

tTech Limited

Minutes of the 2022 Annual General Meeting held at the Courtleigh Hotel, Somerset Suite 85 Knutsford Boulevard, Kingston 5 15th day of September 2022 at 3:00 p.m.

Present were:	Mr. Edward Alexander	-	Executive Chairman/Director/Member
	Mr. Norman Chen	-	Director/Member
	Mr. Hugh Allen	-	Director/Member (online)
	Mr. Gordon Christopher Reckord	-	Director/Member (online)
	Ms. Joan-Marie Powell	-	Director/Remuneration Committee Chairperson/Member
	Ms. Tracy-Ann Spence	-	Director/Audit Committee Chairperson
	Ms. Gillian Murray	-	Company Secretary/Member
	Mrs. Hortense Gregory-Nelson	-	Finance & Admin Manager/Member
	Mrs. Lesley Cousins	-	Consulting Services Manager/Member
	Mrs. Charmaine Alexander	-	Member
	Mr. David A. Rose	-	Member
	Mr. Lanzel Bloomfield	-	Member
	Mr. Mark Barton	-	Member
	Mr. Zachary Henry	-	Member
	Mr. Brian McLean	-	Member
	Mr. Clinton Allen	-	Member
	Ms. Kasey Ann Williamson	-	Member
In Attendance:	Ms. Moneshe Hutchinson	-	Human Resource Manager
	Mrs. Marsha Bucknor	-	Sales Manager (online)
	Mr. Richard Downer	-	Board Mentor (online)
	Mrs. Samantha Morgan	-	Staff
	Ms. Sophiean Edwards	-	Ernst & Young
	Ms. Tashi Williamson	-	CrichtonMullings & Associates
	Mr. Darshan Dodd	-	CrichtonMullings & Associates
	Ms. Yvonne Godfrey	-	Recording Secretary EY
	Ms. Kamala Riley	-	Recording Secretary EY
	Mr. Giovanni Lynch	-	Registrar & Transfer Agent JCSD
	Ms. T-Phannie Hall	-	Registrar & Transfer Agent JCSD
	Mr. Monty Murray	-	Visitor, Talk up Youth Media
	Mr. Ryan Davis	-	Visitor, Talk up Youth Media
	Ms. Deondra Riley	-	Visitor, Talk up Youth Media
	Mr. Alvin Whyte	-	Visitor

- 1. CALLED TO ORDER:** The Executive Chairman, Mr. Edward Alexander introduced himself and called the Meeting to order at 3:02 p.m. He welcomed everyone to the 2022 Annual General Meeting (“AGM”) of tTech Limited (“tTech”, “the Company”)
- 2. QUORUM:** The Company Secretary, Ms. Gillian Murray confirmed that a quorum was present.

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She also confirmed that nine (9) valid proxies were received and were available for inspection at the Registrar, Jamaica Central Securities Depository Limited (JCSD).

3. **PRAYERS:** Mrs. Hortense Gregory-Nelson, tTech's Finance & Administration Manager offered prayers.
4. **NOTICE:** The Amended Notice convening this Meeting on September 15, 2022, at 3:00 p.m., having been previously circulated was taken as read. The motion to approve the Amended Notice was moved by Mr. David A. Rose and seconded by Mr. Lanzel Bloomfield.
5. **APOLOGIES:** Apologies were tendered on behalf of the following persons:

Mr. U. Philip Alexander-Director/Corporate Governance Committee Chairman was unavoidably absent.

Ms. Kayann Sudlow of Ernst & Young was also unavoidably absent.

Apologies for lateness was tendered on behalf of Mrs. Marsha Bucknor, Sales Manager, Mr. Gordon Christopher Reckord, Chief Executive Officer, Mr. Richard Downer, Board Mentor and Audit Committee Member, and Mr. Hugh Allen, Director. These individuals later joined the meeting electronically. An apology for lateness was also tendered for Mr. Norman Chen who had joined the meeting in person.

6. **INTRODUCTION & WELCOME:** The Executive Chairman introduced persons sitting at the head table namely: Non-Executive Directors Ms. Joan-Marie Powell, Chair of the Remuneration Committee and Ms. Tracy-Ann Spence, Chair of the Audit Committee. Ms. Gillian Murray, Company Secretary and Marketing Manager; and Ms. Hortense Gregory-Nelson, Finance and Administrative Manager.

The following persons were also introduced:

- Retiring Auditors, Ernst & Young Chartered Accountants ("EY") represented by Ms. Sophiean Edwards.
- New Auditors to be appointed, CrichtonMullings & Associates represented by Ms. Tashi Williamson and Mr. Darshan Dodd.
- Recording Secretaries, Ernst & Young Services Limited represented by Ms. Yvonne Godfrey and Ms. Kamala Riley.
- Registrar & Transfer Agents, JCSD represented by Mr. Giovanni Lynch and Ms. T-Phannie Hall.
- Mrs. Lesley Cousins, Consulting Manager at tTech.

AUDITED ACCOUNTS AND DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

The Company Secretary tabled the Audited Financial Statements for the year ended December 31, 2021, together with the Directors' Report and the Auditor's Report. Ms. Sophiean Edwards of EY, read the 2021 Independent Auditor's Report on pages 59 - 64 of the Annual Report.

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The Chairman thanked Ms. Edwards and indicated that before the 2021 Financial Statements are adopted, a pre-recorded video of the CEO's Presentation followed by a presentation from Mrs. Hortense Gregory-Nelson would be presented on the Company's performance during 2021 and highlight some strategic initiatives for 2022.

7. PRESENTATIONS

Operational and Financial Highlights: The recorded presentation from Mr. Gordon Christopher Reckord, the Chief Executive Officer ("CEO") was aired.

Mr. Reckord informed the Meeting that tTech celebrated fifteen (15) years in operations this year, which is a milestone that the Company and its management team are extremely grateful for. He noted that 2021 was a challenging year for the Company but recapped how tTech's core values defines how the Company inspires, achieves, and make a difference by delivering Information Technology ("IT") Peace of Mind through its cores values of caring about people, being open and honest, doing what it takes, having each other's back while continuously improving in the IT industry.

He thanked the Board of Directors who provided the management team with support during the year 2021 and specially thanked Mr. Justin Morin who served as a Non-Executive Director for eighteen (18) months until November 5, 2021.

The CEO also thanked the members of his management team, Mr. Norman Chen who is currently focusing on developing cyber security services, Ms. Gillian Murray in her capacity as Marketing Manager, Ms. Hortense Gregory-Nelson, Finance and Administration Manager, Ms. Moneshe Hutchinson, Human Resources Manager and Mrs. Lesley Cousins, Consulting Manager. He also acknowledged Mr. Damani Brown, who had joined the Company in 2022 as the Technical Services Manager.

Financial Results: The year that ended December 31, 2021, tTech reported increased revenues of \$393.2M, an increase of \$32.7M or 9.1% over 2020 (\$359.4M). Net Profits for the period was \$8.2M. This was \$14.3M or 63% less than 2020 (\$22.4M). An inventory adjustment during the year contributed significantly to the less than stellar results and the Finance Manager would provide more details on this matter.

Staff: The total number of employees was currently forty-nine (49), which had declined from a total of fifty-three (53) headcount during the year. This reduction was due to the resignation of a few employees whose positions were not filled due to the loss of a customer. The current headcount was compared to tTech's start in 2006 when the company started with four (4) persons.

Marketing: During the year tTech hosted its main marketing activity, TechCon by tTech, which featured speakers including Microsoft's Chief Digital Officer, Jacky Wright. Approximately eight hundred (800) persons registered for the event and the management team was currently working on opportunities with the five hundred and fifty (550) participants they interacted with. Some of the topics covered at TechCon included Digital Leadership and the Future of Work, The

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Jamaican Digital Age; Emerging out of the Pandemic, Data Protection; Rights of Employee, Consumer and Direct Marketing, Beyond Cybersecurity; Advanced Security Solutions to Fight Sophisticated Attacks and Putting a Price on Data Protection: What Your Exposure Could Cost You.

Corporate Social Responsibility: tTech supported several social and corporate activities during the year. Instead of a party to celebrate tTech's 15th anniversary on December 1, 2021, the team hosted and handed care packages and tablets to students from neighbouring communities. A selected number of Utech students also received bursaries during the year and donations were made to the Poppy Appeal.

Outlook: tTech is currently having discussions with potential customers for large opportunities in Cybersecurity services. Data Protection is another area tTech was preparing itself to be ready to capitalize on opportunities arising from the Data Protection Act (DPA) to assist its customers to become compliant. The CEO expressed optimism for the third and fourth quarters of 2022 as tTech has a pipeline filled with opportunities. He reminded shareholders that one of the key areas of focus remains Cybersecurity and the team is making recommendations to potential customers on what needs to be done to minimize this risk and have IT peace of mind.

The CEO also indicated that following his presentation, Mrs. Hortense Gregory-Nelson would provide further information on the 2021 financial performance of tTech.

2021 Financial Statements: Mrs. Hortense Gregory-Nelson informed shareholders that tTech reported mixed results in 2021.

General Overview: Members were informed that the company recorded increased revenues over prior year; and expenses had increased while profits after tax declined. Stockholders' equity had increased over 2020 and closed the year at \$241.8M. Operating expenses in 2021 had increased by 14.3% over prior year; and Cost of sales was 34.7% of revenue versus 31.7% in 2020. Administrative and Other Operating expenses as a percentage of sales increased to 67.5% in 2021 versus 65.9% in 2020. The increase was \$27.9M which was a result of tTech's investments in people, tools, and initiatives to maintain brand awareness.

Revenues: During the financial year, tTech recorded revenues of \$392.2M, an increase of 9.1% over 2020. The revenues were derived from recurring service contracts and projects completed during the year. Ms. Gregory-Nelson noted that due to the mixed nature of some of tTech service lines such as managed services and projects, the company will experience fluctuations in revenues from time to time and this will also impact cost of sales.

Profits: The net profit after tax, being net profit attributable to shareholders was \$8.2M in 2021, a decrease of 63% below prior year. Earnings per share was \$0.08. The fluctuation of the Jamaican dollar along with reduced rates on investment instruments negatively impacted other incomes, gains and losses.

Asset and Shareholders' Equity: tTech experienced a marginal decrease in its Total Net Assets value which fell by \$3.3M, or of 1.0% compared to prior year to \$313.8M, while our Shareholder's Equity increased by \$2.6M or 1.0% to \$241.8M; this resulted from a decrease in the year end

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values of tTech's Assets and Liabilities. tTech continues to maintain low leverage, with no debt, which negates costly fixed expenditure based on the company's business model of providing its services.

Receivables: In 2021 the company had a reduction of 4.6% in the Receivables portfolio and there were no disputes regarding outstanding amounts. One of the challenges to collections during the pandemic was persons at customer sites being inaccessible due to the varied hours working from home. Shareholders were informed that of the amounts over 90 days at year end, the management team successfully collected to date, more than 90% of the amount owed.

One off item: Ms. Gregory-Nelson also reported that in the last quarter of 2021, tTech had a one-off extraordinary item which negatively impacted revenues by \$6.0M.

Year to Date Performance in 2022: tTech's revenues as at June 30, 2022 were \$185.2M which had declined by 9.3% over the corresponding period last year. Profits for 2021 was \$15.6M compared to a loss of \$12.1M in 2022. Global supply chain issues negatively impacted the Company's ability to complete some projects in the first half of 2022. There were delays experienced in the delivery of items purchased from overseas as well as increases in the price of equipment sold to customers.

Shareholders' value: The company's shares were being traded on the market at a value of \$6.94 as at June 30, 2022, but the value declined to \$2.99 as at September 8, 2022. The board and management are optimistic about the future of tTech Limited as the demand for services are increasing and the Balance Sheet remains strong, and the Company will explore opportunities to improve revenues from overseas markets.

At 3:31 p.m. the Chairman welcomed the following persons who had joined the meeting electronically. These individuals were Mr. Richard Downer, Board Mentor and member of the Audit Committee, Mrs. Marsha Bucknor, Sales Manager and Mr. Hugh Allen, Executive Director. Mr. Norman Chen, Head of IT Security and Executive Director who was not at the head table was introduced. Ms. Kacian Williams and Mrs. Samantha Morgan, tTech staff members were also welcomed.

The Chairman thanked the CEO and Ms. Gregory-Nelson for the information presented to shareholders and opened the floor for questions to be taken.

8. QUESTIONS AND ANSWERS SESSION

Question: Mr. David A. Rose inquired how supply chain issues could impact tTech's service delivery.

Response: Mr. Norman Chen explained that there is a shortage of microchips which has led to delays of up to nine (9) months for equipment ordered to arrive. Virtually all the equipment that tTech provides and manages for its customers use microchips so the impact is significant.

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Question: Mr. David A. Rose inquired of an alternative that would improve tTech's revenues.

Response: Mr. Norman Chen explained how the management team was increasing its focus on IT Security related solutions to mitigate the increasing Cybersecurity threats to customers.

Question: Mr. David A. Rose inquired how the one-off extraordinary item impacted the financial results.

Response: Ms. Hortense Gregory Nelson explained that tTech had a disagreement with a customer in relation to a delivery and tTech accepted responsibility and settled with the customer.

Question: Mr. David A. Rose inquired if the relatively strong Repurchase Agreement "Repo" market had any impact on interest income.

Response: Ms. Hortense Gregory-Nelson noted that the Repo Market has been relatively flat and although rates appear to increase the bank rates tend to lag. She also explained that tTech was not an investment company and its investments are in short term instruments to ensure the Company has cash available.

Question: Mr. David A. Rose inquired about the progress of data protection implementation plans and if there was any anticipated success in this area going forward.

Response: Mr. Norman Chen noted that with regards to Data Protection as a Service (DPaaS) there were mixed results. Customers showed increased interest in learning about DPaaS' development but the take up of the expected number of DPaaS' by customers is low.

Question: Mr. David A. Rose inquired whether there were existing software services that could fill the gap in the hardware services.

Response: The Chairman explained that there is potentially a large market for tTech to offer its services to companies outside of Jamaica primarily in North America and the company has started a pilot project with one company.

Question: Mr. Zachary Henry expressed concern that in 2016, the company generated profits of \$28M and now profits declined to \$8M. He inquired about the strategies the business had in place to manage costs as it seemed the margins have been declining for some time.

Response: The Chairman explained that over time tTech has been selling more hardware with higher Cost of Sales which impacted margins. He noted that the strategy was to sell the services behind the hardware sales and the management team was focusing on tTech's structure to manage growth more efficiently. Mr. Norman Chen added that tTech was also focusing on the increased opportunities

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as cybercrime attacks were posing high risks to businesses and this area is expected to improve growth and margins.

Question: Mr. Lancel Bloomfield expressed sincere thanks to tTech for hosting a face-to-face Annual General Meeting this year. He added that shareholders welcome this opportunity to meet the members of the companies they invest in. He referred to the CEO's presentation that reported a modest profit in 2021 and asked if tTech had any plans to go into software production to improve revenue stream.

Response: The Chairman explained that tTech had no plans to go into software development which is different from the core services currently provided by the Company.

Question: Mr. Lancel Bloomfield sought the reason technical fees for services and products increased in 2021 over the expense of \$113.9M in 2020.

Response: Ms. Hortense Gregory-Nelson explained that this cost will vary depending on the type of business tTech undertakes during the year. The fee included tools that were purchased to deliver the company's services to its customers.

Question: Mr. Lancel Bloomfield inquired how advanced the plans were to expand tTech services in other markets so shareholders can see an improvement in revenues.

Response: The Chairman noted that the management team was monitoring this process very carefully and the Company has begun providing a service desk analyst for a Canadian company. He added that the expansion plans were still at a preliminary stage, but more information will be communicated as plans develop.

There were no further questions and the Chairman thanked everyone for expressing their interest in the business. At the end of the question-and-answer session, the following resolutions were put to vote:

Resolution 1 – Adoption of the 2021 Audited Financial Statements

Mr. David A. Rose proposed, and Mrs. Lesley Cousins seconded the motion proposing Resolution #1 and it was resolved:

“THAT the Audited Financial Statements for the year ended December 31, 2021, together with the Directors' Report and Auditors' Report thereon be and are hereby adopted.”

The Chairman put the resolution to vote and declared Resolution #1 passed.

9. RESOLUTION 2a - ROTATION OF DIRECTORS

The Chairman advised that Article #102 of the Company's Articles of Incorporation provides for the rotation of Directors and the retiring Directors eligible for re-election were Mr. Hugh Allen and Ms. Tracy-Ann Spence.

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The motion to re-elect retiring Director Hugh Allen was moved by Mr. Mark Barton and seconded by Mr. David A. Rose. It was resolved:

“THAT the retiring Director Hugh Allen be and is hereby re-elected a director of the company”.

The Chairman put the resolution and declared Resolution #2a passed.

RESOLUTION 2b - ROTATION OF DIRECTORS

The motion to re-elect retiring Director Tracy-Ann Spence was moved by Mr. David A. Rose and seconded by Mrs. Lesley Cousins. It was resolved:

“THAT the retiring Director Tracy-Ann Spence be and is hereby re-elected a director of the company”.

The Chairman put the resolution to vote and declared Resolution #2b passed.

10. Resolution 3 – APPOINTMENT OF AUDITORS

Messrs. Ernst & Young, Chartered Accountants of 8 Olivier Road, Kingston 8 retired as the Auditors of the Company and is being replaced by CrichtonMullings & Associates, Chartered Accountants which expressed their willingness to be appointed, Auditor of the Company.

The motion to propose Resolution #3 was moved by Mr. Mark Barton and seconded by Mr. Norman Chen. It was resolved:

“THAT Messrs. CrichtonMullings & Associates, Chartered Accountants of 80 Lady Musgrave Road, Kingston 10 be and is hereby re-appointed Auditors of the Company to hold office until the close of the next Annual General Meeting, having replaced retiring Auditors, Ernst & Young and further to authorize the Directors to fix the remuneration of CrichtonMullings & Associates”.

The Chairman put the resolution to vote and declared Resolution #3 passed.

The Chairman welcomed the new Auditors, CrichtonMullings & Associates and thanked Ernst & Young and Ms. Sophiean Edwards, Audit Manager who assisted tTech to complete years of audits successfully.

11. DIRECTORS’ REMUNERATION

The Chairman advised that shareholders’ approval was being sought for compensation paid to directors for the financial year ended December 31, 2021. The motion was proposed by Mr. David A. Rose and seconded by Mrs. Lesley Cousins and it was resolved:

“THAT the amount of \$1,945,000 included in the Audited Accounts of the Company for


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the year ended December 31, 2021, as fees for their services as Directors, be and is hereby approved".

The Chairman put the resolution to vote and declared Resolution #4 passed.

12. TERMINATION

The Chairman thanked everyone for attending the 2022 AGM of tTech Limited. There being no other business, the Chairman declared the Meeting ended at 4:14 p.m.

CONFIRMED

Executive Chairman

DATED: May 18, 2023