



Mountain Equipment Co-op Annual General Meeting

**Meeting Minutes - April 27, 2011
SFU – Segal School of Business, Vancouver BC**



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The 40th Annual General Meeting of Mountain Equipment Co-operative (MEC) was held on Wednesday, April 27, 2011 in the event room of the SFU Segal School of Business, Vancouver, BC.

The meeting began at 6:00pm PDT and adjourned at 8:30pm PDT.

Guest Speaker Presentation

Local climber and MEC gear tester, Chris Geisler, gave a presentation about his expedition to Patagonia. Chris and his partner Jason Kruk received the 2011 John Lauchlan Memorial award to attempt a fair means ascent of the southeast ridge of Cerro Torre. This award is designed to assist Canadian mountaineering expeditions to promote and develop Canadian mountaineers at an international level. MEC is a proud sponsor of this award.

Call to Order

Denise Lawson (Chair, MEC Board of Directors)

Quorum, Welcome, Introductions

Denise Lawson called the meeting to order at 6:15pm PT with a quorum present. Members in attendance were welcomed.

The Chair noted that Diana Stephenson, MEC's Senior Manager, Governance would serve as the Secretary for the meeting, and that there were five meeting scrutineers in attendance, including MEC's Auditor, Leo Smyth from MEC's external audit firm, PricewaterhouseCoopers LLP.

Directors in attendance were introduced: Denise Lawson, Chair (Bowen Island, BC); Karen Miner, Vice-Chair (Halifax, Nova Scotia); Shauna Sylvester, Treasurer (Vancouver, BC); Shawn Mitchell (Vancouver, BC); Sara Golling (Rossland, BC), Margie Parikh (Victoria, BC); Chris McNeill (Delta, BC); Lucy O'Driscoll (St. Philips, NL). Regrets were conveyed from Drew Anderson (Ottawa, Ontario).

The Chair introduced David Labistour, MEC CEO, and Stu Morrow, Parliamentarian of Davis LLP and acknowledged the presence of several of MEC's founding and early members who were in attendance.

Adoption of Rules of Order

The Rules of Order were adopted as circulated.

Adoption of AGM Agenda

The AGM Agenda was adopted and will stand as circulated.

Adoption of the 2010 AGM Minutes

The 2010 AGM minutes were reviewed as circulated.

Motion Regarding the 2009 AGM Minutes

Nick McGrath (#571260-9) moved, Melissa Purich (#1001322-5) seconded that the 2010 AGM Minutes be approved as circulated. **Motion Carried.**



Reports

Chair's Report

Denise Lawson presented the Chair's Report.

The complete report can be found in MEC's [2010 Annual Report](#).

CEO's Report

David Labistour presented the CEO's Report. He also acknowledged the MEC Senior Management Team and the Senior Managers in attendance: Sandy Treagus (CFO), Gary Faryon (COO), Cathy Smith (Senior Manager, HR), Jeff Crook (Senior Manager, Buying and Design), Naomi Ozaki (Senior Manager, Production), Norm Norris (Senior Manager, Communications and Marketing), Esther Speck (Director, Sustainability and Community), and Bob Hermanutz (Acting CIO).

The complete report can be found in MEC's [2010 Annual Report](#).

Sustainability Report

Karen Miner, Sustainability Committee Chair, presented the Sustainability Report.

The complete report can be found in MEC's [2010 Annual Report](#).

Audited Financial Statements and Treasurer's Report

Shauna Sylvester, Treasurer, presented the Audited Financial Statements and Treasurer's Report for the fiscal year ended December 26, 2010.

The Treasurer informed the membership that PricewaterhouseCoopers, appointed as external auditor in 2009, have completed an audit of the 2010 Financial Statements for MEC. In their opinion the statements fairly represent the financial position of MEC as of December 26, 2010, and the results of its operations and cash flow for the fiscal year then ended are in accordance with Canadian generally accepted accounting principles.

Detailed copies of the financial statements were circulated those in attendance and reviewed.

The Treasurer informed the membership that a new store in Barrie, Ontario was opened in November 2010.

Refer to [Mountain Equipment Co-operative 2010 Consolidated Financial Statements](#) for full details.

Compensation Report

Shauna Sylvester, Treasurer, presented the Board Compensation Report for 2011.

The total Director Compensation for 2010 was as follows:

- Total Director Meeting Honoraria: \$128,900
- Total Director Travel honoraria: \$9,650
- Total Director Stipends: \$24,000

The increase in the travel honoraria from the previous year was attributable to the increase in Directors residing outside of Vancouver, and no Directors exceeded the maximum set by the members.



Questions and Discussions on Reports

Rob Brusse (#4) questioned the relevance of the lack of signatures on the Financial Statements. The Treasurer confirmed the statements would be signed at the end of the AGM proceedings.

Appointment of the Auditor

Denise Lawson called for the motion to appoint the Auditor. The Treasurer put forward the motion:

Motion Regarding the Appointment of the Auditor

Denise Lawson moved, Bill Gibson (#414844-1) seconded that PricewaterhouseCoopers LLP be appointed as the auditor for Mountain Equipment Co-op for the 2011 fiscal year, and that the Board be authorized to fix the remuneration for the auditors.

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

The Treasurer advised the membership that a review of MEC's audit engagement services would be conducted during the course of the 2011-2012 Board year.

Board of Directors Election

The Chair invited Leo Smyth, PricewaterhouseCooper LLP, Election Auditor to present the results of the 2011 Election and Special Resolutions.

2011 Election Results

Leo Smyth reported that PricewaterhouseCoopers LLP monitored the 2011 election process as Election Auditor, and in their opinion the election was completed in accordance with the rules of the Co-operative and is to be considered valid. The results of the Election were as follows:

Member participation:

- Total Votes: 28,627

The election results by candidate were as follows:

- Shauna Sylvester received 14,827 votes and was re-elected for a three-year term.
- Bill Gibson received 13,480 votes and was elected for a three-year term.
- Jonathan Gallo received 8,432 votes and was elected for a three-year term.

The remaining candidates received the following votes:

- Morrie Schneiderman: 8,107 votes
- Gail Sullivan: 7,578 votes
- Blair Hammond: 6,839 votes
- Shawn Mitchell: 6,058 votes
- Dru Oja Jay: 5,384 votes
- Dominic Levesque: 5,295 votes
- Anders Ourom : 3,923 votes



2011 Special Resolution Results

Special Resolution #1:

Provides for an extension to the notice period of MEC's Annual General Meeting from 14 to 60 days in advance of proceedings. **Passed with a result of 97% in favour.**

Special Resolution #2:

Provides a change to Rule 13 to stipulate that neither board members, nor advisory members appointed to serve on a board committee, are employees of or suppliers to MEC. **Passed with a result of 94% in favour.**

Special Resolution #3:

Provides a change to Rule 16 to stipulate that neither board members, nor advisory members are employees of or suppliers to MEC. **Passed with a result of 94% in favour.**

Farewell to Outgoing Directors and Introduction of New Directors

The Chair congratulated newly elected Directors, Shauna Sylvester, Bill Gibson and Jonathan Gallo. Departing Directors Shawn Mitchell and Sara Golling were acknowledged and thanked for their contributions to the Cooperative during their terms. It was noted that Sara Golling is one of MEC's founding members and through her many years of service on the Board, she helped to shape MEC into the organization that it is today.

New Business

The Chair advised the membership that this segment of the Annual General Meeting is to transact the business of Co-operative's general membership, and that issues of a purely personal or a political nature should be addressed through the question card provided in the AGM package.

As provided by notice, one ordinary resolution was scheduled for discussion. The Chair reminded the membership that ordinary resolutions are decided by a majority vote at the AGM, is of an advisory nature, and as such, the Board are not required to take any specific course of action. However, it was noted that the Board does carefully consider all ordinary resolutions that pass with a majority vote in terms of the best interest of MEC and the membership as a whole.

Ordinary Resolution

Ordinary Resolution #1:

There shall be one more seat added to the Board of Directors reserved for a staff representative. This representative will be elected by the staff on an annual basis, will sit as a nonvoting member and will be present for all Board meetings. The primary tasks and responsibilities of the staff representative shall be to consult with staff at each retail location and to provide feedback from staff to the Board of Directors. This individual will contribute a minimum of 40 hours per month in line with the expectations of other Board members and will be paid the regular hourly wage for these hours. These hours shall include attending Board meetings and acquiring feedback from staff members nationally by means of questionnaires, surveys, conversations, etc. This individual shall not be a senior staff member at any store and shall be an hourly paid staff member. **Moved by Andre Guimond (2663980-7) and seconded by Nora O'Malley (3031993-3).**



Andre Guimond (2663980-7) spoke to the intent and purpose of the resolution.

Sara Golling (#21-6) spoke against the resolution. While she expressed support for the intent, she disagreed with the mechanism of the resolution, and provided supporting arguments.

Anders Ourom (#224-6) spoke and noted that he was neither for nor against the resolution, however he did feel that the issue of employee involvement in the governance of MEC should be further explored.

Jens Ourom (#3020397-0) responded to Sara Golling, also noting that he was neither for nor against the resolution.

The floor voted on the resolution, 24 votes in favour and 35 votes against. **The motion was defeated.**

The Chair acknowledged the discussion and advised those in attendance that the Board is committed to exploring strategies to increase employee engagement and involvement in the governance of MEC.

New Business

Sally Pancratz (#190788-0) spoke about her frustration with the discontinuation of the rad pant, and her inability to obtain a satisfactory reason why MEC will not bring them back.

The CEO acknowledged the concern of the member, and advised those in attendance that factories require a minimum amount to be produced, and unfortunately the demand was too low for MEC's factories to continue producing them.

Adjournment

Denise Lawson thanked the members in attendance and called for a motion to adjourn.

Motion Regarding Adjournment

Stephanie Rauer (#1881580-3) moved, Melissa Purich (1001322-5) seconded that the 2011 AGM be adjourned. **Motion Carried.**

The meeting ended at 8:30pm PDT