PORTLAND JSX LIMITED (PJX)

MINUTES OF THE 3RD ANNUAL GENERAL MEETING OF PJX HELD AT THE OFFICES OF McNAMARA CORPORATE SERVICES INC., CNR. FLAMBOYANT DRIVE & ALMOND ROAD, RODNEY BAY, GROS ISLET, ST LUCIA ON WEDNESDAY, THE 17TH DAY OF JULY, 2019 AT 11:30 A.M.

Present:	Holly Hughes-McNamara	Chairman (St. Lucia)
	Doug Hewson	Board Chairman (Canada)
	Patricia Francis	Director (United States)
	Patrick McDonald	Director (Jamaica)
	Rhory McNamara	Secretary (MCSI, St. Lucia)
In Attendance:	Robert Almeida	Managing Partner, Portland Private Equity
	Joe Vescio	Managing Partner, Portland Private Equity
	Nigel Chambers	KPMG Representative
	Yanique Banton-Walker	KPMG Representative
	Anna Young	Assistant Company Secretary
	Shareholders/Proxies	See Appendix to Minutes

1. CALLED TO ORDER AND WELCOME

The Chairman (Chairwoman) called the meeting to order at 12:12 p.m. and welcomed the shareholders and other attendees present. She introduced the members of the Board and management who were participating from both the satellite location, the Rio Bueno Suite at the Jamaica Pegasus hotel, and by Skype. An apology for absence was tendered for Director Jonathan Murphy.

2. CONFIRMATION OF QUORUM

The Secretary confirmed that a quorum was present and before proceeding to the business of the meeting, the Chairman outlined its main purposes which were to adopt the audited financial statements for the year ended February 28, 2019, re-appoint the external auditors and approve the remuneration of the Directors. She reminded the shareholders to clearly state their names for the record during the question and answer session.

3. FUND MANAGERS' COMPANY PERFORMANCE OVERVIEW

Mr. Almeida apologized to the shareholders for the late start of the meeting and thanked everyone for their patience. He then provided an overview of his presentation on the Company's performance by first expressing satisfaction with the current position of both Portland Caribbean Fund (PCF) II and the Company notwithstanding that there had been no distribution of dividends to date. Despite the inability to distribute dividends at this time, he expressed hope that the shareholders would share in this optimism after being provided with a clearer picture of the Company's investment business.

In contextualising the investments of PJX, Mr. Almeida pointed out that these activities had a life cycle of roughly 10 years which he likened to the process of planting to harvesting a crop after much nurturing, hard work and labour. The Company was now in year 5 of this life cycle which meant that planting was substantially completed, and it was now at the stage of gathering the 'fruit' after much nurturing. In quantitative terms, the Company had spent just under $160M investing in businesses and the total value of the portfolio which stood at approximately $150M was on track to exceed the invested sum.

A summary of the portfolio of businesses owned by the shareholders was then provided:

(a) **Liberty Latin America (LLA)** is a leading telecommunications operator in Latin America and the Caribbean in 21 consumer markets and over 30 business-to-business markets. It has an extensive and unique subsea network that connected over 40 markets, with in excess of 50,000 kilometres of fibre optic cable. LLA has several brands including Cable & Wireless, Columbus Communications and FLOW, the latter being well known in the Caribbean including Jamaica. LLA was experiencing growth of customers, revenues and earnings subsequent to mass integrations such as the acquisition of the companies and brands earlier mentioned.

(b) **InterEnergy** is a leading supplier of electricity in the region with an installed base of 1.2 Gigawatts (1,200 Megawatts) and its main operations are in the Dominican Republic, Jamaica, Panama and Chile. In Jamaica, InterEnergy operated as Jamaica Energy Partners (JEP) which supplied approximately 25% of the country's electricity needs. JEP now managed The Jamaica Private Power Company Limited, a 60MW power plant located in Rockfort, Kingston and which is also part of the InterEnergy group. InterEnergy is a dividend-paying company resulting in PCF II and PJX benefitting from a stable and steady income stream. Additionally, its Panama City-based subsidiary UEP Penonome II, which operates the largest wind farm in Central America with 215 MW in total installed capacity, is expected to distribute dividends in the future given that the business was generating positive cash flow.

(c) Chukka, an affiliate of **Diverze Assets Inc.** in which the Company had invested, was recently recognized as the World's Leading Adventure Tour Operator and its main operations are in Jamaica, Grand Turk and Belize. Chukka provides unique adventure tourism experiences that are fully integrated with the environment and the culture of each country and continues to add to its attractions in local markets to lure even more tourists to its destinations. Tropical Battery, which is also affiliated to Diverze Assets Inc., is the number one national retailer and distributor of automotive products in Jamaica and, with growth in revenues and earnings, was in a healthy position to start paying dividends.

(d) **Productive Business Solutions'** (PBS) main vision is to help customers improve the quality of their products and services in order to become more efficient with their business processes. The company has several business partners including Xerox, Sony, HP, Cisco, Oracle and Entrust Datacard and is the single point of contact for Central America and the Caribbean.

(e) Merqueo is a pure-play e-commerce supermarket in Colombia (akin to Amazon for groceries) where customers could place their orders online and have them delivered to their doorstep. Merqueo is the leader in its space and, while still relatively young, the managers are optimistic about its future. This as e-commerce was a rapidly growing industry in several Latin American markets with companies realizing US$1B valuations.

(f) Based in Bermuda, Clarien Bank is in the process of growing as a regional provider of private wealth management services to institutional and high net worth segments. Since being recently acquired by the National Commercial Bank, Clarien had completed its turnaround and was generating steady profitability. It was expected that Clarien's earnings would be reinvested in its growth.

(g) Andres Carne de Res is a world-renowned destination restaurant in Colombia and the business was successfully expanding into new markets in that country as a precursor to international expansion.

(h) Kokoriko, the indigenous quick service, fast food operator in Colombia, had successfully evolved and was showing signs of growth. At the same time, Mimo's, one of the favourite ice cream providers in Colombia, was also performing very well.

In concluding his presentation, Mr. Almeida reiterated that these businesses were having a big impact on the region in terms of solving problems and contributing to growth. As investees of PJX, they were mandated to implement policies and practices that addressed climate change, growth and good governance. From a financial perspective, the businesses were growing, increasing in dividends and pursuing transformative growth opportunities while the managers worked to monetize their successes in the form of dividends to PJX shareholders. He also reminded shareholders of the primary objectives of the Company which were to enable capital to flow in the companies that may own the very changes the region was seeking in terms of positive impact on efficiencies and growth, job creation, and enabling other businesses to grow. By being a shareholder of PJX, Jamaicans whether individually or through pension funds, were allowed to become owners of these game changers in the various industries not just in Jamaica but also the Caribbean region.

4. QUESTION AND ANSWER SESSION

The Chairman opened the floor for shareholders to ask questions on Mr. Almeida's presentation as well as on the audited financial statements and the annual report.

Mr. Orrette Staple noted that despite the significant loss in net income and the reduction in asset base, the Company continued to survive through the continued expertise, skills and professionalism exercised by the managers. He also observed that board members attended regular meetings and shared the managers' pursuit for growth and return on investment. However, he drew attention to the Management Discussion and Analysis which in his view could be more meaningful by stating the various risks and mitigating factors; that there was no indication of a board evaluation as only a tool was being developed; and that a list of the shareholders present at meetings should be attached to the minutes going forward. Mr. Staple then posed several questions pertaining to the audited financial statements which were appropriately dealt with by Mr. Almeida with some assistance from Mr. Vescio. These included:

- Page 35, Statement of Profit or Loss and Other Comprehensive Income – the Company recorded a net loss of $1.32M compared to a profit after tax of $1.9M in the previous year. In response to the question on 'incremental earnings' for 2019 of negative $3.2M and what would be done to reverse this position, Mr. Almeida said that the contributors to the incremental loss were the recognition of a gain in 2018 on the Clarien transaction and a marked to market loss on the Liberty Latin America holding in 2019. He noted that gains in the business tended to be lumpy and normally occurred around various events. In the case of Clarien, which was operating and growing, another lumpy gain was not expected for a few years. In the interim, however, growth was recognized quarter over quarter in line with earnings growth. Also in 2018, there was some fair value appreciation of LLA but in 2019 there was a fall in the stock price although the actual earnings grew year over year.

  In responding to the question on the calculation of net fair value in 2018 versus 2019, Mr. Almeida said that a significant portion of the gain on Clarien in 2018 would have been due to the purchase price discount on Clarien which did not exist in 2019. As to whether the amounts of these mark to market gains/losses should be reported in the profit and loss or other comprehensive income, Mr. Almeida said the line item was correctly reported in the profit and loss as the nature of the assets owned was considered to be fair value for the profit and loss statement. This was also the determination for all the other holdings in PJX. Mr. Almeida was asked to provide a description of the reported loan to Clarien. He noted that the initial investment into Clarien was made in the form of a loan to provide better protection to PCF II's investors as secured creditors while the managers worked to improve the internal processes. As the risk associated with the Clarien investment decreased, the loan was converted into an equity investment.

  With respect to the question on the significant observable factors used to measure fair value and the reason, Mr. Vescio pointed out that the valuations of investments depended on the nature of the particular investment and that there were different approaches to valuation. The process was very rigorous and although the valuations were done internally, they were viewed by the external auditors and their special evaluation team before sign off. Mr. Almeida further explained that while it was very simple to value any item that was traded on a public exchange, it was necessary in other cases to look at other factors such as earnings, earnings growth, the competition in the particular market and other transactions in order to apply a prescribed methodology for valuing an asset.

- Page 37, Statement of Cash Flows – with respect to the slight movement in cash used in operations in both 2018 and 2019, Mr. Almeida noted that expenses were very flat and would continue to trend downward. On the revenue side, the Company relied heavily on dividend income which resulted in increased cash but the other items were non-cash and due to fair value changes.

- PCF II GP Inc. as the general partners of PCF II held one redeemable preference share in PJX resulting in their ability to attend meetings with 51% voting rights. Mr. Almeida said this arrangement went back to why the Company was created initially which was to enable investors, retail and institutional, to participate in PCF II. It was consistent with how private equity funds were managed normally where the general partner controlled the entity while the limited partners were provided minority interest protection and participated in the economic returns. Mr. Doug Hewson who was a member of the general partner and a member of the PJX Board did not receive remuneration from PJX but was paid by Portland Private Equity which was the managers of PCF II (see page 54 management fees).

- Dividends – Responding to a query on when a dividend payment could be expected, Mr Almeida said the Company was currently going through a transitioning phase but it was hoped that the shareholders would receive a dividend next year. Noting the doubt expressed by Mr. Staple, Mr. Keith Collister said he was confident that a return would be made within the next one or two years. He wanted to know the timing anticipated for the Company to become net cash positive and Mr. Almeida said this position would flow from the improved performance of three or more of the portfolio companies which he believed would occur in the course of the year 2020.

- Referring to the comments made earlier on LLA and the fall in its stock price, Mr. Collister sought further information from the viewpoint of Mr. Almeida who pointed out that in looking at overseas markets one had to be mindful of a company with relatively little institutional following and which, from a valuation perspective, was susceptible to ebbs and flows due to investor preferences.

Mr. Arthur Ellison referred to the reduction in equity for 2019 compared to 2018. He asked and Mr. Almeida responded that growth was across the board in the companies and that the recently released first quarter 2020 financial statements for PJX showed a slight increase in equity and this was expected to continue during the year. He added that it would be expected that the trading price would follow the equity value and that the equity value would follow earnings, and earnings were growing.

Mr. Lanzel Bloomfield said that a rosy picture was painted about the companies in which PCF II had invested but he was concerned about LLA particularly in Jamaica where it traded as Cable and Wireless. He asked and was informed that the investment in each of the portfolio companies was usually a maximum of 20% and that LLA shares represented less than 15% of the total portfolio. Mr Almeida acknowledged that the concern voiced by Mr. Bloomfield regarding Cable and Wireless was recognised at the time of investment but the thinking was that changes in management anticipated after the investment in LLA would result in improved efficiency and profitability.

Mr. Bloomfield then referred to the minutes (page 3) and pointed to the discussion concerning the difficulty in acquiring the Company's stocks and the unavailability of pertinent information thereon. He stressed the need for more access to information by shareholders and a marketing programme. This he suggested could be done by creating a mechanism for shareholders to interact either with the Company or its Company Secretary. Mr. Bloomfield also noted that the minutes did not reflect the identity of the local venue.

Mr. Staple questioned the reason for the continued high legal, audit and other operating costs when revenues reflected a decline (page 54). He was informed by Mr. Vescio that a large portion of these expenses was related to fees paid to the Jamaica Stock Exchange while the balance was divided among corporate fees paid to the Secretary, KPMG quarterly fees and cost for developing and updating the Company's website. Mr. Staple expressed hope that these costs would be reduced in 2020.

In response to Mr. Staple's question on the unquoted equity investments in PCF II, Mr. Almeida indicated that this item was in relation to all the investment portfolio companies that were earlier outlined to shareholders. These companies had to be valued but because their values were not directly observable on a public exchange, the determination of their fair values was referred to as a significant risk.

5. FORMAL BUSINESS OF THE MEETING

The Chairman read each of the proposed resolutions and opened the floor for them to be considered by the shareholders for approval.

(a) **Resolution No. 1 – Audited Financial Statements and Reports**

THAT the Audited Financial Statements of the Company for the year ended February 28, 2019, together with the Reports of the Directors and the Auditors thereon, be and are hereby adopted.

Mr. Staple proposed that the resolution be adopted and Mr. Ellison seconded the proposal. The resolution was then put to the meeting and was approved without any votes against or abstentions.

(b) **Resolution No. 2 – Re-appointment of Auditors**

THAT KPMG, Chartered Accountants of 204 Johnsons Centre, #2 Bella Rosa Road, Gros Islet, Saint Lucia, having agreed to continue in office as Auditors of the Company, be and are hereby re-appointed to hold such office until the next annual general meeting of the Company AND THAT their remuneration be determined by the Directors.

A motion was moved by Mr. Mark Barton for the passing of the above-mentioned resolution. Mr. Michael Parker seconded the motion and the resolution was approved by the shareholders.

(c) **Resolution No. 3 - Remuneration of Directors**

THAT the amount shown in the audited accounts of the Company for the year ended February 28, 2019 as remuneration to the Directors for their services as Directors be and is hereby approved.

Mr. Ellison moved for the adoption of the resolution and Mr. Barton seconded the motion. The resolution was declared passed having been put to the shareholders and receiving no votes against.

6. **TERMINATION**

There being no other business, the meeting terminated at 2:45 p.m. on a motion by Mr. Parker duly seconded by Mr. Barton.

CHAIRMAN

9th October 2019

DATE

PORTLAND JSX LIMITED – ANNUAL GENERAL MEETING 17TH JULY 2019
SHAREHOLDERS AND PROXIES

Common Shareholders	***By Proxy***	***No. of Shares***
Lanzel Bloomfield	-	100
Michel Hendricks	-	1,002
Arthur Ellison	-	2,000
Orrette Staple	-	46,198
Alvin Lee	-	80,000
Mark Barton	-	4,000
Livingston Young	Chairman	918
GRS Equity Fund 2947059	Michael Parker	134,000
Guardian Life Limited GRS International Equity Fund 8123150	Michael Parker	17,000
GRS Diversified Fund 2947067	Michael Parker	181,800
Guardian Life Limited	Michael Parker	11,454,500
Guardian Life Limited/Pensions Fund	Michael Parker	11,454,500
Guardian Life Limited/Guardian Equity Fund	Michael Parker	10,000
Guardian Life Limited Pooled Equity Fund	Michael Parker	10,000
ATL Group Pensions	Keith Collister	23,600,000
VM Wealth Equity Fund	Sharif Small	11,265,868
Welljen Limited	Sharif Small	11,500,000
PAM Pooled Equity Fund	Sharif Small	24,961,500
SIJL Scotiabridge Retirement Scheme	Chairman/Adrian Stokes	9,268,200
SIJL A/c 6555	Chairman/Adrian Stokes	626,100
SJIML A/C 831	Chairman/Adrian Stokes	5,181,900
SJIML A/C 442	Chairman/Adrian Stokes	2,905,700
SJIML A/C 2884	Chairman/Adrian Stokes	2,189,200
SJIML A/C 3119	Chairman/Adrian Stokes	20,000,000
JCSD Trustee Services Ltd. A/C 76579-02	Chairman/Adrian Stokes	2,000,000
DB&G Pension Fund	Chairman/Adrian Stokes	1,565,500
AIC (Barbados) Limited	Ricardo Hutchinson	9,540,900
309,968,261 – 47.17%		**146,200,886**
Preferred Shareholder	***By Proxy***	***1***
1 – 100%	-	**1**