



KINGSTON WHARVES LIMITED

**MINUTES OF ANNUAL GENERAL MEETING
HELD ON THURSDAY, JUNE 16, 2022 AT 10:00 A.M.
AT THE TOTAL LOGISTICS FACILITY
AT 195 SECOND STREET, NEWPORT WEST, KINGSTON 13**

Present were:

| | | |
|------------------------|---|-----------------|
| Mr Jeffrey Hall | - | Chairman |
| Mr Grantley Stephenson | - | Deputy Chairman |
| Mr Bruce Brecheisen | - | Director |
| Mr Kim Clarke | - | Director |
| Dr Marshall Hall | - | Director |
| Mr Mark Williams | - | Director |
| Mr Roger Hinds | - | Director |
| Mr Charles Johnston | - | Director |
| Mrs Charmaine Maragh | - | Director |
| Mrs Kathleen Moss | - | Director |
| Mr Robert Scavone | - | Director |
| Mr Dorian Valdes | - | Director |

In attendance were:

| | | |
|-------------------------------|---|--|
| Mr Alvin Henry | - | Former Director |
| Ms Clover Moodie | - | Group Chief Financial Officer |
| Mr Stephan Morrison | - | Corporate Secretary/ Legal Counsel |
| Mr Leighton McKnight | - | Partner – PriceWaterhouseCoopers (PWC) |
| Ms Allison Bernard | - | PriceWaterhouseCoopers (PWC) |
| Mrs Frances Mighty Hutchinson | - | Internal Audit Manager, KWL |
| Mrs Denise Walcott-Samuels | - | Human Resource & Administration Manager, KWL |
| Mr Dean Pantou | - | Chief Accountant, KWL |
| Ms Giselle Riley | - | Financial Reporting & Analysis Manager, KWL |
| Shareholders & Guests | - | See Appendix 1 |

Call to order

The Chairman called the meeting to order at 10:00 a.m. and extended a warm welcome to the shareholders that were participating electronically and by proxy as well as the Company's Auditors and other invited guests.

Confirmation of Quorum

The Secretary confirmed that the required quorum was present and that the meeting could proceed to business.

Notice of Meeting

The members present at the meeting agreed to take the notice of the meeting found on page 6 of the Annual Report as read.

Submission of Proxies and Corporate Representatives

Shareholders were reminded that proxies were deposited with either the Company Secretary or the Registrar at least 48 hours prior to the date of the meeting. The Chairman also advised

shareholders that a list of those proxies which amounted to 68% of all voting shareholders, was available for inspection.

Minutes of 2021 AGM, Articles of Incorporation and Share Register

The Chairman advised the meeting that the Minutes of the last AGM, the Company's Articles of Incorporation and the shareholders' register were available for inspection..

Auditors' Report

The report of the Auditor to the members was read by Mr. Leighton McKnight of PriceWaterhouseCoopers (PWC).

Introduction of Board Members and Senior Management

The Chairman introduced the other members of the Board. The Company's CEO presented the senior management staff of the KWL group to the meeting participants.

Directors' Report and CEO's Presentation

The meeting participants agreed to take the Directors' Report as read, and the Chairman then invited Mr. Williams to make a presentation on the Company's performance for the year 2022 and the outlook for 2023.

The CEO's presentation highlighted the following elements of the Group's performance:

- i. revenue of J\$8.6 billion, a 22% increase when compared to the previous year;
- ii. Operating Profit increased by 36% to \$3.87 billion in 2021; and
- iii. Dividends declared increased by 11% in 2021 compared to 2020.

Mr. Williams noted that in 2021, the Terminal Division accounted for revenue of 69%, while the Logistics Division earned 31% of revenues for the Group. The Terminal Division accounted for 71% of operating profit while the Logistics Division contributed 29% the operating profit. He emphasized that the Company benefited from its diversified revenue sources ranging from containerised cargo, automobile units, project cargo and break bulk supplies.

The CEO shared that the Company felt a corporate responsibility to give back to its community by investing in youth development, particularly through sport. The CEO shared that it was proud to continue as the longest sponsor of Jamaica Youth Cricket for 33 years among other contributions.

Mr Williams outlined the Company's key strategic imperatives of customers, people, process, plant and profit. The CEO spoke about the digital transformation taking place to upgrade various systems across the Company's operation. He also advised that the Company acquired a mobile harbour crane (at a cost of US\$ 5.2 million). Mr Williams announced that the Company is awaiting NEPA's approval of the Company's design for the redevelopment Berth 7 to optimise our berthing capacity. The Company also upgraded its Integrated Electronic Security Management System, at a cost of approximately US\$2 million. The upgrade will enhance the Company's credential verification system, access control, intrusion detection and monitoring & control systems. The CEO announced that the Company was recently awarded the 2021 Port Industry Award of Excellence, in the category of Technology and Innovation by the American Association of Port Authorities for its Click 'N' Collect web based cargo clearance platform, a first of its kind in the local shipping industry.

In closing his presentation, the CEO underscored that the Kingston Wharves is prepared for the future; despite all the upheavals in global trade, the Company maintains a strong balance sheet and our business model is one which is positioned for growth and profitability.

Shareholder Q&A

Following the conclusion of Mr. William's presentation, the Chairman invited questions from shareholders present in the room and from shareholder who submitted written questions to the Company beforehand.

The following questions were raised in person by Mr Staple:

Question 1

Management was asked about its plans to reduce the expense line item in the Financial Statements?

Response: Mr Williams acknowledged the importance of managing the Company's expenses as the volume of cargo being handled increases, in some cases by as much as 102% in the case of breakbulk cargo. Mr Williams noted that despite the fact that the Company would have had to use more labour, fuel and equipment to process the increased volumes, the cost efficiency ratio improved from 68% to 63%. An additional consideration was the increase in the cost of fuel and other input cost. The CEO expressed that the Management team will continue to look at ways they can reduce the cost efficiency ratio even further.

Questions 2

The Company's officers were asked to comment on who can purchase treasury shares and to explain the composition of cash and cash equivalent.

Response: The Company's Chief Financial Officer, Ms Clover Moodie explained that the treasury shares were purchased by the Company's Employee Share Ownership Plan for the benefit of eligible employees of the Company.

Regarding the query on the reason for the high level for the cash and cash equivalence, Ms Moodie shared that the Company's position is that all funds at the Company's disposal should be invested in short term instruments like certificate of deposits and repurchase agreements and those funds are earmarked for expansion and to fund our capital projects.

Question 3

The Company's officers were asked to comment on the Port Authority of Jamaica requirement for the Company to maintain a fund of cash and highly liquid securities for an asset replacement and rehabilitation reserve.

Response: The Chairman explained that as the provider of an essential service, the Company is required to maintain a fund to ensure that they continue to have the funds necessary to maintain and port and terminal facilities.

Mrs Moodie elaborated that the Company is required to set aside \$12.6 million and also to set aside an equivalent amount of the Company's depreciation for capital rehabilitation works.

Question 4

The Company's officers were asked to comment on how the provision of the wharfage reserve will be used?

Response: The Chairman explained that as the provider of an essential service that the wharfage reserves are designed to grant the Company flexibility in how it responds to the needs of its employees as well as the need to invest in the infrastructure of the port. The reserve serve to ensure the continuity of the business.

Question 6

The CEO was asked whether the Company received the mobile harbour crane that it announced would be purchased at the last annual general meeting?

Response: The CEO confirmed that the Company received the mobile harbour crane and it was now in operation.

Question 7

The Company's officers were asked to comment on the status of the tender or the redevelopment of Berth 7?

Response: The CEO shared that the tender was awarded and that the construction contract was now in place. The CEO also shared that preliminary works had commenced and plant material such as steel has been ordered.

The following questions were raised in person by Mr Livingston Young:

Question 8

The Company's officers were asked to comment on why the Company was facilitating the importation of corn/grain into Jamaica.

Response: The CEO explained that the Company sees its role as a facilitator of trade for goods coming in and out of the country. As a terminal, the Company does not plan to get involved in the production of agriculture.

Question 9

The Company's officers were asked to comment on what happens to the Company's business when the exchange rate fluctuates?

Response: The Chairman explained that in accordance with IFRS accounting standards, the Company has written down the implication of the movement in the exchange rate are on the profits before tax on the business. The Chairman explains that a depreciation in Jamaican dollars increases the Company's profits while an appreciation of the Jamaican dollar decreases the Company's profits. The Chairman elaborated that the reason for this is because the Company invoices its international clients in US dollars and also because the Company maintains cash balances in US dollars to allow it to purchase port related equipment sourced abroad.

The following written questions were submitted by Mr David Rose:

Question 9

The Company's officers were asked to comment on whether any projections were done on the impact of the expansion of Berth 7 and the associated rise in business activity from Panama canal-sized vessels? Could you also remind us of the timeline for the expansion and completion date?

Response: The Chairman confirmed that in making the decision to expand Berth 7, the Board and the Management team considered projections for cargo as well as the expectations for the size of ships, the nature of the cargo anticipated and the size and weight of that cargo.

The CEO advised that the Berth 7 redevelopment would take approximately twelve months.

Question 10

The Company's officers were asked to comment on whether Kingston Wharves will be utilizing a mix of debt and cash from operations to fund its US\$60 million expansion plans. Have any major plans been made as yet with local or multinational banks to arrange this funding amid rising interest rates domestically and abroad?

Response: The Chairman shared that the Company has identified its source of financing for its projects which include debt financing sourced from local banks.

Question 11

The Company's officers were asked to comment on whether the revaluation of the Jamaican dollar with respect to the United States dollar result in a lower recognition reflect on the Company's financial statements? In other words, if you earned US\$100, would the new rate of J\$153 - US\$1 in March vs the J\$155 – US\$1 in December mean you reported J\$200 less on the Profit & Loss Statement?

Response: The Chairman referred Mr Rose to Note 3 of the Company's Audited Financial Statement.

The Company's CFO added that in the scenario presented the revenue collected would have experienced a reduction, the Company does have costs that are denominated in US\$ that would have the opposite effect and would offset the effect of that occurrence.

Question 12

The Company's officers were asked to comment on whether the Were there any major hurdles in getting the SEZ designation?

Response: The Chairman acknowledged that there were challenges in achieving the Group's SEZ designation, but the Company believes that the benefits which the Company are now eligible to receive outweigh the challenges experienced and the expense incurred in gaining the designation.

Question 13

The Company's officers were asked how the Group treated digital security amid its continued digitization of its services with platforms such as Click 'N' Collect?

Response: The CEO shared that Company continues to review and invest in its IT security procedures against current best practices. Additionally, KWL systems are protected by firewalls, anti-malware, monitoring tools and a robust system of training and sensitising staff on the best cyber security practises.

Question 14

The Company's officers were asked how potential delays in goods being processed at the port would impact the Company's operations. Also, what are the benefits or challenges if any that is posed by the growth in interest in nearshoring through Jamaica?

Response: The CEO shared that the Company's terminal was not experiencing the delays reported in other countries in 2020 and 2021. As the provider of an essential service Kingston Wharves conducts terminal operations 24 hours a day 7 days a week. The CEO explained that our operating hours allows us to process cargo continuously once it arrives at the Port of Kingston.

Question 15

The Company's officers were asked whether the associated rise in staff costs (note 7) related to the additional labour required to process business in 2021 or is it salary adjustments as compared to 2019 which was the last normalized year.

Response: The Chairman confirmed that the staff costs were a combination of additional labour required to process an increase in business as well as due to salary adjustments.

Question 16

The Company's officers were asked if the Company is considering to adopt an Environmental, Social and Governance (ESG) page next year and publicly disclose its performance in the JSE Corporate Governance Index (CGI). The Company was also asked to share its CGI score over the last 3 years?

Response: The Chairman shared that the Company has internal goals relating to the Company's commitment to the environment and the community. The Company has also set out its governance standards in great detail in its annual report. The Company continues to explore the best ways to communicate that to our stakeholders.

The Company Secretary shared that over the last five years the Company received a B to a BB score on the JSE Corporate Governance Index, while the average company on the Jamaica Stock Exchange has a CGI score of (CC). The Company is working with the Jamaica Stock Exchange to improve its CGI score.

Question 17

How does the company plan to charter the waters between rising inflation, rising interest rates and further geopolitical disruption?

Response: The Chairman responded that Company intends to tread these waters very carefully and the Board continues to closely monitor the economic and geopolitical environment. Regarding increasing interest rates and rising inflation, the Board has examined the Company's financing cost with a view to how we can manage our costs notwithstanding the inflationary environment and allocate a fair share of those costs to customers. Regarding the geopolitical challenges, the Company cannot influence those issues, but continues to focus on improving our service levels so that even if the origin and destination of the cargo we process may change, the Company will continue to have a business. The Chairman thanked Mr Rose for his attention to detail and his review of the Company's financials and governance processes.

Following the question-and-answer segment, attention reverted to the formal agenda and the following resolutions were tabled and passed.

Ordinary Resolution No. 1 – Audited Financial Statements and Director's Reports

The following resolution was passed unanimously on a motion by Mr Orette Staple which was seconded by Mr. Livingston Young

THAT the Audited Financial Statements for the year ended December 31, 2021 and the reports of Directors and Auditors circulated with the notice convening the meeting be adopted.

Ordinary Resolution No. 2 – To approve and ratify dividend payments

The following resolution was passed unanimously on a motion by Mr Orette Staple which was seconded by Mr. Garfield Parris:

THAT as recommended by the Directors, the dividend of Twenty-Three cents (\$0.23) per share paid on August 18, 2021 and of Thirty-Seven cents (\$0.37) per share paid on January 17, 2022 be and are hereby declared as final and that no further dividend be paid in respect of the year under review.

Ordinary Resolution No. 3 – Rotation and Election of Directors

The directors retiring from office by rotation pursuant to Article 107 of the Company's Articles of Incorporation are e Messrs. Bruce Brecheisen, Charles Johnston, Robert Scavone and Jeffrey Hall. All the retiring Directors, being eligible, offer themselves for re-election.

The following resolution was passed unanimously on a motion by Mr Charles Johnston which was seconded by Mr. Roger Hinds:

THAT Mr. Bruce Brecheisen be and is hereby re-elected a Director of the Company.

The following resolution was passed unanimously on a motion by Mr Mark Williams which was seconded by Mr Orette Staple:

THAT Mr. Charles Johnston be and is hereby re-elected a Director of the Company.

The following resolution was passed unanimously on a motion by Mrs Lisa Johnston which was seconded by Mr. Livingston Young:

THAT Mr. Robert Scavone be and is hereby re-elected a Director of the Company.

The Chairman invited the Deputy Chairman, Mr Grantley Stephenson to chair the meeting while the resolution for the re-election of the Chairman was being tabled.

The following resolution was passed unanimously on a motion by Mr Orette Staple which was seconded by Mrs Lisa Johnston:

THAT Mr. Jeffrey Hall be and is hereby re-elected a Director of the Company.

The following resolution was passed unanimously on a motion by Mr Orette Staple which was seconded by Mrs Lisa Johnston:

In accordance with Article 108 of the Company's Articles of Incorporation, the following director retires having been appointed to the Board in 2021, and is eligible, for re-election;

THAT Mrs Charmaine Maragh who retires after having been appointed to the Board in 2021, be and is hereby elected a Director of the Company.

Ordinary Resolution No. 4 – To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors.

The following resolution was passed unanimously on a motion by Mr Jeffrey Hall which was seconded by Mr. Mark Williams:

THAT KPMG, Chartered Accountants, be and are hereby appointed auditors of the Company in replacement of the retiring auditors Messrs. PriceWaterhouseCoopers to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company.

Ordinary Resolution No. 5 – To fix fees of the Directors

The following resolution was passed unanimously on a motion by Mr Jeffrey Hall which was seconded by Mr. Mark Williams:

THAT the amounts shown in the accounts of the company for the year ended December 31, 2021 as fees paid to the Directors for their services as Directors, be and are hereby approved.

SPECIAL BUSINESS

The Chairman reported that due to the health risks associated with Covid-19, the Companies Act of Jamaica was amended to allow public companies to conduct hybrid or virtual members meetings. Therefore, the Chairman proposed the following resolutions to amend the Articles of Incorporation to allow the Company to hold hybrid members meetings.

Ordinary Resolution No. 6 – Amendment to Articles of Incorporation

The following resolution was passed unanimously on a motion by Mr Jeffrey Hall which was seconded by Mr. Mark Williams:

THAT the articles of incorporation be and are hereby amended as follows

A. Inserting a definition for “Electronic Means” in Article 1 which shall provide as follows:

“Electronic Means” means any method of dispatch or communication of sounds, documents, maps, photography, graphs, plans or other data which involves the use of equipment or technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to facsimile machines, the Internet, webcasting, teleconferencing, videoconferencing, live stream or broadcast and mail sent via computers and scanning devices.”

B. Inserting Article 55A which shall provide as follows:

“Hybrid & Virtual Meetings 55A.

(1) To the extent permitted by law, the Company may in lieu of holding a Physical Meeting, convene and hold a meeting of its members as a:

- (a) Hybrid Meeting; or
- (b) Virtual Meeting,

and a Hybrid Meeting or Virtual Meeting shall be identified as such in the notice convening such meeting.

(2) For the purpose hereof:

(a) a “Hybrid Meeting” means a meeting held simultaneously, by Electronic Means, as well as at a physical venue in which attendees, whether by Electronic Means or present in person, simultaneously attend and participate in the proceedings of the meeting in real time;

(b) a “Virtual Meeting” means a meeting in which the attendees participate from numerous physical locations, whether inside or outside of Jamaica, through the facility of the internet or intranet by use of integrated audio and video, chat and messaging tools, and application-sharing software, by Electronic Means; and

(c) a “Physical Meeting” means a meeting in which all attendees (a) are physically present together in one location and (b) participate in the business of the meeting and interact with each other, face to face.

(3) Notwithstanding anything to the contrary in these Articles, the notice of a Virtual Meeting need not specify a place as a physical location but shall include an electronic or virtual location or details sufficient to facilitate the attendance by members at an electronic or virtual location and such a meeting shall be recorded as held in Jamaica. The notice of a Hybrid Meeting shall specify a physical location and an electronic or virtual location.

(4) If the Company holds a Hybrid Meeting it shall have power to limit the number of persons in attendance at any physical venue to such number as is reasonable in all the circumstances.

(5) Where the Company holds a Hybrid Meeting or a Virtual Meeting, the use of Electronic Means for the purpose of enabling members to attend such meetings may be made subject only to such requirements and restrictions as are:

(a) necessary to ensure the identification of the members of the Company, and the security of the electronic communication; and (b) necessary to provide reasonable evidence of the entitlement of any person, who is not a member, to attend such meeting.

(6) A member who attends a Hybrid Meeting or a Virtual Meeting by Electronic Means shall vote by proxy, or by such alternative means including the use of electronic voting, as may otherwise be determined by the Company. Notwithstanding anything to the contrary contained in these Articles, a proxy form may be returned to the Company by any Electronic Means prescribed by the Company and this shall be deemed as deposited at the registered office of the Company and valid, provided that the Company is able to identify that the proxy has been duly stamped in accordance with the applicable law

(7) A member who participates in a general meeting, which is either a Hybrid Meeting or a Virtual Meeting, is deemed to be present at the general meeting and shall count to constitute a quorum. Any Hybrid Meeting or Virtual Meeting is deemed to have been convened and held in Jamaica and shall be governed by the laws of Jamaica.

(8) Any failure of technology or any failure or inability of a member to attend or remain in a meeting held in accordance with these Articles as a result of a mistake or of events beyond the control of the Company shall not constitute a defect in the calling of such a meeting and shall not invalidate any resolutions passed or proceedings taking place at that meeting provided that a quorum is present at all times.”

C. Article 59, which currently provides as follows:

“An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one days’ notice in writing. All other extraordinary general meetings shall be called by at least fourteen days’ notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given in manner hereinafter mentioned to or in such manner if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles of the Company, entitled to receive such notices from the Company. In the case of an annual general meeting, the notice shall specify the meeting as such.”

Article 59 shall be amended as follows:

“An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one days’ notice in writing. All other extraordinary general meetings shall be called by at least fourteen days’ notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, (whether it is a Physical Meeting, Hybrid Meeting or Virtual Meeting), the day and the hour of meeting and, in case of special business, the

general nature of that business, and shall be given in manner hereinafter mentioned to or in such manner if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles of the Company, entitled to receive such notices from the Company. In the case of an annual general meeting, the notice shall specify the meeting as such.”

Termination

In closing, the Chairman expressed appreciation to the shareholders for attending the meeting, as well as, for their continued confidence and support which was necessary for the Group’s success. The Chairman also thanked the Board, Management and the staff for their contribution and for successfully navigating the challenges experienced during the year.

There being no further business, the Chairman terminated the meeting at 11:25 a.m.

APPENDIX 1

List of Non-Director Shareholders Present In-Person

- | | |
|-------------------------|------------------------------|
| 1. Ms Clover Moodie | 11. Mr Orette Staple |
| 2. Ms Lisa Johnston | 12. Ms Giselle Riley |
| 3. Mr Garfield Parris | 13. Mr George Reynolds |
| 4. Ms Newton Brown | 14. Ms Madgie Walters |
| 5. Ms Neville Newby | 15. Ms Princess McLean |
| 6. M. Clinton Allen | 16. Mr Marcello Richards |
| 7. Ms Andrene Richards | 17. Ms Yvonne Williams |
| 8. Mr David Rose | 18. Ms Natasha Geohagen |
| 9. Mr Wickham Richards | 19. Mr Steve St. Aulin Daley |
| 10. Mr Livingston Young | |

List of Directors Present In-Person

1. Mr Jeffrey Hall
2. Mr Mark Williams
3. Mr Grantley Stephenson
4. Mrs Charmaine Maragh
5. Mrs Kathleen Moss
6. Mr Dorian Valdes
7. Mr Bruce Brecheisen
8. Mr Roger Hinds
9. Mr Charles Johnston
10. Mr Robert Scavone

List of Directors Present by Video Conference

1. Dr Marshall Hall
2. Mr Kim Clarke

Proxy Register

| Shareholder | Proxy |
|---|---------------------|
| 1. Maritime & Transport Services Limited | Mr Kim Clarke |
| 2. A.E. Parnell & Co. Limited | Mr Kim Clarke |
| 3. Transocean Shipping Limited | Mr Roger Hinds |
| 4. S.B.D. L.L.C. | Mr Jeffrey Hall |
| 5. Jamaica Producers Group Limited | Mr Jeffrey Hall |
| 6. Jamaica Fruit & Shipping Company Limited | Mr Charles Johnston |

List of Non-Shareholder Guests

1. Mr. Dean Williams
2. Ms. Margaret Porter
3. Mrs. Frances Mighty-Hutchinson
4. Mrs. Marilyn Cleghorn-Barker
5. Mr. Alan Buckland
6. Mr. Jei Han Hall
7. Ms. Kishan Clarke
8. Ms. Prudence Barnes
9. Mrs. Almeta Johnson-Francis
10. Ms. Simone Pearson
11. Ms. Emily Ho
12. Mrs. Yanique Orr-Whyte
13. Mrs. Corah Ann Robertson Sylvester
14. Mr. Lloyd Smith
15. Mr. Cecil Maragh
16. Ms. Allison Bernard (KWL external auditor)
17. Ms. Leighton McKnight (KWL external auditor)
18. Ms. Donna James
19. Mr. C. Espeut
20. Ms. Amoy Mullings