Appendix "A"



August 9, 2013

Martin Hayward
Managing Director, Corporate Services and
City Treasurer, Chief Financial Officer
City of London
300 Dufferin Avenue
P.O. Box 5035
London, ON N6A 4L9

FINANCE & ABMINISTRATION
DEPARTMENT

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Dear Martin:

Further to Western University's agreement with the City of London, I am pleased to enclose a report regarding the Fraunhofer Project Centre for Composites Research.

The enclosed report details activities this past year, including the completion of the building and opening in November 2012. I have also included a financial report regarding the expenditures related to the City of London's contribution.

Should you have any questions regarding this report, please feel free to contact me at dsinai2@uwo.ca or (519) 661-2111 x83406.

Sincerely,

DAN SINAI

Associate Vice-President (Research)

Western University

Fraunhofer Project Centre for Composites Research

The City of Łondon July 2013





Fraunhofer Project Centre for Composites Research

Report 2012-2013

Thanks to a generous donation for the City of London, the Fraunhofer Project Centre for Composites Research was officially opened on November 5, 2012. This new facility, located just north of London in the Advanced Manufacturing Park (AMP), focuses on developing lightweight composites at this testing-ground facility through full industrial-scale trials.

Since our last report in July 2012, we are pleased to provide the following updates:

Job Creation

Further to last year's report, the five positions that were created at the Centre have been filled as follows:

- T. Potyra, Manager
- E. Potyra, Research Engineer
- · V. Ugresic, Research Engineer
- · J. Jahn, Technician
- Dieffenbacher North America: L. Kaptur, Research Engineer

No new jobs have been created since the last report.

New Provincial and Federal Funding

Since we last reported, \$13.7 million has been received through the FedDev Ontario Southern Ontario Development Program to fund an expansion of the Fraunhofer Project Centre (FPC) and new equipment for injection compression moulding, automated layup, and other processes. In addition, these funds will support the Centre for Technology Commercialization (space for researchers and industrial users) and a suite of materials testing equipment.

Business Contracts

Six new contracts have been undertaken since January 2013 and a pipeline of more than 60 contracts is currently in development.

Detail regarding the contracts is restricted subject to terms of non-disclosure agreements with the companies involved.

Investment Attraction

We are also pleased to report that several industrial users have expressed interest in locating personnel and/or facilities in London as a result of the presence of the FPC. Details regarding the companies are restricted subject to terms of non-disclosure agreements because they are commercially sensitive.

Our thanks to the City of London for its generous support of the Fraunhofer Project Centre for Composites Research. We are pleased to provide this summary of Success Metrics for the year ending June 30, 2013.

News and Updates

The Fraunhofer Project Centre is featured on the Western Engineering web site at:

www.eng.uwo.ca/fraunhofer/index.html

The web site features photos and information about the facilities available at FPC, equipment, team members and links to articles about the FPC.

The following is an article that appeared in Western News regarding the opening of the Centre in November 2012.

Fraunhofer Project Centre for Composites Research

Financial Reporting 2012-2013

City of London Fraunhofer Project Centre June 30, 2013

Funds Awarded	r e	\$10,000,000
		City of London
Revenue		10,000,000
		10,000,000
Expenditures		
	Research Equipment	8,559,559
		-
	Capital Expenditures	1,311,758
		-
		9,871,317
Sub Total		\$128,683
_		
Encumbered / Scheduled Payment for Equipment		90,826
Balance		\$37,857

Western, Fraunhofer celebrate launch of lightweight composites centre

By Adela Talbot November 06, 2012

A full house of local, national and international leaders helped Western and Germany's Fraunhofer Society launch the Fraunhofer Project Centre (FPC) for Composites Research at Western at the centre's Advanced Manufacturing Park (AMP) location on Monday. The launch represents an unprecedented partnership bringing together a Canadian university, a German industry and three levels of Canadian government.

Located in the AMP, just north of Highway 401, near London, the Centre will focus on developing lightweight composites at this testing-ground facility through full industrial-scale trials.

Western President Amit Chakma said the University's partnership with Fraunhofer will benefit industry, the manufacturing sector, the economy, researchers and students alike, as well as align with his global Western vision.

"I speak often of the importance of internationalization and taking Western to the world and bringing the world to Western. This is an incredible accomplishment (for that), starting here, to build both the Advanced Manufacturing Park and the Fraunhofer Project Centre at Western," he said.

"This (Centre) will support the competitiveness and increase the productivity of Canada to respond to the lightweight challenges facing North America's automotive transportation industries, as well as the development of innovative products for the renewable energy and construction material industries," said Frank Henning, Fraunhofer deputy institute director. "It creates a unique platform for the training of the next generation of engineers."

Fraunhofer, Europe's largest research and development organization, has been credited with the invention and patent of the MP3, among many other discoveries. This joint venture is the first comprehensive initiative between a Canadian university and an institute of Fraunhofer.

London Mayor Joe Fontana said the partnership will translate into job creation for the region, a strengthened economy and much-needed advancements in the future of manufacturing.



(Photo above) Paul Mayne, Western News Frank Henning, Fraunhofer deputy institute director, and Amit Chakma, Western president, share a moment during the launch of the Fraunhofer Project Centre (FPC) for Composites Research at Western

"Western is providing the backbone of technology, creativity and innovation. With the vision and leadership from Western and (city) council, we were able to leverage the incredible investments announced this morning," he said.

Germany, and particularly Fraunhofer, has become a world leader in lightweight construction. Fibre composites are finding increasing application, particularly in the automotive sector. Some of the applications include automotive underbody shields, parts of the body structures of a car, closures such as tailgates and doors and seat structures. There are also applications for the solar and wind turbine industries.

The Centre will provide platform technology for real-time, industrial part development using – as well as developing – composite materials and manufacturing processes. The focus of the Centre is advanced manufacturing, which means highly precise in-line quality controlled manufacturing of high-performance composites in a suitable scale.

What's more, Western's own research and development will be strengthened because of this new partnership.

"The (Centre) will allow us to grow our established strengths in the area of lightweight materials research. Our researchers will advance their knowledge to advance compost innovations, providing solutions for transportation, construction and renewable industries," said Andy Hrymak, Western Engineering dean.

He added students and researchers will benefit from working with Fraunhofer experts in a state-of-the-art facility.

"Expect technological breakthroughs," he said. "Together we will make and create an impact around the world in the area of composite technologies. That transformation starts today."

Funding for the Centre brought together three levels of government.

More than a year ago, the City of London was the first supporter of this initiative. Without the city's support of land, space and \$10 million in funding, the project would not have gotten off the ground, Hrymak said.

Ontario contributed more than \$2 million through the Ontario Research Fund. Those funds get leveraged for additional contributions from industry, bringing the total value to more than \$7 million for specific lightweight composites research projects at the FPC.

And, announced at the event Monday, the federal government contributed \$13.7 million in Federal Economic Development Agency for Southern Ontario (FedDev Ontario) funding. With a five-year mandate, FedDev Ontario was launched in August 2009 to help respond to Ontario's economic challenges.

Diane Finley, Canada's Minister of Human Resources and Skills Development, called the FPC a wave of the future.

"In our economy today, this is great news. The (Centre) will help accelerate research and development and let manufacturers get their ideas to market faster," she said. She noted the development of lightweight composite materials stores great potential for sustainability in many industries, the automotive sector being a prime example.

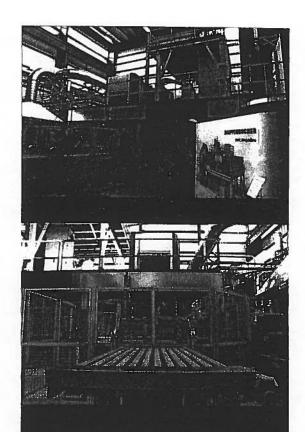
Finley also praised Western, calling its partnership with Fraunhofer a perfect fit and one that will generate opportunities to develop a struggling economy and help overcome challenges facing Canadians today.

"Western has established itself as a leader in applied research. The school is an academic leader, without question, but it has also entered into very meaningful partnerships to apply its expertise to the real world. It's because of partnerships that Western has built that we are here today," she said.

Chakma echoed the sentiments. "FedDev Ontario's investment supports our efforts to create jobs and stimulate regional economic growth, while advancing scientific knowledge and innovation," he said.

Financial reporting is enclosed with this report as well as a copy of the Western Alumni Gazette featuring an article about the Fraunhofer Project Centre.

Dan Sinai Associate Vice-President (Research) Western University SSB 5183A, London ON t. 519.661.2111 ext. 83406 e. dsinai2@uwo.ca www.westernu.ca



Fraunhofer Project Centre @ Western

Western University and the Fraunhofer Institute of Chemical Technology (ICT) in Pfinztal, Germany have launched a long-term research collaboration on composite technologies for weight reduction. This joint venture - the Fraunhofer Project Centre @ Western - represents the first comprehensive initiative between a Canadian university and an institute of Fraunhofer.

MISSION

To develop materials with specific desirable properties, particularly those that are lightweight or have low lifecycle impact for manufacturers in automotive, transportation, construction, defense and renewable energy sectors.

