vice President, Operations.

Personal Usage for Assigned Company Vehicles

Title	Usage Level
Operator	1
Field Safety Advisors, Planners, Production Technologists	2
Superintendents, Foreman, Managers, Executives, Ops Coordinator, Pipeline Lead	3