

FarmWorks Investment Co-operative Limited

Annual General Meeting

Via Zoom

July 28, 2020

Directors Present: Linda Best, Ann Anderson, Johanna Kwakernaak, Andy Meade, Ginny Point, Leslie Brown, Murray Coolican, Keith Rudderham,

Proposed New Directors Present: Avila Coutinho, Barb Boates Sweet

Absent with Regrets:

Guest Speakers/Guests: Jill McPherson of Island Folk Cider House, Alexis Moore of GoodMore Kombucha, Heather Lunan and Rebecca Tran of The Station Food Hub, and Ray Bear of Kisik Ridge, Meghan Weinburger

Shareholders in Addition to Directors Present: Charlie MacLean, David Hendsbee, David Eisner, Angela Pressburger, Michael MacMillan, Fred Chipman, Nancy Chipman, Beth Brewster, Joel Stoddart, Margie Lamb, Mary Rigby, Francis Gillis, John Webster, Darren Booth, Ann Booth, Alison Scott Butler,, Elizabeth Fajta, Cecelia Berglund, Harvey Barter, Wendy MacDonald, Bob MacDonald. Four additional individuals attended identified as follows: Ipad, Ipad6, 8860416, A2909

Minute Taker: Ginny Point

7:00 pm Welcome and Introductions

Johanna welcomed attendees to the meeting indicating that there would be four presentations from FarmWorks clients, and following that would be the Annual General meeting.

7:20 pm Guest Speakers

Jill McPherson – Island Folk Cider House, Sydney

Jill first thanked FarmWorks for the wonderful support she had received for Island Folk Cider House. Before COVID, Island Folk started brewing in February 2020, and they launched in June 2020. The demand was more than they ever imagined. They are now renovating the Tasting Room, thanks to FarmWorks. They use 100% Nova Scotia apples in their cider in their cider manufacturing building in the north end of Sydney. At present they are also doing cider take-aways from the building, often with long lines of customers waiting to purchase their cider. “Good Company” is their flagship label. The second flagship label, Rebel Rose, is made with cranberry, apple and rose petals. They also have seasonal ciders including Rhubarb and a Boreal Forest Cider. They were delighted to have 40 kg of dandelion from Keith Rudderham to make their soon to be available Dandelion Cider. The original cider, Good Company” is available at 14 locations in the province, including several NSLC locations, and they are currently working on setting up an on-line store. Jill then gave a virtual tour of the facility.

Alexis Moore - GoodMore Kombucha, Dartmouth

Alexis said she and her husband celebrated their 3 year anniversary for GoodMore Kombucha in June 2020, although they had experience in wine making before that. They are pleased to be part of a community of

Kombucha makers here in Nova Scotia. They are a small company, and started with a small loan from CEED, and shared a 600 sq foot space with a separate coffee company. And then they grew after meeting Linda Best, and connecting with FarmWorks. The support from FarmWorks was wonderful, enabling them to get a loan from ACOA to buy stainless steel tanks and refrigerated space. In year 2 the business grew by 33%! Later Alexis reached out to FarmWorks for a second loan to purchase a vehicle for deliveries. At that time they were delivering to about 120 customers, and desperately needed an upgrade. She is so delighted to be part of the FarmWorks community loves the interconnections between FarmWorks clients., and really appreciates the “human element” inherent in FarmWorks. She explained a bit about kombucha, a pro-biotic fermented tea, lightly carbonated and non-alcoholic, healthy and delicious beverage, which has been made in various regions of the globe for the past 2 thousand years. Her goal at present? She wants to bring more goodness in the world!

Heather Lunan and Rebecca Tran, The Station Food Hub Newport Station, Hants County

Heather and Rebecca provided an update on the Food Hub, which aims to connect local food production with aggregation, processing, retailing and wholesaling of local foods in Nova Scotia. Their Hub kitchen will be fully provincially inspected, and will offer different packages for interested users to choose from ranging from a one time rental of the kitchen, to 10-40 hours/month use of the kitchen. The rentals can all be done on-line. They referred interested people to check out their website. The Board Room is now complete and available to rent. The highlight of the renovations at present is a new industrial dishwasher in the short term kitchen, to arrive this Friday, and the new processing space and storage space for rent. Individuals renting space at the Hub will be able to store their own materials there in the refrigerated/ freezer space. Heather explained that rather than build refrigerated and frozen storage space, they opted to purchase 2 refers, which are attached to the outside of the building. Shelf space is available for rent in these cold storage facilities. Their first tenant, Shivani’s Kitchen, has moved in and will start production of Indian spices, blends and sauces once their leasehold improvements are complete. Additional space is available to other interested tenants. A Farm School project will help bring kids to the Station, and teach various skills such as composting, or planting garlic for example. Lastly, they are excited about the new lines of broth which The Station Food Company is producing at the Food Hub– Chicken Bone Broth, Beef Bone Broth, Vietnamese Beef and Chicken Pho. All of these are available at a variety of local retail locations such as Noggins, WFM2Go, and on line at the Station Food Hub. Located off exit 4 on the 101, they are very convenient to Halifax, Valley, Truro area etc.

Ray Bear – Kisik Ridge Farm Outram, North Mountain near Middleton

Ray spoke enthusiastically about the valuable support which FarmWorks has provided him and Saronn for the past 6 years. Initially they owned and operated Studio East restaurant in Halifax, where they initially connected with FarmWorks community. Until then he was looking for a community, and after having connected with FarmWorks, he knows he has found it. The restaurant was doing very well, but they had a hard time getting locally ethically raised product, so with FarmWorks help, they bought the Kisik Ridge farm, and developed their plans for a farm-to-table retreat and accommodations centre. Eventually they sold the restaurant, so they could devote full time to Kisik Ridge. It was a big job to renovate the old farmhouse, but that is what they did, and they now have a beautiful set-up with 2 suites for B&B, in addition to space for upscale 12 person dining, not to mention the farming which he does. He describes the farm as “somewhat biodynamic” using an organic gardening approach. Current projects include a recently completed slipform coldroom, and a “live-edge pond” , in where plants on the rim of the pond filter the water on an ongoing basis. Kisik Ridge plans to be open for a variety of functions, possibly a Luau or other special occasions. His pork and chicken, and vegetables are available for sale and he is about to start making sausages for more value added

products. With COVID they had had their challenges, but they are excited to be fulltime farmers and fulltime chefs again.

Linda thanked everyone for their presentations, and wanted to underscore how impressed she is with their businesses, as well as all the 118 businesses FarmWorks has invested in.

Call To Order

The meeting was called to order at 7:52 pm by Johanna Kwakernaak. She noted that she was very pleased to have so many participants at this meeting. The agendas for the meeting were pre-circulated, along with minutes of the last AGM in 2019. She noted that quorum for the meeting is 15, thus the requirement for a quorum has been easily met.

Minutes of 2019 AGM

Ginny Point moved that the minutes of the 2019 AGM be accepted as circulated. Andy Meade seconded the motion. All in favour, based on a voice vote. The minutes of the 2019 are approved as circulated.

Business Arising from the Minutes-

Johanna called for any Business Arising from the Minutes, Hearing none, Johanna began her Chair's Report.

Chair's Report

Johanna Kwakernaak thanked the speakers for their presentations, each of which highlighted the resilience and entrepreneurial spirit inherent in FarmWorks clients. She referred participants to her pre-circulated report, and made a few additional comments updating current realities. Overall, she noted that 2019 positioned FarmWorks well to deal with the challenges of COVID -19 which arose in 2020. FarmWorks clients are energetic and creative, and they adapted well to the challenges posed by COVID-19. In some cases, their businesses grew and flourished. She reminded participants of the FarmWorks Vision - Healthy Farms, Healthy Food - and she felt that the 2019/20 Board was true to that vision, and to our founding vision in 2011. Despite COVID FarmWorks was profitable and sustainable. She thanked retiring Board members - Joe MacEachern, Jenny Osborn, and Ruphina Kaulback. And she welcomed the soon-to-be nominated new board members. She stressed that the FarmWorks Board works hard to protect the money invested by Shareholders, while carrying out the mission of FarmWorks. Systems have changed somewhat in 2020 due to COVID -19, with more work being done via Zoom and phone than in person. We continue to approve new loans, and support newly energized clients. All that has been very positive. The Pandemic has highlighted the importance of local food as an essential service, and she is confident that FarmWorks is ready to provide support for whatever comes next.

CEDIF Investments and FarmWorks Clients

Linda referred Shareholders to the report she sent out prior to the meeting in which she discussed the positive role that FarmWorks was making in terms of local producers, with the goal of Field to Fork to Future. She reported that FarmWorks now has over 400 Shareholders, and is making a significant difference to the year round availability of local food to Nova Scotians .

Treasurer's Report- Financial Statements - Linda referred participants to the 2019 year end Financial statement that was sent out in April 2020, and is included in the Annual Report. She also has information from the end of June interim financial report. She said that the 2020 Offering was the most successful thus far, raising \$523,000 and bringing the total value of funds raised since the beginning to \$3,226,600. It is noteworthy that the average Shareholder investment per year has increased from approximately \$2000 to \$5016 over the years. Also she noted that approximately 45% of investors have invested more than once.

Shareholders who invested in 2012, 2013, 2014 and 2015 have received their 5 year 20% rollover tax credits. It is noteworthy as well that only 2.2% of Shares have been redeemed over the years.

As of July 2020, FarmWorks has granted 212 loans, worth just under \$5,000,000, to 118 food related businesses. In 2019 alone, FarmWorks granted a total of 38 loans representing a total of \$1.24 million, and as of July 2020, we have already granted 18 loans, worth \$475,000. It is very noteworthy that all clients in operation before COVID are in operation again as of this meeting, with some operations opening back within days of closing in the spring. Many made significant pivots such as changing a café into a mini storefront as was done by Springhouse and Good Luck Café. Others collaborated with other businesses to offer combined delivery of goods. A breakdown of FarmWorks loans shows the following: 35% to Farms, 16% to Restaurants, 13% to Processors, 6% to Stores, 5% to Beverage related businesses, and 25% to Interconnected Businesses. Unfortunate circumstances caused 11 businesses supported by FarmWorks to close over the years, but it is noteworthy that 7 of those continue to pay back their loans. The supportive relationships with clients that FarmWorks is known for, and the due diligence practiced by Board members in reviewing applications for loans, is what makes FarmWorks so successful. Linda reported that approximately 20% of her time is spent in talking with individuals who may never progress to becoming FarmWorks clients. Her goal is to help people succeed, and FarmWorks can be proud of its role in that.

Linda noted that FarmWorks has Retained Earnings of \$23,925 as of June 2020. During COVID-19, clients were offered the opportunity of delaying their payments for a few months. This resulted in some delayed payments, however no interest was lost due to the delay. The impact of COVID-19 made the work of FarmWorks client that much more important for the security and health of Nova Scotians.

Linda again thanked Keith Forsythe CA, volunteer overseer of FarmWorks bookkeeping and Chris Forsythe, our excellent Bookkeeper. She also thanked Ann Anderson for accompanying her on so many road trips over the years, and devoting so much time and energy to FarmWorks. And she thanked Johanna and others on the Board for their support as well, and she looks forward to working with the two new Directors. Moved by Linda and seconded by David Hendsbee to accept the 2019 Treasurer's Report. All in favour. Motion carried.

Appointment of Financial Reviewer for Next Year

Moved by Linda, and seconded by Keith to continue to engage Barry Kendall at Grant Thornton as Reviewer for the submissions to the Nova Scotia Securities Commission for next year. All in favour. Motion carried.

Nominating Committee Report

Andy Meade read the list of proposed Board members for 2020/21: Johanna Kwakernaak, Andy Meade, Ginny Point, Linda Best, Ann Anderson, Dave Oulton, Leslie Brown, Amin Tran, Keith Rudderham, Rose Murphy, Aaron Eisses, Murray Coolican, Barb Boates Sweet, and Avila Coutinho. He noted that Linda and Ann are proposed to be ex-Officio Board members for 2020/21. Those ex-officio positions need to be confirmed on an annual basis. He also noted that the following Board members were unable to offer again for the Board, and thanked them for their service: Rughina Kaulback, Joe MacEachern and Jenny Osborn. He then read the bios of the two new proposed Board members: Barb Boates and Avila Coutinho.

Discussion:

David Eisner asked if this is the first time Linda and Ann have been Ex-Officio Board Members. Johanna clarified that this is the 3rd time. Moved by Andy and seconded by Leslie that Linda Best and Ann Anderson be reappointed as essential Ex-Officio Board members for the upcoming year. All in favour. Motion carried.

Moved by Andy and seconded by Charlie MacLean that the remaining slate of Board members be approved. All in favour. Motion carried.

The Slate of Directors for 2020/21

Johanna Kwakernaak - Berwick	2-2023	Chair
Andy Meade- Woodville	2-2022	Vice-Chair
Ginny Point- Black River	1-2021	Secretary
Linda Best - Wolfville	Ex-Officio	Treasurer
Ann Anderson- Wolfville	Ex- Officio	Director
Dave Oulton-Windsor	2-2023	Director
Amin Tran- Windsor	2-2023	Director
Leslie Brown - Halifax	2-2021	Director
Keith Rudderham -Point Edward, Halifax	1-2021	Director
Rose Murphy - Antigonish	2-2021	Director
Aaron Eisses- Halifax	2-2023	Director
Murray Coolican- Halifax	1-2022	Director
Avila Coutinho-Windsor	1-2023	Director
Barb Sweet- Halifax	1-2023	Director

New Business- Johanna asked again if there was any new Business. Andy commented that this past year has been very trying due to COVID, and thanked fellow members of the Executive Committee, Linda, Ann, Johanna and Ginny for having stepped up to the challenge. He believes we are coming out of this stronger. Charlie said that clearly FarmWorks cares about the community, and that is what makes us successful. Linda welcomed Barb and Avila as new Board members. She welcomes Avila's banking experience, her experience with Avondale Sky Winery, and welcomes Barb's experience in various areas, including garlic production and food and agribusiness management. Johanna again sincerely thanked retiring Board members for their contributions when on the Board and beyond: Ruphina Kaulback, Joe McEachern and Jenny Osburn.

Adjournment

Meeting adjourned at 8:29 pm