

Minutes of the Twenty Ninth Annual General Meeting (“AGM”) of
**DIAMOND RESORTS EUROPEAN
COLLECTION LIMITED (“DRECL”)**

Held on Tuesday 3 October 2023 at 1.30pm at
Morecambe Football Club, The Globe Arena, Morecambe

Present:

Suzana Gomercic	(SG)	Director of DRECL; Senior Vice President, European Resort Operations
Ruth Thomas	(RT)	Director of DRECL; Director, Association Management
Julia McNaney	(JM)	Non Executive Member Director of DRECL
Michael Chambers	(MC)	Non Executive Member Director of DRECL
Philip Broomhead	(PB)	First National Trustee Company Ltd (“FNTC”)

In attendance:

Nicola Dow	(ND)	Director of EU Call Centre Operations and Customer Service
Scott Melhus (Zoom)	(SM)	Senior Director – Inventory Operations (HGV - US)

66 Members

54 Memberships via Zoom

SG welcomed everyone and introduced herself and the top table to the meeting. She explained that a number of Members had joined the meeting via Zoom and that they would be able to raise any questions via the Q&A link and a moderator would provide a response.

SG briefly outlined the order and structure of proceedings. She explained that the meeting would officially close after the presentations were complete and formal business concluded. Members’ questions would then be invited from the floor until 3.30pm.

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

A motion to confirm the Minutes of the 28th AGM as presented, and having been previously published, was proposed and seconded, and approved as a true and accurate record by a unanimous show of hands from the floor.

2. To receive the Annual Report of the Board

The Annual Report had been distributed in the AGM Notice.

3. To receive the accounts and reports of the Directors and Auditors for the year ended 31 December 2022

A 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 RSM UK Audit LLP as Auditors and to authorise the Directors to fix their remuneration

A motion to elect RSM UK Audit LLP and authorise the Directors to fix their remuneration was proposed and seconded and approved by a show of hands from the floor.

5. The Club® Update

SM explained that his team is responsible for ensuring that Owners, Members and the developer get the inventory they have paid for via maintenance fees. He then shared an update presentation, a copy of which can be viewed online in the Member Resources > Member Information section or by clicking [here](#).

Maintenance fees of £57,418,886 had been billed to DRECL and HGV in 2023; both paying around 50% of the total.

The meeting was shown the points allocation for 2023 and how Members had used their points. The number of saved points had risen during the pandemic but have returned to pre-pandemic 'normal' levels for 2023.

Occupancy statistics were shared and **SM** explained that resorts with less than 70% occupancy were reviewed and efforts were made to improve pickup at those resorts.

Destination Xchange (DEX) booking trends and travel patterns to the end of July 2024 showed that Members were booking at least 12 months in advance and were willing to travel further afield.

The HGV Max product is currently not available to DRECL Members. HGV are currently looking into how it may be made available in the future and will keep Members informed of any updates.

SM stated that the re-branding of European resorts would take time however, there was no 'downside' to this for Members; they still had their membership and HGV Max Members would not be using any DRECL nights.

ND then shared a presentation on THE Club®, a copy of which can be viewed online in the Member Resources > Member Information section or by clicking [here](#).

It was highlighted that between July 2022 and August 2023, there had been just over 160k interactions with the contact centre (emails, calls and chats). 86.3% of reservations were made via the website and 13.7% were made via the contact centre. The average speed of call answer was 1.06 minutes versus 1.32 minutes the previous year.

ND stated that it was important to receive feedback from Members and post-call survey results reflected an increase in the service score of 4.82%.

Exchange activity was discussed. Between January and August 2023, there had been 899 DEX bookings made and 229 Interval International bookings made. Members now have flexibility and choice of which exchange provider they use.

To help with the travel demand following the pandemic, additional nights had been rented from HGV and made available to Members. Just under 10.5k room nights were released in total and just over 8k room nights had been booked to date with some nights being returned to HGV due to non-booking, cancellations etc.

Member benefits were reviewed and a summary of how points could be utilised other than for booking accommodation was shared, including:

- Travel Services

- Exclusive Homes
- Fee Payments
- Dining Vouchers
- Cruises
- Experience Days

Details of cruises available on the luxury programme for points and cash were shared. A new website is available.

Luxury Selection was exclusively for Gold and Platinum Members with exclusive homes and non-exclusive homes which were a different range of villas, resort experiences and hotels providing alternatives for Members to use points.

Some Member Escorted Journeys, which have been available for a number of years, were viewed.

Exclusive Club events provide Members the opportunity to visit a HGV resort and take part in different group experiences and excursions that have been arranged.

Referring to accessibility and special requirements, **ND** stated it was very important that as much information as possible is provided by Members either online or via the contact centre to enable the resorts to allocate the most appropriate accommodation.

There was an important travel update in the 'What's New' section of the website to remind Members of the need to obtain an ETIAS (visa) for future European travel. Members need to be aware of this requirement (<https://travel-europe.europa.eu/etias>) although there is uncertainty about when this will be officially introduced.

Members were urged to protect themselves from timeshare fraud and reminded that it is important to pass on any contact information from such operations to HGV. If there is any doubt regarding the legitimacy of a company offering services connected with timeshare ownership, Members should contact the call centre at HGV or to report by email please use LegalReport@HGV.com.

JMc and **MC** addressed the meeting. They had attended quite a few of the Meet the Manager meetings and Club Tables whenever they were on site at a resort and genuinely believed (and hoped) that their attendance had helped to improve members' understanding. One of the main topics of discussion at the meetings had been availability and, as shown in the presentation slides, steps had been taken to address this. **JMc** said she was disappointed to learn that some Members had booked and held on to inventory made available to then release it at the last minute, meaning that it may not then be made suitable to other members or was returned to HGV depending on when it was cancelled.

HGV had been another main topic of conversation at the resort meetings however, this had no impact on Members' memberships or indeed their holidays.

Referring to comments made regarding hotel guests, **JMc** highlighted that it was not always hotel guests who were causing issues or damage at the resorts. She did think it was positive to hear that US Members were using HGV owned inventory though as this would undoubtedly reduce the hotel bookings.

Members were reminded of the need to be flexible with their booking searches. If they were encountering any difficulties, they were advised to call the contact centre who would be able to discuss the options available.

The contact details for the non-executive Member directors were published at the end of AGM Minutes and they were happy to help where possible. They did monitor social media posts however would only respond if they feel it is appropriate. Private matters should always be taken offline.

6. European Resort Operations Update

SG delivered a European Resort Operations Update; a copy of this presentation can be viewed online in the Member Resource > Member Information section or by clicking [here](#).

SG provided an update on what had happened at the resorts since the last AGM. The post-departure survey scores were reviewed. **SG** explained that the surveys are sent randomly to a percentage of Members and Members were encouraged to complete it if they received one.

Referring to accessibility requirements, Members were again asked to register any requirements prior to arrival as it was not always possible to accommodate them once they had arrived at the resort. Charges would apply if a change of accommodation was required once checked in.

Global initiatives, special offers and activities exclusively for Owners and Members were discussed. 'Comforts of Home' was a new initiative providing additional items on request for use at resorts. A list of items is available at each resort and Members were encouraged to provide suggestions as to any additional items they felt would be appreciated when staying there.

A QR code is now published in the accommodation (displayed on the wall mounted information holders) which provides all information covering facilities, amenities, services, responsible holidays and safety measures. This replaces the previous hard copy collateral.

A new design for the pre-arrival email will soon be launched which will include the reservation details previously sent separately.

SG stated that it was important that Members kept in touch with the resort team whilst staying at the resorts. The guest messaging system, Kipsu, facilitated direct communication with Members and guests through WhatsApp in Continental Europe and SMS text messaging in the UK. It was easy to use and there was no App to download. Permission to send a message is requested on check-in.

An update on other services included:

- There will be an increase in the room move charge from €/£35 to €/£40
- An increase in the charge for an additional set of towels from €/£2 to €/£4
- Pool towels €/£2 per day or €/£8 per week
- The number of cottages available at Woodford Bridge for Members wanting to bring their dog had been increased to 4 (must be requested at time of booking)
- For 2024, all main bedrooms will have USB and USB-C sockets for mobile phones/devices, in addition to the current ones already installed in living rooms

Recruitment had been very difficult following the pandemic. It was getting slightly better however it was still challenging. The cost of living had impacted all areas of resort operations. An important factor impacting the maintenance fee increase for 2024 was staffing costs. The minimum wage in the UK will increase by 9.7% which will have an incremental effect on other salaries. The Spanish union wage increase is 4% and there had been three different salary increases in France in 2023. The cost of utilities has levelled out and many contracts have been renegotiated providing better deals than the previous year.

A number of activities are held at the resorts and Members were invited to join in the recycled decorations competition if staying at a resort over Halloween and Christmas.

Sustainability highlights included:

- Photovoltaic and solar panel installation at three resorts. This was returning great results and would be rolled-out to more resorts the following year.
- Single-use plastic had been reduced by 72%
- Energy and water consumption and waste to landfill reduction
- All resorts will have at least an EV charger by the end of 2024 for more than 40 accommodations

Sustainability travel practices were shared. The European resorts continue to collaborate with the We Are Water Foundation. In 2022, over 36,800€ was raised by the company's European resorts benefitting more than 12,000 families. From autumn 2023, any funds raised will benefit new projects in India and Tanzania. Newly designed sustainable water bottles were now available.

Resort improvements were shared and included:

- Club Cala Blanca - All kitchens will be refurbished and the refurbishment of apartment terraces was complete.
- Royal Sunset Beach Club - The pool project was completed and **SG** acknowledged how difficult it had been for Members to be around the works whilst they were taking place.
- Santa Barbara Golf and Ocean Club - New reception area has been well received.
- Royal Regency - The whole facade was being renovated. The cost was being shared with the Community. Once the reception area was completed, the resort will have the first dedicated lounge for Members and Owners.
- Royal Oasis Club at Pueblo Quinta - A new restaurant franchise would be opening soon.
- Woodford Bridge Country Club – Work on the thatched roof of the main building will soon commence. There would be construction equipment on site however, it will not affect the accommodations. Reception would be temporarily relocated to the leisure centre.

7. Any Other Business

The Board of Directors had recently met to agree the budget for 2024. **MC** acknowledged that no increase was ever going to be popular, however, costs were increasing at the resorts the same as they were in Members' homes. The sterling fixed fee cost for 2024 had increased by 9.77% and the fee per point had increased by 9.79%. **MC** highlighted the various factors that had had an effect on the fees adding that the exchange rate had not 'been kind'. A budget exchange rate of 1.17€/£1 had been applied. Approximately 65% of costs were in euros whereas only 20% of income was in euros.

There being no other business, the formal section of the meeting was closed at 3.20pm and an informal questions and answers session followed.

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