



# NOTICE

## OF THE ANNUAL GENERAL MEETING OF DUFFERIN MUTUAL INSURANCE COMPANY

NOTICE is hereby given that the Annual General Meeting of Dufferin Mutual Insurance Company will be held at the Shelburne Curling Club, 110 O'Flynn Street, Shelburne, Ontario on Thursday March 18th, 2010 at 1:30 p.m. to:

- receive the Annual Reports (President, Manager, Financial etc.)
- appoint Auditors
- ratify the Acts of the Board of Directors
- approve Directors remuneration
- elect Directors (three for three years)
- approve By-Law changes recommended by the Board of Directors as follows (recommended changes/ additions are underlined):

1. That Article 21(d) of General By-Law 2000 be repealed in its entirety and replaced with the following:

**21(d) Notwithstanding any other provisions in the by-laws of the Corporation, no person shall be eligible for election or re-election as a Director unless he has been a member of the Corporation and insured therein for a minimum period of three consecutive years prior to the time he seeks office or through a vote of the board of directors, if 2/3 of the vote is in favor, a name can be brought forward for election.**

2. That Article 31 of General By-Law 2000 be repealed in its entirety and replaced with the following:

### **ARTICLE 31:**

**Meetings. All meetings of the Directors shall be held at the call of the Chair of the Board or according to the adjournment of the previous meeting, at the Head Office of the Corporation, or at such other place in or outside Ontario as the Directors may determine; the first meeting to be held immediately after the Annual General Meeting. A Special meeting of the Directors may be called at any time by the Chair of the Board, and shall be called at any time when required by three (3) Directors. Notice of all meetings shall be delivered, mailed, e-mailed or telephoned to each Director no later than the seventh (7th) day before the meeting.**

3. That Article 40 of General By-Law 2000 be repealed in its entirety and replaced with the following:

### **COMMITTEES OF THE BOARD**

#### **ARTICLE 40:**

##### **1) Executive Committee:**

**The Chair of the Board, Vice Chair of the Board, 2nd Vice Chair of the Board and Immediate Past Chair of the Board shall constitute the Executive Committee of the Corporation, and shall meet at the call of the Chair of the Board to advise and assist the President and Chief Executive Officer, the Secretary, or the Treasurer in dealing with emergency, routine or other business during the intervals between meetings of the Directors. The minutes of the Executive Committee Meeting(s) shall be reviewed by the Directors at the next Meeting of the Board and confirmed or amended at that time. During the absence, or inability to act of a member of the Executive Committee, another Director may be elected by the Board to act on the Committee in his/her place.**

##### **2) Other Committees:**

**i) The Board of Directors shall establish such committees of the Board as are required under the Insurance Act, as amended from time to time, or under regulations made under the Insurance Act.**

**ii) The Board of Directors may from time to time establish other ad hoc committees of the Board.**

4. That Article 47 of General By-Law 2000 be repealed in its entirety and replaced with the following:

#### **ARTICLE 47:**

**Agents/Brokers. The President and CEO shall appoint such Agents or Brokers as they deem necessary or desirable. Subject to these by-laws, the President and CEO may allocate agency territories for soliciting and receiving applications for insurance, grant and allow remuneration for the service of agents/brokers, fix the security to be given by the agents/brokers, and confer specific authority for the performance of such acts as may be required from agents/brokers by the President and CEO. The President and CEO may from time to time cancel such appointments, or alter or vary the terms and conditions thereof. The President and CEO shall follow the rules of appointment and cancellation of brokers as outlined in the company policy guideline. The President and CEO shall report to the Board as to any such appointments, cancellations etc at each meeting of the Directors. (See Article 54)**

5. That Article 51 of General By-Law 2000 be repealed in its entirety and replaced with the following:

#### **ARTICLE 51:**

**Contracts of Insurance. Subject to the foregoing Articles, and any applicable legislation, the Directors shall approve the introduction of a new product line prior to applying for a licensing change application being submitted to the Financial Services Commission of Ontario.**

6. That Article 53 of General By-Law 2000 be repealed in its entirety.

7. That Article 54 of General By-Law 2000 be repealed in its entirety and replaced with the following:

#### **ARTICLE 54:**

**Underwriting Duties of President and Chief Executive Officer. Notwithstanding the foregoing Articles, the President and Chief Executive Officer, acting under instructions of the Directors, shall accept or refuse all proposals or applications for insurance, and the President and Chief Executive Officer, or other person designated by him and approved by the Directors, shall be authorized to execute on behalf of and issue in the name of the Corporation all policies of insurance; provided that where any risk is unsatisfactory in respect to either hazard or rate, the President and Chief Executive Officer shall have the authority to cancel the policy, but he shall not cancel the policy of any Director without instructions from the other Directors. The President and Chief Executive Officer shall report all cancellations to the next meeting of the Directors when the canceled policies may be revived or not, as the case may be at the discretion of the Directors. The President and Chief Executive Officer, acting under the Directors' instructions, shall provide reinsurance in the manner required and approved by the Superintendent of Insurance. The consent of the Corporation to transfers or assignments of policies, other insurance, and comparable matters shall be given by the President and Chief Executive Officer over his signature, or by any other person designated by the President and Chief Executive Officer and approved by the Directors.**

The current By-Laws of the Corporation may be reviewed Monday to Friday, between the hours of 8:30 a.m. and 4:30 p.m. at the Company's Head Office, including the portion of the By-Laws that relate to Qualifications of Directors.

The corporation's annual statement will be available on the Corporation's website ([www.dufferinmutual.com](http://www.dufferinmutual.com)) 21 days prior to the Annual General Meeting. A member of the Corporation may also obtain a copy by sending a written request to the Secretary of the Corporation at 712 Main Street East, P.O. Box 117, Shelburne, Ontario, L0N 1S0 at least 14 days prior to the Annual General Meeting.

Applications for a Director position may be picked up from the Head Office of the Corporation, and must be received by the Secretary of the Corporation at 712 Main Street East, P.O. Box 117, Shelburne, Ontario, L0N 1S0 no later than close of business February 18, 2010.

There are currently three candidates who have qualified (as of this date), to stand for reelection to the Board of Directors of the Corporation. Those who are currently qualified are: Marian L. Gallaughier, Kevin Greer and Ian Gallaughier.

Dated at Shelburne, Ontario this 4th day of February 2010

Ian Gallaughier  
Chairman

Edward Forbes  
Corporate Secretary