

The automotive aftermarket is changing.

So are we.

ANNUAL REPORT 2017

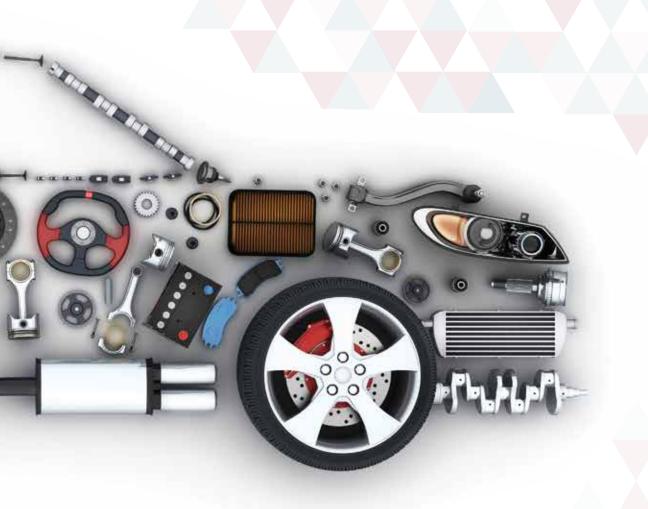
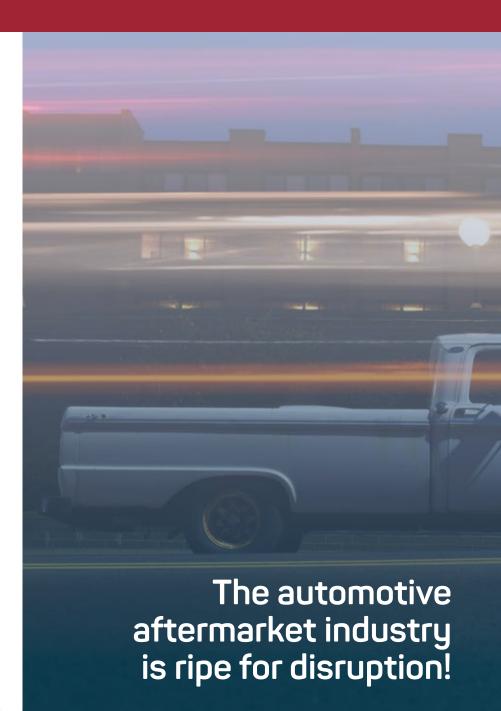


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Message from the President

"2017 was a very successful year for AIA Canada. We have continued to provide value to the industry by investing in knowledge, advocacy, and creating memorable experiences for our members. To note a few of our key initiatives of 2017, our 'Disruptors in the Automotive Aftermarket: Road Map towards a Sustainable Future' produced impacting insight, which provided a clearer view of the future of the aftermarket during uncertain times. Additionally, our work on an aftermarket labour market intelligence project, AutoConnect, was initiated with a projected completion date of 2018. The tool will provide functional and timely labour market information for the industry, employers, employees, job seekers, educational institutions, and other stakeholders. AIA Canada also spoke strongly on behalf of the aftermarket to levels of governments on various platforms to ensure the sustainability of our sector.

At last, we finished the year with a big celebration of our 75th anniversary, which perfectly aligned with the celebration of Canada's 150th anniversary. As we continue to change and evolve in a similar fashion to the changes our members are facing, what has remained constant during the first 75 years of our existence is the passion and engagement towards our member companies and their people who make a difference in the industry every day. To our members, volunteers, board members and our AIA Canada staff, happy 75th and long live the Automotive Industries Association of Canada."

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Jean-François Champagne, CAE President - AIA Canada

Message from the Current Chair

"Our industry remains at the forefront of many disruptive forces. The aftermarket, as we know it, will look very different in the years to come and is arguably undergoing the most significant transformation in decades. The rapid deployment of new vehicle technologies and business models are putting increased pressure on traditional players. The regulatory environment is rapidly evolving to ensure that consumers are protected and the playing field is leveled for everyone. We cannot afford to watch this game from the sidelines.

The mandate of AIA Canada and the strength of the Association have never been more important than it is today. Over the past year, I have seen first-hand the AIA Canada staff in action on the most important issues facing our members. I can confidently say that we are well positioned to take on the biggest challenges facing our industry and making great progress.

As an industry, we are fortunate to have so many great people who generously volunteer their time and talents for the benefit of us all. I would like to personally thank our many volunteers from across the country who supported numerous AIA Canada activities. Thank you!

It has been an honour and privilege to serve as your Chair this year and I would encourage all members to get involved and help shape the future of our industry."

66

The mandate of AIA Canada and the strength of the association have never been more important than it is today.

99



Message from the Incoming Chair

"During AIA Canada's 75th anniversary we celebrated a story of incredible adaptability that continues to position us as Canada's voice for the automotive aftermarket. Our leadership gives us the wisdom and resources to be a place to welcome the relentless curiosity coming from several stakeholders.

Governments, both federal and provincial, are now looking for reliable research to understand the current automotive landscape and to seek thought leadership in the areas of autonomous, connected and electrified vehicles.

More and more automotive companies are thirsty for knowledge on how these shifts in personal and commercial mobility will allow their businesses to not only survive, but thrive in the near to medium term.

Adding to this current trend, post-secondary institutions want to confirm that their respective curriculums will be relevant to the industry and helpful to the new talent entering our businesses. They also want to better understand their role in upgrading the current skill set required for a properous economy.

Our industry continues to be one of the most dynamic and exciting in Canada. As the world gets smaller and moves faster, smart industries are finding similarities rather than differences in order to have influence into a brighter future. I look forward to working with AIA Canada and to continue to focus on bringing the automotive aftermarket together with the convergence of both collision and mechanical sectors, and the many other elements of our amazing industry. The facilitation of this collaborative platform will allow us to have a powerful voice.

Not only are we in a space that is attracting investments to stimulate technological advancements of our sector, but we are also in an industry that enables a basic human right, mobility.

There has never been a better time to be a part of the automotive aftermarket and we must make sure that future Canadian talent is giving this industry a serious consideration as the place for them to build a career!

I am thankful to be part of AIA Canada and look forward to serving as the Chair of the Board in 2018 among our impressive industry leaders."

> Our industry continues to be one of the most dynamic and exciting industries in Canada.



AIA Canada - Board of Directors

Executive Committee



DAVE FIFIELD Chair of the Board Wakefield Canada Inc.

Directors at Large



BRENT HESJE First Vice Chair Fountain Tire



JASON BEST Second Vice Chair Spectra Premium Industries Inc.



DOUG REEVEY Immediate Past Chair Autotec Inc.



RICK ORSER 3M Canada Company



SUSAN HITCHON
Schrader Performance
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ANNIE HOTTE Uni-Select



ERIC KNOGLER
Sutherland Automotive



PAULA SAYERS Canadian Tire Corp.



STUART SULS Mr. Lube Canada



TONY DEL VASTO
Vast-Auto Distribution



STEVE LEAL Fix Auto World



SIMON WELLER NAPA Canada

AIA Canada - Staff

Chris Amaro, Collision Sector Coordinator

Rosa Azizi, Operations Coordinator

Natasha Brisebois, Senior Events Coordinator

Jean-François Champagne, President

Hayley Chartrand, Membership Coordinator

Sara Chenier, Business Analyst & AMS Specialist

Erin Chreptyk, Policy and Government Affairs Analyst

France Daviault, Vice President

Michelle Davis, Collision Sales & Marketing Coordinator - Collision Sector

Courtney Delaura, Communications Coordinator

Roger Goudreau, Executive Director - Quebec

Sebastien Guindon, Graphic Designer

Nermin Ibrahim, Project Coordinator - Labour Market Intelligence

Cayla Ireland, Collision Sales & Marketing Coordinator - Collision Sector

Patty Kettles, Senior Manager - Member Relations

Didina Kyenge, Executive Assistant to the President

Rachel Leduc, Project Coordinator - Quebec

Valerie Miles, Senior Coordinator of Collision Programs

Ann McEvoy, Finance Coordinator

Tawny Myers, Senior Events Coordinator

Luciana Nechita, Director - Public Affairs; Executive Director, AIA High Fives for Kids Foundation

Brigitte Pesant, Director - Collision Programs

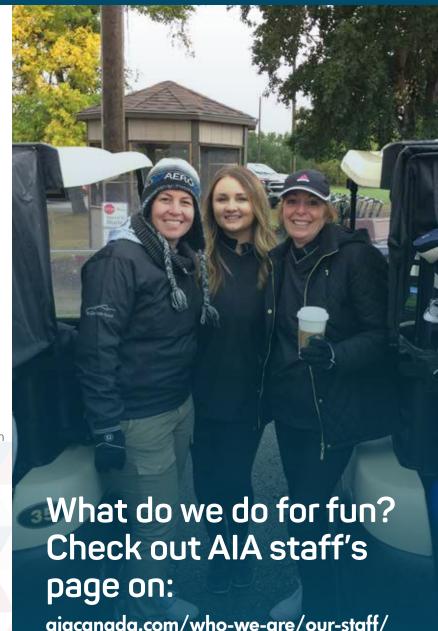
Shamsia Quraishi, Knowledge Transfer Specialist

Ibtihal Ridha, Senior Manager - Finance

Tanya Scheidl, Collision Sector Coordinator

Mireille Schippers, Manager - Collision Sector

Andrew Shepherd, Senior Director - Industry Programs; Executive Director, I-CAR



Financial Snapshot

AUTOMOTIVE INDUSTRIES ASSOCIATION OF CANADA

Statement of Operations – year ended December 31, 2017

Revenues	2017	2016
Programs	\$ 5,198,764	\$ 4,040,866
Membership fees Other revenues Management fees Strategic partnership	1,143,857 165,821 162,550 34,082	1,208,394 256,061 212,550 34,058
	6,705,074	5,751,929
Expenses Programs	2,646,874	2,166,652
Salaries and benefits Administration Projects Rent Travel Services Committees	2,127,395 367,857 333,972 291,020 253,677 75,780 58,309	2,076,198 345,548 304,384 308,037 226,163 81,360 87,994
	6,154,884	5,596,336
Excess of revenues over expenses	\$ 550,190	\$155,593

Statement of Financial Position as at December 31, 2017

Assets	2017	2016
Current Cash Investments Accounts receivable Prepaid expenses	\$ 293,699 1,937,492 141,166 321,520	\$ 84,467 2,296,738 138,193 240,841
	2,693,877	2,760,239
Investments	1,450,000	810,000
Tangible capital assets	337,337	404,206
	\$ 4,481,214	\$ 3,974,445
Liabilities and Net Assets		
Current Accounts payable and accrued liabilities Deferred revenues	\$ 565,267 755,083	\$ 702,658 647,664
	1,320,350	1,350,322
Deferred lease inducement	107,938	121,387
	1,428,288	1,471,709
Net Assets Invested in tangible capital		
assets Unrestricted	337,337 2,715,589	404,206 2,098,530
	3,052,926	2,502,736
	\$ 4,481,214	\$ 3,9 <mark>74</mark> ,445

The Aftermarket Industry in Numbers*



The automotive aftermarket industry in Canada is worth \$21 billion.



388,100 CANADIANS EMPLOYED

Aftermarket employees account for nearly half of those employed in the Canadian automotive sector.



4,656

automotive parts and accessories and tire store retailers



23,050

general maintenance, collision, glass, and other specialist outlets

LIGHT VEHICLE STATISTICS



9.6 years

AVERAGE AGE

25.6 million REGISTERED

1.90 million

UNITS SOLD

1.55 million

*"Orphaned" vehicles are classified as vehicles whose parent brand no longer operates or exists in the market.

WHAT'S IMPACTING THE INDUSTRY?



Ride sharing



Autonomous vehicles



Telematics/
Connected cars

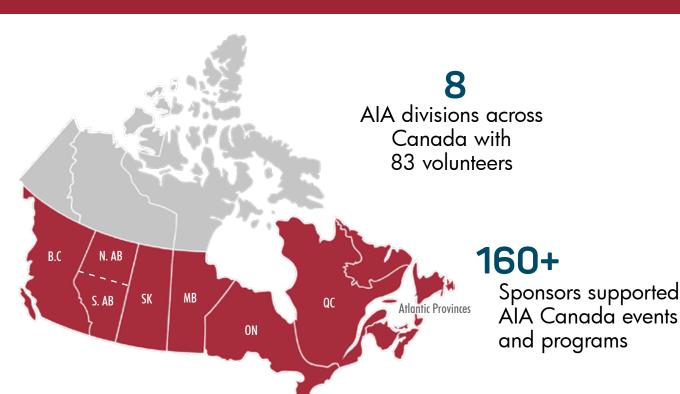


Electric vehicles



3D printing

AIA Canada in Numbers

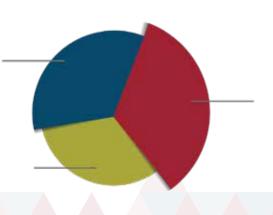




COMPARISON OF INDUSTRIES BY EMPLOYMENT

326,800Natural resources (forestry, fishing, mining, quarrying, oil and gas)

289,200 Agriculture



%— ⊙— ♂—

388,100
Aftermarket
That's almost same
as the population of
OSHAWA, ON

808
Member companies

202

Member companies have been AIA members for the past 15-20 years

Market Research

Innovation, emerging technologies, disruptors, new mobility - call it what you will, the fact is, the automotive industry is changing at a rapid pace that will invariably influence the aftermarket sector. AIA Canada is committed to demystifying these new technologies and their possible impact on the aftermarket sector.

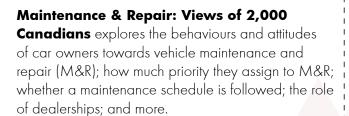
In 2017, we demonstrated that commitment through our cutting-edge market research and policy reports. The much sought-after, 'Disruptors in the Automotive Aftermarket: Road Map Towards a Sustainable Future, made the case for how technological change will impact different segments of the industry, while also providing a clear roadmap to navigate those changes. Our Consumer Behaviour Series continued to shed light on car owners' perspectives on repair and maintenance, telematics, and more.

'The Canadian Collision Repair Industry Yearbook' added a significant building block in an effort to address the current lack of market information for the Canadian collision industry. Through our research reports, we provide valuable and functional information to help aftermarket businesses develop and grow, making AIA Canada

the go-to resource for knowledge on the automotive aftermarket.



Car Care Information: What Media Channels **Are Canadians Using?** is a study of car owners and their attitudes towards vehicle repair information. Understanding what media channels are utilized can provide key answers that can impact communications and marketing strategies of businesses operating in the aftermarket industry in Canada.









Canadian Collision Repair Industry Yearbook 2017 provides information on the size and scope of the collision industry in Canada. This report is a must-have resource for strategic business planning and for those looking to learn more about the collision repair industry in Canada.

Industry Disruptors

The Changing Automotive Landscape: An Introduction delves into what technological advancements exist and what they might mean for the automotive aftermarket in Canada.









Knowledge Hub

In 2017, we advanced our research, government relations and other activities through our knowledge transfer efforts. The knowledge transfer strategy involves developing targeted communication materials to ensure that information is exciting and easy to understand and share. Our goal is to get the right information to the right people in a way that is meaningful and impactful. In total, we produced more than 50 knowledge products that included factsheets, infographics, data visuals, and presentations. Knowledge transfer aims to increase member engagement and enhance AIA Canada's position as a knowledge source with the government, stakeholders, and corporate sponsors.

Industry Presentations







Factsheets



GR Analysis



Infographics



Government Relations

On April 4, 2017, a team of AIA Canada staff and industry stakeholders descended upon Parliament Hill. During twelve meetings, they delivered messaging on innovation in vehicle manufacturing that impacts the aftermarket, access to vehicle data and the workforce of the future. AIA Canada's big win: an invitation from Senator Diane Griffin to testify before the Senate Standing Committee on Transport and Communications for the study on the technical and regulatory issues related to the deployment of autonomous and connected vehicles.





Keeping things fresh, AIA Canada took the aftermarket's perspective to new venues, including a panel event where AIA member Malcolm Sissmore of Delphi, Vince Guglielmo of the Automotive Parts Manufacturers' Association, Barrie Kirk of the Canadian Automated Vehicles Centre of Excellence, and Scott Bradley of Huawei Canada, discussed the way technology is changing vehicles and the impact that these changes will have on the aftermarket.

The Parliamentarian of the Year awards banquet offered AIA Canada staff and industry stakeholders a great networking opportunity with the Hill's movers and shakers.

AlA Canada put a new spin on how information is shared with industry stakeholders by posting briefs online on topics including the NAFTA renegotiations and the proposed tax reforms coming out of the Federal Budget 2017.



AIA Canada's 75th Anniversary



Our accomplishments are the industry's accomplishments, and we are grateful for our members' commitment to the growth and prosperity of the aftermarket.















Here's to 75 more!



Programs & Activities



Our Mentoring Program

The AWAKE mentoring program engages women in the automotive aftermarket industry in a sustainable career development process that enhances their leadership capabilities, builds their strategic network, and provides a valuable benefit to them.

What we do:

- Improve the visibility of women in the automotive aftermarket industry;
- Challenge existing gender stereotypes about women in the industry;
- Provide guidance and support to those new in the industry and those considering a career change;
- Promote the many perks of a career in the automotive industry, including high salaries, pensions, benefits, and training.













AutoConnect

In 2016, AIA Canada launched the Aftermarket Labour Market Intelligence (ALMI) project with funding from the Government of Canada's Sectoral Initiatives Program. The outcome of this project - a bilingual website called **AutoConnect**, will provide pertinent labour market data that is crucial for industry success.

While those working in the aftermarket will benefit from features such as demographic and compensation data, education and training requirements, and a job aggregator, AutoConnect will also be optimized to attract more students and women to the industry. ALMI is comprised of three phases of research activity:

Phase 1: Identification of all the relevant occupations for the aftermarket industry based on the National Occupational Classification (NOC).

Phase 2: Four bilingual online surveys targeting managers and frontline workers in the mechanical and collision sectors. Print and online advertisement campaigns were also launched to encourage participation in the surveys.

Phase 3: Development and deployment of the website (AutoConnect) and the production of a final report outlining labour market trends and challenges in the industry.

AutoConnect will address key knowledge gaps helping member companies, employees, employers, government, and students to better understand the aftermarket industry. It is expected to launch in the latter part of 2018.

Programs & Activities



The Be Car Care Aware (BCCA) program and its subsequent social media channels build awareness and help Canadian consumers make informed decisions about servicing and maintaining their vehicles. The program enhances the public image of the aftermarket industry and builds trust between consumers and their service provider of choice.

Shops, wholesalers, and anyone who is involved in the aftermarket industry are welcome to use BCCA material to assist in educating consumers.

For more information on the program, visit www.becarcareaware.ca.





The Canadian Collision Industry Forum (CCIF) provides a national venue for all collision industry stakeholders to network, share information, and collaborate to develop solutions to common industry issues and challengers.

CCIF meetings take place three times per year, in different provinces from coast to coast, and are open to anyone interested in contributing to the future success and sustainability of the collision repair industry.

To learn more about CCIF, visit www.ccif.ca.



1,200+

attendees at three CCIF events across Canada

2017 event locations Toronto | Edmonton | Fredericton



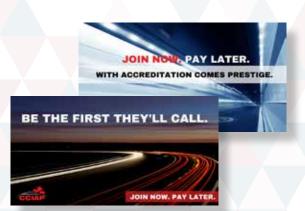
Programs & Activites



The Canadian Collision Industry Accreditation Program (CCIAP) is a national program, managed by AIA Canada. CCIAP was established to accredit collision repair facilities against a collection of core industry standards. The program establishes business, equipment, operational and training standards, which are required to perform modern collision repairs in a safe and efficient manner.

The CCIAP brand demonstrates to consumers, insurers, OEMs and suppliers that the facility has met the necessary infrastructure and training to repair modern vehicles accurately and safely. CCIAP has the support of major Canadian collision repair chains and prominent independent collision repairers across the country.

To date, over 1,100 collision repairer facilities have registered with the program, and are working towards their accreditation. CCIAP has been created by and for the Canadian collision repair industry. Visit www.cciap.ca for more information.





1,100+

collision repairer facilities from across Canada have registered with the program



I-CAR Canada is a bilingual training and recognition program, run by AIA Canada, which focuses on updating the skills of management and technicians in the collision repair industry so that they can best repair the Canadian vehicle fleet.

In 2017, I-CAR Canada released a number of hands-on skills courses including Squeeze Type Resistance Welding and Rivet Bonding. New technology offerings were also well-represented with the addition of Vehicle Technology Trends and Diagnostics Overview, Vehicle Construction Material Types and Understanding Vehicle Communication Networks. Also, a number of OEspecific courses, covering Volkswagen, Volvo, Honda and Acura, General Motors and Fiat Chrysler Automobiles models, were developed.

In 2017, I-CAR Canada delivered over 15,000 training seats via online, live and webinar methods, and offered almost 70 courses in French.



128

courses available live or online, with 4 welding certifications required by major manufacturers.

15,000+ seats delivered in 2017
across Canada



Congratulations

AIA Distinguished Service Award

This award is presented annually to an AIA member who demonstrates dedication and exemplary leadership in support of the development and growth of the Canadian automotive aftermarket industry.

John Maslack

In 2017, at the AIA 75th Annual General Meeting, John Maslack was honoured with the AIA Distinguished Service Award.

As a member of the North American buying group, The Alliance (Auto Value), and as an AIA member for over 20 years, John and his team have always been strong supporters of the Association.





Sean Corcelli

During the same event, Sean Corcelli was also recognized with this prestigious award.

Following the wildfires in Fort McMurray in 2016, Sean was instrumental in raising over \$10,000 to support The Justin Slade Foundation, a registered non-profit organization based in Fort McMurray, which provides youth with organized programs, community engagement, and valuable opportunities.

Young Leader of the Year Award Jason Best

Jason Best, Executive Vice President, Spectra Premium Industries was awarded the Young Leader of the Year Award. The award is presented annually to recognize the outstanding leadership and dedication of a young employee in the automotive aftermarket industry.

Born into the industry, Jason is well-known and respected for his approach to leadership and his ability to share his vision with his team and customers. His enthusiastic approach is visible from the boardroom to the plant floor and everywhere in between Named Automotive Aftermarket Leader of the Year by Babcox Publications in 2010 and 2014, Jason has been a speaker at many industry events in addition to being featured on numerous occasions in the trade press.



Congratulations

France Daviault: Appointed Vice-President of AIA Canada

In December 2017, France Daviault was appointed Vice-President of AIA Canada and became responsible for the overall operations of the association. France, who recently received her Canadian Association Executive (CAE) designation, has been with AIA Canada since 2014 and played a leading role in developing strategic priorities and building high performing teams. She will oversee the development of the Association's strategic plan, ensuring efficient and successful implementation of all operational plans for membership, events, communications, research and government relations, while identifying future member programs and services.



The AIA High Fives for Kids Foundation (H5s4Ks)

Raymond Proulx: Incoming Chair

Luciana Nechita: Executive Director

Along with a new visual identity for H5s4Ks, the Foundation elected a new slate of directors, appointing Raymond Proulx, KYB Americas, as incoming Chair and Luciana Nechita as the Executive Director. The new board of directors will spearhead the Foundation's strategic direction and growth, while supporting our members in their charitable efforts.







Ben Lalonde: Chair of the Automotive Service Provider (ASP) Council

In 2017, Ben Lalonde was appointed as the Chair of the ASP Council of AIA Canada. Ben is currently the CEO of Rebel Technologies and is committed to bringing the automotive service industry into the 21 st century by providing a solution that is intuitive, easy and yet extremely powerful to all stakeholders in the value chain.

Communications at AIA





AIA HIGH FIVES FOR KIDS FOUNDATION

FONDATION AIA UN COUP DE MAIN POUR LES ENFANTS

CHANGING YOUNG LIVES FOR THE BETTER

The AIA High Fives for Kids Foundation (H5s4Ks) offers both grants and scholarships, supporting local or national registered charities that have programs for the benefit of children and youth. The projects funded by H5s4Ks provide training, equipment, experiences, and assistance so that youth and children can reach their full potential. The Foundation also awards scholarships annually across Canada for students who wish to further their education in the automotive aftermarket.

In 2017, H5s4Ks underwent a comprehensive rebranding effort, resulting in a lively, new identity. The new look and feel coincides with the Foundation's goal of creating brighter futures for children and youth.



AIA Canada extends a special thank you to the outgoing Chair, Ken Coulter, who has been instrumental in bringing the Foundation to where it is today.

FIND US ON:

WWW.AIAHIGHFIVESFORKIDS.CA
INFO@AIAHIGHFIVESFORKIDS.CA













- YMCA Edmonton
- The Stollery Charitable Foundation
- The Children's Wish Foundation
- Saskatoon Crisis Nursery
- Sun Fund For Kids
- Leading Stars Arts & Education Foundation
- YWCA Sheriff King Home
- ESPACE région de Québec





THE CHILDREN'S WISH FOUNDATION



\$25,000+

in donations has been directed to charities in communities across Canada in 2017





Grants & Scholarships

AlA Canada is committed to building a prosperous future for the automotive aftermarket industry and for Canada as a whole by providing students assistance with their studies in the aftermarket.

Hans McCorriston Scholarship - \$1,000

This scholarship focuses on 5 colleges in Canada that offer the machinist program (NAIT, BCIT, CCNB, Assiniboine, Conestoga).

- Logan Ross, NAIT
- Tobias Donaldson, BCIT
- Vincent D.P.D. Dounemene, CCNB
- Eric Larson, Conestoga College
- Clayton Bone, Assiniboine Community College

University of the Aftermarket Foundation (UofAF) Scholarship - \$1,000

Annual scholarship for students in secondary school or pursuing post-secondary education.

- Nathan Chun Kit Siu, Carleton University
- David Warnez Woolridge, University of Windsor
- Gregory Gordon Maki, Superior SVI High School
- Ashton Joel Buller, University of Alberta
- Emily Marian Shibata, University of British Columbia
- Alexander L.E. Tatti, UBC Allard School of Law
- Kevin Zhang, McMaster University

As a bonus, a UofAF matching grant is awarded to scholarship recipients who become technicians in the automotive aftermarket after their studies.

2017 **UofAF Matching Grant Recipient:**

Branson Mayne

Arthur Paulin Automotive Scholarship Award - \$700

Annual award for students pursuing careers in the automotive industry.

- Jeremy E. Chaland, University of Ontario Institute of Technology
- Vincent de Paul Douania Dounmene, CCNB
- Eric J. Elvidge, ABSC Georgian College
- Calvin Kaartinen, Red River College
- Liam Fahlman, Red Deer College
- Ethan Shelton, NBCC
- Akul Singla, ABSC Georgian College

AIA Canada Divisions

Each year, AIA Canada supports its divisions' scholarships by providing additional funding of \$1,500 to be awarded at their discretion.

Manitoba:

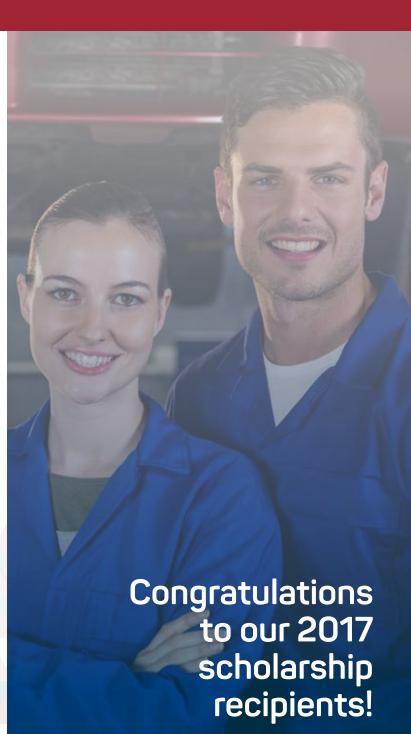
- Tyler Mawer, Crocus Plains Regional
- Austin Ricard, Assiniboine College
- Dawson Kelly, Sturgeon Heights Collegiate
- Walter Geisbrecht, Steinbach Regional School
- Edwardo Garcia, Kildonan East Collegiate
- Jacob Ryan Cheurefils, Lord Selkirk High School

Saskatchewan:

- Jann Casimiro, Sas<mark>katchewan</mark> Polyte<mark>chn</mark>ic
- Steven Truong, Saskatchewan Polytechnic
- Dylan Cann, Saskatchewan Polytechnic
- Dalton Loustel, Saskatchewan Polytechnic

Southern Alberta

- Jessica Willes, SAIT
- Brandon Rogan, Red Deer College



AIA Canada would like to acknowledge the generous support of the 2017 Maple Leaf sponsors















































Thank you to all of our volunteers! For a complete list of division/council/committee members, visit www.aiacanada.com.

Your success is our

business!



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www.aiacanada.com







