BARITA INVESTMENTS LIMITED

COURT SANCTIONED EXTRAORDINARY GENERAL MEETING

MONDAY, JANUARY 20, 2025

SPANISH COURT HOTEL

COMMENCED AT 12:03 P.M.

Quorum and Call to Order - **Chairman**

CHAIRMAN: Good afternoon, and Happy New Year to Barita shareholders.

AUDIENCE: Good afternoon.

CHAIRMAN: I would like to wish you all the best for 2025.

The Court sanctioned meeting of 2025 of Barita Investments Limited is now called to order at 12:03 p.m.

Madam Secretary, do we have a quorum?

MS. STERLING: Good afternoon, Barita Shareholders. Yes Mr. Chairman, I can confirm that we have a quorum.

CHAIRMAN: Thank you. The Secretary has confirmed that we have a quorum, and the meeting is therefore properly constituted.

My name is Mark Myers, and I am the Chairman of the Board of Directors of the Company.

Chairman's Welcome - ***Chairman***

Let me start by extending a warm welcome to all the persons present here today, who are able to join us for this meeting.

This meeting has been convened pursuant to an Order of the Supreme Court of Jamaica, for the purpose of allowing shareholders of Barita, to consider, and vote on a resolution relating to the implementation of a reorganisation plan for the Cornerstone Group. This reorganisation will be done by way of what is called "a composite Scheme of Arrangement".

To that end, we will be taking you through the details of the reorganisation plans, including the mechanics, how it will impact shareholders, and the benefits it will have on the companies which form a part of the Scheme. You, the shareholders, will thereafter be given the opportunity to ask questions, and obtain any clarification you may need.

After all questions are addressed, you will be asked to vote on the proposed reorganisation. However, as it relates to the voting process, once we get to the business section of the meeting, we will explain that process.

Each shareholder will be given a ballot card to facilitate voting on the Resolution for the reorganisation, which is in compliance with Section 206 of the Companies Act.

The Resolution will be read out by the Secretary, and the shareholders will be asked to propose and second the Resolution. Once the Resolution has been moved, shareholders will be asked to cast their vote using the ballot card provided and representatives from the Registrar will collect the ballots to tabulate votes.

Please note that shareholders were given the option of voting in person by attending the meeting, or by appointing a proxy, and those proxy forms were submitted ahead of the meeting.

After the casting of the ballots by shareholders, we will conclude the meeting to facilitate the counting of the votes cast using the ballots and by proxy forms, and a preliminary result will be announced on the Jamaica Stock Exchange's website within twenty-four (24) hours. The final results will thereafter be announced by the same forum a few days later.

Having gotten those housekeeping matters out of the way; we will start the formal proceedings with a prayer, and I ask Ms. Sanya McHugh to lead us in prayer.

*Opening Prayer **- Sanya***

SANYA McHUGH: Let us pray.

(*Prayer led by Ms. Sanya McHugh)*

CHAIRMAN: Thank you, Sanya.

Resolution approving** Notice of the Meeting – **Chairman

This brings us now to the Notice of the meeting.

As ordered by the Court approving this court sanctioned meeting, all shareholders would have received notice of this meeting, as it was uploaded to the Company's website and the website of the Jamaica Stock Exchange on the 30th of December 2024. We therefore ask a shareholder to propose, and another to second the following Resolution.

Resolution approving Notice of Meeting - **Chairman**

"*THAT the Notice convening the meeting having been previously circulated be taken as read*".

Proposer of resolution

May I have a proposer?

MALE PROPOSER: (Raise of hand).

CHAIRMAN: Yes, sir, your name?

MR. ROSE: David Rose.

CHAIRMAN:	David Rose.
	Seconder of resolution
	A seconder?
CORNERSTONE:	Cornerstone.
CHAIRMAN:	Cornerstone. Thank you.
	Shareholders to vote on resolution
	Shareholders, in support of the Resolution, please raise your hand to register your vote.
	(*Hands raised*)
	Shareholders against the Resolution, please raise your hands to register your vote.

Stephanie, can you indicate whether the majority shareholders have voted for or against?

MS. STERLING:	Yes, Mr. Chairman, I can confirm that the shareholders have voted in favour of the Resolution.
CHAIRMAN:	Thank you. The majority of shareholders have voted in favour of the Resolution, I declare the motion carried based on the majority of votes. **MOTION CARRIED**
	Apologies ***– Chairman***
	Madam Secretary, are there any apologies?
MS. STERLING:	Yes, Mr. Chairman, I can extend apology for Director Carl Domville, who extends his apology for absence.
CHAIRMAN:	Thank you.
	Proxies **– Chairman**

Thank you. Please be advised that we have received two hundred and eight (208) proxies. The proxy register is available for viewing, and shareholders may view it by making arrangements with our Registrar, the JCSD, to view the proxy register.

Introduction of Head Table et al - Chairman

I would now like to introduce you to members of the Head Table starting – And the Head Table stretches two (2) tables. Starting with:

- Dane Brodber, CEO Designate of Barita Financial Group Limited, the Financial Holding Company, and Acting CEO of Cornerstone Trust & Merchant Bank Limited.

- Ramon Small-Ferguson, CEO of Barita Investments
- Stephanie Sterling, Group Head of Legal and Company Secretary; and
- Stephen Phillibert, Group CFO

We also have with us today, a number of professional Advisors who will be available to answer questions as necessary. They are:-

- Garth Patterson KC, Attorney-at-law with the Law firm Lex Caribbean based in Barbados
- Ransford Braham KC, Attorney-at-law with the Law Firm, Braham's Legal
- Malindo Wallace, Attorney-at-law with the Law Firm Pinnacle Law
- Lance Hylton, Attorney-at-law with the Law Firm Hylton and Hylton, and
- Wilfred Baghaloo, partner with PricewaterhouseCoopers.

We also have with us today, Mr. Balvin Vanriel partner of BDO, Jamaica, Barita's auditors, who will be acting as the scrutineer, and will be overseeing the counting of the ballots cast by shareholders.

I would also like to introduce the members of the Board of Directors of Barita Investments Limited.

As I mentioned earlier I am Mark Myers, the Chairman.

There are;

Paul Simpson – Deputy Chairman

Carl Domville – Director

Duncan Stewart – Director

James Godfrey – Director

Phillip Lee – Director

Robert Drummond – Director

Jason Chambers – Director; and

Peter Goldson – Director

I would like to now acknowledge the presence of the following persons:

Our Registrar – Jamaica Central Securities Depository, represented by Ms. Tamieka Ricketts and Ms. Alicia Dean. Also;

Annette Headman, Corrine Patterson, Alicia Harrison, Antoney Dixon, Kerry Crooks, Chantelle Scarlette-Dennis, and Sassetta Mannings.

Business of the Meeting - Chairman

Ladies and gentlemen, members of the head table, and the Board, it is my pleasure to welcome you all to this court sanctioned meeting of the Company.

I am particularly delighted to be here with you for this journey we are about to embark on.

The Cornerstone Group of which Barita is a part, is about to embark on an exciting new phase in its evolution.

The Group is on the verge of undertaking a reorganisation, subject of course, to your approval, and there are so many good reasons you should support the reorganisation.

I am sure many of you may be wondering why this is necessary, and we have a detailed presentation where that will be made abundantly clear.

While I do not wish to pre-empt Dane's presentation, I am sure he will not mind me explaining a few things.

This reorganisation is a requirement under the law, specifically, the Banking Services Act, 2014.

This law states that any financial group that has a deposit-taking institution such as a commercial bank, or a merchant bank, as part of the Group, is required to reorganize themselves so that all the regulated entities within the Group are held by what is called a "Financial Holding Company.

As such, the Cornerstone Group including Barita, therefore, has no choice, but to reorganise in order to comply with the law.

As you will learn from the explanations that will be provided, Barita's shareholders will not in any way be negatively impacted by the reorganisation.

After the reorganisation you will continue to be a shareholder in Barita in the same way you were before, and Barita will continue its operation as it did before, including being listed on the Jamaica Stock Exchange.

While compliance with the law is the primary reason for Barita undertaking this reorganisation, we do also recognise that there are certain benefits that will flow from it.

We believe, that based on some of the eminent operational changes, there will be certain synergistic benefits that will accrue such as operational efficiencies across the Group which will assist with cost containment.

For this reason, the Board is excited about the prospects of this reorganisation, and the ways in which it will help us to deliver greater value to our stakeholders including to you, our shareholders.

As such, on behalf of the Board, I unreservedly recommend that you support the Scheme by voting to approve it when voting opens.

So, without further ado, let me turn the floor over to Mr. Dane Brodber and Mr. Ramon Small-Ferguson, so they can delve into the details of the Scheme.

Over to you, Dane.

Presentation on the Reorganisation – Dane Brodber/Ramon Small-Ferguson

MR. BRODBER: Thanks, Chairman.

All right. So, good afternoon, and welcome shareholders.

ALL: Good afternoon.

MR. BRODBER: I first want to thank you for joining us on this significant juncture and our journey. I am going to take a few minutes to walk you through the rationale, mechanics, and the impact of the proposed of the reorganisation. And of course, following that, feel free to ask any questions to clarify for your understanding.

Introduction

So, Cornerstone is embarking on this reorganisation to comply with regulatory requirements under the Banking Services Act, which I refer to as the "BSA".

So, the BSA would have taken effect in 2015, and Section 69 mandates financial groups to reorganise under a financial holding company licensed by the Bank of Jamaica, where such groups contain a deposit-taking institution and one other financial institution, in order to facilitate what's called "consolidated supervision" by the BOJ.

Now, what consolidated supervision allows, is for the BOJ to understand combined financial resources and risks of a group of financial services entities, which may not necessarily be as evident when looking at them individually. So, what that means is greater regulatory oversight to ensure the protection of stakeholders.

Now, given that the Cornerstone Group includes a DTI, in the form of Cornerstone Trust & Merchant Bank Limited, and a securities dealer licensed by the Financial Service Commission in the form of Barita Investments Limited, it's required to reorganise itself so that both CTMB and Barita, are held by a financial holding company.

Now, this isn't peculiar to the Cornerstone Group, several other entities including Grace, JMMB, VM, JN, would have gone through a similar exercise, and some even would have done this some years ago in anticipation of the upcoming regulations.

Rationale for Reorganisation

So, the rationale for the reorganisation is first and foremost, compliance with the law in the form of the BSA requirement.

Now, the Cornerstone Group anticipates that once the reorganisation, to which the BOJ has issued its non-objection, is completed, there will be certain synergistic benefits that will be unlocked by integrating the Group's operations more closely to expect an increase in operational efficiency as we streamline operations and unified best practices across subsidiaries, which will lead to an enhanced ability to pursue attractive strategic opportunities for future acquisitions.

Customer Experience

We expect an improvement in customer experience, as we streamline our offerings and our customer experience to clients across the Group now, with access to the full suite of the capabilities across the Group for their financial affairs.

Strengthened Governance

And of course, we expect strengthened governance in improved enterprise-wide risk management through increased Board and regulatory oversight, and a more integrated risk management framework and capabilities.

So, importantly, as we mentioned, there will be no adverse impact on shareholders. Barita's shares will remain listed on the Jamaica Stock Exchange after this reorganisation.

Minority shareholders will retain their shares and their trading capacity, and what the reorganisation will do, as we mentioned, is to allow the regulated entities to be held by a financial holding company in compliance with BSA.

So, the only change is going to be that Barita Investments Limited will be majority owned by Barita Financial Group Limited. However, since Cornerstone Holdings Financial Limited will hold 100% of Barita Financial Group Limited, the effective shareholding in Barita Investments Limited will remain the same.

So, before I get into the mechanics of the "Scheme of Arrangements", I am going to invite Barita CEO, Ramon Small-Ferguson to describe the companies within the Cornerstone Group.

Companies Within Cornerstone Group

About Cornerstone – Mr. Ramon Small-Ferguson

MR. SMALL-FERGUSON: Thank you very much, Dane.

Good afternoon, everyone...

ALL: Good afternoon.

MR. SMALL-FERGUSON: …and special good afternoon to my Barita shareholders.

So, as Dane mentioned, my job today is to describe the companies within the Cornerstone Group.

All right. So, I am going to start by telling you a little bit about Cornerstone. Now, Cornerstone is effectively constituted by Cornerstone United Holdings Jamaica Limited, and Cornerstone Financial Holdings Jamaica Limited: Two (2) distinct companies.

Cornerstone United is the holding company for Cornerstone Trust & Merchant Bank, and it owns 100% of Cornerstone Trust and Merchant Bank, and Cornerstone Financial Holdings Limited, which is the entity with which you would be most familiar, is presently the majority shareholder of Barita Investments Limited owning around 76%. Both entities are distinct holding companies, but they are held by the same shareholders in the same exact shareholding. So, there is a mirroring between both entities.

Now, Cornerstone was founded with a particular objective in mind, and that is to build what we collectively describe as a sustainable investment platform with intergenerational applications, and that simply means that we have a long-term strategy centred around impact.

It's also centred around creating shareholders and driving economic growth through transforming lives, it's what we do, which is particularly, in financial services. So, you are very familiar with what we have been doing on the investment banking side, and we are excited to bring more to the fore, our capabilities on the banking side, as one powerful financial group.

We prioritise as a Group, the deployment of both human capital and financial capital into the entities that are acquired with a view of driving that differential value as I described.

So, let me talk a bit about again, the company with which you are most familiar, Barita Investments Limited.

Barita was founded in 1977, so we have been around, this is our 48^{th} year, as an entity, and we are a full service securities dealer, full service investment banking outfit, we specialise in providing wealth management services to individual clients, asset management services, equity and fixed income trading. We are a licensed Cambio by the Bank of Jamaica, so, we do foreign exchange trading, and we have a number of people centred around supporting these businesses to providing investment research and strategies.

We are licensed primarily by the Financial Services Commission, and as I mentioned, we are regulated by the Bank of Jamaica, via Cambio operations, as well as a primary dealer of our operation, and we are also listed on the Jamaica Stock Exchange and will remain listed.

In August of 2018, Cornerstone Financial Holdings Limited, CFHL, acquired a 75% stake in Barita by our takeover bid, and since then we have been operating a post-acquisition strategy that has really centred around expanding the business to make it more capable for you our stakeholders and transmitting that value to all the various stakeholders.

We have a subsidiary, Barita Unit Trust Management Company Limited, of which I am the Managing Director. And Barita Unit Management Trust Company, specialises in providing asset management services.

As the name reveals, Barita Unit Trust Management Company Limited has been a manager for Unit Trust Funds for over thirty (30) years since 1993, and the company also does other portfolio management services for its clients.

So, let me talk a little bit about Cornerstone Trust & Merchant Bank, CTMB. Cornerstone Trust & Merchant Bank, which is formerly MF&G Trust and Finance, has been around for even longer than Barita. And the entity was renamed to MF&G Trust and Finance in 1992, and was acquired by Cornerstone in 2016, following which it was renamed “Cornerstone Trust & Merchant Bank”.

Cornerstone started out by acquiring an 80% stake with the previous shareholders MF&G the law firm, holding the remaining 20%, and that remaining 20% was acquired by Cornerstone in 2019. And again, this entity is owned by Cornerstone United Holdings Jamaica Limited.

CTMB currently offers banking services to include deposit accounts, credit facilities, and is an authorised foreign exchange dealer. The entity is the only remaining merchant bank in Jamaica and is regulated by the Bank of Jamaica during its merchant banking standing.

CTMB is developing technological capabilities, and our intention is to transform the entity, very closer than you think, into a digital bank, executing on a vision of providing, and on parallel a set of services to our clients.

So, let me talk a bit about the newest entrant to the Group, the Barita Financial Group, which is intended to be the financial holding company within the Group, and should the Scheme go through, the 75% shareholder of Barita –.

The entity was incorporated on September 15, 2023, under the laws of Jamaica, and its featured role is intended to be the financial holding company that holds the Group’s shareholding in Barita and Cornerstone Trust & Merchant Bank.

All right, let me close out this section of the presentation by reiterating: The impact of the reorganisation.

So, first, the reorganisation is primarily as Dane mentioned, being done to facilitate compliance with the law and regulation. So, that’s the very first thing, a mandatory step.

The implementing of the “Schemes of Arrangement”, as proposed, will not have a negative impact on holders of Barita shares. The first thing we want to reiterate and reiterate again, is that the shares will not be delisted from the Jamacia Stock Exchange as a result of this, and to say it differently, the shares will remain listed and tradeable, post the reorganisation, and minority shareholders will retain their ownership in the Company, and trading capability in the same proportion and quantum as they did before.

All right, the Cornerstone shareholders’ shareholding which is resident now in CFHL will remain unchanged in terms of the number of shares and the proportion, and having assumed the assets and liabilities of CUHJ, which is the entity that owns the Cornerstone Trust &

Merchant Bank, the Barita Financial Group will now represent, or reflect rather, the total assets of the entities.

All right, I will hand back over to Dane, who will kind of take you through a pictorial view of this new structure. Dane?

MR. BRODBER: All right, thanks for those descriptions, Ramon.

So, to the existing Group structure that you would have seen in the Scheme's documents, shows the Cornerstone Group currently consisting of two (2) privately held investment companies in the form of Cornerstone United Jamaica Limited, that's CUHJL, and Cornerstone Financial Holdings Limited, that's CFHL, that are domicile in Jamaica and Barbados respectively. Now, both CUHJL and CFHL have the same shareholders with share companies mirroring each other in both companies as was mentioned before.

So, CUHJ has its subsidiary CTMB which it owns 100%, and Cornerstone United Holdings USA (Incorporated), which it also owns 100%. CFHL has Barita in which it owns approximately 75%, and CFHL USA, which it also owns 100%.

Now, the primary purpose of this reorganisation as we mentioned, is the establishment of this financial holding company, subject to being issued a licence by the BOJ, which will hold the regulated entities within the Group.

Now, the implementation of the reorganisation is going to involve CFHL assuming the assets and liabilities of CUHJ, which includes the shares of CTMB and Cornerstone USA.

There is going to be a creation, which has happened already, of a newly formed proposed financial holding company which is going to be 100% owned by CFHL. BFGL will now acquire the shares of Barita and CTMB, which were previously owned by CFHL and CUHJ, and CUHJ will be dissolved and the acquisitions of its assets and liabilities acquired by CFHL.

Now, the reorganisation itself is going to be undertaken as a court sanctioned composite "Scheme of Arrangements", under the Companies Act, and would therefore, only be implemented where the following conditions are satisfied. So;

1. The majority of the shareholders present today, either by ballot or by proxy, with those votes constituting a value of 75% of the shares in the companies, and what will be impacted by the Scheme, would have to approve the Scheme.

   And again, these are the conditions per the Companies Act.

2. The Supreme Court of Jamaica would have sanctioned the Schemes, subject to the shareholders of the Scheme Companies approving the applicable Scheme in the manner that's required under Section 206 of the Companies Act.

So, in terms of how the reorganisation will work. So, the two (2) Cornerstone Companies, CUFJ and CFHL are going to be amalgamated such that CFHL is going to acquire the assets and liabilities of CUHJ.

- CFHL is going to be the surviving entity, having assumed the assets of CUHJ. Now;
- But those assets include the ordinary shares of CTMB, and therefore, temporarily, CTMB will be a wholly owned subsidiary of CFHL; and
- In consideration for those assets that CFHL would acquire from CUHJ, CFHL would also assume the liabilities of CUHJ.

The other element now is that BFGL will become the sole owner of CTMB, and the majority shareholder of Barita. So;

- CFHL's ordinary shares in CTMB and Barita from the elements that I mentioned previously, representing shareholdings of 100% and 75% respectively, are going to be cancelled, and a corresponding amount of those same shares will be issued to BFGL, which would be Barita Financial Group, the new parent company for those companies.

Now;

- In exchange for receiving the shares with CTMB and Barita, BFGL will issue more shares to CFHL, but CFHL would still maintain 100% of BFGL. And;
- Those new shares that are going to be issued by Barita to BFGL are going to carry the same rights, benefits, and obligations as the Barita shares currently held by CFHL.

The Proposed Structure

So, when that is all done, this (indicating) is what the structure will look like. So, you are going to have;

Barita Financial Group Limited (BFGL):

- Barita Financial Group, the newly incorporated company, is going to become the Financial Holding Company, subject of course, to being issued a licence by the BOJ, and a wholly owned subsidiary of CFHL.
- Barita and CTMB will become direct subsidiaries of Barita Financial Group Limited, the proposed FHC, as is required under the BSA.

Cornerstone Financial Holdings Limited (CFHL):

- Will now become the ultimate holding company owning 100% of Barita Financial Group Limited, and therefore maintaining the same ownership within Barita.

The Reorganisation: Effect on Barita

So, in terms of the effect on Barita, I will mention it again.

- Barita is not going to be delisted, the Company is going to remain listed on the Jamaica Stock Exchange after the reorganisation.

So;

- It's not going to negatively impact the shareholders of Barita; and
- Minority shareholders are still going to retain their ownership, and still retain the trading capabilities of their shares as before.

So, the reorganisation what it will do is;

- To cause the regulated entities within the Group to be organised under a financial holding company, as mandated by the BSA.

And of course, we expect;

- To also enhance operational efficiency across the Group.

Impact of the Reorganisation: Effect on Cornerstone and Barita Shareholders

So, now;

- The Barita shareholders except CFHL, will continue to hold their shares in Barita, which will remain listed on the JSE. So, no value is going to leave the shares held by the minority shareholders.
- Barita shareholders except for CFHL - Well, the CFHL's shareholding in Barita under the Schemes, is now going to be held by Barita Financial Group Limited, but the Cornerstone shareholders who as we mentioned, maintain the same number of ordinary shares in both CUHJ and CFHL under what's called the "Mirror Principle" will not be losing any value by cancelling their ordinary shares with CUFHL. Instead, their holding in CFHL will remain unchanged, and having assumed the assets and liabilities of CUHJ, will now reflect the aggregate value of both companies.

The Reorganisation: Effect on the Cornerstone Group of Companies as a whole

Now, in terms of the impact on the Cornerstone Group as a whole, again, will be now conforming to the requirements of the Banking Services Act, after the reorganisation. Now, by moving with the regulated entities under the FHC, what that allows is for future regulated financial businesses to be quickly established under the FHC without affecting Barita and CTMB.

Similarly, future unregulated entities, that means non-financial services entities, can be acquired or built out under the ultimate holding company CFHL, without disturbing the financial group, or without impacting Barita and CTMB, or without any value leaving the Barita shareholders.

Key Benefits of the Reorganisation

So, again, as we mentioned, having done the reorganisation, we will: -

Regulatory Compliance

1. Ensuring compliance with regulatory requirements

Operational Synergies

2. Unlock cost efficiencies as we mentioned; and;

Strengthened Position

3. Will be better able to capitalise on strategic acquisition opportunities.

No Adverse Impact on Shareholders

And I reiterate again:

- No adverse impact on shareholders.
- The existing shares in Barita and CTMB will be unaffected; the value is going to be preserved post-reorganisation; and we expect, based on the synergies that are possible, for an increase in shareholder value.

The Role of Shareholders in this Transition

Vote to implement the "Scheme of Arrangements" to:

So, shareholders, your role in this transition process, is to vote on the "Scheme of Arrangements" again, to help us:-

- To comply with the Banking Services Act
- To move forward with the synergies that we expect including operational efficiency; and
- To help boost market position and enhance commercial value.

Voting Guidelines

So, in terms of the voting: -

- Each shareholder will be given a ballot to vote on the resolution of the reorganisation again in compliance with the Companies Act.
- The Resolution is going to be read out by the Secretary; and
- The shareholders are going to be asked to propose and to second the Resolution.

- Once that Resolution has been moved, the shareholders are going to be asked to cast their votes on the ballots that're provided; and
- The representatives that are here today, from the Registrar at the JSE, you will see them down at the back, will collect the ballots to tabulate the votes.
- Now, following the ballot casting, the meeting will end to facilitate the counting of the votes that were cast; and
- The preliminary results we expect to be announced on the Stock Exchange website in around 24 hours; with
- The final results to be announced a few days later.

Conditionality of Schemes

So, in terms of the conditions of the Scheme I will reiterate again: Two (2) conditions…

Approval Requirements

Implementation of the Schemes is conditional on:

- That there is the approval of the requisite majority, that is the majority of persons here today by ballot, and constituting at least 75% of shareholding of Barita, would have approved the Scheme; and then
- Finally, based on that approval, the sanction by the Supreme Court of Jamaica.

Expected Outcomes

And in terms of expected outcomes: Now, we are asking you to vote again;

BSA Compliance

- To help us to comply with BSA;

Enhanced Operational Efficiency:

- To enhance the efficiency of our Group, and the experience of our customers; and

Strategic Growth Potential:

- To unlock our strategic growth potential.

Thanks again shareholders for joining us at this important juncture of our development, and we remain open to answer any questions for clarification. Thank you.

CHAIRMAN: Thank you very much, Dane and Ramon.

*Question and Answer Session – Shareholders – **Chairman***

Ladies and gentlemen, I know that was a lot to swallow, but I believe they did a great job simplifying it so that we could follow and understand the mechanics of it all.

Simply put, 75, or 76% of Barita is owned by Cornerstone Barbados, and CTMB is 100% owned by Cornerstone Jamaica. After the reorganisation, Barita and CTMB, will have a new parent in the form of Barita Financial Group Limited. Which would be the financial holding company, that would be licensed by the Bank of Jamaica. That's the essence of what is legally required.

The regulated entities must be held under the FHC designated Barita Financial Group Limited. The FHC will now be owned by Cornerstone Barbados, and Cornerstone Jamaica will cease to exist thereafter.

Your shares in Barita will not change in any way; and they will remain the same. All that will happen in Barita, is that CFHL, or Cornerstone Barbados, is going to pass its shares to the FHC. So, the name of the shareholder will change while everything remains the same.

This process is being undertaken by a number of other financial groups as they too sought to comply with the law.

As I have mentioned, today, this is a meeting mandated by the Court, as it requires shareholders to vote on the Scheme for its sanction to same.

So, having given my take on what is proposed, and acknowledge the excellent job Dane and Ramon did in explaining the "Scheme of Arrangement", I know some of you may nonetheless have questions.

So, we will now give you an opportunity to ask those questions or share comments, before asking you to vote on the Resolution.

Shareholders, if you wish to ask a question or make a comment, please raise your hands to be acknowledged.

Once I call on you, please make your way to the microphone that is closest to you. And we ask each shareholder who addresses this meeting to state your name, and if you are representing an entity, that you state the name of the entity.

Please note any shareholder is entitled, at this meeting, to raise points, and register any questions, concerns, or reservations for the consideration of all shareholders.

So, with that, shareholders, do you have any questions? Yes, Mr. Bloomfield?

Questions

MR. BLOOMFIELD: Pleasant good morning, L. Bloomfield here, shareholder.

CHAIRMAN: "Bloomfield".

MR. BLOOMFIELD: Mr. Chairman, my take on this based upon your presentation and the presentations of the other personnel: I am not really getting a sense of clarity, and probably one of the most important thing that is missing from this meeting, is the

"Scheme of Arrangement" documents, so shareholders would have had it, peruse it, and be able to digest it.

I have no problem, I have been through Schemes of Arrangements with other companies before, and we had documents in time, so we could understand it what you are trying to achieve.

But for this meeting, we note that there is [*sic]* no "Scheme of Arrangement" documents, all that happens is your presentation, and you must take into effect that, it is not just for today's activity, it is beyond. So, when we have our documents that we can go home, we can digest it, we know exactly what was done, what is being proposed, it is better for us as shareholders.

But seeing that we are at where we are now, I would just like a little more clarity as to what are the companies who are going to be dominant shareholders at the end of the day in Barita Investment [*sic*]. Just a little more clarity.

CHAIRMAN: Thank you.

MR. BLOOMFIELD: Because it's a little confusing, because we don't have the "Scheme of Arrangement" documents.

CHAIRMAN: Okay, thank you. Malindo, you want to take that?

MS. WALLACE: Sure. Good afternoon, everyone. Mr. Bromfield, to address the first part of your comment, the Scheme documents were actually dispatched to shareholders on the 30th of December, by way of an upload to the Jamaica Stock Exchange's website. It can also be found on Barita's website, and we actually placed a notice in the Papers advising shareholders of the meeting, and of the fact that the documents can be found on the websites. For those shareholders for whom the Stock Exchange has their email addresses, the documents were also shared with those shareholders via that channel.

As it relates to additional information, I am going to rely on Dane and Ramon to provide any clarity that you may require as it relates specifically to the Scheme, and the mechanics of it.

MR. SMALL-FERGUSON: Sure. So, I will probably just focus on the commercial bit, right.

So, you are probably asking the question from two (2) perspectives. The first is clearly as a shareholder, and the second is probably as a customer of Barita. So, I will speak to the practical impact of the Scheme from both perspectives.

From your perspective as a shareholder, the direct impact of the Scheme is minimal to the extent that the shareholding that the Cornerstone Financial Holdings Limited now holds, moves to the designated financial holding company, it will not have a direct impact at all on your shareholding in Barita. Your shareholding will remain the same, the shares will remain listed on the Jamaica Stock Exchange, and you can still trade them as you see fit. So, that's the first thing.

So, the Scheme in and of itself, will not at all have an impact, a direct impact on your shares and your shareholding. So, that's the first thing.

Now, with respect to the practical effect of what the Scheme could bring, now that Barita Investments Limited and Cornerstone Trust & Merchant Bank, will be under one umbrella so to speak, being owned by a financial holding company or a designated financial holding company, it would not only facilitate consolidated supervision and regulation by the Bank of Jamaica, which as Dane said, for any interested party, whether you are a shareholder or you are a customer, the additional regulatory effect that the BoJ will bring regulating the Group, and by extension Barita in that capacity, should be reassured. So, it doesn't only bring that benefit, but also from a customer perspective, it would allow for much more seamless collaboration between Barita and its sister company, Cornerstone Trust & Merchant Bank.

So, in other words, our expectation, is that we will be able to provide a much more wholistic financial services experience for our customers. Additionally, as Dane mentioned, to the extent that we are able to now directly collaborate with the bank, and draw on the resources, we expect to achieve efficiencies which should, all else being equal, redound to the benefit of our shareholders through improved value.

So, those are some of the benefits that we expect to accrue from the Scheme and ultimately, as we described, the main motivation for doing this, is simply to comply with the law. And just to reiterate, we are one of many companies that have done some running of this, over the course of the last decade, all right.

CHAIRMAN: Thank you. Mr. Levy?

MR. LEVY: All right. Afternoon. Bruce Levy, and I have proxy for Sagicor Select Funds Limited. And believe me, it's just one question.

The Cornerstone Financial Holding Limited Barbados, is it proposed to have a shareholder meeting to approve the consequences on the Scheme of Arrangement? We just attended a shareholder meeting for Cornerstone Jamaica, and now this is a meeting for Barbados, so we are just enquiring whether or not, it's proposed to have a shareholder meeting for Cornerstone Financial Holdings in Barbados to approve the Scheme?

CHAIRMAN: So, while we have been advised that it is not necessary, it is being scheduled.

MR. LEVY: Okay, thank you.

CHAIRMAN:	Yes, sir?
MR. EDWARDS:	Yes, Mr. Chairman. Ramon Edwards, shareholder. What I would want to know is, why are we maintaining two deposit-taking institutions licenses in this Group, is it the intention that a commercial bank will come at a later stage?
MR. BRODBER:	Thanks for your question, Mr. Edwards. So, to be clear: The entities that will be within the financial group will be a securities dealer and a deposit-taking institution. Now, with respect to the deposit-taking institution, that's correct, the Cornerstone Trust & Merchant Bank, and among our plan, will be to eventually to gain commercial banking status.
CHAIRMAN:	Are there any other questions?
MR. ROSE:	Morning, David Rose, shareholder. So, first question. What was the preliminary result in the previous Cornerstone – I wasn't at the meeting.
CHAIRMAN:	I don't think that's relevant for this meeting.
MR. ROSE:	It is a two-way process, the meeting for the Cornerstone and the meeting for Barita. Both had to agree to…
CHAIRMAN:	The Resolution passed.
MR. ROSE:	Unanimously, or was there any dissent?
CHAIRMAN:	There was one vote against.
MR. ROSE:	Thanks. My next question with respect to a part of the – Well, in the "Scheme of Arrangement" documents, that was put on Barita's website, one of the items that was mentioned, was the two-phased or two-tiered "Scheme of Arrangement" structure. The first Scheme being to create a financial holding company regulated by the BoJ. And the second one being the eventual delisting of Barita Investments and delisting of Barita Financial Group on the JSE.
CHAIRMAN:	That's not – That's incorrect.
MR. ROSE:	That was in the document though.
CHAIRMAN:	No. That Barita Investments will be delisted is not true.
MS. WALLACE:	If I could just respond, Mr. Chairman?

So, the document mentioned a subsequent event, where Barita would possibly be delisted, and Barita Financial Group Limited would be listed. But it also went on to say that there was no guarantee that would happen, and that it would be a separate Scheme of Arrangement. So, that is not something that is contemplated at this current Scheme of Arrangement that shareholders are being asked to vote on.

MR. ROSE: No, I know that, but for your own sake, Mr. Myers, Section 5.8.1 if you actually look at the documents yourself…

CHAIRMAN: Anyway, go ahead -What's the question?

MR. ROSE: No, so, Malindo answered it, but it's a question for your own sake.

CHAIRMAN: Okay, thanks, appreciated.

MR. ROSE: I just got a follow up for Malindo. So, you are saying that it isn't something that is necessarily contemplated, but it is a potential eventuality?

MS. WALLACE: Right, so for this Scheme – That is not being done under this Scheme at all.

MR. ROSE: No, I know that, that's clear.

MS. WALLACE: Uh-huh.

MR. ROSE: Which is the second part: That's something that is contemplated for the future though?

MS. WALLACE: Right, as to when that will be, or if in fact, that happens, we can't speak to that at this point.

MR. ROSE: No, that's fine, I don't want to be overly – And I think this is my final question. - I understand that the assets and liabilities of CUHJ are to be assumed by CFHL, and I know that CUHJ somewhat serves as a cost centre for the very Cornerstone Group. What's the eventual plan for the financial holding company? Because I do recall that Mr. Brodber is supposed to be the CEO of the financial holding company. Is it that the Barita Financial Group Limited will be the cost centre for the new Group structure?

MR. BRODBER: Thanks for your question, Mr. Rose. So, just to clarify. So, Barita Financial Group Limited, effectively will be the – Well, Barita

Financial Group Limited and its subsidiaries will constitute all the operations of the regulated entities within the Cornerstone Group. So, it's not necessarily serving as a cost centre or anything like that, it's just the holding company, that constitutes all of the regulated financial services in the Group.

MR. ROSE: No, but Malindo mentioned that – I asked that question because I know some of the entities, do manage cost and the direction of capital flow through the holding company. So, a better way of saying it is, you have CUHJ right now, and I believe is the CEO of that entity at the moment, correct?

MR. BRODBER: All right, so let me just clarify. So, you have an ultimate holding company, and that ultimate holding company holds Barita Financial Group that constitutes all of the financial services entities within the Group. There are other non-financial companies that are held by the ultimate holding company. So, what the Scheme does, is really separates the financial services from the non-financial services effectively. So, the financial group and the other non-financial entities fall under the ultimate holding company; all the operations of the financial Group, fall under the FHC.

MR. ROSE: So, is it that CFHL will assume some of the responsibilities and activities of CUHJ in a sense, based upon which CUHJ has employees and executives as currently stands?

MR. BRODBER: All right. So, the entire business of CUHJ is going to be amalgamated into CFHL.

MR. ROSE: No, that's clear. So, what I am trying to get is, a better way of saying it: You had – Malindo, you had Mr. Chambers and other members being under CUHJ which it owns CTMB, but there is also in turn in a sense a relative holding company with staff and executive functions.

MR. BRODBER: Uh-huh.

MR. ROSE: What I am asking you is, under the Barita Financial Group structure, which is the whole Cornerstone Group, is it that the executive responsibilities which include yourself and other members will fall under the Barita Financial Group in turn?

MR. BRODBER: So, what we can say for now is that everything that happened in CUHJ, and CHFL will now fall within CFHL. And as I mentioned the financial holding company will be the company that holds all the financial services for the financial group. Now, as we mentioned in the presentation, the management team of Cornerstone typically will partner with the portfolio companies in order to drive synergies. That element of things will stay the same. The only thing that's happening is that the operations of CUHJ is being amalgamated into CFHJ and all of the financial services entities are now going to fall under Barita Financial Group Limited.

MR. ROSE: And that's my final question. So, have you received non-objections like from regular lenders and other players in this new overall structure in a sense?

MR. BRODBER: Well, what I can speak to here is that we received non-objections from the BOJ.

MR. ROSE: No, there is the BOJ on that point, but I mentioned – You have creditors and borrowers in turn. Did they get non-objections for this overall Scheme in terms of the amount of assets and liabilities amongst the Group?

MR. CHAMBERS: So, probably I could assist through the Chairman.

CHAIRMAN: Please.

MR. CHAMBERS: Jason Chambers, Chief Investment Officer for the Cornerstone Group. So, Mr. Rose, what we are doing here is stakeholder consultations, the particular stakeholders here are the shareholders, and we are doing other consultations as we speak, and we will be wrapping up those consultations in good time before the appointed court date for implementation of the Scheme.

MR. ROSE: And you can understand where my questions are coming from though still.

MR. CHAMBERS: Understand and what we are saying is that we are in the process of stakeholder consultations. And those consultations are proceeding very well.

MR. ROSE: And a follow up to Mr. Myers' earlier response. Is it that you are going to hold that meeting in Barbados with CFHL before the Court appointed date for the reorganisation?

CHAIRMAN: Most likely.

MR. ROSE: Thanks.

MR. LEVY: Apologies, I should have asked it before. But I do represent different Groups here. Will updated financial statements…

CHAIRMAN: So, who are you representing now?

MR. LEVY: The question was asked in the last meeting, and I know it was answered, but I am being instructed to ask the question here as well.

So, will the updated financial statements for Barita be filed in the "Scheme of Arrangement?

MR. PHILLIBERT: Financial statements audited for Barita Investments Limited, as at the last year end have been filed and the Jamaica Stock Exchange, were clear.

MR. LEVY: I thank you.

MR. PHILLIBERT: There is no reason to provide those statements, but what is it that you are thinking?

MR. LEVY: I asked if the updated financial statements were filed for purposes of the Scheme of Arrangement?

MR. SMALL-FERGUSON: No. Just to supplement Stephen's answer, the 2024 audited financial statements were released to the public as is required as a listed company. So, they are available for all shareholders to inspect.

CHAIRMAN: Mr. Baghaloo, is your hand up?

MR. BAGHALOO: Morning everyone. Consider the Scheme of Arrangement is being filed as based on what is in the information now, obviously the Scheme has to go back to the Court, because it's a court supervised Scheme, and the necessary filings will have to be made, including the results of the meetings, the result of this meeting, and the other meeting, the previous meeting. And of course, submissions have to be made to the Bank of Jamaica to finalise, and to obtain the licence for the FHC.

Bearing in mind, this is the seventh (7^{th}) entity that's going through this process. The first couple of entities are: Jamaica National, VM, Sagicor, NCB, Scotia Bank, and I think maybe one other in this.

VOICE: VM.

MR. BAGHALOO: Grace.

CHAIRMAN: VM, Grace.

MR. BAGHALOO: So, I believe as at January the 20 – As at January, today, you have six (6) financial holding companies and the intention is that this will be the seventh (7^{th}). And the process is well established, the to do so is well established, there may be little nuances here and there between different lawyers representing different companies Chairman, but in substance, it's pretty much the same. And it is court supervised. And then the winding up of – For the gentleman's question. The winding up of CUHG…

CHAIRMAN: CUHJ.

MR. BAGHALOO: Yes. That cannot happen without the relevant authorities particularly, the Supervising solvency, be satisfied that all the liabilities and the assets are adequately addressed and treated equally. And all of that will be transferred to the new financial holding company.

CHAIRMAN: Thank you. Jason?

MR. CHAMBERS: Thanks, Chairman. And just to be very clear to all the shareholders here. The implementation of the Scheme will not impact the financial performance or financial position of Barita Investments, and therefore, there is no need for any update to financial statements already filed with the JSE.

CHAIRMAN: Thank you. So, I think we can bring that session to an end.

Having come to the end of the question-and-answer segment, I will now proceed with the business of the court sanctioned meeting as outlined in the Notice of the Meeting.

Please note that each shareholder present in person or by proxy, has one count based on the JCSD account maintained.

Passing of Meeting Resolution as outlined in the Notice – ***Chairman***

(i) To consider and approve the Scheme of Arrangement

May I now ask a shareholder to propose the following resolution for approval of the Barita Scheme after it has been read by the Secretary.

RESOLUTION

MS. STERLING: "*THAT pursuant to, and in accordance with section 206 of the Companies Act, 2004, the proposed Scheme of Arrangement between Barita Investments Limited and the holders of its ordinary shares on the terms as set out in the Scheme of Arrangement dated December 15, 2023 and circulated to the members along with, among other things the Explanatory Statement required by section 207 of the Companies Act, 2004, be and is hereby approved*".

That is the Resolution, Mr. Chairman.

CHAIRMAN: Will a shareholder please propose the motion?

CORNERSTONE: Cornerstone.

CHAIRMAN: May I now ask a shareholder to second the motion?

MR. LEE: Second.

CHAIRMAN: Thank you, Mr. Lee. Phillip Lee.

Shareholders, please now register your votes using the ballots provided. You will note there are four (4) ballot boxes: Two (2) to the front of the room, and two (2) to the rear of the room. You have also been provided with pens to make the voting process easier.

Shareholders will be given five (5) minutes to cast their votes, once that time has elapsed, we will notify you and the JCSD representatives along with myself will indicate the order in which each row will approach ballot boxes closest to you and place your ballot in the boxes.

It is very important however, that you read the ballot carefully to ensure that you found the directions for voting, so that your vote is validly counted, as failure to accurately fill out the ballot could result in a no count for your vote.

If for any reason you make an error and need a new ballot, please raise your hand and indicate to a JCSD representative, who will provide you with a new ballot to vote and destroy the ballot with the error in front of you.

If you have any questions, please feel free to ask one of our JCSD representatives. We shall begin the voting now. We are still holding your ballots.

I would also update for the record, that the proxies received were two hundred and nine (209); 2-0-9.

Chairman's Closing Remarks

So, ladies and gentlemen, we have now – Have all shareholders placed their votes? One more? Thank you.

So, ladies and gentlemen, we have now collected all the ballots, and we will shortly commence the process of counting your ballots along with the proxy forms that have been previously delivered.

As indicated earlier, the process will be supervised by BDO, Barita's auditors, and we expect to be in a position to announce the preliminary results within twenty-four (24) hours. We will do so by posting the Notice on the Jamaica Stock Exchange's website.

We will also advise in the Notice the date by which we expect to announce the final results.

This concludes the business of this afternoon's meeting. I would like to thank you all for attending the meeting and for your continued interest and support of Barita Investments Limited. Until the next meeting, please keep safe, and God bless all of you. Thank you.

Termination

(*At this time, the meeting was terminated, and everyone exited the room)*

Verbatim Notes prepared and submitted by

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