



2023 President's Report

Good afternoon and welcome to the 114th Annual General Meeting of the Antigonish Farmers' Mutual Insurance Company. Policyholders, special guests, staff, agents, Board members, ladies and gentlemen, welcome.

I would like to begin by introducing my fellow board members; Gerry Grant, Vice President of the Board, Bruce Sinclair, the third member of the Executive Committee, Sid Taylor, Greg MacPherson, Steven Eadie, Sean Cameron, our newest Board member Jane MacInnis who joined us last year, and myself, President, Joanne Van der Linden.

This is the fourth year that I am giving this report and each year has seen a different set of circumstances, from an online AGM due to COVID in my first year, to a new computer system, to Hurricane Fiona. This year I will be reporting on the events and tasks that your Board and staff worked on in 2023.

Our auditors from Grant Thornton and our claims Manager Stephen MacDonald, will be presenting their detailed reports later in the meeting. However, I am happy to report that we had a positive year in terms of financial results.

Our AGM last year in April kicked off a busy year. In early March 2023 our General Manager of over four years, Brian Morgan, left us to pursue another career opportunity. The Board did an extensive search with the assistance of a professional head hunter to hire a new Manager. Kim Livingston joined us in mid

June and was with us until the end of November. Both Brian and Kim left our company to pursue other employment opportunities that they felt were a better fit for themselves both professionally and personally. Your Board respects their decisions and thanks them both for the time they were with Antigonish Farmers' Mutual Insurance Company.

Following Kim's departure your Board felt that it was an opportune time to conduct a thorough and in-depth review of our company. We engaged the services of Steve Smith, former CEO of Farm Mutual Re, to do this work for us. Steve has spent his career in the insurance industry and in particular the majority of it with Mutual companies. This was very important to us. We tasked Steve with doing a deep dive into all aspects of our company and asked him to identify our strong points and areas for improvement. As part of his work he interviewed all of our staff and agents. His report is a road map of where we feel we need to go to maintain a strong, growing and profitable company that can continue to serve its policy holders and communities for many years to come. Your Board has retained Steve's services to provide ongoing support to the Board and staff including working closely with our next CEO.

In early June we hosted a successful MAMIC Convention. The Maritime Association of Mutual Insurance Companies hosts an annual convention each year and the mutual companies throughout NS, NB, and PEI take turns hosting. It was our turn in 2023. We had a number of very informative presentations as well as social events and networking opportunities. I would like to thank the staff members who put in extra time to help our planning committee deliver a successful convention.

Another important event this past year was the implementation of the IFRS 17 accounting standard. You will hear more about this during the presentations by our auditors. It was a steep learning curve for all involved including our Controller, auditors, and actuary. Not only did 2023 have to be reported using the IFRS 17 format but 2022 had to be restated as well. Your Board had a number of presentations on the subject so that we could gain an understanding of this new

format under which our financials are presented. I would like to thank our Controller, Rozalyn Boddy Tobin, for all of her hard work in getting this done.

Late in the summer we received notice from OSFI (Office of the Superintendent of Financial Institutions of Canada) that our company had been randomly chosen along with others to participate in a Corporate Governance Thematic Review. Some of the topics that they have requested clarification on are monitoring and reporting on risk, independence related to board and senior management, succession planning, internal audit capabilities and board composition. We have had a number of meetings with OSFI and continue to meet their requests for documentation in a timely manner. Your Board takes risk management and our commitment to you, our policy holders, very seriously as well as meeting our regulatory obligations.

A project that our agents and many of our staff have done a lot of work on this past year is ensuring that our policy holders are insured to value. If any of you have done any type of construction in the last couple of years you are already aware of how much those costs have increased.

In closing, on the behalf of the Board, I would like to thank all of our staff and agents for your contributions. Many of you took on extra tasks during 2023 and we thank you for that. I would like to thank our dedicated Board members. We, as well, were called upon to do extra during the past year. And finally, we would like to thank you, our policyholders, for your continued support.