



KINGSTON WHARVES LIMITED

**MINUTES OF ANNUAL GENERAL MEETING
HELD ON WEDNESDAY, JUNE 05, 2024 AT 10:00 A.M.
AT THE AC HOTEL BY MARRIOTT
AT 38-42 LADY MUSGRAVE ROAD, KINGSTON**

Present were:

Mr Jeffrey Hall	-	Chairman
Mr Grantley Stephenson	-	Deputy Chairman
Mr Bruce Brecheisen	-	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
Mr Philip Armstong	-	Director
Mr Kim Clarke	-	Director

In attendance were:

Ms Clover Moodie	-	Group Chief Financial Officer
Mr Stephan Morrison	-	Corporate Secretary/ Legal Counsel
Mr Rochelle Thompson	-	PricewaterhouseCoopers (PwC)
Mrs Denise Walcott-Samuels	-	Human Resource & Administration 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 all shareholders, including those participating by proxy and observing the proceedings electronically, 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 accept the notice of the meeting found on page 5 of the Annual Report as read.

Submission of Proxies and Corporate Representatives

Shareholders were reminded that proxies must be submitted to either the Company Secretary or the Registrar at least 48 hours prior to the meeting date. The Chairman also informed shareholders that a list of these proxies, which constituted 70% of all voting shareholders, was available for inspection.

Minutes of 2023 AGM, Articles of Incorporation and Share Register

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

Auditors' Report

The report from the Auditor to the members was read by Ms. Rochelle Thompson 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 accept the Directors' Report as read, and the Chairman then invited Mr. Williams to present on the Company's performance for the year 2023 and its outlook for 2024. Mr. Williams began by thanking the Chairman and the Board for their leadership and support throughout the year.

The CEO's presentation provided an overview of the two major lines of business for the Company, namely terminal operations and 3PL services. The presentation highlighted the following elements of the Group's performance:

- i. revenue of J\$9.7 billion, a 2% increase compared to the prior year;
- ii. Operating Profit of J\$3.9 billion in 2023, representing a 22% increase compared to the prior year;
- iii. Total Assets increased to J\$59.1 billion, a 38% increase compared to the prior year;
- iv. Shareholders' Equity of J\$46.1 billion, a 29% increase compared to the prior year; and
- v. One of the world's leading pure car carriers reported that Kingston Wharves was their most called terminal for the last three years.

Mr. Williams highlighted that over the past five years, both the company's revenue and operating profit increased by 23% and 28%, respectively. The CEO also shared that Shareholders' Equity, Dividends Declared, and Earnings Per Share all increased by 73%, 26%, and 21%, respectively, over the last five years. The presentation indicated that Logistics Services contributed 35% to the company's revenue, while Terminal Services generated 65%. Operating profit from logistics services was 34%, whereas terminal operations accounted for 66%.

The CEO discussed several of the Company's significant capital investments, including the completion of the Berth 7 expansion and redevelopment for US\$30 million. Mr. Williams expressed his gratitude to the Company's director, Mr. Dorian Valdes, for his oversight of the project on behalf of the Board. Mr. Williams also spoke about the company's ongoing development of an integrated logistics centre at 1 East Ashenheim Road, where the leased spaces have been fully subscribed before the centre's completion.

Mr. Williams outlined the Company's outlook for the next five years, projecting an investment of US\$100 million. Under the Company's terminal operations, it proposes to construct a multi-level car park, redevelop Berth 6, acquire state-of-the-art port handling equipment, and implement climate change adaptation measures. Additionally, under the Company's Logistics

services operations, it proposes to expand its presence in Western Jamaica and undertake Phase 2 of the 1 East Ashenheim Road Warehouse and Logistics Facility.

The CEO shared that the Company places a premium on being a good corporate citizen through its Environmental, Social, and Governance structures. The Company continues to give back to its community by investing in youth development, particularly through sport and education. The CEO expressed pride that the Company has maintained its sponsorship of Jamaica Youth Cricket for over 34 years. He noted that KWL has the distinction of being the longest sponsor of cricket in the region. The Company was recognised by the Jamaica Special Economic Zone Authority in the categories of Best in Environmental Sustainability and Best in Sustain-a-livity. Additionally, the Company received awards from the OAS-CIP 2024 Maritime Awards of the Americas for Port Security and Risk Management, as well as Outstanding Women in the Port and Maritime Sector, and from the Jamaica Customs Agency Stakeholders Award.

In closing his presentation, the CEO underscored that Kingston Wharves is prepared for the future, despite the challenges forecasted for the remainder of 2024. He reiterated that the Company maintains a strong balance sheet and that its business model is positioned for growth and profitability.

Shareholder Q&A

Following the conclusion of Mr. William's presentation, the Chairman invited questions from shareholders.

The following questions were raised in person by Mr David Rose:

Question 1

Mr Rose asked how the Company planned to fund the proposed US\$100 million investment.

Response: The CEO stated that the Company typically used bank loans to finance its capital investment projects, but that the Company remained open to reviewing all funding instruments available.

Questions 2

Mr Rose asked the CEO to elaborate on the Company's objective of expanding to the western side of Jamaica.

Response: The CEO stated that while the plans were still at an early stage, the Company is looking to replicate its less-than-container load (LCL), full-container load (FCL), personal effects and third-party logistics services.

Question 3

Mr Rose asked the CEO to state the level of investment made in the 1 East Ashenheim Road Logistics facility and the level of expected returns.

Response: The CEO stated that for commercial reasons, he would not provide specific numbers regarding the investment and the expected yield. However, he shared that the

Company does not see itself merely as a landlord but also as a provider of 3PL services to its tenants. The Company seeks strong double-digit returns from these kinds of investments.

The following questions were raised in person by Ms Kayree Berry-Teape:

Question 4

Ms Berry-Teape asked whether the Company had an Employee Share Option Plan (ESOP) for its employees.

Response: The CEO shared that the company has an ESOP and that reference to the ESOP can be found on page 53 of the 2023 Annual Report.

Question 5

Ms Berry-Teape asked whether the Company had experienced a significant cost reduction from its use of solar panels or other renewable energy sources.

Response: The CEO explained that the company is focused on reducing its energy consumption. The company currently utilises solar panels on a large portion of the roof at the 1 East Ashenheim Road warehouse complex and the head office at the Total Logistics Facility. At present, the company is not at a stage where it can explore selling excess energy capacity to JPS. The CEO also shared that the largest customer of its terminal operations services is a shipping line that is introducing LNG-fuelled vessels to its fleet. Kingston Wharves has been at the forefront of facilitating the fuelling of LNG-powered vessels.

Question 6

Ms Berry-Teape asked the senior officers of the Company to explain the Company's position in the region as benchmarked against other company's offering similar services.

Response: The CEO explained that there are two types of terminals: container terminals and multi-purpose terminals. He elaborated that container terminals focus exclusively on handling containers. In contrast, multi-purpose ports, such as Kingston Wharves, handle a variety of cargo types, including motor vehicles, grain, steel, lumber, and containers. Mr Williams stated that Kingston Wharves is best in class in the region as a multi-purpose terminal, but it is not a global container terminal.

Question 7

Ms Berry-Teape asked whether shareholders could have a tour of the terminal in the future?

Response: The Chairman and CEO stated that guided tours of the terminal could be arranged by either contacting the company or the Shipping Association of Jamaica. The availability of a tour is determined on a case-by-case basis and would, of course, be limited in the number of participants at any one time and is also dependent on the level of activity at the terminal.

The following questions were raised in person by Mr Staple:

Question 8

Mr Staple asked about the relative importance of the tangible network versus the intangible value of the company's employees and shareholders.

Response: The Chairman stated that the point was well taken and agreed that in a business with as many tangible assets as Kingston Wharves, it is easy to view the company solely through the numbers and by assessing its hard assets. However, a comprehensive view is necessary because the hard assets would not be worth much without the team members who make those assets productive to achieve results for the company.

Question 9

Mr Staple asked what accounted for the number shown on page 63 regarding the remeasurement of post-employment benefits moving from negative one billion Jamaican dollars to positive eight hundred ninety-one million Jamaica dollars.

Response: The CFO stated that at the end of each year, the company's actuary carries out a valuation of the company's pension fund. In 2022 the surplus on the retirement benefit asset was restricted by the asset ceiling which contributed to the reduction in that year. While in 2023 the company was able to recognize the full surplus hence the increase of 891 million.

Question 10

Mr Staple asked about the cause of the reduction in trade and other receivables on page 67 of the annual report, which moved from a positive \$26.8 million to a negative \$79 million in 2023.

Response: The CFO stated that the decrease was due to the timing of when the trade receivables are recorded, as the trade receivables would have been recorded in December and collected after the year-end.

Question 11

Mr Staple asked why there were no management fees for the Group, but only for the company on page 105 of the annual report.

Response: The CFO stated that the management fees represent charges that Kingston Wharves, the company, would have levied on its subsidiaries for services provided on a group basis, which are typically eliminated at the group level.

The following questions were raised in person by Mr Richard Blake:

Question 12

Mr Blake requested the senior officers to elaborate on two competitive advantages the company possesses and to provide comments regarding the sale of treasury shares over the past two years.

Response: The CEO expressed his belief that two of the company's competitive advantages are the multi-purpose nature of the business, which allows for diversity in the types of cargo handled. For instance, in some quarters, the volume of containers may be down, while the volume of construction materials or motor units could be up. The second advantage is the level of skill and commitment shown by its employees.

The Chairman shared that the treasury shares were sold over the last two years to make them available to employees in the company's ESOP.

The following question was raised in person by Mr David Rose.

Question 13

Mr Rose asked how the company has invested in its cybersecurity infrastructure.

Response: The CEO acknowledged that the question pertained to sensitive information but noted that the company has made substantial investments in its IT infrastructure. He also emphasised the awards the company has received for its security and risk management systems and processes.

Following the question-and-answer segment, attention returned 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 Mr. Livingston Young seconded

THAT the Audited Financial Statements for the year ended December 31, 2023, 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 on a motion by Mr David Rose which Mr. Burrow seconded. Mr Livingston Young opposed the resolution:

THAT as recommended by the Directors, the interim dividend of Twenty-Five cents (\$0.25) per share paid on August 17, 2023 and of Forty-Three cents (\$0.43) per share paid on January 16, 2024, be and are hereby declared as final, and 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 Messrs. and Mesdames Grantley Stephenson, Kathleen Moss, Charmaine Maragh, and Robert Scavone. All the retiring Directors, being eligible, offer themselves for re-election.

The following resolution was passed unanimously on a motion by Mr Orette Staple which was seconded by Mrs. Kathleen Moss:

THAT Mr. Grantley Stephenson be and is hereby re-elected a Director of the Company.

The following resolution was passed unanimously on a motion by Mr David Rose which Mr. Christopher Borough seconded.

THAT Mrs. Kathleen Moss be and is hereby re-elected a Director of the Company.

The following resolution was passed unanimously on a motion by Mr David Rose which Ms Smikle seconded.

THAT Mrs. Charmaine Maragh be and is hereby re-elected a Director of the Company.

The following resolution was passed unanimously on a motion by Mr David Rose which Mr Roger Hinds seconded.

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

In accordance with Article 108 of the Company's Articles of Incorporation, the following director retires having been appointed to the Board in 2023 and is eligible for reelection;

The following resolution was passed unanimously on a motion by Mr David Rose which Mr Johnston seconded.

THAT Mr. Philip Armstrong, who retires after having been appointed to the Board in 2023, 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 Orette Staple which Mr. Livingston Young seconded:

THAT PricewaterhouseCoopers, Chartered Accountants, having agreed to continue in office as auditors, be and are hereby appointed Auditors of the Company 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 David Rose which was seconded by Mr. Christopher Borough:

THAT the amounts shown in the accounts of the company for the year ended December 31, 2023 as fees paid to the Directors for their services as Directors, be and are hereby approved.

Termination

In closing, the Chairman expressed gratitude to the shareholders for their attendance at the meeting, as well as for their ongoing confidence and support, which are crucial to the Group's success. The Chairman also extended his thanks to the Board, Management, and staff for their contributions and for their effective navigation of the challenges encountered during the year.

There being no further business, the Chairman terminated the meeting at 11:58 a.m.

APPROVED

APPENDIX 1

List of Non-Director Shareholders Present In-Person

1. Ms. Clover Moodie
2. Mr. George Reynolds

3. Mr. Lancelot Green
4. Ms. Margaret Porter
5. Mr. Lancel Bloomfield
6. Mr. Errol Whittaker
7. Ms. Louise White
8. Mr. Dean Panton
9. Mr. Livingston Young
10. Mr. Neville Newby
11. Mr. Trevor Riley
12. Mr. Stephen Bell
13. Ms. Bathsheba Barrett
14. Mr Clinton Allen
15. Ms. Annella McFarlane
16. Mr. Lincoln McFarlane
17. Mr. Everton Sealy
18. Mr. Richard Blake

List of Non-Shareholder Guests

1. Mr. Michael Arbouine
2. Mrs. Louise White
3. Mrs. Frances Mighty-Hutchinson
4. Mrs. Marilyn Cleghorn-Barker
5. Mrs. Bridgette Campbell
6. Mr. Dean Panton
7. Mrs. Terri-Ann Gordon
8. Ms. Simone Pearson
9. Ms. Camelia Nelson
10. Ms. Tiffany Davidson
11. Ms. Shantell Dixon
12. Mr. Claude Espeut
13. Mr. Rodrigo Olea
14. Mr. Roan Campbell
15. Mr. Stephen Facey
16. Mr. Damion Cameron
17. Mrs. Corah-Ann Sylvester
18. Mrs. Almeta Johnson-Francis
19. Mr. Wayne Ballen
20. Ms. Dianna Ingram
21. Mr. Donovan McDonald
22. Mr. Wayne Johnson
23. Ms. Prudence Barnes
24. Ms. Karen Morgan Letts
25. Mr. Stephan Morrison
26. Mr. Andre McFarlane
27. Mr. Alfred McDonald
28. Mr. Jason Craig Watson
29. Ms. Rochelle Thompson
30. Mr. Lennox Plummer
31. Ms. Laura-Kae Redway

32. Mr. Alan Buckland
33. Ms. Carol Leslie
34. Mr. Cecil Maragh
35. Mr. Everton Thomas
36. Mr. Russell Hinds
37. Ms. Dianna Blake Bennett
38. Mr. Wesley Thomas
39. Ms. Christal Brown
40. Mr. Farrel Alexander
41. Mr. Christopher Laylor
42. Ms. Donna James
43. Mr. Brandon Hutchinson
44. Ms Amoy Mullings
45. Ms. Annique Dawkins
46. Ms. Kayree Berry-Teape
47. Ms. Metta Soe-Htwe
48. Ms. Christina Howell
49. Ms. Symia Marshalee
50. Mr. Eric Scott
51. Mr Kevin Dawes
52. Mr. Justin Campbell
53. Ms. Derica Gooden
54. Ms. Simone Spaulding
55. Mr. Junior Arnold
56. Mr. Andre Atkinson
57. Mr Mikhail Powell
58. Ms. Marva Gillmore
59. Ms. Daphney Drysdale
60. Ms. Roxann Smikle
61. Ms. Juleen Graham
62. Mr. Josimar Scott
63. Ms. Kathleen Leslie