



Policy No.:	LSH Group Australia AUA.2018.0001
Policy Name:	Special X-Class Vehicle Policy
Attention:	All LSH Auto Australia Employees
Version:	1.0
Last Reviewed:	1 st April 2019
Effective From:	1 st April 2019
Approved By:	J. Good / A. Cordy

LSH Auto Australia Special X-Class Vehicle Policy

1. General

1.1 Definitions

- **LAA**—refers to LSH Auto Australia
- **Company Car** – X Class owned by the Company

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. Special X Class Company Vehicle Program

Employees who receive the benefit of a Company Vehicle will have the option to move into an X Class at a reduced weekly rate.

2.1 Eligibility

The Special X Class Program will only be available to employees who receive the benefit of a Company Vehicle as per their agreement/position.

2.2 Conditions of Use

- Must sign declaration that incidental use will be restricted.
- Company cars are available for incidental private use in accordance with the vehicle usage declaration.
- 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.
- Access to program will be subject to stock availability.



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

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. 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 for certain staff by Shell 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 owners manual for 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.

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.
Refer to Appendix C for charges.



3.7 Operating Costs

The provision of a Company car will incur a weekly operating cost.

The amount of the operating contribution will be:

- \$20 (Inc GST) per week

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 time 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 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.

4. Reporting

4.1 Weekly Kilometer Reporting

All employees issued with a Company car are required to provide Stock Control with a weekly kilometer update using the Dealer Drive app.

4.2 Road Tolls

All Employees will be responsible for any tolls, unless stated in their contract or at the approval by the Dealer Principal.

4.3 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



Appendix A- Insurance Excesses

Employee at fault 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

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.



Special X-Class Company Vehicle Application

Employee Name:

Employee No:

Driver License Number:

Office Address/Location:

I agree to the Conditions of Use of the Special X-Class Company Vehicle Program as offered by LSH Auto (Sydney) Pty Ltd, LSH Auto (Melbourne) Pty Ltd and LSH Auto (Brisbane) Pty Ltd (LSH Auto Australia).

The Special X Class Program will only be available to employees who receive the benefit of a Company Vehicle as per their agreement/position.

X-Class variant will be based on the Employee's position and vehicle tiering as per the Company Vehicle Policy. Access to program will be subject to stock availability.

All vehicles are available for sale at all times and Management holds the right to recall any vehicle for sale, demonstration or fleet stock. In the event that your vehicle is sold, LSH Auto Australia will replace the vehicle with another as per your tiering (subject to availability).

All participants of the Special X-Class Program MUST sign attached declaration that incidental use will be restricted.

Employee Signature:

Date

Financial Controller Signature:

Date:

Human Resources Signature:

Date:



Appendix B

Vehicle Usage Declaration

I _____ declare that (Employee's full name)

during the period from _____ to _____

my vehicle usage in respect of _____ registration number _____
(make and model of car)

was limited to:

1. No more than 1,000 kilometres in total for the period, in respect of wholly private travel undertaken (Private use does not include travel between home and work); and
•
2. No more than 200 kilometres for each return journey, in respect of wholly private travel undertaken (other than travel between home and work); and
•
3. Diversions of no more than 2 kilometres, in respect of travel undertaken between home and work.

Signed _____

Date _____