

**MINUTES OF THE 48th ANNUAL GENERAL MEETING
of the St. Patrick's Co-Operative Credit Union Ltd
held at the Credit Union House, Brades, Montserrat
Wednesday December 17, 2020**

1. Call to Order

The Chairperson, Mr. Peter Queeley, called the meeting to order at 5.35PM.

2. Invocation including Prayer of St. Francis of Assisi

The meeting commenced with the Chairperson then leading the membership in the recital of the Credit Union Prayer. Following the Credit Union prayer, the Chairperson, Mr. Queeley requested the general membership to observe one minute of silence as a mark of respect for the members who had passed during the year.

3. Apologies

The Chairperson extended apologies on behave of Ms. Yvonnelle Jeffers, who is a member of the Credit Committee.

4. Reading of AGM Notice

Notice of the Annual General Meeting was read by The Chairperson – Mr. Peter Queeley.

5. Ascertainment of Quorum

The Chairperson indicated that Article 18 of the revised Bylaws of the SPCCU highlighted that a quorum at the Annual General Meeting or Special General Meeting shall be at least 50 members or 15% of the general membership of the SPCCU whichever less is.

Having ascertained that a quorum was attained as per the revised By-Laws of the SPCCU, the Chairperson indicated that the AGM was duly constituted.

6. Welcome Remarks

The Chairperson extended welcome remarks to the general membership, Corporate Governance volunteers, staff members and special invited guests. The Chairperson also noted that this AGM is conducted and governed by the Covid-19 restrictions and protocols of Montserrat.

7. Minutes of 47th Annual General Meeting & Matters Arising

The Chairperson informed the general membership that the then Secretary of the Board of Directors, Mrs. Cheri-Ann Rankin, unfortunately had migrated and thus the minutes were not constructed. The minutes for the 47th AGM was therefore constructed from the video recordings, and as such, the minutes recorded were limited. The Chairperson requested a motion to be moved for the minutes to be deferred to the next AGM as to explore another source to retrieve additional information for the minutes.

Mr. Peter White raised an issue with respect to the timeframe between each AGM and the process of adapting the minutes of previous AGM's.

Consequently, Mrs. Geraldine Cabey suggested that the percentage of the membership who were at the last AGM and those who are currently present at this AGM should be indicated. Therefore, those who were present at the previous AGM can judge the validity of the minutes being presented.

After a show of hands, it was revealed that the members present were adequate in numbers and therefore could move the motion to either defer the minutes to the next AGM or to have it adopted at this meeting.

Thereafter, the motion to defer the minutes to the next AGM, was accepted by majority of the members that were present at the last AGM.

8. Report of the Board of Directors for Financial Year 2018

President of the Board of Directors, Mr. Eugene Skerritt delivered the Board of Director's Report for the financial year 2018. In his presentation, President Skerritt highlighted the following:

1. That the local financial sector continues to remain very competitive with all the financial institutions jostling for business from a slightly recovering economy. Further in terms of profitability, the SPCCU recorded a net profit (surplus) of \$276,922 in financial year 2018, compared to net profits (surplus) of \$515,959 in financial year 2017.
2. As of December 31, 2018, the total assets of SPCCU stood at \$58.3M, compared to \$57.9M as of December 31, 2017. This represented growth in total assets of \$381,137M (0.7%) in financial year 2018.
3. That as of December 31, 2018, the SPCCU shareholder's equity position fell to (\$585, 024). This could have been worse, had the SPCCU not taken adequate collateral on many loans and been prudent in making loan loss provisions.
4. In terms of community outreach, during the 2018 financial year, the SPCCU focused on providing financial support to youth, engaging in sporting and cultural

activities. Also, the SPCCU will continue to advocate for youth empowerment and development. Additionally, in 2018, the SPCCU conducted a diaspora outreach programme which involved the marketing and leveraging of SPCCU products to the diaspora in the UK. The programme was aimed at encouraging the diaspora to purchase property in their homeland.

5. With the full implementation of the IFRS 9 in financial year 2018, the SPCCU will be required to remain compliant as far as provisioning for loan losses is concerned.
6. In terms of the future outlook, the SPCCU needs to position itself to provide the services that members require such as financial education forums, online banking, automated teller services and credit and debit cards. With this said, the SPCCU is currently in the process of testing the new online/mobile banking solution which will provide members with 24 hour access to their accounts via desktop/laptop and apple/android mobile phones.
7. The SPCCU in early 2021, will advance two important strategic partnerships with the National Development Foundation (NDF) and the Government of Montserrat (GoM) aimed primarily at developing entrepreneurships and other productive activities.
8. The Board acknowledged Ms. Jasmine Taylor and Mr. Gilmore “Popchow” Williams for their service as Members of the Board of Directors. Additionally, the President stated that as his term has also expired, this would be his last address to the membership as the President and a Member of the Board of Directors.

Following the presentation of the Board of Directors Report, members were requested to pose questions and clarifications.

Mr. Lloyd Ryan raised an issue with respect to the deferred minutes, in particular, the SPCCU making a deficit for the financial year. The General Manager (GM), Mr. Peter Queeley explained that due to the changes in the IFRS 9 standards and making additional loan provisions, the SPCCU 's Shareholder's Equity fell to (\$585,024).

Then, Mr. Lloyd Ryan questioned the efforts made by the SPCCU to get Montserratians in the UK Diaspora to invest in the Credit Union classified as “successful”. The GM expanded on the objectives of the programme to encourage persons in the diaspora to apply for mortgages and fix deposits. That programme also resulted in an increase of members investing in the SPCCU's Family Indemnity Plan (FIP). He also stated that the SPCCU hopes to replicate those efforts in North America, Canada, Virgin Islands, Anguilla and other islands in the Caribbean.

Mr. Lloyd Ryan also enquired about the SPCCU's role in supporting schools in financial literacy. The GM stated that there is no formalization, as all schools can be

supported and sponsored by the SPCCU. However, he also stated that there is a need to re-create an Education Committee to help formalize financial literacy.

Lastly, Mr. Llyod Ryan asked if the SPCCU has a timeline for the implementation of the ATM. The GM stated that the online banking is currently being tested and will be in effect towards the end of January 2021. However, the timeline for the ATM is estimated to be June 2021, keeping in mind relevant factors such as software integration.

Subsequently, a motion to adopt the Board of Directors Report was moved by Mrs. Geraldine Cabey, seconded by Ms. Romilly Murrain and accepted by the general membership.

9. Report of Credit Committee for Financial Year 2018

Member of the SPCCU Credit Committee Ms. Lauren Piper delivered the Credit Committee Report for the financial year 2018. In her presentation, Ms. Piper highlighted the following:

1. In terms of loans and advances, as of December 31, 2018, a total of 1029 loans and advances were extended by the SPCCU which amounted to \$47.9M.
2. That the real estate category which represents a combination of loans taken for building expenses, home purchases, home renovations and land purchases continued to dominate the loan portfolio accounting to 64.1% of the loan portfolio.
3. In terms of consumer loans, Ms. Piper noted that on the consumer lending side of the business, loans extended for vehicle purchase dominated both in quantum and outstanding value, accounting for approximately 6.0% or 12.5% of the total loan portfolio.
4. In terms of the management of loan delinquency, Ms. Piper noted that the SPCCU, subsequent to discussions with the Financial Services Commission, introduced an aggressive plan of action to arrest the situation of rising delinquency in the loan portfolio. She also stated that the plan of action, which included the SPCCU establishing a department to manage delinquency loans and recoveries, engaged the service of a Debt Recoveries Officer, and the strategy to reduce loan delinquencies via loan restructuring, were already having a positive impact in terms of reducing loan delinquency.
5. That the loan delinquency portfolio declined from \$7.8M as of December 31, 2017 to \$5.1M as of December 31, 2018. As a result, the loan delinquency ratio declined from 12.7% as of December 31, 2017 to 8.0% as of December 31, 2018.
6. Finally, Ms. Piper stated that the Credit Committee noted that with the onset of IFRS 9, the international accounting standards will require the SPCCU to provide for

expected credit losses from the time a loan is originated, rather than awaiting “trigger events” signaling imminent losses.

Following the presentation of the Credit Committee Report, members were requested to pose questions and clarifications.

Mr. Lloyd Ryan enquired that since the international standards are at 5%, where is the SPCCU as of current year as it pertains to loan delinquency ratio. The GM informed the general membership that as of the end of November 2020, the SPCCU's delinquency ratio is at 9.5%.

Subsequently, Mrs. Geraldine Cabey voiced her concerns for Vehicle Cost being 12.5% of total loan portfolio, and expressed that SPCCU probably needs to be more restrictive with these types of loans. The GM informed the general membership that there has been an increase in vehicle loan appetite, especially with the younger population and the purchase of smaller cars. However, the SPCCU has revised the security towards these loans, increasing cash security from 35% to 50%-60%, along with the Bill of Sale of the vehicle. Thus, in the event of default, the SPCCU would not suffer a great lost.

Subsequently, a motion to adopt the Credit Committee Report was moved by Ms. Jeanette Brade, seconded by Mrs. Kathleen Daway, and accepted by the general membership.

10. Report of Supervisory & Compliance Committee 2018

Chairperson of the SPCCU Supervisory & Compliance Committee Ms. Lovetta Silcott delivered the Supervisory and Compliance Committee Report for the financial year 2018. In her presentation, Ms. Silcott highlighted the following:

1. The SPCCU continued the process of updating all active members' accounts to meet the required Know Your Customer Guidelines. All new account openings during the period January 2018 to December 2018 were reviewed by the compliance officer and the relevant missing documentation obtained.
2. There had been a great increase in the required documentation received from applicants when opening new accounts.
3. Names of Abandoned Property Members were displayed in the lobby area via the television and published in the online media. As of December 31, 2018, the SPCCU had a total number of nine hundred and fifty-three (953) Abandoned Property account holders with balances totaling \$346,562.60.

4. That it is the intention of the SPCCU to transfer abandoned property not claimed by members to its statutory reserves once the necessary amendments are made to the By-Laws to clarify this process.

Following the presentation of the Supervisory & Compliance Committee Report, members were requested to pose questions and clarifications.

Mr. Lloyd Ryan asked for clarity as to whether unclaimed accounts criteria were the same for a commercial bank and a credit union. In essence, the GM stated that the rules are the same as it pertains to the 15 years timeline. However, the only difference is that for a commercial bank, the funds would be transferred to the Central Bank and further to the respective country's Government, while the Credit Union's unclaimed funds would be transferred to its Statutory Reserves once the procedures are followed.

Subsequently, a motion to adopt the Supervisory & Compliance Committee Report was moved by Mr. Reuel White, seconded by Mr. Steadroy Meade and accepted by the general membership.

11. External Auditors Report on Audited Financial Statements for 2018

Partner of PKF Chartered Accountants and Business Advisors based in Antigua and Barbuda completed the Audited Financial Statements for the SPCCU for financial year 2018.

However, the GM informed the general membership that unfortunately, due to the covid19 stipulations of visitors to the island, a representative for the Auditors could not attend this year's AGM.

None the less, the GM made a few comments on some of the crucial numbers outlined in the SPCCU's 2018 Audited Financial Statements.

In terms of major issues, the following were cited by the GM:

1. That the Montserrat's economy has had a small growth as according to the Central Bank, and thus being one of the reasons for the minimum movement in the SPCCU's Assets.
2. One of the major issues to also affect the Balance Sheet would be the impact on the Accumulated deficit which was caused by the new international reporting standards as prescribed under IFRS 9. This standard has changed the way in which loans are measured and assessed.
3. The SPCCU has used funds received from past investments to help aid in strengthening the loan loss provisions. Thus, the SPCCU started the financial year with provisions for loan loss at 1.2M.

4. The SPCCU has created risk categories and new loan classification for all loans issued by the credit union.

Following the presentation of the External Audited Report, members were requested to pose questions and clarifications.

Ms. Romilly Murrain questioned if the figures shared by the GM for the 2019 Financials already reflect the impact of the IFRS 9, and if not, does the SPCCU anticipate any changes for 2019. The GM stated that for the 2019 Financials, the SPCCU does not anticipate any major changes. However, he also stated that they do foresee slight changes for the financial year of 2020 due to the covid19 occurrence.

Next, Mrs. Geraldine Cabey enquired how the new IFRS 9 standards affect the SPCCU's loan approval process. The GM stated that the impact resulted in the SPCCU, and more directly the Credit Committee tightening the loan approval process, focusing greatly on the risk level of all loans, and increasing the requirements for adequate security.

The GM also took a moment to thank the staff members of the SPCCU, more specifically the members of the Finance and Accounting Department and the Loans Department for their great work done to prepare the financials in accordance with the IFRS 9 standards.

Subsequently, Mr. Lloyd Ryan questioned whether the increase in cash security for vehicle loans from 35% to 50% is competitive with the other financial institutions on island. The GM stated yes, but in addition, the SPCCU also looks at the member and their situation on a risk-based approach, as requirements for cash security may change with the use of collateral such as property.

Thereafter, a motion to adopt the External Audited Report was moved by Ms. Romilly Murrain, seconded by Mrs. Geraldine Cabey and accepted by the general membership.

12. Resolutions

Two resolutions were presented to the membership.

1. Distribution of Dividends

The motion was put forward by the Board of Directors that due to the fact that the institution capital of the SPCCU had not reached the proportion of 10% of the total assets of the SPCCU and as such, the institution was unable to pay dividends or any payment on the account out of a surplus for the financial year 2018.

The Chairperson asked for comments on the resolution by the membership.

There were no comments on the resolution from the membership. Therefore, a motion was moved by Mrs. Geraldine Cabey, seconded by Ms. Carol Martin and approved by the membership to accept the resolution.

2. Approval of External Auditor

A motion on the appointment of an External Auditor pursuant to section 35 of the Co-operative Societies Act 2011 (No. 4) of 2011 was read by the Chairperson.

The Chairperson informed the general membership that the legislation also restricts an External Auditor to consecutively operate as an Auditor of an institution for more than 5 years. Currently, the auditing and accounting firm of Pannell Kerr Foster Ltd of Redcliffe Street, St. Johns, Antigua has been the SPCCU's External Auditors for 7 years.

Therefore, the SPCCU is currently seeking a new External Auditor to perform the audits for the financial years ending December 31, 2019 & 2020.

The Chairperson asked for comments on the resolution by the membership.

Mr. Claude Browne enquired on how fast the tender process and selection of the External Auditors would be. The GM informed the general membership that the SPCCU is in discussions with a few Auditing firms, and as such, due to urgency at hand, a selection will be made by the Board, and the selected firm will be presented to the general membership for consensus.

There were no further comments on the resolution from the membership.

13. Election of Officers

The GM informed the general membership of the process for elections according to the SPCCU's By-Laws. The process includes the formation of a Nominating Committee, which comprises of the GM, a Director of the Board, and a selected member of the SPCCU.

The process also involves members applying for the roles prior to the AGM and thereafter a "fit and proper" assessment done by the Nominating Committee. The Nominating Committee for the 48th AGM consisted of the GM - Mr. Peter Queeley, Director of the Board - Ms. Debra Lewis and member of the SPCCU - Mr. Steadroy Meade.

1. Board of Directors

The following persons were recommending to serve for a three-year period on the Board of Directors.

- a. Mrs. Simone Watts-Laborde (served 1 three-year term)
- b. Mrs. Geraldine Cabey
- c. Ms. Lovetta Silcott (currently serving on the Supervisory & Compliance Committee)
- d. Mr. Bertram Lee (currently serving on the Credit Committee)

Thereafter, Ms. Denecia West enquired if a Director or Member of a Committee can choose to switch from a committee after serving 2 three-year periods, without breaking for the required year. The GM then informed the general membership that the Regulations does not stipulate that a member from a Committee cannot serve on the Board of Director, after serving 2 three-year terms on a Committee.

Subsequently, Mr. Denzil West stated that although the nominated members given to the general membership is acceptable, he would suggest that the general membership be giving the opportunity to nominate from the floor any additional prospects. The GM then stated that the SPCCU had given adequate notice in accordance with the Laws and Regulations for members to apply or nominate members to the roles.

Contrary, it was highlighted by Mr. West that not all members have access to the various medium which was used to publish the said notice, thus members should be given a chance to nominate individuals at the AGM.

Mr. Peter White then suggested that in order to conduct the necessary due diligence and “fit and proper” process, the By-Laws should be updated to reflect the deadline of nominating a member to the Corporate Governance Body before the schedule AGM.

Mr. West then added to Mr. White’s point by stating that along with his suggestions, the membership should also be presented with the numbers of applications received by the Nominating Committee and the criteria that wasn’t meet by the unselected applicants, in order for the general membership to have a complete understanding of what is being presented and voted on. He also suggested that the nominated members should not be presented to the general membership already assigned to a Corporate Body, but recommended.

Subsequently, the GM stating that the floor is now opened for the general membership to nominate individuals to the Board of Directors. There were no further nominations from the membership.

At this time, the Commissioner of the Financial Services Commission, Mrs. Dulcie James, highlighted the criteria for a person to be ‘fit and proper’ to serve on a Corporate Body within the Regulations of Montserrat. With this stated, Mr. West suggested that the members of the Corporate Bodies should be compensated for their time and work done as volunteers of the Credit Union.

Ms. Romilly Murrain stated that the role of Board and Committee members should be compensated on an honorarium as it pertains to the members' expenses, not a salary or remuneration.

Thereafter, the nominations were approved by the membership.

2. Credit Committee

The following persons were recommending to serve for a three-year period on the Credit Committee.

- a. Ms. Michelle Cassell (served 1 three-year term)
- b. Ms. Siobhan Tuitt

Subsequently, the GM stating that the floor is now opened for the general membership to nominate individuals for the Credit Committee. There were no further nominations from the membership.

Therefore, a motion was moved by Ms. Romilly Murrain, seconded by Mr. Bertram Lee for the nominations to be closed. A motion was then moved by Ms. Sasha Farrell and seconded by Mr. Phillip McPherson to accept the nominations. The nominations were approved by the membership.

3. The Supervisory & Compliance Committee

The following persons were recommended to serve for a three-year period on the Supervisory & Compliance Committee.

- a. Ms. Denecia West (served 1 three-year term)
- b. Mr. Brent Shuffler (served 1 three-year term)
- c. Mr. Lloyd Ryan
- d. Mrs. Jacqueline Martin-Tuitt

Subsequently, the GM stating that the floor is now opened for the general membership to nominate individuals for the Supervisory & Compliance Committee. There were no further nominations from the membership.

Therefore, a motion was moved by Mrs. Kathleen Daway, seconded by Mrs. Shanyon McPherson for the nominations to be closed.

Before the nominations were accepted, Mr. Denzil West enquired if all nominated members met the full criteria as outline by the regulations. The GM stated that he is not aware of any criteria not being met by the nominated members.

With no further enquiry, a motion was then moved by Ms. Lovetta Silcott and seconded by Mrs. Simone Watts-Laborde to accept the nominations. The nominations were approved by the membership.

14. Presentations of Awards

Special presentations were made to:

1. Ms. Jasmine Taylor – Out-going Secretary of the Board of Directors, who served 2 three-year terms.
2. Mr. Eugene Skerritt – Out-Going President of the Board of Directors, who served 2 three-year terms.

The winners of the Raffle were:

- 1st prize) Mr. Khari Irish - Groceries gift voucher valued at EC\$500 and cash of EC\$250
- 2nd prize) Ms. Ethlyn Martin - Groceries gift voucher valued at EC\$500.00
- 3rd prize) Denzil West - Gift voucher valued at EC\$250.00
- 4th prize) Nakita Brade - Gas gift voucher valued at EC\$150.00
- 5th prize) Shanyon McPherson - Ham/turkey voucher

15. Any Other Business

Mrs. Aldean Williams enquired about educational introduction or orientations done for new members of the Credit Union. The GM stated that the Credit Union's By-Laws provides for an education outreach committee who is responsible for imparting educational information such as financial liquidity and advising members.

Ms. Williams further suggested that the Chairperson for the AGM should be separate and apart from the Credit Union's GM. The GM stated that this will not be the same for the next AGM.

There was no other business.

17. Closing and Vote of Thanks

The vote of thanks was presented by the out-going President, Mr. Eugene Skerritt.

Following the vote of thanks presentation, a motion to close the meeting was moved, seconded and approved by the general membership.