

# Membership Criteria Discussion

## “Permanent physical office in Saskatchewan” - items to be considered as a whole:

- **Permanent**
  - Building is attached to a foundation (not sitting on wheels)
  - Not temporary in build nor intent, with these characteristics;
    - *has utilities connected*
    - *not established for only specific project(s)*
    - *mailing address is same as claimed physical office*
- **Physical**
  - Is in a building, or is a building
  - Is not a laptop in someone’s home
- **Office**
  - A place for day-to-day operations to be based from, with several persons performing duties
  - Is not a lay-down, staging, nor construction site

## General themes to look for:

- Most conditions reflect our broader desire for members to have “a significant investment in Saskatchewan”
- A homebased office is OK if several persons are working from it, but several persons working from several homebased offices is not OK (the later indicates only a franchised/dispersed sales-force with little commitment to and investment in Saskatchewan)
- When considering if a company’s “head office is located in Saskatchewan”, a company’s;
  - website should say “head office” in conjunction with their Saskatchewan location, with the President/CEO (decision making) being in Saskatchewan as well as at least ½ of the voting and non-voting shares being in Saskatchewan
  - ISC profile should have;
    - *a Saskatchewan mailing and physical office address, that are not a law office*
    - *at least 1 director should be in Saskatchewan, thus the company does not use a “Power of Attorney” person to achieve a Saskatchewan resident Director*
    - *Shareholders and Directors can be anywhere and still have “a significant investment in Saskatchewan” - but it raises flags*

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# Membership Criteria Discussion *(continued)*

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## Note:

- To be clear, an applicant not meeting the SIMSA membership criteria does not constitute a dispute; a dispute is in the interpretation of the criteria.
- On occasion, there may be an appeal when an application has not been approved. Such appeals will be managed first by the Membership Committee prior to a review by the Dispute Resolution Panel.
- SIMSA reserves the right to review membership eligibility at any time.
- SIMSA reserves the right to review membership criteria at any time.

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## A note on consulting businesses:

1. As, “SIMSA supports, promotes, and represents the interests of Saskatchewan-based suppliers;” and “members must have an interest in promoting and growing the Saskatchewan supply chain”;
2. And, the owners we work with want to know if they are sourcing locally and to what extent;
3. Then, a Saskatchewan-based company is not eligible for membership, if a significant portion of their business involves any combination of the following:
  - a. Acting as a consultant to introduce out of province suppliers to Saskatchewan owners, as opposed to acting as an ongoing interface. This could be characterised by the consultant:
    - i. *being paid a fee/commission by the out of province supplier, while the owner pays the supplier directly.*
    - ii. *acting to source rather than physically assemble larger pieces of a project*
    - iii. *promoting a non-Saskatchewan supplier (retailer, fabricator, distributor etc. vs. an OEM) during a meeting with the owner, rather than themselves*
    - iv. *acting as an intermediary or third party making a commission or finders fee from acting like an agent, rather than as a distributor or retailer*
    - v. *providing “business leads” to a supplier rather than performing the actual sales*
    - vi. *not having a showroom and/or not performing repairs and/or not performing assemblies*
4. Further, because of this, SIMSA requires transparency in applicant and member business models. Any breach of item 3 above or act to conceal such, is grounds for denial and/or immediate revocation of SIMSA membership.
5. To be clear, SIMSA membership and its affiliated direct benefits, are intended solely for the member; not the member’s clients, affiliates, or partners. Any breach of this is grounds for denial and/or revocation of SIMSA membership.
6. Selling parts/services from/for, or acting to benefit a supplier who themselves could be a member of SIMSA, by using information gathered from SIMSA members-only events (we do not allow this action to occur, as an example, by joint venture partners - we expect the partner to become a member).
7. Selling parts/services from/for, or acting to benefit, a supplier who themselves is not eligible to be a member of SIMSA, by using information gathered from SIMSA members-only events.