

CALGARY CO-OPERATIVE ASSOCIATION LIMITED
68TH ANNUAL MEETING
THURSDAY, APRIL 11TH, 2025
BMO CENTRE

INTRODUCTION

The Board Chair, Brad Krizan, welcomed members and guests to the 68th Annual Meeting and thanked them for their attendance, support, and interest in Calgary Co-op. Mr. Krizan also thanked the Board of Directors, Executive Leadership Team, representative of the Union of Calgary Co-op Employees, all team members, and business partners for their ongoing commitment and dedication to the success of the association.

Mr. Krizan introduced Brenda Whitter, Executive Assistant to the Board and CEO and informed the members that Brenda would be recording the meeting proceedings. He then introduced Parliamentarian, Todd Brand, who would be responsible for facilitating the unfinished and new business as well as the question period.

The Chair conducted test votes to ensure that the handheld voting units provided to all registered members were working and that all clearly understood the instructions for usage.

Mr. Krizan encouraged members to use the comment cards provided in the member's kits to pose their questions and concerns so that questions not able to be addressed during the meeting could be addressed by management in the coming weeks, either in writing or by telephone.

CALL TO ORDER

Mr. Krizan called the meeting to order at 6:27 p.m.

Mr. Krizan noted that as there were more than fifty members present, the meeting was duly constituted in accordance with Bylaw 4.09.

Mr. Krizan sought general consent from the assembly that a quorum was declared. No objections were offered.

QUORUM DECLARED

RULES OF ORDER

Mr. Krizan sought general consent from the assembly, stating that unless there were any objections to the Rules of Order, this would be considered adopted by unanimous consent.

UNANIMOUS

AGENDA

Mr. Krizan sought general consent from the assembly that unless there are any objections to the agenda this will be considered adopted by unanimous consent.

UNANIMOUS

MINUTES OF 67th ANNUAL MEETING

Mr. Krizan asked all members to refer to the Meeting Minutes included in the meeting kit and posted on the Calgary Co-op website. He stated that unless there were any objections, the Meeting Minutes would be considered adopted by unanimous consent.

UNANIMOUS

EXTERNAL AUDITOR'S REPORT

Mr. Krizan, speaking on behalf of the Board of Directors, recommended the approval of the audited financial report.

MOVED Cathy Murray and **SECONDED** by Jacob Shekter that the External Auditor's Report presented by Ernst & Young be adopted.

CARRIED

APPOINTMENT OF EXTERNAL AUDITORS

Mr. Krizan speaking on behalf of the Board of Directors recommended that Ernst & Young is appointed as auditors for the fiscal year ending November 1st, 2025.

MOVED by Jasmine Newstater and **SECONDED** by Ravindranath Meda that Ernst & Young be appointed as external auditors for the Calgary Co-operative Association for the financial year 2024-2025.

CARRIED

DIRECTOR ELECTION RESULTS

Mr. Krizan congratulated all nominees who ran in this year's director election. Mr. Krizan introduced Kris Kornelson of MNP, LLP, who reported on the director election results:

- Total Ballots cast: 5,193
- Increase in votes cast over 2024 by: 11.2%

The three nominees elected to the Calgary Co-op Board of Directors to serve a three-year term:

- | | |
|--------------------|-------|
| • Suzie Smibert | 2,341 |
| • Sandy Edmonstone | 2,029 |
| • Ken White | 1,847 |

Mr. Krizan thanked all nominees in the director election on behalf of the Board and congratulated and welcomed the Directors that Co-op members had chosen to serve on the Calgary Co-op Board.

UNFINISHED BUSINESS

Mr. Krizan introduced, Parliamentarian, Todd Brand, who will conduct this portion of the meeting.

Mr. Brand noted that there are three resolutions and two bylaw amendments up for a vote. He clarified that all resolutions are non-binding and, therefore, will not automatically take effect but will be considered by the Board of Directors and management in the coming months. In contrast, the bylaw amendments are binding and, if approved, will take effect immediately.

Resolution – Best Advertised Price

WHEREAS: Calgary Co Op's Mission and Vision is to be Calgary's best, most trusted place to shop – everyday and deliver exceptional customer experiences, products and services.

WHEREAS: Grocery items are severely affected by inflation, and it is important to Calgary Co Op Members to buy Co Op items at the best advertised price.

WHEREAS: Purchasing a Cell Phone or other electronic device and related Operating Contracts are costs which increase a persons cost of living and the Federal Government of Canada has asked Grocers to do all they can to make **grocery** prices as affordable as possible.

BE IT RESOLVED:

That Calgary Co Op Members can always buy items and services at Calgary Co Op Stores best advertised price by paying with Cash, Debit Card or Credit Card. Calgary Co Op Members are not required to pay for their purchases by using a Cell Phone or other Electronic Device in order to receive the best advertised price available at Calgary Co Op Stores.

MOVED by Brian Fry and **SECONDED** by Rebecca Aizenman.

CARRIED

Resolution – Patronage Return

WHEREAS: At some time around early 2024, Calgary Co-op stated that “we are changing how patronage is paid”, and Member-Owners who now have the Calgary Co-op digital app “receive [their patronage return] as a lump sum ... each year in the Bonus Cash Bubble of their Calgary Co-op app”.

Previously, members would receive their patronage return annually through a physical cheque and would be free to spend their patronage return on anything they wished. Downloading the digital app now forces Member-Owners to spend their patronage return directly at Calgary Co-op stores.

Calgary Co-op encourages Member-Owners to download the digital app through vibrant marketing that advertises “Get \$5 Bonus Cash instantly”, but most of the same marketing does not prominently feature the fact that by downloading the digital app, members effectively forfeit their ability to receive their patronage return via a physically-mailed cheque anymore.

WHEREAS: Global News published a news story on Jan 22, 2024 titled “Calgary Co-op faces backlash over its new membership rewards program” (available at: <https://globalnews.ca/news/10243125/calgary-co-op-new-membership-rewards-program-backlash/>) where “several loyal customers of Calgary Co-op [voiced] their concerns over the company’s new membership rewards program.” In the article, a Member-Owned [sic] stated “It just feels like they’re giving you money and then taking it back and keeping it in the company...”

WHEREAS: On their website (<https://www.calgarycoop.com/patronage-faq/>) Calgary Co-op states a reason for this change is that “As a Co-operative we must manage our operating expenses to maintain our patronage levels.” However, a review of Calgary Co-op’s consolidated financial statements (October 28, 2023) appears to show that the Co-operative is in a healthy financial position, and there also appears to be no indication that a reduction in operating expenses is necessary in order to maintain patronage levels.

BE IT RESOLVED: That regardless of whether or not a Member-Owner has signed up for Calgary Co-op’s digital app, Calgary Co-op will allow Member-Owners the option to choose how to receive their Patronage Return either as (a) a physically-mailed cheque (without any additional postage, handling, administration, or other fees, as it so used to be), or (b) via the ‘Bonus Cash Bubble’ of their Calgary Co-op digital app.

MOVED by Trent Cherak and **SECONDED** by Shane Cullen.

CARRIED

DESTRUCTION OF BALLOTS

Mr. Brand noted that the destruction of ballots from the 2024 Annual Meeting was not addressed during that meeting. If there are no objections, this matter will be considered carried by unanimous consent.

UNANIMOUS

NEW BUSINESS

Parliamentarian Todd Brand referred to the material provided in the member kits.

Proposed Bylaw Amendment to Reduce the Annual Spend Required to be Eligible to be a Director

WHEREAS: Section 5.05 (a) of the Bylaws of the Calgary Co-operative Association Limited ("Calgary Co-op") currently states that a Member-Owner may be elected and continue to serve on the Board only if and for so long as the Member-Owner...5.05 (a)(ii) "as Member-Owner, whether alone or as the holder of a joint membership, has made purchases from the Co-op in the immediate preceding fiscal year of at least \$3,600".

WHEREAS: The eligibility requirement to spend \$3,600 in the previous year is limiting Calgary Co-op in considering potential qualified candidates in experience, knowledge and skillsets who fall short of the minimum spend, that may negatively impact the quality of the decision-making process for specific areas of corporate and operation team investment strategies.

WHEREAS: Living location, family income and/or the competitiveness ability of Calgary Co-Op, may impact candidates' decisions to shop at Calgary Co-op or not. Lowering the requirement to \$1,600 in a given year, especially for singles, is more doable financially, and opens up the competition to other candidates who may be qualified.

BE IT RESOLVED: That the amendment and restatement of section 5.05(a)(ii) of the Bylaws as follows is approved and confirmed: 5.05(a)(ii) "as Member Owner, whether alone or as the holder of a joint membership, has made purchases from the Co- op in the immediate preceding fiscal year of at least \$1,600".

DEFEATED

Proposed Bylaw Amendment to Align Language

WHEREAS: Calgary Co-op bylaw Section 5.08 outlines the rules around removal of a director: and

WHEREAS: The Board requires the authority to remove a direction for breaching the Co-op Code of Conduct; and

WHEREAS: The wording of the current section is ambiguous;

THEREFORE, BE IT RESOLVED: that Bylaw 5.08 (ii) be amended as follows:

The Director has been found to have breached the Co-op Code of Conduct.

And that the following definition be added to Bylaw Article 1.01 Definitions, and that the current definitions be renumbered as necessary:

“Co-op Code of Conduct” means any code of ethics and/or code of conduct now or hereafter adopted by the Co-op as amended or supplemented from time to time.

CARRIED

Resolution – Price Matching

WHEREAS: The cost of food purchased from grocery stores in Canada continues to increase.

According to Statistics Canada’s Consumer Price Index: Annual review, 2024, “prices for groceries remained elevated,” and price growth for food purchased from stores increased by +7.8% in 2023, and +2.2% in 2024.

Calgary Co-op grocery and liquor stores appear to charge premium prices for the vast majority of their products available in-store. Their products are sometimes discounted by nominal ‘app offers’ (such as: “Buy 4 Fresh gourmet 142g croutons get the 5th free, available until Mar 26, 2025), whereas other stores’ grocery pricing strategies such as Walmart’s appears to revolve around an “everyday low price” approach.

Online users express frustration with Calgary Co-op’s apparent premium pricing strategy, asking, “Is there a reason Calgary Co-op is more expensive for groceries?” and further stating:

I needed to go in for some gluten-free flour, Kraft peanut butter, and toothpaste.

The flour was \$10.99 (\$8.50 at Walmart and on Amazon)

The 2kg peanut butter was \$12.99 (8.89 at Walmart and \$8.99 on Amazon)

The toothpaste is \$5.99 for 65ml (3 pack of 110ml tubes for \$10.99 at Walmart)

Unfortunately, Calgary Co-op does not currently offer price matching at its grocery or liquor stores, whereas many other stores across Canada do.

WHEREAS: Save-On-Foods goes the extra mile and states “We Match flyer prices if a competitor within our geographical trade area offers a lower advertised flyer price than our current in-store price on any identical grocery item”.

(<https://www.saveonfoods.com/sm/planning/rsid/1982/price-match>)

Real Canadian Superstore states “Ad Match: We’ll match prices when you show us a lower advertised price.” (<https://www.realcanadiansuperstore.ca/en/save-for-real#ad-match>)

IGA grocery stores have an “Unbeatable Price Guarantee” where “If a major supermarket competitor within this store's geographic trade area offers a lower price on any item we post in a flyer with an "Unbeatable Price" tag, we will sell you that item for 1¢ less than the competitor's price upon presentation of the competitor's flyer”.

(https://www.iga.net/en/utilities/unbeatable_price_guarantee)

Sobeys grocery stores have a “Verified Prices promotion” where “if a product in [their] flyer with the Verified Prices icon is available at a lower price at a selected competing supermarket, you will automatically get the difference in Scene+ points.”

(<https://www.sobeys.com/en/verified-prices/>)

WHEREAS: Liquor Depot liquor stores in Alberta offers a “Price Match Guarantee” where “If a competitor has a lower price ... simply show an advertisement for that price and we will sell you that item at the same price as that store.” (<https://liquordepot.ca/pages/price-match-guarantee>)

Real Canadian Liquorstore liquor stores in Alberta say, “See a lower price? We’ll match it.” where “if you happen to find a competitor with a lower price on the identical item, show us and we'll match it”. (<https://www.realcanadianliquorstore.ca/about-us/>)

WHEREAS: One of Calgary Co-op’s values is “Service: our customers’ needs drive us to deliver exceptional shopping experiences.” As part of delivering an exceptional shopping experience, Calgary Co-op should offer price matching.

Price matching can be a great strategy for retailers as it can lead to increased sales, enhance customer trust, and help maintain a competitive edge in the market by ensuring customers feel they are getting the best possible price.

BE IT RESOLVED: That similar to how many other stores offer, Calgary Co-op grocery and liquor stores should offer price matching for its Member-Owners.

DEFEATED

ATTENDANCE

Mr. Brand announced that there were 280 people in attendance at the meeting, with 258 members and 22 guests.

DESTRUCTION OF BALLOTS

Mr. Brand asked for a resolution to have the ballots destroyed by MNP after June 30th, 2026, providing that there be no disputes regarding the outcome of the election. If there are no objections, this matter will be considered carried by unanimous consent

UNANIMOUS

QUESTION PERIOD

Parliamentarian Todd Brand referred to the comment cards that had been submitted and noted that these would be addressed first. Any comment cards not addressed during today's meeting will receive a response from Management in the coming weeks.

Due to time constraints, Mr. Brand announced the close of the question period and turned the meeting back over to Mr. Krizan.

TERMINATION

Mr. Krizan requested members to return voting units and recycle their meeting kits by leaving them on the table in the lobby.

The meeting terminated by operation of time.