FDFA Operator's Draft Meeting Minutes
Annual Convention
Hyatt Hotel – Toronto, ON
November 13th, 2016

Description	Action
1. Call to Order The meeting was called to order at 8:30am on Sunday, November 13th, 2016 by Peter Brain. Laurie Karson and Peter Brain welcomed the operator members to the FDFA Operator's meeting being held at the Hyatt Hotel in Toronto, ON for the 31stth Annual Convention 2016. **<u>The special guests/presenters/media attendance included for meeting:</u>** Brent McRoberts, CBSA (Director General), Diane Brisebois (President of RCC), Michael Pasternak (Travel Markets Insider), and Wendy Morley (Americas Travel Duty Free Magazine), David Tran (DFNI), Dermot Davitt (Moodie Report) and Chris Madden (Frontier Magazine).	**NOTE: All Presentations including the full FDFA PowerPoint presentations provided on secure Operator only Portal Page via FDFA Members Only site**.
2. November 2016 Operator Member Roll Call, Review of November 2016 Draft Agenda and November 2015 Operator's meeting Draft Meeting Minutes Review and Approval Simon Resch conducted operator roll call for the November 13th Operator's Meeting. **<u>Attendees:</u>** Abbotsford Duty Free, Ambassador Duty Free, Altan Duty Free, Carway Duty Free, Blue Water Duty Free, DFS Ventures, BHT de L'Est, BHT de Stanhope, Importations Guay Ltee, Niagara Duty Free, Tobacco Plains Duty Free, West Coast Duty Free, Philipsburg Duty Free, Osoyoos Duty Free, Kingsgate Duty Free, BHT de Highwater, BHT de Beauce Duty Free, Sault Ste. Marie and Windsor Duty Free **FDFA Members Non-Attendance:** North Portal Duty Free, Peace Garden Duty Free, Aldergrove Duty Free, Peace Bridge Duty Free and Fort Duty Free Simon requested proxies from the floor and noted one proxy was submitted to FDFA prior to meeting: **Proxy Received**: Kitt's Duty Free proxy to DFX Ventures accepted **Total Stores Represented at meeting– 20 Stores of 25 Stores.** Simon Resch noted that quorum for the operator's meeting has been met. The draft Operator's agenda for the meeting was reviewed for the November 2016 Operator's meeting. Simon Resch also reviewed the November 2015 draft operator's minutes from Vancouver, B.C. and requested that if anyone had any amendments,	**Motion was made to approve the draft November 13th, 2016 agenda. Motion by Cam Bissonnette and seconded by Ralph Caria. All approved.** **Motion: draft November 2015 Operator minutes from the FDFA Operator Meeting held in Vancouver, BC at the Westin Hotel - Motion: Gerry Lee approved and Michael Resch seconded – All Approved.**

deletions or comments to provide at the meeting. **3. Welcome and Opening Remarks:** • Peter Brain, President of the FDFA welcomed everyone to the meeting and opened the meeting by noting that the structure of this meeting and its focus on the CBSA presentation, Strategic Review of the future convention, Strategic goals of the FDFA and the new FDFA Board of Directors. • He reviewed the core objectives of the FDFA and the objectives of the industry such as collaborations, economies of scale, information sharing, government relations unity, etc. • Given the changing landscape of our business including that of supplier businesses and how they conduct business with the Canadian industry, we also need to evolve. He also noted that the political landscape and its priorities continue to evolve i.e. tobacco, new government, etc. • There was a review of the opportunities that the industry should be focused on i.e. branding, pricing and promotions, investment in innovation.	
4. Treasurer's Report – Peter Brain • Peter Brain reviewed the Statement of Operations and highlighted the largest revenue deficits which were noted in Government Relations pertaining to the RFP review, legal costs surrounding, GR travel, etc. This GR issue also impacted the board budget due to legal costs to restructure board composition. • The budget was also impacted by the Convention forecast, and are predicting a 20K deficit for the end of 2016. Overall, operations were kept in line with budget and minimal spend on national marketing due to other priorities. **Executive Director's Report** • Laurie reviewed the key goals of the meeting and detailed the upcoming Board of Directors Elections and the Brent McRoberts presentation. • She highlighted the Las Vegas FDFA Semi-Annual meeting that took place in March 2016. • She noted the spend and limited national marketing activities. Provided a detailed overview of the Toronto Convention 2016, key activities, special guests, etc. • She reviewed the detailed convention tracking chart highlighting the registrations amongst buyers, suppliers, etc. She noted sponsorships for the 2016 show and less operator attendance and its implications. • <u>Strategic Convention Discussion:</u> She noted the Strategic Convention goal for 2017 and the key areas of the convention that would most likely be reviewed including sponsorship, trade floor, location of future shows, how business is going to be conducted. She concluded that the new FDFA Board would be striking a committee to review and potentially present a newly formed convention and consider all options **<u>Board Resolution for Changing Board Composition Size</u>** • The FDFA Board asked the FDFA Operator Membership to consider voting on a proposed resolution to change the current FDFA Bylaws to reflect a 3-person minimum board and up to 6-person (max.) Board. • The members were noted that the board would ask that the members vote on a MOTION to pass the next two years being that of a 5-person Board of Directors. • Recommendation to do so would ensure national equality in regions. • This process would ENSURE that we would never have more than 2 from the	**Motion for approval of 2016 Financial Statement of Operations: Gerry Lee motion and seconded by Abe TaqTaq. All approved.** **ACTION: The new FDFA Board of Directors would be assessing the Strategic Convention and options for evolving the format of the show in 2017.** **Resolution:** Resolution to change the FDFA bylaws to reflect a 3-person minimum board to maximum 6-person board of Directors. The Resolution was moved by: Michael Resch and seconded by Ralph Caria. Moved by all. No opposition and resolution was passed.

same region. Based on size of FDFA voting membership, 5 is considered by CSAE and other high performing associations of our size to be the ideal number.	
CBSA Presentation – Brent McRoberts (Director General) Brent noted that his presentation will not be provided to the FDFA as per their policies • During the meeting, the key presentation points noted the following: • Brent reviewed their organizational chart – with minimal changes in those who oversee the duty-free shop program. • Working with the FDFA on the D432 issue. They have worked with Justice Department on this issue and plan on a Program Integrity Review in order that they have a solid understanding of their position should a similar issue in the future arise. In February 2017, the FDFA should be hearing more information on the progress of this review. He noted that the FDFA would be the only external stakeholders consulted. • He noted that surrounding the sales stats, the privacy commission was still reviewing the status of disseminating our stats, but they have reviewed the FDFA correspondence on reasons to continue with the stats.	**Notation: Mr. McRoberts requested that his presentation not be provided to the members post meeting.**
Retail Council of Canada – Diane Brisbois (RCC) • Diane Brisbois spoke about her role as President of the RCC, and how they represent over 80% of retailers in Canada including the FDFA. Such members include Costco, Walmart, etc. • She discussed the de minimus issue that RCC has been focused on. She noted that changes to the American de minimis level have attracted attention to the issue but it is like comparing apples to oranges as the US does not have a federal sales tax and does not collect state taxes at the border. She noted that they do not agree with Canadian policy makers who want to confer big tax advantages on foreign sellers at the expense of businesses that invest here and employ more than 2.2 million Canadians. She noted that a hike in de minimus revenues for federal and provincial government would be a huge disincentive to investment in Canadian based e-commerce. • She also noted that regarding our industry, we should be vigilant and innovative as we move forward as other industries look to capitalize on duty free.	**Presentation was not provided – Diane preferred to discuss key retail issues without documentation alongside presentation.**
Board of Directors – Elections for 2016 to 2018 • The FDFA members reviewed the new Board election process of the Two-Year Term for 2016-2018. The FDFA recognized the outgoing two-year board and their efforts. • The nominations from the floor were called included: Eastern: Philippe Bachand, Western: Cam Bissonnette, ON: Tania Lee, Open: Simon Resch and Abe TaqTaq. • It was noted that the Tellers if there was a vote were Ralph Caria and Mike Maskery. • No voting was required and board was voted in by acclamation. • The new board was asked to meet and identify their new board positions.	**Motion for new FDFA Board of Directors – 2016-2018. Motion by Peter Brain and seconded by Pierre Guay. All approved.**
Adjournment of Meeting The meeting was adjourned at 4:00pm.	**Adjournment: Simon Resch adjourned meeting.**