

INTRODUCTON OF CREDIT UNION'S PERMANENT SHARES

IMPORTANT NOTICE

The Jamaica Defence Force Co-operative Credit Union Ltd wishes to advise members that the rules governing member share capital have been changed based on International Financial Reporting Standards (IFRS), and not on Bank of Jamaica Standards as previously advertised.

Effective December 31, 2008 each member of the JDF Credit Union is required to have a minimum amount of \$1500.00 in Permanent Shares and \$500.00 in Ordinary Shares. This decision was confirmed by members at the Special General Meeting on October 17, 2008.

WHAT ARE PERMANENT SHARES?

Each member must establish ownership by acquiring some shares in the business which forms part of the Permanent Capital of the Credit Union. These **Permanent Shares** would be considered as risk capital.

WHAT IS THE MINIMUM PERMANENT SHARES REQUIRED?

Each member of the Credit Union will be required to purchase a minimum amount of **Permanent Shares** of One Thousand Five Hundred Dollars (\$1,500.00) *this is a one time investment*. Under the Credit Union rules, a member can own up to 20% of the Credit Union's Permanent Capital.

BENEFITS OF PERMANENT SHARES?

Each member will maintain his/her right to make decisions at the AGM. Each member will have one vote regardless of how many shares he/she owns. Dividends will be paid on your **Permanent Shares**.

WHAT IF I CANNOT AFFORD TO BUY NOW?

At a Special General Meeting held on October 17, 2008, members agreed to implement the **Permanent Shares** requirement by December 31, 2008. However, members who are unable to meet this deadline may visit our office to make arrangements to comply by latest March 31, 2009.

HOW CAN MEMBERS PURCHASE PERMANENT SHARES?

Members may acquire these shares at the Credit Union. A Share Certificate will also be issued to the member.

CAN I SELL MY PERMANENT SHARES?

You may sell your **Permanent Shares** to another member or to the Credit Union. However, if you do so, you can no longer access the services of the Credit Union.

WHAT HAPPENS TO REGULAR SHARES?

What we now know as Regular Shares will now be reclassified as **Voluntary Shares**. This account will be maintained in its current form and will be used to determine your ratio when borrowing. Share Certificates will not be issued for **Voluntary Shares**.

Your loan will still be secured by your **Voluntary Shares** or regular deposit. Members with **Voluntary Shares** will continue to enjoy better loan rates than members who secure loans using their regular deposits.

Permanent Shares will however not be used as security for a loan.