Minutes of the Twenty Fourth Annual General Meeting of
DIAMOND RESORTS EUROPEAN COLLECTION LIMITED
Held on Wednesday 27 June 2018 from 1.30pm at Morecambe Football Club, The Globe Arena, Morecambe

Present:
Sue Barnett (SB) Non Executive Member Director of DREC Ltd
Philip Broomhead (PB) First National Trustee Company Ltd
Jill Bush (JB) Non Executive Member Director of DREC Ltd
Suzana Gomercic (SG) Director of DREC Ltd; Senior Vice President, European Resort Operations, DR
Ruth Thomas (RT) Director of DREC Ltd; Vice President Club Service, DR

In attendance:
Simon Lee (SL) Vice President of Finance and Accounting, Europe, DR
Maria Kalber (MK) Senior Vice President of Customer Service and Club Operations, DR
Lesley Sharples (LS) Solicitor, DR
Rachel Atherton (RA) Solicitor, DR

110 members

SG welcomed everyone to the AGM and introduced both herself and the top table to the meeting. Al Bentley had sent his apologies as he was unable to attend.

SG briefly outlined the order and structure of proceedings. She explained that the meeting would close after the presentations were complete, but members who wished to stay for an informal question and answer session were warmly invited to remain behind.

As in previous years, members had been invited to submit written questions prior to the AGM and these, together with the company’s answers, had been handed to members at registration. A copy is available to view or download here.

1. To read and confirm the minutes of the last Annual General Meeting

The motion to confirm the minutes of the 23rd AGM as presented, and having been previously circulated, was proposed and seconded, and approved as a true and accurate record by a majority show of hands from the floor.
2. Report of the Chairman of the Board

The chairman’s report had been distributed in the Notice for the AGM and SG delivered an update. She stated that the sale of La Residence Normande and Le Manoir des Deux Amants had been completed, explaining that they had not been very popular with members and that occupancy at them was very low.

A large, 8 storey building project adjacent to the resort in Malta will commence in October 2018 for approximately 5 years. The project was outside of the control of Diamond Resorts (DR) and Intercontinental Hotels. DR has decided to block a number of its apartments that will be adjacent to the site (all garden apartments) and this was the reason why members would see limited availability at the resort.

3. To receive the accounts and reports of the Directors and Auditors for the year ended 31st December 2017

The motion to receive the accounts and reports was proposed and seconded, and approved by a majority show of hands from the floor.

4. To elect Deloitte LLP as Auditors and to authorise the Directors to fix their remuneration

The motion to elect Deloitte LLP and authorise the Directors to fix their remuneration was proposed and seconded, and approved by a majority show of hands from the floor.

5. Re-election of Member Director to the Board

Having served one 3-year term as Member Director, SB was standing for re-election at today’s meeting. There had been no other candidates for the position. SB was re-elected to a second term as Member Director.

6. Presentation on the roles of Member Director and Diamond Resorts European Collection Points co-opted Committee Member

JB and SB delivered a presentation on the role of a member director and a co-opted committee member; what the role entails, the responsibilities and how to become one. A copy of which can be found here.

The co-opted committee members were thanked for their hard work, the newly elected co-opted committee members were introduced and the retiring co-opted committee members were thanked for their service.

7. The Club® Update

MK delivered her update on THE Club®, a copy of which can be found here. She addressed members’ issues about the allocation of Club availability and presented data that showed that not all of the inventory allocated to members was used.
MK told the meeting that a committee of members was needed to provide feedback on a new website that was to be launched and invited members present to speak with her after the meeting if they were interested. In addition, a much improved new app was going to be launched.

Members were presented with statistics on the number of calls received in the call centre and the average answer rate, a breakdown of how members contacted the call centre and the language services offered. MK outlined the benefits available for members of The Club®, including luxury benefits.

Members were informed that they could look forward to merged travel stores with one store for cruise, air, hotel and car bookings, the utilisation of the 20/20 and 30/30 option year round, ultra luxury cruising, river cruises and car hire.

Mary Linthwaite asked for clarification on the 20/20 and 30/30 option. It was explained that this is a travel related member benefit giving members the opportunity to use points towards a percentage of the cost at the time of booking. Standard & Silver loyalty members could use up to 20% of the cost using points credited at 20p per point and Gold & Platinum loyalty members could use up to 30% at 30p per point hence the term used of 20/20 30/30.

MK was asked if the new river cruises were only for platinum members and confirmed that they were to begin with but that they would be opened up to other membership tiers if there was demand.

Susan Sutcliffe asked which cruise lines would be used for the river cruises MK explained that she was unable to say until the contracts were firmed up.

Susan Sutcliffe asked if there were any plans to purchase Stouts Hill and was informed that there weren’t.

Susan Sutcliffe felt that not all of the members understood all of the benefits. Regional forums used to be held where members could learn about what was available. She said that DR could be losing members because they didn’t understand all of the benefits. MK agreed that the Board could reconsider holding them but explained that in the meantime, members could call the call centre for information.

8. European Resort Operation Update

SG delivered her European Resort Operations Update a copy of which can be found here.

She told the meeting that Cromer Country Club had been awarded the 2017 Diamond Resort of the Year in the small resort category and that Sunset Bay Club had received the award in the large resort category.

89.9% of Diamond’s owners, members and guests had scored their stay as extremely satisfactory. Mid-stay surveys had been introduced in 2017 and were extremely helpful to the resort team as it gives them the opportunity to rectify any issues whilst the member was still on the resort. The average feedback from the mid-stay surveys was 4.5 out of 5.

SG outlined the service rules in Diamond managed resorts:
- members and owners receive a more personalised service and attention than hotel guests
- members and owners receive the same service even when they book as hotel guests
- hotel guests pay for the use of facilities and extra services (i.e. Wi-Fi)
- loyalty members’ registered associates receive the same benefits

Following the installation of fibre optic cabling at the resorts, members will soon be able to connect 1 device per bed to the Wi-Fi, eg. Sleep 6 = 6 devices.
SG explained how the resort budgets were prepared and how everything possible was done to keep any maintenance fee increase as low as possible.

Across the resorts, 55% of the accommodation is fully refurbished, 25% have been partially refurbished and 20% were ‘work in progress’.

The meeting was informed that Pine Lake Resort had suffered flooding to 6 lodges in 2015 and 7 in 2017. At the moment, the team was working on temporary measures to improve the riverbank.

In total the European resorts offered 123 accessible apartments.

Diamond Resorts was very passionate about sustainability; by taking care of the environment it could also help to lower maintenance fees. In 2017, energy consumption had been reduced by 3.1%, water usage by 5% and carbon emissions by 4% compared to 2016. Plastic straws will be removed from all Diamond resorts and restaurants with an aim to gradually eliminate plastic from the resorts.

There was a discussion on the savings that could be made if 50% of guests used the option not to have their towels changed during their stay.

Almost 5,000 participants had taken part in the Diamond Experiences Plus at the resorts in 2017. The activities were changed regularly.

Members were urged to follow the resorts on Twitter@DiamondResorts. The Diamond app was developing all the time and members could use it to access resort facilities and services, maps and directions, make reservations, contact the resort, access special offers, book airport transfers, experiences and excursions.

A newsletter will be sent to members in October detailing all of the information on what has happened at the resorts during the year.

9. Any Other Business

There being no other business, the meeting was declared closed at 3.15 p.m.
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