



Minutes of the 44th Annual General Meeting of Mountain Equipment Co-op held April 23, 2015 at MEC Head Office, Vancouver BC

The 44th Annual General Meeting of Mountain Equipment Co-operative (MEC) was held on Thursday, April 23, 2015 at MEC Head Office, 1077 Great Northern Way, Vancouver, BC.

The meeting began at 6:05pm PDT and adjourned at 7:55pm PDT.

Getting Canadians outside: products, passion and passing the torch

Margie Parikh, Chair of the Board of Directors, introduced the presentation.

James Brittain and Mark Knight, MEC Product Designers; Bruce Kirkby, MEC ambassador; and Elyse Curley, MEC Outdoor Nation Coordinator presented on how MEC gets Canadians outdoors. They discussed how and why products were redesigned; how MEC supported adventure; and the successes of 2014's Outdoor Nation program.

Call to Order

Quorum, Welcome, Introductions

Margie Parikh (Chair, MEC Board of Directors) called the meeting to order at 6:35pm with a quorum present. Members in attendance were welcomed.

The Directors in attendance and CEO were introduced:

Shawn Mitchell, Board Vice-Chair (Vancouver, BC); Jonathan Gallo, Finance and Audit Committee Chair (Edmonton, AB); Ellen Pekeles, Human Resources & Compensation Committee Chair (Vancouver, BC); Carole Lulham, Governance Committee Chair (Calgary, AB); Drew Anderson, Sustainability Committee Chair (Whitehorse, YT); Daniel Blanche (Montreal, QC); Rob Campbell (Banff, AB); Tamara Paton (St. Catharines, 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 four 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 2014 AGM Minutes

The 2014 AGM minutes were accepted as circulated.

Reports

Chair's Report

Margie Parikh presented the Chair's Report.

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

CEO's Report

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

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

The CEO acknowledged the MEC Senior Management Team:

Alex Buhler (Information Technology), Jeff Crook (Product), Anne Donohoe (Marketing), Gary Faryon (Retail Operations), Shona McGlashan (Governance), Amy Roberts (Sustainability), Cathy Smith (Human Resources), and Sandy Treagus (Chief Financial Officer; not present at the AGM).

Audited Financial Statements and the Finance and Audit Committee Report

Jonathan Gallo, Finance and Audit Committee Chair, presented the Audited Financial Statements for the fiscal year ended December 28, 2014.

The 2014 Audited Financial Statements, and highlights from the report, can be found at mec.ca/annualreport.

Questions and Discussions on Reports

There were no questions from the floor on the reports.

Appointment of the Auditor

The Finance and Audit Committee Chair put forward the motion to appoint the auditor for 2015:

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 2015 fiscal year, and that the Board be authorized to fix the remuneration for the auditors. Members voted on the motion. **The motion was carried.**

2015 Board of Directors Election

The Chair invited Brandi Wingrove of KPMG LLP to present the results of the 2015 election.

2015 Election Results

Brandi Wingrove reported that KPMG LLP, in its capacity as election auditor, monitored the 2015 election process, and the results of the election were as follows:

Member participation:

- Total votes: 48,680
- 47,254 votes registered online, 1365 via telephone, and 61 delivered via mail.

The election results by candidate were as follows:

- Judi Richardson received 29,254 votes and was elected for a three year term
- Daniel Blanche received 28,913 votes and was re-elected for a three year term
- Phil Arrata received 19,287 votes and was elected for a three year term

The remaining candidates received the following votes:

- Dave Rankin: 17,583 votes
- Peggy LeSueur: 10,792 votes
- Mike Winterfield: 8,069 votes
- Dale Mills: 6,650 votes
- Eric Watt: 4,728 votes
- Bob Brent: 3,658 votes
- Michel LaMontagne: 2,900 votes

Farewell to Outgoing Directors and Introduction of New Directors

The Chair congratulated newly elected Directors, Judi Richardson, Daniel Blanche and Phil Arrata.

Departing directors Drew Anderson and Carole Lulham were acknowledged by Margie Parikh and thanked for their contribution to MEC

New Business

Compensation Review

Tanya Gracie, representing the independent member panel on directors' compensation, reported that the panel had conducted a review of director compensation trends in comparable organizations, and based on their review, recommended both a new structure and a new range of compensation for the Directors, the Board Chair and the Committee Chairs.

Margie Parikh noted that current Board directors would not vote on the resolution.

Anders Ourom (#224) asked what the difference would be between 2014 compensation levels and the proposed levels. Margie Parikh responded that the amounts would have been very similar.

It was moved and seconded that:

1. Members of MEC's Board of Directors be compensated on a retainer-only basis, without additional meeting fees.
2. Director remuneration amounts be set at the levels outlined below and be hereby approved effective April 24, 2015.
3. The next review of director compensation be undertaken by 2018.

Position	2015/16	2016/17	2017/18
Annual Board Chair Retainer	\$58,195	\$59,195	\$61,739
Annual Director Retainer	\$32,445	\$33,418	\$34,421
Additional Retainer for chairing the Finance and Audit Committee	\$6180	\$6365	\$6556
Additional Retainer for chairing a committee (other than Finance and Audit) or for Director acting as Vice-Chair	\$4120	\$4244	\$4371
Additional Retainer for sitting on a Committee (but not chairing)	\$1000	\$1030	\$1061

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

The Chair advised the membership that the next segment of the Annual General Meeting was 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 question card provided in each attendee's package.

Steven Jones (#30682355) thanked the presenters. He had participated in the 2015 election nominations and was one of the nominees that had been rejected. Under MEC's Rules, the Board was able to apply minimum criteria to nominees to veto their candidacy. He had been surprised that the Board rejected seven of the nominees, perhaps due to miscommunication between the Board and the membership over what the criteria meant. He requested in the interest of transparency that rejected candidates be given the option of having their names listed on MEC's website.

Shawn Mitchell, chair of the Board's Nominations Committee, noted that the process for screening and reviewing all nominees was guided by MEC's Rules, and executed by the Board's Nominations Committee which included members-at-large, with the object of making the process as fair and transparent as possible. The nominations and election process was observed by the auditors to ensure compliance with MEC's Rules. Learning from Steven Jones's feedback, the committee had recognised that the Board should provide greater clarity in defining the minimum criteria. He would take the suggestion that rejected nominees be given the option to have their names published under advisement.

Bill Gibson (#414844-1) noted that the membership had awarded the Board a 3% remuneration increase each year for the next three years, and asked whether staff could expect the same. David Labistour responded that MEC had a robust process for assessing annual uprating for staff compensation and that it usually fluctuated between 2 and 4%.

Kyle McEwen (#33328956) asked whether technical outdoor equipment as a percentage of sales was in decline and what that said about MEC's values. David Labistour responded that the overall sales of backcountry product were increasing. Declining activity levels in Canada meant that if MEC wished to inspire and enable all Canadians to be active outdoors, this would include more urban and frontcountry activities.

Emmanuel Prinnet (#6368567) asked whether as MEC grew, it could support the Canadian manufacturing sector, and what the CEO-level conversations referenced in the KPI report were. Margie Parikh responded that MEC wanted to deliver the best product for members' needs, and that they should be produced to MEC's sourcing guidelines. David Labistour added that MEC had been the first retailer to reach out to its vendors to find out about their sustainability initiatives and encourage them to do more.

Adjournment

Margie Parikh thanked members in attendance and it was moved and seconded that the 2015 AGM be adjourned. The motion was carried.

The meeting ended at 7:55pm PDT.