



TMAC Toronto

ANNUAL GENERAL MEETING

Monday, October 15, 2018

AGENDA

1. **Call 2018 AGM to Order**
2. **Motions to Adopt (moved/seconded by 2 members):**
 - a) **Adoption of Agenda**
 - b) **Adoption of Minutes from 2017 Annual General Meeting**
 - c) **Adoption of Financial Statements**
 - d) **Retention/Appointment of Accountants**
 - e) **Election of Board of Directors**
 - f) **Other Business**
3. **Adjournment**

ADOPTION OF 2017 MINUTES



TREASURY MANAGEMENT ASSOCIATION OF CANADA-TORONTO

Annual General Meeting Minutes PwC Tower, Toronto September 22, 2017

1. Meeting was called to order by Cal Fryer

2. Motion to accept the agenda
Moved by: Linda Baldwin
Seconded by: Cal Fryer

3. Motion to accept the minutes from the 2016 Annual General Meeting
Moved by: David Balmer
Seconded by: Ron Nakashima

4. Motion to accept the financial statements
Moved by: Linda Baldwin
Seconded by: Paula Moore

5. Motion to Retain the accountants
Moved by: Linda Baldwin
Seconded by: Cal Fryer

6. Motion to appoint the Board of Directors
Moved by: Ron Nakashima
Seconded by: Maureen Jarvis

7. Motion to adjourn the Annual General Meeting
Moved by: Ron Nakashima
Seconded by: Linda Baldwin

ACCEPTANCE OF FINANCIAL STATEMENTS

	2018	2017	2016
Revenues (C\$)			
Membership Dues	30,360	23,961	27,165
Educational Sessions	12,450	14,300	11,825
Golf Tournament	17,490	24,061	50,702
Royalties	195	718	-
Interest	262	310	316
TOTAL:	60,757	63,350	90,008
Expenses (C\$)			
Educational Sessions	5,430	24,576	27,719
Administration Fees	10,800	10,800	11,800
Operating and Other	7,083	8,122	6,906
Professional Fees	3,000	3,000	2,750
Golf Tournament	15,293	17,173	33,832
TOTAL:	41,606	63,671	83,007
Net Revenue	19,151	(321)	7,001
Cash Flow and Balance Sheet			
Cash Flow from Operations	16,362	(2,037)	(2,220)
Cash and Short-Term Deposit (end of year)	64,666	48,329	50,366
Current Assets	69,561	49,856	51,679
Current Liabilities	7,433	6,879	8,381
Net Assets	62,128	42,977	43,298

RETENTION / APPOINTMENT OF ACCOUNTANTS

HILBORN

LISTENERS. THINKERS. DOERS.

Address: 401 Bay St #3100, Toronto, ON M5H 2Y4

Province: Ontario

Phone: (416) 364-1359

APPOINTMENT OF BOARD OF DIRECTORS

President & Treasury



Cal Fryer



Linda Dixon



Mitendra Itwar

Programs



Cathy Pin



Gaelan Burke



Sue Whitney

Partnerships, Affiliates & Sponsorships



Melinda Machado



Bill Piggot

Memberships & Referrals



Stacey Caney



Nasreen Somani

Careers & Training



Danielle Hughes

Marketing



Linda Baldwin

OTHER BUSINESS: PRIORITIES

- 1. Commitment** – Connect, Educate & Support
- 2. Open Communication** – connect with practitioners
- 3. TMAC Website** – new interface to build channels/functions
 - Online payment channel + access to event invoicing
 - Treasury & finance blogs on core themes
 - Industry news
 - Job Board & Career Services
- 4. Unite Community** – build partnerships + link to universities
- 5. Education** – relevant / timely topics +
 - Extend to a new webinar delivery
 - “TMAC Talks” – 15 minutes with industry specialists

Trade Issues– Just the Tip of the Iceberg

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NAFTA the Big Picture

- Much commotion but not much change
- Lots of symbolism
- Canada gave up more than it got

Overblown NAFTA Issues

- **Supply Management**– More of a political issue than a real economic issue for Canada.
- **Cultural Protection** – The way we (especially the younger generations) are consuming content makes this more about symbolism than substance.
- **Chapter 19** – Not as effective as we think (see softwood lumber). US courts sometime work better.
- **Chapter 11** - Elimination provides some relief to Canadian governments but the impact is not large. On the other hand may deter investments by US companies.
- **Chapter 6** – Eliminates proportionality of oil exports to the US (which gives the USA the right to import the same proportion of any type of energy that it has imported over the previous three years) but given the US energy boom it is meaningless.

NAFTA Issues with significant potential impact on Canada

- **Strengthening IP Rights** – Favors multinational pharma and large online players and threatens Canadian generic drug companies and companies that provide services that in the future maybe done online. Increased health care and education costs.
- **Cross Border Data Flow** - Better access to US large technology companies into Canada's market.
- **Limits on Exchange Rate** – May affect independence of Bank of Canada and be a source of dispute
- **Automotive rules of origin** – 75% of a finished vehicle' content, 60%-75% for auto parts, and a fixed portion of steel and aluminum must be made in North America. At least 40%-45% of auto content must be produced by workers earning at least US\$ 16 per hour. May partially stem the flow of investments to Mexico and help Canadian companies, if we take other steps to increase our competitiveness against the US.
- **Duty-free limit** – Increase from CAN\$20 to \$40 dollar tax free and \$140 duty free will accelerate online shopping and hurt retailers in Canada. Loss of retail jobs would be significant.

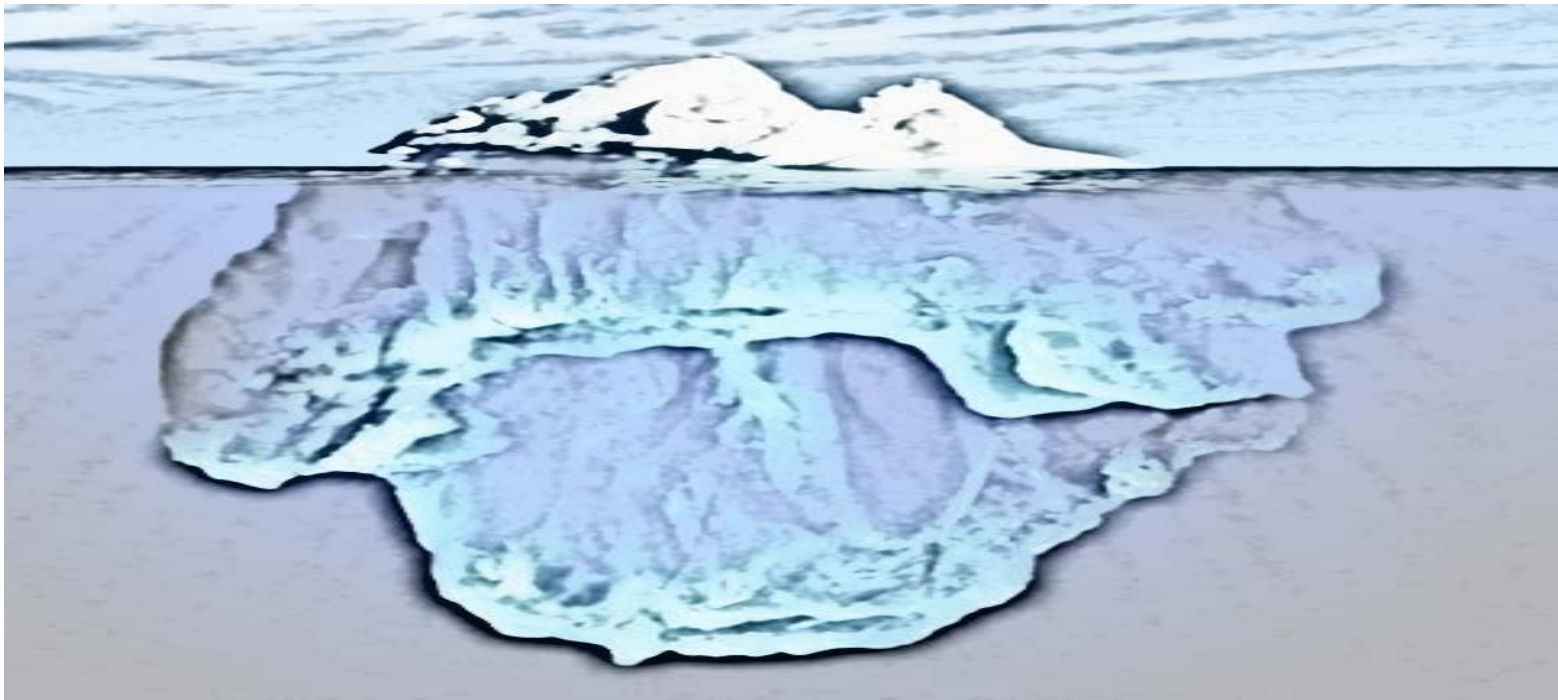
Tariff trade war – running parallel to NAFTA

- **US tariffs** on Canada's steel (25%) & aluminium (10%) ~ \$16.6 bn exports impacted;
- **Canada's retaliatory tariffs** on 229 US products ~ \$16.6 bn imports impacted.

Impacts

- Mainly price increases in Canada and the US.
- The US has very limited spare capacity to replace Canadian steel and aluminum and import options from other countries are limited.
- Import options of steel for Canada may be impractical.
- Reduces slightly the competitiveness of US and Canadian companies that use steel and aluminum as input.

NAFTA is just the tip of the iceberg....



US Tax Reform - The bigger elephant in the room

1. Threat to capital intensive sectors
2. Inhibit our ability to capitalize on the digital revolution
3. Reduce R&D activity
4. Increase brain drain

US Tax Reforms

Some Ontario's Industries that will be Negatively Impacted

Chemical Manufacturing

Effective Average Tax Rate in Other Chemical Manufacturing Jurisdictions

	Pre Reform	Post Reform	Post Reform FDII
Ontario	20.3%	20.3%	20.3%
California	32.1%	22.4%	18.8%
Texas	27.1%	16.5%	12.4%

Machinery Manufacturing

Effective Average Tax Rate in Machinery Manufacturing Jurisdictions

	Pre Reform	Post Reform	Post Reform FDII
Ontario	20.6%	20.6%	20.6%
Quebec	22.0%	22.0%	22.0%
Alberta	22.2%	22.2%	22.2%
California	31.9%	22.3%	18.6%
Ohio	26.9%	16.5%	12.2%
Texas	26.9%	16.5%	12.2%

Plastics Manufacturing

Effective Average Tax Rate in Plastic Manufacturing Jurisdictions

	Pre Reform	Post Reform	Post Reform FDII
Ontario	20.3%	20.3%	20.3%
Quebec	21.6%	21.6%	21.6%
California	31.1%	22.1%	18.5%
Ohio	26.1%	16.2%	12.1%
Texas	26.1%	16.2%	12.1%

Economic Prospects

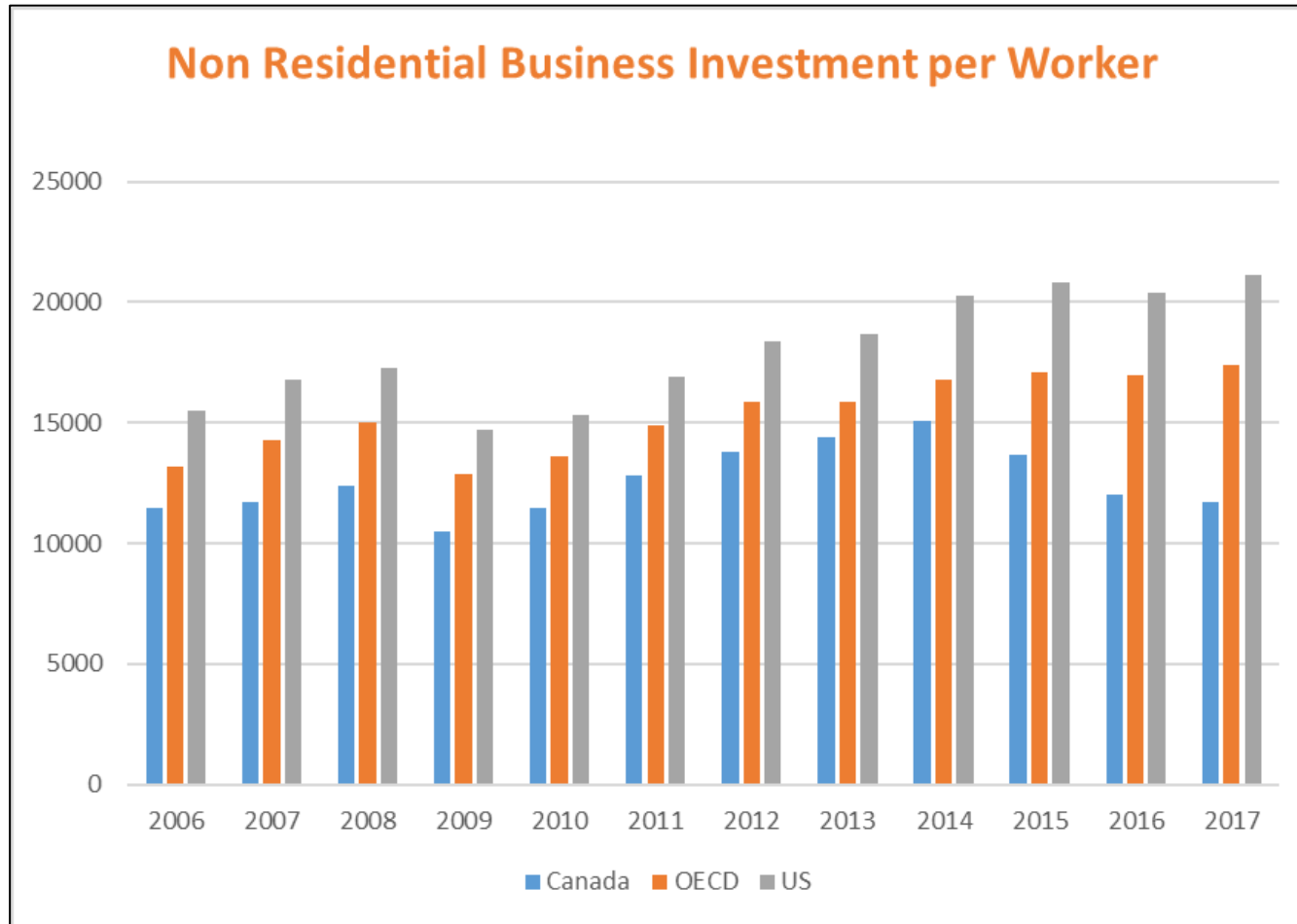
Short Term

- USMCA will increase business confidence
- BC LNG project is one of the best stories for the Canadian economy going forward
- Economic growth in recent time was led by consumer and government spending
- Very high private debt level (267% of GDP) and total government debt load (90% of GDP) will constraint growth
- Interest rate will rise and will affect consumer spending
- The housing market in Canada is particularly vulnerable
- Overall much slower growth in the near future is likely

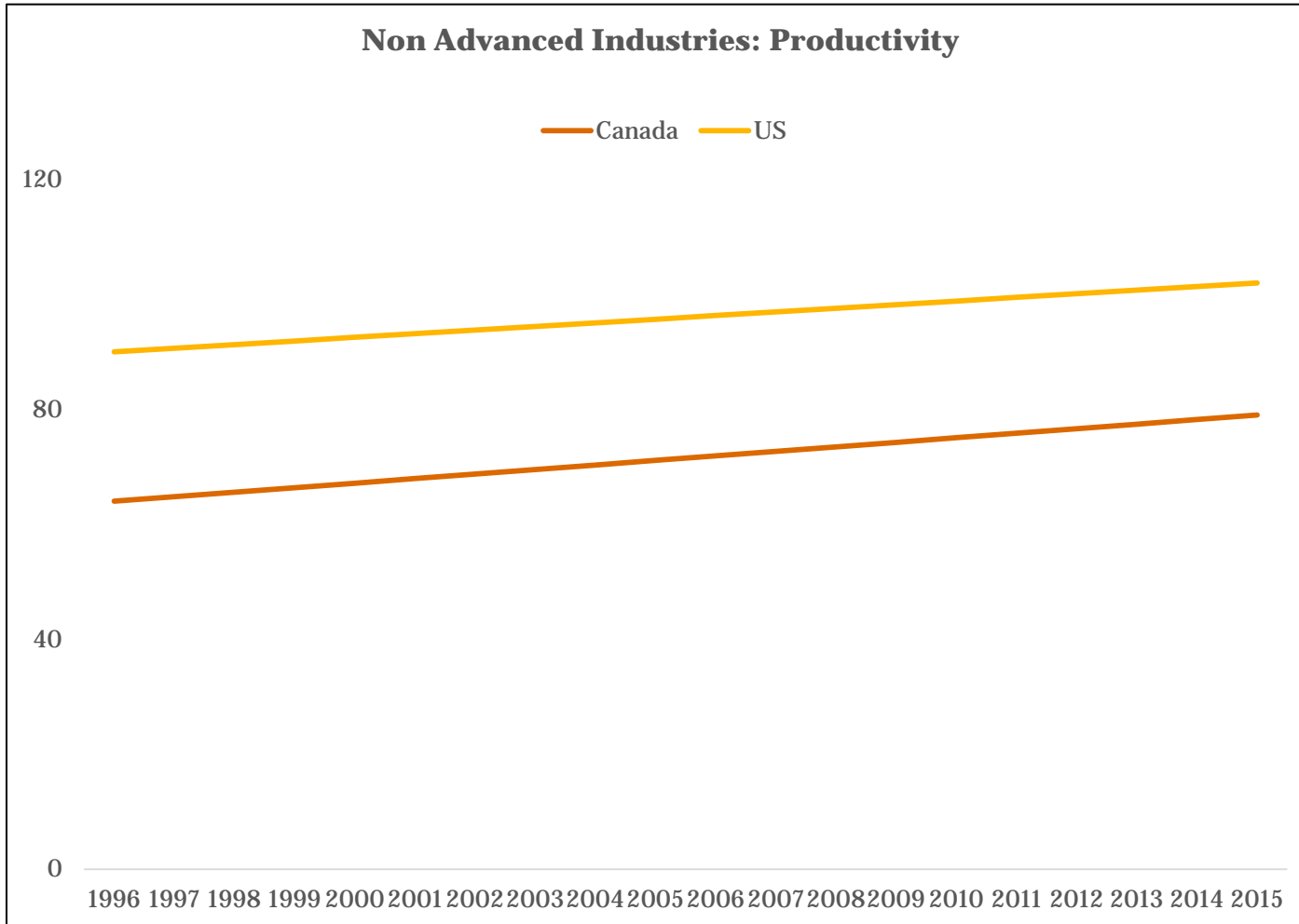
Canada's Main Challenge



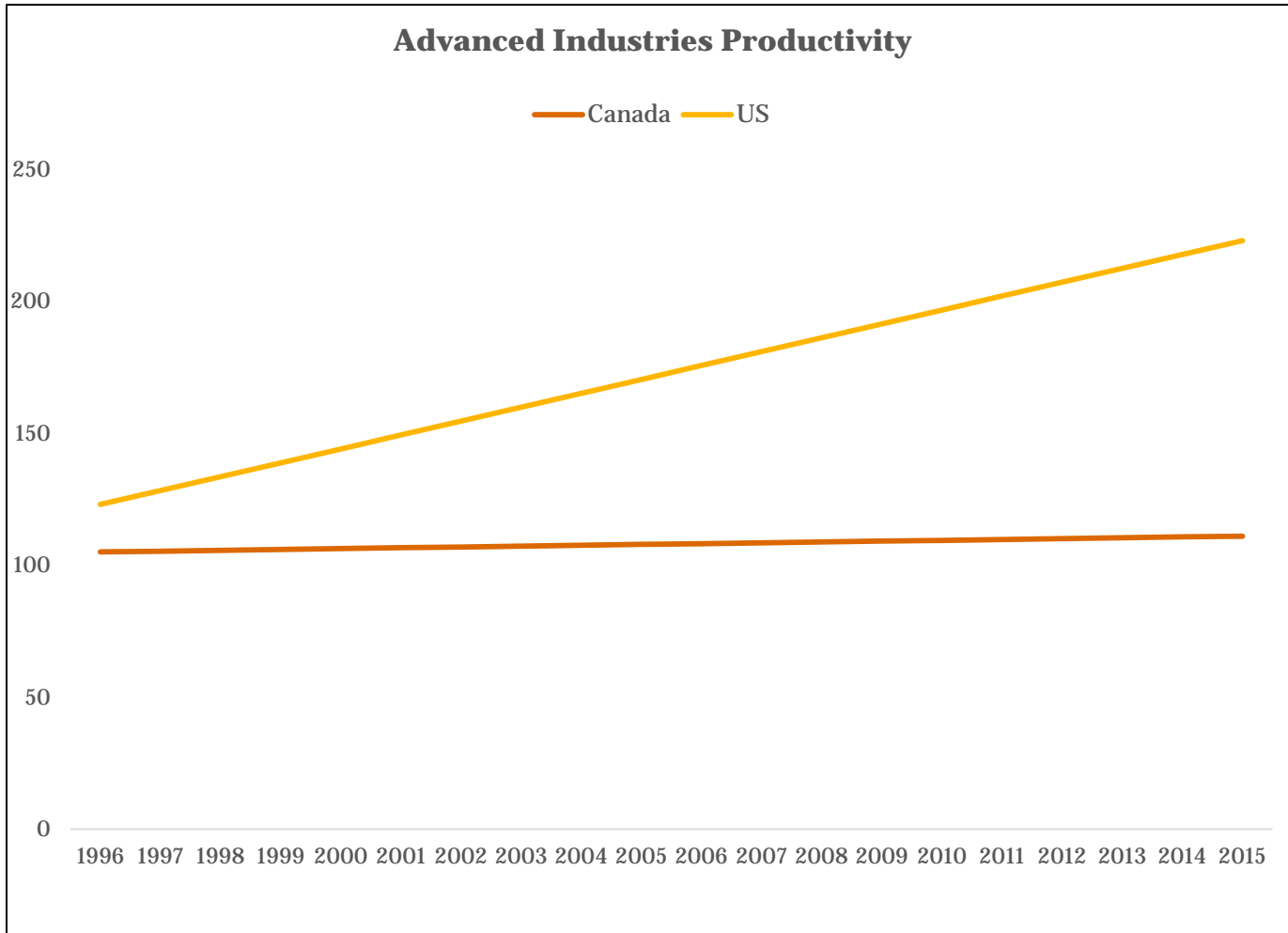
Canada Investment Capital is in Decline



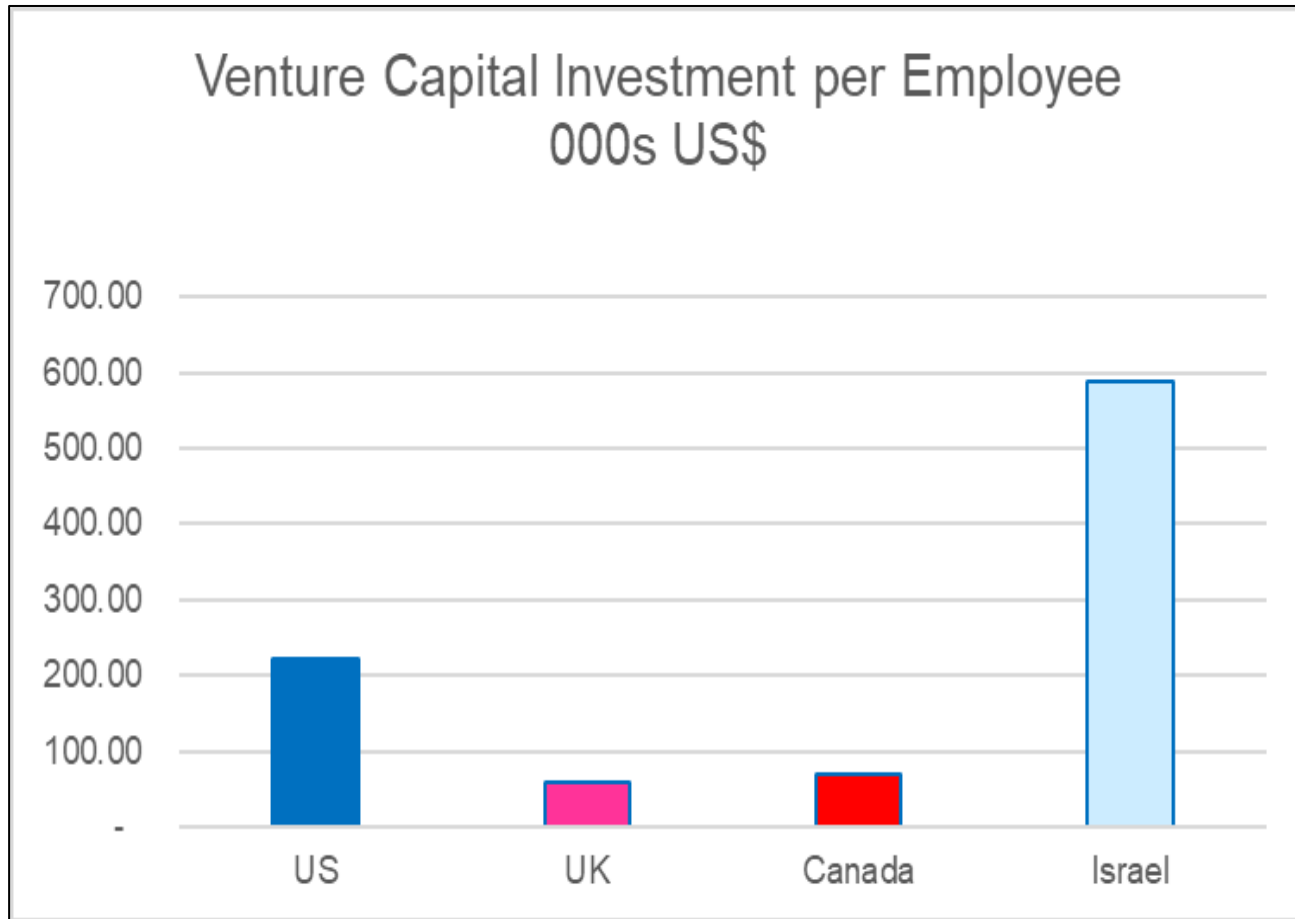
Canada is Improving in the Old Economy...



... but is Lagging the New Economy



... and it Shows in our Ability to Attract VC Funds



Regulations

- Canada lags most developed countries in the efficiency and effectiveness of its regulatory environment especially when it comes to the approval of new projects.
- A study conducted by the World Bank in 2017 found that Canada ranks 34th out of 35 OECD countries in the speed of permit granting for new construction projects; *the Slovak Republic is behind Canada* 😊
- The average permitting time in Canada is 249 days compared to 81 days in the US.
- A recent survey of Canadian Business Leaders suggest that 61% believe that the regulatory environment is inefficient and does impose substantial additional costs on business. Only 13% believe the opposite is true.

Economic Prospects

Long Term

- Canada's under business investment may exacerbate and will show its effects in the next 5-10 years
- Skill shortage
- Entrepreneurial shortage
- Canada is not ready for the digital revolution and may find itself in the loser camp
- LNG will brighten the long term prospects of BC and Alberta

What Can be Done?

- Simplify the regulatory environment
- Deal effectively with indigenous issues
- Encourage faster adoption of technology
- Encourage innovation
- Change our education system to reflect the realities of the 21st century
- Focus on the areas where Canada has an economic advantage and move those industries to the 21st century



Michael Dobner
Partner, National Leader, Economics Practice
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Michael Dobner is a partner in the Deals Group of PwC Canada and a leader of PwC's Economics Practice. He has more than 35 years of experience during which he has led more than close to a 1,000 advisory and consulting engagements involving economic analysis, litigation support and business valuation. He has been qualified as an expert in valuation and economic analysis court and quasi-judicial bodies. Michael has also served as an arbitrator and mediator in cases involving commercial disputes.

He has been selected to lead economic studies in relation to some of the key economic issues of our time such as NAFTA, US tax reform, and the future of the mining industry. Michael acted as an economic advisor in high profile commissions set by the Government of Ontario and Alberta.

Michael serves as an adjunct professor in the faculty law of the University of Toronto, where he teaches first of its kind course that he created which teaches future lawyers of how accounting, finance and economic concepts should be implemented in law.

Why PwC?

Our unique team and approach offers:

- **Deep industry and economic expertise:** Our economics team draws on the wide range of PwC industry experts providing the right context to our analysis and leading to well informed conclusions. In addition, our wide global network provides us with access to a wealth of experience and case studies that may be valuable to the issue at hand.
- **Clear and credible analysis:** Since our team members are trained in litigation support, we have developed a culture that believes in transparency and playing “devil’s advocate” to our own reports. This ensures that you will receive from us credible reports that withstand scrutiny and clearly communicate our approach and results.
- **A complete service offering:** Our ability to provide a “one stop shop” to our clients, enhances efficiency and avoids inconsistencies. Some of the related services that we offer include: forensic analysis, electronic document discovery, valuations, modelling, value consulting, corporate finance, restructuring and transaction services.

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PwC's Economics Practice

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PwC's Economics Practice features a seasoned team with experience in conducting economic studies and providing expert witness reports and testimony before courts at all levels, administrative tribunals, arbitration and parliamentary committees.

We can assist your clients with a wide range of issues



Economic Studies for Public Discourse

We have prepared numerous studies setting out the economic impact of projects subject to government approvals, legislation or government policy. Because these studies are often conducted with respect to high-profile and controversial issues, we emphasize a holistic, dynamic, multi-disciplinary and multi jurisdictional approach that sets us apart in terms of credibility, defensibility and comprehensiveness.



Litigation Support

We have deep experience tackling complex litigation that requires economic and statistical expertise. Matters we can assist with include but are not limited to:

- Class actions
- Competition act cases
- “But for scenarios” contaminated by irrelevant factors
- Cases where the impact on the economy is used as an argument by one of the parties
- Trade disputes



Corporate Social Responsibility

PwC works with companies on developing studies that support their corporate social responsibility reports. PwC developed the Total Impact Measurement Management framework, and is recognized as a global leader. This framework helps businesses to measure and track the total impact of their operations on the economy, taxes, environment, society. Our approach is to help companies understand the priorities their stakeholders and to tailor the study accordingly.



Econometric Modelling

- We help clients to develop sophisticated econometric models that assist them with:
- Forecast of the demand for their products given certain macro economic assumptions
- Measure the price elasticity of their products
- Estimate the cost function for their inputs
- Conduct event studies to anticipate the impact on their stock price of certain news

Leveraging our global team of industry professionals and economic experts, we can assist you in numerous other areas requiring economic and statistical analysis. If you have an issue that may require economic or statistical expertise, we would be happy to guide you in the right direction.