MINUTES OF THE SPECIAL MEETING OF
THE INSURANCE EMPLOYEES COOPERATIVE CREDIT UNION LIMITED
HELD ON JULY 28, 2026, AT SUMMIT HOTEL,
16 CHELSEA AVENUE, KINGSTON 10, HELD IN A HYBRID FORMAT, COMMENCING AT 5:30 P.M.

CALL TO ORDER

The Chairman, Mr. Andre McFarlane, called the meeting to order at 5:50 p.m. having recognised a quorum consisting of 23 members online and 78 in person. He thereafter invited Mr. Mark Bowen to say prayer.

Prayer was followed by the recital of the Prayer of St. Francis of Assisi by all.

The Chairman welcomed and thanked all for taking the time out to attend the Special General Meeting, convened to consider the merger between Manchester Credit Union and IECCU.

APOLOGIES FOR ABSENCE:

Kenneth DaCosta, Past President
Elizabeth Shields – Manchester Coop Credit Union
Paulette Small
Sheryl Ramsay Brown - DCFS
Derrick Logan - Past President
Mr. Lugg Banton – QNET GM

WELCOME:

He welcomed the Board of Directors, the Supervisory and Credit Committees and management and staff.

Special welcome was extended to the following guests:

Bernita Locke	-	Past President
Mr. Errol Gallimore)		
Ms Tanesha Facey)	-	Department of Co-operatives & Friendly Societies
Mr. Warren Bogle	-	Auditor

Mr. Robin Levy - CEO, JCCUL
Ms Vera Lindo) - Jamaica Co-operative Credit Union League
Ms Marcia Harrison)
Ms Nicole Bruce - CUNA Caribbean
Mr. Andrew Anderson - QNET
Mr. Miquel Lewis - CUMAX
Ms Shirley E Dale) - JAIFA President
Mr. Jeremy Bennett)

Manchester Credit Union
Mrs. Kerrene Grant Brown
Mr. Andrew Sinclair
Ms Nicha Tomlin
Ms Jones

Merger Oversight Committee
Mrs. Paulette Stephen Taylor
Mr. Dalton Campbell
Mr. Christopher Tai

The Chairman then introduced the Board of Directors to include Mrs. Lesa Robinson, Vice President; Marcherie Hamilton Clark, Secretary; Diana Facey, Treasurer and Barrington Lawrence, Chairperson for Building and Property, Aldean Milton, Charmaine Campbell, and Anphia Morgan; and Dwight Moore from the Supervisory Committee.

He welcomed and thanked all the members for taking the time out to attend which, he noted, was a demonstration of their commitment to the principles of cooperation and the future of the Credit Union.

He shared that the Special General Meeting was convened to address matters of significant importance to the organization, and their participation as member owners was essential in ensuring that the decision made later in the meeting would reflect their shared values of democracy, transparency, accountability and sound governance. Members were assured that the Credit Union remained committed to providing quality financial services while promoting the economic wellbeing of the members and continued to navigate challenges with resilience.

The meeting, he noted, would provide an opportunity to the members to carefully and responsibly review and consider the special business. He encouraged everyone to participate and be respectful to each other and ultimately make an informed decision to strengthen the Credit Union and position it for the continued success.

On behalf of the Board of Directors, he extended sincere appreciation to the members for their unwavering loyalty and confidence in the Credit Union. He thanked the management and staff for their professionalism and the commitment to serving the members with excellence.

NOTICE OF THE MEETING

The Chairman thereafter invited the Secretary to read the notice convening the meeting.

The Chairman reminded the members that only matters contained in the notice would be discussed at the Special General Meeting.

PRESENTATION OF THE AUDITOR'S REPORT:

The Auditor, Mr. Warren Bogle, was asked to present the Auditors Report.

Mr. Bogle asked for a motion to be moved and seconded for him to take the appendix as read . **This was moved by Mr. Winston Delahaye, seconded by Mr. Dwight Moore.**

He stated inter alia that that the financial statements gave a true and fair view of the financial performance and cash flows of the Credit Union for the year ended in accordance with the International Financial Reporting Standards and the requirements of the Co-operative Societies Act.

TREASURER'S REPORT:

The Treasurer, Diana Facey, presented the report for the year ended 31 December 2025 and highlighted the following:

- She gave an overview of the Jamaica's economy which she noted demonstrated resilience in 2025 but faced significant contraction toward the end of the year following Hurricane Melissa.

- The 23 credit unions in 2025 saw a total asset growth of 8.6%, however capital ratio reduced to 11.4% due to asset expansion relative to capital. Loan growth slowed to 4.7%.

- She reminded the meeting that at the last Special General Meeting members agreed to allow the utilization of general reserves to offset the accumulated deficit which served to strengthen institutional capital and simultaneously write off loans that were delinquent for over 365 days, which reduced the overall asset, provision and delinquency ratios. Consequently total assets fell from $2.284B to $2.282B. The amount written off was approximately $64.5M.

- Interest income on loans and investments increased by 7.8% moving from $185M to $199.5M.

- Loan interest income increased by 14% moving from $151.8M to $173.2M.

- Total Loans remained constant over the period.

- Costs associated with deposit products increased marginally by 8% or $1.2M moving from $14.9M to $16.1M. Of this increase, 5% was attributed to deposit increase indicating a demand for higher returns.

- Operating expenses increased by $5M or 2.6% which was mainly driven by staff costs of $5M. The expected credit loss was significant, increasing by $35M which resulted in a deficit of $38.9M for the year 2025 compared to a deficit of $13.7M in 2024.

- Loans before provision was constant as a consequence of efforts to reduce overall credit risk by reducing the unsecured loan limit. This resulted in some members having to adjust their expectations having become accustomed to borrowing up to $5M which was reduced to $2M. Earnings from loans increased from an adjustment of 1% across the portfolio.

- Investment income declined by $7M or 21% as investment funds were converted to loans to support liquidity challenges. Fee income increased by $3.5M or 29% compared to 2024.

- Members' savings increased by 4% or $36M as at 31 December 2025.

- Deposits which formed the pool from which funds are made, increased by $42M or 5%.

- Members' attention was drawn to the Sources of Funds chart showing the percentage mix of the Credit Union funds used for lending.

- Institutional Capital increased by $4M or 1%. It was however noted that while the overall ratio of 12% was above the standard of 8%, it was slowly declining, and the solution to combat this was to generate surpluses to support capital growth.

- It was noted that the charge-off exercise resulted in a reduction in the delinquency ratio of less than 3%. Members were reminded to take their obligations seriously and ensure that their loans were paid in a timely manner.

- The PEARLS Ratio table was projected onscreen showing IECCU's performance in relation to the various ratios for the last five years.

- The Treasurer emphasised that the service and needs of the members were paramount and should not be compromised, hence the reason for seeking permission at the last meeting to identify a suitable partner for merger consideration, a strategy they had embraced and attempted over several years.

- In concluding, the Treasurer noted that 2025 had seen movement in keeping with their expectations.

  She stated that expenses had increased, thus the need to utilize technology and modernize the system to mitigate expenses.

  Recent regulations such as the Data Protection Act had necessitated changes to several areas of operations and more should be anticipated, thus the need to develop strategic responses in order to ensure that members continuously get the best returns. One such strategy was identifying a suitable merger partner or partners.

  She extended thanks to the Auditors, Bogle and Company, the Registrar of Co-operative Societies and the Jamaica Co-operative Credit Union League for their professional assistance and guidance provided throughout the year.

  On behalf of the members of the Board of IECCU, she thanked the management for their dedication and hard work, and the team members and volunteers who continued to serve the organization.

  She assured the members that IECCU remained committed to serving them and working along with them to achieve their dreams and goals for themselves and their families.

  There being no questions, the Auditor's Report and the Treasurer's Report were adopted on a motion moved by Juliet Stewart, seconded by Nichole Broadbelt.

CASE FOR MERGER

The President took the meeting through the document titled ***"Case for Merging Insurance Employee Co-operative Credit Union with Manchester Co-operative Credit Union (1977) Limited"*** and highlighted the following:

- The Board of Directors was committed to ensuring that the Insurance Employee Co-operative Credit Union remained a strong, competitive, and member-focused financial institution for generations to come and that every decision made was guided by one fundamental principle, "What was in the best interest of the members'.

- After careful consideration, extensive due diligence and consultation with the Jamaica Co-operative Credit Union League, the Board unanimously recommended that IECCU merge with Manchester Co-operative Credit Union (1977) Limited (MCCCU) through a Transfer of Engagement.

  He noted that this recommendation was not made because IECCU had failed, but that it reflected the Board's belief that this was the right time to strengthen the Credit Union while they had the ability to choose the best partner and negotiate terms that protect the members, employees and legacy.

- The proposed merger represented an opportunity to build a larger, stronger and more resilient Credit Union that would provide greater value, expanded services, and enhanced financial security for every member.

- The change it was noted was necessary as the financial services industry had changed dramatically over the past decade and members had come to expect secure digital banking, instant electronic payments, online loan applications, enhanced cybersecurity, mobile services and greater convenience than ever before.

  In addition the credit unions across Jamaica were preparing for increased regulatory oversight by the Bank of Jamaica, higher compliance standards, stronger governance requirements and significant investments in technology and risk management and to meet these expectations independently required substantial financial and human resources.
  Thus credit unions gobally were responding by joining together not because of weakness but they recognized that collaboration would create greater strength, efficiency and sustainability.

This he noted was the dilemma that faced IECCU, not whether change was coming but whether it chose to embrace the change on terms that benefit the members.

- He outlined the following as to how the Board reached this recommended:
  - At previous general meetings, members authorized the Board to explore merger opportunities with suitable Credit Union partners
  - The authority was exercised carefully and transparently
  - Several credit unions were invited to submit proposals
  - With guidance and technical support from JCCUL, four institutions submitted formal proposals for evaluation.
  - Each proposal was assessed against key criterial to include the following:
    - Financial strength
    - Governance
    - Compatibility of cooperative values
    - Technology capability
    - Range of products and services
    - Geographical reach
    - Commitment to IECCU members
    - Long-term sustainability

Following months of detailed discussion and due diligence, the Board concluded that Manchester Co-operative Credit Union (1977) Limited was the partner best positioned to deliver long-term value to the members.

He outlined the following reasons for choosing Manchester Co-operative Credit Union:

MCCU has been serving Jamaicans since 1948 and has grown through prudent management, strong governance, and successful mergers.

It was a financially sound institution with a diverse membership, experienced leadership, modern financial services and a commitment to co-operative principles.
MCCU shares IECCU's philosophy of putting members first and rather than seeking to absorb IECCU, they have demonstrated a genuine commitment to building a stronger institution together.

As part of the merger agreement, MCCU committed to the following:

- Expanding its common bond to fully include all IECCU members
- Changing its name within three years to reflect a truly national Credit Union
- Maintaining representation for IECCU members on the Board of Directors and Committees
- Continuing service delivery through the Parkington Plaza office

    - Preserving the cooperative values that both institutions have upheld for decades.

These commitments, he noted, would ensure that IECCU's identity, history and members remain an integral part of the merged organization.

He noted that the merger would benefits members in the following way:

- Savings, deposits and investments would continue to be protected
- Existing agreements would be honoured and members would continue to receive services without disruption
- Loan contracts would remain unchanged until their normal review or renewal dates
- There would be no immediate changes to the terms of existing loans
- Members would gain access to the following loans:
    - Mortgage financing
    - Home equity
    - Motor vehicle
    - Business financing
    - Agricultural
    - Partner Plan
    - Back-to-school
    - Booster loans
    - Other specialized lending programmes

Members, it was noted would have access to larger loan limits and longer repayment periods that were currently available.

It was agreed by the proposed partner that permanent shares be increased, post-merger, to a minimum of $5,000 in light of the importance of institutional strengthening. This meant that members of IECCU would be required to introduce only $2,000 to their permanent share account. It was noted tht technology continued to transform the financial services and the merged credit union would be better positioned to invest in the following:

- Mobile banking services
- Foster electronic payments
- Improved cybersecurity
- Fraud prevention systems
- Self-service banking solutions
- Future Bank of Jamaica digital payment initiatives

Members would continue to use familiar electronic services while benefiting from future technological improvements that might otherwise be difficult for IECCU to provide independently.

Debit card, ATM, point-of-sale, overseas card usage, and e-commerce services would continue without interruption.

It was pointed out that Board understood that one of the greatest concerns members often expressed during mergers was whether they would lose the personal relationship they built over the years with staff and for this reason, MCCU had committed to providing opportunities for IECCU employees to continue serving members, subject to normal employment due diligence.

The familiar faces, trusted relationships, and personalized service that members value were expected to continue while being strengthened through additional resources and support.

Members were assured that their voices mattered and as such, to ensure IECCU members continue to participate in governing the merged institution, four additional Board positions would be allocated to IECCU representatives. Representation would also be provided on the Credit Committee and Supervisory Committee.

These arrangements would ensure that IECCU members continue to influence decisions affecting the future of the combined Credit Union.

In strengthening IECCU's presence, the merger would truly create a national Credit Union serving members across Kingston, Montego Bay, Manchester and other communities through Jamaica.

The Parkington Plaza office would remain a major service location for members, while Montego Bay operations would continue with opportunities to further improve service facilities overtime.

The merger would offer the following benefits that would be increasingly difficult for IECCU to achieve independently:

- Greater financial strength
- Enhanced capital
- Improved operational efficiency
- Enhanced technology
- Stronger regulatory readiness
- Expanded lending capacity
- Better opportunities for growth
- Increased investment in member services
- A broader geographic presence
- Greater long-term sustainability

Importantly, it would position the Credit Union to continue serving members successfully for decades to come.

After months of analysis, consultation, financial review and negotiations, the Board carefully examined every available option before concluding that the merger represented the strongest path forward, and the best opportunity to strengthen IECCU, expand opportunities for members and preserve the cooperative legacy.

The Chairman added that this was not a decision driven by necessity alone but was a strategic decision designed to secure a stronger future for the members while protecting the values upon which IECCU was built. This decision he noted would shape the future of the Credit Union for many years to come.

The Chairman on behalf of the Board of Directors implored the members to vote for the resolution approving the transfer of engagement between Insurance Employee Co-operative Credit Union and Manchester Co-operative Credit Union (1977) Limited.

The floor was then open for questions.

Queries/Comments

The following are some of the questions that members asked:

- What was the rate of interest for borrowing secured loans - Mr. Bowen informed that their rates were similar to MCCU but their limits were higher.

- From a capital standpoint how the Credit Union measured up against MCCU separate from the fact that they have a bigger capital base working with, and if that would affect IECCU from a risk standpoint – Mr. Bowen stated that Manchester as also IECCU were compliant where capital was concerned, and their assets was presently at $2.2B versus $10.55B; Loans $1.65B versus $7.15B; Savings $1.84B vs $8.31B, both have two branches, and membership, in the case of IECCU of 8700 versus 55,700.

- If the commitments made by IECCU to maintain IECCU's identity, physical location, employee employment and volunteer participation was a written or verbal commitment – It was stated that this was part of the agreement that they signed with MCCU. The Chairman explained that in regard to identity, their identity is their bond and that MCCU had committed, as part of their merger agreement to adopt their bond.

- Mr. Delahaye pointed out that on Page 19 of the report it stated that the Registrar gave permission for an Annual General Meeting and this being a Special General Meeting if they were the same thing. Mr. Gallimore stated that the letter was a standard letter that was normally sent when an audit was completed and his office had no objection to the Credit Union proceeding in having a Special General Meeting.

- Explanation was sought in relation to what 'no immediate changes to the terms of existing loans' meant as stated on Page 76 - The Chairman stated that it was negotiated that all terms and contracts would be maintained for at least a year and thereafter review which he stated was the standard practice for any institution.

- If members were being asked to pay $2000 more towards permanent shares, why they needed to merge when they could ask members to pay an additional $5000 to save the

Credit Union - The Chairman stated that strengthening the institutional capital was not just in relation for IECCU but for MCCU but for IECCU members they would only require an additional $2000.

In relation to IECCU seeking capital injection from their members to save them, the Chairman reminded the meeting that they were merging to become a stronger entity.

- That the Agreement should be amended to allow for more than three years to have their 4 representatives on the Board so as to ensure that IECCU's interest would be looked out for - The Chairman stated that this was a negotiated position and asked members to look at this merger as two entities becoming one and to dispel the notion of IECCU and MCCU.

- Are the staff made aware of what this would mean to them after the suggested one year contract come to an end - The Chairman pointed out that it was standard practice in any merger that there would have been discussion as it related to the staff and assured the meeting that the staff had been kept abreast every step of the process up to the present point.

- Whose name would be on the letter box after the merger – The Chairman stated that it was agreed that the new entity's name would remain as MCCU for the next three years after which a decision would be made as to when the name change would take place.

- A member asked to hear from one of the executives of MCCU as to what they were prepared to offer.

  Regarding the bond, Mrs. Kerrene Grant Brown, GM of MCCU, stated that having a national bond was something that Manchester graved in that they were only located in Manchester with two branches, one in Mandeville and one in Christiana, thus having a national expansion where the bond was concerned, meant that they would be geographically all over Jamaica. She pointed out that they were looking to become one credit union with one goal, that of satisfying membership and to ensure that staff members are fully taken care of and are satisfied enough to serve you.

  In terms of what they were bringing to the table, she assured the members that in relation to the staff, Manchester Co-operative Credit Union values their 88 staff members split between the two branches and the corporate office.
  She outlined that there were several benefits of becoming a staff member of Manchester, namely, having access to vacation fund, staff being provided with a cooked meal, while at IECCU there is not a kitchen but a subsidiary was given to staff to help with lunch, back-to-school grant to assist with their children going back to school; grants to assist with furthering their education; opportunity to cross-train in the different departments; and opportunity to go on staff retreat to unwind.

Outside of these benefits, the salaries, she noted, are competitive.

In relation to the benefits to the membership, she pointed out that Manchester Credit Union won consecutively the Financial Institution of the Year within the parish albeit surrounded by commercial banks.

They presently have a membership of 55,000 and they know their members by names and meet them where they are. They have a mixture of members, to include professionals, farmers, market vendors, the doctors, lawyers, teachers, police officers, vendors that sell outside of the credit union office and they are all treated equally.

As it related to products and services, these, she pointed out, are tailored to suit the members. She added that their delinquency was very low as they pay keen attention to underwriting and decision making for loans and are not afraid to tell a member that they can't get a particular loan and find a more suitable affordable loan for that member.

She mentioned that with the passage of Melissa last year, a lot of their members lost their active way of earning income and they created a moratorium for the members and not only that, they put out a facility that was lower than the regular loan facility so as to give them the leverage to be able to replace their roofs and fix up the houses.

As it concerned the name, she stated that the name was just a name that differentiate them at the moment but with the merger they would become one body with one opportunity, one focus and one vision.

- A member asked what was happening why delinquency was getting out of control as noted on page 31. Mr. Bowen stated that it was a case of members not paying their loans. He added that last year they wrote off $64M but these were new loans and they have employed several measures to collect on these loans.

- A member had previously mentioned that members needed to get with what was happening in the financial sphere as sooner or later there won't be any more credit unions. Mr. Robin Levy, CEO of the Jamaica Co-operative Credit Union Limited, asked the members to dispel that notion as worldwide credit unions were flourishing all across the globe and the credit unions in Jamaica were stronger than ever before. He pointed out that the League had been in negotiation with the Bank of Jamaica for over thirty years so they could get favourable legislation that would empower credit unions rather than eradicate them.

- The Chairman invited the Registrar of Co-operatives and Friendly Societies to give his input at this time in relation to the merger.

  Mr. Gallimore stated that in relation to the issue of identity, as happened with normal merges, his office would ensure that the rules of Manchester Credit Union at a future date be amended to include the bond being taken over from Insurance Employees Credit Union, to ensure that IECCU's members continue to receive the same unique benefits they are accustomed to presently. He assured the members that their identity would be preserved and they would be protected.

As it related to the name, the Registrar stated that his office was instrumental in the merger of Infiniti Credit Union, the latest credit union to have gone through a merger process where they went through an entire competition for a couple months just trying to come up with a name. He assured the meeting that when it came to the business of names, it can be an expensive and time-consuming venture and recommended that Manchester look at this process of a competition when choosing a name.

- In concluding, the Chairman reiterated that IECCU members had been complaining about not being able to access mortgage loans and getting consistent dividend, and stated that with the merger, members would be able to get a mortgage loan if qualified as also consistent dividend. He added that MCCU consistently pay dividend at a higher rate than they have been able to provide, and in addition they come with a wider product range. He assured the members that there were gains to be made by merging with MMCU and reminded them that merger was not a new venture for IECCU as it had been on the table for the last five years, and was not a matter of necessity why it was being recommended but that it would make the credit union more competitive and efficient in serving its members.

  Mr. Bowen noted that they were losing the quorum and asked members who have further questions to pose them after the resolution.

- The Chairman thereafter read the merger resolution titled "Insurance Employees Co-operative Credit Union Limited Special Resolution to Transfer the Engagements of the Insurance Employees Co-operative Credit Union Limited to the Manchester Co-operative Credit Union (1977) Limited" as stated on Page 73 of the report.

  This was moved by the President, seconded by Shirley Daley.

- Mr. Gallimore was invited to take the meeting through the voting process.

  He stated that firstly they needed to ascertain the quorum and thereafter, due to time constraint, he would be doing the voting simultaneously for those online and those physically present.

  A quorum of 109, comprising of 80 persons physically present and 29 online was ascertained. Mr. Gallimore pointed out that 75% of this number or 82 persons needed to vote in favour of the resolution for it to be passed.

He then launched the online pole and allotted three minutes for persons to vote and then asked for persons voting in favour of the resolution in the room to raise their hands.

The final result at the end of the voting process totalled 67 for, and 9 abstentions. He pointed out that though 9 persons in the room abstained, it would have to tallied as 42 abstentions. He thereafter declared the resolution as failed.

The Chairman stated that the members had spoken loudly and therefore the Board would need to get back to the drawing board to come up with a solution.

Members expressed the view that the votes were not tallied properly and some asked for a recount.

Mr. Gallimore assured the members that the numbers were correct as there were persons who did not participate in the voting and at this stage there was nothing that could be done.

Mr. Gallimore stated that IECCU would now have to look back at the whole process to see what were the missteps made.

He added that as the Regulator, they and the League were in a precarious position as IECCU had not held an AGM for two years and most, if not all Board members, would be up for retirement or re-election and an AGM would have to be now held to allow for that process to take place.

He further stated that merger was the right way forward and he along with the League would be sitting down with the Board to discuss the way forward and that it could reach the stage where he as the regulator may have to shut down the credit union in order to protect the deposits and savings of the members and merge it with another credit union where members would no longer have a choice.

He undertook to have a meeting with the Board as soon as possible and thereafter the members would be informed of the outcome.

ADJOUNRMENT

The adjournment was taken at 8:43 p.m. on a motion moved by Yvonne Lewis, seconded by Andrea Bent.