SAGICOR REAL ESTATE X FUND LIMITED

"the Company"

Minutes of Annual General Meeting of the Company dated 10th day of July 2019,
held at the Executive Board Room, DoubleTree, 5780 Major Boulevard, Orlando FL

Satellite location – The Jewel Grande Montego Bay Resort & Spa, Jamaica

1. QUORUM / CALL TO ORDER

The Chairman welcomed shareholders to the 6th Annual General Meeting of Sagicor Real Estate X Fund Limited.

The Secretary confirmed that a quorum was established in accordance with Article 56 of the Amended & Restated Articles of Association. The meeting was called to order at 11.00 am.

The Chairman sought permission from members to have the Notice convening the meeting taken as read. There being no objections, the Notice was taken as read.

Moved: Mr. Orrette Staple
Seconded: Mrs. Janice Grant Taffe

The Chairman welcomed members joining this meeting from the satellite location at the Jewel Grande Montego Bay in Jamaica. Thereafter, the Chairman introduced all the directors/officers present.

Board members and officers present: -

Dr. Dodridge Miller (dir), Chairman
Mr. Vinay Walia (dir) - by conference call
Dr. the Hon. R. Danny Williams (dir) – by conference call
Mr. Christopher Zacca (dir) – by conference call
Mr. Rhory McNamara of MCSI Inc. - Company Secretary

The Chairman advised that apologies were received from Mr. Stephen McNamara, Mr. Bruce James and Mr. Michael Fraser.

He thanked the members of the Board of Directors for their services rendered and for their dedicated service to the Company and its shareholders throughout 2018.

The Chairman, acknowledged the absence of Mr. Richard Byles who demitted office as Director/Chairman on June 30, 2019, pointing out that Mr. Byles had served Sagicor Real Estate Fund with distinction and had given immeasurable contribution to the growth, development and profitability of the Company. The Board thanked Mr. Byles for his outstanding contribution to the Company and congratulated him on his new appointment as Governor of the Bank of Jamaica.

2. FINANCIAL REPORTS

On a motion by Mr. Orrette Staple seconded by Mrs. Janice Grant Taffe, the Reports of the Directors and Auditors for the year ended December 31, 2018 were taken as read.

The Chairman invited the CEO, Ms. Brenda-Lee Martin, to present to the meeting the CEO's Report on the Company's performance over the year 2018. This presentation will form part of the minutes of this meeting (See Appendix I).

Following her presentation, the Chairman thanked the CEO for the excellent presentation and opened the floor for questions on the Reports of the Directors and Auditors and the Audited Accounts. The queries/comments raised are appended hereto at Appendix II:

Following the exchange of questions and answers, the Chairman put forward the following Resolution for adoption:

1. **To receive the Audited Accounts and Reports of the Directors and Auditors for the year ended December 31, 2018**

   To consider and, if thought fit, to pass the following Resolution:

   Resolution No. 1

   "THAT the Audited Accounts for the year ended December 31, 2018 and the Reports of the Directors and Auditors BE AND ARE HEREBY ADOPTED".

   The Resolution was proposed by Mr. Orrette Staple seconded by Mrs. Chantal Davis.

   The Resolution was unanimously approved by the members and the motion declared carried.

3. RE-ELECTION OF DIRECTORS

The Chairman put to the meeting the following Resolutions for adoption:

To consider and, if thought fit, to pass the following Resolution:

Resolution No. 2

"THAT the election of directors be made en bloc."

The Resolution was proposed by Mr. Orrette Staple seconded by Ms. Rochelle Johnson.

The Resolution was unanimously approved by the members and the motion declared carried.

The Chairman advised that in accordance with Article 102 of the Company's Amended and Restated Articles of Association, one third of the Directors or if their number is not three or a multiple of three then the number nearest to one third shall retire from office at each Annual General Meeting. The following are the Directors who shall retire or be appointed as the case may be:

1. Directors Dr. the Hon. R. Danny Williams, Michael Fraser and Stephen McNamara, retire by rotation and are eligible for re-election.
2. Directors Colin Steele and Bruce James appointed by the Directors of the Board as additions to the Board by virtue of Article 98 retire and are now eligible for re-election.

Accordingly, he put to the meeting the following Resolutions:

Resolution No. 3

To consider and, if thought fit, to pass the following Resolution:

'THAT Directors Dr. the Hon. R. Danny Williams, Michael Fraser and Stephen McNamara, who retire by rotation and being eligible offer themselves for re-election, be and are hereby re-elected as Directors of the Company en bloc.

The Resolution was proposed by Janice Grant Taffe and seconded by Mr. Orette Staple.

The Resolution was unanimously approved by the members and the motion declared carried.

Resolution No. 4

To consider and, if thought fit, to pass the following Resolution:

"THAT by virtue of Article 98, Directors Colin Steele and Bruce James, who were appointed by the Directors of the Board since the last Annual General Meeting as additions to the Board, and who retire and being eligible offer themselves for re-election, be and are hereby re-elected as Directors of the company en bloc."

The Resolution was proposed by Grace Royal Bassaragh seconded by Rochelle Johnson

The Resolution was unanimously approved by the members and the motion declared carried.

4. REMUNERATION OF THE DIRECTORS

The Chairman put the following Resolution to the meeting:

Resolution No. 5

To consider and, if thought fit, to pass the following Resolution:

"THAT the amount of JS $18,912,449.00 included in the Audited Accounts of the Company for the year ended December 31, 2018 as remuneration for their services as Directors be and is hereby approved."

The Resolution was proposed by Mr. Patrick Bryan and seconded by Mr. Everton McNaught.

The Resolution was unanimously approved by the members and the motion declared carried.

5. REMUNERATION OF AUDITORS

The final Resolution put to the meeting by the Chairman was to appoint the Auditors and authorise the directors to fix the remuneration of the Auditors.:

To consider and, if thought fit, to pass the following Resolution:

Resolution No. 6

"THAT in accordance with Article 147 of the Amended and Restated Articles of Association, the firm of auditors Grant Thornton be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

The Resolution was proposed by Mr. Shane Walters_ and seconded by Ms. Rochelle Johnson.

The Resolution was unanimously approved by the members and the motion declared carried.

Mr. Orrette Staple requested a copy of the minutes of the last Annual General Meeting and a copy of the minutes of this meeting when completed. The Chairman advised that the Corporate Secretary had received his request and Mr. Staples was presented with a copy of the minutes for the 2018 AGM.

6. TERMINATION

The Chairman thanked members for their attendance.

There being no further business, the Chairman called for the termination of the meeting proposed by Janice Grant Taffe and seconded by Grace Royal Bassaragh, and the meeting was declared terminated at 12.14 pm.

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Chairman

APPENDIX I

CEO'S REPORT

APPENDIX II

Questions and Responses arising from CEO's Report and Financial Statements

a) Mr. Orrette Staple expressed congratulations for Mr Richard Byles on his appointment as Governor of the Bank of Jamaica and wished him success for the future. He also congratulated Mr. Christopher Zacca on his recent report made to the Jamaican Government in relation to Petrojam.

b) Mr. Staple pointed out on Page 50 of the Annual Report that Earnings Per Share had dropped significantly and asked how Management expected to achieve improvement on this.

The CEO advised that the performance for all properties in Q1 looked better, Management had plans in place to grow the Company and expected once this materialises the EPS should improve. Mr. Christopher Zacca pointed out that the Q1 published accounts indicated a 44% year over year increase.

c) Mr. Staple requested the Auditors explain a key audit item whereby the fair value balances appearing in the Profit & Loss Accounts do not equate to cash and therefore provide no comfort to him as a shareholder.

Mr. Frederick Williams (Group Finance) advised in reference to Fair Value being a key audit matter, that this is a main component of the overall Financial Statements which would require the audit process to ensure that the valuation being used was adequate. The processes would have been tested to make sure the fair value was determined and that which was disclosed was accurate on the Statements at sign off by the Auditors.

However, Mr. Staple expressed his concern that a portion of the Fair Value calculations appears in the P&L, but a great portion of it appears in "Other Comprehensive Income" and asked for explanation regarding the split of the two values. Mr Williams explained that it depended on the asset being valued. For eg., the Fair Value adjustments would be shown in respect of the overall valuation of DTO and Jewel Grande – the particular item would determine where the Fair Value would be disclosed in the Financial Statements.

d) With reference to Page 119 Mr. Staple requested the Chairman explain that if the Group was rich with cash and cash equivalent totalling $1.4bn plus restricted cash of $209m, why weren't shareholders being paid a dividend of $2,50 per share which he was of the opinion that the Group could easily have done.

Mr. Zacca replied that the policy of the Company, is to pay a dividend based on share of net profit. He explained that although the Company had cash, it also had cash demands to repay debt etc. and investment and the Company was not able to use cash as a dividend especially due to poor profit performance in 2018.

e) Mr. Staple pointed out that the Company had sold some of its properties and part of one, and, shareholders had stood by and seen increased administration charges, procurement, high staff costs and high management fees but there had been no dividend and suggested to the Chairman that if this was the policy of the Company, that policy ought to be changed so that shareholders could participate in some of the rich returns being generated as a result of what was taking place in the Company.

Mr. Zacca informed Mr. Staple that the answer to this question refers to the previous point and as a Director and leader in Sagicor Group, the Board was doing everything possible and had

remarkably turned around the Company in the first quarter of 2019. Shareholders he advised are treated as the key stakeholder of any company the Board operates, and the Board would abide by the Company's dividend policy.

f) Mr. Staple suggested that Management/the Board consider granting shareholders a one off dividend payment of $2.50 per share.

Mr. Zacca indicated that the concerns were noted, and that Management who are mindful was mindful of its duty to improve the performance of the Company to the benefit of the shareholders

g) With reference to Page 123 and the payout of $549m to Jewel Grande Montego (JGM), Mr. Staple requested clarification as to why this exorbitant payment had been made.

Mr. Williams advised that this was actually an accounts payables balance which arose at the end of 2018 from other activities between JGM and X Fund . The balance is actively managed.

h) Mr. Staple inquired why the subsidiary company, X Fund Properties Limited failed to meet its debt covenant in terms of the Debt/Equity ratio resulting in a reclassification of the loan.

Mr. Williams explained that the low profitability for 2018 resulted in the breach of the debt covenant at the end of year - December 2018. He however pointed out that this situation was corrected in Q1 2019. and the financial statements for Q1 will reflect all debt covenant ratios have been met and appropriately classified in the Balance Sheet. It was noted that there was no penalty for the breach based on the time of year that the breach occurred i.e. end of year (which was provided for in the Loan Agreement).

i) Mr. Staple referenced Page 50, in 2017 whereby the revaluation of lands and buildings noted was US$519.1m and in 2018 revaluation of land and buildings was J$2.7bn and sought clarification as to what had accounted for this huge increase.

Mr. Williams reminded Mr. Staple he had previously raised a query regarding the Fair Value adjustment work reflected in the financial statements, this related to the actual revaluation of the DTO property in Orlando which had increased was being reflected as this property would have improved in value due to all the renovation work which occurred at the property between 2016 – 2017. Mr. Staple inquired as to whether this would have affected the profit and loss, to which Mr Williams replied that this item was shown in "Other Comprehensive Income".

j) With reference to Page 127 Note 26, Mr. Staple inquired who and what constituted Wells Fargo Goldman Sachs subsidiary, what loan was sold to them and how had X Fund Properties gotten entangled in this loan which was extended to May 2019 and had this now been cleared.

Mr Williams referred to the Note itself on Page 126 which referenced the amount of the loan the Company had with Wells Fargo as part of the Company's financing arrangements.

It was pointed out that this loan was obtained to purchase the DTO and that the maturity date of the loan facility was actually October 2025 and not May 2019. The May 2019 obligation related to a Promissory Note between X Fund Properties and X Fund, the parent company referred to in Note 8.

k) With regard Page 135, Mr. Staple queried whether the Company was benefitting from the franchise agreement for US$1.5m paid as at December 2018 which terminates in 2025, and in addition paying US$100,000 monthly for royalties yet shareholders received nothing.

The CEO explained that the DTO is a Hilton-branded hotel therefore these fees had to be paid to Hilton. Mr. Zacca advised that fees are paid to Hilton to use their brand in order to get access to their reservation system and to their 80 million repeat guests. He further stated that this was one of the most profitable hotels in Orlando and it was as a result of the relationship with Hilton – hence it was money well spent.

l) Mr. Staple requested clarification on Page 135 of "Bad Boy Acts".

Group Legal's, Janice Grant Taffe, informed Mr. Staple that this was a covenant that the parent company would have given to the Lender of the facility which ensured it would not do anything that would impair or impact its ability to recover on the debt. "Bad Boy Acts" is term attributed to these types of covenants.

Mr. Zacca advised that as discussed at previous AGMs, this loan had been taken out in 2016 to purchase the DTO property in Orlando which has been a good investment. All loans of this type have covenants to protect the lenders and these are normal terms with any big loan in the USA and in Jamaica. The hotel had to be kept to a certain standard which was typical of any asset-backed loan.

m) Mr. Staples informed the meeting that he had been hearing in the press there was a silent competitor – "Air B n B" which benefits from the marketing of hotels in Jamaica and asked why was it this silent competitor was being allowed to go tax-free, depriving the established hotels of the people who are supposed to be in our hotels. He encouraged Management to lobby for this tax to be implemented immediately so Jamaica could benefit more.

Mr. Zacca indicated that the Jamaica Hotel & Tourist Association (JHTA) which is the entity that represents all the hotels in Jamaica, has been lobbying very hard for what Mr. Staple asked for.