



This is the 1st affidavit of
Lorne Hoover in this case and
was made on November 12, 2020

No. S-209201
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF MOUNTAIN EQUIPMENT CO-OPERATIVE
AND 1314625 ONTARIO LIMITED

Petitioners

AFFIDAVIT #1 OF LORNE HOOVER

I, Lorne Hoover, Retail Process Manager of Vancouver, in the Province of British Columbia
affirm that:

1. I have personal knowledge of the facts and matters referred to by me except where indicated on information and belief and where so stated I verily believe them to be true.
2. I was hired by MEC on July 7, 1999 and was terminated on October 14, 2020, without any severance after 21 years and 3 months of employment.
3. As far as I am aware, I signed at least one, and possibly two, written contracts governing the terms of my employment and severance until May 7, 2018. On May 7, 2018 I was required to sign a different contract. A copy of the covering letter and contract is attached as exhibit "A".
4. I was offered a temporary assignment as a Retail Process Manager and signed a contract which purported to govern my terms and conditions of employment—including severance—until November 30, 2019.
5. Although I kept working full time as a Retail Process Manager until my termination, I never signed another written contract with MEC.
6. I was not certain as to my contractual status and was therefore very thankful to receive advice about my situation with Colin Gusikoski of Victory Square Law Office.
7. After my termination I joined a Facebook group called "Former MEC Staffers", which is comprised of employees who have been terminated by MEC ("Facebook Group").



January 18, 2019

Dear Lorne Hoover,

We are delighted to offer you the position of Retail Process Manager - ERP with MEC starting May 7, 2018 and ending November 30, 2019.

We pride ourselves on seeking out and finding energetic, enthusiastic stars – people like you who will Bring it to MEC in everything you do. This is a vibrant work environment where you're surrounded by people who believe in one another: people who work together to make things happen.

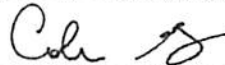
Whether you're working directly with our members or behind the scenes, you are part of a collaborative team who cares about getting people outside to live healthy, active lives. We're stoked that you're going to be helping us deliver on a promise to our members that with every conversation, every piece of advice, every transaction – we get people outside. Now to the details of the job offer. The terms and conditions of your employment are detailed in the following pages. Please review them carefully, because when you sign them, they will form an employment agreement between you and MEC.

When you have reviewed and signed the Terms and Conditions of employment, sign in the space provided, date it and email it to Nancy.Blair@mec.ca and pxis@mec.ca. We must have your signed Terms and Conditions back before you can start work.

We look forward to welcoming you to MEC and working with you. Let the adventure begin!

Kindly,

The MEC Team

This is Exhibit "A" referred to in the
Affidavit of Lorne Hoover
Sworn before me at Vancouver
This 12 day of November 2020

A Commissioner for taking Affidavits
within British Columbia



Terms and Conditions of Employment (the "Agreement")

1. **Conditions of Job Offer:** This offer is subject to you providing MEC with satisfactory proof that you have the legal right to work in Canada.
2. **Base Salary:** You will receive a salary of \$85,000 per annum, payable on MEC's regular pay dates. Keep in mind you may be eligible for an annual performance review increase.
3. **Project Completion Bonus (1)**
 - You will be eligible for a bonus of \$7,000.00 at the end of the ERP/POS project, based on successful achievement of the project deliverables as determined by the Project Sponsors.
 - This bonus will be paid out one (1) month after the final "go live" date.
 - This bonus is subject to change, with notice, at any time.
 - The Project Sponsors will also consider a successful completion bonus at the end of ERP Project 3.
- (1) MEC expressly reserves the right not to distribute any bonus or incentive compensation amount in any given year(s).
4. **Vacation (time and pay) and Statutory Holidays:** You will accrue vacation time and vacation pay in accordance with MEC's vacation policy. You may not take vacation time during your induction period. Time off and payment for statutory holidays will be in accordance with the employment standards legislation in the province in which you are employed.
5. **Benefits:** MEC offers a comprehensive benefits program to its employees and their families. MEC reserves its right to alter, amend or discontinue the benefits program at any time in its sole discretion.
6. **Incentive Bonus:** You will be eligible for an annual Incentive Compensation Plan (ICP) Bonus of up to 18% of your annual base salary earnings, based on criteria established annually with your Manager. The ICP is reviewed annually by the Executive Team and is subject to change, with notice, at any time.
7. **Hours of Work:** Your regular work hours and work days will be determined in accordance with established shifts and schedules. Hours and days of work may be changed based on the business needs of MEC. Please talk to your manager for more information. You will not be eligible to overtime (OT Exempt).
8. **Staff Discounts:** The MEC staff discount is 35% off MEC brand apparel and 25% off all brand partners and MEC hardgoods. This discount is given to employees, their spouses and dependents for personal purchases and gifts only. Abuse of the Staff Discount Policy is considered serious misconduct that will be subject to disciplinary action and may result in cancellation of the discount, suspension or termination of employment with MEC for cause.
9. **Promises and Procedures:** It is a term and condition of your employment with MEC that you make yourself familiar with and agree to comply with the promises and procedures of MEC which may be amended from time to time by MEC. A current copy of the MEC Promises Manual is available



on Mondo. Violation of any of these promises and procedures will result in discipline up to and including termination of your employment for cause.

10. **Outside Employment:** Simultaneous employment elsewhere is prohibited if it creates a conflict of interest with your MEC duties and responsibilities. As well, unauthorized use of MEC time for other activities or the undertaking of any projects creating a conflict of interest is prohibited.

11. **Layoff:** You understand and agree that MEC has the right to implement temporary layoffs as business needs dictate and as permitted by applicable employment standards legislation in the province in which you are employed, if temporary layoff is contemplated by such legislation. Such temporary layoff does not constitute termination of your employment, except as and where mandated by applicable employment standards legislation.

12. Termination:

- *Termination For Cause:* MEC may terminate your employment at any time for cause, in which you will not be entitled to any notice of termination, benefits continuation or payment of any kind.
- *Termination Without Cause:* MEC may terminate your employment without cause upon providing you with a Separation Package as follows:
 - i. You will be paid any outstanding wages and vacation pay owed to you as of the date of termination.
 - ii. You will receive such minimum notice of termination, or pay in lieu thereof, continuation of benefits, continuation of vacation pay accrual and statutory severance pay (if applicable), as required by the employment standards legislation in the province in which you work, as amended from time to time. For greater certainty, on termination of your employment without cause, you will receive any and all entitlements for which you are eligible and are required by the employment standards legislation in the province where you work. Also, in the provinces where it is required by applicable employment standards legislation, and only for the duration required by such legislation, MEC will continue to make its premium contributions on your behalf so as to provide for your participation in the MEC's benefit program in which you participate at the time of the termination of your employment.
 - iii. Subject to your termination and return of a Release, MEC will pay you an additional Separation Payment equal to the sum of (A) one (1) week of base salary for each year worked up to five (5) years of continuous service; plus (B) two (2) weeks' base salary for each year worked without interruption after five (5) years of continuous service. Partial years of service will be pro-rated by the completed month of service. The maximum Separation Payment to which you will be entitled based on the service calculation above will be forty-four (44) weeks' base salary.



- **Resignation By You:** You may terminate your employment at any time by providing MEC with fourteen (14) days' notice of resignation. MEC in its sole discretion may waive all or a portion of the resignation notice period by providing you with the base salary you would have received during the waived portion of the resignation notice period and by maintaining your benefits for the waived portion of the resignation notice period.
- **Fair and Reasonable:** You hereby confirm that the notice and pay instead of notice provisions set out above in this "Termination of Employment" section are fair and reasonable, and satisfy any and all common law, contractual and statutory entitlements you may have on termination of your employment. You agree that upon any termination of your employment in accordance with this section you will have no action, cause of action, claim, complaint or demand against MEC or any other person as a result of such termination. You further agree that this "Termination of Employment" section will apply to you throughout your employment with MEC, regardless of any changes to your position, compensation or duties.

13. Future Changes: As business needs change, MEC may change your title, duties and/or responsibilities, compensation, benefits, reporting arrangements and location. You understand and agree that such changes will not breach the terms of your employment agreement with MEC or cause the termination of your employment, constructively or otherwise.

14. Acknowledgement and Acceptance: By my signature below, I acknowledge that I have reviewed this offer letter and agree to be bound by its terms as well as the MEC Promises Manual. I specifically acknowledge that I have reviewed and agree to the provisions of the "Termination of Employment" section of this letter.

I acknowledge that I can request and receive a copy of all the contents of my personnel file including this Agreement.

I am aware that if, at any time, I have questions regarding MEC's promises and procedures, I should direct them to my direct supervisor, store/department manager or the PX Team pxis@mec.ca.

I understand and agree that I have had the opportunity to consult with a lawyer before signing this Agreement. I represent that I have read this Agreement and understand its contents and I agree to be bound by the terms of this Agreement as my own free act.

Print Employee Name: _____

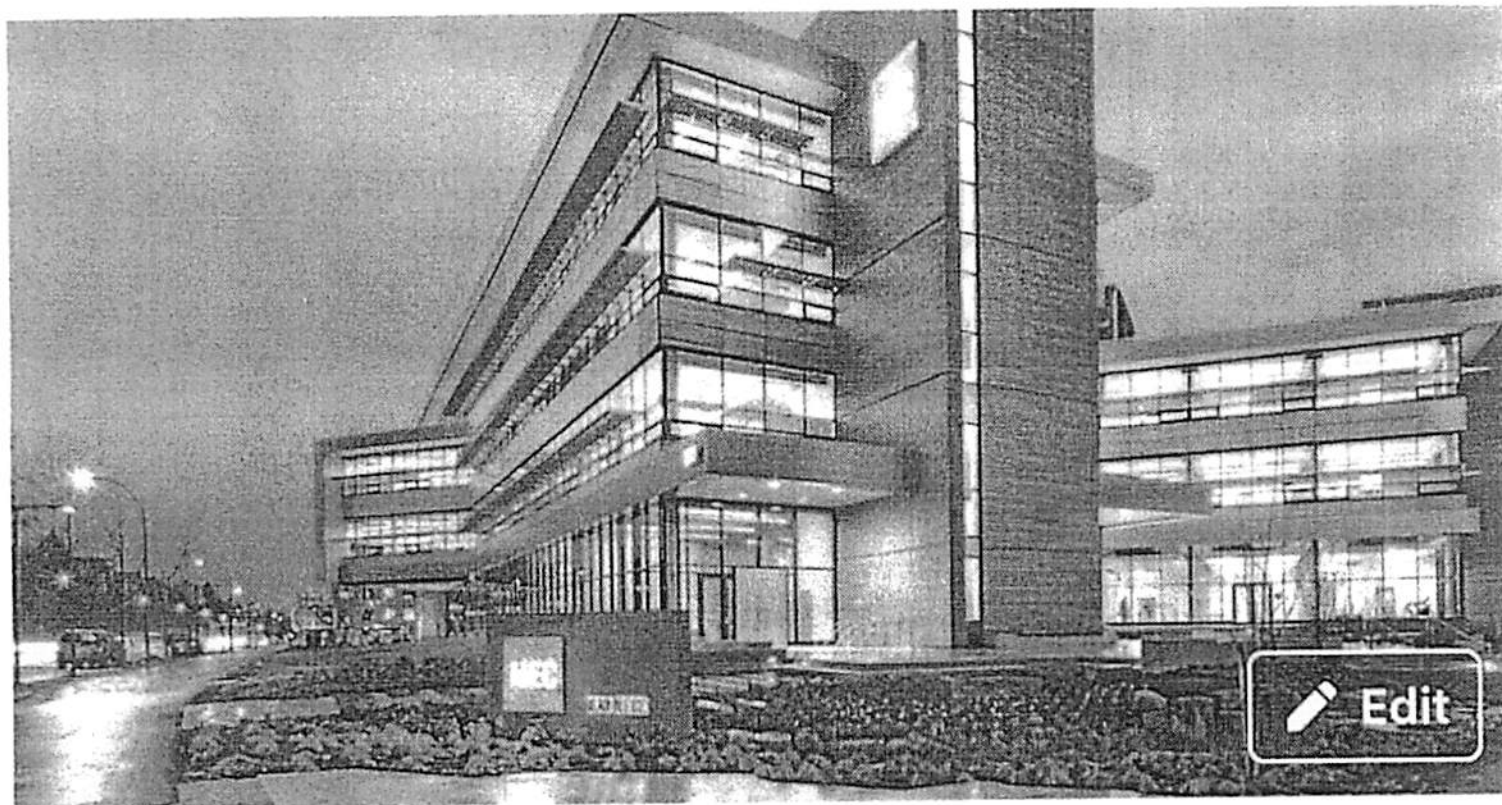
Employee Signature: _____

Date of Signature: _____

This is Exhibit "B" referred to in the
Affidavit of Lorne Hoover
Sworn before me at Vancouver
This 12 day of November 2020

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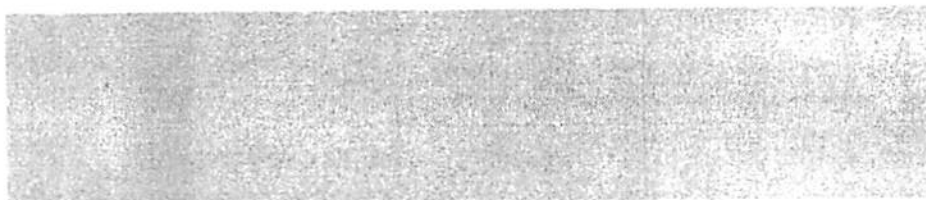
A Commissioner for taking Affidavits
within British Columbia



Edit

Former MEC Staffers >

PRIVATE GROUP · 85 MEMBERS



+ Invite

Rooms

Watch Party

Photos

Events