

FarmWorks Investment Co-operative Limited

Annual General Meeting

Via Zoom

April 27, 2021

Directors Present: Linda Best, Ann Anderson, Johanna Kwakernaak, Ginny Point, Leslie Brown, Murray Coolican, Keith Rudderham, Avila Coutinho, Aaron Eisses, Barb Boates Sweet, John Webster (was absent)

Proposed New Directors Present: Charlie MacLean, (Robert (Joe) MacEachern wasn't present)

Absent: Amin Tran, David Oulton,

Guest Speakers/Guests: Sheena Russell from Made with Local and Jake Foley from SourWood Cider.

Shareholders in Addition to Directors Present: Judy Parsons, Christine Almon, Shelley Dorey, Hanna Fletcher, Travis Nikkel, Richard Melvin, Ann Hennigar, Margaret Graves, Joyce Morton, Carol Bradley, Tim Fletcher, Stephen Anderson, Stephen Nunn, Chris Maxwell, Robert -Yves Mazerolle, Robin McAdam, Darren Booth, Ann Booth, David Hendsbee, Norrie Peel, Sonia Mota, Michael McMillan, Graeme MacKay, Brenda Hattie, Alison Scott Butler, Jim Grant, Penni Burrell, Beth Mapplebeck, Michael Gillis, Brenda Hattie, Jeremy Lutz, Doug Rigby, Mary Rigby, Tom Webb, Mary Webb, Lindy DeCoste, Jean Gibson, David Maxwell, Chris Atwood, Karen Foster, Stephen Nunn, Bob McDonald, Wendy McDonald.

Minute Taker: Ginny Point

7:04 pm Welcome and Introductions

Johanna Kwakernaak welcomed attendees to the meeting indicating that there would be two guest speaker who are FarmWorks clients prior to the Annual General meeting. All attendees were invited to say a few words to introduce themselves.

7:20 pm Guest Speakers

Sheena Russell – Made With Local - Dartmouth.

Sheena is the Founder of Made with Local, a company that makes simple nourishing foods, like granola bars and granola bar mix, using local ingredients like honey from Cosman and Whidden and cranberries from Terra Beata, oats from Speerville and other local ingredients. The preparation and packaging of their bars is done by The Flower Cart Group, a local social enterprise. She thanked FarmWorks for the invaluable help a couple of years ago when Made with Local had the opportunity to start selling their products at Loblaws nationally, and she needed some specialized equipment. Now she sells in 1600 locations across Canada. And she enthusiastically spoke about the latest accomplishment – replicating the enterprise in Ontario, again with help from a sister social enterprise. She ended by saying that anyone who has a plan to start a food related business in NS should talk to FarmWorks. FarmWorks has been so helpful to her and her business. Anyone looking for more information can go to the website and look for Made with Local in the Organic section or the Natural Foods section.

Jake Foley -Sourwood Cider - Halifax .

Jake started with a brief history of the important events and activities in his life. He grew up in a small town in northern Ontario, did some tree planting, went to the Ontario College of Art and Design for a short time, did some painting, built banjos and violins, played music, bought and renovated a house, lived in a van for 5 months travelling around North America, and in about 2017 decided to start Sourwood Cidery. Sourwood started by using wild yeasts for spontaneous fermentation for their cider, rather than having a controlled fermentation process. Some of his ciders are aged in old wine barrels, so they have oak and tannin flavor

from the barrels. Much of the cider he makes for the NSLC however is a quicker fermentation process and less risky. With COVID, he switched gears because the Bar and Eatery at the Cidery in Halifax was closed to the public due to COVID, and he started to think about possibilities of farming – growing his own apples for the cider, and grapes for wine. With help from FarmWorks, he was able to buy a farm near Petit Riviere, where there is no power and no water, and it is an old clearcut area. The plan is to start an orchard and a vineyard. So far he has started 64 apple saplings from seed. He thanked FarmWorks for believing in him, and readily acknowledged that he is not a typical business person. Linda agreed, saying he combines the science and art of cider making.

Johanna thanked Sheena and Jake for their presentations, and underscored how impressed she is with their businesses, as well as all the businesses FarmWorks has invested in.

Call To Order

The AGM meeting was called to order at 8:01 pm by Johanna Kwakernaak. She noted that she was very pleased to have so many participants at this meeting - 47 participants as of that point. The agendas for the meeting were pre-circulated, along with minutes of the last AGM in 2020. She noted that quorum for the meeting is 15, thus the requirement for a quorum has been easily met. This is the best attendance at an AGM for as long as she has been a Shareholder.

Agenda Review

Johanna called for any additions or changes to the agenda. Moved by Charlie MacLean and seconded by Avila Coutinho to approve the agenda as presented. Motion carried.

Minutes of 2020 AGM

Ginny Point moved that the minutes of the 2020 AGM be accepted as circulated. Ann Anderson seconded the motion. Motion carried.

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 (pre-circulated)

In addition to the pre-circulated report Johanna said that 2020 was an important year for FarmWorks. FW clients stepped up to the plate to help us all get through the challenges associated with COVID. She was pleased to report that no FarmWorks client failed/went out of business due to the Pandemic. 2020 has given us much to build upon. She thanked the FW Board and retiring Board members Leslie Brown, Andy Meade and Rosemary Murphy. She specifically thanked Leslie Brown for her specific knowledge and expertise in terms of governance and cooperatives, and for serving as Chair of the Governance Committee. She also thanked Andy Meade for his financial and legal advice while on the Board, and in particular for his four years as Vice-Chair on the Board. And said she was delighted that both Leslie and Andy have agreed to stay on as "Advisors" to Farmworks even though their terms are over. And finally she thanked Rosemary Murphy for her time on the FW Board, in which she provided significant knowledge of her community and restaurant business and in communications in particular.

Johanna also made special mention of our two Founding Directors, Linda Best and Ann Anderson. She also wanted to recognize Linda again for having been selected for the Order of Nova Scotia in 2020. In addition, Linda has just received the "Lifetime Achievement Award in Agriculture" from Minister of Agriculture, Keith Colwell, for Nova Scotia. Johanna thanked Linda for her tireless work for FarmWorks. Linda said she was delighted to have had the opportunity to speak with Keith Colwell today with the news of her award. Finally Johanna thanked all Shareholders for their support for FarmWorks.

CEDIF Investments and FarmWorks Clients –

There are 127 clients at present. Even those that have completed their loans are still considered part of the FW family. A total of 32 clients have repaid their loans and continue to operate. Nine are in transition, but still continuing to pay their payments, 5 loans have been written off, leaving a total of 81 current loans. And there are 9 new applications in the wings at present. A recent FarmWorks Impact Report showed that 61% of FW clients felt that it would have been “very unlikely” that they would have succeeded in their ventures if it were not for FarmWorks. The Impact Report also showed the considerable assistance that FW provides in addition to providing the actual money – such as Mentoring & Advice (28%), Connections (18%), Raising Awareness (31%). The types of businesses that FW supports are: Farming (43%), Restaurant or Café (21%), Beverage Production (15%), Processing (21%). FarmWorks loans are distributed across the Province. Linda would like to have more businesses in Cape Breton and in the Western region. The Impact Report also identified needs - one of which was in term of infrastructure. The survey also identified how FW clients felt about their contribution to their community. She said that the kind of people drawn to FarmWorks are the kind of individuals interested in contributing to their community. Clients felt their largest contribution was 29% by raising awareness, 20% providing healthy food, 13% employment, 15% buying from other local businesses. There were 54% of FW clients who said they were very satisfied with their quality of life, and 44% were somewhat satisfied. And that is despite 23% not yet being able to pay themselves or their families for their labour. That speaks well to the lifestyle that FW clients have – if not the financial security.

In terms of loans, Linda said that FW has received \$3,226,000 in investments to date, and she projected that FW would reach \$6,000,000 by 2025. FarmWorks has loaned out \$5,688,000 as of March 31, 2021, and FW clients had generated 1,233 jobs as of 2020, with total revenue generated by clients estimated to be approximately \$20,000,000, and an estimated Impact of \$40,000,000 since inception.

Linda read from a recent report on CEDIF done by the Cooperative Council of New Brunswick, “Of the 116 active businesses that received investments from CEDIF’s, 78 were in the food and beverage sectors. Much of this can be attributed to the well-known FarmWorks Investment Co-operative that is often held up as the gold standard in the development of CEDIFs in agriculture and small farms.”

Linda summed up by saying what an honour it is to be able to work with FW clients.

Treasurers Report

Linda said that FarmWorks raised \$783,300 in the 2021 Offer. The total value of funds invested was \$4,009,900. The average investment per year has increased from \$2000 to \$6000. Approximately 45% of investors have invested more than once. Shareholders who invested from 2022 to 2016 have received their 5- year rollover tax credits. Only 2.7% of Shares have been redeemed over the years.

FarmWorks has granted 212 loans, totaling \$5,688,000 to 127 food related businesses. All but one of the clients in operation in 2020 before COVID are still in operation, and some reopened within days of closing in March 2020. Unfortunate circumstances led several businesses to close over the years, but all but 5 continue to pay back their loans. Supportive relationships with clients, due diligence and quality of the applicants helps make FarmWorks successful. For December 2020, FarmWorks Income before taxes was \$14,508 and Retained Earnings are \$9599 after \$4909 tax.

In closing, Linda said she is pleased with the state of FW finances, despite COVID and uncertain economic times overall in Nova Scotia. She noted that FarmWorks enabled some clients to temporarily defer principal and interest for several months during COVID. That resulted in slightly delayed income last year, but it is not expected to have any long- term consequences.

Linda ended with a sincere “thank you” to Keith Forsythe the talented accountant who volunteers his time with Farmworks, to Chris Forsyth, our excellent Bookkeeper, to Ann Anderson who accompanied Linda on her road trips and devotes so much time and energy to FarmWorks, to Johanna Kwackernaak, Chairman of the FW Board, and she thanks the entire FW Board.

Moved by Linda and seconded by Charlie MacLean that the Treasurers Report be accepted for 2020. Motion carried.

Moved by Linda and seconded by Keith that Grant Thornton continue to be engaged to perform the Financial Review and Submission to the Nova Scotia Securities Commission for next year’s Offer. Motion carried.

Nominating Committee Report

Johanna noted that two individuals are being nominated to join the FarmWorks Board: Charlie MacLean, and Robert MacEachern.

Robert MacEachern is returning to the FarmWorks Board after having left when his family moved to Yellow Knife. He recently returned to Nova Scotia, he is keen to rejoin. A talented organizer, he founded the Evolve Music and Cultural Festival, and worked for Dalhousie University Medical School as the Indigenous and Diversity Program Manager. He is also a former FarmWorks client and is passionate about local foods.

Charlie MacLean, grew up in North Sydney, Cape Breton, has been involved with Food Service for many years. He was the Manager of Food Services at Acadia University, St Francis Xavier University, hospitals in Sydney, and more recently before his retirement a few years ago, he managed the food purchases of Nova Scotia Health Care Purchasing Ltd, a buying group for hospitals and Long Term Care facilities in Nova Scotia. He knows the province and has a passion for local food purchasing.

Moved by Johanna Kwakernaak and seconded by Avila Coutinho, that Charlie MacLean and Joe MacEachern join the FarmWorks Board for 2021.

Johanna also noted that for the last year 3 years we have been very fortunate to have the continued involvement of Linda Best and Ann Anderson as Ex-Officio Founding Directors. Moved by Johanna and seconded by Ginny Point that Linda Best and Ann Anderson be appointed again as Ex-Officio Members of the Board.

Johanna then presented the full slate of Directors for the Board as follows:

Johanna Kwakernaak - Berwick	Chair
Keith Rudderham – Point Edward Halifax	Vice-Chair
Ginny Point – Black River	Secretary
Avila Coutinho - Windsor	Treasurer
Linda Best- Greenwich	Ex-Officio, Founder, Manager
Ann Anderson - Wolfville	Ex-Officio, Founder, Shareholder Relations
Murray Coolican - Halifax	External Relations
Aaron Eisses - Halifax	Director
John Webster- Stellarton	Director
Robert MacEachern - Antigonish	Director
Charles MacLean- North Sydney	Director
Barb Boates-Sweet - Halifax	Director

Amin Tran - Windsor	Independent Director
Dave Oulton - Windsor	Independent Director

Robert-Yves Mazerolle asked what an Independent Director is as opposed to the other Directors. Johanna explained that Independent Directors are not Shareholders. The Security Commission rules for CEDIF require at least 2 Independent Directors on each CEDIF to protect the public - to be the public voice on the Board.

Moved by Johanna and seconded by David Maxwell to accept the above slate of candidates for the FarmWorks Board. Motion carried.

New Business

The last piece of business is to note that FarmWorks Board has been working on a contract with Sonia Mota to provide some administrative support to FarmWorks working directly with Linda. It will be a part-time contract to start. Sonia has been working with Linda on various projects recently for FarmWorks such as the FarmWorks Impact Report mentioned by Linda in her remarks, and for the NB Council on her report about CEDIF Programs. She also helped with the Offers for the past 2 years, and served as an advisor to clients. She brings knowledge and skills, and FarmWorks is so pleased to have her join us.

Sonia thanked Johanna for her introduction, and said she knows how hard the Directors have worked making FW such a success. She also recognized the confidence that Investors have in FarmWorks. She is delighted to be joining the team, and is looking forward to meeting everyone. Ginny underscored how delighted FarmWorks is to have Sonia on board.

Adjournment

Johanna said she appreciated the opportunity to get to know participants today, and thanked them for coming to the meeting. The only drawback was that participants could not meet in person and share local food and beverages after the meeting. Linda said again how so grateful she is for all the hard work by Directors, and Shareholders. She is looking forward to the times when COVID threat is minimal, and we can get together in person again. In in the meantime, she encouraged everyone to go buy something local and enjoy.

Meeting adjourned at 8:43 pm.