



**HEARTLAND**  
FARM MUTUAL  
Agribusiness and Rural Protection

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March 26, 2019

**Heartland Farm Mutual Inc.**

Dear Mutual Policyholder:

The Annual Meeting of Heartland Farm Mutual Inc. is being held on **Thursday May 2, 2019 at the Inn of Waterloo – Strauss Salon A, 475 King Street North, Waterloo, Ontario**. The meeting starts at 1:00 p.m.

We are providing you with the following:

- Notice of meeting and Management Proxy Circular
- Minutes of the Annual Meeting held on May 3, 2018
- Heartland Farm Mutual Inc. 2018 Financial Summary
- Statement of Director Attendance
- Directors Nominated for Election
- Form of Proxy
- Return envelope (to return the Form of Proxy)

Please complete the Form of Proxy using one of the methods indicated on the form. The Form of Proxy assures that even if you cannot attend the meeting, your vote will be counted.

If you would like the 2018 Annual Report complete with the audited financial statements and notes thereto, please contact us and we will be glad to provide you with a copy or you can visit our website [www.heartlandfarmmutual.com](http://www.heartlandfarmmutual.com) to view the document.

We look forward to seeing you and hope you will be able to attend. Please contact Caroline Gordon at 1-800-265-8813 extension 6244 or by email at [policyholderinfo@heartlandfarmmutual.com](mailto:policyholderinfo@heartlandfarmmutual.com) to confirm your attendance.

Sincerely,

Louis Durocher  
President & Chief Executive Officer and Corporate Secretary

Enclosures

## NOTICE OF ANNUAL MEETING OF MUTUAL POLICYHOLDERS

NOTICE is hereby given that the Annual Meeting of Mutual Policyholders of Heartland Farm Mutual Inc. will be held on Thursday, May 2, 2019 at 1:00 p.m. at **The Inn of Waterloo** for the purpose of:

- (a) receiving the financial statements for the year ended December 31, 2018 together with the auditor's and actuary's reports thereon;
- (b) electing directors;
- (c) appointing auditor;
- (d) transacting such other business as may properly be brought before the Meeting.

By Order of the Board  
Louis Durocher  
President and Chief Executive Officer and Corporate Secretary

*Refreshments will be served following the meeting.*

### Management Proxy Circular

#### Solicitation of Proxy

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Heartland Farm Mutual Inc. (the "**Company**") for use at the Annual Meeting of the Mutual Policyholders of the Company (the "**Meeting**") to be held at The Inn of Waterloo, Waterloo, ON on Thursday, May 2, 2019 at 1:00 p.m.

The information contained herein is given as of the **28<sup>th</sup> day of February, 2019** except as otherwise noted. It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by the Directors or employees of the Company. The cost of this solicitation is being paid for by the Company.

#### Record Date

The Board of Directors of the Company (the "**Board**"), by resolution, has fixed **February 28, 2019** as the record date for the determination of mutual policyholders entitled to receive notice of the Meeting. The holder of one or more mutual policies issued by the Company on the record date, or a duly appointed proxy, is entitled to attend the Meeting or any adjournment thereof and is entitled to ONE VOTE, and only one vote, on each issue or matter that is required to be voted upon at the Meeting. Joint policyholders are entitled to one vote between or among them.

#### Revocation of Proxies

Any mutual policyholder who has been given a proxy may revoke it by depositing an instrument in writing, executed by him/her or his/her attorney authorized in writing, at the executive offices of the Company at 100 Erb Street East, Waterloo, Ontario N2J 1L9 on or before the last business day preceding the day of the Meeting or any adjournment thereof, or by depositing such proxy with the Chairperson of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

**Election of Directors**

The following directors were nominated for re-election: Mr. Paul Broadhead, Mr. Larry Binning and Mr. Andrew Dymont each for a three-year term, Mr. Quentin Martin for a two-year term, and Ms. Helen Johns for a one-year term. Mr. John Stein has been nominated as a first time director for election to the Board for a two-year term. Mr. Louis Durocher has been nominated as a director for election to the Board for a one-year term. Mr. Bruce Pearson, Mr. Ronald Hare and Mr. Joseph Facey will retire from the Board on May 2, 2019. Mr. Leslie Card resigned from the Board effective July 9, 2018 and Dr. David Peden resigned from the Board effective January 7, 2019.

The representatives of management, if named as proxy by mutual policyholders, intend to vote at the Annual Meeting for the election of the person nominated above to the Board. Management does not contemplate that the proposed nominee will be unable to serve as a director. If, for any reason, the proposed nominee is unable to serve as such, the representatives of management, if so named as proxy, have the right to vote for any other nominee in their sole discretion.

**Appointment of Auditors**

A firm of auditors is to be appointed by vote of the mutual policyholders at the Meeting to serve as auditors of the Company until the close of the next annual meeting. The Board, on the advice of the Finance and Audit Committee, recommends that the firm of KPMG, LLP be appointed as the auditors. It is intended to vote proxies received from the mutual policyholders in favour of the appointment of KPMG, LLP as auditors of the Company.

**Manner of Voting Proxies**

The mutual policyholder proxies will be voted for, or withheld from voting for, the election of a directors and the appointment of auditors, in accordance with any directions on the proxy or, absent such directions, such proxies in favour of management shall be voted for the election of the director, and for the appointment of auditors as referred to in this Management Proxy Circular.

Management knows of no further matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any matters which are not now known to management should then properly come before the Meeting, or amendments or variations to the matters referred to in the Notice of Meeting are properly proposed, proxies will be voted on such matters, amendments and variations in accordance with the best judgment of the person voting the proxy, which confers such discretionary authority.

The contents and the sending of this Management Proxy Circular have been approved by the Board of Directors of the Company.

Dated this 26<sup>th</sup> day of March, 2019

Louis Durocher  
President and Chief Executive Officer and Corporate Secretary

**Heartland Farm Mutual Inc.**  
**Minutes of the Special and Annual Meeting**  
**May 3, 2018**  
**1:00 p.m. at Inn of Waterloo, Waterloo ON**

<b>Chairman, Secretary and Scrutineers</b>	<p>The Chair of the Board, Paul Broadhead, occupied the Chair and Leslie Card, Corporate Secretary acted as Secretary for the meeting.</p> <p>The Chair requested that Patty Sigiannis and Paul Keyes of Computershare act as Scrutineers for the meeting. There being no objection from the mutual policyholders, Patty Sigiannis and Paul Keyes were so appointed.</p>
<b>Registration Report</b>	<p>The registration report was then received. It showed there were 13 mutual policyholders present in person at the meeting and 214 mutual policyholders represented by proxy.</p>
<b>Notice of Meeting</b>	<p>The Chair requested that Leslie Card, Corporate Secretary table a certificate providing proof of mailing of the notice of meeting, management proxy circular, proxy form, financial statements summary, and publication of the notice of the meeting.</p> <p><b><i>Upon motion duly made, seconded and carried unanimously, it was RESOLVED that the reading of the Notice of Meeting be dispensed with and that the Notice be taken as if read and approved.</i></b></p> <p>The Chair declared that the meeting was called and properly constituted for the transaction of business.</p>
<b>Minutes of the Last Meeting Resolution</b>	<p><b><i>Upon motion duly made, seconded and carried unanimously, it was RESOLVED that the reading of the minutes of the last Annual General Meeting held April 21, 2017 be taken as presented and approved.</i></b></p>
<b>Chair's Remarks</b>	<p>The Chair presented his report.</p>
<b>Auditor's Report</b>	<p>Kim Haley of the firm KPMG LLP, Chartered Accountants, Licensed Public Accountants read the Independent Auditor's Report.</p>
<b>Actuary's Report</b>	<p>Liam McFarlane, the Appointed Actuary, read the Actuary's Report.</p>
<b>2017 Financial Statements</b>	<p>Leslie Card, Interim President / Chief Executive Officer and Chief Financial Officer presented the 2017 financial statements and his review of the financial performance for the year.</p>
<b>Resolution</b>	<p><b><i>Upon motion duly made, seconded and carried unanimously, it was RESOLVED that the financial statements of the Company, including the Actuary's Report and the Independent Auditor's Report be taken as distributed and approved.</i></b></p>
<b>Amendment to By Law One, Section V Paragraph 5.07</b>	<p><b><i>Upon motion duly made, seconded and carried unanimously, it was RESOLVED that the Amendment to By-Law One, Section V, Paragraph 5.07 as set out in the Management Proxy Circular dated March 27, 2018 be confirmed.</i></b></p>
<b>Nomination and Election of Director</b>	<p>The Chair declared the meeting open for the election of a Director.</p>
<b>Resolution</b>	<p><b><i>Upon motion duly made, seconded and carried unanimously, it was RESOLVED that Leslie H. Card be nominated for a one year term, said term to expire at the close of the appropriate annual meeting or upon the election or appointment of his respective successor.</i></b></p> <p>No further nominations having been received in accordance with the Company's By-laws and the Insurance Companies Act, the Chair declared nominations closed.</p>



**HEARTLAND FARM MUTUAL INC.**  
**Statement of Director Attendance**  
**For the year ended December 31, 2018**

**MEETINGS of the BOARD of DIRECTORS**

During 2018, there were nine (9) meetings of the Board of Directors.

The number of meetings attended by each Director: Larry Binning (9/9) Paul Broadhead (9/9); Les Card (4/4), Louis Durocher (5/5); Andrew Dymont (9/9); Joe Facey(9/9); Robert Forbes (9/9) Ronald Hare (9/9); Helen Johns (8/9); Quentin Martin (9/9) Bruce Pearson (8/9); David Peden (9/9), Moira Connell (4/4)

**MEETINGS of the FINANCE and AUDIT COMMITTEE**

During 2018, there were five (5) meetings of the Finance and Audit Committee.

The number of meetings attended by each Director who was a member of this committee: Paul Broadhead (5/5); Andrew Dymont (2/2); Joe Facey (2/2); David Peden (3/3) Ronald Hare (5/5); Helen Johns (5/5); Larry Binning (1/2) Quentin Martin (5/5)

**MEETING of the CONDUCT REVIEW COMMITTEE**

During 2018, there was one (1) meeting of the Conduct Review Committee.

The number of meetings attended by each Director: Larry Binning (1/1) Paul Broadhead (1/1); Moira Connell (1/1); Andrew Dymont (1/1); Joe Facey (1/1); Ronald Hare (1/1); Helen Johns(1/1); Quentin Martin (1/1); Bruce Pearson (1/1); David Peden (1/1); Robert Forbes (0/1)

In accordance with the provisions of the Insurance Companies Act, the above statement of attendance is included as an attachment to the Notice of Annual Meeting of policyholders.

**Directors Nominated for Election or Re-Election to the Board of Heartland Farm Mutual Inc.**



**Larry Binning**

Larry joined the board of Oxford Mutual (now Heartland Farm Mutual) in 2013. Growing up in Perth County on a family farm, he then obtained his Hon. BSc. in 1976 from the University of Waterloo. He spent the next 30 years working in the food processing industry, becoming a key executive at Cuddy Food Products, Cold Springs Farm, and Maple Leaf Foods. Larry was heavily involved in national industry associations, including the Canadian Poultry and Egg Processors Council. He was a representative on the Tariff Quota Advisory Committee, chaired by the Department of Foreign Affairs and International Trade. Larry and his wife Mary Ann have lived in Thamesford for 27 years. The Binnings currently own and operate a family farm near St Mary's Ontario.



**Paul Broadhead**

Paul Broadhead joined the board in 2009 and was elected Chair on April 21, 2017. Paul's primary focus outside of Heartland Farm Mutual is as an advisor to small and medium sized business owners through his company Blackfriar Group Inc. He has a keen interest in the role of corporate director and is a member of the Institute of Corporate Directors (ICD). He is part of a charter group of ICD members who are developing a regional chapter to serve boards in southwestern Ontario.



**Louis Durocher**

Louis Durocher was appointed President and Chief Executive Officer of Heartland effective July 9, 2018. An actuary by profession, Louis is a highly accomplished leader in the property and casualty insurance sector. His most recent position was Chief Risk Officer for Aviva Canada, where he worked with industry regulators and was Advisor to all Board Committees. Previously, he was the Chief Actuary and also led the company's National Commercial Lines and Reinsurance department. During his career, Louis also held a number of senior positions with The Economical Insurance Group and served on various committees for the Insurance Bureau of Canada and other industry boards. Now residing in Waterloo, Louis relates enthusiastically to the values of Heartland with our focus on client and community relationships.



**Andrew Dymont**

Andrew Dymont joined the North Waterloo Farmers Mutual (now Heartland Farm Mutual) board in 2014. Andrew has his Honours Bachelor of Science – Computer & Computer Electronics from Wilfrid Laurier University. He has worked in software development and business system administration for over 25 years. Currently, Andrew is an IT consultant specializing in business process optimization for the construction materials sector. Andrew was raised on a dairy farm just outside of Dundas and now resides on a 50 acre century farm that is primarily cash cropped.



**Helen Johns**

Helen joined the North Waterloo Farmers Mutual board in 2005, and has a Masters in Business Administration from Simon Fraser University. Helen has served as the chair of many committees including the board chair from 2014-2015. She was elected as chair of the Heartland board of directors at its first meeting held on January 6, 2016. From 1995 to 2003, Helen was a Member of Provincial Parliament (MPP) for the riding of Huron Bruce, holding positions as the Minister of Agriculture and Food, Minister of Citizenship, Culture & Recreation, and Associate Minister of Health and Long Term Care. From 2004 to 2011 she worked as the Executive Director of the PC Ontario Fund. Helen and her husband Larry reside in Exeter.



**Quentin Martin**

Quentin Martin joined the North Waterloo Farmers Mutual (now Heartland Farm Mutual) board in the fall of 2007. He is a graduate of Wilfrid Laurier University (BA) and University of Guelph (BSc. Ag) and has experience serving on several agricultural related boards. He is currently chair of SeCan, a national not-for-profit association of over 700 seed producer and processor members. Quentin is president and co-owner with four family members of Wintermar Farms Ltd located north of Waterloo, Ontario. The operation involves the production, conditioning and packaging of seed and whole food grains under the brands Cribit Seeds and Wintermar Grains. Quentin is actively involved in his local community and church. He and his wife Jean have four daughters.



**John Stein**

John is a graduate of Western University, BA (Honors) and subsequently earned his CPA designation in Ontario. He recently retired as a Partner in the global professional services firm Ernst & Young (EY). In his client service role at EY John served a large variety of clients, both public and private, in financial services, real estate, construction and health care. Following his career with EY, John has provided financial advisory services to a variety of business owners in areas of transaction support, tax planning, compliance and financial reporting. John is also a member of the Executive of the Board of The London International Airport and chairs its Finance and Audit Committee. John and his wife Joanne live on a small rural property near Poplar Hill.