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HEADS OF AGREEMENT

Dated the 14th day of March, 1997

THIS AGREEMENT is made on this 14th day of March, 1997 between the Shareholders of Crown Eagle Life Insurance Company Limited (hereinafter called "the Shareholders") whose names are set out in the Schedule annexed hereto of The One Part and Crown Eagle Life Insurance Company Limited (hereinafter called "the Company") whose registered office is located at 39-43 Barbados Avenue, Kingston 5 of The Second Part and FINSAC Limited (hereinafter called "FINSAC") whose registered office is located at 11A Oxford Road, Kingston of The Third Part.

WHEREAS The Company is experiencing problems related to profitability and solvency.

WHEREAS The Shareholders of the Company desire to resolve the said problems and toward that end have acknowledged a need for control of the Company's operations to be exercised by FINSAC.

WHEREAS The Company and FINSAC have decided that the protection of the interest of creditors, policyholders, depositors and pension fund contributors in the Company is paramount.

IT IS HEREBY AGREED as follows:

1. Upon the signing of these Heads of Agreement, the Shareholders:-
 - (a) Agree to offer to FINSAC all shares held in the Company with full title, guarantee and free from all charges and encumbrances (whether monetary or not) and all other rights exercisable by third parties;
 - (b) Agree to waive all rights of pre-emption over any of the shares conferred on them by the Articles of Association of the Company or in any other way;
 - (c) Agree to execute instruments of transfer of their shares in the Company;

Provided that FINSAC reserves the right to refuse the offer of the shares upon the completion of Due Diligence Studies pursuant to paragraph 4.1.

CONSIDERATION

2. The consideration is the payment to each of the shareholders by FINSAC the sum of \$1 to be satisfied by the payment in cash on the date of signing of these Heads of Agreement and as a result of making such payment FINSAC will take control of the Company and by extension all other companies under its direct or indirect control, whether through Eagle Unit Trusts Management Company Limited and the majority ownership of units in the Eagle Premium Growth Fund or otherwise (hereinafter called "the companies") on the 14th day of March, 1997 or such later date as agreed by the parties hereto.

BOARD OF DIRECTORS

3. Upon the signing of these Heads of Agreement:-

- (a) FINSAC shall be entitled to have at least three persons appointed as members to the Board of Directors of each of the companies (hereinafter called "FINSAC Directors"). The Shareholders and the Company undertake that they will do nothing to emasculate or nullify the rights of FINSAC under this clause.
- (b) The Shareholders who are Directors of each of the companies shall procure the appointment of FINSAC Directors.
- (c) In order for a Resolution of each of the companies to be carried it is only necessary for the FINSAC Directors to vote in its favour.
- (d) The Board members appointed by FINSAC shall have control over the Board and the operations of each of the companies and such control shall include:

- (i) The appointment of the Chief Executive Officer;
- (ii) Approval of loans made by or to any of the companies;
- (iii) Approval of any charge, lien, pledge or other security to be made by any of the companies;
- (iv) Approval of sale or lease of property to be made by any of the companies;
- (v) Approval of any expenditure by any of the companies; and
- (vi) Approval of any other matter determined by FINSAC as affecting the sustained viability of any of the Companies.

DUE DILIGENCE

4.1 Upon the signing of these Heads of Agreement FINSAC shall be entitled to conduct Due Diligence Studies as it considers necessary within the Company. These Studies shall, unless otherwise determined by FINSAC be completed within three months.

4.2 Notwithstanding the generality of the foregoing persons who were Directors of the

Company immediately prior to the signing of this agreement, the officers, employees and agents of the Company shall upon the request of FINSAC, its servants and/or agents supply to FINSAC such information concerning the business of the Company as FINSAC may require and allow representatives of FINSAC access to the Company's premises, employees and agents for the purpose of obtaining intimate knowledge of the activities of all aspects of the Company's business.

FULL AND FRANK DISCLOSURE

5. The Company undertakes to make full and frank disclosure to FINSAC in relation to:
- (i) all material transactions within the normal course of business; and
 - (ii) all material transactions outside the normal course of business as of 30th June, 1996;
- and upon request, to provide FINSAC access to all information including books, records, statements, documents and accounts.

IMPLEMENTATION

6. The Company and the Shareholders undertake to adopt all measures necessary within the framework of the internal constitutional procedures of the Company to give effect to the terms of these Heads of Agreement.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

- 7.1 The Company represents, warrants and undertakes with FINSAC that:-
- (a) The Company is duly established and existing under the laws of Jamaica and that it has corporate power, capacity and legal right to enter into, exercise its rights under, and to perform and comply with its obligations under these Heads of Agreement and that the execution and delivery of these Heads of Agreement has been duly authorised by all necessary corporate action.
 - (b) The information furnished by or on behalf of the Company in connection with these Heads of Agreement does not contain any untrue statement or omit to state any fact, the omission of which would make the statements therein, in light of the circumstances under which they were made, misleading and all expressions of expectations, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by the Company.

- (c) The Company has fully disclosed in writing all facts relating to which the Company knows or reasonably should know and which are material for disclosure to FINSAC in the context of these Heads of Agreement.
- (d) The Company has not taken any corporate action nor has any step been taken by or against or with reference to either winding-up, dissolution, bankruptcy of the Company or for the appointment of a receiver, trustee or similar officer of the Company with respect to any or all of its assets or revenues.
- (e) The Company has not since 31st day of December, 1996 sold, transferred, disposed of or otherwise parted with any part of the business or assets of the Company, otherwise than in the normal course of business.
- (f) The Company will not on the signing of these Heads of Agreement sell, transfer, dispose of, lend or otherwise part with any part of the business or the assets of the Company without the prior written approval of FINSAC.
- (g) The Company will endeavour to promote and support the business and interest of the Company and will act in good faith towards FINSAC's interest.
- (h) Each of the warranties is true and accurate in all respects and not misleading at the date of these Heads of Agreement and will continue to be true and accurate in all respects.
- (i) Each of the warranties is a separate and independent warranty and shall not be limited by reference to any other warranty or anything in these Heads of Agreement.

REPRESENTATION AND WARRANTY OF SHAREHOLDERS

7.2 The Shareholders of the Company represent, warrant and undertake with FINSAC that the shares agreed to be offered by the Shareholders are free from all charges and encumbrances (whether monetary or not) and all other rights exercisable by third parties.

CONFIDENTIALITY

8. The Company and its Shareholders unconditionally agree not to announce or disclose the existence of negotiations relating to, or any of the terms of this or any subsequent Agreement with FINSAC without the prior written consent of FINSAC.

NOTICES

9. Any demand or notice to be made, given or served on the Company may be properly and

effectively made, given and served by letter delivered by recorded hand delivery addressed to the Chairman of the Company.

PUBLICITY

10. All public statements regarding these Heads of Agreement and the general financial condition of the Company shall be approved by FINSAC prior to dispatch to the Media.

FORMAL AGREEMENT


11.1 The parties hereto agree that these Heads of Agreement are subject to a Formal Agreement. Until the Formal Agreement is executed, the parties hereto agree to abide by the terms and conditions stated herein.

11.2 FINSAC reserves the right not to conclude a Formal Agreement within the terms contemplated in these Heads of Agreement, but to pursue any other course or option deemed necessary to protect the interest of the Company's creditors, policyholders, depositors and pension fund contributors.

12. Nothing in these Heads of Agreement shall affect the application of any law relating to the management and/or operation of the Company.

IN WITNESS whereof these Heads of Agreement have been duly executed by and on behalf of the parties hereto as of the day and year hereinbefore written.

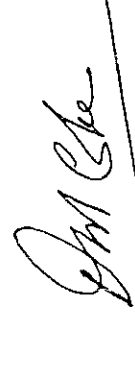
Executed under the Common Seal of)
Crown Eagle Life Insurance Company)
Limited)



Director

by Paul L. Chen-Young

Director and Daisy Coke




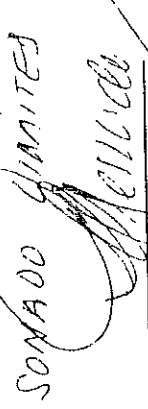
Director

Director


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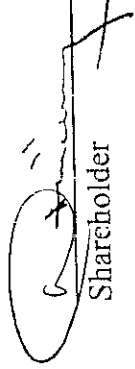



Shareholder
SONADO UNIMITEA
GEOFFREY MESSADO


Shareholder DIRECTOR


Shareholder
O.S. HARDING.

Am. Rose Ltd

Shareholder


Shareholder
Denise Helling.

Shareholder

Shareholder

Shareholder

Shareholder

Shareholder