




CWA and CWB Group


“The Future of the Canadian Welding Industry”

CWA Board of Directors Meeting
Toronto, Ontario
October 15th, 2007




Summary

- ❑ **May 2007**
 - CWA Members voted approx. 90% to join the CWB Group
- ❑ **June 2007**
 - CWB Group Board of Directors meeting:
 - "The CWB Group Board met on June 1, 2007 in Calgary to discuss the merger between the CWA and CWB Group. The CWB Group Board was very positive on this issue and the Board decided to charge a Board sub-committee to look into the structure and governance with respect to the CWB Group. The sub-committee will be comprised of three Board members, Doug Luciani and Ed Whalen who will investigate this opportunity over the summer months"



Summary

- ❑ **Summer 2007**
 - CWB Group Board sub committee reviewed governance/structure options & legal opinions
 - Legal opinion
 - Two Not For Profit's (NFP's) cannot legally merge
 - One must acquire the other
 - Lawyers presented five structural options
 - From alliance to full acquisition
- ❑ **October 2007**
 - CWB Group Board Meeting
 - Reviewed subcommittee recommendation
 - CWB Group Board agreed with subcommittee recommendation

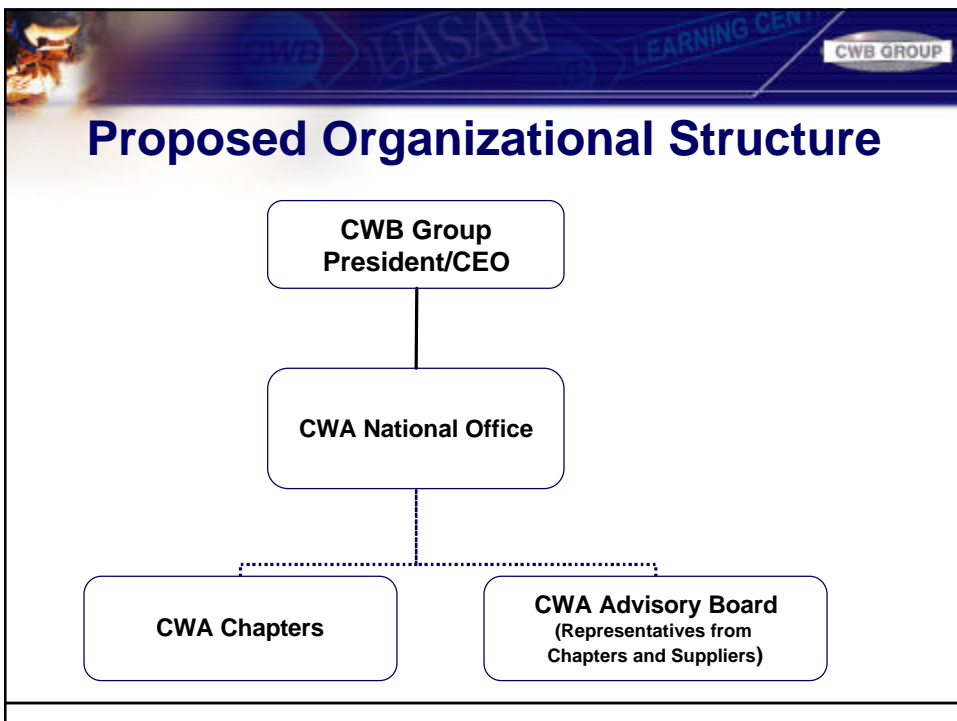


CWB Group Board

- ❑ Agreed to enter into agreement to acquire CWA National
- ❑ Prior to acquisition, CWA National to develop strong beneficial relationship with each chapter under an affiliation arrangement that will:
 - Ensure continued chapter autonomy
 - Provide more value for the CWA chapters/members
 - Rebates
 - National support services
 - Enhanced Value Proposition for membership
 - Define CWA Advisory Board and its role
 - Define chapter business/operating rules

How will new CWA National office operate?


- ❑ Separate division within the CWB Group
- ❑ National and Chapters operate in accordance with the affiliation agreement
- ❑ CWA Advisory Board provides:
 - Each chapter & supplier committee has seat on board
 - Advises National entity on future priorities/initiatives
 - Discussion venue for dissemination of best practices
 - A voice for CWA chapters/members in the CWA National





Affiliation Agreement

- ❑ Developed in part from documents already in place:
 - CWA By-Laws
 - CWA Chapter Handbook
- ❑ To provide details on:
 - Uniform chapter structure: Chair, Vice Chair, Secretary, Treasurer
 - Guidelines with respect to CWA brand
 - Marketing programs, advertising to encourage more membership, etc
 - Chapter support programs: education, national events, joint programs
 - Financial responsibility defined and rebates outlined
 - Advisory Board: structure, selection criteria, meeting frequency
 - Simplified annual activity and financial report requirement




Next Steps?

- ❑ Develop affiliation agreement
 - Brainstorm with CWA Board of Directors
 - Requires legal input
- ❑ Review final affiliation agreement by:
 - CWB Group Board of Directors
 - Reballot CWA members?
- ❑ Acceptance of affiliation agreements between Chapters and CWA National
- ❑ CWB Group acquires CWA National
- ❑ Improved value to CWA chapters/membership/industry



QUESTIONS?






CWA and CWB Group

“The Future of the Canadian Welding Industry”

CWA Annual General Meeting
Toronto, Ontario
October 15th, 2007



Summary

- ❑ **May 2007**
 - CWA Members voted approx. 90% to join CWB Group
- ❑ **June 2007**
 - CWB Group Board of Directors meeting:
 - "The CWB Group Board met on June 1, 2007 in Calgary to discuss the merger between the CWA and CWB Group. The CWB Group Board was very positive on this issue and the Board decided to charge a Board sub-committee to look into the structure and governance with respect to the CWB Group..."
- ❑ **Summer 2007**
 - Sub committee reviewed governance, structure & legal opinion
 - Two Not For Profit's (NFP's) cannot legally merge...One must acquire the other
 - Reviewed multiple organizational structure options
- ❑ **October 12th, 2007**
 - CWB Group Board Meeting

CWB Group Board

- ❑ Agreed to enter into agreement to acquire CWA National
- ❑ CWA National to operate as separate CWB Group division
- ❑ Prior to acquisition, CWA National to develop strong beneficial relationship with each chapter under a affiliation arrangement that will:
 - Ensure continued chapter autonomy
 - Provides a voice for CWA chapters/members in the CWA National
 - Rebates
 - National support services
 - Enhanced Value Proposition for membership
 - Define CWA Advisory Board and its role
 - Define chapter business/operating rules

QUESTIONS?





NEXT STEPS

- **Develop and review CWA affiliation agreement**
 - Brainstorm with CWA Board of Directors
 - Continued development of affiliation agreement
 - Requires legal input
- **Acceptance of CWA affiliation agreements**
- **CWB Group acquires CWA National**