Policy Name:	Company Vehicle Policy
Attention:	All LSH Group Australia Employees
Version:	5.8
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Approved By:	GCEO / Corporate Review / MD

Company Vehicle Policy

1. General

1.1 Definitions

- LGA – LSH Group Australia
- Company Vehicle – Any motor vehicle owned, leased or otherwise provided by the Company for business and/or permitted private use.
- Demonstrator Vehicle – A vehicle provided primarily for customer demonstration purposes.
- Smart Vehicle / EV – Battery electric or plug-in hybrid vehicle provided under the Company Vehicle Program.

1.2 Protection of Corporate Assets

Employees have a duty to take reasonable care to protect Company assets (including Company Vehicles) from loss, theft, damage, misuse, unauthorised use or disposal. This obligation aligns with general duties under Australian employment law and work health and safety (WHS) legislation.

1.3 Non-Adherence

Failure to comply with this Policy, related Company policies, contractual obligations, or applicable Commonwealth, State or Territory legislation may result in disciplinary action, up to and including termination of employment.

Where a breach results in damage to Company property, insurance excesses, fines, penalties or other losses, the Company reserves the right (to the extent permitted by law) to recover those costs from the Employee. Matters involving potential breaches of law will be referred to Management and Human Resources for review and determination of appropriate action.

2. Company Vehicle Program

Certain roles include access to a Company Vehicle as part of total remuneration. Existing contractual or legacy vehicle entitlements will continue to be honoured. All Employees who utilise a Company Vehicle are required to contribute toward Fringe Benefits Tax (FBT) in accordance with Section 3.7.

2.1 Eligibility

Roles that may include access to 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 Advisor(s)
- Aftermarket Sales Executive(s)
- Service Advisor(s)

Other Employees may have access to a Company Vehicle where expressly provided for in an individual employment contract or agreement. These arrangements will be treated as legacy entitlements where applicable.

2.2 Conditions of Use

- Company Vehicles may be used for business purposes and limited incidental private use.
- Vehicles must be always maintained in a clean and roadworthy condition.
- Company Vehicles must always be available for display or test drives if necessary.
- Company Vehicles must not be left at home without express permission by the Dealer Principal.
- In addition to the Employee, the Employee's spouse or domestic partner may drive the vehicle, provided they hold a valid licence and comply with this Policy.
- Vehicles may be leased on behalf of the Employee or provided as a demonstrator vehicle.
- Standard operating costs (registration, insurance, fuel or charging) are covered by the Company.
- Damage arising from an at-fault incident may result in the Employee being responsible for insurance excesses or uninsured costs.
- For new Employees, access to a Company Vehicle commences no earlier than the contractual start date of employment.

Managers must ensure Employees are aware of and understand these conditions.

2.3 Vehicle Models – Mercedes-Benz

The Company operates a defined value band (tier) system linked to role seniority. Banding details are outlined in Appendix A. Allocation outside approved bands requires prior written approval from the Dealer Principal, Managing Director & Financial Controller.

Vehicle allocation within bands is subject to availability and business needs, in consultation with the New Car Sales Manager and Dealer Principal.

2.4 Smart / Electric Vehicles

Smart (EV) vehicles form part of the Company Vehicle Program. Where operationally appropriate, Employees may be allocated an EV as part of their entitlement. Allocation will be based on availability and business requirements, in consultation with the Dealer Principal.

2.5 Period of Use

Company Vehicles are generally allocated for a period of six (6) months unless otherwise approved by the Dealer Principal, Managing Director & Financial Controller.

3. General Conditions of Use

3.1 Valid Driver's Licence

Employees and any authorised drivers must hold a current and valid driver's licence appropriate for the vehicle and jurisdiction.

If an Employee's licence is suspended, cancelled or restricted, authority to drive a Company Vehicle ceases immediately. Employees must also notify their Manager and Human Resources within 24 hours.

Where holding a licence is an inherent requirement of the role, loss of licence may result in disciplinary action, up to and including termination, following consideration of all circumstances.

3.2 Probationary / Restricted Drivers

Statutory restrictions apply to vehicles that may be driven by Learner, Provisional or Restricted licence holders. These restrictions also apply to family members authorised to drive the vehicle.

It is the Employee's responsibility to ensure compliance with relevant State or Territory Road authority requirements, including restrictions relating to:

- High-powered vehicles
- Turbocharged or supercharged petrol engines
- Vehicles exceeding prescribed power-to-weight or kilowatt limits

3.3 Fuel and Charging

Fuel is provided via Company-issued fuel cards or departmental cards. Fuel cards must only be used for fuel purchases only. Monthly limits apply and misuse may result in withdrawal of the card and disciplinary action.

For EVs, the Company will provide access to onsite charging and/or a monthly charging allowance. Charging usage may be monitored and is restricted to Company EVs only.

3.4 Fuel Type

Vehicles must only be refuelled in accordance with manufacturer specifications. Unless otherwise specified, petrol vehicles should be fuelled with RON 95. Employees should refer to the vehicle owner's manual or fuel filler label.

3.5 Insurance and Registration

The Company maintains comprehensive insurance and registration for all Company Vehicles.

3.6 Insurance Excess

Employees will be required to pay the applicable insurance excess for at-fault claims, as outlined in Appendix C.

3.7 Fringe Benefits Tax (FBT)

Use of a Company Vehicle constitutes a fringe benefit under the Fringe Benefits Tax Assessment Act 1986 (Cth). Employees must contribute in accordance with the applicable tier:

- Smart Vehicle: $25 (incl. GST) per week
- Tier A: $50 (incl. GST) per week
- Tier B: $60 (incl. GST) per week
- Tier C: $70 (incl. GST) per week

Employees must complete the FBT / Company Vehicle Deduction Form (Appendix F) and submit it to Human Resources.

3.8 Vehicle Tier Compliance

Allocation outside an Employee's approved tier requires written approval from the Dealer Principal, Managing Director and Financial Controller. FBT adjustments may apply.

3.9 Compliance with Laws

Employees must comply with all applicable road traffic, WHS and criminal laws when operating a Company Vehicle, including obligations to:

- Drive safely and lawfully
- Protect the safety of Employees and the public
- Protect Company assets
- Uphold the reputation of the Company and its brands

3.10 Alcohol and Drugs

Employees must not drive, or permit another person to drive, a Company Vehicle while under the influence of alcohol, illicit drugs or impairing medication. This requirement aligns with WHS obligations and road safety laws.

Insurance may be void where a vehicle is driven while impaired. Any resulting costs may be recovered from the Employee. Breaches may result in disciplinary action. Refer to the Fitness for Work Policy.

3.11 Use Restrictions

Company Vehicles must not be used for racing, competitive events or unlawful purposes. Vehicles must be locked when unattended and reasonably secured at all times.

Smoking or vaping in Company Vehicles is strictly prohibited.

Employees are responsible for ensuring vehicles are serviced and maintained in accordance with manufacturer requirements.

3.12 Fines and Infringements

Employees are personally responsible for all traffic, parking and toll infringements incurred while using a Company Vehicle.

3.13 Accessories

No accessories or modifications may be fitted without prior written approval from the Dealer Principal.

3.14 Repairs and Maintenance

Repairs and maintenance require prior approval, except in emergencies necessary to protect safety or prevent further damage.

3.15 Return of Company Vehicles

Upon return, vehicles must be clean and in good condition. All keys, manuals, safety equipment and accessories must be returned. Missing items or excess wear may be charged to the Employee.

Return and grounding requirements may vary by department or leasing provider.

3.16 Road Tolls

E-Tags provided under legacy arrangements will continue unless withdrawn with 30 days' notice. Employees remain responsible for private toll usage unless otherwise approved.

3.17 Accidents and Damage

All accidents or damage must be reported to Management within one (1) working day. Insurance documentation must be completed promptly.

Roadside assistance (Australia): 1800 807 700

4. Reporting and Administration

Employees must register their Company Vehicle with the nominated leasing provider application and maintain accurate records, including:

- Personal details
- Vehicle allocation changes
- Kilometre reporting
- Damage or incident reporting

5. Vehicle Allowance

Eligible Employees may elect to receive a vehicle allowance in lieu of a Company Vehicle, subject to role eligibility, contractual terms and completion of the Opt-Out Application (**Appendix E**). Allowance elections are generally binding for twelve (12) months.

- Tier A - $1,000 per month
- Tier B - $1,500 per month
- Tier c - $2,000 per month

The allowance will be processed via payroll as a pre-tax payment.

Sales-based roles may be restricted to Company Vehicle use only, except where legacy arrangements apply.

6. Leave and Company Vehicle Use

Employees with a Company Vehicle entitlement may retain the vehicle during paid leave, including Annual Leave, Long Service Leave and Company-provided Paid Parental Leave.

If the leave is more than 2 weeks and the employee will not require use of the vehicle, they are required hand back their vehicle for the leave period (**Appendix C / Appendix D**). No FBT contribution will be deducted during this period.

During unpaid leave, the Company Vehicle must be returned.

Where leave is taken at half pay, access to the vehicle applies only to the portion accrued at full pay. FBT contributions remain payable while the vehicle is retained.

7. Policy Status

This Policy does not form part of any employee's contract of employment. It is a lawful and reasonable direction of the Company with which compliance is required. Any statement in this Policy about what the Company will or will not do does not create a legally binding obligation on the Company.

This Policy may be amended from time to time to reflect changes in legislation, regulatory requirements or organisational needs.

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 / 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.

Tier	**Banding Including GST**
Tier A	$0 - $68,000 / Mercedes-Benz + Smart
Tier B	$20,000 - $86,000 / Mercedes-Benz + Smart
Tier C	$68,000 - $135,000 / Mercedes-Benz + Smart
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 – Jenny Lam
- 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, if they do not require access to the vehicle, in order to:

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

During this period NO FBT Employee contribution will be required. Prior to taking the leave An Employee Declaration (**Appendix D)** will need to be completed and submitted to the Dealership / Senior Accountant and Payroll.

Appendix D

Employee Declaration for Reducing FBT

Employee Declaration

If you have access to the use of 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 evidence of you approved leave. 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 vehicle will be assigned. Please note that you must make arrangements with Sales Management in relation to handing 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 Saturdays and

Sundays.

Name: _____

Signed: _____

Date: _____

Appendix E

Option Out of Company Car

Opting Out of Company Car / Current Staff

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

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, the contributions amounts will be:

- **$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
- **$25** (Inc GST) per week for Employees entitled to **smart** 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** participate in the Company Vehicle Program

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

I_____

Name Signature Date

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 exiting 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