



MEC Annual General Meeting Minutes, April 30, 2009

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**Meeting Minutes
Mountain Equipment Coop
2009 Annual General Meeting
SFU – Segal School of Business, Vancouver, BC
April 30, 2009**

The 38th Annual General Meeting of Mountain Equipment Co-operative (MEC) was held on Thursday, April 30, 2009 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.

Venue Safety

Denise Lawson (Chair, MEC Board of Directors) began the meeting at 6:00pm PDT by pointing out venue safety measures and logistics, due to the room being at full capacity.

CCA Presentation

Denise Lawson introduced Jill Kelly, General Manager of CCEC Credit Union in Vancouver since 1988, and Chairperson from 1976 to 1981. Jill has been on an extensive list of co-operative Boards including the CCA for the past five years, the BC Co-operative Association for the past 17 years, the Agency for Co-op Housing, the Co-op Housing Federation of BC, and the Credit Union Central of BC, which is now known as Central One Credit Unit.

MEC has been a member of CCA for a few years and have been participating in CCA events for decades. CCA exists to provide leadership and support to cooperatives and credit unions across Canada and has been an important supporter of MEC in the past.

Jill Kelly was welcomed by the members.

A presentation on the Canadian Co-operative Association in honor of their 100th year anniversary was presented.

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 the meeting were welcomed. The Chair noted that Karen Miner would serve as the Secretary for the meeting. Directors in attendance were introduced:



Shawn Mitchell (Vancouver, BC); Sara Golling (Rossland, BC), Colin Campbell (Victoria, BC); Mike Wearing (Mahone Bay, Nova Scotia); Chris McNeill (Delta, BC); Shauna Sylvester (Vancouver, BC); Karen Miner (Halifax, Nova Scotia), and one Director who is not in attendance, Rick Sparkman, who resigned this year for personal reasons, and had one year left on his term. This will weigh into the election results as noted.

The Chair also introduced David Labistour, MEC CEO, Stuart Morrow, Parliamentarian of Davis LLP and Auditor Leo Smyth of PricewaterhouseCoopers LLP.

Adoption of Rules of Order

The amended Rules of Order were reviewed as circulated.

Motion Regarding the Rules of Order

Anders Ourom (#224-6) moved, Janet Stollar (#6968200) seconded that the amended Rules of order be approved as circulated.

Motion Carried.

Adoption of AGM Agenda

The AGM Agenda was reviewed and will stand as circulated.

Adoption of the 2008 AGM Minutes

The 2008 AGM minutes were reviewed as circulated.

Motion Regarding the 2008 AGM Minutes

Stephen Schwartz (#219-6) moved, Sandy Treagus ((#2192722-3) seconded that the 2008 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 *2008 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: Gary Faryon (Senior Manager Operations), Sandy Treagus (CFO), Cathy Smith (Senior Manager Human Resources), Naomi Ozaki (Senior Manager Production), and Georgette Parsons (CIO).

The complete report can be found in MEC's *2008 Annual Report*.

Sustainability Report

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

The complete report can be found in MEC's *2008 Annual Report*.

Audited Financial Statements and Treasurer's Report

Shauna Sylvester, Treasurer, presented the Audited Financial Statements and Treasurer's Report.

The Treasurer remarked that the auditor, appointed by the membership at last year's AGM, PricewaterhouseCoopers LLP, has completed the audit. The auditor's opinion is that the 2008 financial statements for MEC represent fairly in all material respects the financial position of MEC as at December 28, 2008, and the results of its operations and its cash flows for the fiscal year then ended in accordance with Canadian generally accepted accounting principles. Detailed copies of the financial statements were circulated to members attending and were reviewed.

Refer to *Mountain Equipment Co-operative 2008 Consolidated Financial Statements* for full details.

Compensation Report

Shauna Sylvester, Treasurer, presented the Compensation Report.

The Treasurer noted the Director compensation framework for 2008, as follows:

- Meeting honorarium of \$300/meeting
- Meeting honoraria capped at \$22,500/Board year/Director
- Stipends for Chairs per Board year: Board Chair: \$8,000, Vice-Chair and Treasurer: \$4,000 each and Committee Chairs: \$2,000 each.

The Treasurer presented the Director compensation for 2008, as follows:

- Total Director Meeting Honoraria: \$147,050
- Total Director Travel honoraria: \$20,044
- Total Director Stipends: \$24,000

No Directors exceeded the maximum set by the members.

Questions and Discussions on Reports

There were no questions from the membership.

Appointment of the Auditor

Denise Lawson entertained the appointment of the Auditor 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 2009 fiscal year, and that the Board be authorized to fix the remuneration for the auditors.

Motion Carried.

Board of Directors Election

Denise Lawson reported that Rick Sparkman, past Treasurer, resigned this past year with one year left to complete his three-year term. As a result, this year there will be three Directors elected to fill a three-year term, and one Director elected, to fill a one-year term.

2009 Election Results

Leo Smyth, PricewaterhouseCooper LLP, Election Auditor, presented the results of the 2009 Board of Directors Election.

Leo Smyth reported that PricewaterhouseCoopers LLP monitored the current year's 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 2009 Board of Director's Election were as follows:

Member participation by voting method was as follows:

- Total Votes: 32,056
- Via Internet: 29,974
- Via Telephone: 2,012
- Via Paper: 70

The election results by candidate were as follows:

- Karen Miner received 15,805 votes and was elected for a three-year term.
- Denise Lawson received 15,421 votes and was elected for a three-year term.
- Drew Anderson received 9,926 votes and was elected for a three-year term.
- Bill Gibson received 8,986 votes and was elected for a one-year term.

The remaining candidates received the following votes:

Margie Parikh: 8,023 votes
Michel Allaire: 8,001 votes
Anders Ourom: 6,678 votes
Sanford Osler: 4,563 votes
David Caplan 4,019 votes
Shawn Philip Cleary: 3,993 votes
Gerry Molnar: 3,616 votes
Steve Jones: 1,754 votes

2009 Special Resolution Results

The Special Resolution that will make MEC rules more compliant with the BC Co-operative Association Act in terms of Directors' remuneration passed with 93.2% in favour.

Farewell to Outgoing Directors and Introduction of New Directors

Denise Lawson congratulated the newly elected Directors. Departing Directors Rick Sparkman and Mike Wearing were acknowledged and thanked for their significant contributions to the cooperative during their terms. Rick Sparkman served as Treasurer during two years of his term, as well as a previous three-year term, totaling five years. Mike Wearing served as Chair of the Elections and Member Communications Committee for the last two years, as well as contributing to several other committees over the course of his two terms, totaling six years.

New Business

Denise Lawson reminded the membership, as per the Rules of Order, that ordinary resolutions mean that they pass or fail on a majority vote. The resolutions are advisory only and do not require the Co-op or Board to take any course of action. They will be considered by the Board of Directors in the discharge of their obligation to manage the Co-op in terms of what is in the best interest of MEC and its three million members.

Due to the three unique resolutions already received, and in order to allow a fair and reasonable amount of time for the discussion on the resolutions received, 15 minutes were allocated to each resolution. Each resolution will be presented in the order that they were submitted. The resolutions will be moved by the members in this order.

Ordinary Resolution #1

Brian Wood (#234-5) moved, Member seconded, that it be resolved that MEC provides a portion of funding for at least one person to formally represent before governance and their agencies the interests of Canadian non-motorized recreationists. That person or persons would have a mandate drafted by a joint committee of MEC Directors and directors appointed by registered non-profit groups representing non-motorized recreationists to ensure representations in land and trail use legislation so there is a fair division of trails, etc. between non-motorized recreationists. Additional funding for that person would be supplied by public donations and donations from groups representing the non-motorized recreationists.

Discussion on Resolution #1:

Brian Wood spoke to the resolution by providing some background information, including recent Government initiatives, the un-level playing field, and the need for advocacy support.

Esther Speck (#9676461) spoke in favour of the resolution by adding that MEC is working hard in this community involvement area, where grant programs are provided, so that projects can be framed around this issue, and to work in partnership with organizations on these issues.

Motion Regarding Ordinary Resolution #1

Brian Wood (#234-5) moved, Member seconded, that it be resolved that MEC provides a portion of funding for at least one person to formally represent before governance and their agencies the interests of Canadian non-motorized recreationists. That person or persons would have a mandate drafted by a joint committee of MEC Directors and directors appointed by registered non-profit groups representing non-motorized recreationists to ensure representations in land and trail use legislation so there is a fair division of trails, etc. between non-motorized recreationists. Additional funding for that person would be supplied by public donations and donations from groups representing the non-motorized recreationists.

Motion Carried.

Ordinary Resolution #2

Gordon Murray (#58891) moved, Molly Kraft (#1900208-8) seconded, that it be resolved that the MEC Board of Directors halt all dealing with Israeli companies and to reverse its position on sourcing from Israel.

Discussion on Resolution #2:

Gordon Murray spoke to the resolution by stating concern over MEC partnering with Israeli companies to produce MEC brand products.

Hartley Cramer (#8784407) spoke against the resolution.

Mordecai Briemberg (#939421) spoke in favour of the resolution.

Nancy Rosenfeld (#13281605) spoke against the resolution.

Valerie Zink (#12432498) spoke in favour of the resolution.

Reva Dexter (#025685926) spoke against the resolution.

Sidney Shniad (#247213) spoke in favour of the resolution.

Greg Foweraker (#73411) spoke against the resolution.

Motion Regarding Ordinary Resolution #2

Gordon Murray (#58891) moved, Molly Kraft (#1900208-8) seconded, that it be resolved that the MEC Board of Directors halt all dealing with Israeli companies and to reverse its position on sourcing from Israel.

Motion Defeated.

Ordinary Resolution #3

Member #1028092-1 moved, Denis La Plante (#10784-7) seconded, that it be resolved that MEC reinstate the payment policy on cash purchases in the retail locations.

Discussion on Resolution #3:

Stefan Moraw (#3119997) spoke to the resolution in an advance statement of remembering when members were able to pay in cash and therefore received a 2% discount on the total bill.

Membership asked for clarification around why this payment policy was discontinued.

Sandy Treagus spoke against the resolution and provided clarification on why the payment policy was discontinued. The original policy was in place at a time when credit card fees were significantly higher and handling cash was significantly lower. The policy was an effective way to balance this out. These days, the cost of handling cash is significantly higher and credit card fees are significantly lower. In addition, there is no gain to MEC in terms of equity amongst members and it is a lot safer for staff to not handle cash.

Motion Regarding Ordinary Resolution #3

Member (#1028092-1) moved, Denis La Plante (#10784-7) seconded, that it be resolved that MEC reinstate the payment policy on cash purchases in the retail locations.

Motion Defeated.

Adjournment

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

Motion Regarding Adjournment

All were in favour that the meeting be adjourned.

Motion Carried.

The meeting ended at 8:30pm PDT
