



## MINUTES OF ANNUAL GENERAL MEETING (AGM)

### QWI INVESTMENTS LIMITED

HELD ON 2 MAY 2023 AT THE JAMAICA PEGASUS HOTEL, KINGSTON

#### Present:

John Jackson (JJ)-Chairman/Shareholder/Corporate representative of shareholder, KIW International Ltd

John Mahfood (JM) – Director/Shareholder/CEO/ Corporate representative of shareholder, Jamaican Teas Limited

Cameron Burnet (CB)–Company Secretary / Director/Shareholder/ Corporate representative of shareholder, Tekodo Investments Limited

#### In attendance:

Floyd Bloomfield, Shareholder

Mark Barton, Shareholder

Other QWI shareholders and visitors as per JCSA Attendance register and virtual attendees listening to the online streaming of the meeting.

#### CALL TO ORDER

1. The AGM was called to order at 9.00 am.

#### OPENING REMARKS

2. The Chairman opened the meeting and advised that the meeting was being live streamed over the internet and that online attendees were invited to send in their comments and questions as the meeting progressed. He also presented apologies for David Stephens, Evan Thwaites and Malcolm McDonald, Directors who were unable to attend the meeting in person.
3. The purpose of today's AGM was to consider and if thought fit approve and adopt the following resolutions:

#### 4. AUDITORS REPORT AND APPROVAL OF 2021/22 AUDITED FINANCIAL STATEMENTS

In the absence of a representative from KPMG, the Company Secretary read KPMG's audit report on the company's 2021/22 financial statements to the meeting.

The Chairman invited comments and questions on the 2022 Financial Statements.

- 4.1 In response to questions from Mr Staples, the company Chairman clarified that it was not a legal requirement that KPMG read the Audit Report to the meeting, ONLY THAT the report be read to the members. CB clarified the amounts paid to KPMG in respect of their 2021 and 2022 audits.
- 4.2 David Rose submitted a query online asking whether the company engaged in the sale of covered call options against its USA share positions and CB confirmed that QWI was not presently engaged in this practice.

4.3 Another online listener asked why QWI had retained its shares in Access Financial Services. The Chairman advised that it had done so as the Access' post-COVID financial prospects appeared to be good.

4.4 Another online listener inquired whether QWI intended to offer its shareholders a dividend reinvestment plan so that future dividends could be reinvested by shareholders in new QWI shares. The Chairman advised that QWI had no plan to do this but that the company could study the feasibility of this suggestion

4.5 An online member inquired when QWI might buy back its own shares. Chairman advised that a share buy back was essentially a bet on the company's entire investment portfolio. He suggested that reinvesting the company's cash in its most promising investment prospects was a better use of the company's cash and that no share buy back was being actively considered presently. This did not preclude future buy backs.

4.6 An online shareholder asked whether the Directors intended to exercise their options to buy QWI shares before their expiry in 2024. The Chairman advised that this was only likely if, by the option expiry date, the market value of QWI's shares exceeded the \$2.70 option exercise price.

4.7 Another shareholder inquired about the present interest rates on the company's margin loans. The Chairman confirmed that the interest rates on these loans had recently been increased to 15.50%

4.8 A shareholder asked how \$25m in fees could have been paid to QWI's Investment Committee for 2021/22 when the company's investments had declined in value in 2022. The Chairman advised that pursuant to the new compensation regime adopted by the company in 2021/22 a portion of the Committee's fees represented fixed payments. In addition, although the investment portfolio had declined in value it had still outperformed the decline in the JSE Combined Index. This is the benchmark index currently used by the company to evaluate the performance of the Investment Committee.

4.9 Another shareholder commented that Supreme Ventures (SVL) paid a high annual dividend and whether QWI owned any SVL shares. The Chairman advised that QWI did not own SVL shares and observed that harvesting dividend income was not the primary focus of QWI.

4.10 A shareholder inquired whether QWI had considered a reverse stock split. The Chairman indicated that this could be considered and adopted if it was advantageous to the company's shareholders.

4.11 Mr Bloomfield requested clarification of the purpose of QWI's margin loans and the trend in the accounts receivable on the balance sheet. CB indicated that the loan proceeds were used to purchase additional investments in shares and that most of the accounts receivable represented the proceeds of share sales held on account by the company's stockbrokers. Mr Bloomfield and Mr Staples lamented the non- payment of a dividend by the company in 2023 to date and expressed the hope that further dividends would be paid soon.

4.12 Other questions raised by online listeners were as follows:

-does QWI own shares in Caribbean Dreams Foods Ltd; the Chairman confirmed that it does not

-what is the future of Stationery and Office Supplies Ltd (SOS) and how will it be affected by JFP's recent entry to the office furniture market in Jamaica; the Chairman advised that he believed that SOS had good prospects in several overseas markets

-Why doesn't QWI own shares in Jamaican Teas ; Chairman advised that QWI previously owned Ja Teas shares and enjoyed a good return on its investment. Because Ja Teas and QWI are connected companies there are restrictions on when QWI can buy or sell Ja Teas shares that do not apply to its other share investments and this does discourage further Ja Teas share purchases.

-Does QWI plan a future rights issue; Chairman advised that this was possible when market conditions in Jamaica would be receptive to such a share sale.

On a motion proposed by CB and seconded by John Jackson the meeting considered the following Resolution:

THAT the Audited Financial Statements for the year ended 30 September,2022 and the Reports of the Directors and the Auditors circulated with the Notice convening the meeting be and are hereby received.

EXCEPT for Mr Staples all present voted in favour and it was resolved:

“That the Audited Financial Statements, the Auditors Report and the Reports of the Directors for the year ended 30 September 2022 be and are hereby approved.”

#### **APPOINTMENT OF AUDITORS**

5. On a motion proposed by CB and seconded by John Jackson the meeting considered the following Resolution:

“That KPMG, Chartered Accountants, having signified their willingness to continue in office as Auditors, be and are 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.”

EXCEPT for Mr Staples all present voted in favour and the Chairman declared that the Resolution was carried.

#### **DISTRIBUTIONS**

6. On a motion proposed by Mark Barton and seconded by Ian Ellis the meeting considered the following Resolution:

“That the dividend of 3.5 cents paid on 7 April 2022 from franked income, be paid out of accumulated profits up to September 2021.”

EXCEPT for Mr Staples all present voted in favour and the Chairman declared that the Resolution was carried.

#### **REMUNERATION OF THE DIRECTORS**

7. On a motion moved by Mark Barton and seconded by Mr Bloomfield, the following resolution was considered:

“That the amount of \$7,500,000 for the year ended 30 September 2022 as fees to the Directors for services as Directors, be and is hereby approved.”

EXCEPT for Mr Staples all present voted in favour and the Chairman declared that the Resolution was carried.

#### **TO REELECT DIRECTORS**

8. On a motion moved by Mr Staples and seconded by Mr Bloomfield, the following resolution was considered:

- i) John Mahfood who retires by rotation as a Director in accordance with the Company's Articles of Association, and being eligible, offers himself for re-election
- ii) Cameron Burnet who retires by rotation as a Director in accordance with the Company's Articles of Association, and being eligible, offers himself for re-election

All present voted in favour and the Chairman declared that following Resolutions were carried:

- i) "That John Mahfood, who is retiring by rotation in accordance with i) above be and is hereby re-elected a Director of the Company"
- i) "That Cameron Burnet, who is retiring by rotation in accordance with ii) above be and is hereby re-elected a Director of the Company"

#### **TERMINATION**

9. There being no other business the meeting terminated at 10.30 am.

**Approved by:**



**John Jackson-Chairman**



**John Mahfood-Director**