



**Ontario Motor  
Vehicle Industry  
Council**

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789 Don Mills Road, Suite 800, Toronto, ON M3C 1T5  
Tel: 416-226-4500 • Toll Free: 1-800-943-6002 • Fax: 416-226-3208  
www.omvic.on.ca • info@omvic.on.ca

April 18, 2005

Dear fellow dealer and OMVIC member

At each Annual and General Meeting (AGM), the terms of three OMVIC board members come to a close: One UCDA director-member, one OADA/TADA director member and one director-member who is a member of the UCDA and OADA/TADA. Normally, these retiring director-members are replaced by election. Request for nominations was mailed to all registered dealers on December 3, 2004, and dealers were encouraged to put their names forward for election.

This year, only three dealers submitted a nomination form to OMVIC; only two of whom were deemed qualified for office by the Nominating Committee. The two qualified members therefore will be acclaimed at the upcoming AGM.

Hugh Brennan, who has been a TADA director-member of the OMVIC board since May 2002, continues in office as his nomination was the only qualified nomination for the seat he currently holds. Ken Peterson, who has been a UCDA director-member of the OMVIC board since June 2001, continues in office as his was the only qualified nomination for the UCDA seat. Both Hugh and Ken have served OMVIC, the Ontario public and the industry extremely well during their terms. They have been dedicated members of the OMVIC board who have brought their insights to bear on the many complex issues which routinely challenge OMVIC. Biographical details of these members is included later in this package.

My term as the Chair of the Board, and as a member of the Board, also comes to an end at the upcoming AGM. Pursuant to the bylaws, however, I will remain as a member of the Board until such time as the new Board chooses a replacement. It has been an honour and a pleasure for me to serve as OMVIC's chair for this past year. I would like to take this opportunity to thank my fellow board members for their hard work, dedication and personal support in meeting the many challenges of 2004.

Finally, as your Chair, I urge you to consider approving the by-law amendment proposed by your board that finally allows dealers who are not members of any trade association to be represented on the board of directors. Your board feels that this is a fairer representation of dealers and seeks your support. Details of the by-law change are provided in the attached notice of meeting.

Sincerely yours,

A handwritten signature in black ink that reads "Gary Mackie".

Gary Mackie  
Chairperson,  
Ontario Motor Vehicle Industry Council



## **NOTICE OF MEETING/AGENDA**

### **ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL ANNUAL AND GENERAL MEETING OF MEMBERS**

**NOTICE IS GIVEN** that the 2005 Annual and General Meeting of the Members of ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL (“OMVIC”) will be held in the Algonquin Room, Lower Level, Holiday Inn Select, Toronto Airport, 970 Dixon Road, Etobicoke, ON M9W 1J9, at 2:00 p.m. on Wednesday, May 25, 2005 (the “Meeting”) for the following purposes:

1. To receive the annual financial statements of OMVIC as at and for the fiscal period ending on December 31, 2004 and the auditor’s report thereon (See Note 1 below);
2. To elect directors to the board of directors of OMVIC (See Note 2 below);
3. To reappoint KPMG, LLP as auditors of OMVIC and authorize the board of directors to fix the auditors remuneration;
4. To consider and, if thought advisable, to confirm, with or without amendment, amendments to By-law No. 1 of OMVIC which were passed by the board of directors of OMVIC since the last annual and general meeting of members as set out in Schedule “A” to this Notice of Meeting (See Note 3 below); and
5. To transact such further business as may properly come before the Meeting or any adjournment thereof.

**DATED** the 21st day of March, 2005.

**BY ORDER OF THE BOARD OF DIRECTORS**

Michael Turk  
Secretary-Treasurer

## NOTES ON NOTICE

### 1. FINANCIAL STATEMENTS

Copies of the audited financial statements as at and for the fiscal period ended December 31, 2004 will be available at the Meeting, and may be requested prior to the Meeting by writing to the Chief Financial Officer at:

Ontario Motor Vehicle Industry Council  
789 Don Mills Road, Suite 800  
Toronto, Ontario M3C 1T5

Attention: Mr. Chandar Singh

### 2. ELECTION OF DIRECTORS AND BALLOT

In accordance with the by-laws of OMVIC (the "By-laws"), the term of office for three (3) directors will expire at the Meeting as follows:

- a. One (1) director who is a member of the Used Car Dealers Association ("UCDA") (the "UCDA director");
- b. One (1) director who is a member of either the Ontario Automobile Dealers Association or the Toronto Automobile Dealers Association ("OADA/TADA") ("OADA/TADA director"); and
- c. One (1) director who is a member of both the UCDA and OADA/TADA (the "Joint director").

The nominating committee of OMVIC's board of directors solicited applications from members for the foregoing three (3) positions in order to submit a slate of candidates to the Meeting for election. Such solicitation has resulted in:

- a) One (1) qualified candidate nominated for the position of the UCDA director, Mr. Ken Peterson. Biographical information provided by Mr. Peterson accompanies this Notice.

In accordance with the By-laws, since the number of candidate nominated for the UCDA director position is equal to the office to be filled, no ballot election is required. Rather, the Secretary of the Meeting shall be empowered to cast a single ballot electing Mr. Peterson to the board of directors for a three (3) year term.

- b) One (1) qualified candidate nominated for the position of the OADA/TADA director, Mr. Hugh Brennan. Biographical information provided by Mr. Brennan accompanies this Notice.

In accordance with the By-laws, since the number of candidate nominated for the OADA/TADA director position is equal to the office to be filled, no ballot election is required. Rather, the Secretary of the Meeting shall be empowered to cast a single ballot electing Mr. Brennan to the board of directors for a three (3) year term.

- c) There was no qualified candidate nominated for the Joint director. In accordance with the By-laws, the director who now holds such position shall continue in office until he is replaced by appointment of the Board in accordance with the By-laws.

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## **NOTES ON NOTICE**

(Continued)

### **3. BY-LAW AMENDMENTS**

A letter from the President of OMVIC explaining the by-law amendments accompany this Notice of Meeting.

### **4. PROXY**

Members who are unable to be present in person at the Meeting may complete, date and sign the Proxy accompanying this Notice of Meeting and return it to the following address:

Koskie Minsky LLP  
Barristers and Solicitors  
20 Queen Street West, Suite 900  
Toronto, Ontario M5H 3R3

Attention: OMVIC Voting  
Facsimile No.: (416) 204-2829

To be used and voted at the Meeting, a properly completed Proxy, either in original or facsimile form, must be actually received at the address set out above by no later than 2:00 p.m. on Friday, May 20, 2005. Any Proxy received after such time cannot be used or voted at the Meeting.



## PROXY

### ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL 2005 ANNUAL AND GENERAL MEETING OF MEMBERS

The undersigned member of ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL (“OMVIC”) hereby appoints **Gary Mackie**, President of OMVIC, or failing him, **Michael Turk**, the Secretary-Treasurer of OMVIC, or in lieu of either of them \_\_\_\_\_, as the proxy of the undersigned to attend and act at the 2005 Annual and General Meeting of Members of OMVIC (the “Meeting”) to be held on May 25, 2005, and at any adjournment or adjournments thereof, in the same manner, to the same extent and with the same powers if the undersigned were present at the said meeting or any adjournment or adjournments thereof. The undersigned hereby revokes any proxy or proxies bearing a date earlier than the date hereof given to attend and act at such meeting.

The undersigned authorizes, instructs and directs the proxyholder to vote in the proxyholder’s discretion with respect to all items of business and matters to be considered at and to properly come before the Meeting or any adjournment or adjournments thereof.

**DATED** the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Member’s Name (please print)

\_\_\_\_\_  
Member’s Registration Number

\_\_\_\_\_  
Indicate capacity to execute proxy  
(e.g. sole proprietor, partner, officer)



## NOTES ON PROXY

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20 Queen Street West  
Suite 900  
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M5H 3R3

Attention: OMVIC Voting  
Facsimile: (416) 204-2829

To be used and voted at the Meeting, a properly completed Proxy, either in original or facsimile form, must be actually received by Koskie Minsky LLP by no later than 2:00 p.m. on Friday, May 20, 2005. Any Proxy received after such time cannot be used or voted at the Meeting.

Any Member may appoint any person, who need not be a Member, as his or her nominee to attend and act, in the manner as instructed, at the Meeting. To do so, the Member must insert the other person's name in the space provided and strike out the names of the individuals otherwise listed in the Proxy.

Any Member giving a proxy has the power to revoke it at any time before its exercise by instrument in writing deposited either at the head office of OMVIC up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the Chairperson of the Meeting on the day of the Meeting.

If this Proxy is to be utilized, it must be completed and executed by the Member or the Member's attorney authorized in writing or, if the Member is a body corporate or association, by an officer or attorney thereof duly authorized.

Any Proxy which has not been dated shall be deemed to bear the date on which it is mailed by OMVIC to the Member.



## SLATE OF CANDIDATES

### A) TO STAND FOR ELECTION AS THE UCDA DIRECTOR:

**Ken Peterson**

#### *Biography of Candidate*

Ken Peterson has over 23 years experience in the automotive business, with 10 years as General Manager in a Lincoln Mercury dealership.

He is a Director and Treasurer of Northwest Energy and has served 2 terms on the Thunder Bay Hydro Commission. He has been the Chair of Thunder Bay Hydro for the past 3 years. He is also a director and vice-chair of the Municipal Electric Association.

He was elected to the OMVIC board of directors in June 2001. Ken was OMVIC's Secretary-Treasurer from June 2002 to May 2003 and was OMVIC's President and Chair of OMVIC's Board of Directors for the period May 2003 to May 2004. He is currently, the Vice-President of OMVIC.

### B) TO STAND FOR ELECTION AS THE OADA/TADA DIRECTOR:

**Hugh Brennan**

#### *Biography of Candidate*

Hugh Brennan has a B.A. degree from Wilfred Laurier University. He has been a dealer principal at Dixie Plymouth Chrysler Ltd since 1993.

Hugh was elected to the OMVIC board of directors in May 2002 and has served on various OMVIC and other auto-industry committees. He is currently Chair of OMVIC's Industry Professionalism Advisory Committee.



## NOTES ON BY-LAW AMENDMENT

Since our last Annual and General Meeting of Members, your Board of Directors approved changes to OMVIC's By-law No. 1 as outlined in Schedule "A" to these notes.

Although all of OMVIC's approximately 9,000 dealers may vote in the annual Board elections, only the approximately 4,000 dealers who are trade association members may sit as OMVIC Board members under the current by-laws. As a result, approximately 55% of OMVIC members are at least partially disenfranchised.

In order to permit non-association members the opportunity to run for election or to be considered for appointment to the Board, your Board of Directors approved the changes to the By-law No.1 as outlined in Schedule "A" to these notes. The motivation for the change has been to correct the perceived unfairness of the current by-laws.

There are currently three groups of dealer directors:

1. Three UCDA members
2. Three UCDA – OADA/TADA members
3. Three OADA/TADA members.

Each year, one member from each group retires and that vacancy is subject to election or appointment for a three-year term.

The proposed amendment changes the above groupings to five groups of dealer directors as follows:

1. Two OADA/TADA members
2. One Franchise dealer who *may or may not* be an OADA/TADA member
3. Three UCDA – OADA/TADA members
4. Two UCDA members
5. One independent dealer who *may or may not* be a UCDA member

It is the intention of the Board to preserve the current distribution of dealer director seats, namely, 3 seats for independent dealers and 6 seats for franchise dealers. The overall composition of the board shall not change.

For the 2006 elections, the next retiring UCDA member (old Group 1) would be deemed to be creating the vacancy for new Group 5, and the next retiring OADA/TADA member retiring (old Group 3) would be deemed to be creating the vacancy for new Group 2.

Each year, one member from combined new Groups 1 and 2 retires, one member from new Group 3 retires and one member from combined new Groups 4 and 5 retires. The three vacancies are subject to election or appointment for a three-year term in accordance with the by-laws.

It is the opinion of the board that the above change is necessary to ensure fair dealer representation on the Board. Accordingly, as your Chair, I seek your support for these changes.

Gary Mackie  
Chair, OMVIC Board of Directors



**SCHEDULE “A”**  
**AMENDMENT TO BY-LAW NO. 1**  
**OF**  
**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**

(hereinafter referred to as the “Corporation”)

**1. By-law No. 1, being the General By-law of the Corporation, is hereby amended as follows:**

(a) Paragraph 14(b) is deleted in its entirety and replaced with the following:

“ solicit applications from the members of the Corporation and prepare a slate of one or more qualified candidates for each director’s office which will be vacant and for which an election is to be held at an annual meeting of members. The nominating committee shall ensure that the slate of candidates presented to the members at the annual meeting will result, after such election, in the elected directors of the Corporation being comprised, subject to subparagraph 14(e):

(i) three (3) representatives comprised of:

(1) two (2) representatives of OA/TADA dealer members; and

(2) one (1) representative of all Franchised dealer members, who may or may not be a OA/TADA dealer member. For such purposes, a “Franchised dealer member” means a dealer member in new motor vehicles that has a franchise or similar agreement with a manufacturer or distributor of new motor vehicles;

(ii) three (3) representatives of joint UCDA – OA/TADA dealer members; and

(iii) three (3) representatives comprised of:

(1) two (2) representatives of UCDA dealer members; and

(2) one (1) representative of all dealer members (other than a Franchised dealer member (as hereinafter defined)), who may or may not be a UCDA dealer member.

For purposes of preparing the slate of candidates who will be presented for election at an annual meeting of members, the nominating committee shall use reasonable efforts to ensure that the members of the groups as specified above (individual a “group” and collectively the “groups”) are given a fair opportunity to apply for such office to represent such group on the board of directors of the Corporation.

The nominating committee shall establish from time to time qualifications and criteria, in addition to the qualifications set out in the Act and the By-laws, to be applied to each applicant equally, which must be satisfied by an applicant in order for such applicant to be included on the slate of candidates for a director’s office, prepared by the nominating committee, provided that such qualifications and criteria established by the nominating committee must be ratified by resolution by the board of directors.

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**SCHEDULE “A”**  
**AMENDMENT TO BY-LAW NO. 1**  
**OF**  
**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**

*(continued)*

For purposes of carrying out the foregoing, the deadline for receipt by the nominating committee of nominations for candidates to stand for election to the Corporation’s Board of Directors shall be a date no earlier than sixty (60) days prior to the date on which the Corporation must give Notice to the Members of the Annual and General Meeting as required by By-law No. 1;”

- (b) Paragraph 14(d) is deleted in its entirety and replaced with the following:  
“make recommendations to the board of directors of the names of individuals to fill vacancies on the board of directors that occur from time to time, provided that the individuals recommended to fill such vacancies shall consist of representatives of the group which was represented by the director creating the vacancy; and”
  
- (c) Paragraph 14 (e) is deleted in its entirety and replaced with the following:  
“make recommendations to the board of directors regarding:
  - (i) the terms of office of the rotating directors elected pursuant to the By-laws; and
  - (ii) the number of directors on the board of directors which represent each of the groups, provided that any such recommendation shall require ratification and approval by resolution by the board of directors.”
  
- (d) Paragraph 17 is deleted in its entirety and replaced with the following:  
**“Election Method** - Where:
  - a. the number of candidates nominated to represent a group on the board of directors is equal to the number of offices to be filled with respect to such group, the Secretary of the meeting shall cast a single ballot electing that number of candidates for the offices on the board of directors to be so filled; and
  - b. the number of candidates nominated to represent a group on the board of directors is greater than the number of offices to be filled with respect to such group, the election to fill such offices shall be by ballot.”

**2. This by-law amendment shall come into force without further formality upon its enactment.**