



**HEARTLAND**  
FARM MUTUAL

Agribusiness and Rural Protection

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[heartlandfarmmutual.com](http://heartlandfarmmutual.com)

April 2, 2020

**Heartland Farm Mutual Inc.**

Dear Mutual Policyholder:

In order to protect the health of our Employees, Board of Directors and Policyholders during the current COVID-19 pandemic, our Board of Directors has recommended and approved that we hold our upcoming Annual General Meeting by teleconference. The Annual Meeting of Heartland Farm Mutual Inc. is being held on **Thursday May 7, 2020** at 1:00 p.m. Instead of attending in person you are invited to attend by conference call.

**Conference Call Dial-in Numbers:** (+1) 416-764-8673 or Toll Free (+1) 888-780-5892

**Guest Code:** 8832627#

We are providing you with the following:

- Notice of meeting and Management Proxy Circular
- Minutes of the Annual Meeting held on May 2, 2019
- Heartland Farm Mutual Inc. 2019 Financial Summary
- Statement of Director Attendance
- Directors Nominated for Election
- Form of Proxy
- Return envelope (to return the Form of Proxy)

**We strongly encourage you to vote using the attached Form of Proxy in advance of the meeting.** Please complete the Form of Proxy using one of the methods indicated on the form. If you are planning to vote during the meeting, you will be required to have your unique **Holder Account Number** available for voting. This number can be found at the top of the proxy form.

If you would like a copy of the 2019 audited financial statements and notes thereto, please visit our website [www.heartlandfarmmutual.com](http://www.heartlandfarmmutual.com).

Please accept our sincerest apologies for any inconvenience caused to you by this necessary precaution. Your health and safety as a valued Policyholder of Heartland Farm Mutual is our foremost concern. 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 by teleconference.

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 7, 2020 at 1:00 p.m. by Teleconference: Conference dial-in numbers are (+1) 416 764 8673 (Toronto) or (+1) 888 780 5892 (toll free) Guest Code: 8832627#, for the purpose of:

- (a) receiving the financial statements for the year ended December 31, 2019 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

### 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 by Teleconference on Thursday, **May 7, 2020 at 1:00 p.m.**

The information contained herein is given as of the **28<sup>th</sup> day of February, 2020** except as otherwise noted. It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited 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, 2020** 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 Teleconference 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, by mail 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 Teleconference Meeting or any adjournment thereof, or in any other manner permitted by law.

#### Voting by Proxy

Mutual Policyholders may vote by proxy in the manner set out in the Notes to the accompanying Form of Proxy by 1:00 p.m., Eastern Time on April 27, 2020. If a proxy for voting at the Meeting is being submitted by mail, it must be received by the aforementioned date at either of the following addresses: Computershare, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1 or to Heartland Farm Mutual Inc., 100 Erb Street East, Waterloo, ON N2J 1L9.

**Election of Directors**

The following directors were nominated for re-election: Mr. Robert Forbes and Ms. Helen Johns each for a three-year term. Dr. Mary Kelly and Ms. Gayle Whittamore have been nominated as first time directors 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.

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 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 directors, 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 2<sup>nd</sup> day of April, 2020

Louis Durocher  
President and Chief Executive Officer and Corporate Secretary

**Heartland Farm Mutual Inc.  
Minutes of the Annual Meeting  
May 2, 2019  
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 Louis Durocher Corporate Secretary acted as Secretary for the meeting.</p> <p>The Chair requested that Kate Stevens and Josette Koffyberg of Computershare act as Scrutineers for the meeting. There being no objection from the mutual policyholders, Kate Stevens and Josette Koffyberg were so appointed.</p>
<b>Registration Report</b>	<p>The registration report was then received. It showed there were 18 mutual policyholders present in person at the meeting and 200 mutual policyholders represented by proxy.</p>
<b>Notice of Meeting</b>	<p>The Chair requested that Michele Falkins, Vice President and CFO 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 Special and Annual Meeting of Policyholders held May 3, 2018 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 Public 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 Opinion.</p>
<b>2018 Financial Statements</b>	<p>Michele Falkins, Vice President and Chief Financial Officer presented the 2018 financial statements and her 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>Nomination and Election of Directors</b>	<p>The Chair declared the meeting open for the election of Directors.</p>
<b>Resolution</b>	<p><b><i>Upon motion duly made, seconded and carried, it was RESOLVED that the directors named and for the terms set out in the Management Proxy be NOMINATED to the Board of Directors.</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>
<b>Resolution</b>	<p><b><i>Upon motion duly made, seconded and carried, it was RESOLVED that the directors named and for the terms set out in the Management Proxy be ELECTED to the Board of Directors.</i></b></p>

**Appointment of  
Auditors  
Resolution**

*Upon motion duly made, seconded and carried unanimously, it was RESOLVED that KPMG, LLP, Chartered Public Accountants, Licensed Public Accountants, be appointed as the independent auditors of the Company until the next annual general meeting of the policyholders or until a successor is appointed at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix the remuneration.*

**Presentation by  
President and CEO**

President and Chief Executive Officer, Louis Durocher provided his remarks.

**Comments and  
Questions**

The Chair invited questions from the mutual policyholders.

**Termination of  
Meeting  
Resolution**

*Upon motion duly made, seconded and carried unanimously, it was RESOLVED that the meeting be terminated.*

Approved at the Annual Meeting this      day of      2020.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chair

**HEARTLAND FARM MUTUAL INC.**  
**Statement of Director Attendance**  
**For the year ended December 31, 2019**

**MEETINGS of the BOARD of DIRECTORS**

During 2019, there were eleven (11) meetings of the Board of Directors.

The number of meetings attended by each Director: Larry Binning (11/11) Paul Broadhead (11/11); Louis Durocher (11/11); Andrew Dymont (10/11); Joe Facey (4/4); Robert Forbes (8/11) Ronald Hare (4/4); Helen Johns (11/11); Quentin Martin (11/11) Bruce Pearson (4/4); John Stein (8/8)

**MEETINGS of the FINANCE and AUDIT COMMITTEE**

During 2019, 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); Ronald Hare (2/2); Helen Johns (5/5); Quentin Martin (5/5); John Stein (3/3)

**MEETINGS of the RISK COMMITTEE**

During 2019, there were five (5) meetings of the Risk Committee.

The number of meetings attended by each Director who was a member of this committee: Larry Binning (5/5); Paul Broadhead (5/5); Andrew Dymont (3/3); Joe Facey (2/2); Robert Forbes (5/5); Bruce Pearson (1/2)

**MEETINGS of the CORPORATE GOVERNANCE COMMITTEE**

During 2019, there were four (4) meetings of the Corporate Governance Committee.

The number of meetings attended by each Director who was a member of this committee: Paul Broadhead (4/4); Andrew Dymont (3/4); Robert Forbes (4/4); Helen Johns (4/4)

**MEETING of the CONDUCT REVIEW COMMITTEE**

During 2019, 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); Andrew Dymont (1/1); Joe Facey (1/1); Robert Forbes (1/1); Ronald Hare (1/1); Helen Johns (1/1); Quentin Martin (1/1); Bruce Pearson (1/1)

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.**

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### **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 previous 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.

### **Robert Forbes**

Robert Forbes joined Heartland's Board of Directors on April 21, 2017 and is a retired partner of the national law firm, Miller Thomson LLP. He has a Bachelor of Arts degree and a Bachelor of Law degree from the University of Western Ontario, and a Master of Law degree from London School of Economics, in London, England. He has considerable experience in corporate governance, financial institutions regulation and acquisitions and mergers. He also has experience as an external director on boards of various types of companies. He was recently appointed Distinguished Adjunct Professor at Osgoode Hall Law School in Toronto.

### **Helen Johns**

Helen Johns 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.

### **Mary Kelly**

Mary Kelly is a Professor of Finance and Chair of Insurance at Wilfrid Laurier University in Waterloo, Canada. Previously, she has taught at University of Calgary and worked as an actuary before entering academia. Mary holds an undergraduate degree in statistics and a Master's degree in actuarial science, both from the University of Waterloo and a doctorate in finance from the University of British Columbia. She has completed the Canadian Risk Manager designation and is an active member of the American Risk and Insurance Association and the Southern Risk and Insurance Association. She has consulted for several organizations including the Insurance Institute of Canada, the Insurance Bureau of Canada, the Ministry of Finance for Ontario, the Ministry of Finance for Alberta, and the Law Commission of Canada, as well as providing expert witness testimony at the Ontario Human Rights Tribunal.

### **Gayle Whittamore**

Gayle holds a Bachelor of Science in Nursing from the University of Toronto. She is a Human Resource veteran with experience in professional and leadership roles with a diversified portfolio of skills across many Human Resources competencies. She has held a number of senior positions with IBM, The Hospital for Sick Children, Sun Life and within the mutual insurance industry. Gayle has spent her married life on a fruit and vegetable farm in Markham Ontario. Now retired, she and Mike are avid outdoor enthusiasts.