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AGREEMENT

THIS AGREEMENT is made as of the 28th day of May, 1997 BETWEEN the Ordinary Stockholders of the below mentioned DYOLL GROUP LIMITED described in Schedule 1 to this Agreement (hereinafter called "the Shareholders") of the FIRST PART **DYOLL GROUP LIMITED**, a Company duly incorporated under the laws of Jamaica and having its registered office situate at 40-46 Knutsford Boulevard, Kingston 5 in the Parish of Saint Andrew (hereinafter called "Group") of the SECOND PART **DYOLL LIFE LIMITED** a Company duly incorporated under the laws of Jamaica and having its registered office situate at 56 Duke Street in the City and Parish of Kingston (hereinafter called "Life") of the THIRD PART and **FINSAC LIMITED**, a Company duly incorporated under the laws of Jamaica and having its registered office situate at 11A-15 Oxford Road, Kingston 5 in the Parish of Saint Andrew (hereinafter called "Finsac") of the FOURTH PART.

WHEREAS:

- (A) The Shareholders own more than 50% of the Ordinary Shares of Group.
- (B) The Shareholders are the registered holders and beneficial owners of the number of Stock Units in the capital of Group appearing against their respective names in Schedule 1.
- (C) Group is a public company listed on the Jamaica Stock Exchange and has an authorised share capital of \$25,000,000.00 divided into 50,000,000 ordinary shares of \$0.50 each 44,777,460 of which have been issued and are fully paid or credited as fully paid.
- (D) The 5,222,540 Ordinary Shares remaining unissued in Group were reserved principally for an executive stock option scheme.

- (E) Life is a private company with an authorised share capital of \$40,100,000 divided into 18,000,000 ordinary shares of \$2.00 each and 4,000,000 15% Cumulative Preference Shares of \$1.00 each and 100,000 Redeemable Preference Shares of \$1.00 each redeemable at a premium of \$1,999.00 per share of which 18,000,000 ordinary shares and 3,000,000 15% Cumulative Preference Shares and 76,541 Redeemable Preference Shares have been issued and are fully paid or credited as fully paid.
- (F) Group owns all the ordinary shares in Life.
- (G) Life has substantial outstanding indebtedness at high rates of interest which is adversely affecting Life's operations and its solvency.
- (H) Group and Life have entered into negotiations with FINSAC and have requested financial assistance from Finsac which Finsac has agreed to provide as hereinafter appears.
- (I) The parties have agreed to enter into this Agreement for the purpose of regulating their relationship with each other and certain aspects of the affairs of Group and Life.

NOW IT IS AGREED as follows:

1. CONSIDERATION

In consideration of the mutual agreements and undertakings herein set out the parties of this Agreement have granted the rights and accepted the obligations hereinafter appearing.

2. INVESTMENT

Finsac, in full reliance upon the warranties, representations, undertakings and covenants herein contained, shall invest a total of TWO HUNDRED MILLION DOLLARS (\$200,000,000.00) in Group and Life by subscribing for:-

- (a) such number of ordinary stock units in the capital of Group which will result in Finsac owning 26.5% of the issued Ordinary Share Capital of Group (hereinafter referred to as "the said Ordinary Shares") at the price per share referred to at paragraph 3 hereof.
- (b) such number of 12.5% Cumulative Redeemable Preference Shares of \$1.00 each in the capital of Life (hereinafter called "the said Preference Shares") as can be acquired with the balance of the funds to be invested by Finsac hereunder after paying for the said Ordinary Shares.

3. SUBSCRIPTION PRICE

Finsac shall subscribe for the said Ordinary Shares at Two Dollars and Thirty Cents (\$2.30) per share being the Last Sale price registered at the Jamaica Stock Exchange on the 12th day of March 1997.

4. WAIVER

Each of the Shareholders hereby waives and agrees to procure the waiver of any restrictions on issue (including pre-emption rights) which may exist in relation to the issue of the said Ordinary Shares under Group's Articles of Association or the Rules of the Jamaica Stock Exchange or any legislation in force or otherwise.

Group hereby waives and Group and the Shareholders hereby agree to procure the waiver of any restrictions on issue (including pre-emption rights) which may exist in relation to the issue of the said Preference Shares under Life's Articles of Association or any legislation in force or otherwise.

5. SHAREHOLDERS OBLIGATIONS

The Shareholders shall procure that:

- (a) Group applies to the Jamaica Stock Exchange for approval of the issue of the said Ordinary Shares to Finsac if the Jamaica Stock Exchange requires Group to obtain such approval.
- (b) Group applies to have the said Ordinary Shares listed on the Jamaica Stock Exchange and takes all reasonable steps required of it to achieve this objective.
- (c) an Extraordinary General Meeting of Group be held after the requisite notice is given at which appropriate resolutions shall be considered subject to prior approval of the Jamaica Stock Exchange where required for:-
 - (i) approving the increase in the Authorised Share Capital of Group by the creation of an additional 16,144,254 Ordinary Shares of \$0.50 each;
 - (ii) amending the Articles of Association of Group to provide for the appointment by FINSAC of two Directors of Group pursuant to paragraph 12 hereof, and
 - (iii) approving the subscription by Group for shares in the capital of Life of a sum equivalent to the sum subscribed by Finsac to acquire the said Ordinary Shares.
- (d) upon obtaining if required the approval of the Jamaica Stock Exchange at sub-paragraph (a) hereof any other resolutions required to be passed pursuant to Group's Articles of Association or to any legislation to consummate the transactions contemplated hereby to enable Finsac to subscribe for and acquire the said Ordinary Shares are passed at a duly convened meeting of the shareholders and/or a duly convened meeting of the Directors of Group.
- (e) upon the passing of the relevant resolutions and the implementation thereof the Authorised Share Capital of Group will be \$33,072,127 divided into 66,144,254 Ordinary Shares of \$0.50 each.

- (f) the relevant provisions of the Securities Act and of any other relevant legislation are complied with.
- (g) within the time limits prescribed by Statute the relevant documents which require filing with the Registrar of Companies are so filed.
- (h) the register of members of Group is written up to reflect the subscription referred to in sub-paragraph 2 (a) and definitive certificates in respect of the said Ordinary Shares are issued in favour of and delivered to Finsac.
- (i) Group fulfills all of its obligations as provided in paragraph 6 hereof.
- (j) In the event that the issued Ordinary Share Capital of Group is increased beyond the amount herein contemplated and Finsac holds any of the said Preference Shares Finsac is offered such number of Ordinary Shares in Group as will enable Finsac to hold 26.5% of the issued Ordinary Shares of Group. The price payable by Finsac for such shares shall be the subscription price for the shares so offered by Group.

6. GROUP'S OBLIGATIONS

Group shall procure that immediately after the passing by Group of the resolutions set out at sub-paragraphs 5 (c) and 5 (d):

- (a) an Extraordinary General Meeting of Life be held after the requisite notice is given at which appropriate resolutions shall be considered and passed: -
 - (i) approving the increase in the Authorised Share Capital of Life by the creation of an additional 18,565,892 Ordinary Shares of \$2.00 each and 162,868,216 12.5% Cumulative Redeemable Preference Shares of \$1.00 each;
 - (ii) amending the Articles of Association of Life to provide for the appointment by Finsac of two Directors of Life pursuant to paragraph 12 hereof;
- (b) any other resolutions required to be passed pursuant to Life's Articles of Association or any legislation to consummate the transactions contemplated hereby to enable Finsac to subscribe for and acquire the said Preference

Shares are passed at a duly convened meeting of the shareholders and/or a duly convened meeting of the Directors of Life;

- (c) upon the passing of the relevant resolutions and the implementation thereof the Authorised Share Capital of Life will be \$240,100,000 divided into 36,565,892 Ordinary Shares of \$2.00 each and 4,000,000 15% Cumulative Preference Shares of \$1.00 each, 100,000 Redeemable Preference Shares of \$1.00 each; and 162,868,216 12.5% Cumulative Redeemable Preference Shares of \$1.00 each;
- (d) the provisions of any relevant legislation are complied with;
- (e) within the time limits prescribed by Statute the relevant documents which require filing with the Registrar of Companies shall be so filed;
- (f) the register of members of Life shall be written up to reflect the subscription referred to in sub-paragraph 2 (b) and definitive certificates in respect of the said Preference Shares shall be issued in favour of and delivered to Finsac;
- (g) the said Preference Shares shall entitle the holder thereof to rank in respect of income, dividend and return of capital in priority to any other class of shares to be paid out of profits.

7. FINSAC'S OBLIGATION

The obligation of Finsac to subscribe for the said Ordinary Shares and the said Preference Shares shall be conditional upon the provisions of paragraphs 5, 6 and 24 (a) being fully complied with and until such time the cheque referred to in paragraph 8 shall be held to the order of Finsac. If any of the said provisions are not fully complied with within ninety (90) days after the execution hereof Finsac may rescind this Agreement by giving notice in writing to Group.

8. COMPLETION

Completion shall take place at Finsac's registered office, above-mentioned fourteen (14) days after the Shareholders shall have obtained all the requisite resolutions, waivers and approvals mentioned and referred to herein save and except the approval of the Jamaica Stock Exchange to the supplemental application for listing and Finsac shall exchange its cheque(s) in the amount of Two Hundred Million Dollars (\$200,000,000.00) for certificates for the said Ordinary Shares and the said Preference Shares.

9. APPLICATION OF MONIES

Unless otherwise agreed in writing by Finsac, the monies invested in Life by Finsac and the monies invested in Group by Finsac shall be applied by both Life and Group solely for the purpose of assisting Life by:-

- (a) retiring expensive debt due from Life to third parties not being subsidiaries of Group or Life or an associated company of Group or Life or a person associated with Group or Life; and/or
- (b) providing Life with working capital.

The use by Group of monies invested in it by Finsac to subscribe for ordinary shares in Life shall not require the further agreement of Finsac provided the proceeds of the subscription for such shares are used to assist Life as at (a) and (b) of this paragraph 9.

10. ORDINARY SHARES

The said Ordinary Shares will rank in all respects *pari passu* with the existing ordinary shares of Group.

11. **PREFERENCE SHARES**

The rights and conditions attaching to the said Preference Shares shall be as set out in Schedule 2.

12. **APPOINTMENT OF DIRECTORS**

So long as Finsac holds any of the said Preference Shares, Finsac shall be entitled to nominate two Directors to the Board of Group and two Directors to the Board of Life and persons so nominated shall become directors from the time written notice of nomination is delivered to Group or Life as the case may be at its registered office until such director is removed by Finsac by notice in writing to Group or Life as the case may be or until all of the said Preference Shares shall be redeemed or as otherwise provided by law. Finsac may by writing also appoint persons to be alternates to the Directors appointed by Finsac.

Any person who becomes a Director pursuant to this paragraph shall automatically vacate his office upon redemption of all of the said Preference Shares.

13. **EXPENDITURE**

Life shall not incur liability for or invest, spend, pay out an amount exceeding Ten Million Dollars (\$10,000,000.00) for any fixed asset without the prior written consent of at least one of the Directors appointed by Finsac. Save and except that such prior written approval shall not be required in respect of any investment, expenditure, payment made by Life in the ordinary course of carrying on the business of a life insurance company. In particular such approval shall not be required in respect of investments, expenditure, payments made by Life for the benefit of pension funds and policy holders with the prior approval of Life's Investment Committee.

14. **COMMITTEE(S) OF BOARD**

At least one of the Directors appointed by Finsac shall serve at all times as a member of the Investment and Management Committee(s) of Life. Draft Budgets are to be presented to the Committee(s) prior to submission to the full Board of Life.

15. **RESOLUTIONS TO REDEEM AND PAY DIVIDENDS ON PREFERENCE SHARES**

So long as Life is lawfully able and after payment of dividends or the provisions for redemption of the said Preference Shares Life shall be able to meet the prudential solvency requirements of the Superintendent of Insurance, the Shareholders and Group shall cause Life to pay the dividends payable on the said Preference Shares and to establish a fund (hereinafter called "the said Fund") for redemption of the said Preference Shares, and out of the profits of every financial year available after payment of the preferential dividend on the said Preference Shares, but before payment of any dividend on any Ordinary Shares for that year (and subject always to Life being able to meet prudential solvency requirements and legal requirements as provided above) Life shall within 30 days of the balance sheet being certified by Life's Auditors for the time being set aside to the credit of the said Fund such sum as shall be equal to at least twenty percent (20%) of the nominal amount of the said Preference Shares, and so that, if in respect of any year the profits so available shall be insufficient to provide the said sums in full, any deficiency shall be carried forward and added to the amount to be so provided in the following year or years. Prior to the fifth anniversary of the date of issue of the said Preference Shares, Life shall be entitled but not obliged to apply any monies so set aside to the said Fund in redeeming so many of the said Preference Shares for the time being outstanding as such monies shall be sufficient to redeem at any time or times at which Life is at liberty to redeem the same.

Upon the fifth anniversary of the date of issue of the said Preference Shares, Life shall be obliged to apply all monies so set aside to the said Fund in redeeming so

many of the said Preference Shares for the time being outstanding as such monies shall be sufficient to redeem.

So long as any of the said Preference Shares remain outstanding Life shall not pay any dividends on the Ordinary Shares of Life.

16. **MONTHLY UNAUDITED FINANCIAL STATEMENTS**

So long as Finsac holds any of the said Preference Shares the Shareholders, Group and Life shall cause Group to furnish to Finsac, as soon as available, but, in any event, within thirty (30) days after the end of each month, a copy of Group's consolidated financial statements and Life's financial statements for such month.

17. **ANNUAL AUDITED FINANCIAL STATEMENTS; AUDITOR'S COMPLIANCE CERTIFICATE; AND REGULATORY REPORTS**

As soon as available after the end of each Financial Year but no later than one hundred and twenty (120) days after the end of each Financial Year, so long as Finsac holds any of the said Preference Shares the Shareholders, Group and Life will cause Group to furnish to Finsac a copy of Group's audited consolidated financial statements for such Financial Year and Life's audited financial statements for such Financial Year, together with a copy of the respective Auditor's management letter and the respective Auditor's reliance letter.

18. **REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS AND GROUP**

The Shareholders and Group hereby represent and warrant to Finsac that:

- (a) Group and Life are duly organised and existing and in good standing under the Laws of Jamaica and have full powers to carry on the businesses which each carries on and proposes to carry on.
- (b) After exercising due care and making due enquiry on all matters the financial condition of Group and Life at the date specified therein was to the best of

their knowledge as shown in the financial statements and reports presented to Finsac by Group and Life in support of their request for financial assistance. All the said Ordinary Shares and the said Preference Shares will be duly authorised, validly issued, fully paid and nonassessable and will be free and clear of all liens, claims, options, charges or other security interest or encumbrances.

- (c) Each person executing this Agreement on behalf of Group is duly authorised to do so, and that this Agreement constitutes a valid and binding agreement of Group enforceable against it in accordance with its terms.
- (d) Each person executing this Agreement on behalf of Life is duly authorised to do so, and that this Agreement constitutes a valid binding Agreement of Life enforceable against it in accordance with its terms.

19. THE ARTICLES

- (a) If, while Finsac holds any of the said Ordinary Shares and the said Preference Shares, there shall be any conflict between the provisions of this Agreement and the provisions of the Articles of Group and/or the provisions of the Articles of Life then, during such period, the provisions of this Agreement shall prevail.
- (b) This provision shall survive the date of completion of this Agreement.

20. PARTIES BOUND

- (a) Group undertakes to be bound by and comply with the terms and conditions of this Agreement insofar as the same relate to Group and to act in all respects as contemplated by this Agreement.
- (b) Life undertakes to be bound by and comply with the terms and conditions of this Agreement insofar as the same relate to Life and to act in all respects as contemplated by this Agreement.

- (c) The Shareholders undertake to exercise their powers in relation to Group so as to ensure that Group fully and promptly observes, performs and complies with its obligations under this Agreement.
- (d) Group undertakes to exercise its powers in relation to Life so as to ensure that Life fully and promptly observes, performs and complies with its obligations under this Agreement.

21. CONFIDENTIALITY

The parties undertake to each other that they will not at any time hereafter use or divulge or communicate to any person other than to officers or employees of Group and Life whose province it is to know the same or on the instructions of the directors any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of Group and Life which may come to their knowledge and they shall use their best endeavours to prevent the publication or disclosure of any confidential information concerning such matters.

22. SALE OF ORDINARY AND PREFERENCE SHARES & OPTION TO SHAREHOLDERS

Finsac undertakes that it shall at any time during the term hereof, at the request of Group and/or Life offer to sell the said Preference Shares or any portion thereof to any third party specified in the request at the price for which the said Preference Shares or any portion thereof could be redeemed by Life at the date of the sale pursuant to paragraph 6 (c) of Schedule 2 hereto. In the event that all of the said Preference Shares are sold and paid for pursuant to the aforesaid offer Group on behalf of Finsac shall offer the said Ordinary Shares for sale to each of the existing ordinary shareholders of Group (excluding Finsac) in proportion to each shareholders existing ordinary shareholding in Group at the higher of the following amounts:

- (i) The Last Sale Price registered at the Jamaica Stock Exchange for the said Ordinary Shares on the date of sale; or
- (ii) The Last Sale Price registered at the Jamaica Stock Exchange of the said Ordinary Shares on the 12th day of March 1997 compounded annually at the rate of 15% per annum until the date of sale.

Acceptance of each offer in full and payment for the said Ordinary Shares offered shall be made within sixty (60) days of the date of the offer. Such of the said offers which have not been accepted and the said Ordinary Shares relating thereto paid for in full by the expiry of the said sixty (60) days shall be deemed withdrawn by Group on behalf of Finsac and Finsac shall be at liberty to retain or dispose of such of the said Ordinary Shares, the subject matter of such offers, in such manner as and to whomsoever it shall deem fit.

23. **OPTION TO SHAREHOLDERS**

In the event that Life shall redeem all the said Preference Shares on or before the last redemption date (as defined in paragraph 6 (b) of Schedule 2 hereto) Group on behalf of Finsac shall offer the said Ordinary Shares to all existing ordinary shareholders of Group (excluding Finsac) on the business day succeeding the actual redemption date in proportion to each ordinary shareholder's existing shareholding in Group at the higher of the two (2) prices mentioned in paragraph 22 (i) or (ii) above and subject to the same terms of offer for the sale of the said Ordinary Shares to the existing ordinary shareholders as appears in paragraph 2.2 above. Finsac shall have the right as at paragraph 22 hereof to retain or dispose of shares which are the subject of offers deemed withdrawn.

24. **GENERAL**

(a) **Agreement Conditional on Shareholders Approval**

It is understood and agreed that this Agreement shall be conditional on the ordinary shareholders of Group in general meeting approving -

- (i) the increase in the Authorised Share Capital of Group by the creation of an additional 16,144,254 Ordinary Shares of \$0.50 each;
- (ii) the issue of the said Ordinary Shares to Finsac in accordance with and subject to the terms and conditions of this Agreement;
- (iii) the amendment of the Articles of Association of Group to provide for the appointment by Finsac of two directors of Group in accordance with the terms of this Agreement;
- (iv) the subscription by Group for ordinary shares in the capital of Life of a sum equivalent to the sum subscribed by Finsac to acquire the said Ordinary Shares.

(b) Shareholders and Group Covenant

In order that Group will not be required to issue additional ordinary shares to Finsac above the amount herein contemplated the executives of Group have requested Group not to issue to them shares under the abovementioned executive stock option scheme so long as Finsac holds any of the said Preference Shares. The Shareholders and Group hereby Covenant that pursuant to the aforementioned request of the executives of Group the Shareholders and Group shall not pass any resolutions or take any other steps to have shares issued under the abovementioned executive stock option scheme so long as Finsac holds any of the said Preference Shares.

(c) Costs

Each party shall pay their own costs and expenses incurred in relation to the negotiation, preparation and execution of this Agreement.

(d) Notices

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 the provisions of this sub-paragraph. Any such notice may be delivered personally or by first class prepaid letter, telex or facsimile transmission and shall be deemed to have been served if by personal delivery when delivered

if by first class post 96 hours after posting and if by telex or facsimile transmission when despatched.

(e) Successors Bound

This Agreement shall be binding on and shall enure for the benefit of the successors and assigns and personal representatives (as the case may be) of each of the parties hereto.

(f) Assignment

None of the parties hereto may assign his rights or obligations in whole or in part hereunder without the prior written consent of the other parties hereto.

(g) Continuing Agreement

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 except in respect of those matters then already performed.

(h) Good Faith

Each of the parties hereto undertakes with each of the others to do all things reasonably within his power which are necessary or desirable to give effect to the spirit and intent of this Agreement, the Articles of Association of Group and the Articles of Association of Life.

(i) Further Assurance

The Shareholders, Group and Life shall, and shall use their respective reasonable endeavours to procure that any necessary third parties shall, do, execute and perform all such further deeds, documents, assurances, acts and things as any of the parties hereto may reasonably require by notice in writing to the others to carry the provisions of this Agreement, the Articles of Association of Group and the Articles of Association of Life into full force and effect.

(j) Time of the Essence

Any date or period mentioned in this Agreement may be extended by Agreement in writing between the parties hereto failing which, as regards any such date or period, time shall be of the essence of this Agreement.

(k) **Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto with respect to the matters dealt with therein and supersedes any previous agreement between the parties hereto in relation to such matters. Each of the parties 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 by one or more instruments in writing signed by such of the parties hereto which would be affected by such variation.

(l) **Law**

This Agreement shall be governed by and construed in accordance with Jamaican law and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the Jamaican Courts in respect of any dispute or matter arising out of or connected with this Agreement.

(m) **No Partnership**

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 others in any way.

(n) **Duration**

The terms of this Agreement shall remain in full force and effect for so long as Finsac continues to hold any of the said Ordinary Shares or any of the said Preference Shares.

(o) **Termination**

The termination of this Agreement however caused and the ceasing by any Shareholder to hold any shares in Group and/or the ceasing of Group to hold any shares in Life shall be without prejudice to any obligations or rights of any of the parties hereto which have accrued prior to such termination or ceasing and shall not affect any provision of this Agreement which is expressly

or by implication provided to come into effect on or to continue in effect after such termination or cesser.

(p) **Severability**

Notwithstanding that any provision of this Agreement may prove to be illegal or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

(q) **Exercise of Powers**

Where any Shareholder is required under this Agreement to exercise his powers in relation to Group to procure a particular matter or thing, such obligation shall be deemed to include an obligation to exercise his powers both as a shareholder and as a director (where applicable) of Group and to procure that any director appointed by him (whether alone or jointly with any other person) shall procure such matter or thing.

Where Group is required under this Agreement to exercise its powers in relation to Life to procure a particular matter or thing, such obligation shall be deemed to include an obligation to exercise its powers as a shareholder and to procure that any director appointed by Group (whether alone or jointly with any other person) shall procure such matter or thing.

(r) **References**

In this Agreement, the singular includes the plural and vice versa, and references to any gender include any other gender and words importing bodies corporate and unincorporate include persons and vice versa. The clause headings are inserted for convenience only and shall be ignored in construing this Agreement. References to paragraphs, sub-paragraphs and schedules are references to paragraphs and sub-paragraphs hereof and schedules hereto. References to "shares" or "ordinary shares" of Group include references to "ordinary stock" or "ordinary stock units" of Group.

SCHEDULE I

<u>NAME AND ADDRESS OF ORDINARY STOCKHOLDER</u>	<u>NUMBER OF ORDINARY STOCK UNITS IN DYOLL GROUP LIMITED</u>
HHD LIMITED 40 Knutsford Boulevard Kingston 5	5,385,906
ERICSON LIMITED c/o Pan Caribbean Merchant Bank 64 Knutsford Boulevard Kingston 5	4,736,319
PATONY LIMITED 40 Knutsford Boulevard Kingston 5	3,943,363
FERGOR LIMITED 6 Duke Street Kingston	3,808,891
PETMAR LIMITED 6 Duke Street Kingston	3,276,285
OWEN & MABEL MUNRO P.O. Box 828 Kingston 8	2,431,809

SCHEDULE 2

CUMULATIVE REDEEMABLE PREFERENCE SHARES

THE SAID PREFERENCE SHARES

The following rights and conditions will attach to the said Preference Shares:

1. Income

The said Preference Shares shall entitle the holders thereof to rank in priority to any other preference shares issued by Life in respect of income and in priority to any dividend or return of capital on any other class of shares to be paid out of profits a fixed cumulative preferential dividend on the capital for the time being paid up thereon at the rate of 12.5 percent per share per annum until the last day of June 2002 and thereafter the dividend payable shall be equal to two per cent (2%) above the weighted average clearing rate of the Government of Jamaica's last six (6) month Treasury Bills issued immediately prior to the date for payment of a dividend or such lower rate as the holders of the said Preference Shares may resolve Life shall pay. Such dividends to be payable semi-annually on the last days of June and December in each year in respect of the previous financial year. The first payment to be on the last day of June 1998.

2. Capital

The said Preference Shares shall entitle the holders thereof on a winding up or on a reduction of capital involving a return of capital, to repayment of the sum of \$1.00 per share representing the capital paid up or credited as paid up, and with a sum equal to any arrears of the fixed preferential dividend thereon calculated down to the date of repayment whether or not such dividend shall have been declared or earned in priority to any other shares AND IN PRIORITY to any return of capital on any other class of shares.

3. Voting

The said Preference Shares shall not entitle the holders to receive notice of or to requisition or to attend or vote at any general meeting of Life unless (i) at the date of the notice convening the meeting the dividend on the said Preference Shares is six months in arrear and for this purpose such dividend shall be deemed to be payable on the last days of June and December in each year except that the first dividend shall be deemed to be payable on the last day of June 1998 or (ii) the business of the meeting includes the consideration of a resolution affecting the number, power or rights of Directors or Finsac's right to nominate and have two Directors appointed to the Board of Life or a resolution for winding up Life or for the sale of the undertaking of Life or for altering the objects of Life or for a reduction in the capital or any resolution directly or adversely modifying or abrogating any of the special rights or privileges attached to the said Preference Shares or (iii) Life shall fail to redeem all or any of the said Preference Shares by the last day of June 2004. In the case of (i) and (ii) only the holders shall only be entitled to vote at the relevant meeting in respect of such resolution or resolutions. In case of (iii) the holders shall be entitled to vote in respect of all resolutions. The holders of the said Preference Shares or any portion thereof outstanding when entitled to vote shall have One [1] vote for each of the said Preference Shares held by them.

4. Other Rights

The said Preference Shares shall not confer on the holders thereof any further rights to participate in the profits or assets of Life or to vote.

5. Further Issues Generally

No further shares ranking as to dividend or repayment of capital in priority to or pari passu with the said Preference Shares shall be created or issued except with the written consent or sanction of the holder of the said Preference Shares.

So long as any of the said Preference Shares remain outstanding Life shall not pay any dividends on the Ordinary Shares of Life.

6. Redemption of Shares

(a) The said Preference Shares shall be redeemed on the last day of June 2002 (the first redemption date) at a price of \$1.00 per share together with any arrears or accruals of the fixed cumulative preferential dividend payable on such shares whether or not declared or earned calculated as provided in 1 above down to the date of redemption.

(b) In the event the said Preference Shares are not redeemed by the first redemption date they shall be redeemed by the last day of June 2004 (the last redemption date) at a price of \$1.00 per share together with any arrears or accruals of the dividend payable on such shares whether or not declared or earned calculated as provided in 1 above down to the date of redemption.

(c) Life shall have the right to redeem the said Preference Shares at any time or times prior to the first redemption date or in the event all of the said Preference Shares are not redeemed at that time, at any time prior to the last redemption date at a price of \$1.00 per share together with any arrears or accruals of dividend payable on such shares whether or not declared or earned calculated as provided in 1 above down to the date of redemption.

Pursuant to this right Life shall give to the holders notice of its intention to redeem some or all of the said Preference Shares as specified in the notice. Such notice shall be in writing and shall fix time (not being less than three months from the date of such notice, expiring upon any day fixed for payment of the cumulative dividend thereon) and place for such redemption and the amount payable to the holders. At the time and place so fixed the holders shall be bound to deliver up to Life certificate(s) for their holding of shares to be redeemed for cancellation and thereupon Life shall pay to the holders the redemption monies payable in respect of such shares.

If any certificate so delivered up shall include any of the said Preference Shares which are not to be redeemed on that occasion a fresh certificate for such last-mentioned shares shall be issued to the holder thereof free of charge.

(d) Application of Surplus Assets on a Winding Up

In the winding up of Life the surplus assets shall be applied to the following purposes and in the following order of priority:

- (i) to the repayment of capital paid up or credited as paid up, on the said Preference Shares together also with any arrears or accruals of fixed

dividend in accordance with the rights of all such shares in priority to any other payments in respect of any other shares issued by Life.

- (ii) to the repayment of capital paid up or credited as paid up on any other Preference Shares issued by Life together also with any arrears or accruals of fixed dividend in accordance with the rights of all such Preference Shares.
- (iii) to the repayment of the capital paid up or credited as paid up on the Ordinary Shares of \$2.00 each and any surplus assets shall be divided amongst the holders of the Ordinary Shares of \$2.00 each in proportion to the number of Ordinary Shares of \$2.00 each held by them respectively.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in a manner binding upon them the day and year first above written.

EXECUTED under the Common Seal of)

HHD LIMITED by Conrad Deun)

Director and Barbara Deun)
Director/Secretary)

in the presence of:

Barbara Deun

MARK A. THWAITES
Company Director

Dr. Deun
DIRECTOR)

Barbara Deun
DIRECTOR/SECRETARY)

EXECUTED under the Common Seal of)

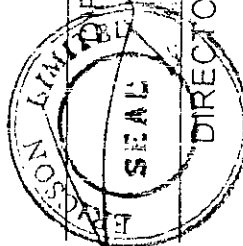
ERICSON LIMITED by Arthur Hamilton)

Director and Catherine Burke-Thwaites)
Director/Secretary)

in the presence of:

Judith Wong

JUDITH WONG
Secretary

Arthur Hamilton
DIRECTOR)
)
DIRECTOR/SECRETARY)

EXECUTED under the Common Seal of)

PATONY LIMITED by Jean F. Thwaites)

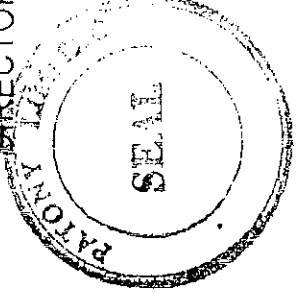
Director and Mark A. Thwaites)
Director/Secretary)

in the presence of:

Judith Wong

JUDITH WONG
Secretary

Jean F. Thwaites
DIRECTOR)
Mark A. Thwaites
DIRECTOR/SECRETARY)

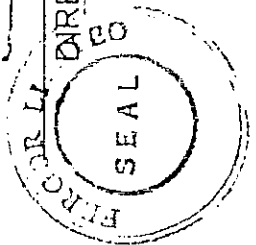


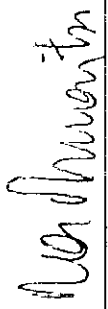
EXECUTED under the Common Seal of
FERGOR LIMITED by ~~Gordon A.W Lewis~~
Director and
MABEL MUNRO Director/Secretary
in the presence of:



DIRECTOR

DIRECTOR/SECRETARY





MARK A. THWAITES
Company Director

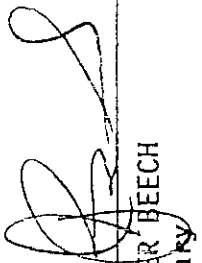


DIRECTOR

EXECUTED under the Common Seal of
PETMAR LIMITED by Peter J.C. Thwaites
Director and Mary Thwaites
Director/Secretary
in the presence of:



DIRECTOR/SECRETARY

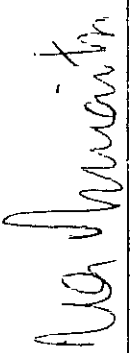


JENNIFER BEECH
Secretary

SIGNED BY the said
OWEN MUNRO
in the presence of:



OWEN MUNRO

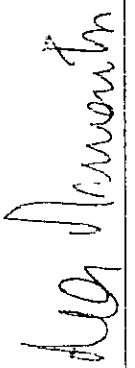


MARK A. THWAITES
Company Director

SIGNED BY the said
MABEL MUNRO
in the presence of:

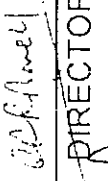


MABEL MUNRO

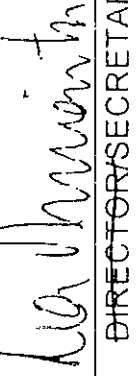


MARK A. THWAITES
Company Director

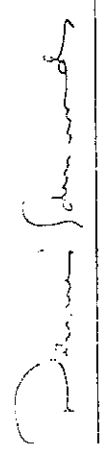
EXECUTED under the Common Seal of
DYOLL GROUP LIMITED by C.S.R. Bevell
Director and Mark Thwaites
Director/Secretary
in the presence of:



DIRECTOR



DIRECTOR/SECRETARY



ATTORNEY-AT-LAW
DENNIS EDMUNDS
Attorney-at-Law

EXECUTED under the Common Seal of)
 DYOLL LIFE LIMITED by *Peter Thwaites*)
 Director and Norman Banks)
 Director/Secretary)
 in the presence of:)

Judith Wong
 JUDITH WONG
 Secretary

EXECUTED under the Common Seal of)
 FINSAC LIMITED by DENNIS BOOTHE)
 Director and WAYNE WHITTINGHAM)
 Director/Secretary)
 in the presence of:)

Robert Owen
 ROBERT OWEN
 Director/Secretary
 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

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 DIRECTOR
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 DIRECTOR/SECRETARY

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 DIRECTOR
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 DIRECTOR/SECRETARY