



## MINUTES

### AIA Canada 75<sup>th</sup> Annual General Meeting May 16, 2017 - Hilton Meadowvale Hotel Toronto, ON

#### CHAIR'S REMARKS

AIA Chairman Doug Reevey welcomed everyone to AIA Canada's 75<sup>th</sup> Annual General Meeting. He thanked members for attending as this is a special year for the Association as it celebrates its 75<sup>th</sup> anniversary. He noted that AIA will be holding a Gala Celebration on November 24th in Ottawa at the Westin Hotel tied into Grey Cup Weekend. He encouraged members to plan on attending and to reserve their tickets as soon as possible for this not-to-be missed event.

He also noted that AIA has also secured a limited number of Grey Cup Tickets that will be available on a first come, first serve basis.

He then introduced his fellow members on AIA's Executive Committee, including Dave Fifield from Wakefield Canada; Brent Hesje from Fountain Tire; Tony Canade from Assured Automotive and Jean-Francois Champagne, AIA Canada's President.

As is the AIA tradition, Doug then recognized the Past Chairs who were in attendance and thanked them for their support. In attendance were:

- Mauro Cifelli
- Randy Moore
- Ken Coulter
- Brad Morris
- John Vanstone
- And on a personal note, he welcomed his father Ted Reevey, who was AIA Chairman of the Board in 1992.

With the number of companies represented in the room today and the additional proxies received, Doug Reevey declared a quorum and called the meeting to order. The Quorum requirement is 30 voting members. Each member company represents one vote and only the main contact or his/her delegate may vote.

#### **AGENDA APPROVAL**

Doug Reevey reviewed the agenda. He noted that other than approval of the agenda and the minutes of the previous AGM meeting there were four items of business being presented to the membership including a review and vote on the 2016 Audited Statements, the appointment of auditors for 2017, a report on the activities of the AIA Board of Directors and the Association in 2016 and the approval of the nominated directors for the AIA Board of Directors. Voting would be conducted with a show of hands.

It was moved by Joe Mercanti  
Seconded by Lynn Cormier

*“That the agenda for the 2017 Annual General Meeting of the Automotive Industries Association of Canada be approved as circulated.”*

**CARRIED**

#### **APPROVAL OF MINUTES FROM THE 2016 ANNUAL GENERAL MEETING**

It was moved by Bruce Cowling  
Seconded by David Cochrane

*“That the minutes of the May 11<sup>th</sup>, 2016 Annual General Meeting be approved by the membership.”*

**CARRIED**

#### **REPORT ON THE 2016 AUDITED FINANCIAL STATEMENTS**

On behalf of the Chair of the Audit and Finance Committee Frank Pepito who was unable to be present, Tony Canada presented the report on the 2016 Audited Financial Statements.

He noted that 2016 had been a successful year for AIA with the association generating an excess of revenue over expenses of

\$155,593 compared to the original budget deficit of \$224,000 for the year ended December 31, 2016. Revenue from “Programs” had increased by 20% due to the success and increase in ICAR revenues and the higher demand for online learning courses. There was a slight decrease in membership revenue during the year.

Under other revenues, it was noted that:

- the majority of the gains stemmed from investments as a result of the sale of the building in 2015.
- The management fees for 2016 were consistent with the previous year as per the HDAC management contract.
- Strategic partnership revenues were higher in 2015 compared to 2016 due to the initial take off of the status of Women Project.
- Total revenues for 2016 were at \$5,751,929. Overall revenues decreased by 7% compared to 2015 keeping in mind that 2015 revenues included the gain of the disposal of the building of \$1,311,667.

On the expense side, Tony noted:

- An increase in the Programs cost which correlates directly with the increase in ICAR revenues. This includes higher royalties paid to ICAR US as well operational costs to run the courses.
- Other expenses driving the program costs include the Gala Reconnaissance and ACE events which did not take place in

the previous year. CCIF events were also a great success and took place on a larger scale in comparison to 2015.

- There was an increase of approximately 15% in salaries and benefits for AIA staff. Four new positions had been added as a result of the higher activity level in 2016.
- Administration costs had decreased by 42% as a result of selling the previous office building.
- Project costs decreased by 33% as the previous year included the donation to Georgian College of \$250,000.
- Rent expense was higher in 2016 as it included a full year amount while the original relocation took place in August 2015.
- Other expenses fluctuated based on operational needs. Travel costs were reduced by 13%.
- Committee expenses increased by \$48,688 due to the initiation of the balanced scorecard project.
- Overall expenses for 2016 increased by 10% or \$486,314 compared to the previous year.

### **Statement of Financial Positions December 31, 2016**

Tony Canade then reviewed the statement of financial position reporting that the amount of cash is comparable to the previous year. He also noted that:

- Investments increased significantly as more funds were available for investments given the proceeds from the sale of the building in 2015.
- Accounts receivable at the end of the year had increased by approximately \$39,000 as a result of a larger volume of transactions in 2016 and higher ICAR activity.
- Prepaid Expenses are lower by \$168,577 as the association did not prepay the ICAR license fee as it had done in the previous year.
- Capital assets were increased by \$177,115 due largely to the development of the ICAR, CCIAP and CASIS websites.
- Accounts payable and accrued liabilities increased by \$312,526 to include compensation, the 4th quarter ICAR royalty payment and other costs associated with higher activity in 2016.
- Deferred revenues increased by \$264,636 to include funding received for the ESDC project, ICAR course revenues as well as the CCIAP and CCIF sponsorship revenues.
- The deferred Lease Inducement is at \$121,387 and will continue to be applied over the lease term. The original amount represents the 5 months of free rent given in August 2015 to December 2015.

Tony Canade concluded his report by thanking the members of the Audit and Finance Committee.

It was moved by Tony Canade  
Seconded by Dave Lange

*“That the 2016 Audited statements be approved as presented.”*

**CARRIED**

## **APPOINTMENT OF AUDITORS FOR 2017**

It was moved by Tony Canade  
Seconded by Ezer Mevorach

*“That AIA Canada appoints BDO Canada as the Auditors for 2017.”*

**CARRIED**

## **NOMINATING COMMITTEE REPORT**

Tony Canade, Chair of the 2017 Nominating Committee presented the Nominating Committee report to the members. He began his report by recognizing his fellow committee members that included:

- John MacDonald from Ideal Supply
- Mauro Cifelli from Vast-Auto Distribution
- Kari Hann from Specialty Sales & Marketing
- Sean Corcelli from Uni-Select Inc., and
- Flavio Battilana from CSN Collision Centres

Tony stated that by following a defined process the Nominating Committee assessed candidates that were put forward against the

needs of the Association. He noted that the proposed slate have a wealth of industry skills and knowledge that will provide a strong and vigorous Board to lead the Association forward. Each year, a minimum of 3 new directors are appointed to the Board to allow for a balance between maintaining experience with the introduction of new approaches and ideas. This year, three new Directors will be appointed to the AIA Board with one director assuming an Executive Committee position.

It was moved by Tony Canade

Seconded by Bill Hay

*“That Rick Orser from 3M Canada be appointed as a director serving until the Spring 2020 AGM.”*

CARRIED

It was moved by Tony Canade

Seconded by Mark Millard

*“That Tony Del Vasto from Vast Auto be appointed as a director serving until the Spring 2020 AGM.”*

CARRIED

It was moved by Tony Canade

Seconded by Dean Clarke

*“That Steve Leal from Fix Auto Networks be appointed as a director serving until the Spring 2020 AGM.”*

CARRIED

It was moved by Tony Canade  
Seconded by Derek Chinn

*“That Jason Best from Spectra Premium be appointed as the  
Second Vice Chair of the AIA Executive Committee and Board of  
Directors.”*

CARRIED

It was moved by Tony Canade  
Seconded by Mike Fazackerly

*“That Brent Hesje from Fountain Tire be appointed as First  
Vice Chair of the AIA Executive Committee and Board of  
Directors.”*

CARRIED

It was moved by Tony Canade  
Seconded by Mauro Cifelli

*“That Dave Fifield from Wakefield Canada be appointed as the  
new Chairman of the AIA Executive Committee and Board of  
Directors.”*

CARRIED

It was moved by Tony Canade  
Seconded by Steve Ellis

*“That Doug Reevey from Autotec be appointed to the position of  
Immediate Past Chair.”*

CARRIED

Doug Reevey noted that remaining board members and terms that were voted on at the last Annual General Meeting will remain in place. A complete list of the AIA Board was included in the meeting package and will be posted online on the AIA website.

## **REPORT ON THE ACTIVITIES AND ENDORSEMENT OF THE BOARD**

AIA President, Jean-Francois Champagne reported on some highlights and activities of the association that took place in 2016.

This included:

- AIA finished the year with 835 members, with wholesalers representing 75% of the membership.
- AIA Canada has over 115 volunteers working on 11 active Councils and Committees in addition to eight divisions across Canada working with the support of more than 83 volunteers.
- AIA Canada hosted 11 professional and networking events that attracted attendance of more than 2000 people. These events would not have been possible without the financial support of more than 160 sponsors. He thanked these sponsors and recognized the AIA Maple Leaf sponsors who support each event and networking opportunity across Canada.

He noted that AIA is focussed on developing and expanding its' knowledge capabilities with the release of the 2016 Outlook Study;

a research paper on the potential impact of Trans-Pacific Partnership on the industry; and a series of consumer behavior studies with an e-tailing report, that talks about the changing habit of consumer and their online purchasing habits.

Jean-Francois Champagne stated that:

- Advancing Women in Automotive Knowledge Exchange (AWAKE) continued to be a high priority for AIA.
- Work on the Aftermarket Labour Market Intelligence (ALMI) project with the financial support of the Government of Canada has commenced. This project will allow for the deployment in 2018 of a comprehensive online tool enabling the industry and stakeholders to better understand labour market trends in the aftermarket.
- These knowledge projects are allowing AIA to engage with stakeholders, in traditional, and also in new and innovative ways, using Infographics, fact sheets, and social media.

On the government relations front, it was noted that AIA has continued its efforts at both the federal and provincial levels to ensure that the aftermarket is an active participant and vocal partner when advocating for consumer choice and access to service and repair information as new technologies emerge. Due to the activities of the association to promote an asbestos free industry has resulted in a national ban on the import and use of asbestos.

On the collision side, I-CAR remained very successful with the delivery of over 90 I-CAR training courses and more than 12,000 seats during the year. AIA continues to support the efforts of the Canadian Collision Industry Forum or CCIF which hosted three very successful events attracting more than 1,200 attendees. The Canadian Collision Industry Accreditation Program (CCIAP), a new AIA initiative supported by the Canadian collision industry to recognize excellence through shop accreditation was also launched in 2016. To date, more than 1100 locations have registered with CCIAP and are working towards their accreditation

AIA Canada has continued its focus on the next generation through grants and scholarships programs which have benefited more than 35 recipients across the country. The association continues to also support local charitable organizations through the High Fives for Kids Foundation.

Jean-Francois Champagne concluded his report by acknowledging the leadership of the AIA Canada Board of Directors who worked diligently in 2016 with Management to support the association's activities.

Doug Reevey thanked Jean-Francois Champagne for his report and asked for a motion to endorse the actions of the Association and the Board of Directors for 2016.

It was moved by Paula Sayers  
Seconded by Patrick Durcek

*“That the members endorse the activities of the Association and the Board of Directors for 2016.”*

**CARRIED**

As this concluded the formal votes for the 2017 Annual General Meeting, Doug Reevey took the opportunity to extend his personal thanks all of the Directors on the 2016-2017 Board of Directors and especially his colleagues on the Executive Committee. He then congratulated the new members of the 2017 Board of Directors.

#### **INCOMING CHAIR’S ADDRESS**

Doug Reevey congratulated the new Chairman of the Board, Dave Fifield and presented him with the AIA gavel and Chair’s pin.

Dave Fifield addressed the membership as the new Chair of AIA stating that it was a privilege and honour to be elected as Chair especially during the association’s 75th anniversary year. He thanked Doug Reevey, Tony Canade and John Macdonald for their support and mentorship in preparing him for the role.

He then shared his own perspective on the state of the aftermarket industry, the future outlook and where the industry should focus its efforts over the upcoming year.

He noted that the automotive aftermarket has changed significantly since the association began in 1942 with the aftermarket now being a \$21 billion industry that employs nearly 400,000 people, over 25 million vehicles on the road and 1.9 million new vehicles sold every year in Canada.

Dave Fifield noted that although the industry has grown and evolved, so has the Association -- but that the important early principle of working together to achieve a common objective remains as important now than ever before.

With the association membership more diverse and inclusive than ever before, it will require all members to work collaboratively at scale to be successful. He noted that automotive wholesalers will always be an important part of AIA's history and an important stakeholder group in the industry.

Dave Fifield then talked about the future of the industry, stating that the future is bright with record sales, growing vehicle fleet, and consumer demand for aftermarket service providers increasing. He also talked about the many significant disruptors facing the industry including technology advancements, the political and

regulatory environment, fuel economy standards, ride sharing entrants and government incentives and regulations. He noted that one of the biggest drivers of change for the industry is that cars are being built better and last longer and therefore industry needs to find innovative ways to create value for customers and compete in this new world.

He stated that the AIA today is a modern and sophisticated association that is staffed by a strong team of professionals dedicated to the advancement of our industry. The AIA has strong capabilities in Government Relations, Market Research and Program Development. It is uniquely positioned to understand the key issues facing industry and members. It has unique capabilities and is able to develop clear strategies and tactics to address some of the most pressing issues such as right to repair, underperformed maintenance and policy development by all levels of government. He noted that AIA is also extremely successful at bringing people together through event and training programs on both the automotive and collision side of the industry.

Dave concluded his address by recognizing the AIA Board of Directors and welcoming the new members.

## OUTGOING CHAIR'S ADDRESS

Doug Reevey then spoke to the membership stating that although his term as Chair has officially ended, he now looked forward to taking on the role of Immediate Past Chair.

He stated that his year as Chair had been a wonderful experience for him both personally and professionally. He then noted some of his personal observations from his term as Chair:

- The Canadian public needs the aftermarket to survive and prosper. The industry plays an important role in the lives of most Canadians day in and day out.
- The industry continues to experience unprecedented change in all segments of the aftermarket. However, he was confident that the aftermarket industry will successfully navigate these challenges.
- Engaging and educating the youth in Canada about the aftermarket industry and the opportunities that are available is a critical initiative that we must continue to focus on.
- The consolidation movement is alive and well, active in all segments of the industry and that this trend will continue for quite some time.

- Expect the unexpected both from traditional industry players as well as companies that are entering the marketplace for the first time, the landscape is changing.
- AIA Canada, through its committed staff, continues to develop resources, knowledge and tools to help members drive their respective businesses forward. AIA Canada is the voice and resource for our industry.
- The aftermarket industry across Canada has talented and passionate people employed in it and it is these individuals that will ensure that the Canadian aftermarket remains relevant and a force for the foreseeable future.

He reminded members, sponsors and stakeholders of AIA, that the Association's very existence is to serve the members' needs, advocate on their behalf and be their resource to help them meet the challenges of today and seize the opportunities of tomorrow.

Doug thanked the AIA Board of Directors, Executive and AIA staff for their time, effort and passion for the industry, noting that it was through their tireless efforts and dedication that helped make his time as Chairman as engaging and enjoyable as it was.

He concluded his address to members with a quote from John D. Rockefeller that he felt was very relevant to the aftermarket industry and respective businesses.

*“If you want to succeed you should strike out on new paths, rather than travel the worn paths of accepted success.”*

Jean-Francois Champagne thanked Doug Reevey for his leadership over the past year and presented him with a token of gratitude.

## **OTHER BUSINESS**

Before the annual general meeting was adjourned, Jean-Francois Champagne asked to read the following four questions and answers to clarify some concerns that had been brought forward by AIA member Bestbuy Distributors Limited.

**1-Fee structure** - Please explain and justify the fee structure, how it increases, what extra benefit is derived for each increase in fees?

*AIA fee structure is determined based on a member’s annual revenue and the category of membership it belongs to. As for membership benefits, they are not motivated by the dues paid. Each and every member gets the same benefits regardless of its size. There has been no increase in dues in 3 years.*

2- **Board elections** - How is the Board candidates determined for election? Why are the members not permitted to nominate without having to be pre-approved by the selection committee? Is any member eligible to be elected from the floor?

*Yes, any member can be elected to the Board. AIA decided to have a nominating committee which operates independently from management and the board that seek the best candidates from the perspective of skills, industry sector and succession.*

3- **Board composition** - Based on the fees paid by category, why is there a disproportionate representation on the Board?

*Board composition fluctuates and is based again on the goal to have the right skills, industry sectors and successions and is not based on a representative model.*

4- **AIA investments** - AIA has over \$1M in investments in "quoted investments". How is this handled? Is a professional investment firm used? If so, who is it and how were they chosen? Are there any ties to AIA with this firm?

*Yes, AIA has a professional firm managing the association's investments. BMO Nesbitt Burn were selected as a result of an RFP conducted by arms-length from AIA and follows the association's investment policy statement which is revised by*

*the Board from time to time and overseen by an independent audit & finance committee.*

Doug Reevey asked the members in attendance if there were any other questions from the membership that needed to be addressed. As there were no other questions raised, he asked for a motion to adjourn the 75th Annual General Meeting.

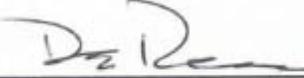
## **ADJOURNMENT**

It was moved by Randy Moore

Seconded by Jason Best

*“That the 75<sup>th</sup> Annual General Meeting of the Automotive Industries Association of Canada be adjourned.”*

**CARRIED**



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Doug Reevey  
Chairman of the Board

*Note: Unless otherwise stated, all motions were duly moved, seconded and carried.*