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Annual General Meeting

Wednesday, April 30, 2014 10:00 am

Hilton Winnipeg Airport Suites 1800 Wellington Ave. Winnipeg, MB R3H 1B2

Overview of MARRC

The Manitoba Association for Resource Recovery Corp. (MARRC) is a non-profit corporation established in 1997 by manufacturers and marketers of lubricating products in Manitoba. Its mandate is to develop, implement and administer a cost-effective, sustainable, user-financed, province-wide stewardship program for used oil, used oil filters and used oil containers.

MARRC was incorporated under The Corporations Act of Manitoba on April 1, 1997. It operates in accordance with a Letter of Approval issued by Manitoba Environment on February 26, 1998 under Section 7 of the "Used Oil, Oil Filters and Containers Stewardship Regulation" of the Waste Reduction and Prevention Act.

Further to earlier approvals of 5 year terms, MARRC received a letter of approval dated September 25, 2013, from the Minister of Conservation extending the Stewardship Plan term for an additional five years to December 15, 2017.

On May 1, 2011, the Corporation was also approved to operate the Antifreeze Stewardship Program by the Minister of Conservation. The Antifreeze Stewardship Program commenced operation August 1, 2011. The approval from the Minister of Conservation expires December 31, 2016.

The Corporation derives revenue principally in the form of Environmental Handling Charges (EHCs) applied to the sale or consumption of selected lubricating and antifreeze products in Manitoba. The Corporation's primary expenses are related to the:

- establishment and operation of a publicly-accessible network of licensed collection facilities for used lubricating and antifreeze products,
- payment of Return Incentives to companies licensed by the province and registered with MARRC to collect used lubricating and antifreeze products and transfer them to approved processors and end-users.
- payment of Processing Incentives to companies licensed by the province and registered with MARRC to recycle used lubricating and antifreeze products, and
- development and distribution of public education materials.

MARRC's affairs are managed by a six-person Board of Directors drawn from the member companies of MARRC and from other stakeholder organizations, including a Director representing the Antifreeze industry.



MINISTER OF CONSERVATION AND WATER STEWARDSHIP

Legislative Building Winnipeg, Manitoba, CANADA R3C 0V8

SEP 2 5 2013

Mr. Ron Benson Executive Director Manitoba Association for Resource Recovery Corp. 35 - 1313 Border Street Winnipeg MB R3H OX4

Dear Mr. Benson:

I am pleased to issue an Approval to the Manitoba Association for Resource Recovery Corp. (MARRC), for a Used Lubricating Products Stewardship Program. Pursuant to 7(4) of the Used Oil, Oil Filters and Containers Stewardship Regulation of The Waste Reduction and Prevention (WRAP) Act, this approval will expire on December 15, 2017. The "Conditions of Approval" are outlined in the attached document.

Since its inception, MARRC has made significant progress in the recovery of automotive fluids, containers and filters. I am pleased to see continued promotion and increased recovery.

MARRC's ongoing and expanding operation is a positive step for environmental protection in Manitoba.

4

ours sincerely.

Gord Mackintosh

Minister

Attachment

Ambassador Program - Calendar of Events for 2013

MARRC employed three full time and some part time Ambassadors to travel around to various tradeshows and exhibitions in Manitoba for the purpose of enhancing awareness towards improving the recovery of used plastic oil and antifreeze containers. Below is a Calendar of Events that MARRC participated in with the Ambassador Program.

APRIL

23 Team up to Clean up – MTS Centre	26 - 28 Rodorama Car Show – Wpg.	
		_

MAY

18 Manitoba Cancer Care Car Show Wpg.	25 Recyclathon Garden City Shopping Centre	26 Teddy Bear's Picnic – Assiniboine Park
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JUNE

1 St. Claude Rodeo	2 Stonewall Ag Fair	5 - 9 Brandon Summer Fair
5 Ecole Seven Oaks Middle School	7 - 8 Niverville Old Tyme Country Fair	13 St. Andrews Open House
14 -15 Lundar Ag Fair and Parade	15 - 16 Steinbach Summer in the City	14 - 23 Wpg. Red River Exhibition
16 EcoFather's Day Dauphin	22 - 23 Boissevain Ag Fair & Parade	28 - 29 Killarney Summer Fair
30 -1 Osborne Village Canada Day		

JULY

1 The Forks Canada Day	4 Red River Co-Op Speedway	5 - 7 Falcon Lake Fun Fest
5 - 7 Portage Exhibition	11 - 13 Carman County Fair	12 - 14 Selkirk Triple S Fair & Rodeo
13 Minnedosa Fun Fest & Parade	14 Minnedosa Ag Fair	14 Souris Fair & Parade
18 - 21 Morris Stampede	21 Roblin Centennial Celebrations	23 Elkhorn Ag Fair
25 - 28 Austin Thresherman's Rodeo	26 - 28 Altona Sunflower Festival	26 - 28 Winnipeg Beach Boardwalk Days

AUGUST

1 Red River Co-Op Speedway	2 - 4 Brandon Super Run	2 - 5 Gimli Icelandic Festival & Parade
5 Beausejour Show and Shine Car Show	9 - 10 Melita Banana Days	10 Melita Mud Bog Vehicle Derby
10 Gladstone Ag Fair & Parade	11 Melita Cruisers Show and Shine	9 - 11 Winkler Harvest Festival
13 - 14 Northern Association Trade Show	16 - 18 Stonewall Quarry Days	16 - 18 Hanover Ag Fair and Parade
23 - 25 Morden Corn & Apple Festival	25 Beausejour Shades of the Past Car Show	30 - 1 St. Malo Summer Festival & Parade

SEPTEMBER

8 McPhillips Car Show – Garden City Winnipeg

OCTOBER

26 Recycle Manitoba Polo Park



Red River Exhibition



Selkirk Fair & Rodeo Parade

Ambassador Program

The Ambassadors participated with the visitors by having them respond to the sample survey.



The participants then entered for a chance to win either a \$50 Canadian Tire Gift Card or a \$50 Lottery Ticket Spree.



NAME

ADDRESS_____

Ambassador Survey Results Summer 2013		
Location	Total Entries	
Winnipeg Red River Exhibition	2538	
Gimli Icelandic Festival	1064	
Brandon Exhibition	835	
Morden Corn & Apple Festival	611	
Osborne Village Street Fest. Canada Day	769	
Austin Thresherman's Rodeo	470	
Steinbach Summer in the City	421	
Winnipeg Beach Boardwalk Days	372	
Morris Stampede	294	
The Forks Canada Day	289	
Carman County Fair	286	
Winkler Harvest Festival	280	
Altona Sunflower Festival	263	
Rodorama in Transcona	250	
Wpg. Polo Park	219	
Selkirk Triple S Fair & Rodeo	206	
Portage Exhibition	180	
Lundar Ag Fair	203	
Killarney Summer Fair	158	
Beausejour Show and Shine Car Show	154	
Melita Banana Days	152	
Stonewall Ag Fair	151	
Falcon Lake Fun Fest	151	
Minnedosa Ag Fair	131	
Niverville Ag Fair	122	
Garden City Car Show	115	
Hanover Ag Fair and Parade	100	
St. Malo Summer Festival	100	
Garden City Recyclathon	89	
Boissevain Ag Fair	88	
Roblin 100th Anniversary	85	
Brandon Super Run	75	
Souris Fair & Parade	74	
Gladstone Ag Fair	67	
St. Andrews Open House	60	
Elkhorn Ag Fair	50	
NACC	50	
Stonewall Ag Fair	45	
St. Claude Rodeo	31	
Wpg. Speedway	31	
Wpg. Speedway	13	
TOTAL	11,642	

CITY_____ PHONE # _____

Sign Board displayed at events

600 Radio ads on 9 rural radio stations helped promote each specific local event. Both City of Winnipeg as well as Rural Map Fridge Magnets were distributed. They displayed the locations of Licensed collection points throughout Manitoba.





Cooler Bags were also distributed





Ambassador Program

MARRC rented 2 vans for the Ambassador Program which were wrapped with colourful advertising for Used Oil and Antifreeze Recycling. Bluewave Energy covered the costs of wrapping the vehicles. The vans were at each of the Ambassador tradeshows, exhibitions and parades and were very well received.



MARRC wrapped van



Falcon Fest Fun Days



The Forks on Canada Day



Teddy Bear's Picnic at Assiniboine Park



Line-ups at the Red River Ex



Killarney Ag Fair

Garden City Recyclathon

MARRC partnered as a key sponsor along with EPRA (Electronics), Product Care (Hazardous Waste), CBCRA (Beverage Containers) and Take Pride Winnipeg on May 25 in the parking lot of the Garden City Shopping Centre for the Recyclathon that took place from 10 am until 2 pm. The event was a huge success with hundreds of people bringing in used products keeping the recyclers busy. The event was advertised in the Winnipeg Free Press and on CJOB radio the week leading up to the event.





Oil & Antifreeze Products



Oil & Antifreeze Products



Electronics



roduct Care

"Product Stewardship Solutions"

Team up to Clean up - April 23



MARRC participated with other Producer Responsible Organizations (PROs) such as EPRA (Electronics recycling), Product Care (Hazardous Waste Products), the Canadian Beverage Container Recycling Association (CBCRA), Multi Material Stewardship Manitoba who handles packaging and printed paper (MMSM) and Take Pride Winnipeg for the Team up to Clean up event held at the MTS centre in front of over 800 students from schools across Winnipeg.





Polo Park Recycling Event - October 26

MARRC again teamed up with other PROs such as EPRA, Product Care, CBCRA, MMSM, Tire Stewardship Manitoba, Medications Return Program, Call2Recycle, Canadian Battery Association (CBA), Recycle my Cell, Switch the Stat, Interstate Batteries, as well as Take Pride Winnipeg.



Local Initiatives

Steinbach's EcoDay held June 12





Birtle's EcoDay!

Mr. & Mrs Oil Drop were on hand for Birtle's EcoDay which took place on September 14 at the Birtle landfill in front of the used oil and antifreeze EcoCentre. Those bringing in their used oil products were eligible to enter a draw for some great prizes. A colouring contest was also run for the elementary students in Birtle and Backpacks were also distributed to all children in the local daycare.

Ecole Seven Oaks Middle School

MARRC partnered with Take Pride to present information on recycling used oil and antifreeze products at Ecole Seven Oaks Middle School the evening of Wednesday, June 5.



Dauphin's EcoFather's Day held June 15



Green Manitoba

2013 ECO Calendar

Green Manitoba EcoCalendar

MARRC participated with other Partners for a Clean Environment, in the development of the 2013 EcoCalendar coordinated by Green Manitoba.

Bursaries awarded for a tenth year

Bursaries were awarded to students (\$500 each) qualifying in Environmental Studies at the University of Manitoba, University of Brandon, the University of Winnipeg and at Red River Community College.

MARRC Participated with the Northern Association of Community Councils (NACC)

Their 43rd Annual tradeshow was held at the CanadInns Polo Park Hotel in Winnipeg on August 13th and 14th. The NACC represents the interests of 52 northern and remote communities under the jurisdiction of aboriginal leaders and northern affairs. Over 200 delegates from the northern communities federal and provincial affiliates, private sector and non-profit organizations attended.



Green Manitoba



EcoCentre / Collection Depot network maturing at 80

MARRC's rural EcoCentre network stands at 53 exceeding the minimum network objective established by the province's multi stakeholder Used Oil Management Committee in 1996. The network includes the northern locations of The Pas, Flin Flon and Thompson, plus Cranberry Portage, Grand Rapids, Fisher Branch, Hollow Water, Ashern and Moosehorn. In addition there are 27 other facilities licensed by Manitoba Conservation in place for the collection of used oil and antifreeze products, including 10 locations in Winnipeg (6 of which are Canadian Tire).

Training and audits promote safety and compliance

MARRC as part of its contractual arrangements with owners/operators of licensed collection facilities, provides initial and recurrent on-site training for management and staff. The training and follow-up audits are designed to promote a safe operation and compliance with each facility's operating license issued by Manitoba Conservation. During 2013, inspections were conducted at 100% of the licensed EcoCentres and collection depots in the Province of Manitoba.

Strategic Planning Session (August 19-22)

MARRC hosted the combined Strategic Planning Session of SARRC, AUOMA, BCUOMA, SOGHU & Ontario Directors and Staff. The session focused on addressing key strategic issues and team building.

Charity Raffle

MARRC held a charity raffle at the Strategic Planning Session in Winnipeg for the Children's Rehabilitation Centre and raised \$1,390! – See Photo for presentation at the Centre.

Plastic Container Audit

MARRC commenced in 2013 detailed checks of container bags. The main purpose was two-fold:

- To eliminate contaminated products.
- To determine the amount of antifreeze and windshield washer containers coming in through the collection stream.

Northern Remote Communities (Accessible by Winter Roads)

MARRC hosted meetings organized by Manitoba Conservation with various Producer Responsible Organization (PRO) representatives to discuss the prospects of assisting with the removal of used oil products, derelict cars, tires and batteries with St. Theresa Point as the Pilot Project.

Thompson - One Stop Shop

MARRC in conjunction with EPRA (electronics) and Product Care (hazardous waste), attended meetings in Thompson, Manitoba in an attempt to create a One Stop Shop concept whereby residents could bring all of their used materials for recycling. Discussions are ongoing.



Members of MARRC

49 North Forwarding Ltd. 6232389 Manitoba Ltd.

ABB Inc.

ADP Distributors Inc. AGCO Corporation AMSOIL Inc. ATP-Inc.

AUTO-CAMPING Ltd. Acklands-Grainger Inc. Affinia Canada Corporation

Air BP Canada Ltd.
Airparts Network Ltd.
Altrom Canada Corporation
American Grease Stick Co.
Applied Industrial Technologies Ltd.

Arctic Cat Sales Inc.

Atlas Copco Compressors Canada

Aviall Canada Ltd.
BASF Canada Inc.
BMW Canada Inc.
BOSS Lubricants
BP Lubricants USA Inc.
Baldwin Filters, Inc.

Beck/Arnley Worldparts, Inc. BestBuy Distributors Limited

Bluewave Energy

Bombardier Recreational Products Inc.

Bosch Rexroth Canada Corp.

Brandt Tractor Ltd.
Buhler Versatile Inc.

CG Power Systems Canada Inc.

CNH Canada Ltd.

CORE-MARK International Inc.

CPT Canada Power Technology Limited

CanAgro Exports Inc.
Canadian Pacific Railway
Canada Safeway Limited
Canadian Kawasaki Motors Inc.

Canadian Tire Corporation, Limited
Castrol Industrial North America Inc.

Chalifour Canada

Champion Laboratories, Inc. Chevron Canada Limited Chrysler Canada Inc.

Churchill Marine Tank Farm Co. Cleanair Filter Service

Coastal Blending & Packaging

Comairco Ltd.

Costco Wholesale Canada Ltd. Cummins Western Canada D.A.S. Distributors Inc.

Daimler Trucks North America LLC

Eni USA R&M Co. Inc. FRAM Group Canada Inc. Fastenal Canada Ltd.

Federated Co-operatives Limited Ford Motor Company of Canada Ltd.

Fort Garry Industries Ltd. Fred Deeley Imports Ltd Fuchs Lubricants Canada Ltd. Full-Bore Marketing Ltd.

G.F. Thompson Company Limited

G.K. Industries Ltd.
GFL Environmental Corp.
Gamma Sales Inc.
Gates Canada Inc.

General Motors of Canada Limited

Greenland Corporation Hastings Filters

Henkel Canada Corporation Home Depot of Canada Inc. Home Hardware Stores Limited

Honda Canada Inc. Husky Energy Inc. Husqvarna Canada Corp. Hyundai Auto Canada Corp.

Imperial Oil Ltd.

Importations Thibault Ltée
Industrial Truck Service Ltd.
ITW Permatex Canada
JKL Enterprises Inc.
John Deere Canada ULC
Kaeser Compressors Canada Inc.

Kia Canada Inc. Kimpex Inc.

King-O-Matic Industries Limited Kleen-Flo Tumbler Industries Limited

Kubota Canada Ltd.

Land Rover Group Canada Inc. Larry Penner Enterprises Inc. Lemky Rural Repair

Loblaw Inc.

Lubricon Industries Canada Limited

MFTA Canada Inc.
Macdon Industries Ltd.
Mahle Clevite Canada ULC
Manitoba Hydro

Maxim Transportation Services Inc.

Mazda Canada Inc. Mercedes-Benz Canada Inc. Mid-Canada Filtration Solutions Midwest Hydraulics Inc. Miller Supply Ltd.

Mining Technologies International Inc. Mitsubishi Motor Sales of Canada, Inc.

Modern Sales Co-op Mopac Auto Supply Ltd.

Mopac Auto Supply (Alberta) Ltd. Motion Industries (Canada) Inc. Motor Coach Industries Limited

Motovan Corporation

National Energy Equipment Inc.

Navistar Canada Inc. NemCo Resources Ltd. New Flyer Industries Ltd. Newalta Corporation

Nissan Canada Inc. Nynas Canada Inc. Oak Point Oil Distributors Oil Depot Limited Oil Mart Limited

Outboard Rebore/Alline Supply Inc.

PACCAR Parts, A Division of Paccar of Canada, Ltd

PSC-Power Source Canada Ltd. Parker Hannifin Canada

Parts Canada

Petro-Canada Lubricants Inc.
Polaris Industries Inc.

Porsche Cars North America Inc. Precambrian Wholesale Limited

Prévost, a Division of Volvo Group Canada Inc.

RONA Inc.

Recochem Inc.

Radiator Specialty Company of Canada Ltd.

Robco Inc.
Robert Bosch Inc.
SC CLS Holding ULC
SMS Equipment Inc.
Safety-Kleen Canada Inc.
Sears Canada Inc.
7-11 Canada

Shell Canada Products Ltd. Societé Laurentide Inc.

Southwestern Petroleum Canada Ltd.

Subaru Canada Inc. Suzuki Canada Inc. TSC Global Inc. TVH Canada Ltd. Target Canada Co.

Texas Refinery Corp. of Canada Limited

The North West Company Inc. Toromont Industries Ltd. Total Canada Inc. Toyota Canada Inc.

Tranist Warehouse Distribution

TruServ Canada Inc.

UAP Inc.

United Chemical Services Valvoline Canada Ltd. Vermeer Canada Inc. Viscosity Oil Company Volkswagen Canada Inc. Volvo Cars of Canada Corp. Volvo Group Canada Inc.

Wainbee

Wajax Equipment
Wajax Industrial Components

Wajax Industrial Compone
Wajax Power Systems
Wakefield Canada Inc.
Wallace & Carey Ltd.
Wal-Mart Canada Inc.

Westcon Equipment & Rentals Ltd.

Westec Distributors Inc.

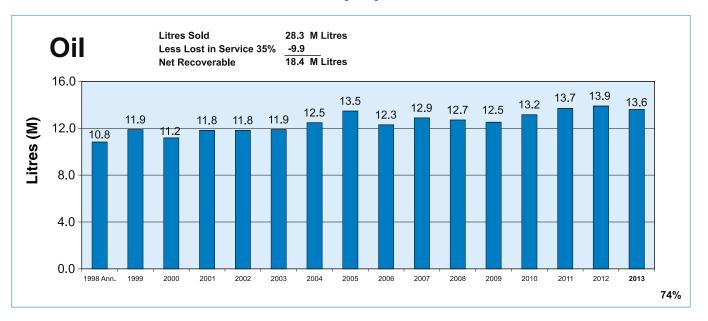
Western Turbo & Fuel Injection Ltd.

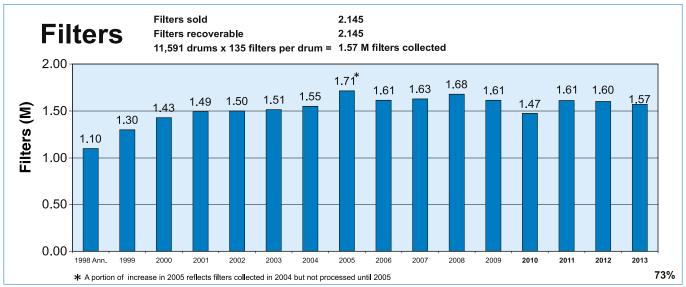
Westfalia Surge Inc.
Westpower Equipment Ltd.
Worldpac Canada Inc.
Yamaha Motor Canada Ltd.

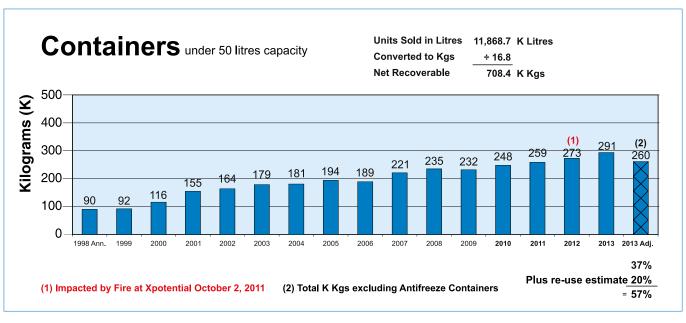
Yetman's Ltd.

Zellers / Hudson's Bay Co.

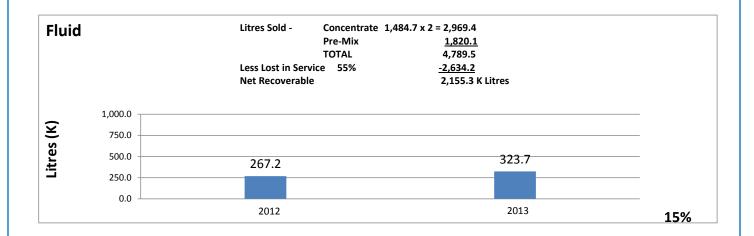
Collection Activity by Product 2013

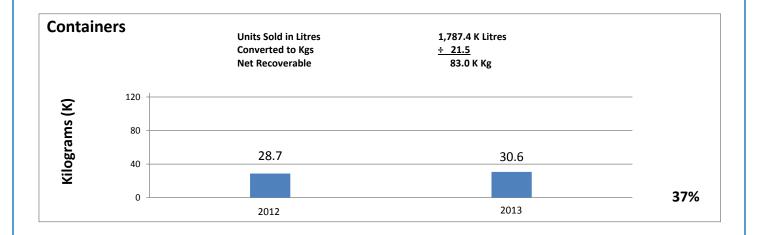






Collection Activity by Product 2013 Antifreeze





Oil & Antifreeze Summary of Percent Collected

			Amou	ınt	
	Availa	ble	Colle	cted	% Collected
Oil	18.4	M Litres	13.6	M Litres	74%
Filters	2.14	M Filters	1.57	M Filters	73%
Containers (Total) Excluding Antifreeze		K Kgs	260	K Kgs	37%/57%
Antifreeze Fluid	2,155	K Litres	323.7	K Litres	15%
A/F Containers	83.0	K Kgs	30.6	K Kgs	37%

- Based on 35% Lost in Service - Based on 135 filters per drum

37% of Total Recoverable + 20% re-used* = **57%** (* Source: Pulse Research Ltd. Container Study)

- Based on 55% Lost in Service





EcoCentres

	Location	Owner/Operator
1	Steinbach	City of Steinbach
2	Carman	Town of Carman
3	Melita	S K L Enterprises Ltd.
4	Altona	Town of Altona / RM of Rhineland
5	Neepawa	Town of Neepawa
6	Selkirk	City of Selkirk
7	Russell	Town of Russell / RM of Russell / RM of Silver Creek
8	Glenboro	RM of South Cypress / Village of Glenboro
9	Minto	RM of Whitewater
10	Pilot Mound	Louise Integrated Waste Management
	Baldur	RM of Argyle
12	Swan River	Town of Swan River
13	Hamiota	Town of Hamiota
14	Inwood	RM of Armstrong
15	Chatfield	RM of Armstrong
16	Meleb	RM of Armstrong
17	Virden	RM of Wallace
	Arborg	Town of Arborg / RM of Bifrost / Village of Riverton
19	Gladstone	Town of Gladstone
20	Rossburn	Town of Rossburn / RM of Rossburn
21	Portage la Prairie	Portage & District Recycling Inc.
22	Teulon	Town of Teulon / RM of Rockwood
23	Brandon	City of Brandon
24	Earl Grey	RM of St. Andrews
	Langruth	RM of Lakeview
26	Elm Creek	RM of Grey
27	The Pas	Town of The Pas

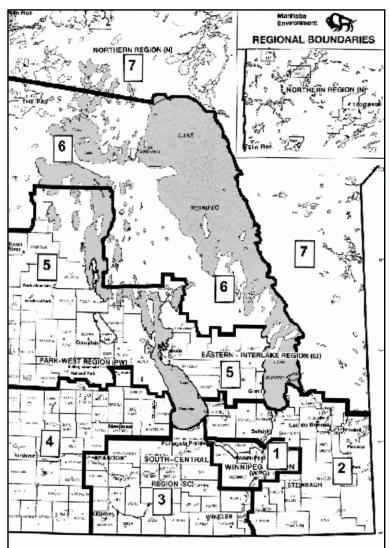
	Location	Owner/Operator
28	Winkler	City of Winkler
29	Morris	Town of Morris
30	St. Georges	RM of Alexander
31	Traverse Bay	RM of Alexander
32	Clandeboye	RM of St. Andrews
33	Dauphin	EcoOil Recycling Centre
34	Lac du Bonnet	RM of Lac du Bonnet
35		RM of Brenda / Village of Waskada
36	Carberry	RM of North Cypress
	Thompson	Thompson Recycling Centre
38	St. Laurent	RM of St. Laurent
39	Erickson	Town of Erickson / RM of Clanwilliam
40	Eriksdale	RM of Eriksdale
41	Flin Flon	City of Flin Flon
42	Dunrea	RM of Riverside
	MacGregor	RM of North Norfolk / Town of MacGregor
	Roblin	RM of Shell River / RM of Hillsburg
45		RM of Park
46	Gimli	RM of Gimli
47	Arnes	RM of Gimli
48	Whitemouth	RM of Whitemouth / RM of Reynolds /
		North Whiteshell Provincial Park
49	St. Lazare	RM of Ellice / Village of St. Lazare
50	St. Pierre	RM of De Salaberry / Village of St. Pierre-Jolys
51	Lorette	RM of Taché
52	Souris	Town of Souris / RM of Glenwood
53	Birtle	Town of Birtle / RM of Birtle

Other Licensed Collection Facilities

1	Winnipeg	A-1 Environmental Services 1447 Dugald Road
2	Winnipeg	GFL Green For Life 1090 Kenaston Blvd.
3	Winnipeg	Miller Environmental Corporation 1803 Hekla Ave
4	Winnipeg	WRS Waste & Recycling Services 940 Redonda
5	Winnipeg	Canadian Tire Garden City 2303 McPhillips
6	Winnipeg	Canadian Tire East Kildonan 1519 Regent Ave.
7	Winnipeg	Canadian Tire Polo Park 750 St. James
8	Winnipeg	Canadian Tire Fort Garry McGillivray & Kenaston
9	Winnipeg	Canadian Tire St. Boniface Fermor & Beaverhill
10	Winnipeg	Canadian Tire Unicity 3615 Portage Ave.
11	Stonewall	Southside Service
12	Notre Dame	Jean Farms Ltd.
13	Morden	Pembina Valley Containers Ltd.

14	Hartney	Southwest Recycling
15	Grand Rapids	ET Developments Ltd.
16	Killarney	Town of Killarney
17	St. Jean	Miller Environmental Corporation
18	Dunnottar	Village of Dunnottar
19	Cranberry Portage	LUD of Cranberry Portage
20	Rorketon	RM of Lawrence
21	Vita	RM of Stuartburn
22	Deloraine	RM of Winchester
	Fisher Branch	RM of Fisher
24	Moosehorn	RM of Grahamdale
25	Ashern	RM of Siglunes
26	Hollow Water	Manitoba Aboriginal and Northern Affairs
27	Beausejour	Beausejour Tire

Collection Activity by Zone



Containerization at Pump Island

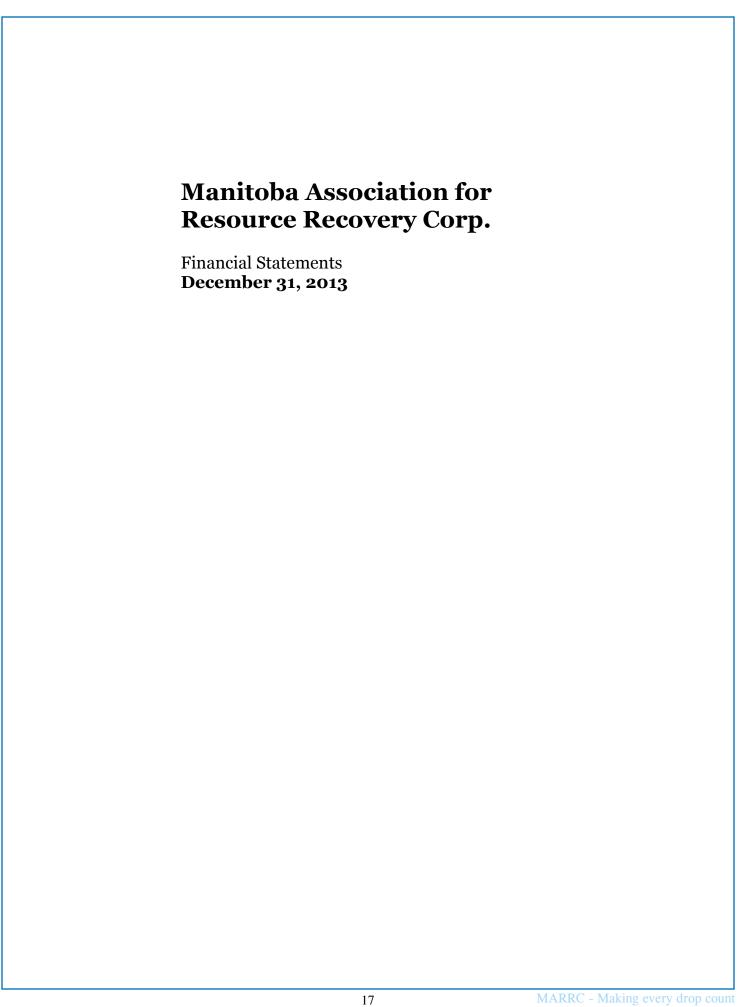
Winnipeg Pilot Project at 36 Retail Gasoline Locations





Collection Percentages by Zone

	Zone ►	'13	1 '12	'13	2 '12	'13	3 '12	'13	1 '12	'13	5 '12	'13	6 '12	'13	7 '12
Ī	Oil	61	62	8	7	16	15	5	5	5	5	1	1	4	5
 % 	Filters	48	48	10	10	21	22	9	9	8	7	1	1	3	3
	Containers	35	37	9	10	16	17	10	11	12	12	2	1	16	12
	Antifreeze Fluid	60	64	11	8	15	14	4	4	5	6	1	1	4	3



March 10, 2014

Independent Auditor's Report

To the Members of Manitoba Association for Resource Recovery Corp.

We have audited the accompanying financial statements of Manitoba Association for Resource Recovery Corp. (the "Corporation") which comprise the balance sheet as at December 31, 2013 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profits, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian accounting standards for not-for-profits. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profits.

Chartered Accountants

PricewaterhouseCoopers LLP One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6 T: +1 204 926 2400, F: +1 204 944 1020

 $\hbox{``PwC''} \ refers to \ Price waterhouse Coopers \ LLP, \ an \ Ontario \ limited \ liability \ partnership.$

Pricewaterhouse Coopers LLP

Balance Sheet

As at December 31, 2013

				2013	2012
	Used lubricating products stewardship program \$	Antifreeze stewardship program \$	Invested in capital assets \$	Total \$	Total \$
Assets					
Current assets Cash Short-term investments (note 4)	227,410 1,406,936	396,526 -	- -	623,936 1,406,936	352,186 368,196
Environmental handling charges receivable	1,041,414	149,990	-	1,191,404	959,252
Accrued interest and other receivables Prepaid expenses and deposits Due from Antifreeze stewardship	28,079 905	-	- -	28,079 905	22,143 905
program	201,876			201,876	271,369
	2,906,620	546,516	-	3,453,136	1,974,051
Long-term investments (note 4)	413,722		<u>-</u>	413,722	1,607,892
Capital assets Office furnishings, equipment and leaseholds Less: Accumulated amortization		- -	38,652 28,150	38,652 28,150	35,589 25,706
		_	10,502	10,502	9,883
	3,320,342	546,516	10,502	3,877,360	3,591,826
Liabilities and Net Assets Current liabilities Return and processing incentives					
payable Accounts payable and accrued	460,883	6,444	-	467,327	310,953
liabilities (note 5)	248,211	9,932	-	258,143	247,973
Due to Lubricating products stewardship program		201,876	-	201,876	271,369
	709,094	218,252	<u> </u>	927,346	830,295
Net Assets Unrestricted Invested in capital assets	2,611,248	328,264 -	- 10,502	2,939,512 10,502	2,751,648 9,883
	2,611,248	328,264	10,502	2,950,014	2,761,531
	3,320,342	546,516	10,502	3,877,360	3,591,826
Commitments (note 6)	-,,-	,	-,	-,,	-,,

Approved by the Board of Directors

Statement of Operations

For the year ended December 31, 2013

				2013	2012
	Used lubricating products stewardship program \$	Antifreeze stewardship program \$	Invested in capital assets \$	Total \$	Total \$
Revenue					
Environmental handling					
charges	3,758,577	443,013	-	4,201,590	4,040,991
Interest income	47,727	3,543	-	51,270	52,505
Membership fees Loss on disposal of investment	1,615 (3,694)	-	-	1,615 (3,694)	1,000 -
	3,804,225	446,556	-	4,250,781	4,094,496
Expenses					
Return and processing					
incentives	2,849,532	180,366	_	3,029,898	2,974,825
Container freight and plastic	2,040,002	100,000		0,020,000	2,014,020
processing costs	136,439	16,007	_	152,446	150,314
EcoCentre support costs	100, 100	10,001		102,110	100,011
(note 7)	207,902	24,391	-	232,293	235,906
Wages, contract and benefits	164,399	19,287	_	183,686	181,593
Public relations and promotion	,	,		.00,000	,
(note 8)	51,535	6,574	_	58,109	140,676
Ambassador program (note 9)	131,313	15,405	_	146,718	104,671
Compliance reviews	32,849	4,303	_	37,152	23,299
Professional fees	42,743	4,565	_	47,308	70,855
Rent	34,842	4,088	-	38,930	24,311
Green Manitoba agreement	14,431	1,693	-	16,124	13,920
Office and administration	20,723	2,378	-	23,101	21,952
Director fees and expenses	15,166	1,779	-	16,945	22,894
Travel and automobile	8,610	1,010	-	9,620	12,485
Insurance	5,435	638	-	6,073	5,682
Telephone and fax	7,361	864	-	8,225	8,625
Meetings	4,615	-	-	4,615	11,847
Strategic planning session	36,802	4,859	-	41,661	-
Amortization	-	-	2,444	2,444	860
Bank charges and interest	2,193	257	-	2,450	2,474
Bursaries	4,500	-	-	4,500	
	3,771,390	288,464	2,444	4,062,298	4,007,189
Excess (deficiency) of revenue over					
expenses	32,835	158,092	(2,444)	188,483	87,307

Statement of Changes in Net Assets

For the year ended December 31, 2013

				2013	2012
	Used lubricating products stewardship program \$	Antifreeze stewardship program \$	Invested in capital assets \$	Total \$	Total \$
Balance - Beginning of					
year	2,581,476	170,172	9,883	2,761,531	2,674,224
Excess (deficiency) of revenue					
over expenses	32,835	158,092	(2,444)	188,483	87,307
Purchase of capital assets	(3,063)		3,063		
Balance - End of year	2,611,248	328,264	10,502	2,950,014	2,761,531

Statement of Cash Flows

For the year ended December 31, 2013

				2013	2012
	Used lubricating products stewardship program \$	Antifreeze stewardship program \$	Invested in capital assets \$	Total \$	Total \$
Cash provided by (used in)					
Operating activities					
Excess (deficiency) of revenue					
over expenses	32,835	158,092	(2,444)	188,483	87,307
Items not affecting cash					
Amortization	-	-	2,444	2,444	860
Loss on disposal of investment	3,694	_	_	3,694	_
mvesument	3,034		_	3,094	
	36,529	158,092	-	194,621	88,167
Net change in non-cash					
working capital items	(52,801)	(18,743)	-	(71,544)	(9,141)
Due to (from) programs	69,493	(69,493)	-	-	-
Interfund transfers	(3,063)	-	3,063	-	<u>-</u>
	50,158	69,856	3,063	123,077	79,026
		09,000	3,000	125,011	73,020
Investing activities					
Purchase of capital assets	-	-	(3,063)	(3,063)	(9,618)
Purchase of investments	(642,356)	-	-	(642,356)	(1,615,549)
Redemption of investments	794,092	-	-	794,092	1,567,812
	151,736	-	(3,063)	148,673	(57,355)
Increase in cash	201,894	69,856	_	271,750	21,671
	,	,		, •	,
Cash - Beginning of year	25,516	326,670	-	352,186	330,515
Cash - End of year	227,410	396,526	-	623,936	352,186
		·			· · · · · · · · · · · · · · · · · · ·

Notes to Financial Statements

December 31, 2013

1 Incorporation and purpose

The Corporation was formed by oil and oil filter first sellers in Manitoba to develop, implement and administer a used lubricating products stewardship program in the province and began operation on January 1, 1997. The Corporation was incorporated as a not-for-profit corporation without share capital under The Corporations Act of Manitoba on April 1, 1997. On February 26, 1998, the Corporation received approval to operate its used lubricating products stewardship program from the Minister of Environment, Province of Manitoba. On May 1, 2011, the Corporation was also approved to operate its antifreeze stewardship program by the Minister of Conservation, Province of Manitoba. The antifreeze stewardship program began active operations on August 1, 2011.

On September 25, 2013, the Corporation received approval to continue to operate the used lubricating products stewardship program until December 15, 2017. The current antifreeze stewardship program expires December 31, 2016.

As a non-profit corporation, no provision for corporate income taxes has been made in these financial statements pursuant to paragraph 149(1)(l) of the Income Tax Act.

2 Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

3 Significant accounting policies

Basis of presentation - fund accounting

The accounts of the Corporation are maintained in accordance with the principles of "fund accounting". Fund accounting is a procedure whereby a self-balancing group of accounts is provided for each accounting fund established by the Corporation.

For financial reporting purposes, the accounts have been classified into several funds. The activities carried out by each fund are as follows:

- The Used lubricating products stewardship program reports funds for the operations of the used lubricating products stewardship program.
- The Antifreeze stewardship program reports funds for the operations of the antifreeze stewardship program.
- The Invested in capital assets reports the funds for the purchase of capital assets used in the operations of the Corporation.

Notes to Financial Statements

December 31, 2013

Significant accounting policies are as follows:

Investments

Short-term investments consist of Guaranteed Investment Certificates ("GICs") with terms maturing in less than one year. Long-term investments consist of GICs that mature after one year. Purchases and sales of investments are recognized using trade date accounting. Transaction costs attributable to the investments are netted to investment income.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization of office furnishings, equipment and leaseholds is calculated on a straight-line basis at an annual rate of 20% based on the estimated useful lives of these assets.

Revenue recognition

Environmental handling charges

Revenue from environmental handling charges is recognized in the year for which suppliers and end-users assess it, as regulated by the Used Oil, Oil Filters and Containers Stewardship Regulation and by the Household Hazardous Material and Prescribed Material Stewardship Regulation of The Waste Reduction and Prevention Act.

Interest income

Income from investments is recognized when earned and is recorded as interest income in general operations if related to unrestricted funds, or in restricted operations if related to restricted funds.

• Membership fees

The one-time membership fees are recorded as revenue when the participating companies join the Corporation.

All revenues have been recorded at their gross amount.

Return and processing incentives

The return and processing incentives are recognized as an expense in the year to which the claim relates.

Notes to Financial Statements **December 31, 2013**

Use of estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement at amortized cost.

Financial assets measured at amortized cost include cash, short and long-term investments, environmental handling charges receivable and accrued interest and other receivables.

Financial liabilities measured at amortized cost include return and processing incentives payable and accounts payable and accrued liabilities.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

Notes to Financial Statements

December 31, 2013

4 Investments

	Maturity date	Interest rate %	2013 \$	2012 \$
Short-term investments (GICs)				
AGF Trust	July 28, 2013	2.11	-	360,538
Home Trust	July 19, 2013	1.75	-	7,658
Dundee Bank of Canada	June 26, 2014	2.35	429,590	-
Home Trust	October 6, 2014	2.16	228,634	-
Home Trust	July 17, 2014	2.35	748,712	_
			1,406,936	368,196
			1,100,000	000,100
Long-term investments (GICs)				
Bank of Nova Scotia	June 26, 2014	2.35	-	429,590
Home Trust	July 17, 2014	2.35	-	748,712
Dundee Bank of Canada	June 26, 2014	2.35	-	429,590
Equitable Bank	July 19, 2016	2.27	100,000	-
Home Trust	July 19, 2016	2.27	313,722	
			413,722	1,607,892
			1,820,658	1,976,088

5 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$48,063 (2012 - \$34,133) is included within accounts payable and accrued liabilities.

Notes to Financial Statements

December 31, 2013

6 Commitments

Operating lease

The annual minimum rental for leased premises under a lease to February 28, 2018 is as follows:

	\$
Fiscal year ending December 31, 2014	42,372
2015	43,197
2016	43,362
2017	43,362
2018	7,227

EcoCentres

The Corporation has entered into two-year renewal agreements with 63 EcoCentres and licensed collection facilities that were established to provide no-cost drop-off centres for used oil and antifreeze materials.

As part of its contractual agreement with each EcoCentre owner-operator, the Corporation is committed to provide annual operating support until July 31, 2014. The operating support payment for the EcoCentres currently in operation is estimated to be \$162,750 for the fiscal year ending December 31, 2014.

7 EcoCentre support costs

	2013 \$	2012 \$
Used lubricating products stewardship program		
Operating support	192,924	201,061
Operational audits, training and supplies	14,978	12,434
		_
	207,902	213,495
Antifreeze stewardship program		
Operating support	22,634	21,230
Operational audits, training and supplies	1,757	1,181
	24,391	22,411
	232,293	235,906

Notes to Financial Statements

December 31, 2013

8 Public relations and promotion

	2013	2012
	\$	\$
Winnipeg Goldeyes Baseball Club contract and merchandise	-	18,209
Winnipeg Goldeyes Baseball Club key tag promotion	-	21,169
Winnipeg Blue Bombers Football Club key tag promotion	=	19,116
Winnipeg Jets Hockey Club	-	24,591
Website	8,340	4,195
Green Manitoba calendar	-	5,000
Marketing, advertising and promotional material	29,769	21,642
Take Pride Winnipeg	20,000	-
CAA advertising	-	6,325
Mascots	-	340
Winnipeg Blue Bombers Football Club game day sponsorship	-	18,500
Government requirement - printing		1,589
	58,109	140,676

9 Ambassador program

	2013 \$	2012 \$
	·	·
Wages	57,784	31,815
Transportation, meals and accommodation	24,796	18,798
Trade show fees, uniforms, draw prizes, supplies and insurance	17,714	10,572
Handouts, bookmarks, keychains	46,331	42,805
Recruitment	93	681
	146,718	104,671

Notes to Financial Statements

December 31, 2013

10 Financial instruments

The Corporation manages risk and risk exposures by applying policies approved by the Board of Directors.

Credit risk

The Corporation is exposed to credit risk through its environmental handling charges receivable. The risk is minimized due to the large registrant base.

Interest rate risk

The Corporation's exposure to interest rate risk pertains to short-term and long-term investments, which are subject to future changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. A range of alternatives is available to the Corporation including cash flow provided by operations, debt or a combination thereof. The Corporation expects to be able to meet its financial obligations in the foreseeable future.



Board of Directors and Staff



Back Row:

Lutz Ehrentraut (Secretary-Treasurer), Keith Penner, Megan Currie, Ron Benson (Executive Director).

Front Row:

Aaron Strub (Administrative Services Manager), Richard Waller, Manny Micklash, Joe Casciano (Chairman).

Board of Directors

Joe Casciano, Canadian Tire Corporation, Limited Chairman

Lutz Ehrentraut, Representing the Public Secretary-Treasurer

Richard Waller, Imperial Oil Director

Megan Currie, Armored AutoGroup Inc. Canada Director

Manny Micklash, Bluewave Energy Director

Keith Penner, Representing the Public Director

Legal Counsel

Fillmore Riley, Barristers & Solicitors

Auditors

PricewaterhouseCoopers LLP, Chartered Accountants

Staff

Ron Benson – Executive Director Aaron Strub – Administrative Services Manager

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