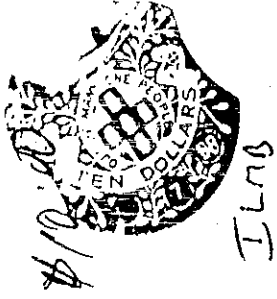


FC 100/11



AGREEMENT

THIS AGREEMENT is made the 18<sup>th</sup> day of June, 1998

BETWEEN: **ISLAND LIFE INSURANCE COMPANY LIMITED** a company duly incorporated under the laws of Jamaica and having its registered office situate at 6 St. Lucia Avenue, Kingston 5 in the parish of Saint Andrew (hereinafter called "the Vendor");

**FINSAC LIMITED**, a company incorporated under the laws of Jamaica and having its registered office at 76 Knutsford Boulevard, Kingston 5 in the Parish of Saint Andrew (hereinafter called "Finsac").

AND: **ISLAND LIFE MERCHANT BANK LIMITED**, a company incorporated under the laws of Jamaica and having its registered office at 4 St. Lucia Avenue Kingston 5 in the Parish of Saint Andrew (hereinafter called "the Company").

WHEREAS:

- (1) The Company is a wholly owned subsidiary of the Vendor.
- (2) The Company is experiencing difficulty in carrying on its operations as a going concern and in accordance with its licence; the Company has a negative net worth and is therefore in need of restructuring in order to provide protection to certain of its depositors and other creditors.
- (3) Finsac has been established by the Government of Jamaica inter alia to assist in the rehabilitation of the banking and financial sectors.
- (4) The Vendor and the Company have entered into negotiations with Finsac and have requested financial assistance for the Company from Finsac which Finsac has agreed to provide subject to the following terms and conditions:

NOW THEREFORE, in consideration of the premises the respective representations and warranties and covenants herein contained and other good and valuable consideration flowing from each party to the other, the receipt and sufficiency whereof the parties by the execution of this Agreement do hereby acknowledge, the parties HEREBY AGREE as follows:

This is the DUPLICATE of a Agreement  
over a in which bears Advalorem Stamp  
DUO of Twenty Dollars  
JAMES COOPERMAN.

## 1. Definitions

- 1.1 In this Agreement (including the Schedules and Appendices):
- (a) "Citizens" means a company duly incorporated under the laws of Jamaica and having its registered office situate at 17 Dominica Drive, Kingston 5 in the parish of Saint Andrew, (hereinafter called "Citizens")
  - (b) "Company Shares" means all the issued shares in the capital of the Company;
  - (c) "Completion" means completion of the sale and purchase of the Company Shares;
  - (d) "Deed of Indemnity" means a deed of indemnity in the form set out in Schedule 3 hereto;
  - (e) "the Directors" means the persons who are directors of the Company particulars of whom are set out in Schedule 5 hereto;
  - (f) "Nominee" means Citizens or such other party as Finsac shall designate as its nominee to receive transfer of the Company Shares;
  - (g) "Properties" means the properties particulars of which are set out in Schedule 4 hereto;
- 1.2 Reference to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provisions from time to time and shall include references to any provisions of which they are re-enactments (whether with or without modification);
- 1.3 Where any statement is qualified by the expression "so far as the Vendor is aware" or "to the best of the Vendor's and/or the Company's knowledge and belief" or any similar expression, that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry.
- 1.4 Each of the Schedules shall have effect as if set out herein.
- 1.5 References to "control" of any person include the right or power, whether directly or indirectly:

- (a) to receive more than one-half of all distributions, whether of capital or revenue, at any time made by such person; or
  - (b) to cast more than one-half of all the votes capable of being cast in any general meeting of such person (but excluding any votes which are only exercisable upon the occurrence of any contingency); or
  - (c) to control the composition of more than one-half of the Board of Directors of such person.
- 1.6 In this Agreement, the singular includes the plural and *vice versa* and references to one gender shall be deemed to include other genders. Clause headings are for convenience only and shall be ignored in the construction hereof.
- 1.7 A reference to a "person" shall be construed as a reference to any individual, firm, company, body corporate, government or state, state entity or any association or partnership (whether or not having separate legal personality) of any two (2) or more of the foregoing.
- 1.8 "The Vendor" and "Citizens" include references to the persons deriving title under or through them respectively.

## 2. Transfer of Company Shares

- 2.1 Subject to the terms of this Agreement, the Vendor shall sell free from all liens, charges, equities and encumbrances and together with all rights now or hereafter attaching hereto, and Finsac shall purchase all the Vendor's rights, title and interest in and to the Company Shares more particularly described in Schedule 1. The Vendor as beneficial owner of all the shares in the Company shall transfer such Company Shares to Finsac or its Nominee(s) for a consideration of ONE THOUSAND JAMAICAN DOLLARS (J\$1000.00).
- 2.2 The obligation of Finsac to complete the purchase of the aforesaid Company Shares is conditional upon the granting of:
- (a) all consents under any agreement with any creditor or secured lender necessary for the completion of this Agreement and disclosed in writing to Finsac by the Vendor prior to the date hereof receipt of which disclosure Finsac has acknowledged in writing;

- (b) all necessary governmental and other consents and/or approvals including without limitation the Bank of Jamaica, the Minister of Finance and Planning, the Office of the Superintendent of Insurance, or the Securities Commission.
- 2.3 The consideration for the transfer of all the Company Shares by the Vendor to Finsac or Finsac's Nominee(s) shall be the payment by Finsac of the sum of ONE THOUSAND JAMAICAN DOLLARS (J\$1,000.00).
- 2.4 Finsac shall not be obliged to purchase only some but all of the Company Shares from the Vendor.
- 2.5 Completion of the sale and purchase of the Company Shares shall take place at the offices of Finsac as soon as reasonably practicable and in any event within seven [7] days after the date of this Agreement. On completion:
- (a) the Vendor shall deliver to Finsac:
- (i) duly completed, signed registrable transfers of the Company Shares stamped in accordance with the Transfer Tax Act and the Stamp Duty Act in favour of Finsac and/or its Nominee(s) to vest full legal and beneficial title to the Company Shares in Finsac or its Nominee(s);
  - (ii) the share certificates in respect of the Company Shares;
  - (iii) the Deed of Indemnity duly executed by the Vendor;
  - (iv) the statutory books of the Company complete and up-to-date together with accounting and other records of the Company;
  - (v) the Memorandum and Articles of Association of the Company, together with copies of all resolutions required by Law to be annexed and its Certificate of Incorporation and its common seal;
  - (vi) all other files, documents and things belonging to the Company;
  - (vii) all duplicate Certificates of Title and other title deeds to the Properties;
  - (viii) all share Certificates in respect of shares in the capital of other

- (a) any proposals they receive to enter into, or take any other action in relation to a Prohibited Transaction ("Acquisition Proposal");
- (b) any indications that any person is potentially interested in an Acquisition Proposal or
- (c) the initiation and status of discussions or negotiations relating to an Acquisition Proposal.

5. **Further Disclosure by The Vendor**

The Vendor shall forthwith disclose in writing to Finsac any matter or thing which may arise or become known to it after due and careful enquiry, which it is hereby required to make, after the date hereof and before Completion which is inconsistent with any warranty or representation or which might make any of them inaccurate or misleading if they were given at any and all times from the date hereof down to Completion or which is material to be known to a purchaser for value of the Company Shares.

6. **Right of Recession**

If it shall become apparent on or before Completion that the Vendor is at any time in material breach of any of the Warranties or any other term of this Agreement Finsac may rescind this Agreement by notice in writing to the Vendor.

7. **Investigation and Audit**

Finsac or its agents or Nominee(s) or its Nominee's agents shall immediately upon the execution of this Agreement by the parties have the right to undertake a full investigation and audit of the affairs and business of the Company. The Company and the Vendor shall extend all necessary cooperation to Finsac and Finsac's auditors and agents and Nominee(s) for the purchase of the Company Shares.

8. **Investigations of Business**

As of the date of this Agreement the Vendor shall and shall cause the Company to afford to the officers and authorized representatives of Finsac and or its Nominee(s) full and free access, during normal business hours and upon reasonable prior notice to the offices, plants, properties books and records of the Company in order that Finsac and its Nominee(s) may have full opportunity to make such investigations of the business, operations assets, properties and legal and financial condition of the Company as Finsac deems reasonably necessary or desirable and the officers of the Company shall furnish Finsac and/or its Nominee(s) - with such additional

financial and operating data and other information relating to the business operations assets, properties legal and financial condition of the Company as Finsac and/or its Nominee(s) shall from time to time request.

9. Resignation of Board

The Vendor and the Company shall procure the resignation of the existing members of the Board of Directors of the Company. Finsac and/or its Nominee(s) reserves the right to reappoint any director so resigning to the Board of the Company.

10. No Compensation

Finsac shall in no way be responsible to compensate any such director for loss of office arising from such resignation and in the event that there is any claim against Finsac and/or its Nominee(s) the Vendor shall indemnify Finsac and/or its Nominee(s) to the full extent of such claim including any legal costs associated in defending such claim.

11. General Representations and Warranties

Finsac and the Company hereby represent and warrant to each other and Finsac and the Vendor hereby represent and Warrant to each other that:

- (a) it has the corporate capacity and power to enter into and perform its obligations under this Agreement and it is not prohibited by any law, regulation, agreement or instrument from entering into this Agreement;
- (b) it has been duly authorised by all necessary corporate actions to enter into and to be bound by this Agreement; and
- (c) this Agreement, when executed, shall be valid, binding and enforceable against it in accordance with its terms.

12. The Vendor and the Company undertake that until the determination of this Agreement or its Completion, the Company will not issue any new commercial paper and no additional liabilities will be created, by or on behalf of the Company without Finsac's prior approval in writing.

13. Co-operation and Further Assurance

13.1 The parties shall co-operate with each other to procure that the transactions and business arrangements contemplated by this Agreement shall be

undertaken:

- (a) with due expedition; and
- (b) in the most cost-efficient manner.

13.2 At any time after the date hereof the Vendor shall at the request and cost of Finsac, execute such documents and do such acts and things as Finsac may reasonably require for the purpose of vesting the Company Shares in Finsac or its Nominee(s) and giving to Finsac the full benefit of all the provisions of this Agreement. The parties shall use their respective reasonable endeavours to procure that any necessary third party shall do, execute and perform all such further deeds, documents, assurances, transfers, act and things as any of the parties hereto may reasonably require to carry out the provisions of this Agreement into full force and effect.

#### 14. Announcements

The Vendor and Finsac shall consult with each other with respect to any announcement or disclosure to be made concerning any transaction contemplated in this Agreement. No party shall make a public announcement or disclosure in respect of this Agreement or the transactions contemplated herein without the consent of the other parties, other than announcements required to be made pursuant to the rules of the Jamaica Stock Exchange (if applicable) or any law or regulation or by the order of a court of competent jurisdiction or any other competent authority.

#### 15. Costs

Each party to this Agreement shall pay its own costs of and incidental to this Agreement and the transactions hereby agreed to be undertaken, provided that if Finsac shall exercise any right hereby conferred to rescind this Agreement the Vendor shall indemnify Finsac and/or its Nominee(s) against expenses and costs incurred in investigating the affairs of the Vendor and the Company in the preparation of this Agreement.

#### 16. Miscellaneous

16.1 All notices which are required to be given hereunder shall be in writing and shall be sent to the address of the recipient set out in this Agreement or such other address as the recipient may designate by notice given in accordance with this sub-clause. Any such notice may be delivered personally, by mail or by facsimile transmission and shall be deemed to have

been served by personal delivery, when delivered, if by mail, 72 hours after posting and if by facsimile transmission, when despatched.

- 16.2 This Agreement shall be binding on, and shall enure for the benefit of, the successors and assigns of each of the parties hereto.
- 16.3 No party may assign its rights or obligations in whole or in part hereunder without the prior written consent of the other parties hereto save that Finsac may assign the benefit of the warranties to any transferee of the share capital of the Company.
- 16.4 All provisions of this Agreement shall, so far as they are capable of being performed and observed, continue in full force and effect notwithstanding completion of the various transactions contemplated hereunder.
- 16.5 Each party undertakes with the other to do all things reasonably within its power which are necessary or desirable to give effect to the spirit of this Agreement. The Vendor and Finsac further undertake to use their voting powers to ensure that the terms of this Agreement are honoured in all respects by the Company.
- 16.6 Any date or period mentioned in this Agreement may be extended by agreement among the parties hereto, failing which, as regards any such date or period, time shall be of the essence to this Agreement.
- 16.7 Nothing in this Agreement shall constitute or be deemed to constitute a partnership between any of the parties hereto and none of them shall have any authority to bind the other in any way.
- 16.8 This Agreement constitutes the entire Agreement between the parties with respect to the matters dealt with herein and supersedes any previous agreement between the parties hereto in relation to such matters. Each party hereto hereby acknowledges that in entering into this Agreement it has not relied on any representation or warranty save as expressly set out herein or in any document referred to herein. No variation of this Agreement shall be valid or effective unless made in writing and signed by the party or parties to be bound.
- 16.9 No failure to exercise, and no delay in exercising on the part of any party hereto, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this



shall maintain its properties and assets in good condition and repair.

- (c) The Company shall not (a) amend its Articles or Memorandum of Association (b) acquire by merging or consolidate with, or purchase substantially all of the shares or assets of, or otherwise acquire, any business or any corporation, partnership, association or other business organisation or division thereof, (c) enter into any partnership or joint venture, (d) declare, set aside, make or pay any dividend or other distribution in respect of share capital (e) issue or sell any shares of its capital stock of any class or any options warrants, conversion or other rights to purchase any such shares (f) liquidate or dissolve or obligate itself to do so.
- (d) The Company shall not incur any indebtedness, sell any debt securities or lend money to or guarantee the indebtedness of any person.
- (e) The Company shall not make any change in the accounting principles, methods, records or practices followed by it or depreciation or amortization policies or rates heretofore adopted by it. The Company shall maintain its books, records and accounts in accordance with generally accepted accounting principles applied on a basis consistent with that of prior periods.
- (f) The Company shall comply with all requirements that applicable law may impose upon it and its operations and with respect to the transactions contemplated by this Agreement, and shall cooperate promptly with, any such requirements imposed upon it by Finsac or upon any of its affiliates, in connection therewith.
- (g) The Company shall not sell, transfer, license, lease or otherwise dispose of, or suffer or cause the encumbrance by any lien upon any of its properties or assets, tangible or intangible, or any interest therein.
- (h) The Company shall not (a) adopt or amend in any material respect any collective bargaining, bonus, profit-sharing, compensation, stock option, pension, retirement, deferred compensation, employment or other plan, agreement, trust fund, or arrangement for the benefit of employees (whether or not legally binding) other than to comply with any legal requirement or (b) pay, or make any accrual or arrangement for payment of, any increase in compensation bonuses, or special

compensation of any kind, or any severance or termination pay to, or enter into any employment or loan or loan guarantee agreement with, any current or former officer director or, employee or consultant of the Company.

- (i) Except for capital expenditures or commitments necessary to maintain its properties and assets in good condition and repair the amount of which shall not exceed One Hundred Thousand Dollars (\$100,000.00) in the aggregate the Company shall not purchase or enter into any contract to purchase any capital assets.


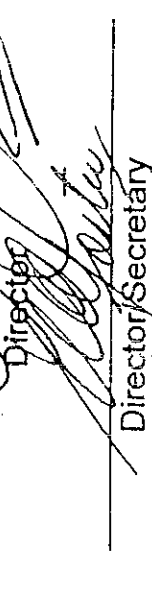
18. **Execution, Delivery and Disclosure**


The Vendor hereby covenants that:

- (a) All consents, approvals, authorisations and orders necessary for the execution, delivery and performance by the Vendor (including, without limitation, the transfer and sale of the Company Shares) have been duly and lawfully obtained and the Vendor has and at Completion will have, full right power, authority and capacity to execute deliver and perform this Agreement. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal valid and binding agreement of the Vendor enforceable against the Vendor in accordance with its terms.
- (b) No representation or warranty of the Vendor in this Agreement and no information contained in any Schedule or other writing delivered pursuant to this Agreement or at Completion contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to make the statements herein or therein not misleading. There is no fact that the Vendor has not disclosed to Finsac in writing that has had or, insofar as the Vendor can now foresee, may have a material adverse effect on the ability of the Vendor to perform fully this Agreement.

**IN WITNESS** whereof this Agreement was duly executed by the parties on the day and year first hereinbefore written.



EXECUTED UNDER THE COMMON SEAL of )  
ISLAND LIFE INSURANCE COMPANY LTD )  
and delivered as and for its proper act and )  
deed by OLIVER E. JONES )  
Director, and NOEL A. FOSTER )  
Director/Secretary in the presence of: )

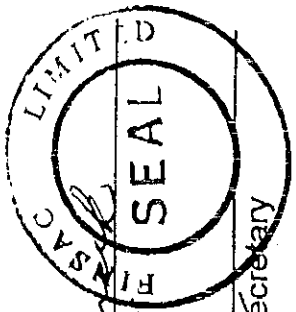
  
Director  
  
Director/Secretary

  
ISLAND LIFE INSURANCE CO. LTD.  
WITNESS

SECRETARY



EXECUTED UNDER THE COMMON SEAL of )  
FINSAC LIMITED and delivered as and for its )  
proper act and deed by )  
Director, and )  
Director/Secretary in the presence of: )

  
Director  
  
Director/Secretary

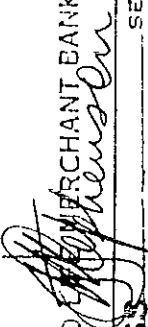


  
WITNESS

EXECUTED UNDER THE COMMON SEAL )  
of ISLAND LIFE MERCHANT BANK LIMITED )  
and delivered as and for its proper act and )  
and deed by COURTNEY WILKER )  
Director, and FLOYD EBANKS )  
Director/Secretary in the presence of: )

  
Director  
  
Director/Secretary



ISLAND LIFE MERCHANT BANK LIMITED  
  
WITNESS

SECRETARY

SCHEDULE 1

THE COMPANY SHARES

ORDINARY SHARES / IN THE NAME OF ISLAND LIFE INS. CO. LTD.

<u>Certificate #</u>	<u>Date</u>	<u>Amount</u>
Cert #7	20/1/89	844,994 shares
Cert #20	31/7/91	655,000 shares
Cert #21	25/2/92	4,100,000 shares
Cert #22	30/4/93	5,000,000 shares
Cert #23	31/8/93	6,000,000 shares
Cert #24	31/12/93	6,900,000 shares
Cert #25	30/1/96	6,000,000 shares
Cert #26	30/1/96	6,000,000 shares
Cert #27	30/1/96	1,000,000 shares
Cert #28	31/12/96	<u>18,500,000</u> shares
	Total	54,999,994 shares

ORDINARY SHARES IN THE NAME OF THE SIX (6) NOMINEES

<u>Name</u>	<u>Certificate #</u>	<u>Date</u>	<u>Amount</u>
Douglas Bennett	#14	20/1/89	1 share
Oliver Jones	#15	20/1/89	1 share
Carlos De La Motta	#16	20/1/89	1 share
Astley Webb	#17	20/1/89	1 share
Floyd Ebanks	#18	20/1/89	1 share
Afeef Lazarus	#29	21/4/93	1 share
	Total		6 shares

SCHEDULE 2WARRANTIES

1. In this Schedule where the context admits:
  - (a) "Audited Accounts" means the unaudited balance sheet and profit and loss account as at 31st December 1996 of the Company true copies of which are annexed to this Agreement ;
  - (b) "Balance Sheet Date" means 31st May 1998
  - (c) "Computer Systems" means all computer systems used by or for the benefit of the Company at any time including computer processors, associated and peripheral equipment, computer programs, technical and other documentation, and data entered into or created by the foregoing from time to time;
  - (d) "Companies Act" means statutes from time to time in force concerning companies;
  - (e) "Connected Parties of the Company" shall include all persons which would have been deemed to be a connected person under subsection 2 (2) of the Banking Act if the Company were "the given bank ("B")" under the aforementioned subsection of the Banking Act;
  - (f) "Encumbrance" includes any interest or equity of any person (including, without prejudice to the generality of the foregoing any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien or any other security agreement or arrangement.
  - (g) any question whether a person is connected with another shall be determined in accordance with section 2(2) of the Banking Act which shall apply in relation to this Schedule as it applies in relation to that Act; and
  - (h) a reference to any Act, statutory instrument, regulation, by-law or other requirement of Jamaican law and to any Jamaican legal term for any action, remedy, method or judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than Jamaica be deemed to include that which most nearly approximates in that jurisdiction to the Jamaican term

2. The Vendor and the Company hereby warrant and represent to Finsac that:

Vendor and the Company

(a) Capacity

The Vendor has full power to enter into and perform this Agreement and this Agreement constitutes binding obligations on the Vendor in accordance with its terms.

(b) Liabilities owing to or by Vendor

There is not, outstanding any indebtedness or other liability (actual or contingent) owing by the Company to any company controlled by the Vendor or to any Director of the Vendor or of the Company nor is there any indebtedness owing to the Company by any of the aforesaid persons, and no promise or representation has been made to the Vendor in connection with the Warranties in respect of which the Company might be liable.

(c) Share Capital

Schedule 1 of this Agreement contains true particulars of the authorized and issued share capital of the Company and all the shares there shown as issued are in issue fully paid and are beneficially owned by and registered in the name of the Vendor free from any encumbrance.

The Vendor has at all times prior to and at Completion good and marketable title to the Company Shares.

(d) Memorandum and Articles

The copy of the memorandum and articles of association of the Company annexed to this Agreement is true and complete.

(e) Options etc.

No person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, issue, sale, transfer or conversion of any share or loan capital of the Company under any option or other agreement (including conversion rights and rights of pre-emption).

(f) Court Proceedings

There is no order, decree, or judgment of any Court or any governmental agency of Jamaica or any foreign country outstanding

against the Company or which may have a material adverse effect upon the assets or business of the Company.

(g) Licences

All necessary licences, consents, permits and authorities (public and private) have been obtained by the Company to enable it to carry on its business effectively in the places and in the manner in which such business is now carried on and all such licences, consents, permits and authorities are valid and subsisting and neither the Vendor nor the Company knows of any reason why any of them should be suspended, canceled or revoked.

(h) Litigation

The Company is not engaged in any litigation or arbitration proceedings and so far as the Vendor and the Company are aware no litigation or arbitration proceedings are pending or threatened by or against the Company and there are no facts likely to give rise to any litigation or arbitration and the Company has not been a party to any undertaking or assurance given to any Court or governmental agency which is still in force.

(i) Insolvency

(i) No order has been made or petition presented or resolution passed for the winding up of the Company nor has any distress, execution or other process been levied against the Company or action taken to repossess goods in its possession;

(ii) No steps have been taken for the appointment of a receiver of any part of the Company's property;

(iii) No floating charge created by the Company has crystallised and, so far as the Vendor is aware, there are no circumstances likely to cause such a floating charge to crystallise.

(iv) the Company has not been a party to any transaction which could be avoided in a winding-up;

(v) the Company has not made or proposed any arrangement or composition with its creditors or any class of its creditors.

(j) Books and Records

All accounts, book, ledgers, financial and other records of whatsoever kind (records) of the Company:

- (i) have been fully, properly and accurately maintained, are in the possession of the Company and contain true and accurate records of all matters required by law to be entered therein; and
- (ii) do not contain or reflect any material inaccuracies or discrepancies; and
- (iii) no notice or allegation that any of the records is incorrect or should be rectified has been received. Where any of the records of the Company are kept on Computer Systems, the Company is the owner of all hardware and all software licences necessary to enable it to keep, copy, maintain and use the records in the course of its business and does not share any hardware or software relating to the records with any person.

(k) Accounts Warranty

The Audited Accounts have been prepared in accordance with the requirements of all relevant statutes and generally accepted accounting principles and show a true and fair view of the state of affairs of the Company and of the assets and liabilities of the Company as at the Balance Sheet Date and the profits of the Company as at the Balance Sheet Date and generally apply bases and policies of accounting which have been consistently applied in the audited balance sheet and profit and loss accounts for the three financial years prior to the Balance Sheet Date.

(l) Provision for Liabilities

Full provision has been made in the Audited Accounts for all actual liabilities of the Company known and outstanding as at the Balance Sheet Date and proper provision (or note) in accordance with generally accepted accounting principles has been made therein for all other liabilities of the Company then outstanding whether contingent, quantified, disputed or not including (without limitation) the cost of any work or material for which payment has been received or credit taken, any future loss which may arise in connection with uncompleted contracts and any claims against the Company in respect of completed contracts.

(m) Pension Fund

The Company's Pension Scheme is fully funded on the basis of recent independent actuarial valuation.



(n) Shortfall

The excess of the Company's liabilities over the net realisable value of its assets is not greater than Sixty-six Million Five Hundred Thousand Dollars (\$66.5m)

(o) Returns

The Company has complied with the provisions of the Companies Act and all returns, particulars, resolutions and other documents required under any legislation to be delivered on behalf of the Company to the Registrar of Companies or to any other authority whatsoever have been properly made and delivered. All such documents delivered to the Registrar of Companies or to any other authority whatsoever, whether or not required by law were true and accurate when so delivered.

(p) Commission

No one is entitled to receive from the Company any finder's fee, brokerage or other commission in connection with this Agreement or the sale and purchase of shares in the Company.

(q) Consequence of the Share Acquisition by Finsac

The acquisition of the Company Shares by Finsac or its nominee or compliance with the terms of this Agreement:

- (i) will not relieve any person of any obligation to the Company or enable any person to determine any such obligation or any right or benefit enjoyed by the Company or to exercise any right whether under an agreement with or otherwise in respect of the Company;
- (ii) will not result in any present or future indebtedness of the Company becoming due or capable of being declared due and payable prior to its stated maturity; and
- (iii) will not give rise to or cause to become exercisable any right of preemption;
- (iv) and, to the best of the knowledge and belief of the Vendor the Company relationship with clients, [customers,] suppliers and employees will not be adversely affected thereby.

(r) Insurances

The particulars with respect to the insurances of the Company annexed to this Agreement are accurate in all material respects.

(s) Assets and Charges

No asset is shared by the Company with any person. No charge in favour of the company is void or voidable for want of registration.

(t) Title Retention

The Company has not acquired or agreed to acquire any material asset on terms that property therein does not pass until full payment is made.

(u) Titles to Properties

The particulars of the Properties, set out in Schedule 4 to this Agreement are true and correct and the owner shown therein has good and marketable title to and exclusive occupation of each Property which it is said to own free from any encumbrance, sub-lease, tenancy or right of occupation, reservation, easement, quasi-easement or privilege in favour of any third party and there are appurtenant to each Property all rights and easements necessary for its use and enjoyment and the Company has no title or interest in any other property except as lessee.

(v) Documents

All deeds and agreements to which the Company is a party and other documents by or which ought to be in possession of the Company are in possession of the Company and are properly stamped and are free from any encumbrance.

(w) Material Contracts

The Company is not a party to or subject to any agreement, transaction, obligation, commitment, understanding, arrangement or liability which:

- (i) is incapable of complete performance in accordance with its terms within six months after the date on which it was entered into or undertaken; or
- (ii) cannot readily be fulfilled or performed by the Company on time without undue or unusual expenditure of money and effort; or
- (iii) involves or is likely to involve obligations, restrictions, expenditure or receipts of an unusual, onerous or exceptional

nature and not in the ordinary course of the Company's business; or

- (iv) is a lease or a contract for hire or rent, hire purchase or purchase by way of credit sale or periodical payment under which the rent or other payment due from the Company exceeds J\$400,000.00 per annum; or
- (v) is with any trade union or body or organization representing its employees; or
- (vi) requires an aggregate consideration payable by the Company in excess of J\$6,000,000.00; or
- (vii) is a contract for services (other than contracts for the supply of electricity or normal office services) which involves payment by the Company of more than J\$6,000,000.00 per annum; or
- (viii) except in respect of royalties and licence fees payable in respect of computer software requires the Company to pay any commission, finder's fee, royalty or the like; or
- (ix) in any way restricts the Company's freedom to carry on the whole or any part of its business in any part of the world in such manner as it thinks fit; or
- (x) except in the ordinary course of business, involves liabilities which may fluctuate in accordance with an index or rate of currency exchange; or
- (xi) is a contract for the sale of shares or assets which contains warranties or indemnities; or
- (xii) is in any way otherwise than in the ordinary course of the Company's business; or
- (xiii) involves Connected Parties of the Company.

(x) Defaults

Neither the Company nor any other party to any agreement with it is in default thereunder, being a default which would be material in the context of the financial position of the Company nor (so far as the Vendor is aware) are there any circumstances likely to give rise to such a default.

(y) Powers of Attorney

No powers of attorney given by the Company (other than to the holder of an encumbrance) are now in force. No person, as agent or otherwise is entitled or authorized to bind or commit the Company to any obligation not in the ordinary course of its business, and the Vendor is not aware of any person purporting to do so.

(z) Tenders etc.

No offer, tender or the like by the Company is outstanding which is capable of being converted into an obligation of the Company by an acceptance or other act of some other person.

(aa) Off-balance Sheet Financing

The Company has not engaged in any borrowing or financing not required to be reflected in the Audited Accounts or the notes thereto.

(bb) - Bank Accounts

A statement of all bank accounts of the Company and of the credit and debit balances on such accounts as at a date not more than seven days before the date hereof is annexed to this Agreement. The Company has no other bank or deposit accounts (whether in credit or overdrawn) and since such statement there have been no payments out of any such accounts except for routine payments and the balances on current account are not now substantially different from the balances shown on such statements.

(cc) Directors

The Particulars of Directors shown in Schedule 5 are true and complete and no person not named therein as such is a director or shadow director of the Company.

(dd) Particulars of Employees

- (i) Since the Balance Sheet Date no change has been made in the rate of remuneration, or the emoluments or pension benefits of any officer, ex-officer or employee of the Company and no change has been made in the terms of engagement of any such officer or employee, and no additional officer or employee has been appointed.
- (ii) No present officer or employee of the Company has given or received notice terminating his employment except as expressly contemplated under this Agreement.

- (iii) the Company has not given any notice of redundancies to any employee or started any consultations with any trade union pursuant to any statute or regulation

(ee) Service Contracts

There is not outstanding any contract of service between the Company and the Vendor which is not terminable by the Company without compensation (other than any compensation payable by statute) on not more than three months' notice at any given time.

(ff) Disputes with Employees

The Vendor is not aware of any outstanding claim against the Company by any person who is now or has been an officer or employee of the Company or any dispute between the Company and a material number or class of its employees.

(gg) Investments, Associations, and Branches

The Company

- (i) has not agreed to acquire, any class of the share or other capital of any other company or corporation (whether incorporated in Jamaica or elsewhere);
- (ii) is not and has not agreed to become a member of any partnership, joint venture, consortium or other unincorporated association or arrangement for sharing commissions or income; and
- (iii) has no branch, agency or place of business outside Jamaica and no permanent establishment (as that expression is defined in the relevant double taxation relief orders current at the date hereof) outside Jamaica.

SCHEDULE 3  
DEED OF INDEMNITY

THIS DEED OF INDEMNITY is made the                      day of

**BETWEEN:** **ISLAND LIFE INSURANCE COMPANY LIMITED** a company duly incorporated under the laws of Jamaica and having its registered office at 6 Saint Lucia Avenue, Kingston 5 in the parish of Saint Andrew, (hereinafter called "the Vendor");

**FINSAC LIMITED**, a company incorporated under the laws of Jamaica and having its registered office at 76 Knutsford Boulevard, Kingston 5 in the Parish of Saint Andrew (hereinafter called "Finsac");

**AND:** **ISLAND LIFE MERCHANT BANK LIMITED**, a company incorporated under the laws of Jamaica and having its registered office at 4 Saint Lucia Avenue Kingston 5 in the Parish of Saint Andrew (hereinafter called 'the Company').

WHEREAS

- (1) Finsac has, at the request of the Vendor and pursuant to an agreement dated                      , 1998 (herein called "the Principal Agreement"), acquired all the issued shares in the capital of the Company.
- (2) Under the Principal Agreement, the Vendor made certain representations and granted certain warranties to Finsac on which Finsac has relied in entering into the Principal Agreement.

NOW THIS DEED WITNESSETH as follows:

1. Interpretations

In this Deed, capitalised terms which are defined in the Principal Agreement shall bear the same meanings when used herein and:

- (a) "Breach of Warranty" means a breach of any of the warranties set out in Schedule 2 of the Principal Agreement,
- (b) "Claim for Taxation" includes any notice, demand, assessment, letter or other document issued or action taken by or on behalf of the Commissioner of Income Tax, the Commissioner of General Consumption Tax, the Commissioner of Customs and Excise, the Inland Revenue Department or any other Government or taxation authority whatsoever, whereby it appears that the Company may be subject to a liability for any Tax.

2. Covenant to Indemnify

2.1 In pursuance of the Principal Agreement and for further good and valuable consideration (the receipt and sufficiency of which the Vendor hereby irrevocably acknowledges), the Vendor hereby covenants and undertakes to indemnify Finsac and to keep Finsac fully indemnified against:

- (a) any liability for Breach of Warranty or any depletion in the value of the assets of the Company arising by reason of, or in consequence of, or in connection with, any liability for Breach of Warranty; and
- (b) any costs or legal expenses incurred by Finsac in relation to any demands, actions, proceedings and claims in respect of any liability for Breach of Warranty.

2.2 The Vendor shall satisfy a claim for indemnity under sub-clause 2.1 by paying to Finsac an amount equivalent to the sum which is necessary to put Finsac in the position which it would have been had there been no Breach of Warranty.

2.3 The provisions of sub-clause 2.1 are without prejudice to the rights of Finsac under the Principal Agreement and this Deed of Indemnity shall supplement and not abrogate any such right including in particular the right to recover interest in the circumstances contemplated by the Principal Agreement.

3. Co-operation Clause

Finsac shall co-operate with the Vendor to minimise liability for Breach of Warranty PROVIDED THAT Finsac shall be entitled to act in its best commercial interest and shall not be obliged to take any action which would damage the commercial relationship between Finsac and any third party.

4. Conduct of Claims

4.1 Finsac shall notify the Vendor in writing of any Breach of Warranty which comes to its notice whereby it appears that the Vendor is or may become liable to indemnify Finsac in respect of any liability for Breach of Warranty.

4.2 Where the Breach of Warranty relates to any Claim for Taxation, Finsac shall, so far as is reasonably practicable, ensure that the Vendor is given an opportunity to dispute on behalf of the Company any such Claim for Taxation and shall render or cause to be rendered to the Vendor all such assistance as the Vendor may reasonably require in disputing any Claim for Taxation provided that, if the Vendor elects to dispute any such claim, it shall;

- (a) keep Finsac fully informed of all relevant matters and shall forward or

procure to be forwarded to Finsac copies of all correspondence and other written communications pertaining thereto;

- (b) not without the prior written consent of Finsac, make any settlement or compromise or agree to any matter in the conduct of a dispute which is likely to affect the future liability to Taxes of the Company;
- (c) indemnify the Company against all costs and expenses (including legal fees), interest, penalties and other sums which may be incurred by, or awarded against, the Company.

5. General

- 5.1 This Deed shall be binding on the Vendor and its respective successors and personal representatives.
- 5.2 The benefits of this Deed may be assigned in whole or in part by Finsac.
- 5.3 The provisions of the Principal Agreement relating to notices shall apply to any notice to be given under, or in connection with this Deed.
- 5.4 The construction, validity and performance of this Deed shall be governed by, and construed in accordance with, Jamaican law.



IN WITNESS whereof this Deed of Indemnity was duly executed by the parties the day and year first hereinbefore written.

EXECUTED UNDER THE COMMON SEAL of  
**ISLAND LIFE INSURANCE COMPANY LIMITED**  
and delivered as and for its proper act and deed by, **DAVIDER E. JONES**  
Director, and **NORR A. FOSTER**  
Director/Secretary in the presence of:

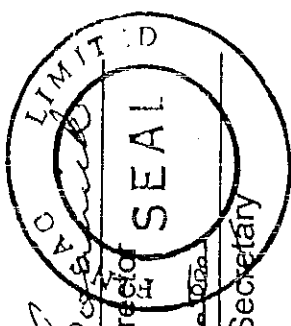
*Stephen Mather*  
**ISLAND LIFE INSURANCE CO. LTD.**  
WITNESS \_\_\_\_\_ SECRETARY

*David E. Jones*  
Director  
*Norr A. Foster*  
Director/Secretary

EXECUTED UNDER THE COMMON SEAL of  
**FINSAC LIMITED** and delivered as and for its proper act and deed by **GLASSTONE BOWATEK**  
Director, and **GENYIS BOOTHIE**  
Director/Secretary in the presence of:

*Sunglas Keyf*  
WITNESS \_\_\_\_\_

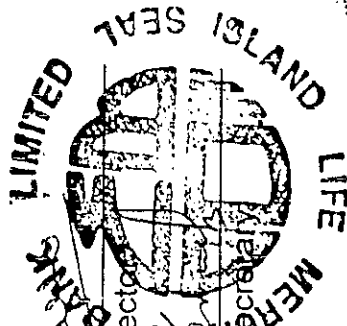
*Glassestone Bowatek*  
Director  
*Genyis Boothie*  
Director/Secretary



EXECUTED UNDER THE COMMON SEAL of **ISLAND LIFE MERCHANT BANK LIMITED** and delivered as and for its proper act and deed by, **COURTNEY MILLER**  
Director, and **FLOYD BANKS**  
Director/Secretary in the presence of:

*Stephen Mather*  
**ISLAND LIFE MERCHANT BANK LIMITED**  
WITNESS \_\_\_\_\_ SECRETARY

*Courtney Miller*  
Director  
*Floyd Banks*  
Director/Secretary



SCHEDULE 4

PROPERTIES

NONE

SCHEDULE 5

## THE DIRECTORS

Mr. Afeef Lazarus (Chairman)  
c/o Livingston Alexander & Levy  
72 Harbour Street  
Kingston

**Attorney-at-Law**

Telephone: 967-0129; 922-6310

Mr. Oliver Jones  
c/o Island Life Insurance Company Ltd.  
6 St. Lucia Avenue  
Kingston 5.

**Company Chairman**

Telephone: 968-6874

Mr. Douglas Bennett  
Townhouse No. 9  
41 Cherry Drive  
Kingston 8

**Consultant**

Telephone: 927-9216

Mr. Courtney Miller  
c/o Island Life Insurance Company Ltd.  
6 St. Lucia Avenue  
Kingston 5.

**Vice President, Finance**

Telephone: 968-6874

Mr. Paul Chang  
c/o Chang's Construction Group  
2 Valentine Drive  
Kingston 19

**Architect**

Telephone: 925-0090-2

Mr. Owen Polack  
c/o Industrial Gases Limited  
593 Spanish Town Road  
Kingston 11

**Chairman & Managing Director**

Telephone: 923-5635; 923-8434

Mr. Floyd Ebanks  
3 Hopeville Road  
Kingston 8

**Consultant**

Telephone: 925-5048

Mr. Morin Seymour  
c/o Kingston Restoration Company Ltd.  
3 Duke Street  
Kingston

**Executive Director**

Telephone: 922-7748

Mr. Noel Foster  
c/o Island Life Insurance Company limited  
6 St. Lucia Avenue  
Kingston 5.

**Company President**

Telephone: 968-6874

Mr. Lester Spaulding  
c/o RJR  
32 Lyndhurst Road  
Kingston 5

**Chairman & Managing Director**

Telephone: 929-9581; 926-1100 - 6