

# *The Colonial Motor Company Limited*

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## **CHIEF EXECUTIVE AND SENIOR MANAGEMENT CHANGES**

Dear CMC Shareholder

At the Company AGM in November 2020 it was announced that Graeme Gibbons, would be retiring as CEO in 2021. This is now confirmed to take place on 30 September 2021. Graeme will continue his involvement with the Company as a Director.

Graeme has been CEO since July 1990. He started at a time when the new vehicle industry was under intense pressure from a depressed economy, compounded by the industry adjusting to the removal of import tariffs plus the unintended consequence of used car imports. It was a period of profound change and downsizing. The Company's trading profit after tax in 1991 was only \$1.8m and the new vehicle industry did not exceed its 1980's peak volume until 2014. Following Ford NZ's exit from the heavy truck market, Graeme led the establishment of Southpac Trucks with the Kenworth and Foden heavy truck franchises, later adding the DAF brand. Mazda franchises were added to the Group in the early 2000's, initially as part of the Auckland Auto Collection joint venture with Ford and Mazda. The last 20 years has been a period of organic expansion and reinvestment, with sustained profitability enabling significant growth in dividends and total shareholder returns.

Of necessity, a change of CEO after 30 years requires a wide review of what and how the Company's Group Office carries out its functions. In early 2020 the Board carried out a thorough review to identify a pathway to select and appoint a new CEO and management team. As part of that process, the nature and functions of the CMC Group Office were reviewed, especially its relationships within the Group and with numerous external parties. The process needed to identify what was required in order to select the best people. Both internal candidates and external options were considered. Early on the Board identified that the Group Office needed an expanded leadership team.

The internal candidates were identified and over an extended period of time the Board and executive assessed their capabilities and suitability for the roles. This pathway also included identifying education and training opportunities to round out their experience.

Alex Gibbons will be appointed the new Chief Executive Officer, commencing on 1 October 2021. He will be supported by June Gibbons, Group Manager of People Process and Technology, and Paul Stephenson, Group Manager Finance. Jack Tuohy continues in his role as Company Secretary.

As CEO, Alex will have overall responsibility for the performance of the Company, supported by the Group Managers who will provide the depth in their respective fields. June will pick up leadership of the Group's dealership support functions including health & safety, information systems, customer retention processes, and human relations. Paul will manage the external financial reporting requirements of the Company, taxation, external audit and internal management accounting and the Company's funding requirements.

Alex has a Masters degree in Marketing Management from Otago. He then worked with Sanitarium Health and Wellbeing Company in the areas of business analysis and category management before joining the CMC Group in 2015 at Southpac Trucks. There he was responsible for developing systems for marketing, sales and customer retention. In 2017 he moved to the CMC Group Office, initially working on dealership information systems and building a deeper understanding of the functions the Group Office performs. More recently as General Manager, he has been involved with property development, strategic planning, working with the Dealer Principals and dealership performance.

June has a Masters degree in Resource Management from Munich, Germany. She started with the Group in 2016 as Accountant at Stevens Motors in Lower Hutt and then became CFO of both of the Wellington dealerships. Through 2020 she was heavily involved in the integration of Capital City Motors and Stevens Motors into one dealership for the Wellington region. June moved to the CMC Group Office in late 2020.

Paul has a degree in Civil Engineering from Loughborough University in the United Kingdom and is a member of the Institute of Chartered Accountants in England and Wales. Paul was the Chief Financial Officer of a privately owned aged care provider before joining the Group in 2019.

The Board has confidence that the new and expanded management team, combined with the existing expertise throughout the Group, has the capacity and ability to guide the Company to a successful future in the forever changing business environment in which we operate.

The Board wishes to sincerely thank Graeme for his efforts and commitment and to acknowledge his sustained successes in leading the Company over three decades.

On behalf of the Board



Jim Gibbons  
**Chairman**

28 May 2021