

## CLIMBING ESCALADE CANADA

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF MEMBERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting of the Class A members (“**Members**”) of Climbing Escalade Canada (“**CEC**”) is to be held on Tuesday September 26, 2023, commencing at 7:00 pm (EST) via live webcast online through Zoom: <https://us02web.zoom.us/j/83732107579?pwd=QzIBak9GMW0xdUQ0RFICeXorNVpCZz09> (the “**Meeting**”).

The Meeting will be held for the following purposes:

1. to receive and consider the audited financial statements of CEC for the financial year from April 1, 2022 to March 31, 2023, together with the notes thereto and the report of the auditors thereon;
2. to confirm and approve the amendment to CEC General By-Law No 1;
3. to fix the maximum number of directors to be elected at the Meeting;
4. to elect the directors of the CEC to hold office for the terms specified;
5. to approve temporarily dispensing the CEC with appointment of a Public Auditor until further notice; and
6. to transact any other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Further details regarding the recommended directors’ nominees will be circulated shortly.

A Member may attend the Meeting in person or may be represented by proxy. Any Member who is entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder, and one or more alternate proxyholders, who are not required to be Members, to attend and act at the Meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. To be valid, a proxy must be received by CEC Attention: Joachim Stroink at [chair@climbingcanada.ca](mailto:chair@climbingcanada.ca) not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof.

Late instruments of proxy may be accepted or rejected by the Chair of the Meeting in his or her sole discretion and the Chair is under no obligation to accept or reject any particular late instrument of proxy. Only the Class A Members will be entitled to receive notice of and to vote at the Meeting.

## **Business to be considered at the Meeting**

### 1. *Financial Statements*

The audited financial statements for the financial year from April 1, 2022 to March 31, 2023, together with the notes thereto and the report of the auditors thereon will be placed before the Meeting. Copies of the foregoing financial statements can be obtained from CEC's Executive Director upon request free of charge and will also be made available at the registered office of CEC and at the Meeting.

### 2. *Amendments to General By-Law No 1*

At the Meeting, Members will be asked to approve an ordinary resolution approving amendments to CEC General By-Law No 1, substantially in the form attached hereto as Schedule A (the "**By-Law Amendments**").

The By-Law Amendments are primarily intended to ensure compliance with the Canadian Sport Governance Code (the "**Code**"), which is set to become a prerequisite to receiving Sport Canada funding. Members have been consulted by the Governance Committee of the Board and encouraged to provide feedback and input on the By-Law Amendments.

The By-Law Amendments are set out in a "track changes" format to allow Members to easily see changes. If the By-Law Amendments are confirmed, approved, and adopted, the changes will be accepted, comments will be deleted, and the document formatted and translated into French before being uploaded to CEC's website.

The text of the resolution that will be placed before Members at the Meeting adopting the By-Law Amendments is set forth below:

**"BE IT HEREBY RESOLVED** as an ordinary resolution of the Members of CEC ("CEC") that the amendments to CEC General By-Law No 1, substantially in the form attached to the Notice of Annual General and Special Meeting of Members to be held on September 26, 2023, confirmed, approved, and adopted with all such additions, deletions and amendments thereto as any one director or officer of CEC deems necessary, advisable or useful."

In order to be effective, the foregoing resolution must be passed by not less than a majority of the votes cast by Members who vote in person virtually or by proxy in respect of this ordinary resolution.

### 3. *Fixing the Number of Directors*

At the Meeting, Members will be asked to consider and, if deemed advisable, to pass an ordinary resolution fixing the maximum number of directors to be elected to the Board at the Meeting.

The CEC's articles stipulate there shall be not more than 15 and not fewer than one director. Further, the Canadian Sport Governance Code (the "**Code**") recommends that the Board consist of not more than 11 and not fewer than seven directors. In accordance with CEC's constating documents and the *Code*, the Board will make a recommendation that either ten or eleven

directors be appointed. The final recommendation, including the text of the resolution that will be placed before Members at the Meeting, will be provided to Members shortly. The increase in the number of directors as compared to the current composition will allow the Board to comply with increased athlete representation and diversity requirements imposed by the *Code* and the amended By-Laws.

The amendments to the By-Laws set out new term limits of two years for directors. It is anticipated that, following the meeting, CEC will have either ten or eleven directors, all of whom have been duly elected with a majority of support, and that roughly half of such directors will hold office until the next annual general meeting or until they resign or their successors are duly elected or appointed, and the other half of directors will hold office until the 2025 annual general meeting or until they resign or their successors are duly elected or appointed.

#### 4. *Election of Directors*

At the Meeting, Members will be asked to separately elect the recommended nominees proposed by the Board, to hold office in accordance with the term limits set out in the amended By-Laws. Each director nominee will be elected on an individual basis and not as members of a slate.

No later than one week prior to the Meeting, CEC will provide Members with a table setting out a brief description of the director nominees recommended by CEC for election at the Meeting, including their name and province and country of residence, the date each individual first became a director of CEC, if applicable, the length of term they will serve, and a brief biography and prescription of their principal occupation. The information contained therein will be based upon information furnished by the respective nominees.

#### 5. *Temporarily Dispensing with Public Accountant or Auditor*

KPMG has served as the auditor of the CEC since December 2019. It is becoming increasingly impractical for CEC to pay the high rates charged by KPMG. CEC is actively looking for more cost-effective auditors but needs more time to find a suitable option. As such, the Board recommends that the Members temporarily dispense with the requirement to appoint a Public Accountant or Auditor until February 2024. This motion requires unanimous consent by the Members entitled to vote at the Meeting.

The text of the resolution that will be placed before Members at the Meeting temporarily dispensing with the appointment of a public accountant or auditor is as follows:

**“BE IT HEREBY RESOLVED** unanimously by the Members of CEC (“CEC”) that members temporarily dispense with the appointment of a public accountant or auditor. The Board shall recommend to the Members a more cost-effective auditor for appointment no later than February 29, 2024. If the Members do not approve a new auditor by February 29, 2024, KPMG shall be reappointed as auditor of CEC to hold office for the ensuing year until the close of the next annual general meeting of Members or until KPMG is removed from office or resigns, at a remuneration to be fixed by CEC’s Board of Directors.”

In order to be effective, the foregoing resolution must be passed unanimously by the Members entitled to vote at the Meeting. If the motion fails, KPMG shall continue to serve as auditor of CEC.

6. *Other Business*

CEC is not aware of any other matters to come before the Meeting, other than those set out in this Notice of Meeting.

**SCHEDULE A**

**Form of Amendments to CEC General By-Law No 1**

**(see attached)**