



**Minutes of the Virtual Grenville Mutual Insurance Company's
131st Annual General Meeting held on March 6, 2023, commencing at 1:30pm**

Call to Order

The virtual meeting was called to order by the Board Chair, Stephen Wilson at 1:30pm stating this meeting is being held electronically as permitted by amendments to the Corporations Act of Ontario which were passed as a result of the COVID pandemic.

The President/CEO, Pam Marson confirmed that notice of this Annual General Meeting of the members was given in accordance with the By-laws of the Corporation, and there was a quorum present for this meeting.

S. Wilson, Chair stated that notice of the meeting having been properly given, and there being a quorum present declared the meeting to be duly constituted.

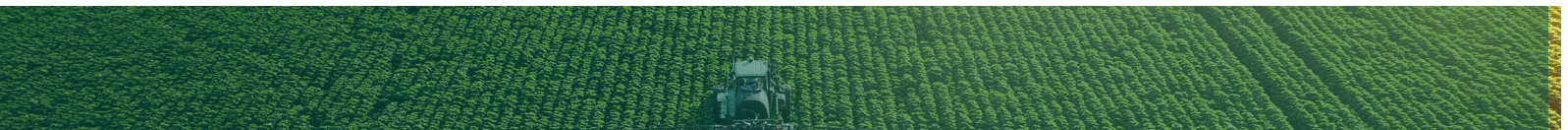
Approval of the Agenda

It was MOVED by Ron Greaves and SECONDED by Ruth Lockett that the agenda be approved as presented. Motion was CARRIED.

No conflict of interest was declared.

Chair's Remarks

S. Wilson welcomed everyone to the 2023 Grenville Mutual Annual General Meeting. He commented that 2022 was a difficult year for Grenville Mutual. With weather events and many major losses, the financial results were less than ideal. The insurance industry is ever-changing, and we are affected by those changes. From climate change to regulatory changes, to technology advancements; it is important for us to remain focussed and resilient. Fortunately, Grenville Mutual is filled with people who work hard to mitigate the challenges and set strategies in place to address the changes facing us and I would like to thank everyone for their efforts. The board is always working to understand present and future trends and then test our strategies to ensure we are headed in the right direction. The strategic plan set for 2023 is designed to ensure Grenville Mutual is adapting to changes in our industry and the Mutual community. We are a small yet resilient player in a large market. We are a part of the local community which is an advantage over impersonal, faceless websites because our customers and members truly know who we are. We take pride in being available and responsive when needed in a time of crisis. The rural, eastern Ontario community is who we serve and have served for 130 years. Customer focus is among our biggest strengths; a distinguishing attribute we take great pride in. The ability to make the client's interaction with our company a positive and productive experience is the goal we constantly try to achieve. This is the foundation of Mutual Insurance. The Chair concluded his remarks with the introduction of the Board and Officers of the company.





Approval of the Previous Minutes

Seeing no errors or omissions in the minutes dated March 7, 2022, it was MOVED by Ian Wade and SECONDED by Greg Beach, that the minutes of that date be approved as written.

Motion was CARRIED.

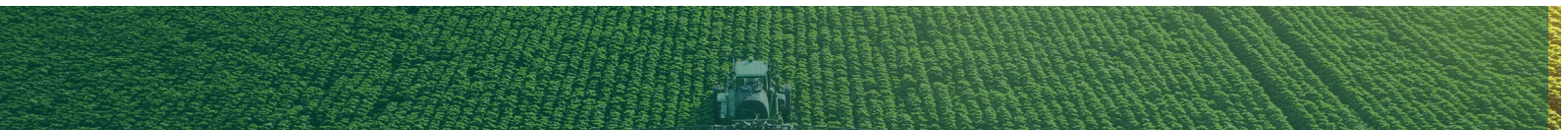
President/CEO's Remarks

P. Maron opened her remarks thanking all that have joined the Grenville's 131st Annual General meeting today. Her comments centered on some of the positives of 2022 which will set the stage for the future. The claims and underwriting teams have been transitioned onto updated versions of our technology platform. In fact, the claims' team worked with Cognition+, our platform provider, to create a refreshed claims system for all C+ customers. Grenville demonstrated how we live our value of supporting our communities through our sponsorship of the 2022 International Plowing Match and Rural Expo with almost every member of our team including the Board of Directors participated in this amazing event. P. Marson continued saying for 2023, our focus will continue to be on getting ready for our future. We are continuing to update our technology, fine tuning our processes, working to ensure our products are competitively priced and continue to meet the needs of our members. We are proud to be joining forces with Habitat for Humanity of Greater Ottawa and the Thousands Islands on their Kemptville Korners Development. We will be putting on our boots and hard hats to work on this 15-unit build. Thanks were given to the policyholders, our distribution partners, our Board of Directors and members of the mutual community for their continued support. Acknowledgment was also extended to the Grenville Mutual team. While our results don't show it, they worked hard throughout 2022 to deliver on our promises. P. Marson concluded with the comment that we truly believe in the Mutual experience and are grateful to be part of this community.

Financial Report

S. Wilson, Chair advised that the Corporations Act requires that prior to the election of Directors the annual statement shall be presented and read. The Company's Annual Report including audited financial statements for the year ended December 31, 2022, is available to members in accordance with the Corporation Act. The Board has approved the financial statements for the year ended December 31, 2022, at the February 15, 2023, meeting of the Board of Directors.

The Financial Statement for the year ending December 31, 2022, was presented by Chris Charlebois, Chief Financial & Operations Officer. As previously mentioned, this past fiscal year has been a challenging year for Grenville Mutual Insurance. From the May 2022 "derecho" to an unusually high number of over retention fire losses, to significant investment market volatility, 2022 was a year of "pivoting". From a top line perspective, our Gross Written Premiums increased by 5.1% (or \$1.6M) over last year despite continued policy growth challenges. This growth was mainly in our property lines of business. The reinsurance industry continues to face their own challenges with ever increasing risks and premiums, resulting in our own reinsurance premiums increasing once again. When reviewing the Gross Claims and Adjusting Expenses line on our Financial Statements, you'll notice a significant increases of \$24M or 129%. This was due to two main reasons mentioned earlier: The "derecho" on May 21, 2022 were Southern Ontario & Quebec were affected by a significant windstorm and the second reason for





the increase was the unusually high number of over retentions fires we experienced. When you combine these 2 reasons, along with our normal claims activities, this resulted in a loss ratio of 73.96% for fiscal 2022. Our total acquisition & operating expenses increased 1.3% due to normal inflationary factors which were especially challenging in 2022. On the investment side of the business, 2022 was a much different year than it was in 2021 as market volatility dominated the year, with the overall markets being well down from 2021. The good news is that due to our losses, Grenville can recover the income taxes paid last year. The total of these tax recoveries of \$1.6M reduced our final loss for the year to \$4.1M, and a commensurate decrease in our surplus. C. Charlebois concluded his report speaking to the implementation of International Financial Reporting Standards (IFRS) 9 and 17 for fiscal 2023. These standards will result in changes in how certain costs are recorded, the presentation of our financial statements and associated notes, as well as retrospective changes to our financial results.

Auditor's Report

Sheldon Gunn from KPMG presented the Auditor's Report for the year ending December 31, 2022.

Appointment of Auditor

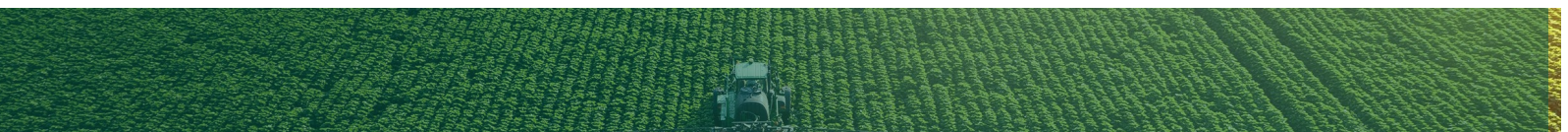
On the recommendation of the Audit Committee to the full Board of Directors on February 15, 2023, it is MOVED by Bonnie Barkley and SECONDED by Dawn Rodger that the firm of KPMG, Chartered Professional Accountants be appointed as Auditors of the company for the financial year commencing January 1, 2023, and ending December 31, 2023, and to hold office until the next Annual and Special General Meeting. Motion was CARRIED.

Election of Directors

Pam Marson, President/CEO stated that there are three Directors to be elected at this meeting. Ruth Lockett, Dawn Rodger and Steve Wilson, whose terms expire at this meeting, are all eligible to be re-elected as directors and have been nominated for re-election in accordance with the Company By-Laws. As the number of individuals nominated equals the number of vacancies on the Board of Directors and there being no further nomination as permitted by Company by-laws, it has been MOVED by Ivan Petersen and SECONDED by Paul Henderson that the Corporate Secretary be instructed to cast a single ballot in favour of each of the nominated persons for election as a director for a three-year term. Motion was CARRIED.

Claims Report

Jennifer Moulton, Claims Manager presented the 2022 Claim Report. This report is focused solely on new claims received in 2022. The year had 766 new claims reported, up from 560 the previous year. 171 of those claims were a result of the May 21st derecho which hit Ontario and Quebec and has been reported to be the 6th largest insured event in Canadian history by the Insurance Bureau of Canada. From that 1-day event, Grenville's policyholders incurred \$21.46 million in damages to their properties and 8 of those storm claims exceeded our retention. Thanks was extended to the claims team for rallying around each other during this catastrophe. It has truly been a team effort, one which continues. To date, 131 of those claims have been closed and 40 remain open. While the





derecho put immense pressure on our team, independent adjusters, contractors and suppliers, the real story for Grenville when it comes to the bottom dollar, was the hit we took from fire losses in 2022. We incurred 9 claims, outside of the derecho, which exceeded our retention. Rounding out the top 5 loss leaders, we had water claims, at fault auto claims, and Auto Accident Benefits claims. When we combine the effect of the derecho, the fire claims and the remainder of the NEW claims received in 2022, we show a gross incurred of \$42.2M, a number that is unheard of in my 24 years at Grenville and higher than we've seen in over a decade. The good news out of the claims department is that we didn't incur any injury claims which exceeded our retention in the year. To expand more on the new claims platform, this project was years in the making and the Grenville claims team was invested in it from the first focus group, after which we took on the role of Alpha and Beta testers and were the first company to go live on the system. In addition to all the testing, the claims team provided development and functionality ideas and feedback, many of which was implemented, to the Cognition+ developers. After all the work, while maintaining service levels to our policyholders, we went live in May of 2022, just prior to the derecho. I would like to thank the claims team for all their work, ideas and feedback that went into this project, along with the continued testing for enhancements and fixes and ongoing feedback to improve the product.

General Discussion

The Chairman declared the meeting open for general discussion and comments from the floor.

Adjournment

There being no further business to be conducted at this meeting, it was MOVED by Bonnie Barkley and SECONDED by Ron Greaves that the meeting be adjourned. Motion is CARRIED and the meeting was adjourned.

Certified to be a True Copy of the Minutes of this date.

Chair

Secretary

