

FarmWorks Investment Co-operative Limited Annual General Meeting

Brooklyn Fire Hall

April 29, 2019

Directors Present: Ann Anderson, Johanna Kwakernaak, Linda Best, Keith Rudderham, Andy Meade, Chris Atwood, Aaron Eisses, Leslie Brown

New Directors Present: Ruphina Kaulback

Absent with Regrets: Ginny Point, Rosemary Murphy, Murray Coolican, Joe MacEachern

Guest Speakers: Alan Bailey of Meander River Farm and Brewery, and Heather Lunan and Rebecca Tran of The Station Food Hub.

Shareholders in Addition to Directors Present: MJ Sakurai, Norm Scrimger, Randall Brooks, Carol Bradley, Bruce Wright, Peter Hicklenton, Ray Bollman, Betsy Hargrave, Michael MacMillan, Brogan Anderson

Minute Taker: Lauren Sweet

7:00pm Registration of Shareholders and Guests Distribution of Annual Report and Minutes

The Annual Report, the Minutes of the 2018 AGM, the 2018 financial report, and the 2019 Slate of Directors were all available for those in attendance.

7:20 Welcome and Introductions

All attendees were welcomed and encouraged to introduce themselves and speak on how they became involved with FarmWorks.

7:30pm Guest Speakers

Linda Best introduced Alan Bailey of Meander River Farm and Brewery, who is a FarmWorks shareholder and client.

Alan Bailey: We came on first as clients 5 or 6 years ago. We went to one of the first Gentle Dragons events to get feedback on our business, which was a great experience. We really didn't know what we were going to do on our property, we started growing hops and hanging around breweries and saw the popularity and boom of the craft beer industry. We decided to start a brewery as the Dragons were encouraging enough for us to want to take it to the next level. We worked with FarmWorks and have since gotten their support, shared networks and connections, and we're always bouncing ideas off of them. It was so great to feel supported at the beginning and that was the incentive for us to move forward, which helped with other lenders. Alan encouraged others to come to FarmWorks for business support, and to help showcase what's going on in rural Nova Scotia. Alan also discussed the investment aspects, tax incentives, social enterprise elements, and the importance of spending money in the province and supporting other rural businesses.

Linda Best then introduced Heather Lunan and Rebecca Tran of The Station Food Hub. Heather was FarmWorks' very first client with Pie R Squared. Rebecca is a public health professional and her husband Amin is on the Board of Directors.

Heather and Rebecca: We discovered a mutual desire to have a bigger impact on the local food movement in Nova Scotia. We have built a business model for food processing at the Station, as this is a key missing link of infrastructure. We now are owners of the Newport Landing Elementary School in Hants County. We are looking to attract new and expanding businesses, for commercial kitchen and processing space. We're converting old classrooms into our processing facility and commercial kitchens. We are keeping the gymnasium for public events with inspected kitchens for short or long term rentals. Both Heather and Rebecca discussed how The

Station Food Hub will be addressing import replacement, institutional procurement (schools, hospitals, universities etc.), reducing food waste, increasing a market for farmers, and the health, community, and economic development pieces. Shareholders were welcomed to come out to visit the school, and Heather and Rebecca's presentation and contact information will be provided in the minutes. The Station Food Hub: admin@thestationfoodhub.ca

Call to Order

There were 19 shareholders and 4 guests in attendance.

The meeting was called to order at 8:00 pm.

Minutes of 2018 AGM

Linda Best moved that the minutes be accepted as circulated. Keith Rudderham seconded the motion. All were in favour. Minutes of the 2018 AGM are approved.

Business arising from the Minutes

A call was made asking if there was any business arising from the minutes. No questions or comments were raised.

Chair's Report

Johanna Kwakernaak's chair report was in the FarmWorks Annual Report which was circulated prior to the meeting and was available for attendees. Johanna said that she could not do this role and FarmWorks would not exist if it were not for the work that our volunteer Directors put in, especially Linda and Ann. They are an example that others can follow, and we recognize that FarmWorks operates because of the volunteer work, time and effort Linda and Ann do. Johanna also wanted to say a big thank you to Chris Atwood and Peter Hicklenton, who are two Directors whose terms come to an end this year.

Johanna then moved into a discussion on where FarmWorks is and where we see the organization going. We had a great share offering, we have raised \$2.7 million of capital and interest income covers our expenses and any losses. We really can say that the concept of FarmWorks works and that we are at that point where we know FarmWorks must continue to grow. Every month, we have approximately \$40,000 in repayments coming in that we can reinvest in qualifying new clients. The size of loans given out can be larger, the largest loan we've made so far is \$100,000. Johanna reassured attendees of FarmWorks' due diligence procedures and risk assessment. Applications are reviewed by at least 3 Directors to mitigate risks and complete due diligence. We love to support our clients, thank you for trusting us with your money, and we understand that local food and having a sustainable food industry in Nova Scotia is possible and we also believe as a Province we could in fact be self-supporting and self-sufficient. We had a good year and we are looking forward to a great year this year.

CEDIF Investments and FarmWorks Clients

Johanna Kwakernaak thanked Alan Bailey, Rebecca Tran, and Heather Lunan for helping demonstrate the importance of investing in the CEDIF program to support businesses like theirs.

Linda Best: We have challenges, and we have opportunities. Linda described some of the challenges such as investment capital leaving the province and that Nova Scotia is not producing enough of our own food. Linda reemphasized that FarmWorks does its due diligence. She noted that only 1.4% of capital investments have been redeemed by shareholders since our inception, which is a very small amount compared to most CEDIFs. Some of our investors have invested 2 to 7 times.

Linda Best then discussed some of the challenges facing FarmWorks clients and other food producers across the Province. Infrastructure is a key challenge, for example, lack of abattoirs and processing facilities, and equipment purchases. Many clients and potential clients are limited to starting and expanding their business for these reasons. FarmWorks does provide funding for infrastructure needs – Linda gave the example of newer clients such as Made with Local and Stones meat shop in Cape Breton who borrowed from FarmWorks to purchase equipment.

There are three main reasons why people borrow from FarmWorks: money, mentoring, and marketing. Small businesses have difficulty finding capital, finding equipment, need help for general research, market research, and knowledge and connections. At this point FarmWorks has loaned \$3.5 million to 99 clients across NS.

Treasurer's Report: Financial Statements

Linda Best gave the Treasurer's Report. The FarmWorks outcomes shown on slides were from the 2016 survey by Chloe Kennedy. Financial information presented was also provided in the Annual Report and 2018 Financial Report circulated prior to the meeting. Projections are moving in a positive direction.

We are moving FarmWorks bookkeeping in house with the help of Keith Forsythe, CA, who is helping us set up QuickBooks and is working with Lauren Sweet on the bookkeeping. Keith was unfortunately unable to attend the Annual General Meeting, so Linda presented Keith's slides that included percentages of total loan repayments, write offs, loans by region, loans by sector, (approximately 40% of our clients are farms), loans by region, and more. This information is also available in the Annual Report.

Linda Best noted that wage costs were offset by the Clean Foundation and Graduate to Opportunity Program, for Lauren Sweet's wage. FarmWorks was profitable in 2018 and is showing a monthly profit at this point in 2019. Losses are at 23% of 33% of the amount of income predicted originally and 2% of capital as a loan loss provision was determined by Grant Thornton.

Motion to Approve Treasurer's Report

Linda Best moves to approve the treasurer's report. Chris Atwood seconds the motion. All in favour. Motion passed.

Appointment of Auditor for next year

Linda Best moves to approve Barry Kendall of Grant Thornton as Auditor for next year. Andy Meade seconds the motion. All in favour. Motion passed.

Nominating Committee Report

Joe MacEachern and Murray Coolican and Rosemary Murphy were unable to attend the Annual General Meeting. Joe MacEachern, Murray Coolican, Ruphina Kaulback and Rosemary Murphy were nominated as new Directors of FarmWorks.

Johanna Kwakernaak: Are Linda and Ann coming back as Directors and not Ex-Officio Directors?

Peter Hicklenton: Ex-Officio are 1 year terms, to stand for re-election back to the board for the next year.

It was clarified that the floor would be voting for another 1 year term as Ex-Officio Directors for Linda Best and Ann Anderson.

Nominations from the Floor

Johanna Kwakernaak called for nominations 3 times. There were no nominations from the floor.

The Slate of Directors for 2019

1	Johana Kwakernaak – Berwick	1 – 2020	Chair
2	Andrew Meade – Woodville	2 – 2022	Vice-Chair
3	Ginny Point – Black River	1 – 2021	Secretary
4	Linda Best – Greenwich	Ex Officio	Treasurer
5	Ann Anderson – Wolfville	Ex Officio	Executive
6	Aaron Eisses – Halifax	1 – 2020	Director
7	Jenny Osburn – Berwick	1 – 2020	Director
8	Dave Oulton – Windsor	1 – 2020	Director
9	Amin Tran – Martock	1 – 2020	Director

10	Rosemary Murphy – Antigonish	2 – 2021	Director
11	Leslie Brown – Halifax	2 – 2021	Director
12	Keith Rudderham – Point Edward, Halifax	1 – 2021	Director
13	Joe MacEachern – Halifax, Antigonish	2 – 2022	Director
14	Ruphina Kaulback – Wolfville	1 – 2022	Director
15	Murray Coolican – Halifax	1 – 2022	Director

Motion to Approve Slate of Nominations

Aaron Eisses moved to approve the Slate of Directors for 2019. Andy Meade seconded the motion. All in favour. Motion passed.

New Business

Johanna Kwakernaak gave two certificates of recognition to Chris Atwood and Peter Hicklenton. Both Directors have served great terms on the Board of FarmWorks.

Recognition will be given to Val VanOostrum, who retired from the Board in January to recognize her efforts and work over her years on the Board.

May Flavours will take place on May 29th and will honour Dr. Alan Warner, a professor at Acadia, who is a key community member, educator, advocate, and supporter of local food. Alan Warner is retiring this year and it has been decided that part of the proceeds raised from May Flavours will go to a charity or organization of his choice.

Adjournment

Johanna Kwakernaak adjourned the Annual General Meeting of 2019 at 8:39pm.