SUPPLY CHAIN CANADA™

PROFESSIONALS ADVANCING THE FUTURE.

MASTER MERGER PLAN

PRESENTED TO INSTITUTE BOARDS, THE NATIONAL BOARD, AND THE FEDERATION COUNCIL

JUNE 1, 2021

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INTRODUCTION

As a not-for-profit organization dedicated to serving our members we are driven by our mission: To provide leadership to the Canadian supply chain community, provide value to all members, and advance the profession. At the heart of these words is the notion that we exist to elevate the supply chain profession in Canada. In order to deliver against this mission, we must grow to reach a critical mass in order to be the voice of supply chain in Canada. We must enhance the standards of the profession if supply chain is to be respected around the executive tables in corporate Canada. The SCMP must become the leading and most respected supply chain designation in Canada, which employers must seek more often than they do today.

Our profession and our market are evolving fast, and our association must keep pace and, lead that evolution. Today we are faced with increasing challenges and we recognize that significant change is needed. Our goal is to pool our collective experiences, resources and people to add, never diminish, the value that every member should expect from our association.

It was with these ideals in mind that the chairs of the National Office and each of the institutes began to meet together in 2019, separate from management, to discuss challenges with the association. Early in 2020, the chairs agreed to retain the services of a consulting firm to undertake what was to be called the “Delivering Member Value” project. The goal was to develop a new long-term vision for the association and to remove any impediments to achieving it. The chairs agreed to put all possibilities on the table to ensure that the outcome served to strengthen and grow the association for the betterment of our membership. To deliver on the project’s goal, the board chairs of each Institute across the country and the National Office formed a steering committee, and committed to a cross-country collaborative effort to ensure they leveraged the collective strengths of the association and were unified in addressing the opportunity to better serve our members.

The Delivering Member Value project kicked off in April, 2020 and, over the course of the next nine months the Steering Committee of chairs undertook an exhaustive planning effort that included surveys of members, research and data gathering, interviews, visioning and planning workshops and, as appropriate, the involvement of management in aspects of the planning. As well, as part of the work, a number of meetings were held with all institute boards to update them on the progress and direction and to seek their input. The work of the chairs included a deep understanding of the current state and trends and the establishment of process and priorities to deliver transformation for the association.

The chairs agreed that Supply Chain Canada today is slow, that it is becoming irrelevant, that it is not consistently connecting with our members, and that it has not executed well enough on strategic plans.

In December, 2020 the Steering Committee of chairs announced a new 10-year vision for the association:

> “ONE STRONG ASSOCIATION FROM COAST-TO-COAST-TO-COAST THAT ELEVATES THE END-TO-END SUPPLY CHAIN PROFESSION, MAKES CAREERS BETTER FOR OUR MEMBERS, AND GROWS OUR ASSOCIATION TO 45,000 MEMBERS.“

As the chairs continued to focus their planning on how to achieve the long-term vision they determined that transformation, not tinkering, was necessary to create:

- An organization capable of faster decision-making;
- Teams with greater accountability;
- An ability to fund initiatives that work across the country;
- The elimination of silos caused by local P&L focus;
- An association that leverages human and financial resources to the benefit of all regions; and
- A management structure and governance system to allow the association to create value for its members at a pace they expect and the market demands.

On February 19th, 2021 the Steering Committee of chairs put forward transformational recommendations on the future of the association and the Federation Council approved the following motions:

“On Motion duly Moved and Seconded it was Resolved that the Federation Council approves in principle that the Institutes and National will merge their operations, personnel, funds and other assets into a single legal entity. National will serve as that single legal entity. The merger will proceed according to a preliminary draft timeline as outlined in Appendix A – Merger Timeline.”

“On Motion duly Moved and Seconded it was Resolved that the Steering Committee be delegated to oversee the execution of the Merger Timeline as outlined in Appendix A – Merger Timeline and the development of a Master Merger Plan as outlined in Appendix B – Master Merger Plan. To prepare the Master Merger Plan, the Institutes and National will fully participate as requested and directed in the next steps according to the Merger Timeline as outlined in Appendix A – Merger Timeline and will provide unfettered access to all financial, human resources, significant contract and other information reasonably required for the development of a Master Merger Plan as outlined in Appendix B – Master Merger Plan.”

The above-noted Merger Timeline (see **APPENDIX 1**) and Master Merger Plan (see **APPENDIX 2**) appendices adopted by the Federation Council were used as guides in developing this more robust Master Merger Plan.

This full Master Merger Plan is a confidential internal planning and decision document. The primary audience is provincial/territorial Institute board, the National Board, and the Federation Council. It is not a public document but it will inform and shape the external-facing communications.

In developing this Master Merger Plan, the Steering Committee of chairs adopted the following guiding principles as a set of values that establishes a framework for decision-making:

1. **Focus on People** (i.e. be sensitive to our members, volunteers and employees)
2. **Open Communication** (i.e. communicate openly and honestly and with one voice)
3. **Prioritize Continuity** (i.e. minimize disruption for members)
4. **Strive for Excellence and Value Creation** (i.e. use best practices, enable innovation, and enhance value for members)
5. **Take a Holistic Approach** (i.e. see the big picture and understand the interconnectivities)

The following sections and the series of appendices are meant to provide the level of planning detail requested by the Federation Council in order to provide the comfort and confidence to enable the Federation Council and each of the partner organizations to move forward with the merger. It is meant to be directional only.

As a planning document that will naturally need to be massaged as circumstances dictate in the months and years ahead, the Master Merger Plan is not being presented in June for approval by the institutes or Federation Council, although the timing and legal steps contemplated within the document do form the key aspects of the motion that the Federation will be asked to consider. The full motion that will be considered on June 30, 2021 by the Federation Council is provided later in this document in the section “Proposed Federation Council Motion and Next Steps”.

[SETTING THE STAGE]

On April 18th, 2018 the Federation Council approved the 2018-2021 Strategic Framework following a comprehensive planning process that included an outside consulting firm and the use of several task forces. This was an important point in the maturation of the Federation as not only did the Federation Council approve the Framework but every institute board and the National Board also adopted the Framework as their own.

In 2020, as the organization began to approach the final year of the Framework it had become evident to the chairs that our goal of significant growth had not been achieved.

Beginning in April 2020 the Steering Committee of chairs went through an exhaustive and collaborative process to examine the productivity and effectiveness of the overall organization across each of our ten institutes and the National Office. The chairs were supported by an external consulting firm. Following a formal RFP process, the Steering Committee of chairs collectively agreed to retain the services Symplicity Designs, a leading organizational design firm based out of Atlantic Canada that focuses on the tools of performance excellence and innovation to help businesses grow. They have worked with hundreds of clients on transforming and transitioning businesses to enable them to improve, innovate and grow.

Working with the consulting firm, the chairs undertook an internal financial and operation review, solicited feedback through interviews with staff and key senior supply chain executives, and received responses from both current and former members of the association.

The chairs validated their initial belief that the level of growth expected from the current Strategic Plan was not being achieved and agreed upon a problem statement that included declining revenue and a value proposition that was unclear with members. In addition, with the data available at that time, the chairs identified that the organization did not have enough revenue to sustain cost, that our value was unclear, that we did not have enough members (and customers), and that we suffered from declining enrolment in education. As well, their research uncovered the fact that there existed a lack of alignment among the institutes and National as to why we exist, where to play, how to win, and how to grow. The organization was not improving fast enough (improvements were incremental change), and it had a structure with conflicting priorities among the partners.

Interviews with staff and senior executive supply chain leaders also suggested serious challenges, including: Plan misalignment; Unclear value (specifically against the Cost-Price-Value Triangle); Slow structure; Results trending down; and Conflict in priorities. Survey results showed that we also suffered from a very low Net Promoter Score (NPS), a key metric that measures customer experience and predicts business growth.

Feedback from the community was clear; the organization needed to lower cost and offer more value.

As part of the Master Merger Plan, all institutes and National were required to provide full transparency to their financial information, operating plans and budgets and to share their most-recent financial statements. All of the institutes and National provided their complete financial and human resources data. Unfortunately, almost all of the partners had no formal operational plan or growth targets. In preparation for building the Master Merger Plan, every effort was made to examine, analyze and understand the current approach to membership engagement and growth across the country. As such, much of our analysis is based on the information provided in the budget and from the data we were able to access through the National database.

A SUMMARY OF PERFORMANCE SINCE 2018

In conducting our current analysis, we examined the organization's performance from 2018 to 2021 and placed projections for 2022 based on the budgets provided. Key highlights of this analysis are:

- **Membership growth is insufficient to meet our goals.** During the period of the Strategic Plan the organization saw just 18% net membership growth since 2018 and only 5% net growth over the last two years, with most of the growth happening in just one institute.
- **Membership engagement (participation) is low.** The average membership engagement rate across the country is at 28%, in other words in the full calendar year of 2020, only 28% of our members participated in at least one or more events.
- **Financial trends have changed in the past year due to cost-savings from the pandemic lockdowns but cost challenges persist.** Recent updated data projects that the organization will be in a surplus position of $1M+ in FY21, but despite this one year of success the consolidated budgets for FY22 project a deficit of approximately $250K.
- **Retained earnings continue to increase without any plan for how they will be used to add value or reduce costs for our members.** The projected retained earnings for FY22 is $7M+ and $5M+ after known commitments.

The stark contrast between our relatively strong and growing cash position and our flat education and membership growth validates the continuing challenges that we face in aligning for long-term success. It also provides an opportunity through the proposed merger to harness our activity with a clear and compelling operational plan to invest and grow in every region of the country.

For further financial and membership data that sets the stage for the Master Merger Plan, please review **APPENDIX 3**.

MEMBER SENTIMENT AND COMMUNICATIONS PLANNING

As mentioned earlier in the document, one of the agreed-upon guiding principles of the proposed merger is "Open Communication (i.e. communicate openly and honestly and with one voice)" with our members, our staff, and other stakeholders.

In preparing this Master Merger Plan, the communications plans of other member-based organizations that have undertaken mergers have been analyzed for leading practices, and guidance has been received from public affairs experts retained to support this work.

With its genesis more than a year ago through the Delivering Member Value strategic project, there have been a series of update communications with our members over this time, both at the local and the country-wide level. These communications have included columns in the Supply Chain Canada magazine, direct emails to members, mention in institute annual reports, and updates at national and institute Annual General Meetings. Generally these messages have been aligned and consistent, although instances have arisen of institutes taking counter positions that have created tension and confusion among our members.

The communication goals during this period have been to:

i. Build trust with members;

ii. Validate the new long-term vision with members;

iii. Understand how the proposed merger is perceived by the community;

iv. Help identify benefits, risks, and blind spots of a proposed merger; and

v. Use the learnings to develop solutions and to frame future communications.

Throughout this period, members have also had opportunities to engage directly and provide feedback. Dedicated email addresses (in both languages) were provided to members and every member that has provided feedback through these email addresses has had personal responses. In addition, members have actively used the Knowledge Network discussion board to exchange ideas, concerns, and raise questions. Again, every discussion has had responses. Individual telephone and video meetings have also been held with a number of members across the country. Finally, and most recently, the members had an opportunity to provide feedback through a country-wide survey that was deployed in May.

MAY 2021 SURVEY RESULTS

On May 18th an update email was sent to all members in the country inviting their participation in a survey about the proposed merger. The goal of the survey was to understand how the proposed merger is perceived by the community, to help identify perceptions of value creation, to understand levels of concern, and to determine the level of support for the merger. This email was followed up by additional institute communications encouraging participation and a country-wide reminder email. The survey was closed after a week in field and response rates were as strong as any in the history of the organization. The survey generated a response rate of over 11% with 839 responses from every region of the country. Members also took the time to provide more than 2000 written comments in the survey.

The following are key highlights from the survey:

- 74% of members across the country agree with the vision;
- 67% of members across the country would vote in favour of the merger today, including 74% in Alberta and Ontario combined (which make up 69% of our Supply Chain Canada membership);
- If members are provided with a compelling plan, support for the merger climbs to 79% across the country;
- Approximately 80% of members agree that a merger would deliver a reduction of membership fees, more learning and services for members in every region of the country, and would grow the prominence of Supply Chain Canada and its voice with government and corporate leaders;
- Newer members (0-10 years) want change and support the merger at a higher percentage than longstanding members. Keeping our newer members engaged and motivated is critically important to ensure renewals and sustained future growth as they represent 65% of our total membership population across the country (additionally, 49% of our membership population across the country have been members 0-5 years and they are the strongest supporters of change and merger); and
- Members are generally split on the issue of concerns, although over 40% of members have little to no concerns about the potential loss of local customer service, local engagement between members, and learning focused on local needs.

  Full survey results can be reviewed in **APPENDIX 4.**

WHAT HAVE WE HEARD FROM OUR MEMBERS

Over the past several months members have sent emails, started chats on the Knowledge Network discussion forum, phone and reached out to leaders in the organization. As well, more than 2000 written comments were received and reviewed from the recent member survey.

Our members see significant benefits from a merger.

They believe we need to expand to a critical mass, and that a merger will increase our exposure and visibility to employers, leading us to be seen as a more important organization. Members have expressed that a merger will enable the organization to be more focused, to increase alignment, and to become more streamlined, agile and adaptive. They want to be a strong national association, nationally recognized with a stronger brand. Our members see a merger as making the organization more efficient and leading to reduced costs and lower membership fees. They want a centralized, consolidated association, with no boundaries or barriers between provinces, and increased mobility for members from a seamless and connected organization. Members view the merger as delivering a louder, stronger and singular voice that delivers more credibility and presence. Members have suggested that we are currently fractured, disjointed and confusing and welcome a merger to bring us together, unify the country, eliminate silos and stop what they call infighting. Members recognize disparities across the country and believe that a merger will enhance access, create equalized benefits and an even playing field, and deliver the same benefits, products, and opportunities for all members regardless of where one resides. They want uniformity, standardization and consistency. They want one SCMP across the country. They also want one leadership and a single point of contact and accountability. In addition, members believe that a merger will make the organization more strategic and open up the opportunity to share money across institutes to better all regions.

SELECTED COMMENTS INCLUDE:

"The association doesn't deliver enough value to the membership currently for the fees we pay."

"I currently don't see a lot of value in my membership."

"Big strong association coast to coast is better than being a big fish in only one province."

"Fragmentation of the association creates a lot of confusion and duplication of services. I raised the idea of a singular body years ago with my association but it was shot down. This move to a single organization is long overdue."

"I see emerging supply chain training programs pushing into the corporate minds which is and will continue to dilute the SCMP designation if we don't become a louder voice. We are still the best and most robust, but we remain somewhat invisible."

"Province wise institution do not carry as much international acceptance and value as a Nationwide integrated one institute with members from coast to coast in Canada."

"The current structure is fragmented and inefficient. Having spent 6 years engaged on a board I can say that the National consolidation is paramount to long term viability and a better, consistent member."

"Less factions, less potential for disagreements. A singular body looking after the interests of all members will ensure a unity of direction and reinforce national recognition."

"We need to elevate SCMP as a valued designation and ensure that all training is current and the same, that membership dues are the same, that we have equal access to support and education."

"We all should use SCMP irrespective of our province. I think this merger will pave the way for using our designation Canada wide."

"Currently SCC is too small to work within the federation model and its current structure."

"Decentralized isn't working a more strategic approach is necessary."

"This is exactly what I want from my association – to feel connected across the country."

"Having a national organization would feel like you're part of something more united and important. There would be strength in higher membership and more visibility."

"We need to breakdown interprovincial barriers."

"A centralized association will make better long-term decisions for the organization."

"This puts all members on an even playing field."

"Establishing a SCMP brand that employers can recognize as the standard would be best."

"We have a fractured 'provincial first' identity crisis."

"All members across Canada should be afforded the same opportunities."

"Making one national registering body for our designation makes complete sense."

"It never made sense to me to organize in this fashion. It always has been a national organization. The addition of all the provincial 'fiefdoms' added confusion and overhead."

"Too much siloed decision making and administration."

"The current structure is unwielding and leads to a significant amount of infighting. Staff members in each institute work to keep their current roles and do not add to the overall success of the overarching body."

"I feel that an amalgamation of all the units with a flattened structure serves the membership well reducing redundancy and increasing speed at which members feel the vision is being achieved."

"I think this will be great for the association and will likely retain myself as a member for longer."

"Right now the offerings are different depending on where your located and that is not ideal."

"Currently the organization is too split between provinces/territories and the national body. It can be more efficient like ASCM/APICS that offers far more value for dollar in comparison."

"I have zero concern about losing our local reps as in all honesty I don't get value from them. Additionally, there is very little 'local opportunities' at this point so going into the merger I have no issues losing the regional chapter I belong to."

"Something has to be done, who wants to be Blockbuster!"

"No sacred cows, do what is right for the long term for the members as the guiding principle."

"Dissolving the provincial institutes is unfortunate but doing so should dramatically improve the professional appearance of our organization. It will ensure consistency in communications and who to contact."

We have also heard concerns expressed from our members about the proposed merger.

Our members have expressed concern that, in a merged association, smaller provinces may be overlooked and risk not being heard, and that provincial concerns, regional differences, and local nuances may be lost. Our French-speaking members worry that support for bilingualism and French content may be diminished. Some of our longer-serving members raise history and past practices as assumptions for future success. We have heard the importance expressed of on-the -ground representatives within the provinces, the perceived value of having local offices, and worry about reduced customer services and lost local service. The potential loss of legislative protections for the SCMP designation has been raised as a concern, particularly within Alberta. Members are concerned that a merger may lead to staff cuts. They have concerns that a merger may reduce in-person local events, reduce local connectedness, and hinder local networking.

Members worry that regional disengagement and apathy may set in, and that they are losing a feeling of autonomy and may not have regional input in future decision-making. There is considerable tension in the association between our Western members towards those in the East with comments that a merged association will become Ontario-centric or Quebec-centric, and that time-zones will not be appreciated. Some members feel that smaller is better for our association. For those members currently in the SCMP program, they have questions about whether a merger will impede their progress towards the designation.

SELECTED COMMENTS INCLUDE:

"We do not need power centralized in Eastern Canada."

"There are provincial nuances that need to be taken into consideration."

"I'm on the fence with this one. I understand how amalgamation can help financially, but I fear that the voices from Ontario (due to size) will overwhelm the voices coming from other parts of the country."

"I do not believe that the best interest of the members in western Canada will be looked after, things are different in the west."

"I only fear that the member customer service will possibly diminish."

"I do not know whether smaller member jurisdictions, like Nova Scotia, will be represented appropriately or receive the same level of service."

"I feel NB will get dominated by the larger institutes."

"Agree we need a strong association but I feel Manitoba will be forgotten about by a Toronto centric association."

"Your strength is in the grassroots aspect of the provincial associations."

"Ensure each province has an advocator for the provincial interests."

"We would need to retain some regionalized structure."

"My concern is that merging will create more distance and apathy towards its existing membership and the layers of added bureaucracy will further reduce any chances for value-add to my membership."

"The local staff play a key role in engaging business and the SC community."

"How will HQ people know what local chapter needs are? How will events be organized if office people are sitting in Toronto?"

"I believe the issue of the professional designation status in Alberta needs to be addressed."

"With institutes members can easily get a hold of someone when they have questions or need assistance."

"There still needs to be boots on the ground in each region ensuring customer service, marketing, economical understanding and development and networking events."

"Protect the legal status of the designation."

"I feel that because MB is a small province, we will be overlooked or not given the attention that we currently have and deserve."

"The legal issue of the SCMP designation in each province will need to be addressed first."

"I want to ensure that people don't lose jobs with Supply Chain Canada if there is a merged association."

"I want an assurance that the West will be equally represented. I am anticipating a marginalization of Manitoba, Saskatchewan and Alberta following the merger."

"I don't know what a merger actually means to me as a member."

POST-JUNE, PRE-MERGER COMMUNICATIONS STRATEGY

Should the Federation Council agree in June to proceed with the proposed merger, communications with our members will be intensified over the summer months and into the fall season, with a particular emphasis on providing more detailed information to the membership and ensuring that members get out and vote when required.

It is important to note that this plan does not contemplate a communications strategy post-June should the Federation Council not approve the merger as the future, in that situation, is unknown and unclear. However, messaging to members in that case will be critical given the strong support from members for the merger as evidenced by the recent survey results.

While many of the goals listed above that have served our communications strategy to date continue to have importance, this post-June phase will also focus on goals to:

- Provide members with additional and specific details about the value of the proposed merger and what it means for them;
- Respond to member questions and concerns;
- Continue learning from the ideas of our members to co-create solutions for a merged association;
- Prepare members for the necessary Special Member Meetings and votes; and
- Get out the vote.

During this phase, it is crucial that all the partners are aligned and communicating a single vision and path forward to our members.

To ensure success against the goals and to demonstrate open communication with our members, a Communications Engagement Team (CET) will be established including key communications staff and outside advisors. The CET will develop a plan that includes the use of all Institute Chairs and directors as champions of the merger, including the following:

- Stakeholder mapping to determine key individuals and stakeholder groups for engagement;
- Launch a merger website for members populated with information on the background, context, key pieces of the plan, and that continuously provides update on progress and timing;
- Hold virtual town halls (zoom or telephone town halls to ensure maximum number of participants);
- Hold virtual community roundtables (smaller group meetings to allow for deeper dive conversations than town halls for identified key stakeholder groups – e.g. long-serving members, senior executives, SCMPs, 100 Women's List);
- Regular email updates to members;
- Develop a comprehensive FAQ;
- Knowledge Network Discussion Forum;
- Deploy an additional member survey(s) to ensure that members are accessing and understanding information about the merger and to assess their support; and
- Development of a get out the vote (GOTV) strategy

During this phase there will also be a secondary communications plan developed in the event that some or all of the institute special members meetings do not pass the motion for merger.

POST-MERGER COMMUNICATIONS STRATEGY

Should the proposed merger proceed to conclusion, the post-merger communications plan will be critical, particularly to ensure another of the agreed-upon guiding principles: "Prioritize Continuity (i.e. minimize disruption for members)".

During this phase, our goals will be to:

- Communicate business and customer service continuity issues to members;
- Celebrate the achievement; and
- Engage the wider community through public announcements as well as dedicated messaging to employers to ensure that they understand and appreciate the positive opportunity to strengthen the association and SCMP designation of their employees through the merger.

Our tactics will include regular email and video updates to our members, the use of press releases, and the use of social media.

ANALYSIS OF ALTERNATIVES TO PROPOSED MERGER PLAN

Over the course of approximately ten months the Steering Committee of chairs collaborated through an extensive, consultant-facilitated process that examined the challenges and opportunities facing the Federation, including how best to ensure transformative innovation for our members and long-term sustainability of the entire organization. The initial champions and sponsors of the project were the Chairs of the Manitoba Institute and National Office, and included the chairs of every other institute.

The project began with an analysis of the purpose, people and processes and a look into the price/value/time equation of productivity drivers. In fact, the beginning of that work did not contemplate changes to the legal structure of the Federation, focusing first on how transformation and innovation could be enhanced within the existing structure through new ways of working between the people and partners as currently constructed – an enhanced network model. The chief staff officers were also included in significant portions of the review and analysis, participating in a five day exercise in June and July 2020, and then on multiple occasions from September 2020 onward.

As work continued, it became evident that additional challenges might continue to prevent success towards the stated desire of growth and innovation. Additional research and analysis was then undertaken, including benchmarking against comparator and competitor associations.

At this stage (prior to the fall of 2020), the Steering Committee of chairs determined that a change in structure would be necessary and examined the following eight possible options:

1. The status quo;
2. An enhanced network model (i.e. the status quo with better process to work across jurisdictions);
3. An enhanced shared services model (i.e. the status quo with additional shared services through the National Office);
4. The elimination of the National Office and devolution into 10 disconnected institutes;
5. A similarly devolved structure with the elimination of the National Office but with some consolidation into several disconnected regional entities;
6. A model that retained a National Office but merged institutes into several regions;
7. A franchise model; and
8. Merger into a single corporate entity (which was called sole proprietorship during the project).

After careful examination of the options, the chairs reduced the list to the following options and continued their examination:

1. An enhanced network model (i.e. the status quo with better process to work across jurisdictions);
2. A franchise model; and
3. Merger into a single corporate entity (which was called sole proprietorship during the project).

The chairs went through a thorough review of the pros and cons, and the risks, of each possible model before ultimately voting to move forward a recommendation to the Federation Council on merging into a single corporation. Ultimately the decision to move forward with a single corporation recommendation was driven by the believe among the chairs that to achieve the 10-year vision it was the only model that was going to result in the association being greater than the sum of its parts.

Below is a synopsis of the pros and cons developed by the chairs and shared with the chief staff officers.

ALTERNATIVE MODELS	PROS	CONS
Enhanced Network Model	■ Agile functional areas or divisions ■ Not siloed ■ Institute-led decision-making ■ Opportunity to create good governance ■ Encourage best practices ■ Organic collaboration	■ Complex set of relationships and high engagement required ■ Slow decision-making across organization ■ Local decisions prioritized ahead of organizational decisions ■ Risk of lacking standardization ■ Siloed and institute-led decision making ■ Small institutes remain small ■ Hard to make challenging decisions ■ Difficult to get strategic focus and guidance ■ Complex ■ Varied results
Franchise Model	■ Thorough, well-thought out decisions ■ Top-down decision-making ■ Strong central best practices building ■ Same framework executed everywhere ■ Uniformity throughout country ■ Easier to sell with institutes than the sole proprietorship model ■ Institutes benefit from their investments-heavy accountability on the franchise ■ Regional execution and board influence ■ Strong national brand ■ Potential to learn and leverage: local pilots	■ Little to no local innovation ■ Local results valued more than central results ■ Each individual location has to be a profit center ■ Risk of regional variation in experience ■ Regional influence in developing the framework ■ Top-down decision-making without engaging local regions ■ Can't be nimble ■ Limited influence ■ Small institutes remain small
Single Corporate Entity	■ Central control ■ Quicker decision-making and execution ■ Sharper focus on goals ■ Alignment on creating value for members ■ Reduce in-fighting driven by competing objectives and budgets ■ Same level of service across the country ■ Reduce redundant/duplicate effort (without reducing staff complement) ■ One true national board ■ Consistency/Accountability/Visibility	■ Lose decision-making power at local regions ■ Lose control of local budget ■ Risk losing local growth ■ Lose regional influence from boards ■ Outdated / Autocratic ■ Reduce collaboration ■ Eliminate understanding of regional variation and uniqueness / Lose regional focus ■ Lose flexibility ■ Top Heavy ■ Biggest change and biggest pushback ■ Risk of losing institute EDs with this change

Once the Steering Committee of chairs determined that the merger into a single corporate entity was the preferred model, the challenges and risks of such a merger were thoroughly examined.

As part of the development of this Master Merger Plan additional considerations and adjustments have been made to the proposed structure by the Named Executives Officers and through the use of outside experts across legal, governance, public affairs, and human resources.

PROPOSED FIRST-YEAR FY23 OPERATING PLAN AND BUDGET

With each of the ten merger transactions to be concluded by March, 15, 2022, the first full fiscal year of a new merged Supply Chain Canada would begin effective April 1, 2022 (FY23).

This section of the Master Merger Plan presents a preliminary draft operating plan and budget for that fiscal year. The purpose of this draft is to give confidence to our stakeholders that a balanced operating budget (not including capital and other investments to be made from retained earnings) can be attained while also specifically achieving the goal of reducing costs to our members and increased value. It provides a prudent framework in which our association can establish a foundation towards the long-term vision for Supply Chain Canada: one strong association from coast-to-coast-to-coast, that elevates the end-to-end supply chain profession, makes careers better for our members, and grows our association to 45,000 members strong.

For additional details on the proposed first-year operating plan, including tactics, KPIs and a draft budget, please review APPENDIX 5.

INTRODUCTION TO THE FY23 OPERATING PLAN

Consider focus as the unwavering purpose that drives an organization towards its goals. It is the conviction and alignment of all staff. It is the magnitude, concentration, and persistence of investment in the key areas of our business that support the desired outcomes. All too often, an organization establishes the right goals, the right strategy, condenses it into a tidy graphic, and communicates it to its customers, employees, and board, but critically fails in its execution because they lack consistent focus.

In developing the draft FY23 operating plan and budget, the work of each of our institutes and National over the past several years was thoroughly examined. As well, member sentiment was carefully considered. Areas of success and failure were determined. From that analysis three themes were identified that seem to be the key drivers underpinning our successes. These themes have become central in the planning for FY23. They will provide us with focus.

1. **Currency:** Refers to services and products that deliver relevant and best-in-class content on the most pressing issues facing the supply chain profession that our members value.
2. **Accessibility:** Refers to delivering our products and services at the right time, through the right medium, and at the right price and, importantly, to provide the opportunity for every member regardless of where they live to benefit from these products and services.
3. **Speed:** Refers to how fast we can get our product and services from concept and inception to market for our members and customers. With so much innovation and competition in the marketplace today, being the first to debut a new product or service has its advantages. Speed requires member and market intelligence, a culture of innovation and the constant testing of new ideas, and the ability to respond to our members' needs quickly and efficiently.

WHAT CAN MEMBERS EXPECT FROM THE FIRST POST-MERGER PLAN?

Quite simply, our goal is to grow the association by reducing costs for our members and adding value. Neither reducing costs nor adding value alone will be enough to achieve the aggressive long-term vision to grow to 45,000 members. The goal in FY23 is to achieve a net growth of 15% (vs our current trend of 5%) by pursuing the acquisition of 2,617 new members, serving a total of 8,621 members across Canada.

MEMBERSHIP FEES

The FY23 operating plan is focused on standardizing and lowering membership fees across the country and introducing opportunities for organizations to reduce fees further through new group rate opportunities. Key highlights of the plan include:

1) Reducing all regular individual membership fees across the country to $390. Currently membership dues vary across the country, with the highest membership rate at $505 and the lowest at $395, bringing the average membership rate to $425.90 (almost double that of our closest competitor).
2) Reducing all other membership fee categories across the country to $30. Currently other categories of membership (e.g. academic affiliate, retired, and students) average $109.
3) Introducing a group membership option for organizations that lowers each regular membership fee even further to just $250 if four or more memberships are purchased. Currently there is no transparent and standardized option for organizations to save money on group purchases. The intention of this new purchasing option is to entice referrals from existing members and transfer the burden of payment from the individual to the corporation. It should not be confused with 'corporate memberships' where the corporation, not the individual, is the voting member of the association. A corporate membership option is not yet being contemplated for the association.
4) Introducing a special first-year, post-merger, introductory rate of $250. The goal of this offer is to seize on the excitement of the merger and immediately attract new members by easing the barrier of entry.
5) Introducing a new 40-year Member Club that will provide lifetime complimentary membership for every member upon reaching their 40th anniversary as a member. As we continue to grow the association we will look at honouring other longstanding members with tangible benefits.

ENHANCED LEARNING AND NETWORKING OPPORTUNITIES THROUGH THE EXPANSION OF PROFESSIONAL DEVELOPMENT

The FY23 Operating Plan delivers significant expansion of professional development and events across the country. Members will be offered a wide and diverse suite of professional development opportunities in terms of content and accessibility (price and delivery platform). With this collective suite of offerings, our goal is to increase the average membership engagement rate from its current 28% to 50% by the end of FY23.

LEARNING OPPORTUNITIES	FORMAT	AVERAGE PRICE	TARGET AUDIENCE	OFFERINGS
Professional Development Workshops (7-14 hours in length, focus on functional topics, faculty led)	Hybrid	Avg rate of $907	Accessible to both members and non-members at differential pricing. Non-members receive an introductory membership included in their purchase (bundled membership).	24 bilingual offerings (12 delivered in Eastern/ Central Canada, and 12 delivered in Western Canada, plus 6 French only offerings
Member Virtual LIVE CHAT events (1.5 hour in length, sector/theme driven and focused on timely issues, panel discussion followed by Q&A)	Online	$10.00	Accessible to both members and non-members at differential pricing.	11 offerings January - November
Webinars (1 hours in length, focus on end-to-end supply chain content, limited to 1 or 2 speakers, with Q&A possibilities)	Online	Free	Accessible to members and non-members	8 offerings (September - April)
Local learning and networking events offered through volunteer regional ambassadors	In-person	$25.00 - $35.00	Accessible to members and non-members	4 offerings per annum per province
Banner Events such as the National Conference, Leadership Series, and Supply Chain Week (7 - 21 hours in length, focus on thought leadership and emerging trends, includes panels and keynote speakers).	Hybrid	Leadership Series @$60, National Conference @$750, and Supply chain week, free for members	Accessible to both members and non-members at differential pricing. Non-members receive an introductory membership included in their purchase (bundled membership).	8 National Events (available to all provinces)

In addition to the above-noted professional development events, in FY23 we will expand and launch a number of other engagement opportunities for members and the wider community, including:

- Golf tournaments: Building on the success of the Saskatchewan Institute we will begin to expand golf tournaments across the country, retaining one event in Saskatchewan and introducing an event in Ontario.
- Executive Roundtable Dinners: We will introduce two invitation-only Executive Roundtable Dinners where senior supply chain executives will have the opportunity to network and have access to a dinner speaker that they would otherwise not have direct access to.
- Communities of Interest: Building on the success of our Knowledge Network discussion forum, we will launch a number of communities of interest to enable our members to connect in real time with others who have similar interests (e.g. functional areas of supply chain such as public procurement or transportation and logistics; industry sectors such as retail or manufacturing; or hot topics such as blockchain or supply disruptions).

DIVERSIFYING REVENUE TO CAPTURE MORE VALUE

The learning and networking opportunities outlined above are priced low on purpose. The intent is to drive participation (head count) and create a network effect, making the sponsorship proposition much easier to sell. Sponsorship will increase revenue to the organization (value capture). In addition, the matrix of offerings allows for testing of content in low-risk settings, such as the webinars. Then based on market response we can expand the content from a one-hour webinar into a sponsored event or a professional development workshop.

In addition, these offerings allow us to bundle membership into the purchase of most PD offerings. Bundling as tactic has been piloted in Ontario since 2019 and has proven to be an effective tactic. Not only does bundling help grow our membership headcount, but it has also shown to increase our overall revenue, as an average bundled member in Ontario spends approximately $600 per annum (short term revenue) and with an overall renewal rate for this group at 15%+ over the past two years, we are capturing long-term value.

Finally, the operational plan highlights the importance of servicing the projects funded through government grants. In fact, as outlined in the draft organization chart, a dedicated department is envisioned to serve existing projects, seek new sources of government funding, and finally ensure renewals of existing projects.

GROWING AND REDEVELOPING THE SCMP

In FY23 we will begin the transformation of the SCMP program by making the investment to redevelop the curriculum while also maximizing enrolment in the current program. We will carefully construct an transition plan of how we will phase out the current program and begin to introduce the redeveloped program. We will continue to invest in promoting the designation across the country while planning for a significant investment to relaunch the program in FY24.

For FY23, SCMP is projected to grow at 15% in overall registrations versus prior year trends. SCMP modules and workshops will continue to be delivered online. There are 224 sessions planned in the year (4 offerings/ module or workshop – 3 in English and 1 in French) with an average class size of 18 students.

SCMP PHASES	REGISTRATIONS	AVERAGE SPEND	TOTAL REVENUE
RPL	288	350	100,625
Online Module (13w)	1,030	830	854,724
Online Module (7w)	1,186	562	665,839
Workshop (2d)	1,562	739	1,154,453
Workshop (4d)	316	1,352	427,472
Residency	288	1,890	543,375
Final Exam	259	735	190,181
Total			**$3,936,670**

The SCMP modules and workshop budget accounts for 1365 participants in-stream taking an average of 3 modules/ year to a total of 4,094 registrations. The allocation is in line with prior year trends and accounts for the budgeted membership growth. In addition, the operating plan has allocated $1M towards the redevelopment and modernization of the SCMP curriculum and structure as previously presented to the Federation Council (see APPENDIX 6 for the SCMP redevelopment plan adopted by the Federation Council).

OTHER KEY HIGHLIGHTS FROM THE FY23 OPERATING PLAN

Other key highlights from the FY23 Operating Plan include the following.

- **Increase promotion:** We will focus our acquisition and engagement efforts on both individuals (members and customers) and organizations (influencers and decision makers) and make significant investments in marketing and sales.
- **Rollout the volunteer engagement plan:** We will provide the platform for contribution throughout the country through our robust volunteer engagement plan, increasing volunteer opportunities and launching the Volunteer Regional Ambassador program in every market.
- **Build more partnerships:** We will frame our relationships with all of our strategic partners from a place of trust and commit to aligning our activities to further support our mission of elevating the supply chain profession together and we will look for more opportunities for strategic growth through acquisitions.
- **Make our voice louder:** We will continue to increase our advocacy efforts at all levels of government as the voice of supply chain.
- **Define our corporate values:** We will define our values and hold each other accountable against the behaviours that have us living the values.
- **Focus on alignment:** We are going to communicate with clarity, engage in dialogue, and provide inspiration so that everyone is moving in the same direction, and we will build our capacity and capabilities (e.g. human resources and IT) to proactively pursue growth and enhance member experience.

Our path to success in FY23 is underpinned by a balanced operating budget and a strategic investment of $1.5M to redevelop the SCMP program and website, and to introduce new back office technology.

By focusing on our considerable, collective strengths and investing in enhanced tools and each other, we can raise the voice of supply chain in Canada together more successfully than we can as individual institutes on our own.

HUMAN RESOURCES

The importance of our employees cannot be overstated. While our association exists solely to serve our members and the profession, it is our employees that deliver against that purpose. Without them it would not be possible.

In fact, that is why our first guiding principle for the merger is a "Focus on People".

Our members also recognize the importance of our staff and the opportunity that the merger will afford for the staff. When asked on our recent survey of members whether they believe the merger will "create more opportunity for staff to contribute as part of a unified team in a merged association", 67% of our members agreed while only 11% disagreed.

While the proposed merger will deliver a more effective workforce and find human resource synergies that enable us to deliver better, the purpose of the merger is not a staff cutting exercise. Our approach to the proposed merger is to provide an opportunity for everyone currently employed across the organization and, as possible, to grow the size of our workforce to deliver for our members and grow the association. As it has for all organizations, the pandemic has also created a significant change for Supply Chain Canada, moving the organization into a more remote workforce and opening up opportunities for rethinking how and where our employees work.

The human resources plan must excite our current employees about the opportunity of the proposed change.

In preparing this Master Merger Plan, the following has been undertaken as it relates to human resources:

- Analyzed current human resources practices within the organization;
- Reviewed all compensation and employment structures within the organization;
- Reviewed member recommendations and concerns raised in surveys, emails and other forums;
- Reviewed work previously done by the Steering Committee of Chairs;
- Retained a human resources consulting firm to undertake research and make recommendations, including interviews with all staff in the organization;
- Retained an executive change management consultant to advise on post-merger integration of staff teams and the establishment of values; and
- Worked with legal counsel engaged for this purpose.

WHAT DO WE SEE TODAY?

Today the organization has a fragmented staffing structure. Until recently, each of the eleven independent legal entities making up the organization employed its own staff in various forms and constructs. Each entity determined its own human resources needs, creating and implementing staff structures that it could afford and that it believed appropriate to achieve its independent goals. Smaller institutes managed with a single part-time staff member structure. Medium-sized institutes generally pursued a single full-time Executive Director structure. While larger institutes and the National Office managed with teams ranging from approximately three to twelve. Hiring was done independent of hiring within other entities and no coordinated human resources planning across the organization was ever undertaken. Attempts at gathering organization-wide information on human resources have been met with resistance.

Across the country, the organization employs six Chief Executive Officers (or equivalent), each controlling their own staff structures and making independent staffing decisions.

Today there is a heightened burden on our small to medium institutes to be experts in all aspects of running an association. Individual institutes are expected to have finance, member service, education, marketing and sales expertise all within a staff structure of just one to three people. Approximately 40 staff members are employed across Canada but there is no coordination, shared values, shared goals or metrics that align these staff together in a country-wide purpose.

More recently, some changes have begun to occur. In 2019, the National Office subleased its office space to reduce overhead costs and took its staff into a remote workplace structure. This allowed the National Office to hire employees from any part of the country, having recently employed staff on its team from Alberta, Quebec, and Nova Scotia as well as staff in Ontario but from outside the Greater Toronto Area. The National Office and the Ontario Institute entered into a cost-sharing agreement for two staff to reduce costs on each entity and to share employee skills needed by both entities. As well, the National Office has entered into shared services agreements with both the Quebec Institute and Newfoundland and Labrador Institute and National Office employed staff undertake the work of those institutes. Most recently, the Alberta Institute has hired a senior staff member who resides in Quebec and shares this resource with other institutes in a cost-recovery structure. As evidenced, the association has already begun moving to a dispersed staff organization whereby staff members are effectively serving regions of the country without physically residing in those regions. With the credibility of a proven track record of success, we are positioned well to achieve the benefits of the planned merger.

As part of developing this Master Merger Plan an external human resources consulting firm held individual discovery meetings with every staff member in the organization. The purpose of these meetings was to better understand the scope of the work of each of our employees, to understand their feelings about the proposed merger, and to discover their passions and interests as it relates to the work of the association. Our staff are highly engaged, dedicated to and passionate about serving our members, and excited yet nervous about the proposed merger. In fact, approximately 75% of staff members across the country are excited about the possibility of a merger. Staff members indicated that they look forward to streamlining processes and the elimination of redundancies, which will allow for even greater value to be delivered to members. Staff members are also interested in being able to use their knowledge, skills, and abilities in their areas of expertise, and be able to better focus on providing exceptional value and service to members while more effectively collaborating with peers in similar functional areas across the country.

To better understand how our staff members feel about the merger and their roles in the association please see **APPENDIX 7** for a summary of the discovery calls.

WHAT WILL CHANGE THROUGH A MERGER?

The most significant change that will take place through the merger will be the transfer of all staff from the eleven legal entities into a single management structure within the new merged Supply Chain Canada.

Combining the staff into a single employer structure will allow the development of a human resources structure that is aligned more effectively towards the goals of the association, able to create the skilled leaders and teams to deliver on all aspects of the work of the association. We will be able to free up resources to refocus and redeploy staff to serve our members most effectively, without reducing staff.

The draft organizational chart for the new merged Supply Chain Canada, which has been vetted by external HR consultants, is available at **APPENDIX 8**.

The draft organizational chart has been developed to ensure the necessary skills and competencies required to grow and scale the association for success. It increases, not decreases, the overall size of the team. It has also been designed to excite and motivate our staff about the opportunity for their development and career progression, and to give confidence to our members that we will be able to deliver exceptional service and champion the profession. The importance of delivering at the local, regional and country-wide level has been considered. We have also been conscious of the importance of providing clear roles and functions for staff members. Finally, the proposed structure will enable us to scale quickly for growth by expanding teams as certain function areas of the organization require additional capacity.

Please note that job descriptions for all roles on the draft organizational chart are in the process of being written and will be available in June. In the interim, an initial document outlining the essence of each role has been developed and is available as APPENDIX 9. As well, the proposed salary bands for the new merged organization are also currently being finalized and will be available in June, along with an executive compensation plan.

HOW WILL VALUE BE ADDED THROUGH A MERGER AND WHERE ARE THE RISKS?

The proposed merger will add significant human resource value for both our employees and for our members:

- The draft organizational chart proposes new customer service roles that will provide dedicated customer service to all regions of the country for 14 consecutive hours Monday to Friday. In Ontario that will mean the opportunity to speak with a live person from 7am to 9pm. In British Columbia our members can speak with these staff between 4am and 6pm and in Newfoundland our members will be served by a live person from 8:30am to 10:30pm. No part of the country currently has customer service available for this many hours.
- The draft organizational chart proposes an increase in the number of English and French bilingual staff members, increasing our ability to provide service in both official languages, not only in Quebec but throughout regions with large populations of French language speakers.
- The draft organizational chart proposes more dedicated regional staff support in key areas such as marketing, member services, and education, as well as part-time staff in every province and territory to coordinate and manage local in-person education and events.
- Building on recent success, the draft organizational chart grows key strategic areas for the association such as advocacy (allowing additional capacity to work with and advocate across all levels of government at the federal, provincial/territorial, and municipal level), government grants (coordinating current projects such as those in Alberta and Manitoba while expanding applications across the country), and corporate engagement.
- The merger provides the new merged Supply Chain Canada with the opportunity to develop and work within a consistent set of shared values and a consistent approach to how staff members serve our members in every part of the country.
- The merger will provide members with the same level of customer service everywhere in the country.
- The organizational chart delineates roles and teams around functional areas of skill and knowledge providing the opportunity for more dedicated expertise in skilled areas such as marketing, education, member service and allowing these experts to apply their skill and knowledge to all members and regions.
- The merger will provide an opportunity for growth for employees and the chance to take on new and rewarding roles.
- The merger provides the new merged Supply Chain Canada with the opportunity to redeploy staff to better focus on the strategic needs and operational goals of the association.
- The merger provides an opportunity for staff members to expand and apply their knowledge and skills to a wider number of members across a larger region or across the country.

The key concerns that have been raised by members related to human resources are focused on the potential loss of local institute staff and the concern that the majority of staff might therefore be based only in Ontario or Toronto. When asked on our recent survey of members whether they are concerned that a merger may lead to a "loss of local customer service", our members were split, although some 40% of the members do have concerns on this issue.

To manage this concern, and as noted above, the draft organizational chart proposes new customer service roles that will provide dedicated customer service to all regions of the country, an increase in the number of English and French bilingual staff members, increasing our ability to provide service in both official languages, and more dedicated regional staff support in key areas such as marketing, member services, and education. In addition, the plan contemplates an opportunity for all staff across the country to transition into roles within the merged organization, made possible by a primarily remote workforce.

The most significant risk to the organization related to human resources is the loss of key staff prior to and during the proposed transition and the potential loss of institutional knowledge that would result from such losses. This is mitigated by the opportunity to identify early the staff for key roles in the draft organizational chart and make offers with retention bonuses. However, this requires certainty about the direction from the Federation Council. The longer it takes individual institutes and the Federation Council to make decisions about the future, the more likely it is that the organization will see departures. Departures will risk continuity and institutional memory, making post-merger integration more challenging.

HOW WILL INITIAL RECRUITMENT, SELECTION AND HIRING BEEN HANDLED FOR THE ORGANIZATIONAL CHART?

The National Office and institutes employ talented and experienced employees. Once the merger is approved, the Named Executive Officers will finalize the organizational structure of the new merged Supply Chain Canada and begin recruiting against that organization chart. Existing employees from the National Office and from the institutes will be prioritized for the new roles within the new merged Supply Chain Canada, where feasible. To ensure fairness, the new merged Supply Chain Canada will recognize employees' service with the institutes for all relevant purposes. We have already developed a draft employee handbook that can be finalized by the new merged Supply Chain Canada once the merger is approved (see **APPENDIX 10** for that employee handbook).

The successful candidates for these roles will be identified through an objective assessment process that will begin once the merger is approved. We anticipate that these offers of employment will be effective as of the closing date of each institute's asset transfer transaction; though there may be situations where alternate start dates are required. Where the new merged Supply Chain Canada is unable to identify a qualified internal candidate for a role, it may advertise for external candidates.

Once the list of transferring employees has been finalized, the National Office will work with the institutes regarding the exit strategies for those employees who will not be offered roles, including assessing the potential costs and developing a severance process (e.g. communications strategy, template letters and severance packages, etc.).

WHAT CAN MEMBERS AND EMPLOYEES EXPECT AFTER A MERGER?

A new merged Supply Chain Canada will have a single management structured, aligned on goals, with a shared set of values, delivering both country-wide and regionally and able to scale for substantial growth.

A significant amount of planning has already been undertaken out of respect for our employees and to showcase to our members and stakeholders that we take seriously the human resource planning of a new merged Supply Chain Canada.

This planning includes the development of a proposed compensation philosophy for the new merged Supply Chain Canada: a first for the association among any of the eleven current entities. It will provide the overall direction for how the new merged Supply Chain Canada will make compensation choices. These choices will impact how employees feel about the new merged workplace and will contribute to employee satisfaction. The philosophy has been developed based on a set of human resources principles and values that the new organization will live by, and it will act as a blueprint for all compensation decisions. Three versions of the draft compensation philosophy for the new merged Supply Chain Canada have been created: a full compensation philosophy that will be approved by the new merged Supply Chain Canada board (see **APPENDIX 11**); a version of the philosophy that will be included in the Employee Handbook (see **APPENDIX 12**); and a shorter, public-facing version that will be made available to our members and the wider community that provides transparency to our members on how we compensate and value our staff (see **APPENDIX 13**).

Human resources policies from across the organization have been reviewed and a new draft Employee Handbook has been created with all necessary and common employment policies. The Handbook has been reviewed against the reality that the new merged Supply Chain Canada would have employees who reside across Canada and a mix of work-from-home and work-from-office employees. See **APPENDIX 10** for the draft Employee Handbook.

The various health and other benefits provided to our employees from across the organization have been reviewed and a recommended plan for benefits has been developed. See **APPENDIX 14** for further information and recommendations on benefits and **APPENDIX 15** for a comparison of current benefits across the institutes and National.

The various payroll systems and structures have been reviewed and a plan for payroll developed. See **APPENDIX 16** for further information on payroll.

Should the merger proceed, a set of corporate values will be developed with the new merged team as part of a post-merger integration change management plan. Orientation, coaching and training, and performance management systems are also beginning to be contemplated as part of preparing for post-merger integration, with a particular emphasis on the necessity of training for managers to effectively undertake any performance management program. See **APPENDIX 17** for initial planning.

CORPORATE GOVERNANCE AND VOLUNTEER ENGAGEMENT

As a non-profit, our Boards are made up of our volunteers. Through our various boards of directors our volunteers are able to have an impact on governance and decision-making, whether local or country-wide. Recognizing this allows for the construction of an interrelated approach to governance and volunteers that can add value and opportunity. This integrated and holistic approach supports one of the adopted guiding principles of the merger: "Take a Holistic Approach".

In preparing this Master Merger Plan, the following has been undertaken as it relates to governance and volunteer engagement:

- Analyzed current governance and volunteer practices within the organization;
- Reviewed member recommendations and concerns raised in surveys, emails and other forums;
- Reviewed work previously done by the Steering Committee of Chairs;
- Analyzed the governance practices of leading organizations in Canada; and
- Worked with legal counsel engaged for this purpose.

CORPORATE GOVERNANCE

Corporate governance means the process and structure used to direct and manage the business and affairs of the corporation with the objective of enhancing member value, which includes ensuring the financial viability of the association. This process and structure defines the division of power and establishes mechanisms for achieving accountability among members, the board of directors and management

WHAT DO WE SEE TODAY?

Today our association is a collection of eleven (11) independent legal corporations (10 provincial institutes and one national entity), each with its own by-laws, boards of directors, membership fees, measures of success, fiscal years, and standards of governance practice. These eleven corporations have agreed to collaborate and share responsibilities and resources through a contractual agreement called the Federation Agreement. As a part of this agreement, each of the independent corporations come together to discuss issues and make collective decisions through the Federation Council. Each of the eleven corporations (regardless of size or membership representation) has an equal voice and an equal vote at Federation Council meetings, which are typically held 3-4 times per year.

The Federation Agreement and Federation Council were agreed upon to create a structure that provided for local decision-making and autonomy while enabling each of these independent corporations to benefit from some centralization and consistency. While this was certainly an understandable approach, the reality has been far less successful and beneficial.

Today the organization suffers from a relatively slow and complex decision-making process that often hinders the ability to make country-wide decisions in a timely and nimble fashion, or at all. With the necessity of having to have all directors in agreement from every one of the eleven corporations, the organization struggles under the weight of having nearly 100 decision-makers, each of whom has varying degrees of director and business experience. With the addition of internal competition for resources, politics, and personalities, the Federation Council has become relatively dysfunctional. As the association tries to keep pace with a rapidly evolving World our governance structure is misaligned with that evolving World.

The impact to our members is tangible, in the inability to make decisions, inconsistent approaches across the country, and failure by the organization to invest into the growth and value of membership. It also leads to confusion for our members and stakeholders as to where accountability lays.

Finally, with limited staff support for many of our eleven boards, the onus on sustaining the work of the board and preparing adequate reports is a challenge in our current construct.

WHAT WILL CHANGE THROUGH A MERGER?

The proposed merger would create a single legal corporation for Supply Chain Canada, with a single national board of directors, replacing the current structure of multiple corporations and boards. Each of the institutes would dissolve as a legal entity and the assets and employees would be transferred into the single legal corporation.

This would also mean that the Federation Agreement and Federation Council would no longer be necessary and would be eliminated. For those institutes governed by provincial or territorial legislation, those Acts would be repealed (see the Legal section for further details). There are alternative means that will be put in place to accomplish the protection of the designation program IP, ethics and controls but at the same time permit improved consistent brand recognition across the country and elevation of the profession. Tapping into available provincial programs, sponsorship and funding opportunities where appropriate will also be explored and incorporated as they are able to add value to the membership.

The current complex governance structure would be replaced by a simplified corporate structure involving one board and a set of appropriate committees.

See **APPENDIX 18** for a diagram of the draft governance structure of the merged corporation.

HOW WILL VALUE BE ADDED THROUGH A MERGER AND WHERE ARE THE RISKS?

The proposed merger, in simplifying the governance structure of the organization, will undoubtedly provide for clearer accountability, faster country-wide decision-making, and an opportunity to be more nimble. It also provides for a singular commitment at the level of governance to the sustainability and long-term viability of all regions of the country, and removes the risk of a continued fragmentation of the country and the possibility of certain localities or regions separating or becoming economically unviable.

A new merged Supply Chain Canada will have a full complement of staff to support its governance activity and to prepare the right reports and materials to enable a merged Board to most effectively discharge its duties and add value to the association.

We acknowledge that for many of our members the only volunteer opportunities offered in some of our institutes are at the board level, and are offered to help them hone their leadership skills. But this is not the primary function of a board. The primary role of the board is to provide effective insight, oversight and most importantly foresight to ensure the growth of the organization. There is concern that in losing this volunteer opportunity on local boards that members will no longer have the opportunity to develop in the area of leadership. This is specifically why this section of the Master Merger Plan combines both governance and volunteer engagement. While a merger will specifically eliminate local fiduciary board opportunities, the volunteer engagement plan enhances opportunity for members to be involved in advisory boards, policy task forces, certain national Board committees, and other opportunities to hone skills such as a leadership. But it also recognizes that a fiduciary board has certain legal duties and requires certain specialized competencies in those taking on those volunteer roles.

We have heard from our members that the primary concerns and risks related to governance include the potential loss of local input in decision-making and the potential for future corporate decisions to become dominated by the interests of particular regions. There is a view, largely proposed by our Western region members, that the decisions of the new merged association may become dominated by the interests of Ontario or Eastern Canada. These risks are mitigated in a number of ways including through the geographic diversity of the new merged Board and the Member Engagement Committee and VRA structure proposed below.

It is important to note that the initial guidance of the Steering Committee of chairs included the possibility of regional allocation as a model for board composition of a new merged Supply Chain Canada. Such allocation, or representation, would not generally be keeping with good governance practice and can lead to fractured Boards. Every director of a Board has the same singular duty to act honestly and in good faith with a view to the best interests of the corporation. By suggesting to a director that he or she represents or has been allocated because of certain geographic of other considerations often creates tension for that director in determining whether they are to make decisions based on the best interests of a specific region or the organization as whole (which is their legal duty to do). Boards composed by allocations and representative structures have been proven in many organizations to run the risk of turning from a unified team (which boards should be) to a construct of voting factions that can create a fractured board unable to make sound decisions in the best interest of the corporation. To avoid these risks, and to establish the best opportunity for good governance to enable good decision-making, the recommendation is to not use specific regional allocations but to rely on the carefully constructed sections of the Governance Manual on director independence, director competencies, and board diversity intended to consider the impact on all constituents.

HOW WILL THE INITIAL MERGED BOARD BE POPULATED?

Because the proposed merger transaction is through asset transfers from each of the provincial and territorial institutes into the National Office entity, the current national board of Supply Chain Canada will continue. However, it is expected that changes in the composition of directors on that board will take place this coming September as part of the normal course of board turnover. That will provide an initial opportunity for additional directors to be nominated and elected consistent with this proposed new governance framework and recognizing all of the issues present during a merger. This plan does not specifically make recommendations in this area as it is recognized that the Steering Committee of chairs will need to agree on terms following the June meeting of the Federation Council.

WHAT CAN MEMBERS EXPECT AFTER A MERGER?

A new merged Supply Chain Canada will be committed to adhering to the highest possible standards in its corporate governance practices. As part of this Master Merger Plan, a draft Governance Manual has been created using best practices in governance. This is consistent with the guiding principle of “Strive for Excellence and Value Creation (i.e. use best practices, enable innovation, and enhance value for members)” which has been adopted for the proposed merger.

To ensure transparency, the full text of the draft Governance Manual can be found as APPENDIX 19.

The draft Governance Manual details the following governance aspects of a new merged Supply Chain Canada:

- The merged corporation’s approach to governance;
- Composition of the merged Board;
- Independence of the merged Board;
- Election of Directors;
- Mandate of the Board;
- Role of the Director and Roles of Board Officers;
- Conflicts of Interest;
- Board Diversity Policy;
- Board Performance Assessment;
- Terms of Reference for all Board Committees; and
- A Code of Ethics for Named Executive Officers.

As set forth in this Governance Manual, the proposed practices are designed to assist a new merged Supply Chain Canada in achieving its principal stated corporate objective, which is the enhancement of member value on a long term basis.

The new merged corporation will be committed to high standards of governance that are consistent with evolving best practices and are aligned with our strategy and risk appetite. This embodies that good governance is not just about overseeing Supply Chain Canada and its practices, but doing so in a way that is transparent and ethical. It will involve an independent board actively engaging with all stakeholders to be connected and informed, knowing the business and its risks, constructively challenging management, understanding the opportunities and challenges of a changing industry and economy, setting robust standards and principles that will guide a new merged Supply Chain Canada in delivering on its purpose of helping members thrive and our profession prosper while enhancing value for our members.

VOLUNTEER ENGAGEMENT

Volunteers are the lifeblood of every association, charity and non-profit. Recognizing the importance of volunteers, the Federation Council passed the following motion in February during the same meeting at which it approved the merger in principle.

> "On Motion duly Moved and Seconded it was Resolved that the Federation Council acknowledges the importance of, and valuable contributions by, volunteers in all their variety of roles. We commit to develop new, meaningful roles for volunteers to continue to contribute in significant ways to help foster the growth of the profession and our association."

WHAT DO WE SEE TODAY?

Today our approach to engaging our members and other stakeholders as volunteers is generally uncoordinated and inconsistent; delivering unequal opportunities for volunteers, dependent for the most part on what is available to them locally.
There is no country-wide and coordinated volunteer engagement strategy.

While some of our eleven entities have developed robust plans to engage volunteers, others have not. Often the only opportunity in some institutes is to serve on the local board of directors. While not diminishing the value of that one type of volunteer engagement, it is usually attractive only to a small handful of our members (demonstrated by the limited applications that are usually seen for such positions).

We are also faced with internal competition for volunteers between our eleven entities. This often creates situations where members are over-asked and situations where the proverbial left-hand and right-hand of the organizations are unaware of volunteer outreach. The lack of a singular approach and coordinated outreach adds confusion for our members.

WHAT WILL CHANGE THROUGH A MERGER?

The proposed merger will allow for the creation of a clear and integrated strategy for volunteer engagement that links local engagement to regional engagement to country-wide engagement.

HOW WILL VALUE BE ADDED THROUGH A MERGER AND WHERE ARE THE RISKS?

A coordinated and integrated Volunteer Engagement Plan, supported by regional staff, will be able to create more volunteer opportunities for our members than exist today. This includes enhancing opportunities for members to volunteer and engage according to their unique interests and skills and aligned with their career position, which is outlined in more detail in the draft Volunteer Engagement Plan, which is available as **APPENDIX 20**.

These opportunities provide a direct way for volunteers to contribute to the decision-making and the operations of a new merged Supply Chain Canada.

We have heard from our members, particularly those located within our smallest institutes, that they are concerned that the elimination of their local boards of directors may limit the opportunity for volunteer engagement in a new merged Supply Chain Canada. However through the proposed Volunteer Engagement Plan it is projected that volunteers will still be engaged locally and regionally to directly engage with and add value to members without the duties and liabilities of serving on an incorporated board of directors.

WHAT CAN MEMBERS EXPECT AFTER A MERGER?

A new merged Supply Chain Canada will implement a robust and integrated Volunteer Engagement Plan that creates opportunities for our members and other stakeholders to get involved in ways that match their motivation and career position.

The purpose of the Plan is to create a suite of volunteer activities from the more formal (e.g. committees) to the less formal (e.g. speaking engagements) and from those requiring limited experience and knowledge (e.g. event support) to those requiring specific skills and knowledge (e.g. advocacy task forces). In totality, there will be more opportunities to volunteer at the level and commitment matching our members' needs.

At the heart of the plan is a country-wide network of Volunteer Regional Ambassadors (VRAs) located in all parts of the country where we have groupings of members. VRAs represent the cities in which they live and represent membership clusters within a province or territory. VRAs work with paid staff to deliver engagement activities and events within their cities, taking into consideration local needs and wants. The country will be served by dozens of VRAs. Within each province or territory, the VRAs in that jurisdiction will meet as a VRA Chapter. One VRA from each Chapter will then be chosen to represent that jurisdiction on the Member Engagement Committee (MEC) chaired by the Chief Operating Officer of Supply Chain Canada. The MEC serves to inform and guide management on the types of activities and investments needed to support and increase the goal having strong engagement from our members. The MEC will annually report to the Supply Chain Canada Board, further enabling the local voice of our membership to be heard at the Board level.

In addition to the VRA structure, the new merged Supply Chain Canada will launch a series of country-wide advisory boards across a number of function areas of supply chain (e.g. procurement, and logistics and transportation) and industry sectors (e.g. public sector, manufacturing, oil and gas, retail). These advisory boards will work with management to champion activity and products to serve these communities of interest while also serving as champions into these communities for Supply Chain Canada.

Additional volunteer activities will be available to support advocacy task forces, communities of interest in areas such as blockchain or other emerging issues.

KEY LEGAL CONSIDERATIONS AND MERGER TIMELINE

This section of the Master Merger Plan provides information and makes recommendations on the form of the merger, the timing of the merger and the required steps, merger thresholds and risks associated with institutes who do not approve the merger, and the necessary government relations that will need to be undertaken as part of the merger.

In preparing this Master Merger Plan, the following has been undertaken as it relates to the legal aspects of the merger:

- Reviewed all of the governing statutes and constating documents of the institutes and National (please see APPENDIX 21 for a corporate transaction checklist for each institute).
- Reviewed the Federation Agreement; and
- Worked with legal counsel engaged for this purpose.

FORM OF MERGER

On February 19th the Federation Council passed motions that recommended in principle that the Institutes and National would merge their operations, personnel, funds and other assets into a single legal entity, with National serving as that single legal entity. This will require a series of assets transfers and dissolutions (one for each of the 10 institutes).

Legally, there are four primary ways in which multiple organizations can integrate themselves.

1. **An operational integration**. This involves the various organizations shifting some of their operations to a central entity (sometimes referred to as shared services), which acts as a sort of service provider to the entire group (e.g., finance, marketing and similar functions could be performed by one entity for the benefit of the group).
2. **An asset transfer and dissolution.** This involves each organization transferring its assets (and, in some cases, its liabilities) to another, so that the other can then serve a broader stakeholder base in their stead.
3. **A statutory amalgamation.** This involves legally combining all organizations (including their assets and liabilities) into a single legal entity, by using a mechanism available in some, but not all, corporate statutes.
4. **A governance re-organization.** This involves various organizations harmonizing their governance so that the same governance body governs their affairs (i.e. each organization continues to exist, but under common leadership).

Of these, only the first two options are available to us. This is because a number of our Institutes exist under provincial and territorial statutes that do not allow for statutory amalgamations or governance re-organizations.

Of those first two options, an asset transfer offers the best approach to providing a strong platform for future growth, and to resolving the financial, operational and decision-making challenges we face.

An operational integration does not provide for a sufficient level of integration; although it may streamline and better synchronizing some operations, and may reduce some costs, it does not reduce the number of legal organizations – which means there are still multiple boards of directors and multiple management structures at play, each with their own budgets and financial reporting requirements. Importantly, it is largely a status quo arrangement: decision-making and financial accountability is still fragmented. This alternative was considered by the Steering Committee of chairs and discarded because it did not achieve enough of the benefits viewed as necessary for transformation growth of the organization.

THRESHOLD DETERMINATION

In approving the Master Merger Plan, Federation Council's goal is the legal merger of all Institutes and National. It is hoped that all boards of directors, and the members of each Institute, will understand the benefits in proceeding with the merger (and also the risks in not doing so), and that they will share the Federation Council's view that proceeding with the legal merger is clearly the best course of action for all members. However, the Federation Council will need to determine how the merger will proceed if one or more Institutes do not secure the necessary board or member approvals to merge. The completion of the legal merger requires approvals from different sources (e.g., each Institute's board and each Institute's members), and these approvals may require substantial support to be effective (e.g., support from two-third of members participating in a meeting). As a result, it is possible that one or more Institutes may not be able to proceed with the legal merger, and it is important that all Institutes understand what impact this will have.

In order to ensure that the newly merged entity will have a critical mass, Federation Council should make the legal merger conditional on a certain number of Institutes approving the merger. This conditional approach would be reflected in the resolutions each Institute puts to its members (i.e., that the legal merger would only take effect if a certain number of Institutes approved the merger).

To ensure a critical mass, it is advisable that the merger be approved by at least:

- two Institutes from the high capacity group,
- three Institutes from the medium capacity group, and
- three other Institutes from either the medium or limited capacity groups.

THE DUTY OF DIRECTORS

During the course of developing the Master Merger Plan we have heard from directors at the institute level who have questioned whether they can fulfill their duties as directors and vote to dissolve their institute. The simple answer is "yes they can". Although no institute board member is compelled to act against his or her duties as a board member of his or her Institute, acting within one's duty actually provides that they make decisions that will deliver long-term benefit to members. In general terms, board members owe two related duties to their corporation: a fiduciary duty and a duty of care. These are outlined below.

- The fiduciary duty means that each Institute director must act honestly and in good faith with a view to the best interests of their Institute, as a corporation. In interpreting this duty, the Supreme Court of Canada has found that directors may consider a variety of factors in deciding what is in the best interests of their corporation, including the interests of the corporation's various stakeholders, including, in our case, members. In addition, the directors should consider the long-term interests of those stakeholders rather than short-term prospects. It important to understand that choosing to dissolve the organization and merge its assets with another entity is certainly allowed under this fiduciary duty. Fiduciary duty does not preclude such decisions. When making such decisions, it is important to consider the related duty: the duty of care.

- The duty of care means that, when making decisions, directors are to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. To satisfy this duty during a significant transaction such as dissolution and merger, institutes and their boards should be well informed about the decision at hand, should consider alternatives to the transaction (such as the status quo), and determine which has the best chance of success in delivering long-term benefit to members – which is the very purpose for why the Institute was founded. In considering alternatives, it is important to note that continuing with the status quo runs the clear risk of deteriorating member value and/or placing the financial sustainability of the Institute at risk. The Steering Committee of chairs considered extensively alternatives to a merger as referenced in the earlier section “Analysis of Alternatives to Proposed Merger Plan”.

If, after careful deliberation on the long-term benefit to members, an Institute’s board of directors is not able to support the merger, then the matter will be addressed as set out below in the section “Institutes That Do Not Approve Merger”.

STEPS FOR THE LEGAL MERGER

If Federation Council approves proceeding with the legal merger in June, then National and each Institute board of directors will need to take various steps.

In particular:

a) On or before July 14, 2021, each Institute board of directors must pass a preliminary resolution committing its Institute to

   i. supporting the proposed merger as set out in the Master Merger Plan,

   ii. working to finalize and approve an asset transfer agreement with National on or before September 15, 2021 (the “Finalization Date”), and

   iii. (subject to finalizing that agreement in a manner acceptable to the board) endorsing the merger to its members and holding a special members meeting on either October 13, 14 or 15, 2021 (the “Member Meeting Date”).

b) By the Finalization Date:

   i. National and the Institute complete all due diligence reviews as to the assets that an Institute would transfer and any impediments to that transfer, or special steps that need to be taken;

   ii. National and the Institute finalize an asset transfer agreement, using a form of agreement prepared by National for each Institute merger;

   iii. The board of directors of National approve the asset transfer agreement (by majority vote); and

   iv. The board of directors of the Institute approves (by majority vote) the following (The form of resolution will be approved by Institute and National, and will contain customary language empowering officers or directors to finalize matters, including making any necessary adjustments to the approved documentation):

i. the asset transfer agreement;

ii. the wind-up and dissolution of the Institute; and

iii. the calling of a special members meeting to approve the transfer of all or substantially all of the Institute's assets to National pursuant to that transfer agreement, and to approve the wind-up and dissolution of the Institute (and any related matters) – which meeting will occur on a Member Meeting Date.

c) At the special meeting of the Institute's members on the Member Meeting Date, the members approve (with support of at least two-thirds of participating members) the following (The form of resolution will be approved by Institute and National, and will contain customary language empowering officers or directors to finalize matters, including making any necessary adjustments to the approved documentation):

i. the transfer of the Institute's assets to National pursuant to the asset transfer agreement; and

ii. the wind-up and dissolution of the Institute.

Given the importance of the issue and in order to ensure the accuracy and integrity of the members' vote, it is recommended that the National Office retain outside professional support of a proxy advisory or voting company to oversee the meetings and voting. In addition, careful consideration will need to be given to rules of voting to ensure accuracy. For example, our initial review of corporate by-laws suggests that proxy votes are not allowed in Alberta, Manitoba, Nova Scotia, Quebec, and Northern Territories (where the by-laws are silent, and the governing Act only permits proxies if the by-laws permit them). As well, the form of the meetings will need to be carefully considered. It is likely that all Institutes can conduct these meetings by video conference – either because of Covid-19 measures or because they are afforded such an opportunity through their governing statute or constating documents.

d) The asset transfer will occur on the closing date set out in the asset transfer agreement, along with any other necessary steps that were flagged during the due diligence review (e.g., sending a contract assignment notice to a contracting party). See the "Timing of Legal Merger Transaction" section below for proposed closing dates.

e) Supported by National, the Institute's board of directors will prepare and make any necessary filings to give effect to the dissolution. This includes preparing final financial statements to support the dissolution.

f) After the closing of the asset transfer, the Institute will be dormant: it will continue to exist as a legal entity until its provincial or territorial government approves its dissolution, but it will have no assets or operations. It may take many months for the government to process the dissolution and grant its approval, and in some cases may require additional government relations efforts.

g) As an optional step, the Institute's board of directors may be reduced in size to make any subsequent steps administratively easier. Whether this happens will be up to the Institute's board of directors. For example, if an Institute's by-laws provide for a board size of between 3 and 10 directors, 7 of the directors could choose to resign, leaving 3 "caretaker" directors in place during the dormant period while government approval of the dissolution is pending.

DUE DILIGENCE CONSIDERATIONS

National will need to determine how many Institutes it wishes to engage in full due diligence with at a given time. Particular attention will need to be given to the larger institutes and those institutes with any complex contractual obligations. With the amount of work already completed through the Master Merger Plan it is unlikely that the due diligence process following the June 2021 Federation Council decision will need to be as complex and lengthy as might normally be required in such a complicated set of transactions. It is anticipated that the due diligence will be undertaken over the summer months and completed by early September.

A due diligence review will include an assessment of the Institute's assets, liabilities, contracts, and any legal issues. For example:

i. The Institute may be a party to a contract which should transfer to the newly merged entity. So, it will be important to review that contract to understand whether it permits an assignment of the contract, or requires any special notice or consent to the assignment – in which case, providing that notice or seeking that consent would be a necessary step to completing the legal merger.

ii. The Institute may have financial obligations that need to be settled before it can dissolve. So, it will be important to understand what those obligations are, and how they might be settled (or assumed by the newly merged entity) before the Institute dissolves.

As part of due diligence, certain legal and corporate searches will be conducted by legal counsel, and management will work with auditors as needed.

CHANGE IN NATIONAL'S MEMBERSHIP STRUCTURE

It will be important for the National board of directors to approve, and for the members of National to approve (by simple majority), an amendment to National's by-laws that makes membership in National independent of membership in an Institute, and at the same time recognizes all members of National immediately prior to that change taking effect as being members of National. This will need to be done prior to the closing of the legal mergers, and should be done at the time of National's annual general meeting on or before September 30, 2021.

Once that change is effective, it will be important that any new member that joins an Institute also (separately) joins National. This may require a change in membership documentation or onboarding processes.

Without this change, there will be no bridge between members of Institutes and members of National once the Institutes dissolve.

TIMING OF LEGAL MERGER TRANSACTIONS

Each asset transfer agreement between National and an Institute will have its own closing date – that is, the date on which the transfer of that Institute's assets to National will occur.

As National will be a party to each asset transfer agreement, the closing date for each agreement will need to be staggered in groups so that National can devote sufficient attention to each closing. In particular, asset transfers involving the larger Institutes will require greater attention by National to ensure the assets are properly received, logged and incorporated into National's operations.

Subject to National determining otherwise, the closing dates will be as follows:

- Quebec Institute, Newfoundland and Labrador Institute: November 30, 2021
- Manitoba Institute, Saskatchewan Institute, and Northern Territories Institute: December 21, 2021
- Alberta Institute and Nova Scotia Institute: January 31, 2022
- British Columbia Institute and New Brunswick Institute: February 28, 2022
- Ontario Institute: March 15, 2022

INSTITUTES THAT DO NOT APPROVE MERGER

If the merger proceeds, but one or more Institutes do not secure the necessary approvals, then those Institutes will need to immediately begin transitioning-out of the Federation.

In particular, the Federation Agreement will need to be terminated (by voluntary agreement of all Institutes) or those Institutes that do not approve the merger will need to voluntarily disassociate or be subject to forced disassociation.

This is not intended to be punitive, but rather to address the focus of the Federation: the completion of merger. Institutes that do not wish to participate in the merger will no longer be aligned with the focus of the Federation, and so ought not to be involved in the decision-making at the Federation Council regarding how the merger will unfold.

That termination could occur in several ways:

1. All Institutes could voluntarily terminate the Federation Agreement – even those that do not approve the merger.
2. Federation Council could pass a forced disassociation vote to disassociate any Institute that did not approve the merger on the basis of non-compliance with the Federation Agreement. The remaining Institutes could then agree to terminate the Federation Agreement.
3. National could terminate the Federation Agreement by holding a special meeting, at which a resolution to terminate is passed by a vote of at least two-third of members present or represented by proxy (per section 13.2 of the Federation Agreement, that termination will take effect 1 year later).

Institutes that do not approve the merger will need to (as of the effective date of disassociation):

1. cease their use of, and return, all intellectual property of National;
2. change their name;
3. cease granting the SCMP designation;
4. take steps to amend any legislation or regulation regarding the SCMP designation; and
5. pay all amounts owing to National upon demand or subject to agreed upon terms.

GOVERNMENT RELATIONS EFFORTS POST-MERGER

Some Institutes will require additional government relations efforts as part of their dissolution, beyond general legal counsel support, where changes require more than simply making required filings with the government. The National Office has retained an outside government relations firm to assist in these activities, and will be coordinating them with the support of the applicable Institute.

ALBERTA

The Alberta Institute of Purchasing Management Regulation (under the Professional and Occupational Associations Registration Act) will need to be revoked. This will ensure that the new merged entity is not prohibited from granting the SCMP designation in Alberta, and will enable its members who have been granted the designation to continue to use it in Alberta.

Based on meetings between representatives of the Alberta Institute, the National Institute and the Alberta Ministry of Labour and Immigration (Professional Governance), it does not appear that government relations support will be necessary to effect that revocation. The Alberta Institute can (following member approval of the merger and dissolution) simply advise the Alberta government that it requests the regulation to be revoked, and with a high degree of certainty that the request will be granted. This is because a red tape reduction initiative, and a review of Alberta's professional societies and related legislation (including amendments which require regulated societies to have a public safety role in addition to a public interest role), provide a natural opportunity for revocation. This was confirmed by the Alberta government representatives. Indeed, if the Alberta Institute does not itself request revocation, it is possible that the Alberta government will act of its own accord, and "de-list" our designation's protected status even if the merger does not proceed.

One aspect that may merit further clarification with the Alberta government is whether revocation of the regulation would automatically result in the dissolution of the Alberta Institute. Preliminary legal analysis suggests that it will and so the timing of this will be important.

BRITISH COLUMBIA

None. The filings to the Registrar under the Societies Act should not require government relations support.

MANITOBA

Government relations support will be needed to repeal the Supply Chain Management Professionals Act. This will ensure that the new merged entity is not prohibited from granting the SCMP designation in Manitoba, and will enable its members who have been granted the designation to continue to use it in Manitoba.

NEW BRUNSWICK

Government relations support will be needed to repeal the Act to Incorporate the New Brunswick Purchasing Management Institute. This will ensure that the new merged entity is not prohibited from granting the SCMP designation in New Brunswick, and will enable its members who have been granted the designation to continue to use it in New Brunswick.

ONTARIO

Government relations support will be needed to repeal the Supply Chain Management Association Ontario Act, 2015. This will ensure that the new merged entity is not prohibited from granting the SCMP designation in Ontario, and will enable its members who have been granted the designation to continue to use it in Ontario.

NORTHWEST TERRITORIES

Government relations support will be needed to repeal the Supply Chain Management Professional Designation Act. This will ensure that the new merged entity is not prohibited from granting the SCMP designation in the Northwest Territories, and will enable its members who have been granted the designation to continue to use it in the Northwest Territories.

NOVA SCOTIA

Government relations support will be needed to repeal the Purchasing Management Association of Canada Act. This will ensure that the new merged entity is not prohibited from granting the SCMP designation in Nova Scotia, and will enable its members who have been granted the designation to continue to use it in Nova Scotia. However, as that Act already contemplates an out of province entity having the right to grant the designation, it may be possible to amend the statute so that the new merged entity is vested with that authority.

COORDINATING DISSOLUTION FILINGS POST-MERGER

National will work with each Institute to support the dissolution filings in their jurisdiction, including coordinating legal counsel to assist.

As noted above, the actual dissolution of the Institute may take many months to complete. During this time, the Institute would be dormant.

REPEALING PROFESSIONAL SOCIETY LAWS

In approving the Master Merger Plan, Federation Council's goal is the legal merger of all Institutes into the National Office. One aspect to the merger that has required considerable discussion is how to address the fact that Supply Chain Canada's SCMP post-nominal designation is protected in certain provinces under provincial professional society laws or special acts (collectively referred to as "professional society laws").

Seven provinces/territories have professional society laws: Alberta; British Columbia; Manitoba; New Brunswick; Nova Scotia; Ontario; and Northwest Territories. These laws recognize a specific provincial/territorial entity as being authorized to grant a protected designation to its members. They also contain an enforcement mechanism, making it an offence for an unauthorized person to use that designation to promote themselves in the applicable province or territory. Although these laws have some elements that are similar, they differ widely.

Saskatchewan, Quebec and Newfoundland do not have any professional society law specific to Supply Chain Canada. As well, all jurisdictions without an institute also have no professional society law: Prince Edward Island; Yukon; and Nunavut.

Across Canada there are very few professional designations and membership associations that wish to pursue the complexity of professional society laws, focusing instead on growing the prominence of their designation from marketing and promotion and using alternative measures to continue to protect their intellectual property rights.

In some respect the idea of government oversight around voluntary professional designations is dated, with most of the legislation created in the 1980s and 1990s before the advent of the internet and the ability to easily promote, expand, and register trademark protections. In today's world most associations recognize that the perceived value of professional society laws for voluntary designations is diminished since most of the protections afforded by these laws can be achieved by alternative means. As well, since most associations recognize that the true value of their designation is found, not within government oversight, but in the scale and prominence of their designation at the national or international level, the idea that a designation is protected only within a provincial jurisdiction seems inconsistent with the modern world. With increasing accessibility to global education and designations, provincial society laws in and of themselves does not provide the competitive advantage they once did and are no protection against the choices that employers and professionals will make. Scale and prominence will be the likely drivers of those decisions, not whether our SCMP designation is protected in one Canadian province/territory or another.

ADVANTAGES AND DISADVANTAGES OF PROFESSIONAL SOCIETY LAWS

Professional society laws provide some obvious or apparent advantages in protecting Supply Chain Canada's designation in the seven provinces in which the designation has statutory protection.

- **The seven Institutes governed by professional society laws can police the designation with minimal effort and maximal threat: misuse is a statutory offence, with court imposed sanctions.** Although, this assumes that an Institute that is subject to those laws can get the attention of provincial or territorial prosecutors (or, in some laws, seeks its own court order).
- **The statutory protection may have perceived value for members.** There may be a perception that the designation has more value because of the statutory protection.

However, on closer consideration, these advantages are not compelling.

In terms of enforcement, for more than a decade, we are not aware of any incident in which Supply Chain Canada has taken legal action against any person who has used a protected designation without authority. In a couple of instances, Supply Chain Canada has threatened individuals or an organization with action. Although the threats were backstopped by an allegation that an offence had been committed under provincial law, the threats also invoked intellectual property infringement (as a basis for wrong-doing) and no legal action was taken under any professional society law. Institutes wishing to avail themselves of the statute's enforcement protections would still require legal assistance and would therefore likely incur $5-10K in legal costs per instance of use.

In terms of value, the designation's value (actual and perceived) is a function of growing the number of designation holders to a critical mass and getting employers to value it and seek it in those who the employ and promote. In fact, Supply Chain Canada does not reference statutory protection in its marketing or public promotion efforts as a value proposition. If statutory protection is not used to "sell" the designation or membership in the association, it seems difficult to assert that the statutory protection has significant value to today's members.

Aside from the above qualified or questionable advantages, the patchwork of provincial professional society laws has clear disadvantages for a national association:

- **Professional society laws are tied to a provincial entity in the applicable province** – requiring each provincial entity to have its own management, board of directors, provincial office, budget and financial statements, with corresponding inefficiency in financial and operational planning. A merger (and its attendant advantages) cannot occur and also preserve statutory designation protections.
- **The seven professional society laws add varying levels of government oversight by seven different provincial governments.** In some jurisdictions (like British Columbia, Alberta) bureaucrats or ministers have specific statutory powers regarding investigations and approvals.
- **There is the potential for divergence or legally-significant error across the provincial regimes.** In Ontario, "certified" must be part of the designation ("CSCMP" vs. "SCMP"). Under the Nova Scotia statute, it appears that the entity authorized to grant the designation under Nova Scotia law is not the Nova Scotia Institute. Also, there is some variation across all the statutes as to which designations are protected, and New Brunswick does not specifically list the SCMP.

- **Professional society laws are inflexible**. It is difficult to change aspects of the curriculum and entrance requirements or add designations. In two provinces, change can occur with government approval, but in five provinces, change requires an act of the legislature (which involves considerably more effort).
- **Professional society laws shift control away from its members and the association.** By choosing to be controlled under statutory powers the association and our members have their fate controlled by decisions of government and may not be in control of their own fate. We see this currently playing out in Alberta where the government has decided to undertake a comprehensive review of the legislation and has advised the association that it is possible that the designation no longer 'fits' within the desired objectives of the government and the designation could be delisted as part of that review.
- **Professional society laws do not readily recognize reciprocity.** Members who receive the SCMP designation in one province, but move to or work in another province with a professional society law, are in breach of that law unless special reciprocity arrangements have been adopted and the institute in which the designation holder moves to specifically grants them the designation again under their own authority. This does not seem to be happening currently among the institute and, therefore, we may have members who are technically in breach of the law.
- **Professional society laws do not protect against competing associations or designations.** The professional society laws do not prevent the use of the designation outside of supply chain (for example, and similar to trademark law, it would not restrict the use of SCMP by an organization focused on marketing professionals instead of supply chain professionals). While in some provinces the legislation prevents someone from calling themselves a supply chain professional in a more generic sense, they do not actually prevent other supply chain associations from using their own different designations (e.g. CITT issuing the CCLP, or ASCM issuing the CPIM, or CLTD). Nor do professional society laws prevent other supply chain associations from attempting to acquire their own legislative protections within a province where we have protections.

It is also important to note that the benefits of professional society laws do not extend to all Supply Chain Canada jurisdictions and members – members in Quebec, Newfoundland and Labrador, Prince Edward Island, Saskatchewan, Yukon and Nunavut do not benefit from statutory designations. In those jurisdictions, protection for a designation arises under alternative measures.

ALTERNATIVE MEASURES

There are two obvious alternatives to the protections under professional society laws. These can exist in tandem.

First, intellectual property rights (whether registered, like trade-marks, or at common law through historical and consistent use) can protect professional designations (or the words used in a designation), and infringement of those rights can be prosecuted through civil action.

Second, organizations can "name-and-shame", in which offenders are publicly denounced for using a designation without authority, and relevant communities are advised (or can consult lists) of such persons. Even if intellectual property infringement claims are possible, naming-and-shaming is more cost-effective than litigation. In fact, through the merger we anticipate being able to invest in a more robust, user friendly public database of SCMPs.

Many national and international professional organizations have chosen to rely on either or both of the above methods, and have chosen not to seek statutory protections. Aside from the effort and time required to obtain statutory protection, there are also the inherent disadvantages in getting locked-in to different provincial statutory regimes across Canada as noted above.

Please see APPENDIX 22 for a quick comparison of protections available under professional society laws versus rules established by the association and protections afforded by civil law and IP rights.

UTILITY OF PROFESSIONAL SOCIETY LAWS FOR SUPPLY CHAIN CANADA

Like many other professions, supply chain management is not a licensed profession – individuals can be supply chain professionals without being a member of Supply Chain Canada or holding any designation. Similarly, holding a designation does not give any individual the "right to practice" as a supply chain professional.

Moreover, the nature of members' work is not tied to any particular jurisdiction. The same skills and capabilities that make for a superior supply chain management professional in Ontario would equally apply anywhere else in Canada – or globally. Indeed, a supply chain professional in one province may work exclusively on non-Canadian supply chain matters.

Professional society laws are designed to protect established interests only in a given province or territory. This provincial focus may have had historical merit, but many professions today exist with little regard for legal borders.

By moving forward with a merger, the association is prepared to abandon the patchwork of provincial designation regimes in order to permit improved consistent brand recognition across the country and elevation of the profession

Although the notional "firepower" of a provincial statutory offence would be lost, it is not a significant part of the association's marketing or enforcement activities. Supply Chain Canada's long-standing use of its designations gives it a strong position for common law protection of existing designations, coupled with any relevant and related trade-mark registrations. Also, Supply Chain Canada's size, reputation and national reach should make it relatively easy to "name-and-shame" individuals who use the designation without authority (e.g., public statements, bad actor lists, etc.) – an approach that may achieve results without cost effective intellectual property rights litigation.

The professional society laws in Alberta, British Columbia, Manitoba, New Brunswick, and Ontario exclusively govern the existence of the corresponding Institutes. This means that any attempt at regional consolidation instead of a country-wide merger will require some of the institutes to abandon their statutory protections within their own provinces. In essence, provinces would still lose their protections under a regional consolidation plan without being able to benefit from any of the value creation from a country-wide merger as contemplated in this Master Merger Plan. This is one of the specific reasons why the option of regional consolidation was eliminated by the Steering Committee of chairs.

- This means that it would not be possible to merge two or more of the Professional Society Institutes and still maintain their existing statutorily protected designations – at most, only one of those existing laws could continue to apply to a merged entity. For example, if the British Columbia and Alberta Institutes were to merge into a single Institute, a decision would need to be made as to whether the existing statutory protection would continue for British Columbia or Alberta (but not both).
- Also, it would not be possible to merge one Professional Society Institute with any Institute not governed by a professional society law, unless the merged entity continued to exist under the professional society law. For example, if the Manitoba Institute was to merge with the Saskatchewan Institute, the latter would need to merge into the former, so that the merged institute is a Manitoba entity governed by The Supply Chain Management Professionals Act (Manitoba) – this would enable the existing statutorily protected designations in Manitoba to continue.
- In either of the above situations, a province's professional society law would not enable the Institute to "police" the improper use of a designation in another province (even if the merged entity is responsible for members in that other province). For example, the British Columbia, Alberta, Manitoba and Saskatchewan Institutes merge into the Supply Chain Management Association British Columbia (and register the business name "Western Institute") – the professional society law of British Columbia would only apply to protect against misuse of the designation in connection with British Columbia (not the other provinces).

Professional society laws largely prevent corporate integration among Professional Society Institutes in a manner that preserves the protections under those laws.

The only way to avoid the above restrictions, and still maintain the sort of protection offered by the professional society laws, would be to have provincial legislatures pass special acts that recognize an out-of-province corporation as capable of granting protected designations – akin to the approach in Nova Scotia (and the historical approach in New Brunswick) noted above. This may require significant lobbying, time and effort to achieve. One could expect some resistance from provincial governments, who may object to the notion that an out of province entity could control how that province's residents conduct their affairs or recognize expertise. There may be limited political appetite to support such a cause. As always with government, there are no guarantees and the association exposes itself to the risk of not being in control.

Given all of the above, it seems that corporate integration would require the integrating entities to abandon applicable professional society laws. Trying to structure a corporate integration so that the integrated entity can still benefit from one of these laws seems to provide little value. It would also be controversial: the integrated entity would likely represent members in other provinces/territories who would not benefit from the protection.

Frustratingly, even abandoning professional society laws is not something that can be done lightly; time and energy must be invested in winding up abandoned regimes. If abandoned professional society laws remain in force, they will likely block the integrated entity from granting designations. These laws make it an offence for a person to use a protected designation in the applicable province. Post-integration, the protected designation would be tied to membership in an inapplicable (i.e., empty shell) or non-existent (i.e., wound-up) Institute.

- In Manitoba, New Brunswick and Ontario, the repeal of the Institute-specific professional society law would seem to be a prerequisite for a winding-up the Institute in any case. This would require the provincial legislature to act.
- However, for British Columbia, Alberta, Nova Scotia or Northwest Territories, the professional society laws are not tied to the corporate existence of the applicable Institute. Therefore, if any of those Institutes are to be wound up, then separate (parallel) efforts would be necessary to revoke its professional society regime – i.e., to have the provincial government revoke approvals (British Columbia) or repeal regulations (Alberta), or to have the provincial or territorial legislature repeal or amend the applicable statute (Manitoba, Nova Scotia, and Northwest Territories).

The government relations efforts needed to achieve the above may take some time, and may run up against unsympathetic politicians, political staff or bureaucrats. Success may partly hinge on the support of leaders of the integrating Institutes and a compelling rationale for winding-up a given Institute and its status under a professional society law.

UNIQUE ISSUES FOR THE DESIGNATION IN ALBERTA

The construct of professional society law by the Government of Alberta presents unique issues for dissolving the institute in Alberta. Significant review and analysis has been undertaken in presenting a plan that would dissolve the institute and move to an alternative for protecting our designation.

As part of the development of the Master Merger Plan, the National Office and Alberta Institute met together with representatives of the Government of Alberta to discuss the impact of the proposed merger in relation to the SCMP designation under the Professional and Occupational Associations Registration Act (POARA), which is umbrella legislation that grants title protection and regulation-making authority to 13 self-governing professional regulatory organizations, which are registered under that Act, the Alberta Institute being one of those entities.

Enacted in 1985 as legislation that applies to non-health professionals and professionals not captured under trades legislation, it is intended to protect the public interest. POARA was intended to govern voluntary associations: granting a right to a title, although professionals can work in that profession without registering. POARA was originally envisioned by the government as a possible stepping stone from being a society, to being a self-governing professional licensing body with its own independent legislation and requirements that anyone practicing the profession be members. However, since inception no associations have actually moved to become self-governing professional licensing bodies.

The Alberta government currently has two major projects underway (a red tape reduction review and an effort in streamlining professional legislation), which together will see significant change to POARA of which the changes will not be known for the next year or longer.

Phase one changes of their work began in December 2020 when POARA was amended to require regulated associations to have more than just a public interest role, and to also have a public safety role. Public safety involved safeguarding one or more of five areas: life, health, environment, economy, and property. This has led to changes as to how the Alberta government now reviews organizations governed by the legislation. They are reviewing the 13 associations, including the Alberta institute, to see if they meet the new requirements; and will then decide whether to continue to allow them to exist under POARA or be de-certified. Being de-certified is not pejorative; it simply means the association is not aligned with the purpose of the legislation (public interest and public safety), and so does not merit government oversight/regulations. The Alberta institute has chosen to submit information suggesting that they fit within the expanded purpose of POARA. As part of Master Merger Planning a legal review was undertaken and it was determined that both the purpose of Supply Chain Canada (i.e. to serve and protect SCMPs and members, not to serve and protect the public interest or safety) and the nature of the role of SCMPs (i.e. the vast majority to not interact with the public and there is only a very tangential connection to work of SCMPs against the five areas of public safety) do not likely align with POARA.

In phase two, the Government of Alberta is reviewing all Professional Regulatory Organizations (PROs) and all legislation overseen by the Professional Governance department within the Ministry of Labour, to streamline professional legislation as a whole; possibly consolidating legislation; amalgamating PROs; looking for other synergies with a view to reducing red tape in how many acts and regulations are needed in Alberta. This review has a goal of reducing red tape by some 50%. It is possible that POARA may no longer exist, and professional societies will be consolidated under one Act with PROs not needing to be covered by legislation being removed from government oversight.

The government has indicated that they view these projects as an off-ramp for any professional society that no longer saw itself as meriting government oversight, suggesting that they are not trying to hold on to any association that believes they wish to move in another direction.

As well, the government confirmed that the Alberta government does not own the designation of any de-listed professional organization and that once an organization becomes de-listed the ownership of the designation would revert to whoever owns the designation trademark, in this case Supply Chain Canada.

[PROPOSED FEDERATION COUNCIL MOTION AND NEXT STEPS]

As mentioned in the Introduction section, this Master Merger Plan is meant to provide the level of planning detail requested by the Federation Council in order to provide the comfort and confidence to enable the Federation Council and each of the partner organizations to move forward with a definitive vote of the Council on the recommendation to merge at its June 30th, 2021 meeting. The Master Merger Plan itself is not being presented in June for approval by the institutes or Federation Council although the timing and legal steps contemplated within the document do form the below motion.

In its simplest form, the recommendation being put forward in June to the Federation Council is to allow our members the opportunity to vote on the consolidation plan. Knowing that a significant majority of our members are supportive of such consolidation it is fair that our institutes put the question before them this fall, together with a compelling plan as provided within this Master Merger Plan, and acting in good faith to champion that future.

This Master Merger Plan does not suggest an alternative path forward should the Federation Council not agree in June to proceed with putting the question before our members. That will be a complicated and difficult position to find ourselves, particularly in light of member support. As opaque as that point might be, what does seem clear is that returning to the status quo is no longer an option. Change, likely significant change, will no doubt be called for. Unfortunately, with no spirit of togetherness, it is possible that the path forward might further fracture the association and our opportunity to grow and strengthen the association from coast-to-coast-to-coast.

This is a pivotal and exciting moment in the history of the association and as each director, board and the Federation Council considers the decision ahead of us. Let us be reminded that we make our decisions in service to all of our members, those we serve today and to those we will serve in the future.

MOTION TO BE CONSIDERED BY THE FEDERATION COUNCIL AT ITS JUNE 30TH, 2021 MEETING

Background

A. On February 19, 2021, Federation Council passed resolutions by at least a two-thirds majority vote, with support from all Institute Capacity Groups, that:

   (i) approved in principle the Institutes and National merging their operations, personnel, funds and other assets into a single legal entity; that National will serve as that single legal entity; and that the merger will proceed according to an approved preliminary draft timeline;

   (ii) the Steering Committee be delegated to oversee the execution of the merger timeline and the development of a Master Merger Plan; and that to prepare the Master Merger Plan, the Institutes and National will fully participate as requested and directed in the next steps according to the approved timeline and will provide unfettered access to all financial, human resources, significant contract and other information reasonably required for the development of a Master Merger Plan.

B. That Master Merger Plan has now been presented to Federation Council for review, and to support decision-making about the potential merger of the Institutes and National.

BE IT RESOLVED THAT:

1. The Institutes and National will merge their operations, personnel, funds and other assets into a single legal entity, and that National will serve as that single legal entity.

2. National and each Institute will take appropriate steps to support and carry out that merger.

3. On or before July 14, 2021, each Institute board of directors must consider and vote on a resolution committing it to:

   a. supporting the proposed merger,

   b. working to finalize and approve an asset transfer agreement with National on or before September 15, 2021 (the "Finalization Date"),

   c. (subject to finalizing that agreement in a manner acceptable to the board, acting reasonably) endorsing the merger to its members and holding a special members meeting on either October 13, 14 or 15, 2021 to approve the legal merger and the wind-up and dissolution of the Institute (the "Member Meeting Date"), and

   d. coordinating with National regarding all member communications related to the above.

4. On or before the Finalization date, each Institute board of directors must consider and vote on a resolution to approve:

   a. the asset transfer agreement developed between the Institute and National prior to that meeting;

   b. the wind-up and dissolution of the Institute; and

   c. the calling of a special members meeting to approve the transfer of all or substantially all of the Institute's assets to National pursuant to that asset transfer agreement, and to approve the wind-up and dissolution of the Institute following that asset transfer (and any related matters) – which meeting will be scheduled for a Member Meeting Date;

   which resolution will also contain customary language empowering officers or directors to finalize matters, including making any necessary adjustments to the approved documentation.

5. On a Member Meeting Date, each Institute will conduct a special meeting of the Institute's members for the members to consider and vote on a resolution to approve:

   a. the transfer of the Institute's assets to National pursuant to the asset transfer agreement; and

   b. the wind-up and dissolution of the Institute following the closing of that asset transfer;

   which resolution will also contain customary language empowering the Institute's officers or directors to finalize matters, including making any necessary adjustments to the approved documentation.

6. On or before September 30, 2021 National must modify its by-laws so that membership is not tied to Institute membership, provided that all members of National immediately prior to the date the by-law change becomes effective will continue as members ("National By-law Amendment").

7. The legal merger contemplated by this resolution will take effect if:

   a. the members of National ratify the National By-law Amendment; and

   b. at a minimum, the legal merger is approved by the members of the following Institutes according to their respective constating documents now in effect:

      i. two Institutes from the high capacity group,

      ii. three Institutes from the medium capacity group, and

      iii. three other Institutes from either the medium or limited capacity groups.

ADDITIONAL NEXT STEPS

Beyond the specific necessary next steps outlined so far in this Master Merger Plan, management will develop a detailed operating transition and service continuity, incorporating change management principles, with the support of already-identified external professional support,

This planning will include key post-merger(s) integration (PMI) milestones and decisions including member continuity, employee continuity and orientation, financial and technology integration, and communications with all stakeholders including vendors and academic partners. Milestones will be set against day-1 cutover and execution (recognizing that day-1 will be repeated for each closing and institute merger from November 2021 through March 2022), 30 days after each closing, the end of the FY22 fiscal year, 90 and 180 days into the FY23 fiscal year, and the close of the FY23 fiscal year.

LIST OF APPENDICES