

HALWELL MUTUAL INSURANCE COMPANY
162nd ANNUAL MEETING OF THE POLICYHOLDERS
Thursday, March 16, 2023 2:00 p.m.

The Annual Meeting of the policyholders of Halwell Mutual Insurance Company was held on Thursday, March 16th, 2023. The meeting was held at Halwell Mutual Insurance Company in Guelph, Ontario.

CALL TO ORDER AND CERTIFICATION OF QUORUM

Chair Steve Graham called the meeting to order at 2:00pm. and welcomed approximately 15 policyholders and 4 guests to the 162nd Annual & Special General Meeting.

LAND ACKNOWLEDGEMENT

Mr. Graham welcomed Vice-Chair Mark Latam for Halwell’s land acknowledgement to the Mississaugas of the Credit First Nation and the Anishinaabeg Peoples, on whose traditional territory the Halwell Mutual Head Office is located.

Mr. Graham made note that notice of the meeting had been posted according to the company’s By-Law. Michelle Surlaya, Halwell’s Manager, Administration & Communication, was appointed as Secretary of the meeting to record the meeting notes. Ross Weber, of Madorin Snyder LLP, was welcomed and appointed as Parliamentarian. Rob Wilkes, of BDO Canada LLP, was welcomed as the representative from Halwell’s Audit firm.

As there were more than seven members present, under General By-Law #13, a quorum duly exists, constituting the meeting as an Annual Meeting of Halwell Mutual Insurance Company. The meeting was declared as duly constituted.

APPROVAL OF AGENDA

The Chair asked that the agenda be approved as posted.

Motion moved by Cindy Phillips

Seconded by Barb Parker

CARRIED

MINUTES OF PREVIOUS ANNUAL MEETING: MARCH 17, 2022

Mr. Graham mentioned the 2 typographical changes to the minutes from the meeting on March 17, 2022. A request was made from a policyholder to amend the minutes to include that “a copy of the strategic plan was requested by a policyholder.”

The Chair asked that the amended minutes be approved.

Motion moved by Mark Latam

Seconded by Randy Carter

CARRIED

FINANCIAL STATEMENTS AND AUDITORS REPORT

Maria Scott, Halwell’s Vice-President of Finance, was welcomed to speak to the Financial Statements for the year ending December 31, 2023. Ms. Scott reported strong underwriting results for the year, with the 2022 year ending with Halwell’s MCT at 498%. Growth was seen in all lines of business, and a strong loss ratio despite the CAT Derecho in May 2022. The combined ratio was 94.3 at year-end and net investments experienced a \$3.2 million unrealized loss, and a comprehensive loss of \$1.5 million.

Mr. Rob Wilkes, of BDO Canada LLP, joined Ms. Scott to provide an overview of the Auditors Report. Procedures and detail were reviewed together between BDO and Halwell's Audit Committee. Mr. Wilkes confirmed that a clean audit opinion was given. Mr. Wilkes commented that there are no "hidden losses" such as what affected recent US bank failures, because our investments are not "held to maturity."

A point of clarification was made on the UW profit noted in Ms. Scott's remarks against the figure reported on in the Annual Report. The management income statement excludes philanthropy contributions and the company Annual Incentive Plan which accounts for the difference in reported result.

The Chair asked that the Financial Statements and Auditors Report for the year ending December 31, 2022 be approved.

Motion moved by Glenn Taylor

Seconded by Avon Giddings

CARRIED

APPOINTMENT OF AUDITORS

The Chair asked that BDO Canada LLP be appointed as the Auditors for 2023 and that the Directors be authorized to fix the auditors remuneration.

Motion moved by Annette Winter

Seconded by Glenn Taylor

CARRIED

NOMINATION OF DIRECTORS

Avon Giddings was welcomed as Chair of the Nomination Committee for the Election of the Directors.

The terms of Cindy Phillips, Glenn Taylor, and Kenda Nurse are expiring, Mr. Giddings confirmed that all 3 are eligible re-election, and that the CEO confirmed that Ms. Phillips, Mr. Taylor, and Ms. Nurse are all policyholders of Halwell Mutual in good standing.

A question was posed on the Nomination process and how the Nomination Committee maintains a list of interested parties. Mr. Giddings confirmed that an "Evergreen List" of interested and prospective members is maintained by the Committee. A second question was posed on how Halwell is making its policyholders aware of vacancies on the Board. Ms. Torrance confirmed that notice of vacancies (which there are 3 per year) is given formally in the Notice of Meeting which is consistent with the company By-Law.

A final question was posed on term and age limits, skills assessment, and diversity of the Board and how the Halwell Board is addressing this. It was confirmed that the Halwell Board actively participates in an annual assessment process. The By-Laws do not contain either a term or age limit for Directors. however, Board policies, such as term and age limits are reviewed annually with the Director Policy Manual review. Diversity, Equity, and Inclusion ("DEI") is now part of our Strategic Plan and will be a part of the company's 2023 action plan.

The Chair of the Nominating Committee made a motion that the Secretary cast a single ballot for the election of Kenda Nurse, Glenn Taylor, and Cindy Phillips as directors for a three-year term.

Seconded by Randy Carter.

Ms. Torrance declared the casting of the ballot at which point the re-elected Directors were welcomed and each shared a brief remark.

ADJOURNMENT

At the conclusion of the formal proceedings of the AGM, the Chair declared the Annual General Meeting to be adjourned at 2:22pm.

Chair
Mr. Steve Graham

Corporate Secretary
Ms. Marg Torrance