

Australian Automotive Dealer Association Limited

A.C.N. 167 598 085

Dealer Support Services Pty Ltd

A.C.N. 008 607 403

Minutes of the Directors held at the offices of HWL Ebsworth, Lawyers located on Level 14, Australia Square, 264 George Street, Sydney, commencing at 9.40 am [AEDST] on Friday 21 November 2014

PRESENT	<p>Directors</p> <ul style="list-style-type: none">• Anthony Altomonte• Marcus Birrell• Michael Claridge• Chad Davies• Ian Field• Terry Keating• Hillar Puvi• Richard Rolfe• Leigh Smith• Keith Thornton• Paul Warren <p><i>Others</i></p> <ul style="list-style-type: none">• Paul Moni – secretary• Patrick Tessier – CEO AADA Limited• Michael Deed – Policy Officer – AADA Limited
APOLOGIES	<ul style="list-style-type: none">• Lou DiVirgilio• Geoff Pickering• David Russell• Tony Salerno• Martin Ward
MEETING CHAIRMAN	<p>Ian Field assumed the chair, declared the meeting open and welcomed Keith Thornton</p>
MINUTES OF PREVIOUS MEETING	<p>The meeting noted that the minutes of the previous meeting held on 16 September 2014 had been approved and circulated.</p> <p>The meeting noted outstanding items that were not on the agenda for the meeting included:</p> <ul style="list-style-type: none">• Fair Work Australia Commission registration• Northern Territory director representative• BDO satisfaction survey <p>The noted that these matters would be attended to after current work priorities had been resolved</p>

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November 2014 – continued

<p>UNITS IN MTAA UNIT TRUST</p> <p>AADA TRADE NAMES AND WEBSITES</p>	<p>Paul Moni, as chairman of a Queensland company which holds 19 Units in MTAA Unit Trust declared his conflict of interest, advised the board how this conflict was handled at meetings of the Queensland company and left the meeting during which time the status of legal matters was discussed.</p> <p>The meeting resolved a course of action and thanked Leigh Smith and Terry Keating for their work to-date. Paul Moni re-joined the meeting.</p>
<p>DEALER COUNCIL MEETING</p>	<p>The meeting was updated on the outcomes of the Dealer Council meeting held in Sydney on Thursday 20 November 2014.</p> <p>The key outcomes of the meeting included:</p> <ul style="list-style-type: none"> • recognition of the high level effective policy and advocacy work by AADA Limited and in particular Michael Deed and directors who had attended hearings and gave presentations on a range of issues impacting new car dealers • recognition of the quality policy submissions by AADA Limited as outlined on the website • official recognition of AADA Limited as the peak body representing motor dealers in New South Wales • recognition such as that the New South Wales will be sought Federally and in each State and Territory • motor dealers now have an ability through MTA-Q to have matters heard by Fair Work Australia • an agreed way forward for all Dealer Councils to work closely with AADA Limited <p>The Dealer Council meeting resolved that Paul Moni and Patrick Tessier would work with Dealer Councils to clarify how the Dealer Councils and AADA Limited can achieve mutually agreed outcomes and that the next meeting be held in March 2015.</p>
<p>KEY ADVOCACY AND POLICY ISSUES</p>	<p>The meeting discussed and agreed strategies in respect to:</p> <ul style="list-style-type: none"> • follow-up in respect to the Motor Vehicle Standards Act 1989 submission • Draft Agreement in respect to Access to Service and Repair information including liaison with ACCC, FCAI and the responsible Federal Minister including the AADA warranty position • ACCC and the use of non-genuine parts and non-disclosure to consumers • Parallel Car Imports and FCAI

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<p>SUNDRY ADVOCACY AND POLICY</p>	<p>The meeting discussed and agreed strategies in respect to a number of advocacy and policy issues impacting car dealers:</p> <ul style="list-style-type: none"> • issues for dealers if they use external parties to deliver cars to customers and possible breaches to franchise agreements • meeting with ASIC in respect to finance and insurance • meeting with Australian Finance Conference in respect to finance and insurance • strategy regarding the sale of vehicles to all dealers being either private or factory owned dealerships • 2015 AADA Convention – Melbourne – 11-12 August 2015 including a half-day ‘dealer only’ session and aim to have annual Dealer Council meetings held at, and as part of, the convention similar to NADA • AADA website review and update to ensure the website is user friendly • continued concerns regarding misleading and/or incorrect dealer data being provided to manufacturers – the next <i>Automotive Dealer</i> will have an article on the topic • International Working group comprising NADA (USA), AADA (Australia), FENABRAVE (Brazil); CADA (China); India and RADA (Russia) and focussing on six (6) keys issues at the meeting in Brazil in August 2014 • review of modern awards watching brief. Dealers can use MTA-Q should the matters be brought before the Australian Fair Work Commission • BDO Satisfaction Survey prior to the 2015 AADA Convention • discuss and analyse 2015 dealer targets with Dealer Councils
<p>MEMBERSHIP</p>	<p>The meeting noted the MIT Reports for the months of September 2014 and October 2014 and discuss strategies to continue to increase membership numbers.</p>
<p>MEMBERSHIP FEES</p>	<p>The meeting noted and confirmed that at the time the directors consider and voted on the following resolutions each director is acting only in thier capacity as officers of AADA Limited and not as representatives of their respective dealer groups.</p> <p>The meeting resolved that a membership fee be calculated on the basis of the number of new cars purchased by each member at the rate of \$2.00 (excl. GST) per vehicle subject to the ongoing discussions with Dealer Councils as agreed at the Dealer Council meeting on 20 November 2014.</p> <p>The meeting resolved that the membership fee charge (charge) is an AADA membership charge assessed by reference to the number of vehicles purchased by dealers and is not a charge on vehicles sold to consumers</p>

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<p>MEMBERSHIP FEES continued</p>	<p>The meeting resolved that to the extent that a membership fee charge is collected by a manufacturer that the charge should be itemised by vehicle manufacturers or distributors in such a way as to make it clear that it is not part of the price of the vehicle. It should be itemised separately, described as an AADA membership fee, and it should be made clear that the vehicle manufacturer or distributor is collecting the charge on behalf of AADA</p>
<p>2014 ACCOUNTS AND AGM</p>	<p>The meeting discussed the draft financial statements for the financial period ended 30 June 2014 and noted that because of the protracted legal matters it was prudent not to finalise the accounts and audit at this time.</p> <p>The meeting resolved that the 2014 AGM be held after the settlement of the legal matters and the finalisation of the accounts and audit at 30 June 2014</p> <p>The meeting resolved and approved the basis of preparation of the financial accounts at 30 June 2014 as set out in the tabled unaudited financial statements</p> <p>The meeting resolved to delay the completion of the financial accounts at 30 June 2014 until the legal matters are settled</p> <p>The meeting resolved to delay the commencement of the audit of the financial accounts at 30 June 2014 until the legal matters are settled</p>
<p>ANNUALISED FINANCIAL BUDGET</p>	<p>The meeting discussed and agreed the basic assumptions and calculations in respect to an annualised financial budget noting that once membership fees are being recovered and legal matters are resolved an opportunity existed to seek alternative revenue sources.</p>
<p>MANAGEMENT ACCOUNTS</p>	<p>The meeting noted the management accounts at 31 October 2014 including the continued financial support provided by MTA-Q.</p> <p>The meeting noted that the MTA-Q funding was, because of the legal matters, in excess of that envisaged under the MIT Service Agreement with AADA Limited. The meeting resolved that AADA Limited pay interest to MTA-Q on the surplus funds provided by MTA-Q at the rate of interest that MTA-Q would forgo if the funds were on term deposit.</p>

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FUNDING BY MTA-Q	The meeting resolved that AADA Limited write to MTA-Q acknowledging the funding provided.
NADA COURSES	The meeting noted the director session to review the NADA courses and the feedback from attendees. The attendees noted the quality of the NADA Courses and support for attendance by dealership staff.
2015 NADA CONVENTION	The meeting resolved that a contribution of \$10,000 be paid in respect to the attendance by Ian Field, as AADA Chairman, at the 2015 NADA Convention. The meeting resolved that director attendees have a telephone hook-up prior to departing to the USA so as to ensure maximum opportunities with NADA and other international car dealer bodies at the Convention.
SALEFEST AGREEMENT	The meeting discussed and agreed terms in respect to the arrangements with Salefest in respect to both the AADA Convention and <i>Automotive Dealer</i> magazine and resolved that an agreement be signed by the Ian Field and Terry Keating on behalf of AADA Limited. The meeting thanked Patrick Tessier for his work in respect to the establishment of AADA Limited.
CEO	The meeting discussed the appointment of a CEO and, while recognising the excellent work of Patrick Tessier as interim CEO, resolved that a person with extensive experience in the motor industry was desirable at this time to advance the work of AADA. HWL Ebsworth will be requested to prepare a template for the employment of a CEO.
SECRETARIAL	The meeting resolved that Terry Keating investigate options with Paul Moni.
NEXT MEETINGS	The next scheduled meeting is held at MTA-Q in Brisbane. <ul style="list-style-type: none"> • Dealer Councils – Tuesday 17 March 2015 • AADA Director meeting – Wednesday 18 March 2015

CLOSURE

The meeting was declared closed at 2.30 pm



Ian Field – Chairman – 21 November 2014