**Company Car Provision Agreement**

**With Personal Use Option**

The following company car provision agreement is formed

Between **………………**

Hereafter referred to as the “Company” for short

And

**…………......**

Hereafter referred to as the “Employee” for short:

**Preamble**

This company car agreement replaces all previously existing company car agreements and regulations as well as any existing verbal agreements and additional agreements.

1. **Object of the agreement**

The Company provides a company car to the Employee for business and personal use until revocation.

1. **Scope of personal use**

The car may always be used for personal purposes – including trips between home and the workplace – including trips abroad within the EU member states and in Switzerland. Trips abroad to countries outside the EU and Switzerland require the approval of the management.

1. **Treatment of personal use under income tax law**

The treatment of personal use under income tax law is governed by the respective applicable regulations under tax law.

1. **Costs**

The Company covers the costs of vehicle operation. The operating costs for oil, petrol etc. in the case of holiday trips abroad are however covered by the Employee. Only domestic fuel invoices are accepted in the case of personal trips.

Expenses due to traffic or legal offences shall be covered by the Employee.

1. **Own share in case of upgrade and special equipment**

The Employee must cover the additional costs incurred in the event that the same desires the provision of a higher-value vehicle or special equipment.

Private additional payment for a higher-value vehicle or for special equipment is limited to max. 15 % of the net price before discount incl. 15 % special equipment (list price). Details are governed by the respective vehicle directive applicable.

The Employee undertakes to repay to the Company immediately before provision of the vehicle the additional costs incurred as a result of the desire of the Employee.

The parties agree that a repayment entitlement of the Employee against the Company on termination of the employment relationship does not exist even pro rata with respect to additional costs already paid.

1. **Use by third parties**

Taking people from outside the company on business trips is permitted only in the interest of the business.

Provision of the vehicle or driving of the same by third parties is not permitted. This particularly applies for hiring or lending. The Employee may provide the vehicle to staff of the Company on business trips.

The Employee may provide the vehicle to third parties with the prior consent of the Company.

The car may be provided to family members and equivalent people to a reasonable extent if these people are in possession of a valid driving licence. These include spouses, adult offspring and life partners. If the vehicle is provided to family members or equivalent people then these people are subject to the same obligations as the Employee for the use of the vehicle. They must be informed of this before provision.

The Employee is liable in full for damages in the case of unpermitted provision.

1. **Maintenance and care, repairs**

The Employee is responsible for the vehicle always being in a safe and roadworthy condition. The Employee must ensure proper care, timely maintenance and immediate repair of the vehicle. The vehicle must be cleaned if necessary and at least twice per month. The vehicle must be kept in a garage if possible. Modifications and additional installations on the vehicle are not permitted.

Servicing must be performed in time in accordance with the specifications of the manufacturer in an authorised workshop for the make driven. If the vehicle is damaged as a result of breach of this obligation then the Employee is obliged to pay compensation for the damage that has occurred.

The Company must be notified immediately of repairs that seem necessary. Repairs require the prior consent of the Company.

The Company shall cover the costs of the care, maintenance and repair. The costs of rental of garages or parking spaces will be covered by the Employee.

1. **Notification obligation**

The Employee must notify the Company immediately of accidents, defects or damage appearing on the vehicle as well as vehicle loss. A written report of the accident must be submitted subsequently in the case of a road traffic accident. The address and contact number of the liability insurer and the party involved with the accident must be noted as must the number and validity of the green insurance card in the case of vehicles with a foreign number plate. The local conditions and traces must be secured with sketches and photographic images as far as possible. Admission of fault must not be given.

It is not essential to call the police in the case of road traffic accidents with no personal injury if the aforementioned notification obligations are observed in full unless this is required by law (e.g. abroad) or advisable.

1. **Liability in cases of damage**

The Employee is liable for damages or value losses on the vehicle that occur outside vehicle operation (e.g. poor care or maintenance, neglected repair, negligent monitoring, improper handling) without limitation for each fault.

The Employee is solely liable for damages caused deliberately or through gross negligence in the case of business and personal trips. If the damages are covered by comprehensive insurance then the Employee is liable to the sum of the excess.

1. **Duties of care**

The Employee undertakes to carry the required vehicle documents (vehicle registration, driving licence) on all trips and to keep them in a safe place at all times. A warning triangle and safety vest must likewise be carried.

The Employee must ensure that the vehicle is operated exclusively by people with a valid driving licence. The Employee must present the driving licence to the Company before provision of the company vehicle and on demand at any subsequent time. The Company must be notified immediately of any change to the driving licence. The same applies if the driving licence is taken away, seized or confiscated or if the driving of a motor vehicle is prohibited. Use of the company car must be ceased immediately in the aforementioned cases.

The Employee moreover undertakes to drive the vehicle safely and carefully at all times, to observe the road traffic regulations and not to use the vehicle under the influence of alcohol or drugs. If medications are taken then the Employee must observe the relevant indication and the explanatory notes in the information leaflet. Warning and penalty fines incurred in relation to improper use of the vehicle by the Employee will be paid by the same.

1. **Substitute vehicle, replacement of the company car by the employer**

The Company is entitled to replace the vehicle with another equivalent vehicle at any time. Details are governed by the respective vehicle directive applicable.

1. **Revocation and termination of the company car provision, surrender**

The provision agreement is linked to the existing employment relationship and therefore ends automatically on termination of the employment relationship. A right of retention by the Employee(s) does not exist.

The Company additionally reserves the right to revoke the provision of the company vehicle to the Employee with a notice period of two weeks if the following grounds exist:

a) Termination of the contract of employment and particularly in the case of dismissal of the Employee;

b) Changes to the employment relationship that result in cessation of the requirement for business use of the company car (e.g. transfer to office work);

c) Granting of unpaid holiday of more than one month;

d) Suspension of the employment relationship (e.g. due to military or alternative service, parental leave, illness beyond the period of continued remuneration).

The Employee will be paid monthly compensation for use in cases a) and b) amounting to 1% of the list price of the company car for the period in which no company car is provided.

The provision of the vehicle moreover ends automatically on commencement of the passive phase of semiretirement.

The vehicle must be delivered to the head office of the Company on the date specified by the same if the surrender is demanded by the Company.

1. **Special features in the case of reduction of working hours to part time**

If the working hours are reduced to part time then the Employee must offset the value of the company vehicle with a contribution to costs that is in proportion to the reduction of working hours.

1. **Closing provisions**

Amendments and additions to this agreement must be made in writing. Verbal agreements on the revocation of written form are invalid.

If one provision of this agreement and/or amendments/additions to the same is invalid then this shall not affect the validity of the remainder of the agreement. The invalid provision will be replaced by a valid provision that is as close as possible to the economic intention.

Stuttgart, dated ……………………..

……………………………………….. ……………………………………...............

- Management - - Employee -