

Update from Phil

We received news today that the United Food and Commercial Workers' Union local 1518 applied to represent the employees of MEC's Victoria store. We respect our staff's right to freedom of association. In order to ensure you have the information you're looking for to make an informed decision, we will have members of our Executive Team on-hand at the Victoria store over the next few days. Please see information below and let me, or other members of your leadership team, know if you have any questions or concerns.

- On October 28, 2019 the United Food and Commercial Workers' Union local 1518 applied to represent the employees of MEC's Victoria store – if successful, this will mean that the Union becomes the sole bargaining agent for terms and conditions of employment and your direct relationship with the Co-op will change.
- The Union's application will be processed by the BC Labour Relations Board. If it has enough support, the Board will schedule a vote within 5 business days of the application. If there is a vote, this important decision will be determined by the majority of people who vote, so it is important to participate and to know all of the facts.
 - If only 25 people show up to vote, this decision will be made by as few as 13 people. It is important that you vote.
- The Union applied to add the Victoria store to its Vancouver certification.
 - The Vancouver store unionized in April and MEC has been meeting with the Union trying to achieve a first collective agreement since June.
 - That process has not concluded, and the parties are now at an impasse in bargaining.
 - There is mediation scheduled this week, but if the parties cannot reach agreement, the Vancouver store could be in a position to engage in a strike within a couple of weeks.
- MEC was not consulted by the Union about its application. We cannot say why the Union chose to attach the Victoria store to the much bigger Vancouver location rather than its own certification.
 - If these 2 locations were combined in one bargaining unit, the Victoria employees will always be in the minority.
 - In addition, the Victoria store would be placed into the same bargaining position as the Vancouver store, which is currently at impasse.
- MEC's current financial outlook is difficult. We call it Crunch Time. Our Co-op is being pressured by stiff competition and the challenges currently facing all "bricks and mortars" retailers. We recently shared our financial status with the union bargaining committee and the union's financial consultant under a strict non-disclosure agreement. We later reviewed our financial information again, in more detail, with the union's financial consultant and our interim Chief Financial Officer. We shared major confidential information, which even our banks have not seen yet, because we felt the information was important in understanding the seriousness of our situation in BC and across the Co-op. We are confident that sharing our financial information will help the bargaining committee make an informed decision on your behalf.
- We're just wrapping up the final focus group sessions with that last one scheduled here on Friday.
- We are a newly formed executive team and really just getting started. We've heard from you, we've got lots of information from across the country to action, we're asking that you give us some time to do that, to work collaboratively with us on our operating model.
- Members of executive team are present in the store and want to address any questions in-person or via email.

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Mountain Equipment Co-operative



To All Victoria MEC Staffers:

Today you get to vote on whether to be unionized or not.

As a reminder, the Union wants the Victoria store to be tied with the Vancouver store for collective bargaining purposes. That is what you have the opportunity to vote on today.

The Union also says that mediation for the Vancouver store "ended positively". MEC does not agree. A positive ending to mediation is agreement. We did not reach an agreement with the Union. The result of that failure to reach an agreement means a Labour Relations Board arbitrator will make recommendations on what comes next.

We were disappointed that the Union's handout was not accurate. It seemed to be more about getting your vote than it was about letting you know the facts.

It said that MEC is "anti-union". That is not true. MEC has had unionized employees for a number of years. As a Co-op, MEC operates in accordance with its core values at all times. That is how MEC has dealt with bargaining with the Vancouver store, and it is how MEC treats all its stores.

The next steps in the Vancouver bargaining process (which the Union wants to join you to) are:

1. a Labour Relations Board required arbitration process dictating the collective agreement for the bargaining unit;
2. another mediation process, which includes an arbitration with a binding outcome; or
3. there could be a strike or lockout.

We will know which option is chosen by the end of the week, but if the Victoria store votes to join the Vancouver store, and the Labour Relations Board agrees it is appropriate that they should be combined, the Victoria store will have to live with the outcome.

Over the last few weeks, MEC leadership has talked about Crunch Time. It applies to Victoria the same as every other location. Our Co-op cannot continue the trend of losing money every year. This leads to the Crunch Time question "Will this save the Co-op?" Every decision we make should answer this question. Please consider that question when voting today

Mountain Equipment Co-op