

## MASTER REPURCHASE AGREEMENT

This Master Repurchase Agreement is made as of the day of \_\_\_\_\_, 20\_\_

### Between:

- (1) First Citizens Investment Services Limited, a limited liability company duly registered as an external company under the Companies Act, Cap. 13.01 of the Laws of Saint Lucia as Company number F \_\_\_\_\_, and having its registered office at John Compton Highway, Sans Souci, Castries in the island of Saint Lucia, Licensed Broker No. SL-BD-0004-11 ('Party A'); and
- (2) \_\_\_\_\_ of \_\_\_\_\_ (the '**Party B**').

Party A and Party B are hereinafter referred to collectively as "Parties" and individually as "Party".

Whereas Party A is a broker/dealer duly licensed under the laws of the Saint Lucia to carry on the business of dealing in Securities (as defined hereinafter) in Saint Lucia.

AND Whereas Party A and Party B have agreed to the sale and repurchase of Securities to each other for the consideration and on the terms and conditions set out hereinafter.

NOW Therefore, the Parties hereto agree as follows:

### 1. Applicability

- (a) From time to time from the **Effective Date** of the Agreement, the Parties hereto may enter into transactions in which one Party, (the '**Seller**') agrees to sell to the other Party, (the '**Buyer**') securities ('**Securities**') against the payment of the purchase price by Buyer to Seller, with a simultaneous agreement by the Buyer to sell to the Seller Securities equivalent to such Securities at a date certain against the payment of the repurchase price by the Seller to the Buyer.
- (b) Each such transaction (which may be a repurchase transaction ('**Repurchase Transaction**')) shall be referred to herein as a '**Transaction**' and shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto, unless otherwise agreed in writing.

### 2. Definitions

- (a) "**Act of Insolvency**" shall occur with respect to any Party hereto upon –

- (i) its making a general assignment for the benefit of, entering into a reorganisation, arrangement, or composition with creditors; or
  - (ii) the Party being deemed to be unable to pay its debts pursuant to section 386 of the Companies Act Cap 13.01 of the Revised Laws of Saint Lucia or Art 544 of the Commercial Code Act Chap 244 of the laws of Saint Lucia; or
  - (iii) its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
  - (iv) the presentation or filing of a petition in respect of it (other than by the counterparty to this Agreement in respect of any obligation under this Agreement) in any court or before any agency alleging or for the bankruptcy, winding-up or insolvency of such Party (or any analogous proceeding) or seeking any reorganisation, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition (except in the case of a petition for winding-up or any analogous proceeding, in respect of which no such 30 day period shall apply) not having been stayed or dismissed within 30 days of its filing; or
  - (v) the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such Party or over all or any material part of such Party's property; or
  - (vi) the convening of any meeting of its creditors for the purposes of considering a voluntary arrangement as referred to in section 418 of the Companies Act (or any analogous proceeding); or
  - (vii) admitting in writing that it is unable to pay its debts as they become due;
- (b) "**Base Currency**" means the currency indicated in Annex I hereto;
  - (c) "**Business Day**" means any day, other than a Saturday or Sunday or any other day on which there is declared a public holiday in the Saint Lucia.
  - (d) "**Cash Margin**" means a cash sum paid to the Buyer or Seller in accordance with paragraph 5;
  - (e) "**Confirmation**" has the meaning specified in paragraph 3(b);
  - (f) "**Contractual Currency**" has the meaning specified in paragraph 9(a);
  - (g) "**Defaulting Party**" has the meaning specified in paragraph 12;
  - (h) "**Default Notice**" means a written notice served by the non-Defaulting Party on the Defaulting Party under paragraph 12 stating that an event shall be treated as an Event of Default for the purposes of this Agreement;
  - (i) "**Distributions**" has the meaning specified in sub-paragraph ( o ) below;
  - (j) "**Effective Date**" shall be the *(date of the Agreement)* \_\_\_\_\_
  - (k) "**Equivalent Margin Securities**" means Securities equivalent to Securities previously transferred as Margin Securities;

- (l) "**Equivalent Securities**" with respect to a Transaction means Securities equivalent to Purchased Securities under that Transaction. If and to the extent that such Purchased Securities have been redeemed, the expression shall mean a sum of money equivalent to the proceeds of the redemption;
- (m) Securities are "equivalent to" other Securities for the purposes of this Agreement if they are: (i) of the same issuer; (ii) part of the same issue; and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other Securities;
- (n) "**Event of Default**" has the meaning specified in paragraph 12;
- (o) "**Income**" means with respect to any Security at any time, all interest, dividends or other distributions thereon, but excluding distributions which are a payment or repayment of principal in respect of the relevant securities ("**Distributions**");
- (p) "**Income Payment Date**" means with respect to any Securities, the date on which Income is paid in respect of such Securities or, in the case of registered Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income;
- (P) "**Legally Incapacity or Legally Incapacitated**" means temporary or permanent impairment by mental and/or physical deficiency, disability, illness or by the use of drugs and alcohol to the extent a person lacks sufficient understanding to make rational decisions or engage in responsible actions and for which the relevant medical and legal document has been provided to support such impairment;
- (q) "**Margin Ratio**" with respect to a Transaction, means the Market Value of the Purchased Securities at the time when the Transaction was entered into divided by the Purchase Price (and so that, where a Transaction relates to Securities of different descriptions and the Purchase Price is apportioned by the Parties among Purchased Securities of each such description, a separate Margin Ratio shall apply in respect of Securities of each such description), or such other proportion as the Parties may agree with respect to that Transaction. The minimum Margin Ratio is set out in **Annex I**;
- (r) "**Margin Securities**" in relation to a Margin Transfer means Securities reasonably acceptable to the Party calling for such Margin Transfer;
- (s) "**Margin Transfer**" means any, or any combination of, the payment or repayment of Cash Margin and the transfer of Margin Securities or Equivalent Margin Securities;
- (t) "**Market Value**" means with respect to any Securities as of any time on any date, the price of the fair market value of the security, as agreed by the Parties or as determined by a mutually agreed to independent professional having the required experience or from a generally recognized source agreed to by the Parties plus the aggregate amount of Income which as of such date has accrued but not yet paid in respect of the Securities to the extent not included in such price as of such date and for these purposes any sum in a currency other than the Contractual Currency for the Transaction in question shall be converted into such Contractual Currency as the Spot Rate prevailing at the relevant time;
- (u) "**New Purchased Securities**" has the meaning specified in paragraph 10(a);
- (v) "**Price Differential**" means with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the

Purchase Price for such Transaction (on a 365 day basis) for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of calculation or, if earlier, the Repurchase Date;

- (w) "**Pricing Rate**" with respect to any Transaction means the per annum percentage rate for calculation of the Price Differential agreed to by Buyer and Seller in relation to that Transaction;
- (x) "**Purchase Date**" with respect to any Transaction means the date on which Purchased Securities are to be sold by the Seller to the Buyer in relation to that Transaction;
- (y) "**Purchase Price**" on the Purchase Date means the price at which Purchased Securities are sold or are to be sold by the Seller to the Buyer;
- (z) "**Purchased Securities**" with respect to any Transaction means the Securities sold or to be sold by the Seller to the Buyer under that Transaction, and any New Purchased Securities transferred by the Seller to the Buyer under paragraph 10 in respect of that Transaction;
- (aa) "**Repurchase Date**" with respect to any Transaction means the date on which the Buyer is to sell Equivalent Securities to the Seller in relation to that Transaction;
- (bb) "**Repurchase Price**" with respect to any Transaction and as of any date means the sum of the Purchase Price and the Price Differential as of such date;
- (cc) "**Special Default Notice**" has the meaning specified in paragraph 14;
- (dd) "**Spot Rate**" means where an amount in one currency is to be converted into a second currency on any date, unless the Parties otherwise agree, the spot rate of exchange quoted by First Citizens Bank Limited for the sale by it of such second currency against a purchase by it of such first currency;
- (ee) "**Term**" means with respect to any Transaction, the interval of time commencing with the Purchase Date and ending with the Repurchase Date;
- (ff) "**Termination**", with respect to any Transaction, refers to the requirement with respect to such Transaction for the Buyer to sell Equivalent Securities against payment by the Seller of the Repurchase Price in accordance with paragraph 3(e), and reference to a Transaction having a "fixed term" shall be construed accordingly;
- (gg) "**Transaction**" has the meaning ascribed in paragraph 1;
- (hh) except in paragraphs 14(b)(i) and 19, references in this Agreement to "written" communications and communications "in writing" include communications made through any electronic system agreed between the Parties which is capable of reproducing such communication in hard copy form;
- (ii) references to, or to any provision of, any treaty, legislation, statute, directive, regulation, judgment, decision, decree, order, instrument, by-law, or any other law of, or having effect in, any jurisdiction ('Laws') shall be construed also as references to all other Laws made under the Law referred to, and to all such Laws as amended, re-enacted, consolidated or replaced or as their application is modified by other laws from time to time, and whether before or after the date of this Agreement;

- (jj) references to 'this Agreement' or to any other agreement or document referred to in this agreement means this agreement or such other agreement or document as amended, varied, supplemented, modified or novated from time to time, and include the schedules and appendices;
- (kk) references to the singular shall include the plural and vice versa and references to the masculine, the feminine and the neuter shall include each other such gender and where there are at any time more than two Parties to this Agreement references to 'either Party' or 'the other Party' or similar expressions shall be construed as reference to all or any of them as the context requires and except where otherwise expressly stated any obligations thereby assumed by two or more Parties shall be joint and several;
- (ll) references to 'Parties' are references to the Parties to this Agreement, and references to a 'person' include any individual, company, body corporate, corporation sole or aggregate, government, state or agency of a state, firm, partnership, joint venture, association, organisation or trust (in each case, whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists) and a reference to any of them shall include a reference to the others;
- (mm) references to paragraphs are to paragraphs of this Agreement. References to this Agreement shall include the annex(es); and
- (nn) the headings are inserted for convenience only and shall not affect the construction of this Agreement.

### **3. Initiation; Confirmation; Termination**

- (a) A Transaction may be entered into orally or in writing at the initiation of either the Buyer or the Seller.
- (b) Upon agreeing to enter into a Transaction hereunder the Buyer or the Seller, as shall have been agreed, shall by the business day next following a transaction deliver to the other Party written confirmation of such Transaction (a "**Confirmation**").

The Confirmation shall describe the Purchased Securities (including any identifying number or numbers, if any), identify the Buyer and the Seller and set forth -

- (i) the Purchase Date;
- (ii) the Purchase Price;
- (iii) the Repurchase Date or in the case of no Repurchase Date, that the Transaction is terminable on demand by either Buyer or Seller;
- (iv) the Pricing Rate applicable to the Transaction;
- (v) in respect of each Party the details of the bank account(s) to which payments to be made hereunder are to be credited;
- (vii) any additional terms or conditions of the Transaction;

and may be in the form of Annex II hereto or may be in any other form to which the Parties agree. The Party to whom the Confirmation is delivered shall countersign the Confirmation and deliver a copy of same to the Party submitting such Confirmation.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between the Buyer and the Seller for that Transaction. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only unless objection is made with respect to the confirmation promptly after receipt thereof.

- (c) On the Purchase Date for a Transaction, the Seller shall transfer the Purchased Securities to the Buyer against the payment of the Purchase Price by the Buyer.
- (d) Termination of a Transaction will be effected, in the case of fixed term Transactions, on the date fixed for Termination.
- (e) On the Repurchase Date, the Buyer shall transfer to the Seller Equivalent Securities against the payment of the Repurchase Price by the Seller less any amount then payable and unpaid by Buyer to Seller pursuant to paragraph 8.

#### **4 Early Repurchase**

If the Buyer desires to terminate the Transaction prior to the Repurchase Date, the Buyer agrees-

- (i) that the Seller shall have the right to require fourteen (14) days' notice of such early termination; and
- (ii) the Transaction shall be subject to a revised Repurchase Price in accordance with the agreed break rate schedule provided prior to the commencement of the Transaction or determined at the sole discretion of the Seller.

#### **5 Margin Maintenance**

- (a) If at any time the aggregate Market Value of all Purchased Securities subject to any Transaction is less than the aggregate Repurchase Price (such difference is a "margin deficit") then the Seller shall make a Margin Transfer to the Buyer so that the aggregate Market Value for the Purchased Securities, including such Margin Transfer will thereupon equal or exceed the aggregate Repurchase Price.
- (b) To the extent that a Party calling for a Margin Transfer has previously paid Cash Margin which has not been repaid or delivered Margin Securities in respect of which Equivalent Margin Securities have not been delivered to it, that Party shall be entitled to require that such Margin Transfer be satisfied first by the repayment of such Cash Margin or the delivery of Equivalent Margin Securities but, subject to this, the composition of a Margin Transfer shall be at the option of the Party making such Margin Transfer.
- (c) Any Cash Margin transferred shall be in the Base Currency or such other currency as the Parties agree in writing.
- (d) A payment of Cash Margin shall give rise to a debt owing from the Party receiving such payment to the Party making such payment. Such debt shall bear interest at

such rate, payable at such times, as may be specified in Annex I hereto and shall be repayable subject to the terms of this Agreement.

- (e) Where the Seller or the Buyer becomes obliged under sub-paragraph (a) above to make a Margin Transfer, it shall transfer Cash Margin or Margin Securities or Equivalent Margin Securities within the minimum period specified in Annex I hereto or, if no period is there specified, such minimum period as is customarily required for the settlement or delivery of money, Margin Securities or Equivalent Margin Securities of the relevant kind.
- (f) The Seller shall on a monthly basis mark to market the value of the Buyer's proprietary interest in the Purchased Securities which is the subject matter of each Transaction, for the purpose of implementing the minimum Margin set out in Annex I.

## 6. Custodian of Purchased Securities

Unless otherwise agreed, the Eastern Caribbean Central Securities Depository (ECCSD) or such other custodian as approved by the Eastern Caribbean Securities Regulatory Commission shall be appointed by both Parties as the custodian of the Purchased Securities and the Seller will not be liable for defaults arising out of the failure of the custodian to exercise a standard of duty of care.

## 7. Income Payments

- (a) Unless otherwise agreed:
  - (i) where the Term of a particular Transaction extends over an Income Payment Date in respect of any Securities subject to that Transaction, the Buyer shall on the date such Income is paid by the issuer, receive such Income in trust for the Seller and transfer to or credit to the account of the Seller an amount equal to (and in the same currency as) the amount paid by the issuer;
  - (ii) where Margin Securities are transferred from one Party (the '**first Party**') to the other Party (the '**second Party**') and an Income Payment Date in respect of such Securities occurs before Equivalent Margin Securities are transferred by the second Party to the first Party, the second Party shall on the date such Income is paid by the issuer, receive such Income in trust for the first Party and transfer to or credit to the account of the first Party an amount equal to (and in the same currency) the amount paid by the issuer.
- (b) For the avoidance of doubt references in this paragraph to the amount of any Income paid by the issuer of any Securities shall be to an amount paid without any withholding or deduction for or on account of taxes or duties notwithstanding that a payment of such Income made in certain circumstances may be subject to such a withholding or deduction.

## 8. Payment and Transfer

- (a) Unless otherwise agreed to in writing, all money paid hereunder shall be in immediately available freely convertible funds of the relevant currency. All Securities to be transferred hereunder (i) shall be in suitable form for transfer and shall be accompanied by duly executed instruments of transfer or assignment in blank

(where required for transfer) and such other documentation as the transferee may reasonably request, or (ii) shall be pledged by the Seller through the book entry system of the Eastern Caribbean Central Securities Depository or (iii) shall be transferred by any other method mutually acceptable to the Seller and the Buyer.

- (b) Unless otherwise agreed, all money payable by one Party to the other in respect of any Transaction shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, unless otherwise agreed, the paying Party shall pay such additional amounts as will result in the net amounts receivable by the other Party (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted.
- (c) Unless otherwise agreed in writing between the Parties, under each Transaction, transfer or pledge of Purchased Securities by Seller and payment of Purchase Price by Buyer against the transfer or pledge of such Purchased Securities shall be made simultaneously and transfer or pledge of Equivalent Securities by the Buyer and payment of the Repurchase Price payable by the Seller against the transfer or pledge of such Equivalent Securities shall be made simultaneously.
- (d) Subject to and without prejudice to the provisions of sub-paragraph 8(c), either Party may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities and money waive in relation to any Transaction its rights under this Agreement to receive simultaneous transfer and/or payment provided that transfer and/or payment shall, notwithstanding such waiver, be made on the same day and provided also that no such waiver in respect of one Transaction shall affect or bind it in respect of any other Transaction.
- (e) The Parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Purchased Securities, any Equivalent Securities, any Margin Securities and any Equivalent Margin Securities shall pass to the Party to which transfer or pledge is being made upon transfer or pledge of the same in accordance with this Agreement, free from all liens, claims, charges and encumbrances.
- (f) Notwithstanding the use of expressions such as "*Repurchase Date*", "*Repurchase Price*", "*Margin*", "*Margin Ratio*" and "*substitution*", which are used to reflect terminology used in the market for transactions of the kind provided for in this Agreement, all right, title and interest in and to Securities and money transferred or paid under this Agreement shall pass to the transferee upon transfer or payment, the obligation of the Party receiving Purchased Securities or Margin Securities being an obligation to transfer Equivalent Securities or Equivalent Margin Securities.
- (g) Subject to paragraph 12, all amounts in the same currency payable by each Party to the other under any Transaction or otherwise under this Agreement on the same date shall be combined in a single calculation of a net sum payable by one Party to the other and the obligation to pay that sum shall be the only obligation of either Party in respect of those amounts.



- (h) Subject to paragraph 12, all Securities of the same issue, denomination, currency and series, transferable by each Party to the other under any Transaction or hereunder on the same date shall be combined in a single calculation of a net quantity of Securities transferable by one Party to the other and the obligation to transfer the net quantity of Securities shall be the only obligation of either Party in respect of the Securities so transferable and receivable.

## 9. Contractual Currency

- (a) All the payments made in respect of the Purchase Price or the Repurchase Price of any Transaction shall be made in the currency of the Purchase Price (the '**Contractual Currency**'). Notwithstanding the foregoing, the payee of any money may, at its option, accept tender thereof in any other currency, provided, however, that, to the extent permitted by applicable law, the obligation of the payer to pay such money will be discharged only to the extent of the amount of the Contractual Currency that such payee may, consistent with normal banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange) for delivery within the customary delivery period for spot transactions in respect of the relevant currency.
- (b) If for any reason the amount in the Contractual Currency received by a Party, including amounts received after conversion of any recovery under any judgment or order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due and payable, the Party required to make the payment will, as a separate and independent obligation, to the extent permitted by applicable law, immediately transfer such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall.
- (c) If for any reason the amount in the Contractual Currency received by a Party exceeds the amount of the Contractual Currency due and payable, the Party receiving the transfer will refund promptly the amount of such excess.

## 10. Substitution

- (a) A Transaction may at any time between the Purchase Date and Repurchase Date, if the Seller so requests and the Buyer so agrees, be varied by the transfer by the Buyer to the Seller of Securities equivalent to the Purchased Securities, or to such of the Purchased Securities as shall be agreed, in exchange for the transfer by the Seller to the Buyer of other Securities of such amount and description as shall be agreed ('**New Purchased Securities**') (being Securities having a Market Value at the date of the variation at least equal to the Market Value of the Equivalent Securities transferred to the Seller).
- (b) Any variation under sub-paragraph (a) above shall be effected, subject to paragraph 8(d), by the simultaneous transfer of the Equivalent Securities and New Purchased Securities concerned.
- (c) A Transaction which is varied under sub-paragraph (a) above shall thereafter continue in effect as though the Purchased Securities under that Transaction consisted of or included the New Purchased Securities instead of the Securities in respect of which Equivalent Securities have been transferred to the Seller.

- (d) Where either Party has transferred Margin Securities to the other Party it may at any time before Equivalent Margin Securities are transferred to it under paragraph 5 request the other Party to transfer Equivalent Margin Securities to it in exchange for the transfer to the other Party of new Margin Securities having a Market Value at the time of transfer at least equal to that of such Equivalent Margin Securities. If the other Party agrees to the request, the exchange shall be effected, subject to paragraph 8(d), by the simultaneous transfer of the Equivalent Margin Securities and new Margin Securities concerned.

## 11. Representations

Each Party represents and warrants to the other that -

- (a) it is duly authorised to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and thereunder and has taken all necessary action to authorise such execution, delivery and performance;
- (b) it will engage in this Agreement and the Transactions contemplated hereunder as principal;
- (c) the person signing this Agreement on its behalf is, and any person representing it in entering into a Transaction will be, duly authorised to do so on its behalf;
- (d) it has obtained all authorisations of any governmental or regulatory body required in connection with this Agreement and the Transactions contemplated hereunder and such authorisations are in full force and effect;
- (e) the execution, delivery and performance of this Agreement and the Transactions contemplated hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected;
- (f) its obligations under this Agreement are, and its obligations under any Transaction will be, legal, valid and binding;
- (g) it has satisfied itself and will continue to satisfy itself as to the tax implications of the Transactions contemplated hereunder;
- (h) in connection with this Agreement and each Transaction -
- (i) unless there is a written agreement with the other Party to the contrary, it is not relying on any advice (whether written or oral) of the other Party, other than the representations expressly set out in this Agreement;
  - (ii) it has made and will make its own decisions regarding the entering into of any Transaction based upon its own judgment and upon advice from such professional advisers as it has deemed it necessary to consult;
  - (iii) it understands the terms, conditions and risks of each Transaction and is willing to assume (financially and otherwise) those risks; and
- (i) at the time of transfer to the other Party of any Securities it will have the full and unqualified right to make such transfer and that upon such transfer of Securities the other Party will receive all right, title and interest in and to those Securities free of any lien, claim, charge or encumbrance.

On the date on which any Transaction is entered into pursuant hereto, and on each day on which Securities, Equivalent Securities, Margin Securities or Equivalent Margin Securities are to be transferred under any Transaction, the Buyer and the Seller shall each be deemed to repeat all the foregoing representations. For the avoidance of doubt and notwithstanding any arrangements which the Seller or the Buyer may have with any third Party, each Party will be liable as a principal for its obligations under this Agreement and each Transaction.

## 12. Events of Default

- (a) If any of the following events (each an ‘**Event of Default**’) occurs in relation to either Party (the ‘**Defaulting Party**’, the other Party being the ‘**non-Defaulting Party**’) whether acting as the Seller or the Buyer -
- (i) the Buyer fails to pay the Purchase Price upon the applicable Purchase Date or the Seller fails to pay the Repurchase Price upon the applicable Repurchase Date, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (ii) the Seller fails to deliver Purchased Securities on the Purchase Date or the Buyer fails to deliver Equivalent Securities on the Repurchase Date, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (iii) the Seller or the Buyer fails to comply with paragraph 5 and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (iv) the Seller or the Buyer fails to comply with paragraph 7 and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (v) an Act of Insolvency occurs with respect to the Seller or the Buyer and (except in the case of an Act of Insolvency which is the presentation of a petition for winding-up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party in which case no such notice shall be required) the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (vii) any representations made by the Seller or the Buyer are incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (viii) the Seller or the Buyer admits to the other that it is unable to, or intends not to, perform any of its obligations hereunder and/or in respect of any Transaction and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (ix) the Seller or the Buyer fails to perform any other of its obligations hereunder and does not remedy such failure within 30 days after notice is given by the non-Defaulting Party requiring it to do so, and the non-Defaulting Party serves a Default Notice on the Defaulting Party;

then sub-paragraphs (b) to (f) below shall apply.

- (b) The Repurchase Date for each Transaction hereunder shall be deemed immediately to occur and, subject to the following provisions, all Cash Margin (including interest accrued) shall be immediately repayable and Equivalent Margin Securities shall be immediately deliverable (and so that, where this sub-paragraph applies, performance of the respective obligations of the Parties with respect to the delivery of Securities, the payment of the Repurchase Prices for any Equivalent Securities and the repayment of any Cash Margin shall be effected. Where the Securities have been pledged and the Seller is the Defaulting Party, the Seller shall transfer the securities to the Buyer.
- (c) The Defaulting Party shall be liable to the non-Defaulting Party for the amount of all reasonable legal and other professional expenses incurred by the non-Defaulting Party in connection with or as a consequence of an Event of Default, together with interest thereon (as well as before and after judgment) at the default rate set out in Annex 1 hereto.
- (d) The provisions of this Agreement constitute a complete statement of the remedies available to each Party in respect of any Event of Default.
- (e) Neither Party may claim any sum by way of consequential loss or damage in the event of a failure by the other Party to perform any of its obligations under this Agreement.
- (f) Each Party shall immediately notify the other if an Event of Default, or an event which, upon the serving of a Default Notice, would be an Event of Default, occurs in relation to it.

### **13. Single Agreement**

Each Party acknowledges that, and has entered into this Agreement and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that all Transactions hereunder constitute a single business and contractual relationship and are made in consideration of each other. Accordingly, each Party agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, and (ii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder.

### **14. Notices and Other Communications**

- (a) Any notice or other communication to be given under this Agreement -
  - (i) shall be in the English language, and except where expressly otherwise provided in this Agreement, shall be in writing;
  - (ii) may be given in any manner described in sub-paragraphs (b) and (c) below; and
  - (iii) shall be sent to the Party to whom it is to be given at the address or number, or in accordance with the electronic messaging details, set out in Annex I hereto.

- (b) Subject to sub-paragraph (c) below, any such notice or other communication shall be effective-
- (i) if in writing and delivered in person or by courier, at the time when it is delivered;
  - (ii) if sent by facsimile transmission, at the time when the transmission is received;
  - (iii) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), at the time when that mail is delivered or its delivery is attempted;
  - (iv) if sent by electronic messaging system, at the time that electronic message is received;

except that any notice or communication which is received, or delivery of which is attempted, after close of business on the date of receipt or attempted delivery or on a day which is not a day on which commercial banks are open for business in the place where that notice or other communication is to be given shall be treated as given at the opening of business on the next following day which is such a day.

- (c) If –
- (i) there occurs in relation to either Party an event which, upon the service of a Default Notice, would be an Event of Default; and
  - (ii) the non-Defaulting Party, having made all practicable efforts to do so, including having attempted to use either of the methods specified in sub-paragraph (b)(ii) or (iv), has been unable to serve a Default Notice by one of the methods specified in those sub-paragraphs (or such of those methods as are normally used by the non-Defaulting Party when communicating with the Defaulting Party),

the non-Defaulting Party may sign a written notice (a ‘**Special Default Notice**’) which -

- (aa) specifies the relevant event referred to in paragraph 12 which has occurred in relation to the Defaulting Party;
- (bb) states that the non-Defaulting Party, having made all practicable efforts to do so, including having attempted to use either of the methods specified in sub-paragraph (b)(ii) or (iv), has been unable to serve a Default Notice by one of the methods specified in those sub-paragraphs (or such of those methods as are normally used by the non-Defaulting Party when communicating with the Defaulting Party);
- (cc) specifies the date on which, and the time at which, the Special Default Notice is signed by the non-Defaulting Party; and
- (dd) states that the event specified in accordance with sub-paragraph (aa) above shall be treated as an Event of Default with effect from the date and time so specified.

On the signature of a Special Default Notice the relevant event shall be treated with effect from the date and time so specified as an Event of Default in relation to the Defaulting Party, and accordingly references in paragraph 12 to a Default Notice shall

be treated as including a Special Default Notice. A Special Default Notice shall be given to the Defaulting Party as soon as practicable after it is signed.

- (d) Either Party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

#### **15. Indemnity for Electronic Communications**

- (a) Each Party may be entitled to treat instructions and information (“Instructions”) received by way of electronic equipment which shall include but not be limited to facsimile transmission equipment and electronic mail whether such electronic mail is encoded for security purposes or not (“Electronic Communication”) as fully authorized and binding on the other Party and shall be entitled to take the necessary steps in connection with and in reliance upon such Instructions as the receiving Party may in good faith consider appropriate.
- (b) The Parties agree that the issuing Party shall assume full responsibility for all actions taken by the receiving Party or its agents in accordance with Instructions purporting or appearing on their face to have been received from the issuing Party via electronic communication equipment. It is also agreed that if any Instructions are in any way tampered with, or altered by an unauthorised party, that the issuing Party shall bear full responsibility for all actions taken by the receiving Party or its agents in accordance with such Instructions unless it is proven that there was gross negligence or wilful misconduct by the receiving Party.
- (c) In consideration of a receiving Party acting in like manner, the issuing Party shall undertake to indemnify the receiving Party acting upon the said Instructions against all losses, claims, proceedings, demands, damages, costs and expenses incurred or sustained by the said receiving Party of whatever nature and howsoever arising out of or in connection with these instructions by way of electronic communication equipment provided only that the receiving Party acts in good faith.

#### **16. Entire Agreement; Severability**

This Agreement shall supersede any existing agreements between the Parties containing general terms and conditions for Transactions. Each provision and agreement herein shall be treated as separate from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

#### **17. Non-assignability; Termination**

- (a) Subject to sub-paragraph (b) below, neither Party may assign, charge or otherwise deal with (including without limitation any dealing with any interest in or the creation of any interest in) its rights or obligations under this Agreement or under any Transaction without the prior written consent of the other Party, such consent not to be unreasonably withheld. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

- (b) Either Party may terminate this Agreement by giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.
- (c) All remedies hereunder shall survive Termination in respect of the relevant Transaction and termination of this Agreement.

## **18. Transmission**

- (a) Where more than one individuals comprise Party B, in the case of the death of any one of the joint signatories comprising Party B, the survivor or survivors shall be the person(s) recognised by Party A as having any title to or interest to the proceeds concerning the Transaction in the name of such joint signatories. Any liability whatsoever incurred by joint signatories comprising a Party B to Party A shall be joint and several.
- (b) The duly authorized representative of (i) the estate of a deceased Party B who was a sole signatory or was the sole survivor of joint signatories which comprise Party B, or (ii) a Legally Incapacitated Party B shall be recognized by Party A as having title to or interest in or being able to provide instructions regarding the Transaction or notices under the terms of this Agreement on behalf of that deceased or Legally Incapacitated Party B and without further enquiry, Party A may rely on documents which in its sole discretion appear to validly appoint such duly authorized representative. Notice of death or Legal Incapacity of Party B prior to Maturity shall not affect the accrual of interest. Where a Transaction is rolled post Maturity and Party A receives notice of death or Legal Incapacity of Party B, interest shall stop accruing on the Transaction.
- (c) Any person becoming entitled to proceeds of a Transaction in consequence of the death, court order, bankruptcy or insolvency of a sole signatory or of the sole survivor of joint signatories, or by other operation of law, shall, upon producing such evidence as to that person's title as Party A shall think sufficient, be registered as owner of such proceeds upon giving to Party A notice in writing of that person's desire to be registered, or transfer such proceeds to some other individual. All the limitations, restrictions and provisions of this Agreement relating to transfers shall be applicable to any such notice or transfer as if the death, court order, bankruptcy or insolvency had not occurred and such notice or transfer was a transfer executed by Party B. No person becoming entitled under this paragraph may be registered as the owner of the proceeds of the Transaction and no proceeds of the Transaction may be transferred into the name of any other person without the prior consent of Party A. Party A may retain any moneys payable in respect of any Transaction of which any person is under this paragraph entitled to be registered as the account holder, until such person is registered as the account holder.
- (d) In respect of the registration of any probate, letters of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll, transfer form or other document relating to or affecting the title to proceeds of any Transaction, Party A shall be paid such fee as may from time to time be required.

## **19. Governing Law and Dispute Resolution**

This Agreement shall be governed by and construed in accordance with the laws of Saint Lucia. The Buyer and the Seller, subject to paragraph 23 hereunder, hereby irrevocably

submit for all purposes of or in connection with this Agreement and each Transaction to the jurisdiction of the courts of Saint Lucia.

**20. No Waivers, etc.**

No express or implied waiver of any Event of Default by either Party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any Party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any Party to a departure herefrom shall be effective unless and until such modification, waiver or consent shall be in writing and duly executed by both of the Parties hereto.

**21. Waiver of immunity**

Each Party hereto hereby waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment (both before and after judgment) and execution to which it might otherwise be entitled in any action or proceeding in the courts of Saint Lucia or of any other country or jurisdiction, relating in any way to this Agreement or any Transaction, and agrees that it will not raise, claim or cause to be pleaded any such immunity at or in respect of any such action or proceeding.

**22. Recording**

The Parties agree that each may electronically record all telephone conversations between them.

**23. Dispute Resolution**

- (a) Unless settled amicably, any dispute or difference which arises between the Parties hereto out of or in connection with this Agreement shall be referred by any Party to an appropriate and agreed alternative dispute resolution centre ("ADR Centre") in Saint Lucia and (or to such other person, place or institution as the parties may agree in writing) for resolution in accordance with Rules of the said chosen ADR Centre in force for the time being (or such other Rules as the Parties may agree in writing). Any such dispute that is not resolved by negotiation between the parties shall first be referred to a mediator, conciliator or other neutral ("the Neutral") as may be agreed by the Parties in writing and in default of agreement to be appointed by the Chairman, President or Vice-President or Co-ordinator for the time being of the said ADR Centre.
- (b) If any dispute or difference between the Parties is not resolved within three (3) months after reference to a Neutral in accordance with the provisions of paragraph 23 (a) hereof (or such further period as the Parties may agree in writing) such dispute or difference shall be referred to arbitration. For this purpose, the Parties will select a single arbitrator, if one can be mutually agreed; if not, each party shall name an arbitrator and the arbitrators so appointed shall be at liberty to appoint an umpire and the Arbitration shall proceed in accordance with the provisions of the Arbitration Act, Cap. 2.06. The decision by a majority of the arbitration tribunal shall be final and binding on the Parties, and any arbitration costs shall be paid in equal parts between them unless otherwise determined by the arbitration tribunal.
- (c) No party may commence any court proceedings or arbitration in relation to any dispute arising out of this agreement until it has attempted to settle the dispute by alternative



dispute resolution (ADR) as provided in paragraph 23(a) hereto and either the ADR has terminated or the other party has failed to participate in the ADR, provided that the right to issue proceedings is not prejudiced by a delay.

**IN WITNESS WHEREOF** this Agreement has been executed by authorised officers of the undermentioned Parties.

**First Citizens Investment Services Limited (Party B)**

By:	By
Name :	Name:
Title	Title
By :	By
Name	Name
Title	Title
Date:	Date:

**ANNEX I**  
**Supplemental Terms or Conditions**

Paragraph references are to paragraphs in the Agreement.

1. The following elections shall apply -
  - (a) paragraph 2(b). The Base Currency shall be Eastern Caribbean Dollars (XCD\$)
  - (c) paragraph 2(q) The minimum Margin Ratio shall be two percent (2%)
  - (d) paragraph 2(t). The pricing source for calculation of the Market Value shall be a generally recognized pricing source agreed to by the Parties and stated in the relevant Confirmation. If the prices are deemed inaccurate by either Party, Party A shall determine the pricing in its sole discretion based on internal sources.
  - (e) paragraph 3(b) Party A to deliver Confirmation.
  - (f) paragraph 5(d). The interest rate on Cash Margin shall be as agreed the prevailing market rate as determined by First Citizens Bank Limited. Interest to be payable on terms to be agreed in writing by both Parties.
  - (g) paragraph 12(c). Default rate shall be the most recent 90 days Government of Saint Lucia Treasury Bill Rate.

- (h) paragraph 14. For the purposes of paragraph 14 of this Agreement

- (i) Address for notices and other communications for **Party A**–

Name: First Citizens Investment Services Limited  
Address: Sans Souci, Castries, Saint Lucia  
Attention: The Country Manager  
Telephone: xxxxxxxx  
Facsimile: xxxxxxxx  
E-mail:

- (ii) Address for notices and other communications -for **Party B** –

Name:  
Address:  
Attention:  
Telephone:  
Facsimile:  
E-mail:

2. The following supplemental terms and conditions shall apply-

- a. Existing Transactions**

The Parties agree that this Agreement shall apply to all transactions which are subject to a Master Repurchase Agreement (if any) previously entered into between them and which are outstanding as at the date of this Agreement so that such transactions shall be treated as if they had been entered into under this Agreement, and the terms of such transactions are amended accordingly with effect from the Effective Date of this Agreement.

**b. Other Documents**

Each Party shall deliver to the other, upon request, such other documentation including financial statements, articles of incorporation, corporate resolutions, other evidence of capacity, authority, incumbency and specimen signatures and other relevant documents that are required by anti-money laundering legislation or any other laws or as reasonably requested.

**c. Rollover Transactions**

Unless otherwise agreed between the Parties, instructions from Party B to roll are required by close of business day on the day prior to the Repurchase Date of any Transaction. Where no instructions are received pursuant to this paragraph Party A reserves the right to either terminate the relationship and make a payment pursuant to the terms of this Agreement or to roll the Transaction on the same terms and conditions at the prevailing Pricing Rate subject to the availability of Securities.

2. The following Term Sheet document shall apply-

**BUYER**

**ACCOUNT NUMBER**

**CLIENT ID**

**SELLER**

**INVESTMENT DETAILS**

Investment Amount	Term of Transaction	Contractual Currency	<b>XCD</b>
Purchase Date	Repurchase Date	Repurchase Rate	

**PURCHASED SECURITIES**

SECURITY ISSUER	SECURITY TYPE	MARGIN RATIO	CURRENCY	FACE VALUE	MARKET VALUE

**CUSTODIAN OF PURCHASED SECURITIES**

**SUBSTITUTION OF PURCHASED SECURITIES**

If the Seller requests, and the Buyer agrees, the Purchased Securities stated herein may be substituted for Equivalent Securities of similar credit risk or better. Equivalent Securities may also include cash. In the event that the Seller is unable to contact the Buyer, the Buyer agrees that the Seller may proceed with the substitution.

**RISKS OF TRANSACTION**

See overleaf of Term Sheet

**EARLY TERMINATION**

If the Buyer terminates the transaction prior to the Repurchase Date, the Buyer agrees-  
 (i) To provide fourteen(14) days' notice to the Seller of such early termination; and  
 (ii) To be subject to a revised Repurchase Price that reflects 50% of the stated Repurchase Rate if termination occurs after half of the agreed tenor has elapsed and a 0% Repurchase Rate otherwise.

**MATURITY OF AGREEMENT**

If First Citizens Investment Services is unable to contact the buyer by the maturity date, we reserve the right to roll the investment on terms based on available securities and prevailing market conditions.

**DOCUMENTATION**

1. Executed Term Sheet
2. KYC documentation
3. Other documents required by the Seller

**GOVERNING LAW**

Saint Lucia

**Signed on Behalf of the Seller:**

_____ Authorised Signatory 1	_____ Authorised Signatory 2	_____ Date
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**Signed and Accepted on Behalf of the Buyer:**

_____ Name	_____ Signature	_____ Date
_____ Name	_____ Signature	_____ Date



## RISK DISCLOSURE STATEMENT

1. The risks highlighted below represent the principal risk inherent in the Repurchase Agreement. Each of the risks highlighted below could have a material adverse effect on the Buyer's business, operations, financial conditions or prospects. Buyers should note that the risks described below are not the only risk that the Buyers may face or that may arise. The Seller has described only those risks that it considers to be material. There may be additional risks that the Seller currently considers not to be material or of which it is not currently aware and any of these risks could have negative effects for the Buyer. Because of these and other risk factors, Repurchase Agreements may not be suitable for all investors. The value of any securities purchased or sold in connection with a Repurchase Agreement may vary significantly from time to time and may be influenced by many factors including changes in interest rates, foreign exchange rates, default rates, operational or financial conditions of companies, regulatory changes, general market events, world events and other factors. Prior to entering into any such transaction, the Buyer should determine, with the help of investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the Transaction.
  2. First Citizens Investment Services Limited is a broker/dealer registered under the Securities Act 2001 of the revised laws of Saint Lucia and therefore authorized as a Repurchase Agreement Seller. Repurchase Agreements are not deposits.
  3. The Buyer is exposed to the following risks arising from the Repurchase Agreement:
    - a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Buyer is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rate which may result in changes in the fair value of the underlying security associated with the Repurchase Agreement.

The Seller is obliged to provide additional security for the invested amount of the Repurchase Agreement by way of security substitution or additional margin in the event of adverse changes in the fair value of the underlying security associated with the Repurchase Agreement.
    - b. Credit Risk

Credit risk is the risk of loss of principal or loss of interest stemming from the Seller's failure to meet a contractual obligation. The Buyer faces the risk of loss in the event that the Seller defaults on its financial obligations under the terms of the Repurchase Agreement. In the event of a default by the Seller the Buyer faces the risk of loss in the event that the Issuer of the underlying security associated with the Repurchase Agreement fails to meet its obligations as specified in the terms and conditions of the underlying security.

The Buyer's credit exposure at any time is equivalent to the amount invested plus accrued interest. This exposure is offset by the market value of the underlying security (plus additional margin) identified in the Repurchase Agreement.
    - c. Counterparty Risk

Counterparty risk is the risk to each party of a contract that the counterparty will not adhere to its contractual obligations in the specified timeframes. The Buyer faces the risk of loss in the event that the Seller fails to adhere to its contractual obligations over the life of the Repurchase Agreement.
    - d. Liquidity Risk

Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold in a timely manner to prevent or minimize a financial loss. The Buyer faces this risk of loss in the event that the Seller defaults on its financial obligations under the terms of the Repurchase Agreement.
    - e. Operational Risk

Operational risk is the risk that is derived from the deficiencies relating to the Seller's information technology and control systems as well as the risk of human error and natural disasters. The Buyer faces the risk of loss due to the Seller's failure to continuously evaluate, maintain and upgrade existing systems and processes.
    - f. Compliance Risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of Saint Lucia. The Buyer faces risk of loss due to the Seller's failure to continuously monitor controls to ensure compliance with laws and regulations of Saint Lucia.
  4. The Seller would be the sole determinant of the fair market value of the underlying security as specified in the Repurchase Agreement. The Seller may determine the fair market value by asking for quotations from brokers or the Seller can employ the use of an internal valuation for the purposes of determining the fair market value.
-

**ANNEX II  
Form of Confirmation**

**\*\*DATE\*\***

**\*\*CLIENT NAME\*\***

**\*\*CLIENT ADDRESS\*\***

**RE: \*\*CONTRACT ID\*\***

This is to confirm the repurchase transaction entered into between you and First Citizens Investment Services Limited on **\*\*CONTRACT DATE\*\***, as outlined below:

Buyer: **\*\*CLIENT NAME\*\***

Seller: **First Citizens Investment Services Limited**

Securities Purchased:

Security Description	Interest Rate	Maturity Date	Currency	Security Price	Nominal	Face Value

Investment Details:

Purchase Price:	Repurchase Date:
Gross Due at Maturity:	Repurchase Rate:
Net Increase:	Transaction Currency:
Account No.	Exchange Rate:

Custodian: **\*\*CUSTODIAN NAME\*\***

**\*\*CUSTODIAN ADDRESS\*\***

This confirmation supplements and forms a part of, and is subject to the Repurchase Agreement Term Sheet, as amended and supplemented from time to time ("the Agreement") between you and us. All the provisions contained in the agreement govern this confirmation except as expressly modified herein.

If we are unable to contact you on the maturity date, First Citizens Investment Services reserves the right to roll your investment on terms based on security availability and prevailing market conditions.

\_\_\_\_\_  
Authorised Signatory

\_\_\_\_\_  
Authorised Signatory

Confirmed by \_\_\_\_\_  
For and on behalf of the Buyer  
Date:

\_\_\_\_\_