



Policy No.:	LSH Group Australia AUA.2021.10.10
Policy Name:	Company Vehicle Policy
Attention:	All LSH Auto Australia Employees
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Approved By:	Managing Director / Chief Financial Officer
Updates	<b>Term and conditions</b> <b>Inclusion of smart vehicles</b>

## LSH Auto Group Australia Company Vehicle Policy

### 1. General

#### 1.1 Definitions

- **LAA** – refers to LSH Auto Australia
- **Company Car** – Any car owned or leased by the Company
- **Demonstrator Vehicle** – Vehicle used for the predominant purpose of customer demonstration.

#### 1.2 Protection of Corporate Assets

Employees have a responsibility to protect company assets (including Company cars) against loss, theft, abuse, unauthorised use and disposal.

#### 1.3 Non-adherence

Non-adherence to any clause of this policy, including related policies and procedures, legislation and local guidelines, may result in disciplinary actions against the person committing the breach. Identified breaches of this policy or applicable laws will be reviewed by Management and where there are clear signs that an employee is not complying with applicable local laws, the matter will be referred to the employee's Manager and Human Resources for determination of appropriate action. The Company also reserves the right to recover any costs from an Employee who damages Company property as a result of breaching this policy or who incurs fines or other related penalties.

### 2. Company Vehicle Program

There are a number of Employee contracts that include a Company Vehicle as part of the employee's package. These legacy entitlements will remain in place however, all Employees who utilise a Company Vehicle will be required to pay a contribution to minimize the Fringe Benefit Tax costs, please see section 3.7.

#### 2.1 Eligibility

Role which include the provision of a Company Vehicle include;

- Managing Director
- Chief Financial Officer
- General Manager(s)
- Dealer Principal(s)
- Group Head(s)
- Department Manager(s)
- Retail Business Manager(s)



- Product Executive(s)
- Product Advisors
- Aftermarket Sales Executive(s)
- Service Advisor(s)

A number of separate Employee contracts, of which those positions are not listed, may include a Company Vehicle as part of the employee's total package. These legacy entitlements will remain in place where they are stipulated in an employee's contract/agreement.

## **2.2 Conditions of Use**

- Company Vehicles are available for incidental private use.
- Company Vehicles are to be kept in a clean condition (interior and exterior) at all times.
- In addition to the Employee, the spouse or partner of the Employee is eligible to drive the car without the Employee being seated in the car.
- The Company Vehicle will either be leased on behalf of the employee or the employee will be provided a demonstration vehicle.
- All costs associated with the running of the vehicle will be incurred by the Company. These costs include registration, insurance and fuel or charging costs.
- Any damage as a result of an 'At Fault' claims or incident will be the liability of the Employee.
- For new employees, if use of a Company Vehicle forms part of your employment agreement access to your Company Vehicle will be available from the contractual first day of employment and not before.

**Managers should ensure that all staff members who are assigned a Company Vehicle are aware of all these conditions.**

## **2.3 Car Models / Mercedes-Benz**

The Company uses a defined value band system. The band system will be determined in-line with your position within the company. The banding is shown in Appendix A. Any exceptional allocation of a vehicle outside of the band system requires approval and sign off by the Dealer Principal and CFO.

The allocation of models within the banding's will be determined by availability and in-consultation with the new car sales manager and dealer principal to meet company requirements.

## **2.4 smart Vehicles**

Smart (EV) vehicles will form part of the Company's Vehicle Program.

To service the needs of the business, the Company may allocate staff who receive a company car as part of their entitlement(s), into a smart vehicle.

The allocation of smart models will be determined by availability and in-consultation with the dealer principal for dealership staff to meet company requirements.

## **2.5 Period of Use**

Allocation of a Company Vehicle will be for a period of six 6 months unless otherwise approved by the Dealer Principal and CFO.



### **3. General Conditions of Use**

#### **3.1 Driver Must Hold a Valid Driver's License**

Drivers of Company cars must hold a current driver's license according to the provisions of the relevant regulations.

If for any reason or any period a driver ceases to hold a current driver's license, his/her authority to drive a Company Vehicle will be automatically cancelled. It is the responsibility of the Employee to advise the Company within 24 hours of this occurring.

Loss of a driver's licence, for any reason (where holding a driver's licence is an integral element of the role and not having a driver's license will seriously impact on the person's ability to perform the role) may also result in disciplinary action, including up to termination. Human Resources should be contacted to review all circumstances where an Employee provided with a Company Vehicle loses their driver's license.

#### **3.2 Approval for Probationary Drivers**

There are statutory restrictions on certain cars that Probationary/Learners/Restricted Drivers can drive. For further information, refer to your relevant road traffic authority for a full list of Mercedes-Benz vehicles which are restricted for use when holding a Probationary/Learners/Restricted License, which is also applicable for Employee's family members.

Mercedes-Benz vehicles that are commonly restricted for Probationary/Learners/Restricted drivers are:

- A turbo charged or super charged engine that are not diesel powered;
- High powered performance vehicles with 8 or more cylinders;
- An engine that has a power output of more than 200kW as per the manufacturer's specifications.

**It is the responsibility of the Employee to ensure that they comply with these conditions.**

#### **3.3 Provision of Fuel / Charging**

Fuel for Company Vehicles is provided by the Company either by access to a Department Company fuel card or certain staff may be issued a Fuel Card. A monthly fuel card limit applies to all staff. Fuel cards are the only method for purchasing fuel and must not be used for any other purchases besides fuel. LAA retains the right to withdraw this entitlement with 30 days' notice.

Staff issued a smart vehicle; charging will be provided by the Company with staff receiving a monthly charging allowance and access to onsite charging stations. Charging usage will be monitored and will only be accessible for company EV vehicles (smart and EQ range).

#### **3.4 Fuel Type**

Please refer to the owner's manual or filler flap for a list the fuels to be used in Company cars. LAA requests that cars are filled with fuel during the middle of the week avoiding Mondays, Fridays, weekends and public holidays to further reduce LAA or personal fuel expenses. In addition, petrol Company Vehicles should be filled only with RON 95 unless otherwise specified by the Manufacturer.

#### **3.5 Insurance and Registration**



LAA is responsible for providing full comprehensive insurance and registration for Company Vehicles.

### **3.6 Insurance Excess**

Company Vehicle holders will be required to pay insurance excess for 'at fault' claims.

Refer to Appendix C for charges.

### **3.7 Fringe Benefits Tax (FBT)**

The provision of a Company Vehicle will incur an FBT contribution.

The amount of the FBT contribution will be based on a Tier system, please see appendix A, the contribution amounts will be:

- \$25 (Inc GST) per week for Employees driving a smart vehicle
- \$50 (Inc GST) per week for Employees entitled to Tier A
- \$60 (Inc GST) per week for Employees entitled to Tier B
- \$70 (Inc GST) per week for Employees entitled to Tier C

For all Employees utilizing a Company Vehicle they are required to complete the Fringe Benefit Tax / Company Vehicle Deduction Form / Appendix F. This must be forwarded to your HR Representative.

### **3.8 Vehicle Tiering & Allocation**

In the event that an Employee is allocated a Company Vehicle that falls outside the appropriate tier, authorization must be obtained by both the Dealer Principal and Chief Financial Controller **without exception**. The applicable adjustment in FBT may be applicable.

### **3.9 Complying with Applicable Local Laws**

It is a requirement of all Employees to observe all local laws. This applies to the conduct of our Employees when in charge of a Company Vehicle. It is the expectation of LAA that all Employees comply with the applicable road laws at all times to:

- 3.9.1 ensure the safety of our Employees
- 3.9.2 ensure the safety of the General Public
- 3.9.3 protect the Company's assets
- 3.9.4 protect the reputation of the Company and our brands

### **3.10 Use of Alcohol and Drugs**

It is LAA policy that Employees shall not operate a Company Vehicle while under the influence of alcohol or drugs and, in the case of an assigned Company Vehicle the Employee shall not permit any other person to operate that car while under such influence. Please refer to the LAA Drug & Alcohol Policy if needed.

Insurance coverage may be void if a Company Vehicle is operated by a person under the influence of such substances and where this applies, the cost of damages to Company Property and/or 3<sup>rd</sup> Party Property will be borne by the Employee.

A police report or arrest which indicates that a Company Vehicle has been operated by a person under the influence of alcohol or drugs will be deemed sufficient reason to take disciplinary action. Moreover, no Employee shall drive or be in charge of a Company Vehicle nor permit any other person



to drive or be in charge of a Company Vehicle while more than the prescribed concentration of alcohol is present in the blood of such employee or other person. As the prescribed concentration varies depending upon the jurisdiction within which a car is operated, the classification of licence/permit held by the person operating the car and the type of car being driven, it is the responsibility of each Employee to be aware of the prescribed concentration applicable to his or her circumstances. If an Employee has any doubt as to the relevant prescribed concentration, they must clarify the matter with the Human Resources Department.

### **3.11 Use of Company Vehicle**

No Company Vehicle is to be used for racing, pace making, reliability trials, speed or hill climbing tests, or any other purpose other than private domestic use.

Company Vehicles, wherever parked should be securely locked and protected against theft, illegal use or damage. Drivers authorised to take Company Vehicles home, should park the car within the boundaries of their property when not in use.

The Company will not be held responsible for the loss of personal property taken/stolen from a Company Vehicle.

As Company cars are available for sale at all times, it is the responsibility of an Employee to whom a Company car is assigned to ensure that the car is maintained in the best possible condition in terms of both appearance and mechanical condition. For example, smoking in Company cars is strictly prohibited.

It is the responsibility of the car custodian to ensure that regular recommended service inspections or maintenance requirements are attended to in accordance with the recommended schedule in the vehicle service booklet.

### **3.12 Road Traffic and Parking Fines**

Employees will be held personally responsible for any traffic or parking fines attaching to the car assigned at the date of the infringement. If assigned cars are loaned within a department it is recommended that a record of car loans be kept to ensure that drivers can be traced in the event of a fine being imposed.

### **3.13 Fitting of Accessories**

This is not permitted without the prior approval of the Dealer Principal.

### **3.14 Car Repairs and Maintenance**

Any required repairs or maintenance must be approved by the Dealer Principal prior to any work being undertaken. The only exception to this rule is for emergency work that is required after hours and is required to protect the driver and the Company's asset.

### **3.15 Return of a Company Car**

Upon return of a Company car the overall condition must exhibit the following:

- 3.15.1 Exterior must be clean (washed of all dirt)
- 3.15.2 Interior clean (vacuumed, free of stained or damaged trim and/or carpets)
- 3.15.2.1.1 The allocated set of keys, service literature, spare tyre, first aid kit, tool kit and floor mats must be returned. Any items missing will be replaced and charged to the employee



Company cars will be sourced through a variety of providers, return of a Company car and completion of the "Grounding Report" will vary dependent upon the provider. The Grounding Report will need to be completed by the lease representative and where repairs are necessary, the cost of such repairs will be charged to the employee.

### **3.15 Road Tolls**

Some Employees may receive an E-Tag as part of their Employee contract or legacy entitlement, this will remain in place however LAA retains the right to withdraw this entitlement with 30 days' notice.

For those Employees who retain an E-Tag as part of a legacy entitlement they will be responsible for any toll costs that are not work related, unless stated in their contract or at the approval by the Dealer Principal.

For those Employees who do not receive an E-Tag as part of their package they will be responsible for any/all tolls, unless stated in their contract or at the approval by the Dealer Principal.

### **3.16 Accidents/Company Car Repair**

In the event of an accident or if the car is damaged in any way, it is the Employee/Driver's responsibility to advise Management of the occurrence within 1 working day of the event occurring. Management will provide the custodian of the car with a claim form that should be completed and returned to Management within 24 hours.

In the event that towing is required, arrangements should be made to have the car transported to the nearest authorised Mercedes-Benz Dealer. The Mercedes-Benz road side assistance contact details are:

- 1800 807 700 in Australia

## **4. Reporting**

### **4.1 Registration and Maintenance**

All Employees issued a Company Vehicle are required to download an application (this will vary dependent upon the car provider) and register their Company Vehicle. Information that will need to be maintained includes:

- Personal Details
- Vehicle registration number
  - Any change of allocated Company car must be registered
- Weekly accurate kilometer reporting
- Reporting of any/all damage incurred

**The above information must be updated weekly or as required by the leasing provider.**

## **5. Vehicle Allowance**

For Employees or Management who have access to a Company car but do not wish to utilize this entitlement they **MAY** opt to receive a Vehicle Allowance payment as a separate entitlement. This payment will be processed in the Employee's normal pay run and will be paid as a pre-tax allowance. For details of the allowance, please contact your local HR representative.

Employees who 'opt out' of a Company car must inform their direct Manager, complete an Opt



Out Application, **Appendix E**. The application must be completed in full and submitted to your local HR Representative and Payroll.

Employee who elect to receive a vehicle allowance in lieu of a company vehicle must commit to a period of twelve (12) months. Only after the twelve-month period has been completed may the employee have the option to move into a company vehicle.

For employees who fall into a sales role, including Retail Business Manager, Product Executive, Product Advisor, etc will have access only to the use of a Company Vehicle. Those who were employed prior to 1<sup>st</sup> January 2022 and elected to receive a vehicle allowance, will continue to receive this entitlement as a “legacy clause”. In the case they elect to move to a Company Vehicle, they forego the vehicle allowance and will not be allowed to change in the future.

Certified Pre-Owned Sales Executives will only have access to the use of a Company Vehicle. Those who were employed prior to 1<sup>st</sup> January 2022 and elected to receive a vehicle allowance, will continue to receive this entitlement as a “legacy clause”. In the case they elect to move to a Company Vehicle, they forego the vehicle allowance and will not be allowed to change in the future.

## **6. Annual / Long Service / Parental Leave – Company Vehicle Usage**

Employees and Managers who receive the benefit of a Company Vehicle as part of their remuneration package will continue to have access to a Company Vehicle during times when they utilise their accrued entitlements to paid leave, this will include Annual Leave and Long Service Leave. The decision on specific vehicle type will be made by the Dealer Principal.

When a period of unpaid leave is taken, including where it immediately follows a period of paid leave, the Company Vehicle must be returned for the full period of unpaid leave.

Employees or Managers who utilise the Company provided Paid Parental Leave, and who receive the benefit of a Company Vehicle as part of their package, will continue to have access to a Company Vehicle for the duration of this period of paid leave. It is recommended that Employees use and or exhaust their Annual and/or Long Service Leave prior to utilising the Company's Paid Parental Leave program.

Employees or Managers who request to take their accrued leave entitlement or Paid Parental Leave at half pay to extend their leave period will continue to receive the benefit of the Company Vehicle, but only for the period of leave which has accrued at the full rate of pay. The FBT contribution will remain at 100% while they have access to the Company Vehicle. For example:

- Teri is a Sales Executive who wishes to take 12 weeks Paid Parental Leave however, she has requested this leave be paid at 50% extending the leave to 24 weeks.

Terry will have access to a Company Vehicle for 12 weeks of the 24 weeks taken. During those 12 weeks she will pay the full FBT rate for the time she is utilizing the vehicle.

Once the Company provided entitlement(s) have been exhausted and the Employee has moved to unpaid leave the Company Vehicle must be returned.





## Appendix to the Company Car Policy

### Appendix A

#### Model Guidelines

The following is a guide to the type of vehicles / cost including GST that may be made available to employees. As a guide, it is subject to withdrawal or variation without notice at any time due to factors such as supply, business & customer demands and changes to local and global company policies.

#### Employee Banding

**Tier A** – Aftermarket Executive / Product Advisors / Product Executives / Retail Business Managers / Service Advisors / Senior Accountants

**Tier B** – Department Managers / Assistant Managers.

**Tier C** – Managing Director / Chief Financial Controller / Dealer Principals / Group Heads / General Managers / Operation Directors.

**Smart** – All Tiers

Certified Pre-Owned Sales Executives, Wholesale and Valuers will sit in Tier B due to the variance of vehicles they drive.

<b>Tier</b>	<b>Banding Including GST</b>
Tier A	\$0 - \$68,000 / Mercedes-Benz
Tier B	\$20,000 - \$86,000 / Mercedes-Benz
Tier C	\$68,000 - \$135,000 / Mercedes-Benz
Vehicles unavailable	Greater than \$135,000 / Mercedes-Benz





## Appendix B-Insurance Excesses

Employees who are involved in an 'at fault' incident will be required to pay \$2,500 insurance excess.

Additional Excesses (if applicable):

Aged 21 or over and under 25 years of age	\$600
Under 21 years of age	\$800
Holder of an Overseas License or Australian License for less than 2 years	\$600

The case of an incident please contact your Dealerships insurance representative:

- Mercedes-Benz Sydney / AMG Performance Centre – Dominic Russo
- Mercedes-Benz Brisbane / MBQ Autobody – Clare Barker
- Mercedes-Benz Melbourne – Your Departmental Manager

### **Notes:**

Where it is deemed by our insurer an employee/driver is not at fault and provided the name and address of the other party and the make and registration number of the other party's vehicle are noted on the claim form, an excess is not payable by the employee/driver.



## **Appendix C** FBT Savings

Employees and Management are requested to leave their company provided vehicles at the dealership whilst traveling and during annual leave in order to -

- reduce Fringe Benefits Tax (via reporting 'days unavailable for private use') and
- to protect the company assets through secure vehicle storage.

An Employee Declaration, **Appendix D** will need to be completed and submitted to the Dealership / Senior Accountant and Payroll.



## Appendix D Employee Declaration for Existing Employees

### Employee Declaration

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In the case that you utilise a Company Vehicle and you do not intend on utilising your vehicle during your leave (interstate, overseas) and your leave is in excess of 2 weeks, you are instructed to complete the below Declaration which must be submitted with your completed leave application. At the time of your leave, you will need to hand back your vehicle and upon your return you will be placed back into your previous vehicle or a new car will be assigned. Please note that you must make arrangements with Sales Management in relation to hand back and picking up your vehicle, this will be the responsibility of the employee taking the leave.

Business trips: employees must complete the declaration when flights are booked. Company cars are to be left at MBS, MBB or MBM Airport when flying interstate. No airport parking allowed.

I, ..... declares that from  
..... to ..... a

Company Motor Vehicle was not available to me for private use. The total  
number of days equates to..... this is inclusive of all working days  
in addition to any and all Saturdays and Sundays.

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



## Appendix E Option Out of Company Car for Existing Employees

### Opting Out of Company Car / Current Staff

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I,....., declare from  
.....(date) will fully relinquish my use of a Company car.

I understand, in full that any benefits that arose from this entitlement cease from  
the above date. I confirm that I do not work within a Sales or Retail Business  
Management role.

In lieu of a Company car, I will receive a Vehicle Allowance.

I accept that this allowance replaces the previous entitlement.

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Manager: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Payroll Sign Off \_\_\_\_\_ Date \_\_\_\_\_



## Appendix F Fringe Benefit Tax / Company Vehicle Deduction Form for New Employees

### Fringe Benefit Tax / Company Vehicle Deduction Form

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As outlined in the Company Car Policy, the Company reserves the right to require employees to contribute to the cost of operating the Company Car by way of a monthly or fortnightly Employee contribution thus All Company issued drive cars will incur a Fringe Benefit Tax (FBT) Contribution.

The amount of the FBT contribution will based on a Tier system, please refer to the Company Car Policy,

- **\$25 (Inc GST) per week for Employees using a smart vehicle**
- **\$50 (Inc GST) per week for Employees entitled to **Tier A** vehicles**
- **\$60 (Inc GST) per week for Employees entitled to **Tier B** vehicles**
- **\$70 (Inc GST) per week for Employees entitled to **Tier C** vehicles**

Alternatively, for those Employees who do not fall within a sales role and have access to the use of a Company car but wish to not utilise this entitlement, a vehicle allowance will be available as a per-tax allowance.

I **WILL NOT** participate in the Company Vehicle Program and opt to receive a Vehicle Allowance payment:

☐

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

I **WILL** participate in the Company Vehicle Program

☐

#### Deduction Authorisation

To the Payroll Officer, I hereby authorise Payroll to make the necessary deduction as outlined above commencing on the first payroll processed after my commencement date.

I understand and agree that if I request to commence a deduction for the above, that this will continue to be deducted from my pay until I instruct payroll to stop the deduction by exiting the Company Vehicle program. **The** deadline for changing this request is 15 days prior to the processing of the payroll. When ~~ex~~the program the final payment will be a pro-rata payment or reimbursement for the remaining amount based on the return date and submission of a completed Vehicle Return Form.

Name: \_\_\_\_\_

Department: \_\_\_\_\_

Signature: \_\_\_\_\_

Dealership: \_\_\_\_\_

Deduction Amt: \_\_\_\_\_

Date: \_\_\_\_\_

Please note the deduction amount will be based on your role in relation to the Tiers as prescribed by the Company Vehicle Policy