

**ANTIGONISH FARMERS' MUTUAL
INSURANCE COMPANY
BY-LAWS**

**By-laws Relating to the Regulation
of the Affairs of the Company**

**By Authority of
the *Mutual Insurance Companies Act*, RSNS 1989, c 306**

Revised – April 20th, 2004
Revised – April 9th 2020
Revised – March 29, 2022
Revised – March 26, 2024
Revised – April 16, 2025
Last Revised – April, 2026

INTERPRETATION & PROCEDURE

1. Interpretation

1.1 In this by-law:

“Act” means the *Insurance Companies Act (Canada)*.

“Board” means the Board of Directors constituted pursuant to this or any previous by-law of the Company.

“Company” means the “Antigonish Farmers’ Mutual Insurance Company” incorporated pursuant to *An Act respecting the Antigonish Farmers’ Mutual Fire Insurance Company*, SNS 1915, c 87, a Private Act of the Legislature, and renamed pursuant to *Antigonish Farmers’ Mutual Fire Insurance Company (amended)*, SNS 2004, c 20.

“Financial Statements” means the statement of the income and expenditures of the Company for the fiscal year, and a balance sheet providing a summary of the assets and liabilities of the Company prepared in accordance with the requirements of the Act.

“Member” means an individual, corporation, association, partnership, or organization holding a contract of insurance with the Company.

“Special Meeting” means a meeting of the Members, other than the Annual General Meeting.

“Superintendent” means the Superintendent of Financial Institutions appointed pursuant to the *Office of the Superintendent of Financial Institutions Act (Canada)*.

1.2 The headings used in this by-law are inserted for reference purposes only and are not to be considered or taken into account in construing the by-law.

2. Procedure

2.1 All matters of procedure at meetings of the membership and the Board that are not provided for in this by-law shall be determined by the Chairperson in a manner to ensure orderly participation by authorized participants and that the outcome of the proceedings properly reflects the will of the meeting. Meeting procedures may be consistent with “Robert’s Rules of Order”, as may be modified at the discretion of the Chairperson, or as otherwise determined by a majority of votes at the meeting.

MEETINGS OF MEMBERS

3. Annual General Meeting

3.1 The Annual General Meeting of Members of the Company shall be held in the Northeastern Nova Scotia region, on or before the 30th day of June in each year, and the Board shall determine the date and location of the Meeting.

3.2 The order of business at the Annual General Meeting shall include the following:

- Approval of the minutes of the last Annual General Meeting, and of any Special Meeting since then;

- Business from the Minutes;
- Report of the Chairperson;
- Presentation of Financial Statements;
- Report of the CEO;
- Consideration of other Reports;
- Election of Directors;
- Appointment of Auditor;
- Other Business.

4. Special Meetings

4.1 A Special Meeting of the Members may be held at any time, at the direction of the Board, whenever the Board considers a meeting necessary, or upon the request of any qualified Member.

4.2 In the event that the Board declines to hold a Special Meeting at the request of a Member, a Special Meeting shall be held if a requisition is presented to the Board in writing, signed by at least two per cent (2%) of the total membership.

5. Record Date

5.1 The Board may in advance fix a record date for the determination of Members who are entitled to receive notice of a meeting of Members.

5.2 If no record date is fixed:

- (a) the record date for determination of Members who are entitled to receive notice of a meeting of Members is:
 - (i) at the close of business on the day immediately preceding the day on which notice is given; or
 - (ii) if no notice is given, the day on which the meeting is held.
- (b) the record date for the determination of Members entitled to vote at a meeting is the day on which the meeting is held; and
- (c) the record date for the determination of Members for any other purpose is the close of business on the day on which the directors pass a resolution in respect of that purpose.

6. Notice of Meetings

- 6.1 Notice of all meetings of Members, general or Special, shall be published in such newspaper or newspapers from which it is reasonable to assume that all Members would have an opportunity to learn of the meeting for at least four consecutive weeks before the date of the meeting.
- 6.2 The said notice shall be published at least twenty-eight (28) days, and no more than fifty (50) days, before the Meeting, provided that, where the Board calls a Special Meeting, or where a Special Meeting has been requisitioned and a shorter notice period is requested therein, that period may be abridged, but in no case to less than two weeks.
- 6.3 A notice of a meeting shall identify whether it is to be annual or special and contain the date, time, and location of the meeting; and a notice for a Special Meeting shall also contain a summary of the business to be conducted.
- 6.4 A notice or document required by the Act or under these by-laws, if not delivered electronically, may be delivered to a Member or director by prepaid mail, or personally delivered:
- (a) to a director at the director's address as shown in the latest return of the Company filed under sections 549, 661, or 668 of the Act;
 - (b) to a Member at the Member's latest address shown in the records of the Company.
- 6.5 The Company shall prepare an alphabetical list of Members entitled to vote at a meeting
- (a) if a record date is fixed, no later than the day on which the meeting is held;
 - (b) if no record date is fixed, the day on which the meeting is held.

7. Voting & Quorum

- 7.1 At all meetings each Member present and not in arrears to the Company for any dues, fees, or assessments has one (1) vote, and unless otherwise provided in this by-law, 10 Members entitled to vote shall constitute a quorum to allow for the transaction of business, other than a meeting to vote on the exchange or sale of all or substantially all of the Company's assets, the amalgamation or dissolution of the Company, or the demutualization of the Company.
- 7.2 A Member may vote in person or by proxy, provided that no proxy may be used to vote in favour of a director or directors in the election or re-election of directors. An instrument appointing a proxy shall be in writing under the hand of the Member, or the Member's attorney duly authorized in writing, and the proxy shall be in the form attached hereto as Schedule "A", or to like effect.
- 7.3 A proxy made under this clause:
- (a) shall not be valid unless executed within thirty (30) days of the meeting at which it is to be used, and deposited with the Secretary within ten (10) days of that meeting;
 - (b) shall be used only at the meeting for which it was made, or any adjournment thereof;

- (c) may be revoked at any time prior to that meeting, by the Member granting the proxy.
- 7.4 Voting at all meetings of the Membership shall be by voice or the show of hands, but a vote by ballot shall be held:
- (a) for the election of Directors, where any Member so requests or where the number of persons nominated exceeds the number of directors to be elected; or
 - (b) where twenty five per cent (25%) of those Members so request.
- 7.5 Where a vote takes place by ballot under subsection 7.4, the person presiding at the meeting shall ensure that:
- (a) there are sufficient ballots for all Members present;
 - (b) provision is made to allow for the marking of ballots in secret; and,
 - (c) if requested by any Member, scrutineers be appointed to oversee the casting and counting of ballots.
- 7.6 Where the membership meets to consider the exchange or sale of all or substantially all of the Company's assets, or the amalgamation or dissolution of the Company, or the demutualization of the Company, no vote shall have effect unless it is by ballot and is made by at least two-thirds of the votes cast by Members.

8. Electronic Meetings

- 8.1 The board may determine that any meeting of the Members may be held entirely in person, by one or more telephonic or electronic means, or by any combination of in-person attendance and telephonic or electronic means, provided that if Members are permitted to attend or participate by electronic means:
- (a) the Company shall make available means that permit Members to communicate adequately with each other during the meeting and to reasonably participate; and
 - (b) if there is to be an election of directors at such meeting, the Company has implemented a process by which votes may be verified as having been made by Members entitled to vote and the Company is not able to identify how each Member voted.
- 8.2 Any Member who participates in a meeting by telephonic or electronic means shall be deemed to be present in person at the meeting.

THE BOARD OF DIRECTORS

9. Duty to Manage

- 9.1 The board of directors of the Company shall manage or supervise the management of the business and affairs of the Company.
- 9.2 Every director and officer of the Company in exercising any of the powers of a director or an officer and in discharging any of the duties of a director or officer shall:

- (a) act honestly and in good faith with a view to the best interest of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

10. Constitution & Qualifications

10.1 The affairs of the Company shall be governed by a Board of Directors consisting of no less than seven (7) Members and no more than nine (9) Members.

10.2 To qualify for nomination, election, or re-election, a person must:

- (a) be a Member in their own right, or an officer, director, or partner of any Member that is not an individual;
- (b) have been a Member, or the representative of a body that has been a Member, for at least one (1) year immediately preceding nomination;
- (c) have been a resident of Nova Scotia for at least one (1) year preceding nomination;
- (d) own property, or be the representative of a Member that is not an individual that owns property, that has a value of at least seventy-five thousand dollars (\$75,000.00), and is insured by the Company for at least that amount;
- (e) be no less than nineteen (19) and no more than seventy-five (75) years of age as of the date of the election.
- (f) Notwithstanding any other provision in these bylaws, the Company may elect or appoint up to two individuals who are not Members of the Company to serve as directors. The Company shall not have more than two non-Member directors at any one time.

10.3 An employee, adjuster, or agent of the Company, or of any other Insurance Company, or an undischarged bankrupt, cannot be nominated for, or otherwise serve on, the Board of Directors.

11. Vacancy

11.1 A person ceases to be a director, and that office shall be vacated:

- (a) if that person, or the body whose membership entitled that person to become a director, ceases to be a Member, or ceases to hold the requisite amount of insurance with the Company;
- (b) if that person, or the body whose membership entitled that person to become a director, files or is petitioned for bankruptcy;
- (c) if that person becomes mentally incompetent;
- (d) if that person resigns in writing;
- (e) if that person ceases to maintain permanent residence in Nova Scotia;

- (f) if that person is absent, without leave of the Board, from three (3) consecutive meetings of the Board;
- (g) if that person becomes an employee or agent of the Company, or of another Insurance Company;
- (h) at the expiry of the last annual meeting before the person reaches the age of seventy-eight (78) years;
- (i) upon the vote approving removal, at a general or Special Meeting of the membership, by at least two-thirds of the votes cast by Members.

12. Election of Directors

- 12.1 Subject to section 10, at every Annual General Meeting of the Company, one-third of the directors shall be elected for a period of three years to fill the places of retiring Directors, who, if otherwise qualified, are eligible for re-election. In the event the number of directors is a number not divisible by three, the number whose term expires in any given year shall not exceed by more than one the number whose terms expire in any other year.
- 12.2 One-third, or if the number of directors is not divisible by three, as close to one-third as is mathematically possible, of the directors shall retire annually.
- 12.3 To be eligible for election, an otherwise qualified person must obtain nomination papers from the CEO, cause them to be endorsed by the candidate and at least five (5) other Members, and returned to the Head Office at least thirty (30) days prior to the date of the meeting, provided that an immediate past director seeking re-election may be nominated orally at the meeting, without filing such papers.
- 12.4 The Executive Committee (as defined below) shall consider all persons who have filed nomination papers, including incumbent directors who have filed notice of their intention to seek re-election. In considering such persons the Executive Committee:
 - (a) shall confirm each person's qualifications to be elected as a director;
 - (b) shall assess each person's professional integrity and commitment to promote the long-term interests of the Company and each person's commitment to devote adequate time to service as a Board Member;
 - (c) may interview any applicant for Board membership.

No less than 15 days in advance of the meeting at which directors are to be elected, the Executive Committee shall present to the Board the names of those persons the Executive Committee recommends for election of directors. The names of those persons recommended by the Executive Committee and approved by the Board shall be submitted to the Members at the annual general meeting.

- 12.5 Current directors eligible for re-election shall not be required to submit nomination papers pursuant to subsection 12.3 above, but shall indicate their intention to seek re-election to the Board to the CEO and/or Chairperson, at least thirty (30) days prior to the date of the Annual General Meeting.

13. Replacement directors

- 13.1 Any casual vacancy occurring among the Directors may be filled by the Directors, but any person so appointed shall retain office only until the next Annual General Meeting at which time a replacement shall be elected. In any event, when a vacancy occurs on the Board that leaves the Board with less than six (6) Members, that director must be replaced no later than the next Annual General Meeting.
- 13.2 In the event that a quorum of directors cannot be secured for a meeting to select a replacement director, a Special Meeting of the membership shall be held to fill any vacancy, and at such a meeting it shall not be necessary to file nomination papers.
- 13.3 A replacement director chosen by the Board or the membership pursuant to this clause must meet all of the eligibility requirements in clause 10.2 hereof.
- 13.4 A replacement director chosen or elected by the Members pursuant to this section shall hold office until expiration of the term of the director replaced.

14. Meetings of the Board

- 14.1 The Board shall hold no fewer than four (4) meetings in each fiscal year at intervals of no more than four (4) months between meetings, and the Chairperson may call a meeting at any time. Where three or more directors request a meeting in writing, the Chairperson shall call a meeting.
- 14.2 Meetings shall be held at the Head Office of the Company or such other place as the Board may designate.
- 14.3 Notice shall be given to each director at least four (4) clear days before a meeting by delivery, mail, telephone, e-mail, text or other electronic means provided that:
- (a) Meetings may be held at any time without formal notice if all directors present or those absent have waived notice or signified their consent in writing to a meeting held in their absence;
 - (b) In cases of urgency, a Special Meeting may be called on twenty-four (24) hours notice;
 - (c) It shall not be necessary to give notice for the first meeting of directors that is held on the same date as, and after following the General Meeting.
- 14.4 If all Board Members consent, a meeting of directors may be held by means of such telephone, video-conference, electronic or other communication facilities as permit all persons participating in the meeting to hear each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed to be present at that meeting.

15. **Quorum**

- 15.1 A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board, and all questions arising at a meeting shall be decided by a majority vote.

DIRECTOR'S REMUNERATION

16. **Remuneration**

- 16.1 Each director shall receive a stipend for every meeting attended, as well as a mileage allowance for travel to meetings from the director's place of residence.
- 16.2 The stipend and allowance as determined by the membership shall remain in force until changed by a vote at a General Meeting.

COMMITTEES OF THE BOARD

17. **Executive Committee**

- 17.1 The Board may appoint an Executive Committee consisting of the Chairperson, Vice-Chairperson, and one (1) other Member of the Board (the "Executive Committee"). The Chief Executive Officer shall assist and participate in the deliberations of the Executive Committee. The director Members of the Executive Committee shall be no more than 50% of the total number of directors.
- 17.2 The Executive Committee shall have oversight of the business of the Company and transact all business ordered or approved by the Board of Directors (save and except all such acts as must by law be performed by the Board itself) and shall report on its activities and deliberations for any given period by the delivery of minutes of the Committee to the Board or by report given at the next meeting of the Board, or both.
- 17.3 The Executive Committee shall be responsible for ensuring that the Company file all forms, annual returns, or other documents required under the Act, and shall ensure the Company's compliance with all provisions of the Act.
- 17.4 The Executive Committee shall comply with the executive committee mandate, which mandate shall comply with the Act.

18. **Audit Committee**

- 18.1 The Board shall appoint an Audit Committee composed of at least three directors.
- 18.2 A majority of the Members of the Audit Committee must consist of directors who are not persons affiliated with the Company, and none of the Members of the audit committee may be officers or employees of the Company.
- 18.3 The Audit Committee shall comply with the audit committee mandate, which mandate shall comply with the Act.

18.4 The Audit Committee is responsive to assist the Board of Directors in its oversight of the integrity of financial statements, internal controls, audit actuaries, audit plans and recommendations of the external auditors and shall report on its activities and deliberations for any given period at the next meeting of the Board.

19. Conduct Review Committee

19.1 The Board shall appoint a Conduct Review Committee composed of directors who, in total number, equal fewer than a majority of the full Board of Directors who are not affiliated with Company as defined in the Affiliated Persons (Insurance Companies) Regulations promulgated under the Act, or under any successor legislative or regulatory provisions.

19.2 The Conduct Review Committee shall review transactions of the Company with related persons, and such other functions as are required pursuant to the Act according to procedures fixed by resolution of the Board.

19.3 The Conduct Review Committee shall comply with the Conduct Review Committee mandate, which mandate shall comply with the Act.

20. Other Committees

20.1 The Board may, from time to time, appoint from its number one or more other committees and delegate to any such committee any powers of the directors to the extent permitted by law.

20.2 Unless otherwise required by law, or the direction of the Board, a committee of the Board shall have the power to fix its quorum, elect a chairperson and regulate its proceedings, and all such committees shall report to the Board as required.

OFFICERS

21. Appointment

21.1 The Board, annually or so often as may be required, shall appoint:

- (a) A Chairperson, and a Vice-Chairperson from among their number; and
- (b) A Treasurer, a Secretary, and a CEO. The same person may hold two or all the offices set out in this subsection.

21.2 The Board may, from time to time, designate such other offices and appoint such other officers as it shall deem necessary, who shall have such authority and perform such functions or duties as may be prescribed by resolution of the Board.

22. The Chairperson

22.1 The Chairperson shall be the chief officer of the Company and shall, if present, preside at all meetings of the Board and of the Members. It shall be the duty of the Chairperson to advise and render such assistance to the other officers as may be requested. The Chairperson shall also exercise such other powers as may be lawfully assigned by the Board.

23. **The Vice-Chairperson**

23.1 The Vice-Chairperson shall be vested with all the duties and authority of the Chairperson, in the absence, disability, or refusal to act of the Chairperson.

24. **The Secretary**

24.1 The Secretary shall:

- (a) keep a true record of all proceedings and meetings of the Company and of the Board;
- (b) be the custodian of the Seal of the Company and of all records, minutes, documents, papers, letters, and other property of the Company, and shall deliver the same, when authorized by resolution of the Board, to such person or persons as they shall name.

25. **The Treasurer**

25.1 The Treasurer shall be the custodian of all monies, debentures, securities, and any other funds of the Company, and shall cause all monies belonging to the Company to be deposited in the financial institution designated by the Board, and shall pay all accounts or monies due by the Company in the ordinary course of business, and when otherwise ordered by the Board or pursuant to the authorized direction of the Executive Committee.

26. **The Chief Executive Officer (CEO)**

26.1 The CEO shall, subject to the direction of the Board and of the Executive Committee, carry out the business operations of the Company, including the supervision of insurance applications, the examination of risks, efforts to secure new policyholders, Head Office operations and other tasks or functions assigned by the Board or the Executive Committee.

27. **Delegation and Vacancy**

27.1 In the case of the absence, or the inability or refusal to act of any officer, the Board may delegate all of the powers of such officer to any other officer for the time being.

27.2 If any office mentioned herein becomes vacant by reason of the death, resignation, or removal from that office, the Board may appoint another person to fill that vacancy.

AUDITOR

28. **Appointment**

28.1 An Auditor or Auditors, who hold those qualifications required by the Act, shall be appointed at each Annual General Meeting; and if the membership fails to so appoint, the Board shall do so.

29. **Duties**

- 29.1 The Auditor shall, at the close of the financial year of the Company make such examinations the books, vouchers, accounts, and all other documents having reference to the business thereof, as the auditor considers necessary, and shall prepare an abstract of the affairs of the Company and submit the same to the Board, which shall present the same to the Annual General Meeting, together with any suggestions or recommendations which the Auditor may think necessary.
- 29.2 The auditor's examinations referred to in section 29.1 shall, except as otherwise specified by the Superintendent, be conducted in accordance with generally accepted auditing standards, the primary source of which is the Handbook of Chartered Professional Accountants of Canada.

ACTUARY

30. The company shall appoint an actuary, in accordance with the Act.

INDEMNITY

31. Except in respect of an action by or on behalf of the Company to secure a judgment in its favour, the Company shall indemnify each director and officer of the Company and their heirs and legal representatives against all costs, losses, charges, damages, and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by that person in respect of any civil, criminal, or administrative action or proceeding to which that director or officer is made a party, or is otherwise found liable, by reason of being or having been a director or officer of the Company, provided that:
- (a) The director or officer acted, in regard to the subject matter of the action or proceeding, in good faith, with due authority, and in the best interests of the Company; and
 - (b) In the case of a criminal or administrative action or proceeding that is by a monetary penalty, that person had reasonable grounds for believing that the conduct in issue was lawful.

BOOKS AND RECORDS

32. The Company shall maintain such corporate, financial and other records as may be necessary to prepare any and all reports, filings or requests for information as may be required to be made to the Superintendent, or requested by the Superintendent, under the Act, or to provide other persons information to which they are entitled under the Act.

GENERAL

33. Head Office

- 33.1 The Head Office of the Company shall be at Antigonish, Nova Scotia, and at such location therein as the Board may designate by resolution.

34. Seal

- 34.1 The Seal of the Company shall be in that form an impression of which is stamped on the margin hereof.

35. Banking

- 35.1 The monies belonging to the Company shall be maintained in an account or accounts at that Bank or Credit Union which is designated by a resolution of the Board.

36. Execution of Documents

- 36.1 Subject to paragraph 36.2 hereof, contracts or instruments in writing requiring execution by the Company shall be signed by the Chairperson or the Vice-Chairperson and the Secretary, and all documents so signed are binding on the Company without any further authorization of formality. The Board may from time to time by resolution appoint an officer or employee to sign specific documents on behalf of the Company.

- 36.2 All cheques, drafts, orders for the payment of money, notes, acceptances, and other bills of exchange shall be signed by two officers of the Company, or one officer and a person who had been given signing authority by resolution of the Board, providing that such signing authority shall not exceed that amount fixed by the Board from time to time as a monetary limit.

37. Travelling Expenses Board and Management

- 37.1 Management, in the course of their employment and directors of the Company are from time to time required to attend conventions which promote the mutual insurance industry.

38. Electronic Transfer of Funds (ETF)

- 38.1 Those officers and employees with the authority over the receipt or payment of money for or on behalf of the Company or its wholly owned Agency are hereby authorized to do so by way of Electronic Transfer (ETF), provided that such transfers are carried out in accordance with the requirements of the bank, credit union, or other entity through which a transfer is made, and provided that detailed documentary records are maintained for all transfers.

39. Documents in Electronic Form

- 39.1 A requirement under the Act or these by-laws to provide a notice, document, or other information is satisfied by creating an electronic document provided:
- (a) the addressee consents and designates an information system for the receipt of the electronic document;
 - (b) the electronic document is, unless otherwise prescribed, provided to the designated information system;
 - (c) the information in the electronic document is accessible so as to be usable for subsequent reference; and
 - (d) the information in the electronic document is accessible by the addressee and capable of being retained by them so as to be usable for subsequent reference.

40. Interpretation

40.1 In these by-laws, words imparting the singular number shall include the plural number, and “person” shall include firms and corporations.

41. Amendments to By-Laws

41.1 These by-laws may from time to time be amended, repealed, varied or otherwise dealt with in accordance with the provisions of the Act.

42. Application of the Insurance Companies Act (Canada)

42.1 The Company shall be regulated by the provisions of the Act.

DRAFT

Schedule "A"

Antigonish Farmers' Mutual Insurance Company

Form of Proxy

I, _____ of _____ in the County of _____ Insurance Company, hereby appoint _____ of _____ or failing _____, appoint _____ (Company Chairperson) of Antigonish County, as my proxy to vote for me in my name at the General Meeting of the Company to be held on _____, and at any adjournment thereof.

Witness

Policyholder

NOTE: Proxies cannot be used to vote on all agenda items. Please contact our Head Office if you wish further information.