

**The Second Public Annual General Meeting
of the Shareholders of Victoria Mutual Investments Limited
Held on Tuesday, May 28, 2019 at 3:00 p.m.
At the Jamaica Pegasus Hotel,
81 Knutsford Boulevard, Kingston 5**

PRESENT WERE:

Directors

Michael McMorris, Milton Samuda, Noel Hann, Phillip Silvera, Sandra Shirley-Auxilly, Courtney Campbell, Devon Barrett, Janice McKenley, Keri-Gaye Brown (Secretary)

Shareholders

Michael Hendrickson, Gain Wizzard, Anatol Allwood, Lancel Bloomfield, Lamara Morris, Hubert Foster, Keri-Gaye Brown, Jason Lee, Natasha Geohagen, Lannie Scott, Inez McCalla, Michael Dixon, Clover Moore, Alyssa Dean, Judith Forth Blake, Natasha Reid, Rezworth Burchenson, Kerrol McLean, Orette Staple, H McNeil, Errol Whittaker, Hugh Cross, Debbie Dunkley, Rojay Leachman, Karlene Mullings, Loran Nnacheta, Conroy Rose, Beverly Lawrence, Kayee Teape, Annella McFarlane, Victor Lodge, Magan Sloley-Peart, Tamara Dennis-Desgouttes, Karen Boland, Clinton Allen, Roy Hutchinson, Natalie Bennett, Nicole Adamson, Yanique Rodgers, Alton Beckford, Colando Hutchinson, Arnette Dias, Errol Hamilton, Josiah Williams, Howard Fung, Carol Leslie, Michael Edwards, Sonia Young, Lorraine Harrison, Barbara Samuels, Valerie Hamilton, Livingston Young, Rickardo Ebanks, Philbert Robb, Geoffery Forde, Clive Bernard, Basil Lue, Alexi Reid, Ashton Whyte, Janet Morris Henry, Kenroy Kerr, Douglas Wilson, Valerie Wilson, Michael Ramsay, Kanimah Shepherd, Mark Barton, Franklin Thompson, Weeman Clarke, Elethia Ricketts, Yvonne Williams, Carla McIntosh Gordon, Lorna Goldbourne, Derrick Ball, Steven Getten

Other Attendees

Marcia Nichols, Vascianna Cummings, Barrington Adedorky, Lucille Bever, Nathan Card, Earl Dawkins, Norman Collins, D. Smith, Horace Taylor, Rene Allen-Casey, Cynthia Lawrence, Deborah Creary, L Mousley, A. A. Nacheta, Kenisha Baker, Dawn Allison, Marcia Knight, Jervis McLeish, Kathya Beckford, Joel Nelson, Tennisha Gabay, Voniel Wynter, S. Allen, Jasmine Hylton, Karen Smith, Tiffany Walker, Michael McAnanuff-Jones, Rachel Kirlew, Patrick Cole, Ana Kate Campbell, C. Mayers, D. Stewart, Jason Adams, Danielle Jacobs, Jo-Hannah Owens, Claude Espeut, Daphny Drysdale, Pearnel McKoy, Eilleen Miller, David Patterson, Naketa West, Dennis Townsend, Omar Genus, Dayna Jackson, Marlon Rhoden, Tanyalee Paul, Evette Bryan

Proxies

1,200,020,000 held by The Victoria Mutual Building Society represented by Courtney Campbell.

I. CALL TO ORDER AND PRAYER

The meeting was called to order at 3:10 p.m. by the Chairman, Mr. McMorris who welcomed the Members and invited Mr. Noel Hann to open the meeting with prayer.

II. NOTICE OF MEETING

The Chairman invited a motion for the Notice convening the meeting to be taken as read. The Notice was adopted on a motion by Mrs. Anatol Clark-Allwood and seconded by Mr. Lanzel Bloomfield.

The Chairman introduced the head table: Mr. Rezworth Burchenson (CEO/Managing Director, Mr. Courtney Campbell (Group President & CEO) and Mrs. Janice McKenley (Group Chief Financial Officer).

III. APOLOGIES FOR ABSENCE

An apology for absence was tendered on behalf of Director Matthew Wright.

IV. ANNUAL REPORT OF DIRECTORS AND STATEMENT OF ACCOUNTS

The Annual Report of Directors and Statement of the Financial Position for the year ended December 31, 2018 together with the Report of the Auditors were presented at the meeting.

The Independent Auditor's Report in respect of the 2018 Audited Financial Statements was presented by Ms Cynthia Lawrence, Senior Partner of the auditing firm KPMG.

At the end of the presentation, the Chairman upon receiving news of the passing of the Most Honourable Edward Seaga, ON, P.C. LL.D (Hon.), former Prime Minister of Jamaica, asked all in attendance to observe a moment of silence.

V. CHAIRMAN'S REPORT

The Chairman's Report on the Company's performance for 2018 was presented.

He stated that the team had been actively pursuing the Vision to be the leading Caribbean-based provider of financial services and had made important strides in that direction.

Following the listing of Victoria Mutual Investments Limited (VMIL) on the Jamaica Stock Exchange in December 2017, the Company had performed well. Profit After tax had increased by 14.8% from \$346.3 M in 2017 to \$397.6M in 2018. The Company returned dividends to Shareholders at \$0.14 per share, which was a dividend payout ratio of 52.82%.

Through the outstanding success of the Unit Trust Products, including having the best performing Property Fund and the second best Equity Fund in the industry for 2018, the VMIL Group continued to fulfill its mission to grow creative new products; thereby helping them to achieve financial independence. The Company was also enthusiastically pursuing the purpose of educating and empowering clients to create grow and sustain their wealth.

As part of the VM Group's strategy for growth, Mr. Devon Barrett who served in the post of Chief Executive Officer (CEO) at VMIL during 2018 will now focus on his Group role as Chief Investment Officer, VMBS. Mr. Rezworth Burchenson, former CEO of Victoria Mutual Pensions Management and former Deputy CEO of VMIL had been appointed to the post of CEO and Director as of January 1, 2019. Mr. Barrett remained a member of the VMIL Board and will continue to play an active role in charting the strategic direction of the business. Clients stand to reap tremendous rewards from this fortified leadership team.

On behalf of the VMIL Board, the Chairman thanked the Management and Team Members of Victoria Mutual Wealth Management Limited and VMIL for purposefully applying their talents to the achievement of the VMIL Group's success. He noted that their commitment was admirable and will continue to serve the business and clients well. He also thanked the valued Shareholders and clients who continued to make VM their partner of choice in the journey to achieving their financial goals. He stated that he was proud of the achievements in 2018 and was confident that VMIL will continue to perform well into 2019 and beyond.

VI. CEO's REPORT

Mr. Rezworth Burchenson presented the CEO's Report. He recognized the Members of the VMIL/VM Wealth Management Team who were in attendance.

Mr. Burchenson advised that overall, the economy had performed well in 2018, with most of the macro-economic indicators pointing in the right direction. He pointed out that the VM Wealth Unit Trust market share had increased from 4% to 6% and that two (2) additional funds were introduced in 2018. He highlighted the stellar performance of the Property and Equity Funds in 2018.

Mr. Burchenson discussed the Financial highlights and noted that the primary contributor to impairment was the default in the Government of Barbados Bonds.

The Shareholders were advised that the Company was taking steps to improve client experience and in this regard, had engaged Ernst & Young to conduct a comprehensive review in order to re-engineer processes to enable the Company to exceed client expectations.

Mr. Burchenson stated that in 2018 a new investment management system- OPICS was launched to provide greater functionality, faster and more accurate information. This will facilitate better decision-making, as well as improved client experience.

The sales practices and talent management strategy were also being improved along with financial education of clients. He outlined the Strategy for 2018, pointing out that the focus was on significant growth in Net Interest Income, aggressive assets growth, transformation of client experience and continued strengthening of Team Member engagement.

He discussed the Purpose, Vision and Mission of VMIL as part of the VM Group and outlined the key initiatives for 2018 -2019 to achieve the Mission of VMIL. He thanked the former CEO Mr. Devon Barrett for his leadership and thanked the shareholders for their participation in the Customer Service feedback.

At this point, at 4:00 p.m. the Chairman thanked the CEO for his presentation. He also thanked the former CEO for his contribution to the growth of assets and revenues at VM Wealth. The Chairman invited questions from the Shareholders before the Resolutions were read.

QUESTIONS ON THE AUDITED FINANCIAL STATEMENTS

Mr. Livingston Young asked a question re Note 27 on page 122 of the Annual Report. He asked for an explanation of the figures under Cash & Cash Equivalents. Mr. Rezworth Burchenson explained that the term referred to the average interest rate for that category of assets.

Mr. Young asked about the meaning of the term ECL on page 107 and was advised by Mrs. Janice McKenley that the abbreviation referred to Expected Credit Loss which was introduced as a result of the new IFRS 9 standard effective January 1, 2018. She explained that it was divided into stages 1, 2 & 3.

Mr. Orrette Staple rose and congratulated the Chairman, the Members of the Board and staff for the commendable financial results despite the challenges. He noted that the Board and Committee Members attended meetings as scheduled and the results were good.

He also made the following observations:

- a. Although it was requested, he had not seen a Board Evaluation and would like to see it in the Annual Report.
- b. The Annual Report cover should state that is is the 2nd Annual General Meeting.
- c. In relation to the Management results, the JSE Rules at Appendix 13 gives an idea of what should be prepared and this should be shared with the team that prepares the results.

He noted that the equity continued to grow as a result of Management's hard work.

Through the Chairman, he congratulated the representative of the Auditing firm KPMG for the professional way in which she read the Auditor's Report. He then proceeded to ask questions about the new judgments and assumptions. Ms. Cynthia Lawrence in reply indicated that they related to impairment losses recognized as a result of IFRS 9, which now required a provision for Expected Credit Loss. She stated that from the day the loan was booked, the team had to estimate the probability weighting and record forward-looking information. All of those details required judgments and models. As a result of the new requirements, the provisions will be higher compared to the previous method.

Mr. Staple asked whether it would be correct to say that the new requirement will affect dividend payments. Ms. Lawrence advised that that it will affect the amount of impairment loss recognized and to that extent, it could result in lower profits. She however pointed out that the Company's profits had not declined.

QUESTIONS ON AUDITED FINANCIAL STATEMENTS

Mr. Staple asked whether it meant that the team will have to make greater efforts to maintain the returns. Ms. Lawrence indicated that he was correct because the performance would be based on the quality of the financial assets.

Mr. Staple asked whether it was correct to say that the team had hard work ahead of them and Ms Lawrence confirmed that he was correct.

Mr. Staple asked for the reason for the reduction of Cash and Cash Equivalents as noted on page 50 of the Annual Report, pointing out that it has technically reduced dividend payments.

Mr. Burchenson said that was not the case and advised that in 2017, VMIL went to the market to raise capital and refunds were made in January 2018. The \$3.4B referenced on page 50 was part of that amount.

The Chairman stated that the IPO was substantially oversubscribed, and the excess funds had been deployed to shareholders. The situation that year was an anomaly as a result of the IPO.

Mr. Staple enquired whether this was before the IPO. The Chairman answered in the affirmative and stated that the refunds were then made in January 2018. Some funds were received but then went back to shareholders as refunds.

Mr. Staple advised that in future, this should not be done to appear so close, that one could use a particular term to describe it.

Mr. Campbell addressed the shareholders and drew their attention to the Liabilities. He pointed out that the Accounts Payable had reduced and so the impact should be viewed in the context of both sides of the Balance Sheet.

Mr. Staple enquired about the new feature of expense called Outsourced services and Mr. Burchenson advised that in his presentation he spoke about centralization. As Management grew the business, they looked at the most cost effective way to leverage the infrastructure with the Group and to use resources. He pointed out that Revenues also grew.

QUESTIONS ON AUDITED FINANCIAL STATEMENTS

Mr. Staple asked about the Earnings per share, and that it was dependent on two (2) factors: authorized shared and profit.

The Chairman said it was related to issued shares.

Mr. Staple commented that the Earnings per share had decreased significantly and asked about the plan to change this immediately in 2019.

The Chairman clarified that the earnings per share was currently \$0.27, down from \$0.29.

Mr. Burchenson stated that it was important to compare apples with apples, and indicated that Net Income had grown by 14%. He reminded the shareholders of the strategic plans applied in 2018 which involved aggressive growth. The results reflected execution on the strategy.

Mr. Staple enquired about Margin Funds. He stated that the Company earned fees in addition to having custodial arrangements. He asked for an explanation of the custodial arrangements.

Mr. Burchenson explained that the funds were held on behalf of clients until the funds could be sold. He also stated that the Jamaica Stock Exchange currently had no custodial arrangements.

Mr. Staple asked about the change in fair value of debt securities from \$162.734M in 2017 to (\$226.67M) in 2018 on page 52 and was advised by Mr. Burchenson that it related to the Government of Barbados securities.

Mrs. McKenley explained that based on the requirements of the IFRS 9 standard, the table reflected the change in fair value of the Government of Barbados bonds which were currently in default.

The Chairman pointed out that fair value positions changed from year to year.

Mr. Staple looked at the Total Revenues, Total Expenses and Net Profit for 2017 and 2018 and commended the Board, pointing out that the achievements were as a result of the tremendous efforts of the staff. He stated that he hoped to see even better results in 2019.

QUESTIONS ON AUDITED FINANCIAL STATEMENTS

Mrs. Kayree Berry-Teape noted that 63% of the Group Operating Revenue in 2018 on page 8 was related to Net fees and commissions and that on page 102, Net fees and commissions for Corporate Advisory Services had increased. Mr. Burchenson advised that the Net fees and commissions related to the Capital Markets business line.

Mrs. Berry-Teape asked whether there was an Employee Share Ownership Plan (ESOP) and Mr. Burchenson advised that the Company did not have an ESOP.

Mrs. Berry-Teape referred to page 107 and asked about the Bonds that increased from \$3B to \$5.9B. She noted that the non-investment grade increased and asked whether there was a strategy to avoid investment grade bonds.

Mr. Burchenson's response was that the approach was to balance risk and return, and to boost Net Interest Income business, the team invested in that area. He pointed out that there was a robust risk management framework.

The Chairman asked Mr. Burchenson to define investment grade for the benefit of the shareholders. Mr. Burchenson mentioned United States of America bonds as an example of investment grade bonds, pointing out that the market would not expect a default in its securities.

The Chairman added that it was a lofty grade from international rating agencies and explained that the investment team had an understanding of the domestic debt and prudently balanced risk and reward.

Mrs. Berry-Teape also asked whether those investment grade securities were available to clients and Mr. Burchenson confirmed their availability to clients.

Mr. Campbell pointed out that a few years before, the Government of Barbados securities were investment grade.

Mrs. Berry-Teape asked about the Fixed Rate Secured Bond, Credit Linked Note and Variable rate note and Mr. Burchenson provided clarification that the Company would borrow at a particular interest rate to onlend.

VII. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 AND REPORTS OF THE DIRECTORS AND AUDITORS

The Statement for the year 2018 was read by the Chairman.

The Chairman invited a motion for the approval of RESOLUTION No.1:

“That the Audited Accounts of the Company for the year ended 31 December 2018 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are hereby adopted.”

A motion for the adoption of the Chairman’s Statement, the Audited Group Accounts for the year ended 31 December, 2018 and the Reports of the Directors and Auditors was moved by Mr. Orrette Staple and seconded by Mr. Livingston Young and was duly passed with all voting in favour.

VIII. DECLARATION OF DIVIDEND

The Chairman indicated that the next item for consideration was the approval of the dividend payment for 2018 and asked for a motion to approve the following resolution:

RESOLUTION No. 2

“THAT the interim dividend of \$0.02 per share paid to the shareholders on record on March 23, 2018 and the interim dividend of \$0.12 per stock unit paid on December 11, 2018 be and are hereby ratified and declared as the final dividend for the financial year ended 31 December 2018.”

The resolution was approved on a motion by Ms Lamara Morris and seconded by Mr. Mark Barton, with all votes in favour.

IX. ELECTION OF DIRECTORS

RESOLUTION No. 3A

The Chairman read the following resolutions:

“THAT Director COURTNEY CAMPBELL had retired from office by rotation pursuant to Article 108 of the Articles of Incorporation and being eligible, had offered himself for re-election.

“THAT Director MILTON SAMUDA, had retired from office by rotation pursuant to Article 108 of the Articles of Incorporation, and being eligible, had offered himself for re-election.”

“THAT Director JANICE MCKENLEY, had retired from office by rotation pursuant to Article 108 of the Articles of Incorporation, and being eligible, had offered herself for re-election.”

The Chairman proposed their election en bloc and the motion was moved by Mr. Orrette Staple and seconded by Mrs. Anatol Clark-Allwood, with all votes in favour.

The Chairman proposed the resolution for the election of the Directors Courtney Campbell, Milton Samuda and Janice McKenley. The motion was moved by Mrs Anatol Clark-Allwood and second by Mr Orrette Staple.

RESOLUTION No. 3B

“THAT Director REZWORTH BURCHENSON, having been appointed as an addition to the Board of Directors on January 1, 2019 to hold office until the next Annual General Meeting, had retired from office pursuant to Article 106 of the Articles of Association and being eligible, had offered himself for re-election.”

The motion for his re-election was moved by Mr. Orrette Staple and seconded by Mrs. Anatol Clark-Allwood.

X. DIRECTORS' REMUNERATION

RESOLUTION No. 4

The Chairman asked for a motion to approve the following resolution:

“THAT the amount of \$15,544,220.00 included in the Audited Accounts of the Company for the year ended 31 December 2018 as remuneration for their services as Directors be and is hereby approved.”

The resolution was approved on a motion by Mr. Livingston Young and seconded by Mr. Mark Barton, with all votes in favour.

XI. APPOINTMENT OF AUDITORS

RESOLUTION No. 5

The Chairman requested a motion to approve the following resolution:

“THAT KPMG, Chartered Accountants, having signified their willingness to continue in office as Auditors, be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be agreed by the Directors.”

The appointment was approved on a motion by Ms. Carol Leslie and seconded by Ms Sonia Young, with all votes in favour.

XII. GENERAL DISCUSSIONS

The Floor was open for general discussion.

The question and answer session discussion is attached at Appendix I

XIII. ANY OTHER BUSINESS

There was no other business discussed.

XIV. TERMINATION

The meeting was terminated at 5:15 p.m. on a motion by Ms. Karen Boland and seconded by Mr. Alexi Reid.



Chairman

JULY 24, 2019

Date

APPENDIX I
QUESTION & ANSWER SESSION

**The First Public Annual General Meeting
of the Shareholders of Victoria Mutual Investments Limited
Held on Tuesday, May 28, 2019 at 3:00 p.m.
At the Jamaica Pegasus Hotel,
81 Knutsford Boulevard, Kingston 5**

Mr. Norman Collins indicated that he was a researcher and enquired about the Data Protection Bill and the Group's readiness as a financial institution.

Miss Keri-Gaye Brown, responded that there was a robust framework in place and the developments were being monitored. She confirmed that the Group was ready.

Mr. Livingston Young stated that he was concerned about the movement of the stocks and wanted to make a profit off of the movements.

The Chairman confirmed that in December 2017, the stock price was \$2.45 and as of May 27, 2019 it was at \$4.20.

Mr. Young referenced page 94 of the Annual Report and asked about the figures in brackets at Note A.

Mrs. McKenley indicated that it related to current taxes and deferred taxes to be paid at a later date.

Ms Lamara Morris stated that she misplaced a dividend cheque which was found 6 months later and when she presented it to JMMB, she was advised that it had to be taken to VMIL. When she presented it in January 2019 to VMIL it was explained that it had to be presented to the Jamaica Stock Exchange and some forms were prepared and even did a survey, however, to date she had received the replacement cheque.

Mr. Burchenson apologized and advised that a representative will speak to her after the meeting to address the issue.

The Chairman also apologized to Ms Morris and advised that her query will be followed up.

Ms Karen Smith asked whether VM benefited if she had stocks in the US Stock Market.

The Chairman explained that provided it was invested through VM Wealth, the Company would benefit.

Mrs. Anatol Clark-Allwood asked whether the Annual General Meeting was being streamed online. The Chairman confirmed that it was.

Mrs. Clark-Allwood advised the Chairman to extend a welcome to those listening online. She stated that the commendations given by Mr. Staple resonated with her and she wanted to also commend the team. She expressed the view that it was attributable to Mr. Courtney Campbell's leadership as he was a man of probity and dignity. She congratulated the team for being innovative and for asking for client feedback. She was also pleased about having easy access to the Minutes.

Mrs. Clark-Allwood noted that nothing had been done yet about the Board's gender balance and asked why more females were not on the Board, pointing out that females were qualified and could stand tall. She encouraged the Board to do better in this regard.

The Chairman endorsed her sentiments and indicated that the Board complement had not changed/grown since the last Annual General Meeting and that currently there was a process in train to select the best people and hopefully next year, there will be a positive development in this regard.

Mr. Weeman Clarke commended the team for the good financial results. He stated that there should be more Annual Reports available for shareholders next year.

The Chairman apologized for the inconvenience.

Mr. Orrette Staple requested details of Key Management short term investment, salaries, benefits, post-employment benefits and shared base payments or profits. He stated that Directors Emoluments - included fees and Management Remuneration related to Executive remuneration and he requested for the inclusion of the requested details to be implemented for next year.

The Chairman explained that the Senior Management Executives who were Directors on the Board of VMIL did not earn Directors' fees.

Mr. Staple indicated that the distinction between Non-Executive vs Executive needs to be clarified in the Financial Statements for next year.