



Policy No.:	LSH Group Australia AUA.2019.0002
Policy Name:	Company Vehicle Policy
Attention:	All LSH Auto Australia Employees
Version:	2.0
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Approved By:	J. Good / A. Cordy

LSH Group Australia Company Vehicle Policy

1. General

1.1 Definitions

- **LAA** – refers to LSH Auto Australia
- **Company Car** – Any car owned 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 Car Program

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

2.1 Eligibility

Roles which include the provision of a Company Car include;

- Managing Director
- Chief Financial Controller
- General Manager(s)
- Operation Director
- Dealer Principal(s)
- Group Head(s)
- Department Manager(s)
- Business Manager(s)
- Sales Executive(s)
- Aftermarket Sales Executive(s)
- Service Advisor(s)



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

2.2 Conditions of Use

- Company cars are available for incidental private use.
- Company cars 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 car will remain part of the demonstration fleet and must be available if requested. In the event that an Employee's designated Company car is not onsite the Employee will need to make arrangements for the vehicle to be delivered within a reasonable time frame.
- When a Company car is not required for use such as annual leave / domestic / international travel etc the individual to whom it is assigned to must leave the vehicle at the dealership and advise the dealership Accountant that the vehicle is not being used for private use. The Employee will be required to complete an Employee Declaration indicating the dates which a Company car will not be available to them.

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

2.3 Car Models

The Company uses a defined band system that identifies the relevant car model available to each level of Employee. The allocation of a car within the defined band system will be determined by the New Car Sales Manager, Dealer Principal, and approved by the Chief Financial Officer (CFO). 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.

For the models allocated to Employees under this program, please refer to **Appendix A– Model Guide**.

2.4 Period of Use

Allocation of a Company car will be for a minimum period of three (3) months unless otherwise approved by the Dealer Principal and CFO.

3. General Conditions of Use

3.1 Driver Must Hold a Valid Driver's Licence

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

If for any reason or any period a driver ceases to hold a current driver's licence, his/her authority to drive a Company car 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 licence will seriously impact on the person's ability to perform the role) may also result in disciplinary action, including up to termination. Human Resources Department should be contacted to review all circumstances where an Employee provided with a Company car 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 Licence, 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 is 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 manufacturers specifications.

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

3.3 Provision of Fuel

Fuel for Company cars is provided by the Company either by access to a Department Company fuel card or certain staff may be issued a Shell Fuel Card. A monthly fuel card limit of \$300 applies to Sales Executives. Shell fuel cards are the only method for purchasing fuel and must not be used for any other purchases besides fuel.

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 cars 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 cars.

3.6 Insurance Excess

Company car 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 car will incur a FBT contribution.

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

- \$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

Employees entitled to a Company car are required to register the vehicle in Dealer Drive, the Employee will be required to maintain their register weekly. In the event that an Employee is



allocated a Company car that falls outside the appropriate tier, authorization must be obtained by both the Dealer Principal and Chief Financial Controller **without exception**.

3.8 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 car. It is the expectation of LAA that all Employees comply with the applicable road laws at all times to:

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

3.9 Use of Alcohol and Drugs

It is LAA policy that Employees shall not operate a Company car while under the influence of alcohol or drugs and, in the case of an assigned Company car 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 car is operated by a person under the influence of such substances and where this applies, the cost of damages to Company property and/or any 3rd party will be borne by the Employee.

A police report or arrest which indicates that a Company car 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 car nor permit any other person to drive or be in charge of a Company car 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.

3.10 Use of Company Cars

No Company car 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 cars wherever parked should be securely locked and protected against theft, illegal use or damage. Drivers authorised to take Company cars home, should park the car within the boundaries of their property when not in use.

The Company will not be held responsible for any loss of personal property from a Company car.

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.



3.11 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.

3.12 Fitting of Accessories

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

3.13 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.

3.14 Return of a Company Car

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

- Exterior must be clean (washed of all dirt)
- Interior clean (vacuumed, free of stained or damaged trim and/or carpets)
- 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

Upon return of a Company car a "Grounding Report" will be completed by the Sales Department and where it is considered repairs will be necessary, the cost of such repairs will be charged to the employee.

3.15 Road Tolls

There are a number of Employees who receive an E-Tag as part of their Employee contract, this legacy entitlement will remain in place however the Employer retains the right to withdraw this entitlement with 30 days' notice.

For a number of Employee contract an E-Tag will be included as part of their package. For those Employees who do not receive an E-Tag as part of their package or retain an E-Tag as part of a legacy entitlement they will be responsible for any 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 Register and Maintain Dealer Drive Account

All Employees issued a Company car are required to download and register their Company car in Dealer Drive. Information that will need to be maintained includes:

- Personal Details
- Vehicle registration number
 - Any change of allocated Company car must be registered in Dealer Drive
- Accurate kilometer reporting
 - In addition, some Dealerships may require reporting of fuel levels.
- Estimated End Time

The above information must be updated weekly.

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 of **\$12,000** per annum, in 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.

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.

For ease of processing, if you anticipate that you will 'opt out' of your Company car we request that your payroll processing date is taken into consideration. This will assist in processing any outstanding amounts or reimbursements owed.



Appendix to the Company Car Policy

Appendix A

Model Guidelines

The following is a guide to the type of vehicles 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, customer demand and changes to local and global company policies.

Employee Banding

Tier A – Administration / Sales Executives / 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

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

Tier A

Company Car Policy Branding				
Model	FBT BAND	VALUE	Tier	Contribution
A 180	<45k	\$ 38,700.00	Tier A	\$50
B 180 FL	<45k	\$ 42,700.00	Tier A	\$50
GLA 180	<45k	\$ 43,900.00	Tier A	\$50
A 200 d	<45k	\$ 44,800.00	Tier A	\$50
A 200	45-65K	\$ 47,200.00	Tier A	\$50
CLA 180	45-65K	\$ 48,900.00	Tier A	\$50
B 200 FL	45-65K	\$ 49,200.00	Tier A	\$50
B 200 CDI FL	45-65K	\$ 49,700.00	Tier A	\$50
GLA 220d	45-65K	\$ 51,200.00	Tier A	\$50
CLA 200 FL	45-65K	\$ 52,900.00	Tier A	\$50
CLA 220 d FL	45-65K	\$ 54,300.00	Tier A	\$50
CLA 200 Shooting Brake	45-65K	\$ 54,400.00	Tier A	\$50
A 250 SPORT 4Matic	45-65K	\$ 55,200.00	Tier A	\$50
CLA 220d Shooting Brake	45-65K	\$ 55,800.00	Tier A	\$50
B 250	45-65K	\$ 56,300.00	Tier A	\$50
GLA 250 4M	45-65K	\$ 60,700.00	Tier A	\$50
X250D PURE 4WD	45-65K	\$ 61,100.00	Tier A	\$50
GLC 200	45-65K	\$ 61,990.00	Tier A	\$50
X250D PROGRESSIVE	45-65K	\$ 62,960.00	Tier A	\$50
C 200	45-65K	\$ 63,400.00	Tier A	\$50
C 220 d	45-65K	\$ 64,900.00	Tier A	\$50
C 200T Estate	45-65K	\$ 65,900.00	Tier A	\$50



Tier B

Company Car Policy Branding

Model	FBT BAND	VALUE	Tier	Contribution
C 220T d Estate	65-75K	\$ 67,400.00	Tier B	\$60
GLC 220	65-75K	\$ 67,500.00	Tier B	\$60
C 200 Coupe	65-75K	\$ 67,900.00	Tier B	\$60
CLA 250 Sport 4MATIC	65-75K	\$ 68,000.00	Tier B	\$60
CLA 250 SPORT 4Matic SB	65-75K	\$ 69,000.00	Tier B	\$60
X250D POWER	65-75K	\$ 69,000.00	Tier B	\$60
GLC 250 4M SUV	65-75K	\$ 70,099.00	Tier B	\$60
C 300	65-75K	\$ 71,400.00	Tier B	\$60
SLC 180	65-75K	\$ 71,500.00	Tier B	\$60
C300T	65-75K	\$ 73,900.00	Tier B	\$60
GLC 250 d 4M SUV	65-75K	\$ 74,000.00	Tier B	\$60
A 45 AMG 4M	65-75K	\$ 75,492.00	Tier B	\$60
C350E	65-75K	\$ 75,814.00	Tier B	\$60



Tier C

Company Car Policy Branding

Model	FBT BAND	VALUE	Tier	Contribution
GLC 250 Coupe	75-110K	\$ 78,330.00	Tier C	\$70
SLC 200	75-110K	\$ 82,429.00	Tier C	\$70
GLC 250 d Coupe	75-110K	\$ 82,583.00	Tier C	\$70
C 300 COUPE	75-110K	\$ 82,737.00	Tier C	\$70
GLA 45 4MATIC	75-110K	\$ 83,646.00	Tier C	\$70
C 200 CABRIOLET	75-110K	\$ 85,429.00	Tier C	\$70
CLA 45 AMG 4MATIC	75-110K	\$ 86,261.00	Tier C	\$70
CLA 45 AMG 4Matic SB	75-110K	\$ 86,261.00	Tier C	\$70
GLC350D	75-110K	\$ 87,506.00	Tier C	\$70
E 200 SALOON	75-110K	\$ 88,121.00	Tier C	\$70
GLE 250 d 4Matic SUV	75-110K	\$ 89,660.00	Tier C	\$70
E 220 d SALOON	75-110K	\$ 90,429.00	Tier C	\$70
X350D POWER	75-110K	TBA	Tier C	\$70
X350D PRO	75-110K	TBA	Tier C	\$70
C 300 CABRIOLET	75-110K	TBA	Tier C	\$70
E 300 Saloon	75-110K	TBA	Tier C	\$70
G 350 d	75-110K	TBA	Tier C	\$70
E220d Coupe	75-110K	\$ 92,044.00	Tier C	\$70
GLC 43 AMG	75-110K	\$ 94,637.00	Tier C	\$70
SLC 300	75-110K	\$ 95,044.00	Tier C	\$70
GLC 350 d Coupe	75-110K	\$ 95,275.00	Tier C	\$70
C 43 AMG Sedan	75-110K	\$ 98,307.00	Tier C	\$70
C 43 AMG Estate	75-110K	\$ 100,230.00	Tier C	\$70
GLC43 AMG Coupe	75-110K	\$ 100,406.00	Tier C	\$70
E300 Coupe	75-110K	\$ 100,868.00	Tier C	\$70
C 43 AMG COUPE	75-110K	\$ 101,384.00	Tier C	\$70
GLE 350 d 4M SUV	75-110K	\$ 102,275.00	Tier C	\$70
E220d All-Terrain	75-110K	\$ 102,352.00	Tier C	\$70
GLS 350 d 4M	75-110K	\$ 106,637.00	Tier C	\$70
G300 Professional	75-110K	\$ 109,900.00	Tier C	\$70
E300 Cab	75-110K	\$ 110,945.00	Tier C	\$70
C 43 AMG CABRIOLET	75-110K	\$ 111,384.00	Tier C	\$70
GLE 350 d Coupe	75-110K	\$ 112,483.00	Tier C	\$70



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 licence or Australian Licence 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 encouraged 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 or Senior Accountant.



Appendix D Employee Declaration

Employee Declaration

In the case that you utilise a Company Vehicle and you do not intend on utilising your vehicle during your leave (interstate, overseas), 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 handback your vehicle and upon your return you will be placed back into your previous vehicle or a new car will assigned. Please note that you must make arrangements with Sales Management in relation to handback and picking up your vehicle, this will be the responsibility of the employee taking the leave.

Business trips: employees must completed 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

Opting Out of Company Car

I, (please print),
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.

In lieu of a Company car, I will receive a Vehicle Allowance to the value of \$1000
(Monthly) or \$461.54 (Fortnightly). I accept that this allowance replaces the
previous entitlement.

Name: _____

Signed: _____

Date: _____

Manager: _____

Signed: _____

Date: _____

Payroll Sign off _____ (Name) _____ (Date)