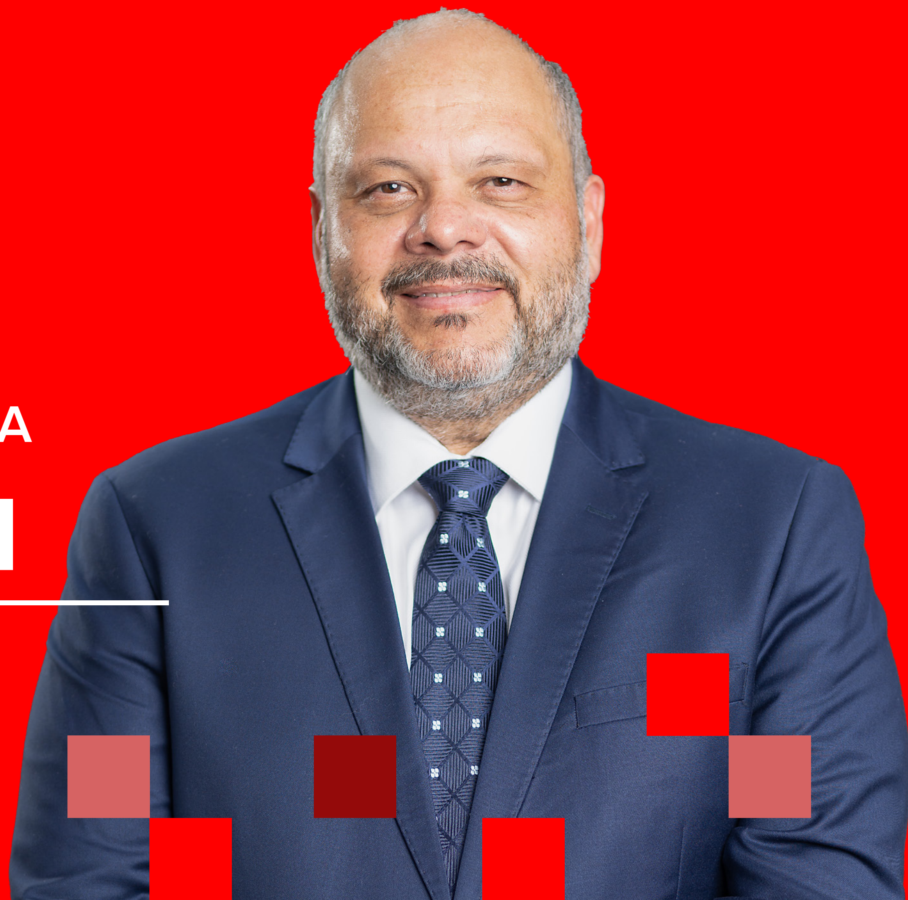
Cornerstone | Barita



LETTER FROM THE CUHJL AND BARITA CHAIRMAN

PROPOSED SCHEMES OF ARRANGEMENT FOR THE REORGANISATION OF THE CORNERSTONE GROUP

Dear Shareholders:

The Cornerstone Group is about to embark on a new phase in its evolution as a group of companies as it seeks to undertake the reorganization of the Group. The Group is excited about the prospects associated with its reorganization and the attendant benefits, including the synergies to be unlocked through closer integration of the operating entities. We believe the reorganization of the Group will redound to the benefit of our customers, shareholders and other stakeholders as it will strengthen the Group's ability to identify attractive strategic opportunities for acquisition, enhance its commercial value, engender greater operational efficiency and further optimize its enterprise-wide risk management and governance across the Group.

On behalf of the Boards of Directors of Cornerstone United Holdings Jamaica Limited and Barita Investments Limited I seek your approval of the Schemes of Arrangement as set out in this Circular, which seek to, among other things, explain the proposed reorganisation, the rationale for same, the mechanisms of the transaction and why we believe you should support the Schemes of Arrangement. These details are set out in the Explanatory Notes contained in this Circular, which we are encouraging you to read in its entirety for all relevant details.

The reorganisation is necessary in order for the Group to comply with the requirements of the Banking Services Act, 2014 ("BSA"), which took effect in 2015. Pursuant to the requirements of the BSA, the primary purpose of the Schemes of Arrangement is to facilitate the reorganization of the Regulated Companies (as defined herein) within the Group under one holding company i.e. the FHC, in order to enable consolidated supervision by the BOJ. Specifically, the BSA mandates this where a group of financial services entities includes a deposit taking institution and another financial services entity. Under the proposed new structure, CTMB, Barita and Barita Unit Trusts Management Company Limited ("BUTM"), will be held under the FHC i.e. Barita Financial Group Limited ("BFGL"), all together constituting the Regulated Companies.

Accordingly, BFGL was incorporated under the laws of Jamaica on September 15, 2023 for the purpose of being the FHC and holding the other Regulated Companies as contemplated under the Schemes of Arrangement and on completion of the Schemes of Arrangement will be the parent company of these entities. Pursuant to the Schemes the FHC was incorporated as a subsidiary of Cornerstone Financial Holdings Limited ("CFHL"), which will be the ultimate holding company of the Group following the reorganisation.

The Board of each Scheme Company has approved the Schemes of Arrangement and unreservedly recommends same to the shareholders of the applicable Scheme Company and ask for their approval. We ask all Scheme Shareholders to read this Circular and Explanatory Notes in order to fully understand the merits of what is proposed and to attend the Court Sanctioned Meetings at which CUHJL and Barita Shareholders will be invited to vote on the Schemes of Arrangement. If you are not able to attend the applicable Court Sanctioned Meeting then please appoint the Chairman of the Court Sanctioned Meeting or another Director or other person, as your proxy, to vote on your behalf and return the Proxy Form as directed in this document without delay.

Signed on behalf of the CUHJL and Barita Boards by:

____

Mark Myers
Chairman – CUHJL and Barita