

Letter to IMVIA Financial Members.

The Imported Motor Vehicle Industry Association (VIA) has been operating at a significant financial loss for some time. National Executive and Management have explored multiple possibilities and strategies during this time to increase revenue yet reducing expenses, while still providing the required level of service and support to our Members and the industry as a whole.

Despite every effort, we have been unable to reduce the Association's financial deficit to an acceptable level. National Executive has been working closely with our major Industry financial supporters, who have committed to supporting a restructured Association and increasing funding levels as necessary, to enable the Association to continue in an ongoing positive financial position.

This restructure involves disestablishing the separate North and South Island Branches and creating two tiers of Governance, with ultimate authority vested in a Board of Directors. This Board will be appointed by the newly created Council and will be responsible for the authority over the financial affairs, policy directives and Management oversight of the Association.

The Council is the core of the Association's Member representation and is established to provide industry participation and consultation on matters such as, but not limited to; Government interaction, submissions and policy positions and working groups as well as providing Strategic Direction to the CEO and Board. The Council works with the Board to ensure the effective governance of the Association. Tiers of membership will be created, and each tier will have representation on the Council proportional to the level of membership subscriptions received from that tier. This means that members who choose to belong to a higher tier will pay a higher subscription and will either have a seat at the Council as of right or have a higher chance of being elected to a position on the Council.

These changes do mean there is the possibility of lower representation for ordinary Members to the Council. However, National Executive believe this restructure is the only option for Members to retain any representation on a relevant Industry body working to 'keep the doors open'.

National Executive has therefore called a Special General Meeting.

The first item for voting is a resolution to approve the changes to the Rules of the Imported Motor Vehicle Industry Association as per the draft distributed to members. A 75% affirmative vote of eligible and present members is required to pass. Proxies are valid for this vote if submitted correctly.

**National Executive recommends members vote for Resolution 1 to accept the proposed new Rules of the Imported Motor Vehicle Industry Association.**

If Resolution 1 passes, no vote will be called for Resolution 2. However, if Resolution 1 does not pass, voting will be called for Resolution 2.

The second item for voting is a resolution to instruct National Executive to commence immediately the winding up the Association. This motion is necessary since if Resolution 1 is not passed, the IMVIA will no longer be able to operate as a going concern. This means National Executive must receive approval from Members to wind up the association in the absence of an affirmative vote on Resolution 1.

**National Executive recommends Members vote to approve Resolution 2, to direct National Executive to commence the winding up of the Imported Motor Vehicle Industry Association if Resolution 1 does not pass. If voting by proxy, please ensure you vote toward both Resolutions.**

There will be no changes to the proposed Motions or Rules (punctuation and spelling notwithstanding) as proxy votes are being cast specifically on the draft Rules that were circulated with the notice of SGM. However, Members will have an opportunity to speak at the SGM and are encouraged to contact National Executive prior to the SGM to answer any questions they may have.

Graeme Macdonald, North Island Chairman

Lloyd Wilson, South Island Chairman

National Executive, Imported Motor Vehicle Industry Association (VIA).