



Minutes of the 46th Annual General Meeting of Mountain Equipment Co-operative held June 22nd, 2017 at MEC Head Office, Vancouver BC

The 46th Annual General Meeting of Mountain Equipment Co-operative (MEC) was held on Thursday, June 22nd, 2017 at MEC Head Office, 1077 Great Northern Way, Vancouver, BC.

The meeting began at 6:10pm PDT and adjourned at 8:10pm PDT.

Introductory remarks

Ellen Pেকেles, Chair of the Board of Directors, welcomed MEC members and acknowledged that the AGM was taking place on the unceded territory of the Coast Salish peoples, including the territories of the Musqueam, Squamish and Tsleil-Waututh Nations.

Jim Willett, MEC Running Ambassador, presented on lessons learned through his running career.

Call to Order

Quorum, Welcome, Introductions

Ellen Pেকেles (Chair, MEC Board of Directors) called the meeting to order at 6:35pm with a quorum present.

CEO David Labistour and the Directors in attendance were introduced:

Daniel Blanche, Board Vice-Chair (Montreal, QC); Rob Campbell, Finance and Audit Committee Chair (Richmond, BC); Shawn Mitchell, Governance Committee Chair (Vancouver, BC); Tamara Paton, Human Resources and Compensation Committee Chair (St. Catharines, ON); Judi Richardson, Nominations Committee Chair (North Vancouver, BC); Jonathan Gallo (Edmonton, AB); Phil Arrata (Vancouver, BC); and Kathy Uher (Toronto, ON).

The Chair introduced Doug Copland of BLG as the meeting's parliamentarian, noted that Shona McGlashan, MEC's Chief Governance Officer, would serve as secretary, and that there were meeting scrutineers in attendance, including MEC's Auditor, Brandi Wingrove, from MEC's external audit firm, KPMG LLP.

Adoption of the Agenda

The Agenda was adopted as circulated.

Adoption of the Rules of Order

The Rules of Order were adopted as circulated.

Acceptance of the 2016 AGM Minutes

The 2016 AGM minutes were accepted as circulated.

Reports

Chair's Report

Ellen Pekeles presented the Chair's Report.

Highlights from the report can be found at mec.ca/reporting.

CEO's Report

Chief Executive Officer David Labistour presented the CEO's Report.

Highlights from the report can be found at mec.ca/reporting.

The CEO acknowledged the MEC Executive Team:

Nancy Blair (Information Technology); Jeff Crook (Product); Anne Donohoe (Marketing); Gary Faryon (Retail Operations); Shona McGlashan (Governance); and Sandy Treagus (Chief Financial Officer).

Audited Financial Statements and the Finance and Audit Committee Report

Rob Campbell, Finance and Audit Committee Chair, presented the Audited Financial Statements for the fiscal year ended February 26, 2017.

The 2016/17 Audited Financial Statements, and highlights from the report, can be found at mec.ca/reporting.

Questions and Discussions on Reports

Steve Jones (#306823255) read aloud the purpose of the co-operative as outlined in its Memorandum of Association. His opinion was that MEC's expanded product lines were not related to the original purpose of supporting self-propelled wilderness activity.¹ Ellen Pekeles responded that the Board was passionate about MEC's purpose; David Labistour added that more backcountry ski gear, climbing gear and technical products were being sold today than ever before. Shawn Mitchell, Chair of the Governance Committee, stated that the co-op had evolved over 46 years and that where it was today could be traced back to both its Charter and the Rules of Co-operation.

Anders Ourom (#224-6) noted that the current wording of the Memorandum dated from 2000; the original wording from 1971 had been different.

Steve Jones (#306823255) asked about executive compensation at the co-op and requested that the Annual Report be available to members earlier in advance of the AGM.¹ Ellen Pekeles responded that the 2016/17 ratio of CEO total compensation to average employee compensation, as disclosed in MEC's governance disclosure statement, was 13.7:1; in Canada, the ratio of CEO compensation to the average worker was over 190:1. The Board planned to consider the issue of compensation disclosure in the coming year.

¹ Steve Jones denies the accuracy of statements attributed to him.

Appointment of the Auditor

The Finance and Audit Committee Chair put forward the motion to appoint the auditor for 2017/18:

Motion Regarding the Appointment of the Auditor

It was moved and seconded, that KPMG be appointed as the auditors for Mountain Equipment Co-op for the 2017/18 fiscal year, and that the Board be authorized to fix the remuneration for the auditors.

Members voted on the motion. **The motion was carried.**

2017 Board of Directors Election

The Chair invited Brandi Wingrove of KPMG LLP to present the results of the 2017 election.

2017 Election Results

Brandi Wingrove reported that KPMG LLP, in its capacity as election auditor, monitored the 2017 election process, and the results of the election were as follows:

Member participation:

- Total votes: 57,181
- 56,273 votes registered online, 878 via telephone, and 31 delivered via mail.

The election results by candidate were as follows:

- Ellen Pekeles received 31,663 votes and was re-elected for a three year term
- Bob Wallis received 26,379 votes and was elected for a three year term
- Kathy Weston received 23,591 votes and was elected for a three year term

The remaining candidates received the following votes:

- Clifford Smith: 19,210 votes
- Steve Jones: 9,571 votes
- Patricia Eagar: 8,368 votes
- François Arbique: 6,756 votes
- Bob Brent: 5,759 votes
- Tim McGillicuddy: 4,943 votes
- Doug Varty: 4,104 votes
- Kelly McShane: 3,821 votes
- J Mark MacDonald: 3,728 votes
- Mark Aston: 3,295 votes
- Jan Klakurka: 1,877 votes

Farewell to Outgoing Directors and Introduction of New Directors

Members present congratulated newly elected Directors, Ellen Pekeles, Bob Wallis, and Kathy Weston.

The Chair thanked the independent members-at-large who sat on MEC's Nominations Committee: Kevin Thompson, who was stepping down after three years of service, and Judy Martin, who would continue on the committee.

The Chair also acknowledged outgoing directors Jonathan Gallo and Tamara Paton, and thanked them for their contributions to MEC.

New Business

The Chair advised the membership that the next segment of the Annual General Meeting was to include the consideration of an Other Resolution proposed by a member, and for general questions from the floor. She reminded the membership that the purpose of the meeting was to transact the business of the general membership of the Co-op and that issues of a personal or political nature were requested to be addressed through the feedback form available in the room or online

Other resolution

The Chair introduced an ordinary resolution, proposed by Eoin Finn (# 333005) as follows:

To recognize Howe Sound as an area of regional significance that should be conserved for future generations of MEC members and other outdoor enthusiasts.

BE IT RESOLVED THAT:

- 1. MEC recognizes Howe Sound is an area of regional significance based on 2 key reports, namely: (i) Sound Investment: Measuring the Return of Howe Sound's Ecosystem assets by David Suzuki Foundation, Feb 2015 and (ii) Vancouver Aquarium's OceanWatch - Howe Sound Edition, Feb 2017; and*
- 2. MEC agrees to assist in the conservation of Howe Sound through making its membership and employees aware of issues facing this region; and*
- 3. MEC recognizes the work done by NGO's to protect the Howe Sound region including: My Sea To Sky Society (<http://www.myseatosky.org>), Future of Howe Sound Society (<http://www.FutureofHoweSound.org>), Concerned Citizens Bowen (<http://ccb Bowen.ca>) and other NGOs to protect the environmental recovery and recreational value of Howe Sound for current and future generations.*

The motion was moved by Eoin Finn (#333005) and seconded by Delena Angringnon (#2959633). Peter McCartney (#48110290), a director of My Sea to Sky, spoke in favour of the resolution, pointing out that MEC members cherished the Howe Sound corridor ecosystem. Delena Angringnon noted that Howe Sound was an adventure playground for many MEC members and described the importance of maintaining its biodiversity. A further member also spoke in favour of the resolution.

Members voted and **the motion was carried.**

Questions

The Chair opened the meeting to new business, which included general questions or comments from the floor.

Steve Jones (#306823255) asked about election policy and procedures. He expressed concerns about gift card prizes offered to voting members, and campaigning guidelines imposed on the candidates. He asked for a committee of randomly-selected MEC members to be formed to oversee election policies.² Judi Richardson, chair of the Nominations Committee, noted that KPMG audited MEC's elections and had provided their opinion that the election had abided by MEC's Rules. The recommendation process had been approved by the membership in 2013; MEC was a complex business in a competitive environment, and the Board was well positioned to understand the complement of skills and experience to set up the co-op for success. The recommendation process provided a signal to membership while maintaining member choice. The requirements for candidates to use mec.ca emails predated social media platforms, and the Nominations Committee planned to review candidate communications guidelines in the coming year.

Adjournment

Ellen Pেকেles thanked members in attendance and it was moved and seconded that the 2017 AGM be adjourned. The motion was carried.

The meeting ended at 8:10pm PDT.

² Steve Jones denies the accuracy of statements attributed to him.