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TRANSFER AND ASSUMPTION AGREEMENT

THIS AGREEMENT is made the 11th day of December, 1998

BETWEEN: **FINSAC LIMITED**, a company incorporated under the Companies Act and having its registered office at 76 Knutsford Boulevard, Kingston 5 in the parish of St. Andrew ("FINSAC");

AND **DYOLL LIFE LIMITED**, a company incorporated under the Companies Act, duly registered to carry on business as a life insurance company under the Insurance Act, and having its registered office at 56 Duke Street in the parish of Kingston ("Dyoll Life");

AND **DYOLL GROUP LIMITED**, a company incorporated under the Companies Act and having its registered office at 40-46 Knutsford Boulevard, Kingston 5 in the parish of St. Andrew ("Dyoll Group");

AND **CROWN EAGLE LIFE INSURANCE COMPANY**, a company incorporated under the Companies Act, a company duly registered to carry on business as a life insurance company under the Insurance Act, and having its registered office at 39 Barbados Avenue, Kingston 5 in the parish of St. Andrew ("Crown Eagle Life");

WHEREAS Dyoll Group owns and controls Dyoll Life and Dyoll Insurance Company Limited ("Dyoll Insurance");

WHEREAS Dyoll Group and Dyoll Life wish subject to the requisite consents, confirmations, and approvals, for Crown Eagle Life to acquire the benefits and entitlements and assume the burdens and obligations of Dyoll Life insurance book of business and Crown Eagle Life wishes to acquire such benefits and entitlements and assume the burdens and obligations of those insurance policies and contracts issued or assumed by Dyoll Life comprising the following types of businesses:

- i. Industrial Life
- ii. Individual Ordinary Life
- iii. Individual Accidental Death and Dismemberment

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- iv. Individual Waiver of Premiums and Parental Disability Waiver of Premiums
- v. Group Life
- vi. Group Life Investment (Money Tree)
- vii. Group Creditor Life
- viii. Group Major Medical
- ix. Group Basic with Supplemental Major Medical
- x. Group Accidental Death and Dismemberment

The foregoing shall hereinafter be referred to as the "Dyoll Life insurance book of business".

WHEREAS FINSAC is a company incorporated by the Government of Jamaica to provide financial assistance to distressed financial institutions and to restructure the financial services sector;

WHEREAS CROWN EAGLE LIFE, with financial assistance provided by FINSAC, wishes to assume existing liabilities for the Dyoll Life insurance book of business to facilitate FINSAC's protection of the existing Dyoll Life policyholders and members of pension schemes administered by and/or invested with Dyoll Life; AND

WHEREAS FINSAC has majority ownership of the shares and control of Crown Eagle Life.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set out, the parties hereto agree as follows:

ARTICLE I

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement unless the context otherwise requires:

- (a) "Settlement Date" means the first day of the month following the month in which the sanction referred to in Article 2.1 has been obtained or such other date as may be agreed in writing by the parties hereto;



- (b) "Effective Date" means December 11, 1998;
- (c) "Assumed Policies" or "Dyoll Life insurance book of business" shall include the policies and contracts related to the following types of businesses:
- i. Industrial Life
 - ii. Individual Ordinary Life
 - iii. Individual Accidental Death and Dismemberment
 - iv. Individual Waiver of Premiums and Parental Disability Waiver of Premiums
 - v. Group Life
 - vi. Group Life Investment (Money Tree)
 - vii. Group Creditor Life
 - viii. Group Major Medical
 - ix. Group Basic with Supplemental Major Medical
 - x. Group Accidental Death and Dismemberment

(d) "Drax Hall Property" means Lots 392 and 394 in Drax Hall Estate registered at Volume 1271 Folios 643 and 645 respectively.

(e) "Dyoll Insurance" means Dyoll Insurance Company Limited, a company incorporated under the Companies Act, duly registered to carry on business as a general insurance company under the Insurance Act, and having its registered office at 40-46 Knutsford Boulevard, Kingston 5 in the parish of St. Andrew.

(f) except where otherwise indicated, references to money shall refer to the lawful currency of Jamaica;

(g) except where the context otherwise requires, words denoting the singular shall include the plural and vice versa; words denoting any gender shall include all genders; words denoting persons shall include firms and corporations and vice versa;

(h) all references to a statutory provision shall be construed as including references to:

- (i) any statutory modification, consolidation or re-enactment (whether before or after today's date) for the time being in force;
- (ii) all statutory instruments or orders made pursuant to it;





- (iii) any statutory provisions of which it is a consolidation, re-enactment or modification;
- (h) unless otherwise stated a reference to an Article is a reference to an Article of this Agreement;
- (i) article headings are for ease of reference only and do not affect the construction of this Agreement.

ARTICLE 2

2. REGULATORY AND OTHER APPROVALS

- 2.1 Dyoll Life and Crown Eagle Life shall apply to the appropriate regulatory authorities for sanction of the transfer constituted by this Agreement in accordance with the relevant provisions of the Insurance Act and regulations on the terms and conditions set out herein either without modification or with such modification as may have been agreed by the parties hereto and approved by such regulatory authorities.
- 2.2 Each party agrees to use its best efforts to obtain all approvals necessary to complete the transfer and assumption contemplated hereby. If the sanctions referred to in Article 2.1 of this Agreement have not been obtained by June 30, 1999, or such later date as may be agreed in writing by the parties hereto, then, at the option of either party, this Agreement shall be void and of no effect.
- 2.3 Dyoll Life and Crown Eagle Life agree that they will each proceed with all due diligence to implement this Agreement as soon as practicable.
- 2.4 Dyoll Life and Crown Eagle Life shall file all documents required by regulatory authorities.
- 2.5 Dyoll Group shall disclose to the Jamaica Stock Exchange such material information relating to the Agreement as they are obliged to do.


Gary P. P.

4


ARTICLE 3

3. **TRANSFER AND ASSUMPTION**

3.1 The assumption and transfer described in this clause 3 shall occur, subject to conditions stated herein, at 12:01 a.m. Eastern Standard Time on the Settlement Date and the obligations and benefits assumed and transferred shall then be effective as of 12:01 a.m. Eastern Standard Time on the Effective Date.

3.2 (a) Crown Eagle Life or its nominee shall assume all the obligations of Dyoll Life's insurance book of business and shall acquire the benefit of all the rights of Dyoll Life in respect of such policies.

(b) Crown Eagle Life or its nominee shall assume all contracts, obligations or undertakings which are reasonably related to Dyoll Life's insurance book of Business, such as policy liabilities, health claims, life claims and general account overdraft.

(c) Dyoll Life, upon approval of the Trustees of Dyoll Group Pension Fund, shall transfer the assets of the Dyoll Group Pension Fund to the new managers to be held in trust for the members of Dyoll Group Pension Fund.

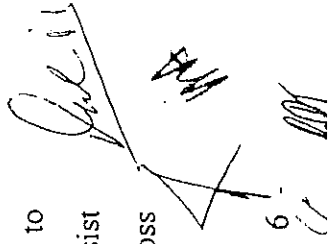
3.3 Dyoll Life shall immediately cease the conduct of business as a life insurance company except for activities related to its winding up. Dyoll Life shall be released and discharged from all further liability for payment of outstanding and future claims as to the Dyoll Life insurance book of business. This release and discharge excludes liabilities and claims, losses, damages and expenses relating to or arising out of gross negligence, illegality, willful misconduct, fraud or bad faith occurring during Dyoll Life's management and administration of the Dyoll Life insurance book of business.

(a) Dyoll Life hereby authorizes Crown Eagle Life to exercise all rights and powers in connection with rights and powers under or pursuant to



the Dyoll Life insurance book of business which Dyoll Life possesses and which it would exercise if this Agreement were not made

- 3.4 To assist in the restructuring of the Dyoll Group and as a means of intervention in Dyoll Life, which is insolvent, FINSAC shall repay Dyoll Life's commercial paper obligations to Dyoll Group Pension Fund in the amount of approximately \$7.1 million.
- 3.5 As further assistance in the restructuring of the Dyoll Group and as a means of intervention in Dyoll Life, which is insolvent, FINSAC shall repay approximately \$60 million of Dyoll Life's overdraft facility at National Commercial Bank (Jamaica) ("NCB"). FINSAC shall be entitled to procure the discharge and release or subordination of NCB's charge over the Drax Hall property. A charge in favor of FINSAC in an amount not exceeding the amount of financial assistance to Dyoll Life provided pursuant to this agreement shall be lodged in the highest rank priority possible.
- 3.6 Dyoll Life shall inform the Trustees of the Dyoll Group Pension Fund of the transfer of its insurance book of business within three (3) days after signing this agreement. Dyoll Group shall procure the approval of the Trustees of the Dyoll Group Pension Fund of the assignment of administration/management contract to Crown Eagle Life or to another life insurance company not controlled by the Dyoll Group. Dyoll Group shall provide copies to FINSAC of correspondence evidencing the selection of a new Pension Fund manager.
- 3.7 Dyoll Group shall procure the adherence of Dyoll Insurance to the operational guidelines contained at Appendix I. FINSAC is to have a right of prior approval of any candidate considered for the position of CEO of Dyoll Insurance.
- 3.8 The indebtedness of Dyoll Life to FINSAC for the assistance provided pursuant to article 3 of this Agreement shall be evidenced by a Promissory Note executed by Dyoll Life in the form contained in Appendix II.
- 3.9 Dyoll Group shall procure the execution by Dyoll Insurance of a debenture note in the form contained at Appendix III as evidence of the indebtedness due to FINSAC for a loan in the amount of \$135 million to Dyoll Insurance to assist Dyoll Insurance in meeting its regulatory capital requirements following the loss

The block contains handwritten signatures and initials. At the top, there is a signature that appears to be 'Julia'. Below it, there are initials 'F.M.' and 'M.M.' written in a stylized, slanted font.

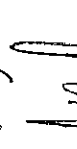
in value of its preference shares in Dyoll Life.

ARTICLE 4

4. **WARRANTIES, COVENANTS AND UNDERTAKINGS**

- 4.1 Crown Eagle Life and FINSAC covenant and undertake to indemnify Dyoll Life and save it harmless from all claims, demands, actions, causes of action, proceedings, losses and costs whatsoever in respect of the life insurance policy liabilities limited in all cases to those resulting from occurrences or events subsequent to the Effective Date.
- 4.2 Dyoll Life undertakes to deliver to Crown Eagle Life, all applications for the life insurance policy liabilities and copies of such policies and the insurance records, documents and books of account, together with such other material in the possession of Dyoll Life which Crown Eagle Life may reasonably require for the administration of the life insurance policy liabilities of the contracts, obligations and undertakings.
- 4.3 Dyoll Group hereby covenants and agrees to indemnify FINSAC and Crown Eagle Life and hold them harmless from all claims, demands, actions, causes of actions, proceedings, losses and costs whatsoever resulting from
- (i) the failure by Dyoll Life properly to perform the undertaking contained in Article 4.2 of this Agreement and
- (ii) any material breach by Dyoll Life of the warranties and representations contained in Articles 4.4 and 4.5 of this Agreement.
- 4.4 Dyoll Group warrants and represents to FINSAC and Crown Eagle Life, their successors, and assigns, as follows, which warranties and representations will survive the Settlement Date and any assignment or transfer of assets or taking over of liabilities hereunder, regardless of what investigation, if any, FINSAC and Crown Eagle Life shall have made prior thereto.
- (a) Based on the actuarial valuation conducted as at December 31, 1998, there are no liabilities of any nature under or in respect of the life insurance policy liabilities, those contracts, obligations or undertakings referred to in





Article 3.2(b) herein whether accrued, absolute, contingent, or otherwise, other than those disclosed in writing to FINSAC and Crown Eagle Life or in the documentation evidencing the Dyoll Life insurance book of business, contracts, obligations or undertakings.

(b) On the date of this Agreement and on the Settlement Date, Dyoll Life has no knowledge of any defect or encumbrance of any kind which would limit its right or power to transfer and assign to Crown Eagle Life or its nominee, all its rights to or arising under any lease or agreement referred to in Article 3.2, other than as disclosed in writing to FINSAC and Crown Eagle Life.

(c) To the knowledge of Dyoll Life there is no pending or threatened claim or litigation against Dyoll Life involving any of the life insurance policy liabilities or in respect of or arising under any of those contracts, obligations or undertakings listed in Article 3.2, other than as disclosed in writing to FINSAC and Crown Eagle Life.

4.5 Dyoll Group gives the following additional warranties:

- (a) Dyoll Life has full power, authority and legal right to execute and deliver this Agreement;
- (b) Dyoll Life has taken all necessary corporate action to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby;
- (c) This Agreement has been duly executed and delivered by Dyoll Life and constitutes a legal, valid and binding obligation of Dyoll Life enforceable in accordance with its terms;




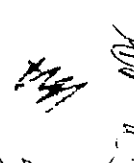


- (d) The execution and delivery of this Agreement and the performance by Dyoll Life of any of its obligations hereunder will not contravene, breach or result in any default under the articles, by-laws, chartering documents or other organizational resolutions or proceedings of Dyoll Life or under any mortgage, lease, agreement, contract of insurance, other legally binding instrument, licence, permit, statute, regulation, order, judgement, decree or law to which it is a party or to which it may be bound.
- (e) That it has paid all taxes, duties and discharged all statutory obligations with respect to the Dyoll Life insurance book of business being transferred.
- (f) The assets of the Dyoll Group Pension Fund referred to in this Agreement are owned by Dyoll Group Pension Fund absolutely.
- (g) Other than as disclosed in writing by Dyoll Life or Dyoll Group, no Dyoll Group Pension Fund assets have been disposed of, granted, or agreed as to the grant of any security or other encumbrances in respect thereof. Nor has any agreement or commitment to give or create, any option, lien or encumbrance in respect thereof been made.
- (h) There has been no exercise, purported exercise or claim for any charge, lien, encumbrance or equity over any of the assets and there is no dispute directly or indirectly relating to any of the assets.
- (i) Dyoll Life is not engaged in any litigation or arbitration proceedings as plaintiff or defendant. Dyoll Life has no debt collection matters for sums exceeding an aggregate of \$1 Million. There are no such proceedings pending or threatened either by or against Dyoll Life and there are no facts which are likely to give rise to any litigation or arbitration.
- (j) The Group shall procure that Dyoll Life complies with the provisions of this clause and Dyoll Life agrees:





1. Not to create or allow to subsist over its assets and/or undertakings any new charge, pledge, hypothecation mortgage or other security interests without the prior written consent of the Purchaser.
2. FINSAC will be a creditor entitled to prove in a liquidation/winding up of Dyoll Life along with other creditors of Dyoll Life to the extent of the value of the amount of its assistance pursuant to this Agreement.
3. To advise FINSAC fully of the terms and conditions under which it held insurance policies.
4. Not to pay, prepay or repay any of its debts without the prior written consent of FINSAC.
5. Not to purchase or otherwise acquire any assets without the prior written consent of FINSAC.
6. Not to make any payment outside of the ordinary course of business and not to make any payment in excess of Ten Thousand Dollars (\$10,000.00) other than for salaries on existing terms and conditions of employment without the prior written consent of FINSAC.
7. Not to make any payment directly or indirectly to any shareholder of any class of shares whatsoever or to any Director of Dyoll Life without the prior written consent of FINSAC.
8. Not to grant or enter into any agreement to grant new security to any creditor or enter into any other arrangements with its creditors without the prior written consent of FINSAC.
9. Not to increase the interest, fees or commission rates in favour of any creditors or other third parties without the prior written consent of FINSAC.
10. Not to sell, transfer or otherwise dispose of its assets to or any part thereof to any connected party without FINSAC's prior written approval.
11. Not to make any payments to any connected party, including payments for management fees or any other payment to Dyoll Group without FINSAC's prior approval.


10


12. Not to sell, lease, transfer or otherwise dispose of any of its assets having a value in excess of Five Thousand dollars (\$5,000.00) or any part thereof other than with the prior written consent of FINSAC and for full consideration.
13. Not to do or omit to do anything which will or may accelerate the repayment of any loans to it or cause demand to be made against it by any creditor without the prior written consent of FINSAC.
14. To take appropriate steps requested by FINSAC in writing to enforce any security interest held in Dyll Life's favour and to call in any guarantees held by it.
15. Not to make or attempt to make any alteration in the provisions of its Memorandum or Articles of Association without the prior written consent of FINSAC.
16. To comply with the provisions of any statute or order or regulation thereunder which governs the conduct of its business.
17. Not to give time for payment of any bill or bills of exchange or promissory note or notes or other security or security which it holds without the prior written consent of FINSAC.
18. Not to make any loan or advance or give any guarantee for the payment of money or provide any credit without the prior written consent of FINSAC.
19. Not to assume or incur any additional liabilities whatsoever after the date hereof without the prior written consent of FINSAC.
20. Not to repay any of its Directors or Shareholders any moneys lent to it by them, save and except as provided herein.
21. Not to declare any dividend or make any distribution to its Shareholders.
22. Not to neglect or forbear to enforce payments of any moneys or interest due to it or otherwise vary the terms of any security without FINSAC's prior approval in writing.

John P. P.

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23. To send notice of all its general meetings and meetings of its Directors to FINSAC at the same time as notice of such meetings is sent to the Shareholders or Directors and to enable a representative of FINSAC to attend and participate but not vote at such meetings.

24. Not to employ or engage the services of anyone and not to change the terms of the engagement, employment, or appointment of any persons engaged, employed, or appointed by it.

25. To immediately pay over to Crown Eagle Life any sums received after the date of this Agreement, which relate to the Dyoll Life insurance book of business.

4.6 (a) The liability of Dyoll Group in respect of the warranties set out in this Agreement shall not exceed \$15 M in aggregate and Dyoll Group shall not be liable to pay any claim which does not exceed the amount of \$10,000. In case of claims exceeding \$10,000 the whole amount of the claim will be payable and not merely the excess.

(b) Liability of Dyoll Group in respect of the warranties set out in this Agreement shall cease two years after the Effective Date.

4.7(a) The liability of Dyoll Life in respect of the warranties set out in this Agreement shall not exceed \$15M in aggregate and Dyoll Life shall not be liable to pay any claim which does not exceed the amount of \$10,000. In the case of claims exceeding \$10,000 the whole amount of the claim will be payable and not merely the excess.

(b) Liability of Dyoll Life in respect of the warranties set out in this Agreement shall cease two years after the Effective Date.

ARTICLE 5

5. COSTS

5.1 All costs, charges and expenses incidental to the preparation and completion of this Agreement (including legal charges, attorney's fees and similar charges) and any other costs for the execution of and implementation of this



Agreement (including any stamp duties or transfer taxes) shall be borne by the party who incurred the expense unless otherwise agreed in writing by the parties.

ARTICLE 6

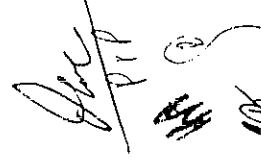

6. AUDIT

- 6.1 Dyoll Life shall permit Crown Eagle Life and any other such entity as FINSAC may appoint to manage the Dyoll Life insurance book of business, to examine all the records and books of Dyoll Life's operation and such other information reasonably relating to its operation as FINSAC may request. Crown Eagle Life acknowledges that it shall have access to such records and books pending final governmental approval of this Transfer and Assumption Agreement and subject to a separate written Management Agreement. FINSAC and its designee shall have opportunity to carry out an audit of the assets and liabilities transferred hereunder within three (3) months of the date of this Agreement or the Settlement Date, whichever shall occur later, and each of the parties hereto undertakes to do forthwith what is required of it to bring about the correction of any discrepancies revealed by such audit.
- 6.2 The financial assistance provided pursuant to this Agreement shall be subject to reduction based on the results of FINSAC's audit.

ARTICLE 7

7. PUBLIC RELATIONS

The parties 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. With respect to announcements required to be



made pursuant to the rules of the Jamaica Stock Exchange or any law or regulation or by the order of a court of competent jurisdiction or any other competent authority, Dyoll Group agrees to provide FINSAC with a copy of any disclosure statement, for FINSAC's review and comment, prior to the submission or release of any such statement.

ARTICLE 8


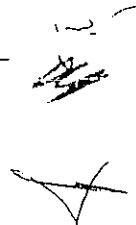

8. FURTHER ASSURANCES

- 8.1 This Agreement is intended to and shall operate as a binding contract for the transfer of assets and assumption of liabilities hereby agreed to in accordance with the terms hereof, but the parties hereto agree to sign and execute all documents and to do all things which are necessary or convenient for more completely and effectually carrying out the intention of this Agreement.

ARTICLE 9

9. TRANSFER OF AGENTS & STAFF

- 9.1 Crown Eagle Life or any other entity appointed to manage the Dyoll Life insurance book of business is hereby given the option to offer contracts of employment to certain agents and administrative staff of Dyoll Life as soon as is practicable after the date of this agreement subject to an operational audit. FINSAC and Crown Eagle Life do not assume the obligations of Dyoll Life or agree to honour past service entitlements in respect of Dyoll Life agents and administrative staff. Dyoll Life shall retain liability for past service entitlements with respect to sales agents and administrative staff, and all past service pension liabilities in respect of sales agents and administrative staff.


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ARTICLE 10


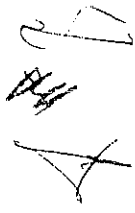
10. PROFITS, DIVIDENDS AND BONUSES

10.1 As of the Effective Date, Crown Eagle Life and its designee shall have the sole right to determine profits accruing and what dividends or bonuses it shall declare in respect of the Dyoll Life insurance book of business which under the terms have the right to participate in surplus, provided that in so doing FINSAC shall ensure that generally accepted standards of actuarial practice are applied.

ARTICLE 11

11. NOTICE TO POLICYHOLDERS

11.1 As soon as possible after the Settlement Date every Dyoll Life policyholder shall receive a Certificate of Assumption from the entity responsible for managing the Dyoll Life insurance book of business. In addition, every policyholder which is a group policy or contract shall receive Notices. Each such group policyholder or group contractholder shall be requested to deliver a Notice to each certificateholder under that group policy or group contract. The Certificates and Notices as described in this paragraph shall, inter alia, state that Crown Eagle Life, with financial assistance provided by FINSAC, has assumed the liabilities of the Dyoll Life insurance book of business and shall stand in place and instead of Dyoll Life under the said policy or contract and that Crown Eagle Life thereafter shall be solely liable directly to each such policyholder, contractholder or certificateholder or other person who has an interest under such policy or contract. The notice shall also identify Crown Eagle Life as the entity responsible for managing the Dyoll Life insurance book of business.

ARTICLE 12

12. NOTICE

12.1 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 in accordance with the provisions hereof. Any such notice shall be delivered personally.

ARTICLE 13

13. SUCCESSORS BOUND

13.1 This Agreement shall be binding on and shall inure to the benefit of the successors and assigns and personal representatives of each of the parties hereto.

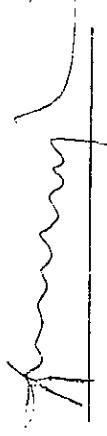
ARTICLE 14

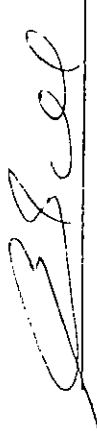
14. GOVERNING LAW

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

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first hereinbefore written.

Executed under the Common Seal)
of FINSAC LIMITED)
by PATRICK HYCTON)
Director and SHARLEY FISDALL)
Secretary / DIRECTOR)
in the presence of:)







Witness



Executed under the Common Seal)
of **CROWN EAGLE LIFE**)
INSURANCE COMPANY)
LIMITED)
by D. M. Cooke)
Director and Priscilla M. Phillips)
Secretary)
In the presence of:)

[Signature]
Rosemary Phillips

[Signature]
Witness

[Signature]
Witness

Executed under the Common Seal)
of **DYOLL LIFE LIMITED**)
by MARK THWAITE)
Director and HARRY ABRAHAM)
Secretary)
in the presence of:)

[Signature]
[Signature]

[Signature]
Witness

Executed under the Common Seal)
of **DYOLL GROUP LIMITED**)
by HARRY ABRAHAM)
Director and CHRISTINE PARKES)
Secretary)
in the presence of:)

[Signature]
[Signature]

[Signature]
Witness

APPENDIX I

Dyoll Insurance Company Limited

Guidelines for Permissible Transactions

1. No investments in excess of \$3,000,000 without prior written approval of FINSAC Limited.
2. No transactions with affiliates without prior written approval of FINSAC Limited.
3. No change in bank accounts without prior written approval of FINSAC Limited.
4. No change in salaries and benefits without prior written approval of FINSAC Limited.
5. No executive foreign travel expenses without prior written approval of FINSAC Limited.
6. No new product lines without prior written approval of FINSAC Limited.
7. No new reinsurance agreements (except facultative) without prior written approval of FINSAC Limited.
8. No retention in excess of \$30,000,000 without prior written approval of FINSAC Limited.
9. No sale of assets in excess of \$3,000,000 without prior written approval of FINSAC Limited.
10. No new agreements with brokers without prior written approval of FINSAC Limited.
11. No new leases or other commitments without prior written approval of FINSAC Limited.
12. No new or amended agency agreements without prior written approval of FINSAC Limited.
13. No advances against commissions beyond the policy anniversary date.
14. No purchases in excess of \$3,000,000 without prior written approval of FINSAC Limited.
15. No amendments to the Dyoll Group's Pension Fund without prior written approval of FINSAC Limited.
16. No loans to officers or directors of Dyoll Insurance Limited or officers and directors of affiliated companies without prior written approval of FINSAC Limited.
17. No increases or decreases in rates or underwriting rules without prior written approval of FINSAC Limited.
18. No dividend payments or capital distributions without prior written approval of FINSAC Limited.

APPENDIX II

DYOLL LIFE LIMITED

PROMISSORY NOTE

THIS NOTE IS NOT TRANSFERABLE AND IS NOT A NEGOTIABLE INSTRUMENT. NO DAYS OF GRACE SHALL BE ADDED TO ANY TIME FOR PAYMENT.

ISSUE DATE: _____

NO.: _____

MATURITY DATE: _____

PRINCIPAL AMOUNT: J\$ _____

FOR VALUE RECEIVED, **DYOLL LIFE LIMITED** ("the Promisor") HEREBY UNCONDITIONALLY PROMISES TO PAY TO **FINSAC LTD.** of 76 Knutsford Boulevard, Kingston 5, in the parish of Saint Andrew the sum of JAMAICAN DOLLARS (J\$ _____) ("the Principal Amount") on the Maturity Date set out above.

The Promisor further promises to pay interest on the Principal Amount (or such part of the Principal Amount as shall be outstanding from time to time) from _____ at the Agreed Rate (both before as well as after any judgment). Such interest shall be paid semi-annually on _____ and _____ of each year ("Interest Payment Dates"), the first such payment shall be due and payable on (1st interest payment date). Provided that if any interest payment date is not a day on which banks are open for business in Jamaica, then payment shall instead be made on the first day thereafter on which banks are open for business in Jamaica and such payment shall include interest accrued to the actual date of payment.

Each of the interest payments due hereunder may, at the Promisor's option be satisfied by payment in cash or cheque.

All payments of principal and interest under the Note shall be made payable to FINSAC Limited ("FINSAC") at its registered office or at such other that FINSAC shall maintain for that purpose.

The Promisor shall have the right to repay without premium or penalty and without prior notice the whole or any part of the principal sum due and owing from time to time hereunder. Upon effecting any repayment, the principal sum shall as at date of such prepayment, be reduced by the amount prepaid.

The Promisor agrees to remain fully bound until this Note shall be fully paid and waives demand, presentment, protest and all notices of any kind in the enforcement of

[Handwritten initials]

this Note. The failure of FINSAC Limited to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that any other instance.

This Note is not transferrable and is not a negotiable instrument. No days of grace shall be added to any time for payment.

In This Note:

- (a) "Agreed Rate" shall mean Treasury Bill rate as at issue date plus 100 basis points calculated on the Principal Sum from issue date to 1st interest Payment Date and after 1st Payment Date shall mean the aggregate of the weighted average yield rate applicable to the latest six-month Treasury Bill tender ("WAYR") (expressed as a percentage per annum) plus 100 basis points. The Agreed Rate shall be reset on each interest Payment Date commencing on 1st interest Payment Date based on the latest six-month Treasury Bill tender as at the day immediately preceding such interest Payment Date ("Reset Date"). If as at any Reset Date there are in issue no six-month Treasury Bills issued by the Bank of Jamaica during the 90-day period immediately preceding such Reset Date, then the Agreed Rate shall be determined using the WAYR on the latest Treasury Bill tender with a tenor of 136 to 210 days plus 100 basis points.
- (b) References to six-month Treasury Bills shall mean Treasury Bills for bearing a maturity period of 179 to 183 days and, if pursuant to subparagraph (a) above, Treasury Bills with a tenor of 136 to 210 days are used to determine the Agreed Rate then, for the purposes hereof, such Treasury Bills shall be deemed to be six-month Treasury Bills.

This Note is governed by, and shall be construed in accordance with the Laws of Jamaica.

DYOLL LIFE LIMITED

By: _____

By: _____

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WY

this Note. The failure of FINSAC Limited to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that any other instance.

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In This Note:

- (a) "Agreed Rate" shall mean Treasury Bill rate as at issue date plus 100 basis points calculated on the Principal Sum from issue date to 1st interest Payment Date and after 1st Payment Date shall mean the aggregate of the weighted average yield rate applicable to the latest six-month Treasury Bill tender ("WAYR") (expressed as a percentage per annum) plus 100 basis points. The Agreed Rate shall be reset on each interest Payment Date commencing on 1st interest Payment Date based on the latest six-month Treasury Bill tender as at the day immediately preceding such interest Payment Date ("Reset Date"). If as at any Reset Date there are in issue no six-month Treasury Bills issued by the Bank of Jamaica during the 90-day period immediately preceding such Reset Date, then the Agreed Rate shall be determined using the WAYR on the latest Treasury Bill tender with a tenor of 136 to 210 days plus 100 basis points.
- (b) References to six-month Treasury Bills shall mean Treasury Bills for bearing a maturity period of 179 to 183 days and, if pursuant to subparagraph (a) above, Treasury Bills with a tenor of 136 to 210 days are used to determine the Agreed Rate then, for the purposes hereof, such Treasury Bills shall be deemed to be six-month Treasury Bills.

This Note is governed by, and shall be construed in accordance with the Laws of Jamaica.

DYOLL LIFE LIMITED

By: _____

By: _____

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FINSAC LIMITED
BALANCE SHEET
AS AT MARCH 31, 2011

| | MARCH 2011 \$'000 | MARCH 2010 \$'000 | Increase/ (Decrease) | <u>REMARKS</u> |
|--|---------------------------|---------------------------|-------------------------|--|
| ASSETS | | | | |
| NOTES | | | | |
| Plant and Equipment | 1,338 | 532 | | 806 Purchase of 10 computers |
| Intangible Assets | (0) | - | (0) | |
| Investment in Subsidiaries and Associates | 60,934 | 60,934 | (0) | |
| Investment in Securities | - | - | | |
| Long Term Receivables | 82,874 | 82,874 | | 0 |
| Due from Related Party | 325,236 | 454,910 | (129,674) | JRF \$66M; Repo \$71M |
| Accounts Receivable | 550,848 | 322,748 | 228,100 | JRC \$50M; NIC \$120M; JMLAS \$35M; AJAX \$23M |
| Securities purchased under resale agreements | 656,337 | 441,404 | 217,983 | |
| Cash and bank balances | 355,733 | 77,616 | 278,117 | |
| Total assets | <u>2,036,350</u> | <u>1,441,018</u> | | |
| EQUITY AND LIABILITIES | | | | |
| Capital and Reserves | | | | |
| Share capital | 1 | 1 | | |
| Contributed Capital | 105,532,781 | 105,532,778 | | 3 AIC \$127M; ACCT. GEN. \$ 127M |
| Accumulated Deficit | (107,295,961) | (107,871,760) | (575,799) | |
| Total equity | <u>(1,763,179)</u> | <u>(2,338,981)</u> | | |
| Liabilities | | | | |
| Accounts Payable and Accruals | 1,435,277 | 1,435,274 | | |
| Provisions | 2,364,252 | 2,344,725 | 19,527 | Increase in provision for year. Avg rate 8.15 |
| Total liabilities | <u>3,799,529</u> | <u>3,779,999</u> | | |
| Total equity and liabilities | <u>2,036,350</u> | <u>1,441,018</u> | | |