

ACCESS FINANCIAL SERVICES LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE KNUTSFORD COURT HOTEL, 16 CHELSEA AVENUE, KINGSTON 10, SAINT ANDREW ON THURSDAY, THE 17TH DAY OF SEPTEMBER 2020 AT 4:00 P.M.

Present:	Christopher Williams	Board Chairman
	Neville James	Director
	Charmaine Boyd Walker	Director
	Justine Collins	Director
	Michael Shaw	Director
	Marcus James	Director/Group CEO
	James Morrison	Director
	Sherri Murray	Company Secretary
Shareholders:	Livingston Young	Nicholas Mundell
	Orette Staple	Hubert Howlett
	David Rose	Deveta McLaren
	Keisha Smith	Hugh Campbell
	Shawneca Hamilton	Sherri Murray [Proxy for Proven Investments Limited]
Other Attendees:	Cynthia Lawrence	KPMG Partner
	Sandun Cooray	KPMG Senior Manager
	Frederick Williams	Access General Manager
	Brian Salmon	Access Financial Controller
	Nyoka Miller	Access Executive Assistant
	Michael Burke	Access Manager, IT
	Terry-Ann Hunter	Access Chief Accountant
	Carla Stephens	Access Para Legal

1. CALL TO ORDER AND WELCOME

The meeting was called to order by Director Neville James in the absence of the Board Chairman, Mr. Christopher Williams who was unavoidably running late. He welcomed all present and proceeded to introduce members of the Board of Directors present as well as Group CEO Marcus James and Director James Morrison who participated remotely.

2. CHAIRMAN'S OPENING REMARKS

Director Neville James deferred offering opening remarks and moved to the Group CEO's Report.

3. GROUP CEO'S REPORT

The Group CEO, Mr. Marcus James, began by welcoming all to the meeting and extending a special welcome to new Directors Michael Shaw and Justine Collins and to newly appointed

members of the Executive Management team, Messrs. Frederick Williams and Brian Salmon. He observed that the meeting was being held under unusual circumstances brought on by the COVID-19 pandemic as evidenced by his own presentation which was being made remotely from Florida where he was currently overseeing the operations of Embassy Loans.

The month of October 2020 was a special one as it marked the 20th anniversary of the Company. The pandemic had negatively affected the Group's performance particularly in the last quarter of the financial year. Notwithstanding this, however, the Group achieved Net Profit of \$330M and Comprehensive Income amounting to \$400M. At the same time, the Company moved to ease the burden of its customers by extending a payment moratorium. The Group CEO provided additional details of the Company's performance most notably a growth in the consolidated revenue of \$2.2B, an increase of 31% over 2019. Also noted was net after tax profit of \$330M which although reflecting a 28% drop, represented a 16% return on equity and \$1.20 earnings per share. In spite of the difficulties experienced by the Company due mainly from the pandemic, loans and advances had increased by \$1.06B or 31% over prior year. This result represented 22% for Access and 20% for Embassy Loans. Total Assets for the Group stood at \$5.6B up from \$4.5B in prior year.

In adapting to the challenges brought on by the pandemic, the Company had embarked on a more robust customer focused strategy using technology to conveniently and efficiently deliver its services. This included additional investment in network security and additional methods by which customers could access services by facilitating loan disbursements through direct deposits to their bank accounts and the processing of loan applications via the Company's website. In addition, a new marketing campaign entitled *Experience the power of 'Yes' with Access*, was launched while increased emphasis was placed on staff development with the aim of equipping them to give exceptional customer service.

In the current financial year, the main strategies have been built around protecting shareholder value while standing ready to take advantage of viable opportunities. The top priority within that strategy was growth in revenue and improved profit margins. These would be accomplished by customer retention and acquisitions; delivery of best in class customer service, new products and flexible terms and the use of technology to support awareness of the Company's products and services to drive demand. The Group CEO concluded his presentation by thanking the Board, the Executive Management team and the customers of the Access Financial Group. Access, he said, had been built over the past 20 years on a strong foundation and he looked forward to strengthening the pillars of leadership and good governance, creating new product offerings, value added services and an environment to ensure the long term viability of the Group for all shareholders.

4. QUESTIONS FROM THE GROUP CEO'S REPORT

On completion of the Group CEO's Report, Director Neville James invited questions from the floor.

- **Shareholder Orette Staple** after congratulating the Executive Management team for the financial results observed that there was no evidence of Board Evaluation despite several requests in the past for this to be included as part of the annual report to the shareholders. He again requested that this be implemented in the future and then proceeded to question the reason for the restatement of the 2019 financials as appeared

on page 44 of the Financial Statements. The Group CEO explained that differences between the General Ledger (GL) and the subledger had been discovered which necessitated the restatement of balances. Mr. Staple asked for an assurance that this would never be allowed to happen again to which Mr. James complied stating that a number of measures had since been put in place including increased oversight by the Audit and Risk Committee to ensure a non-recurrence.

Mr. Staple also cited increases in expenses for which he requested an explanation. The Group CEO explained that having acquired Embassy Loans in December 2018, the financials for 2019 reflected only three and a half months of revenue and expenses including Embassy Loans. On the other hand, the 2020 financials reflected a full 12-month for Embassy Loans which included salary expenses and loan write-offs. Before resuming his seat, Mr. Staple expressed the view that borrowers should not be allowed to use the difficulties caused by the COVID-19 pandemic to renege on their loan repayment responsibilities. He was adamant that the Company should put in place strategies to ensure that borrowers repay what was lent to them.

- **Shareholder Livingston Young** spoke to both the size of the allowance for credit losses in the financials as well as the US dollar currency risk. He was told that delinquency on US dollar loans for Embassy Loans was 7.9% compared to that of 12% for Access. In both cases these percentages represented the impact of business closures.
- In response to a question posed, the Group CEO stated that while an APO was something to be considered, it was not an issue on the table at this time.

5. **ASSUMPTION OF THE CHAIR BY THE BOARD CHAIRMAN**

Director Christopher Williams assumed the chair for the rest of the meeting. He congratulated the Executive Management and the entire team of Access for the work they had done to stabilize and maintain the operations of the Company, while adjusting to condition in both Jamaica and Florida, as well as for driving growth during this period. He also welcomed the two new Directors Michael Shaw and Justine Collins. At the same time, he urged shareholders not to panic in the face of the challenges and assured them that the Board had devised strategies to ensure the Group's survival. Access had cash on hand and the loan portfolio was performing well. The aim was to get back results to the level of 2019 and before, with the application of technology, aggressive marketing and the launching of new products.

6. **AUDITORS REPORT**

The Report of the external auditors was presented and read by KPMG's representative, Ms. Cynthia Lawrence.

7. RESOLUTIONS

The following resolutions were put to the meeting:

Resolution No. 1 – Directors and Auditors Reports, and Audited Financial Statements

THAT the Reports of the Directors and Auditors and the Audited Financial Statements of the Company for the year ended March 31, 2020, be and are hereby received.

Shareholder David Rose moved the motion which was seconded by Shareholder Orette Staple. The resolution was carried unanimously.

Resolution No. 2 – Dividend Payment

THAT on the recommendation of the Directors, the interim dividends paid by the Company on August 29 and November 28, 2019, and February 28, 2020 be and are hereby declared as final for the 2020 financial year.

Shareholder David Rose moved the motion which was seconded by Shareholder Hubert Howlett. The resolution was declared carried unanimously.

Resolution No. 3 – Re-election of Directors

Mr. Christopher Williams, Mrs. Charmaine Boyd Walker and Mr. Rex James retired by rotation pursuant to Article 97 of the Company's Articles of Incorporation. The former Board Chairman, Mr. Rex James, had resigned from the Board of Directors on June 19, 2020 and in accordance with Article 93 of the Company's Articles, Ms. Justine Collins and Mr. Michael Shaw were appointed on the same date. Mr. Christopher Williams, being a Shareholder Director, had been re-appointed by Proven Investments Limited pursuant to Article 99.

- (a) **THAT** being eligible, Mrs. Charmaine Boyd Walker be re-elected a Director of the Company.

The above resolution was moved and seconded by Shareholder Livingston Young and David Rose and carried unanimously.

- (b) **THAT** being eligible, Ms. Justine Collins be elected a Director of the Company until the next annual general meeting at which she will retire but shall be eligible for re-election.

The above resolution was moved and seconded by Shareholder Livingston Young and David Rose and carried unanimously.

- (c) **THAT** being eligible, Mr. Michael Shaw be elected a Director of the Company until the next annual general meeting at which he will retire but shall be eligible for re-election.

Shareholder Livingston Young moved for the passing of the above resolution. The motion was seconded by Shareholder David Rose and carried unanimously.

Resolution No. 4 – Re-appointment of Auditors

THAT KPMG, Chartered Accountants of 6 Duke Street, Kingston, having consented to continue as Auditors of the Company, be re-appointed as the Company’s Auditors until the conclusion of the next Annual General Meeting of the Company **AND THAT** the Directors be authorized to fix their remuneration.

Shareholder David Rose moved for the adoption of the above resolution and the motion was seconded by Shareholder Livingston Young and declared carried unanimously.

Resolution No. 5 – Directors’ Remuneration

THAT the amount shown in the Audited Financial Statements of the Company for the year ended March 31, 2020 as remuneration paid to the Directors for their services as Directors be and is hereby approved.

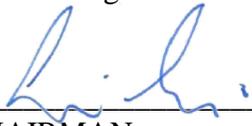
This resolution was moved by Shareholder David Rose and seconded by Shareholder Hubert Howlett. It was then carried by unanimous vote.

The Chairman took the opportunity to express his personal gratitude and that of the Board to Mr. Rex James who had resigned from the Board. He also announced that his appointment as Chairman had been approved by Proven Investments Limited.

8. CLOSE OF MEETING

Before bringing the meeting to a close, the Chairman recognized the 20th anniversary of the Company and congratulated its management and team on a tremendous achievement.

The meeting was terminated at 5:07 pm.



CHAIRMAN

DATE