



**HEARTLAND**  
FARM MUTUAL  
Agribusiness and Rural Protection

100 Erb St. E, Waterloo, ON  
N2J 1L9 Canada

tel: 519-886-4530  
toll free: 1 800-265-8813  
fax: 519-746-0222

682794 Road 68, RR 4  
Box 430, Thamesford, ON  
N0M 2M0 Canada

tel: 519-285-2916  
toll free: 1 800-461-6933  
fax: 519-285-3099

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

March 11, 2025

**Heartland Farm Mutual Inc.**

Dear Mutual Policyholder:

The Annual General and Special Meeting of Mutual Policyholders of Heartland Farm Mutual Inc. will be held on Wednesday, May 7, 2025 at 1:00 p.m. Eastern Standard Time at 100 Erb Street East, Waterloo, Ontario, N2J 1L9 and by teleconference: Conference dial in numbers are (+1) 201-689-8349 or Toll Free (+1) 877-407-8293.

We are providing you with the following:

- Notice of meeting and Management Proxy Circular
- Proposed By-Laws
- Minutes of the Annual General Meeting held on May 2, 2024
- Heartland Farm Mutual Inc. 2024 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 2024 audited financial statements and notes thereto, please visit our website [heartlandmutualinsurance.com](http://heartlandmutualinsurance.com)

If you would like to receive your AGM material digitally next year, please sign into your **OPTIM** account on our website to update your AGM document delivery preferences accordingly. **If you are not currently enrolled in our digital portal OPTIM, you can register through our website with your policy number and postal code.**

Please contact Heartland Mutual Insurance at 1-800-265-8813 extension 6000 or by email at [policyholderinfo@hfmi.ca](mailto:policyholderinfo@hfmi.ca) to confirm your attendance in person or by teleconference.

Sincerely,

Louis Durocher  
President & Chief Executive Officer and Corporate Secretary

Enclosures

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF MUTUAL POLICYHOLDERS**

**OF HEARTLAND FARM MUTUAL INC.**

NOTICE is hereby given that an Annual General and Special Meeting of Mutual Policyholders of Heartland Farm Mutual Inc. will be held on **Wednesday, May 7, 2025** at 1:00 p.m. ET at **100 Erb Street East, Waterloo, Ontario** and by teleconference: Conference dial in numbers are (+1) 201-689-8349 or (+1) 877-407-8293 (toll free), for the purpose of:

- (a) receiving the financial statements for the year ended December 31, 2024 together with the auditor's and actuary's reports thereon;
- (b) electing directors;
- (c) appointing the auditor;
- (d) considering and, if thought advisable, to pass a resolution in the form attached as Schedule A to this Notice of Annual General and Special Meeting and Management Proxy Circular approving amendments to the by-laws; and
- (e) 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 on Wednesday, May 7, 2025 at **1:00 p.m. ET**.

The information contained herein is given as of the **28<sup>th</sup> day of February 2025** 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. 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, 2025** 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 and in force 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, 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 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. If a proxy for voting at the Meeting is being submitted by mail, it must be submitted and received by 1:00, p.m., ET, on April 27, 2025 to: Computershare, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, ON M5J 2Y1.

### **Election of Directors**

The following directors were nominated for re-election: Mr. Larry Binning, and Ms. Mary Kelly each for a three-year term. Mr. Allan Melvin has been nominated as a first-time director for election to the Board for a three-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 Risk 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.

### **Amendment of By-Laws**

Five amendments to the by-laws are proposed as follows:

- 1) The elimination of the requirement that at least two directors be Members.
- 2) A change in the maximum amount that may be paid to all directors of the company as remuneration for their services from \$750,000 to 0.5% of the Company's direct written premiums for the previous calendar year.
- 3) The elimination of a maximum age as a restriction to qualify for being a director.
- 4) A change from requiring that significant local operations be located "specifically" in Thamesford, Ontario to being located "preferably" in Thamesford, Ontario.
- 5) Changing the accountability for appointing at least one senior officer of the Company who is a resident of the Maritime Region from the Board of Directors to Management.

The representatives of management, if named as proxy by mutual policyholders, intend to vote at the Annual General and Special Meeting for the amendment of the by-laws in the form attached as Schedule A to the Notice of Meeting. **In order to become effective, the amendments to the by-laws must be approved by a majority of not less than two thirds of the votes cast, in person, by proxy or by electronic means, by mutual policyholders, at the Meeting.**

### **Manner of Voting Proxies**

The mutual policyholder proxies will be voted for, or withheld from voting for, the election of directors, the appointment of auditors and the approval of the amendments to the by-laws 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, for the appointment of auditors and for the approval of the amendments to the by-laws 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 28<sup>th</sup> day of February 2025

Louis Durocher  
President and Chief Executive Officer and Corporate Secretary

SCHEDULE A

TO A NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING AND MANAGEMENT PROXY CIRCULAR  
OF MUTUAL POLICYHOLDERS

## **SCHEDULE-A**

By-law One  
of  
Heartland Farm Mutual Inc.

### **SECTION I DEFINITIONS**

1.01 In this By-law One:

- (a) “Act” means the *Insurance Companies Act*, enacted by the Parliament of Canada, as amended from time to time.
- (b) “Company” means Heartland Farm Mutual Inc., or such derivative thereof as shall be set out in the Letters Patent of Amalgamation of the Company.
- (c) “Member” of “Member of the Company” has the meaning provided in section 5.01 hereof.
- (d) “Maritime Region” means the provinces of New Brunswick, Nova Scotia and Prince Edward Island.
- (e) “Resident” means to be living primarily in the applicable jurisdiction, and in any event, ordinarily spending not less than the majority of the year in that jurisdiction.

### **SECTION II BOARD OF DIRECTORS**

2.01 The Board of Directors shall consist of ten Directors, with three of those Directors to each be a Resident of the Maritime Region. The number of Directors to be elected at any Annual Meeting of the Members shall be such number as is fixed by the Board of Directors prior to the Annual Meeting (being ten, less the number of Directors having a term which does not expire at each such meeting).

2.02 No person shall be eligible to be elected a Director of the Company at any Annual Meeting of the Company unless such person has been nominated as a Director in writing, lodged with the Secretary of the Company at least sixty days before the date of such Annual Meeting by at least two Members of the Company and has agreed in writing to stand for election; provided, however, that no person who is ineligible to become a Director by virtue of the provisions of the Act may be elected a Director, notwithstanding anything else contained herein. ~~At least two Directors of the Company shall be Members.~~

2.03 For the first year or part year of the Company, one-third of the Directors of the Company (excluding the Chief Executive Officer of the Company) will be appointed for terms of one, two or three years and will hold their office until the close of the first, second or third Annual Meeting of Members, as may be. Effective as of the Annual Meeting to be held following the end of the first completed financial year after completion of the amalgamation which gives rise to the Company, the Directors whose initial term expires in such year will be considered for nomination for terms of three years. Thereafter, each continuing or new director shall be considered for nomination for a term of three years.

2.04 Subject to section 2.02 and 2.09 all retiring Directors shall be eligible for re-election.

2.05 At all Meetings of Directors for the transaction of business, a majority of the Directors then holding office shall be a quorum.

2.06 Every question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes cast on any resolution, the resolution shall fail.

2.07 The Board of Directors shall establish, from time to time, the place of and procedure for the calling and conduct of Meetings of the Board of Directors and of its Committees. Notwithstanding the foregoing, at least one Meeting of the Board of Directors per year shall be held in the Maritime Region, subject to this being feasible under external circumstances.

2.08 In each year, in addition to reimbursement for out of pocket expenses, the total of all amounts that may be paid to all Directors of the Company as remuneration for their services as Directors shall not exceed ~~\$750,000~~ 0.5% of direct written premiums for the previous calendar year. The annual remuneration of any single Director depends on the nature and frequency of the services performed during the year by the Director as a Director, and shall be paid in accordance with rates to be determined from time to time by the Directors.

~~2.09 No person shall be eligible to be elected a Director of the Company at any annual meeting of the members if, on the date of the annual meeting, he or she has attained the age of 72 years.~~

2.09 A resolution in writing, signed by all Directors entitled to vote thereon at a Meeting of the Board of Directors, is as valid as if it had been properly adopted at a Meeting.

2.10 A copy of every such resolution shall be kept with the minutes of the proceedings of the Board of Directors.

### **SECTION III MEETINGS OF MEMBERS**

3.01 The Chair of any Meeting of Members shall be the first mentioned of the following who is present: The Chair of the Board, The Vice Chair of the Board, the President. If no such person is present within fifteen minutes after the time fixed for holding the Meeting, the persons present and entitled to vote shall choose one of their number to be Chair of such Meeting.

3.02 Any proposal made pursuant to Section 147 of the Act to remove Directors of the Company to be elected pursuant to Section 2, or to remove all of the Directors of the Company, that is related, by its terms or in the context in which it is proposed, to the development of a plan or intention to cause direct financial benefits to be conferred on the Members of the Company, shall be deemed to be a proposal that would result in the Company being converted into a company with common shares, which accordingly may not be the subject of a policyholder proposal, as provided in Paragraph 147(5)(i) of the Act.

3.03 The quorum for the transaction of business at any meeting of Members shall consist of not less than 125 Members who are entitled to vote at the meeting, or 1% of the total number of those Members, whichever is less, who are present in person or are represented by a policyholder appointed as provided in Section 5.04. If a quorum is present at the opening of the meeting of Members, the Members present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Members, the Members may adjourn the meeting to a fixed time and place but may not transact any other business.

**SECTION IV**  
**BUSINESS OF THE COMPANY**

4.01 The Head Office of the Company shall be located in the Province of Ontario, at a place therein as the Board of Directors of the Company may, by resolution, determine from time to time; provided that, until such different determination, the Head Office shall be located at 100 Erb Street East, Waterloo, Ontario.

4.02 The seal of the Company shall be such as the Board of Directors may adopt.

4.03 The financial year of the Company shall end on the expiration of the 31st day of December in each year.

4.04 Documents to be executed by the Company shall be executed in such manner as may be determined by the Board of Directors.

**SECTION V**  
**MEMBERSHIP**

5.01 Any person insured under a policy issued by the Company on the mutual system (a “mutual policy”) (including all policyholders of the Company on the date this By-law becomes effective) shall be a Member of the Company from the date upon which the insurance becomes effective and so long as such insurance remains in force; such person shall cease to be a Member when such insurance is terminated or expires.

5.02 No cash policy of insurance shall make the insured a Member of the Company, or liable to contribute or pay any sum to the Company, or to its funds, or to any Member thereof, beyond the cash premium agreed upon, or give the insured any right to participate in the profits or surplus funds of the Company.

5.03 At all Meetings of the Company, each Member shall be entitled to one vote and one vote only regardless of the number of policies held by the Member.

5.04 A Member may vote by Proxy. The instrument appointing a person as proxy for a Member shall be in writing and shall not be valid unless it is deposited with the Secretary of the Company at least ten (10) days before such Meeting. Any such instrument of Proxy shall be used at such Meetings or any adjournment thereof, but may be revoked at any time prior to such Meeting or adjournment thereof. A Member may deposit the Proxy (i) by personal delivery to the head office of the Company; (ii) by mail, postage prepaid to the head office of the Company; (iii) by facsimile to such address as the Company may advise its Members from time to time; (iv) by e-mail to such address as the Company may advise its Members from time to time; or (v) by such other form of electronic delivery as may be determined by the Company to be appropriate from time to time, including through such third party provider as may be selected by the Company. The Proxy will only be considered deposited, either through personal delivery, mail, facsimile, e-mail, or other means of electronic delivery determined to be appropriate by the Company, on such day at such time as it is received by the Company.

5.05 If any policy on the mutual system shall be issued in the joint names of two or more persons, any one of them present at a Meeting, or represented by proxy duly appointed, may vote in the absence of the other or others, but, in the case that more than one of them be present at any Meeting, either in person or by proxy duly appointed, only the person whose name first appears on such policy, or his or her proxy duly appointed, as the case may be, shall be entitled to vote in respect thereof.



**SECTION VI**  
**INDEMNIFICATION**

6.01 Each and every Director and each and every Officer of the Company shall be deemed conclusively to have assumed office on the express understanding and agreement and condition that each Director or Officer of the Company and his or her heirs, executors, administrators, estate and effects, respectively, shall, from time to time and at all times, be indemnified and saved harmless out of the funds of the Company from and against all liabilities, damages, awards, costs, charges and expenses whatsoever, including without limiting the generality of the foregoing, all income tax liability or any other liability to which a Director or an Officer of the Company shall be subject by virtue of such Directors' and Officers' receipt of indemnity, pursuant to this section 6.01, and amounts paid to settle actions or satisfy judgments, which such Director or Officer:

- (a) sustains or incurs in or about any action, suit or proceeding (civil, criminal or administrative) which is brought, commenced or prosecuted against such Director or Officer for or in respect of any act, deed, matter or thing whatsoever made, done, omitted or permitted by such Director or Officer in or about the execution of the duties of the office, and/or
- (b) sustains or incurs in or about or in relation to the affairs of the Company or such office, and/or
- (c) sustains or incurs in or because of his or her capacity as a Director or Officer of the Company in respect of any civil, criminal or administrative action, claims, damages, awards or proceedings threatened, brought, commenced or prosecuted against him or her,

except such damages, awards, costs, charges and expenses as are occasioned by his or her own dishonest or criminal actions (other than in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty and he or she had reasonable grounds for believing that his or her conduct was lawful). The Company shall defend fully at its expense, all actions, claims and proceedings brought against each and every Director or Officer in his or her capacity as such.

If any provisions, terms or part thereof in this section 6.01 is invalid or unenforceable, such shall not affect the other provisions, terms or parts thereof, all of which shall remain in force and effect.

6.02 No Director, Officer or Employee of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Officer or employee or for any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board of Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Company shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any moneys, securities, or effects shall be lodged or deposited or for any loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto, unless the same shall happen by or through his or her own willful act or default.

6.03 The Directors of the Company shall authorize, from time to time, the Company to give indemnities to any Director, Officer or other person who has undertaken or is about to undertake

any liabilities on behalf of the Company or any Company controlled by it and to secure such Director, Officer or other person against loss by mortgages and charge upon the whole or any part of the real and personal property of the Company by way of security and any action, from time to time, taken by the Directors under this paragraph shall not require approval or confirmation by the Members.

## **SECTION VII TRANSITIONAL MATTERS**

7.01 All by-Laws of either company which is a successor to the Company by amalgamation are repealed, but not so as to affect any act done or any right existing, accruing, accrued or established or any proceeding commenced or undertaken under any by-law of any such successor company.

7.02 A significant local operations presence of the Company shall be retained in Oxford County, ~~specifically preferably~~ in Thamesford, Ontario. The agent structure in Oxford County will be retained provided there is a sound business rationale for such continued operations.

7.03 The Company will always maintain a physical presence (at least one physical office) in the Province of Nova Scotia. The four properties previously owned by The Kings Mutual Insurance Company will be maintained for at least three years after the completion of the amalgamation which gives rise to the Company, and thereafter if they continue to be strategically important, (unless a property that is currently rented loses its lead brokerage tenant and/or creates cost concerns, at which point maintaining that property may be re-evaluated).

7.04 For not less than three years after the completion of the amalgamation which gives rise to the Company, Maritime Region operations of the Company will continue to use the name “The Kings Mutual Insurance”, or a derivative, on property signage, insurance contracts and stationery, showing Maritime Region operations as “The Kings Mutual Insurance, a division of Heartland Farm Mutual Inc.”, or as “Heartland Farm Mutual Inc., carrying on business as The Kings Mutual Insurance”, subject to regulatory consent to the use of one of these business styles. If such regulatory consent cannot be obtained, the Board of Directors will reconsider the name issue.

7.05 ~~The Board of Directors~~ Management shall appoint at least one senior officer of the Company who is a Resident of the Maritime Region, and such senior officer shall report directly to the Chief Executive Officer of the Company.

## **SECTION VIII AMENDMENTS**

8.01 Sections 2.03, 3.02 and this Section 8.01 of this By-law may only be amended by resolution approved by not less than 75% of the Members in person or by proxy at a meeting of the Members, or by written resolution signed by all Members.

**Heartland Farm Mutual Inc.**  
**Minutes of the Annual General Meeting**  
**May 2, 2024**  
**1:00 p.m. by Teleconference Call**

<b>Chair, Secretary and Scrutineers</b>	<p>The Chair of the Board, Lynn MacLean, occupied the chair and Louis Durocher Corporate Secretary acted as Secretary for the meeting.</p> <p>The Chair requested that Krish Seno of Computershare act as Scrutineer for the meeting. There being no objection from the mutual policyholders, Krish Seno was so appointed.</p>
<b>Registration Report</b>	<p>The registration report was then received. It showed there were 5 mutual policyholders present on the phone for the meeting and 172 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 Annual General Meeting of Policy Holders held on May 3, 2023, be taken as presented and adopted.</i></b></p>
<b>Chair's Remarks</b>	<p>The Chair presented her report.</p>
<b>Auditor's Report</b>	<p>Kim Haley of the firm KPMG LLP, Chartered Professional Accountants read the Independent Auditor's Report.</p>
<b>Actuary's Report</b>	<p>Nicolas Beaudoin, the Appointed Actuary, read the Actuary's Opinion.</p>
<b>2023 Financial Statements</b>	<p>Michele Falkins, Vice President and Chief Financial Officer presented the 2023 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 for the year ended December 31, 2023, including the Independent Auditor's Report and Appointed Actuary'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>



# HEARTLAND FARM MUTUAL INC.

Statement of Financial Position

(in thousands of dollars)

(expressed in Canadian dollars unless otherwise indicated)

December 31, 2024, with comparative information for December 31, 2023

	2024	2023
<b>Assets</b>		
Cash	\$ 69,077	\$ 23,257
Invested assets	297,758	297,274
Accrued investment income	1,909	1,183
Reinsurance contract assets:		
Assets for remaining coverage	–	330
Assets for incurred claims	12,907	29,663
Other assets	1,166	1,017
Property and equipment	7,300	8,123
Intangible assets	8,165	9,775
<b>Total assets</b>	<b>\$ 398,282</b>	<b>\$ 370,622</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,939	\$ 6,462
Insurance contract liabilities:		
Liability for remaining coverage	44,588	33,982
Liability for incurred claims	104,810	115,968
Reinsurance contract liabilities	119	–
Income taxes payable	5,023	4,480
Deferred income taxes	2,498	3,462
<b>Total liabilities</b>	<b>164,977</b>	<b>164,354</b>
<b>Surplus for the protection of policyholders</b>		
Policyholders' equity	233,305	206,268
<b>Total liabilities and equity</b>	<b>\$ 398,282</b>	<b>\$ 370,622</b>

On behalf of the Board:

Lynn Maclean, Chair, Louis Durocher, Director

# HEARTLAND FARM MUTUAL INC.

Statement of Comprehensive Income

(in thousands of dollars)

(expressed in Canadian dollars unless otherwise indicated)

For the year ended December 31, 2024, with comparative information for 2023

	2024	2023
Insurance revenue	\$ 216,215	\$ 188,410
Insurance service expense	(169,046)	(173,977)
Insurance service result before reinsurance	47,169	14,433
Reinsurance held premiums ceded	(23,219)	(20,411)
Recoverable from reinsurers for incurred claims	(1,026)	15,616
Net income (expense) from reinsurance contracts held	(24,245)	(4,795)
<b>Insurance service result</b>	<b>22,924</b>	<b>9,638</b>
Net investment income (loss)	27,198	20,274
Finance income (expense) from insurance contracts issued	(5,797)	(4,820)
Finance income (expense) from reinsurance contracts held	759	1,195
<b>Net insurance financial result</b>	<b>22,160</b>	<b>16,649</b>
General and operating expenses	(8,458)	(8,375)
Net income before tax	36,626	17,912
Income tax expense (recovery)		
Current	10,553	5,701
Deferred	(964)	(1,226)
	9,589	4,475
<b>Net income and total comprehensive income</b>	<b>\$ 27,037</b>	<b>\$ 13,437</b>

# HEARTLAND FARM MUTUAL INC.

## Statement of Cash Flows

(in thousands of dollars)

(expressed in Canadian dollars unless otherwise indicated)

For the year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from operating activities:		
Net Income	\$ 27,037	\$ 13,437
Adjustments for items not involving cash:		
Depreciation and amortisation	3,363	3,353
Deferred income taxes	–	(1,226)
Unrealized (gain) loss on investments	(11,170)	(10,864)
Realized (gain) loss on investments	(7,239)	(1,104)
(Gain) loss on sale of capital assets	(97)	26
	11,894	3,622
Changes in non-cash operating working capital:		
Other assets	(149)	30
Other payables	1,477	943
Accrued investment income	(726)	(68)
Income taxes payable	(421)	5,691
Insurance and reinsurance held contracts	16,653	5,953
Cash provided by operating activities	28,728	16,171
Cash flows from investing activities:		
Purchase of investments	(142,271)	(112,406)
Investments sold/matured	160,196	103,799
Purchase of property and equipment	(482)	(245)
Proceeds on disposal of capital assets	895	204
Purchase of intangible assets	(1,246)	–
Cash used in investing activities	17,092	(8,648)
Net increase in cash during the year	45,820	7,523
Cash, beginning of year	23,257	15,734
Cash, end of year	\$ 69,077	\$ 23,257

**Heartland Farm Mutual Inc.**  
**Statement of Director Attendance**  
**For the year ended December 31, 2024**

**MEETINGS of the BOARD of DIRECTORS**

During 2024, there were seven (7) meetings of the Board of Directors.

The number of meetings attended by each Director: Lynn MacLean (7/7); Larry Binning (7/7) Paul Broadhead (7/7); Louis Durocher (7/7); Mary Kelly (7/7); Gayle Whittamore (7/7); Ruphina Kaulback (7/7); Geoff Bishop (4/7); Graeme McPhail (7/7); Nancy McCuaig (7/7)

**MEETINGS of the RISK and AUDIT COMMITTEE**

During 2024, there were four (4) meetings of the Risk and Audit Committee.

The number of meetings attended by each Director who was a member of this committee: Lynn MacLean (4/4); Mary Kelly (4/4); Paul Broadhead (4/4); Ruphina Kaulback (4/4); Nancy McCuaig (4/4)

**MEETINGS of the CORPORATE GOVERNANCE COMMITTEE**

During 2024, there were five (5) meetings of the Corporate Governance Committee.

The number of meetings attended by each Director who was a member of this committee: Lynn MacLean (5/5); Gayle Whittamore (5/5); Larry Binning (5/5) Paul Broadhead (1/1); Graeme McPhail (5/5); Geoff Bishop (2/5)

**MEETING of the CONDUCT REVIEW COMMITTEE**

During 2024, there was one (1) meeting of the Conduct Review Committee.

The number of meetings attended by each Director: Lynn MacLean (1/1); Larry Binning (1/1) Paul Broadhead (1/1); Louis Durocher (1/1); Mary Kelly (1/1); Gayle Whittamore (1/1); Ruphina Kaulback (1/1); Geoff Bishop (1/1); Graeme McPhail (1/1); Nancy McCuaig (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 to the Board of Heartland Farm Mutual Inc.**

### **Larry Binning**

Larry was elected to the Board of Oxford Mutual (now Heartland Farm Mutual) in March 2013 and served as Board Chair from 2020 to 2023. Growing up in Perth County on a small 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, beginning as a plant microbiologist and quickly 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.

### **Dr. Mary Kelly**

Mary Kelly joined Heartland's Board of Directors on May 7, 2020, and is a Professor of Finance and Chair of Insurance at Wilfrid Laurier University in Waterloo, Canada. Previously, she taught at the 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, and the Ministry of Finance for Alberta.

### **Allan Melvin**

Allan Melvin joined the Board of Directors in January 2025. As co-owner of Melvin Farms Limited, Allan brings a wealth of agricultural expertise and strategic leadership, driving sustainable growth and operational excellence. A Chartered Professional Accountant (CPA, CA), Allan has honed his financial acumen through a career with firms such as BDO, EY, and Bishop & Company Chartered Professional Accountants Inc., where he managed complex client relationships and delivered innovative solutions. Allan is a past president of the Nova Scotia Federation of Agriculture and actively serves on boards including the Canadian Federation of Agriculture and the Canadian Agricultural Human Resource Council. Through these roles, he continues to champion farmers' interests and works collaboratively with stakeholders to address challenges and opportunities in the agricultural sector, fostering resilience and growth across the industry.

### **Louis Durocher**

Louis Durocher was appointed President & CEO of Heartland in July 2018. With 30 years of experience, he is a highly accomplished senior leader in the property and casualty insurance sector. His passion revolves around troubleshooting and fixing unprofitable operations. As such, with the



100 Erb St. E,  
Waterloo, ON N2J 1L9  
1 800.265.8813  
[heartlandmutualinsurance.com](http://heartlandmutualinsurance.com)

help of a newly formed executive team, he turned around Heartland's results within 18 months, returning the organization to profitability and shaving six points from the expense ratio. He subsequently led the successful implementation of the full suite of Guidewire Centers, including state-of-the-art functionality commonly seen with large stock companies, positioning Heartland one step ahead of the rest of the mutual community. Now residing in the Waterloo Region, Louis relates enthusiastically to the values of Heartland with our focus on client and community relationships. An actuary by profession, Louis held several senior executive positions during his career, including Chief Risk Officer, Chief Actuary and SVP National Commercial Lines & Reinsurance for Aviva Canada, as well as VP Actuarial and Chief Operating Officer for Economical in Quebec. Throughout his career, he has served on various committees for the Insurance Bureau of Canada and other industry boards.

THIS PAGE INTENTIONALLY LEFT BLANK

