

# JN FUND MANAGERS LIMITED

## TERMS AND CONDITIONS FOR ACCOUNTS

December 2024

### 1. INTRODUCTION

1.1 Save as otherwise expressly provided herein, the provisions set forth in this document: (i) apply to all investment and investment transactions between JN Fund Managers Limited (“**JN FUND MANAGERS**” which expression shall include its successors and assigns) and its clients, (ii) are incorporated by reference into all investment documentation issued by JN FUND MANAGERS to its clients; (iii) may be excluded in whole or in part from any particular contract or transaction between JN FUND MANAGERS and one or more of its clients, if such contract or the documentation for evidencing such transaction - expressly effects such exclusion or expressly contains any specific provision which is inconsistent with any one or more of these provisions; and (iv) shall apply to all investment contracts and investment transactions between JN FUND MANAGERS and its clients in existence as at the date hereof and to all future investment contracts and investment transactions between JN FUND MANAGERS and its clients, unless and until these provisions or any of them are superseded and/or replaced by updated provisions promulgated by JN FUND MANAGERS from time to time.

1.2 Depending upon the type of account the client wishes to operate or the nature of the transactions the client wishes JN FUND MANAGERS to undertake on the client’s behalf, the client may be required to sign additional written agreements with JN FUND MANAGERS. The terms and conditions contained in this Agreement are in addition to and not a substitute for these other written agreements. This Agreement and the terms and conditions of all JN FUND MANAGERS application forms and written agreements made between the client and JN FUND MANAGERS respecting the operation of the clients account in their totality constitute the terms of the contract between the client and JN FUND MANAGERS.

1.3 In the event of any change of applicable laws, rules, guidelines or regulations binding on JN FUND MANAGERS (whether by amendment to existing laws, rules, guidelines or regulations or the coming into effect of new laws, rules or regulations), any provision set forth herein which may be inconsistent with the requirements of the law as so changed shall be deemed to be amended to the extent, and to the extent only, that may be required in order that the provisions of this Agreement comply in full with all applicable law. Such deemed amendment may take the form of deletion, addition and/or variation, as may be required.

### 2. DEFINITIONS

In this Agreement,

“**Agreement**” means, unless stated otherwise, collectively, all of the terms and conditions in this document, as amended from time to time;

“**Business Day**” means a day on which commercial banks in Kingston and St. Andrew are generally open for business, but shall in no event include Saturdays, Sundays or public holidays in Jamaica;

“**clients**” mean the persons, including both natural and corporate persons, whose name and address are set out in the JN FUND MANAGERS Customer Information Form and who have paid monies over to JN FUND MANAGERS for the purposes of investment and who continue to hold investments through JN FUND MANAGERS, and “**client**” means any one of such persons or any two or more of such persons who invest as joint tenants or tenants in common;

“**JN FUND MANAGERS**” means JN Fund Managers Limited, its successors, subsidiaries, correspondents or affiliates, or employees;

“**JN FUND MANAGERS Customer Information Form**” means the form established by JN FUND MANAGERS that clients (both Individual and Institutional) complete and execute for the purposes of providing necessary information required to know the client, establishing the business relationship and satisfying Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) and Know Your Customer (KYC) requirements;

a “**repurchase agreement**” means a contract between JN FUND MANAGERS and the client whereby - (i) JN FUND MANAGERS agrees to sell to the client, and the client agrees to purchase, a security(ies) for a purchase price payable in cash, and (ii) JN FUND MANAGERS simultaneously agrees to repurchase, and the client agrees to resell to JN FUND MANAGERS, the said security(ies) some time in the future for a specific price;

“**retail repurchase agreement**” means a repurchase agreement that does not completely and outrightly transfer the legal ownership of the underlying securities from JN FUND MANAGERS to the client;

“**security(ies)**” or “**Securities**” and individually “**Security**” mean all funds and securities, including but not limited to monies, stocks, options, bonds, notes, futures, commodities, certificates of deposit, collective investment schemes, repurchase agreements, and other obligations, contracts or securities;

“**Taxes**” mean any present or future, taxes, levy, impost, duty, charge, assessment or fee by any government authority, monetary agency or central bank or other taxing authority in respect to any payment due under this Agreement. These include interest, penalties and any additions to them;

### 3. **CLIENT DOCUMENTATION**

3. (1) JN FUND MANAGERS will from time to time provide to each of its clients periodic statements, an investment certificate, contract note or other form of transaction confirmation indicating by general description the investments made by JN FUND MANAGERS on the client’s behalf, the yield thereon appropriated to the account of the client (if any), the maturity dates applicable thereto, or any other relevant details which JN FUND MANAGERS, in its discretion, includes therein.

- (2) Each such periodic statement, investment certificate, contract note or other form of confirmation is delivered by JN FUND MANAGERS on an “*Errors & Omissions Excluded*” basis, and JN FUND MANAGERS reserves the right to correct any error or mis-description appearing thereon at any time. The client shall be deemed to have accepted the correctness of each of the details set forth in the said documents unless the client, within five (5) days after JN FUND MANAGERS provides same to the client, has notified JN FUND MANAGERS in writing of the client’s objection thereto.
- (3) (a) Where the client has signed any standard form investment instruments and/or any other additional agreements or ancillary contractual material with JN FUND MANAGERS (the “**Ancillary Agreements**”), the provisions of this Agreement shall be deemed for all purposes to be incorporated therein and shall apply to and govern the rights and obligations of the client and JN FUND MANAGERS, provided however that in the event there is an inconsistency between an express provision in the Ancillary Agreements and an express provision in the provisions of this Agreement, the relevant express provision set forth in the Ancillary Agreements shall supersede the inconsistent express provision in this Agreement and shall prevail to the extent (and to the extent only) of such inconsistency.
- (b) The provisions as to fees and charges set forth in such Ancillary Agreements or ancillary contractual material or otherwise chargeable by JN FUND MANAGERS shall apply and comprise enforceable rights of JN FUND MANAGERS and obligations of the client. JN FUND MANAGERS shall be entitled to from time to time without prior notice apply and deduct from the client’s account(s) applicable fees and charges, including commissions to JN FUND MANAGERS, which the client agrees to pay, and the amount of which charges are available at each of JN FUND MANAGERS’s branches upon enquiry and which may also from time to time be available on JN FUND MANAGERS’s website. JN FUND MANAGERS may from time to time vary the rates of fees and charges without prior notice to the client.
- (4) Where a client is of sound mind and capacity but is blind or otherwise unable to sign this Agreement and/or the Ancillary Agreements or any other ancillary contractual material with JN FUND MANAGERS, this Agreement, the Ancillary Agreements and any other ancillary contractual material shall be deemed to have been duly and effectually signed by the client and shall be binding on the client, after it has been read to the client where he is unable to read it for himself due to blindness or illiteracy or some other such inability, if – (i) the client affixes his mark (in lieu of his signature) to the JN FUND MANAGERS Customer Information Form and/or the Ancillary Agreements and/or the other ancillary contractual material, as may be ordinarily required, or (ii) if some other person signs the JN FUND MANAGERS Customer Information Form and/or the Ancillary Agreements and/or the other ancillary contractual material, as may be ordinarily required, on the client’s behalf in his presence and at his direction.

4. **CLIENT'S FUNDING COMMITMENT**

4. (1) Where a client makes an investment through JN FUND MANAGERS, including repurchase agreements and certain collective scheme investments (as indicated on the client's transaction confirmation), the client shall be deemed to have committed to maintain with JN FUND MANAGERS the full amount of the funds paid to JN FUND MANAGERS by or for the account of the client, for the entire period, commencing on the date such investment is made by the client and ending on the maturity date specified or referred to in the investment certificate, contract note or other form of confirmation delivered by JN FUND MANAGERS to the client with respect to such investment.
- (2) The assets comprising the client's investment shall be held by JN FUND MANAGERS as agent for and on behalf of the client and shall not form a part of the assets of JN FUND MANAGERS, and shall not represent a deposit or other debt obligation in respect of which JN FUND MANAGERS owes the client any repayment liability whatsoever. This clause 4(2) shall not apply to retail repurchase agreements entered into between the client and JN FUND MANAGERS that are governed by a Master Retail Repurchase Agreement.
- (3) JN FUND MANAGERS, in holding the assets comprising the client's investments on the client's behalf, is an agent for the client and is not a trustee. The equitable obligations and duties of trusteeship shall not apply to JN FUND MANAGERS.
- (4) Clause 4(5) below shall apply except where the client has requested JN FUND MANAGERS in writing, at least [*three (3)*] Business Days prior to the date on which the client's funding commitment comes to an end, to encash all or part of the client's said investment and to pay the proceeds to the client or to person(s) designated by the client. JN FUND MANAGERS may in its discretion on a case-by-case basis lessen the period referred to in this clause 4(4).
- (5) At the end of each period of the client's funding commitment to JN FUND MANAGERS, unless the client otherwise notifies JN FUND MANAGERS in writing, the client shall be deemed to have agreed to rolling over the client's investment and to have assumed a renewed commitment to maintain with JN FUND MANAGERS the full amount of the funds invested by the client through JN FUND MANAGERS for the entire period commencing on the date after the date on which the client's previous funding commitment expires and ending on the maturity date specified or referred to in the investment certificate, contract note or other form of confirmation delivered by JN FUND MANAGERS to the client with respect to such renewed investment.
- (6) If the client has requested encashment of the client's investment account and does not collect same from JN FUND MANAGERS's offices, JN FUND MANAGERS may reinvest the encashed funds pursuant to clause 4(5) above.
- (7) Where the client requests JN FUND MANAGERS to encash all or part of the client's investment prior to the end of the client's current investment contract, the decision whether or not to comply with such request is entirely at the discretion of JN FUND MANAGERS, and if JN FUND MANAGERS in its discretion decides to purchase the client's interest in such investments so as to facilitate the client's said encashment request, JN FUND MANAGERS may deduct from the amount paid to the client an early encashment discount charge in an amount which (as

determined by JN FUND MANAGERS, whose determination shall be final and binding on the client) – (i) compensates JN FUND MANAGERS fully for the financial costs which JN FUND MANAGERS may bear in raising alternate funding (to replace the funding returned to the client) and maintaining those alternate funds for the unexpired period of the client’s funding commitment, and (ii) includes a service charge for administering the early encashment.

- (8) Where the end of the period of the client’s funding commitment with respect to an investment held by JN FUND MANAGERS for the account of the client coincides with the redemption date of the Security(ies) comprising such investment and the client is not renewing the client’s funding commitment, JN FUND MANAGERS shall endeavour to collect the proceeds of such redemption on such date or as soon thereafter as practicable. It is understood and agreed that JN FUND MANAGERS is acting as a broker in these transactions. Except where sub-clauses 15 or 17(2) (a) or (b) applies, JN FUND MANAGERS does not undertake to purchase the client’s interest in such investment or otherwise provide the funding required to pay to the client the value of the client’s interest until JN FUND MANAGERS has received in good and cleared funds the redemption proceeds in an amount to make such payment to the client.
- (9) Where the end of the period of the client’s funding commitment with respect to an investment held by JN FUND MANAGERS for the account of the client is prior to the redemption date of the Security(ies) comprising such investment and the client is not renewing the client’s funding commitment, JN FUND MANAGERS shall use its best endeavours to find other investor(s) who are willing to acquire all or a part of the client’s interest in the said Security(ies) on the date the client’s funding commitment comes to an end or as soon as practicable thereafter. It is understood and agreed that JN FUND MANAGERS is acting as a broker in these transactions. Except where sub-clauses 15 or 17 (2) (a) or (b) applies, JN FUND MANAGERS does not undertake to purchase the client’s interest in such investment or otherwise provide the funding required to pay to the client the value of the client’s interest until JN FUND MANAGERS has received in good and cleared funds the proceeds of the sale of the client’s said interest to a third party (ies) in an amount to make such payment to the client.
- (10) Any encashment requested by the client above, shall be paid to the client in the same currency as the client’s investment.

## 5. **INVESTMENT BY JN FUND MANAGERS**

5. (1) Unless the client has in writing otherwise directed JN FUND MANAGERS, JN FUND MANAGERS may from time to time invest each of its clients’ funds in Securities.
- (2) When an investment made by JN FUND MANAGERS for the account of the client matures, JN FUND MANAGERS reserves the right to re-invest all or any part of the proceeds thereof, for a period in line with JN FUND MANAGERS’s prevailing business practice, in one or more investments which may have a different (higher or lower) yield and may comprise a higher credit risk than the investments previously made by JN FUND MANAGERS for the account of the client.

- (3) Each client understands and accepts that there may be periods after the maturity of investments made by JN FUND MANAGERS for the client's account during, which there is no (or no suitable) investment opportunity available to JN FUND MANAGERS for the proceeds held for the account of the client, and during such periods the client may earn the minimum prevailing yield on the funds invested by the client with JN FUND MANAGERS.
- (4) The client further agrees to maintain such minimum account balance and maintain the investments held with JN FUND MANAGERS for such minimum investment period as may from time to time be required for the relevant investments, account, product or service, failing which JN FUND MANAGERS is authorized, without prior notice, to do one or more of the following in its discretion:
  - (a) deduct the applicable fee or charge from any of the client's account(s);
  - (b) liquidate the balance of the client's account(s), close the client's account(s) and pay the net proceeds thereof to the client;
  - (c) transfer the client's investments into another account or product offered by JN FUND MANAGERS.
- (5) The client acknowledges that JN FUND MANAGERS may from time to time revise its product offerings and services and may also from time to time review the client's investments, risk profile and investment objectives. In light of the foregoing, the client, notwithstanding the discretion granted to JN FUND MANAGERS by the client in the JN FUND MANAGERS Customer Information Form, authorizes JN FUND MANAGERS in its discretion to transfer the client's investments into another account, product or service offered by JN FUND MANAGERS. JN FUND MANAGERS shall provide notice of such action to the client prior to implementing such action. The client will be deemed to agree to the transfer and the provisions, terms and conditions in the schedules and other Ancillary Agreements or ancillary contractual material applicable to the said account, product or service from the date of the said transfer into the new account, product or service.

6. **CLIENT'S INTEREST IN SECURITIES**

6. (1) Where the client has purchased particular security(ies) outright through JN FUND MANAGERS and JN FUND MANAGERS has no residual proprietary interest therein (other than as trustee or custodian), the beneficial ownership of the Security(ies) and all rights thereunder shall pass to the client upon the client paying to JN FUND MANAGERS the agreed amount comprising the client's investment.
- (2) No proprietary interest in Securities shall pass to the client unless and until JN FUND MANAGERS has received effective payment for same in the sum of the client's agreed investment, in good and cleared funds.
- (3) Where the client has invested in Securities through JN FUND MANAGERS, then either:
  - (a) such Securities and the client's interest therein shall be specified in the transaction documentation issued by JN FUND MANAGERS to the client

in sufficient detail in order for the Securities in which the client has invested to be clearly identifiable and appropriated to the particular transaction, so as to enable the client to obtain a proprietary interest therein upon payment of the agreed amount comprising the client's investment to JN FUND MANAGERS; or

- (b) if such Securities and the client's interest therein are not specified in the transaction documentation issued by JN FUND MANAGERS to the client in sufficient detail in order for the Securities in which the client has invested to be clearly identifiable and appropriated to the particular transaction, JN FUND MANAGERS shall be authorised to appropriate from time to time to the particular investment made by the client such Securities as JN FUND MANAGERS may in its discretion determine, and such appropriation may be effected in JN FUND MANAGERS's accounting records and/or in such other manner as JN FUND MANAGERS may determine.
- (4) The client may invest in all or part of a particular Security(ies), and JN FUND MANAGERS holds such Security(ies) on behalf of the client to the extent of the client's proprietary interest therein (the quantum of such beneficial interest being as shown in JN FUND MANAGERS's books and records). Any Securities in which a client has invested through JN FUND MANAGERS shall comprise assets in which the client has a proprietary interest and which are held by JN FUND MANAGERS on behalf of the client, subject to the rights granted to JN FUND MANAGERS in the provisions of this Agreement, and to any other rights extraneously granted to JN FUND MANAGERS by the client or to a third party by the client with JN FUND MANAGERS's written consent. In the event of the insolvency of JN FUND MANAGERS, such Securities shall not form part of JN FUND MANAGERS's assets available to meet the costs of JN FUND MANAGERS' insolvency or the claims of JN FUND MANAGERS's creditors.
- (5) Notwithstanding the provisions of this clause 6 and anything to the contrary in the provisions of this Agreement, and notwithstanding the client's proprietary interest in Securities, JN FUND MANAGERS is hereby authorised by the client and may at any time and from time to time:
- (a) pledge, assign and otherwise deal in such Securities to raise additional funds, provided that such transactions do not compromise the value of the assets in which the client has an interest, and further provided that the counter parties with which JN FUND MANAGERS enters into such transactions are either - (i) duly licensed under the Securities Act or are otherwise regulated by the Bank of Jamaica, or (ii) in JN FUND MANAGERS's opinion otherwise solvent and capable of meeting in full their obligations to JN FUND MANAGERS as and when such obligations fall due; and
  - (b) divest the client of and determine the client's rights and proprietary interest in any Securities, provided and on condition that, simultaneously therewith, JN FUND MANAGERS appropriates to the client in lieu thereof, rights and a proprietary interest in other Securities having a risk profile no less favourable to the client and of a realisable value and yield to the client which is no less than the proprietary interest which has been so divested and determined,

provided however that in the case of a repurchase agreement between JN FUND MANAGERS and the client the provisions of this clause 6(5) shall not apply and clause 15(16), or such terms as otherwise agreed to with the client, shall apply in lieu thereof.

7. **CUSTODIAN OF SECURITIES**

7. (1) Where the client has invested in Securities through JN FUND MANAGERS (whether by way of an outright purchase, or by way of a repurchase agreement collateralised by such Securities, or by way of any other transactional structure), it is agreed that JN FUND MANAGERS may hold such Securities directly as custodian for the client or the Securities may be held by one or more third parties through which JN FUND MANAGERS (directly or indirectly) obtains brokerage, custodial, clearing and/or settlement services, or may delegate the custodian function to one or more third parties (who may or may not be affiliates of JN FUND MANAGERS).
- (2) JN FUND MANAGERS does not guarantee or give any warranty as to the performance of any custodial, brokerage, clearing and/or settlement services provided by third parties, and JN FUND MANAGERS shall not be liable to the client in respect of any loss, cost, expense or liability arising from any act or omission on the part of any such third party. The client accepts and agrees to be bound by the standard terms and conditions on which any such third party provides its services.
- (3) In the event that JN FUND MANAGERS transfers the Securities into the name of the client and/or delivers the Securities to the client (where the Securities are in physically certificated form) or transfers the Securities into an account in the name of the client established within a depository, the client acknowledges, accepts and agrees that if the client later becomes obligated to transfer the client's interest in the Securities to JN FUND MANAGERS the client shall ensure that the Securities are duly transferred into JN FUND MANAGERS's name or account immediately upon the client becoming so obligated, and the client shall indemnify and hold JN FUND MANAGERS harmless from any losses, liabilities, costs and expenses incurred by JN FUND MANAGERS in the event that the client fails to do so.
- (4) If the interest or other cash flow arising under the Securities are paid by the issuer or its paying agent to JN FUND MANAGERS, JN FUND MANAGERS shall account to the client for same, less any Taxes which may be applicable thereto, but shall have no liability to the client in the event that the issuer defaults in its payment obligations under the Securities, or in the event that any third party through which JN FUND MANAGERS (directly or indirectly) obtains brokerage, custodial, clearing and/or settlement services fails to pay (or delays in paying) such interest or cash flow to JN FUND MANAGERS or the client. All such payments by the issuer, if sent by bearer, post, electronically through the banking system or otherwise, are at the risk of the client.
- (5) JN FUND MANAGERS shall be entitled to charge fees from time to time for its services as custodian and for maintaining brokerage, custodial, clearing and/or settlement relationships with third parties in relation to the Securities, and to be



reimbursed by the client for any third-party fees, charges and expenses incurred by JN FUND MANAGERS in relation to the custody of the client's Securities. Any amounts charged to or due from the client in this connection, may be deducted by JN FUND MANAGERS from the interest or other cash flow arising under the Securities held by JN FUND MANAGERS as custodian or from any other account held by JN FUND MANAGERS in the name of the client.

- (6) Where any Securities in which the client has invested are immobilised and/or dematerialised through a book entry system operated by a depository in Jamaica or in any other jurisdiction, the client acknowledges, accepts and agrees – (i) that the client shall abide by the rules and procedures of such depository, (ii) that the client assumes and bears all risks associated with the system of ownership and dealings in such Securities and the related operational and payment arrangements of such depository, (iii) that JN FUND MANAGERS may or may not be a direct participant in such depository, (iv) that, where JN FUND MANAGERS is not a direct participant in such depository, the Securities may be reflected in the depository's books and records as held for the account of an entity through which JN FUND MANAGERS (directly or indirectly) obtains brokerage, custodial, clearing and/or settlement services, and that there may be a chain of entities through the books and records of which the ultimate ownership of the Securities is reflected, (v) that if the client's ownership is reflected in JN FUND MANAGERS books and records, the client's ownership may not be reflected in the books and records of any other entity in such chain, and (vi) that all risks associated with the foregoing matters are assumed and shall be borne by the client.

## **8. SEGREGATION OF SECURITIES**

JN FUND MANAGERS shall segregate from its own securities, those Securities in which its clients have a beneficial interest. Segregation need not be physical and may be evidenced by adequate and appropriate identification in JN FUND MANAGERS's books and records. Any security which is the subject-matter of a repurchase agreement shall be identified in JN FUND MANAGERS's records as being subject to a repurchase agreement.

## **9. DEALINGS IN INVESTMENTS**

Subject to the specific rights granted to JN FUND MANAGERS in the provisions of this Agreement, JN FUND MANAGERS shall not deal in or dispose of, nor purport to deal in or dispose of, the Securities in which its clients have invested in any manner, which is inconsistent with the client's proprietary interest therein.

## **10. MODE OF PAYMENT**

10. (1) All payments due from JN FUND MANAGERS to a client may, in JN FUND MANAGERS's discretion, be made by cheque drawn by JN FUND MANAGERS or by any other method of payment, which can give value to the client more expeditiously. If the client requests a method of payment which attracts banking or other charges, and JN FUND MANAGERS is willing to make payment in that manner, the costs thereof shall be for the client's account. As regards any Securities which are immobilised and/or dematerialised through a book entry system operated

by a depository in Jamaica or in any other jurisdiction, in the event that the client has a proprietary interest in such Securities the client shall accept and comply with the prevailing arrangements for the payment of sums falling due under such Securities, and the client shall assume and bear all risks associated with those arrangements.

- (2) The client shall pay JN FUND MANAGERS all amounts that are owed to JN FUND MANAGERS and provide whatever security JN FUND MANAGERS may demand until the client does so. In particular, the client must promptly pay for any services rendered or any Securities that the client has asked JN FUND MANAGERS to buy for the client, whether or not JN FUND MANAGERS has received it or delivered it to the client. If the client does not pay what it owes JN FUND MANAGERS as required, JN FUND MANAGERS, in addition to such rights and remedies as JN FUND MANAGERS may have under the general law, shall have all the rights and remedies in relation to such amounts as if such amounts were outstanding Facilities to which clause 22 below applies.

#### **11. INDEMNITY FOR DISHONoured PAYMENTS**

In the event that any cheque or other payment tendered to JN FUND MANAGERS by a client is dishonoured by the payer's bank or otherwise fails to clear for any reason, the client shall immediately replace same with good and cleared funds, and all costs and losses incurred by JN FUND MANAGERS (including, without limitation, overdraft and other finance charges, and costs and losses relating to JN FUND MANAGERS's liabilities to any third party resulting from JN FUND MANAGERS not having received value for the payer's funds, and any exchange rate or currency conversion losses) shall be indemnified in full by the client on the demand of JN FUND MANAGERS, together with interest thereon at JN FUND MANAGERS's bankers' unauthorised overdraft rate from the date such payment was due until the client makes full indemnification to JN FUND MANAGERS. In the event that the client becomes liable under this clause 11 to indemnify JN FUND MANAGERS, such liability shall be deemed to be Facilities to which clause 22 below applies.

#### **12. RECORDING COMMUNICATIONS**

JN FUND MANAGERS may (but shall not be obliged to) tape-record or otherwise record any telephone conversations or other oral communications with the client, and may rely on such recordings as evidence (including, without limitation, as evidence of the facts stated therein) in any civil or criminal proceedings.

#### **13. CLIENT REPRESENTATIONS & WARRANTIES**

13. (1) On entering into each investment transaction with JN FUND MANAGERS, the client represents and warrants to JN FUND MANAGERS that:
  - (a) the client is duly authorised to execute and deliver any documentation executed by the client in connection with such investment transaction and to enter into such transactions and (if a body corporate) has taken all necessary action to authorise such execution and delivery and entering into such transaction;

- (b) the client is entering into such investment transaction as a principal and by way of normal commercial dealing for the client's own account;
  - (c) persons signing any documentation on behalf of the client in connection with such investment transaction are duly authorised to do so;
  - (d) the funds invested by the client with JN FUND MANAGERS have been lawfully obtained by the client and are not tainted by any form of illegality or fraud of any description;
  - (e) the funds invested by the client with JN FUND MANAGERS are free of any liens, security interests or other encumbrances whatsoever or other adverse interests (other than any liens or rights, which may be held by JN FUND MANAGERS);
  - (f) the client has obtained any and all applicable authorisations of any governmental or other body required in connection with entering into such investment transaction with JN FUND MANAGERS and such authorisations are in full force and effect; and
  - (g) the client's entering into such investment transaction will not violate any law, regulation, by-law or rule applicable to the client or any agreement by which the client is bound or by which any of the client's assets are affected.
- (2) The client shall indemnify JN FUND MANAGERS in full on demand in respect of any claims, suits, liabilities, losses, costs or expenses made against or incurred or suffered by JN FUND MANAGERS arising out of a breach by the client of any of the warranties given by the client in clause 13(1) above or out of any of the representations made by the client in clause 13(1) above being false or incorrect.

**14. JN FUND MANAGERS'S REPRESENTATIONS & WARRANTIES**

14. (1) Without prejudice to clause 17 below, JN FUND MANAGERS hereby represents and warrants to the client that it has used reasonable diligence to ensure that the security(ies) in which the client invests through JN FUND MANAGERS from time to time are:
- (a) valid and legally enforceable against the issuers thereof, and (if such security(ies) are guaranteed by any other person) that such guarantee is valid and legally enforceable against the guarantor; and
  - (b) free of any liens, security interests or other prior-ranking or pari passu ranking encumbrances whatsoever or other adverse interests (other than any liens or rights, which may be granted by the client to JN FUND MANAGERS).
- (2) Where the issuer of the relevant security or the guarantee of such security, or any of its officers, has acted fraudulently or has otherwise misrepresented to JN FUND

MANAGERS facts on which JN FUND MANAGERS has relied, JN FUND MANAGERS shall not be deemed to be in breach of the representations and warranties set forth in clause 14(1) above.

- (3) JN FUND MANAGERS does not make or give and shall not be deemed to have made or given any expressed or implied representations and warranties other than those set forth in clause 14(1) above. Without prejudice to the generality of the foregoing, JN FUND MANAGERS makes no representation or warranty whatsoever to the client in relation to -
  - (a) the creditworthiness of any issuer and/or third-party guarantor of any security(ies) in which the client invests through JN FUND MANAGERS;
  - (b) the credit risk, liquidity risk, pricing risk, market risk or, where applicable, exchange rate risk associated with any security(ies) in which the client invests through JN FUND MANAGERS; or
  - (c) the nature of the market (if any) in which such security(ies) is traded.

## **15. REPURCHASE AGREEMENTS**

This clause 15 shall not apply to retail repurchase agreements entered into between the client and JN FUND MANAGERS that are governed by a Master Retail Repurchase Agreement.

15. (1) The provisions of this clause 15 are included for the purpose of complying with clauses 2.1 to 2.23 (inclusive) of the Financial Services Commission's document numbered SR-GUID-04/07-0012 and entitled "Minimum Requirements for Client-Dealer Repurchase Agreements" (hereinafter referred to as the "**FSC Approved Repo Guidelines**"). This clause 15 and the other terms and conditions of this Agreement comprise the Master Agreement referred to in clause 2.23 of the FSC Approved Repo Guidelines.
- (2) From time to time JN FUND MANAGERS and the client may enter into transactions where JN FUND MANAGERS agrees to sell to the client securities for specific periods of time, and the client agrees to sell and JN FUND MANAGERS agrees to repurchase the securities at a specified price the end of this period.
- (3) Repurchase agreements are not bank deposits.
- (4) Unless otherwise agreed in writing by JN FUND MANAGERS and the client, each repurchase agreement is subject to and shall be governed by this clause 15 and the remainder of terms and conditions of this Agreement.
- (5) Repurchase agreements may be initiated by either the buyer or the seller, subject to the other party being in agreement therewith. Unless JN FUND MANAGERS in its discretion requires in a particular case that a repurchase agreement be initiated in writing, repurchase agreements may be initiated orally, but all repurchase agreements shall be confirmed in writing as provided in this clause 15.
- (6) Each specific transaction by way of a repurchase agreement shall be evidenced by a transaction confirmation issued by JN FUND MANAGERS, which shall be in

writing and shall - (i) describe the security(ies) which are the subject-matter of that repurchase agreement (including its type, the issuer, the term remaining to maturity or maturity date, the name of the issue, the coupon, and the face value), and (ii) state the transaction date and (if different) the purchase date, the purchase price, the interest rate applicable to the repurchase agreement, the repurchase date, the repurchase price, the currency in which payments will be made, and any other transactional details that JN FUND MANAGERS considers appropriate for inclusion.

- (7) Such transaction confirmations shall be in language that can be understood by the average English-speaking investor, shall state that the investment will be a repurchase agreement, and shall include a definition of a repurchase agreement which is consistent with that set forth in clause 2 above.
- (8) The transaction confirmations referred to in this clause 15 cannot vary, alter or modify these Terms and Conditions.
- (9) The method used to calculate the client's yield under repurchase agreements shall be the actual number of days from (and including) the purchase date up to (and excluding) the repurchase date, divided by 365.
- (10) Provided that JN FUND MANAGERS performs its obligations under a repurchase agreement, any gains or losses on the underlying security(ies) which are the subject matter of the repurchase agreement are for the account of JN FUND MANAGERS. Any interest and/or other accruals or returns on the said security(ies) prior to the commencement of the repurchase agreement are not included in the collateral purchased by the client with the purchase price under the repurchase agreement. Any interest and/or other accruals or returns on the said security(ies) during the life of the repurchase agreement are (together with the principal amount of the said security(ies) repurchased by JN FUND MANAGERS by the payment or crediting of the repurchase price by JN FUND MANAGERS under the repurchase agreement and shall thereupon be for the account of JN FUND MANAGERS.
- (11) In the event that the client wishes an early termination of an outstanding repurchase agreement, the provisions of clause 4(7) above shall apply.
- (12) On the purchase date of a repurchase agreement, JN FUND MANAGERS as seller will deliver the security(ies) purchased, and the client as buyer will pay the purchase price to JN FUND MANAGERS in good and cleared funds. Unless JN FUND MANAGERS agrees in writing to some other arrangement with the client, delivery of the security(ies) shall be effected by JN FUND MANAGERS holding those security(ies) as custodian and agent for and on behalf of the client. The transaction confirmation issued by JN FUND MANAGERS in respect of the repurchase agreement shall confirm that the security(ies) are held by JN FUND MANAGERS.
- (13) Subject to JN FUND MANAGERS having received in full the purchase price in good and cleared funds, - (i) legal ownership of the security(ies) which are the subject-matter of a repurchase agreement shall pass from JN FUND MANAGERS to the client on the purchase date, and (ii) the transaction confirmation issued by JN FUND MANAGERS in respect of the repurchase agreement shall constitute evidence of the client's legal interest in those security(ies).

- (14) Clause 6(4) and clause 8 above shall apply to the security(ies) which are the subject-matter of a repurchase agreement, until JN FUND MANAGERS has completed the performance of its obligations under the repurchase agreement.
- (15) Unless JN FUND MANAGERS is in default of its obligations under a repurchase agreement, the client shall not - (i) engage in similar transactions using the security(ies) which are the subject-matter of the repurchase agreement, or (ii) sell, transfer, pledge or hypothecate or otherwise encumber the security(ies) which are the subject-matter of the repurchase agreement (other than as security for obligations owing by the client to JN FUND MANAGERS, or to JN FUND MANAGERS's holding company, or to any direct or indirect subsidiary of JN FUND MANAGERS, or to any direct or indirect subsidiary of JN FUND MANAGERS's holding company).
- (16) Notwithstanding the provisions of this clause 15 and notwithstanding anything to the contrary in the terms and conditions of this Agreement, and notwithstanding the client's proprietary interest in any security(ies) which collateralises the client's investment with JN FUND MANAGERS, JN FUND MANAGERS is hereby authorised by the client to (and JN FUND MANAGERS may at any time and from time to time) substitute and otherwise deal in such security(ies) and divest the client of and determine the client's rights and proprietary interest in such security(ies), provided and on condition that, simultaneously therewith or within a reasonable time thereafter, JN FUND MANAGERS substitutes (by appropriating to the client in JN FUND MANAGERS's records) a proprietary interest in another security(ies) having, at the time of substitution, a market value equal to or greater than the first aforementioned security(ies). After substitution, the substitute security(ies) shall become the purchased securities for all purposes in relation to the repurchase agreement.
- (17) In the event that JN FUND MANAGERS fails to repurchase the security(ies) which are the subject-matter of a repurchase agreement in accordance with the terms of such repurchase agreement, then all the risk associated with owning such security(ies) will be borne by the client.
- (18) The following shall each constitute an event of default in relation to any outstanding repurchase agreement between JN FUND MANAGERS and the client - (i) if JN FUND MANAGERS fails to transfer the purchased security(ies) to the client upon becoming obliged to do so, (ii) if the client fails to pay the purchase price to the seller in respect of the repurchase agreement upon becoming obliged to do so, (iii) if JN FUND MANAGERS fails to repurchase, or the client fails to transfer the purchased security(ies), on the repurchase date, (iv) if JN FUND MANAGERS or the client admits to its inability to, or its intention not to, perform any obligation stipulated in the repurchase agreement, (v) if JN FUND MANAGERS or the client, when obliged to do so, fails to deliver the purchased security(ies) along with the relevant documentation duly endorsed or executed, (vi) an act of insolvency occurs with respect to either JN FUND MANAGERS or the client, or (vii) if any representations made by JN FUND MANAGERS or the client are incorrect or untrue in any material respect. For this purpose, an "**act of insolvency**" means, in relation to a body corporate, the passing of a resolution or the making or an order by the court for the voluntary or compulsory winding up of the body corporate, and

in relation to an individual means the making of an order in bankruptcy by the court in relation to that individual.

- (19) Upon an event of default occurring as aforesaid - (i) if JN FUND MANAGERS is in default, the client may require JN FUND MANAGERS to deliver up to the client the security(ies) which are the subject-matter of the repurchase agreement and which JN FUND MANAGERS has been holding as custodian and agent of the client, together with any other documents which may be required to vest the legal title thereto in the client, notwithstanding any other reference to the responsibilities of the parties hereunder, the client understands that in the event of a default by JN FUND MANAGERS, the security(ies) which are the subject-matter of the repurchase agreement will be held in an account for the benefit of the client pending additional instructions from the client as to the disposition of the security(ies) in such account and (ii) if the client is in default, JN FUND MANAGERS may treat its custodianship and agency for the client in relation to the security(ies) as being at an end and may treat the client as no longer having any proprietary interest in the security(ies) (or, if the client has possession of the security(ies), the client shall deliver same up to JN FUND MANAGERS forthwith and indemnify JN FUND MANAGERS for any financial losses incurred by JN FUND MANAGERS as a result of the client's failure to do so) and JN FUND MANAGERS may settle its accrued obligation under the repurchase agreement by paying to the client the net present value of the repurchase price (discounting the repurchase price for the remaining period to the repurchase date by applying a reasonable market lending rate of interest then prevailing). The provisions in this clause 15(19) shall be in addition and without prejudice to any other rights and remedies which the non-defaulting party may have at common law or in equity.
- (20) The rights and obligations of the parties to a repurchase agreement cannot be assigned by either party without the prior written consent of the other party.
- (21) Each repurchase agreement shall be governed by Jamaican law unless the client is resident in another jurisdiction and the parties elect to have the repurchase agreement governed by the law of that jurisdiction or by a neutral body of law.
- (22) In any case where the security(ies) which are the subject-matter of a repurchase agreement are not Warranty-Excluded Instruments, clause 17(3) and clause 14(3) above shall not apply and JN FUND MANAGERS warrants to the client that it has disclosed to the client all information which would be considered material to the purchaser of the underlying security. No such warranty is given by JN FUND MANAGERS in relation to Warranty-Excluded Instruments. For the purposes of this clause 15(22), the phrase "**Warranty-Excluded Instruments**" includes instruments issued by the Bank of Jamaica, the Government of Jamaica, the Governments or Central Banks of G-10 or CARICOM countries, or entities owned and controlled by such Governments.
- (23) Where the client is a company then each party shall on signing the agreement deliver to the other a mandate, signed by the managing director or by the chief executive officer and its company secretary, confirming the names of the persons who have been authorized by its board of directors to sign transaction confirmations, endorsements of securities and Ancillary Agreements and ancillary documents on its behalf. Specimen signatures of such persons should be attached to the mandate. No change in such signing authority should be effective unless and until a revised

mandate, signed by the managing director or chief executive officer and its company secretary, has been delivered to the other party.

- (24) The provisions of this clause 15 may only be varied, modified or amended by instrument in writing executed by JN FUND MANAGERS and the client.

## 16. OVERPAYMENT

16. (1) In the event that JN FUND MANAGERS inadvertently or otherwise makes a payment to the client of a sum, which is not due and payable to the client or is in excess of the amount which JN FUND MANAGERS's records indicate was, immediately prior to such payment being made, held by JN FUND MANAGERS for the account of the client, or in the event that the client receives any sum which belongs to or is for the account of JN FUND MANAGERS (including, without limitation, a payment of interest on a security(ies) which is collateralising a repurchase agreement between JN FUND MANAGERS and the client), the client shall immediately repay or pay over (as the case may be) such sum to JN FUND MANAGERS without any deductions or set off whatsoever. Until repaid or paid over to JN FUND MANAGERS, such sum shall be deemed to be held in trust for JN FUND MANAGERS, and JN FUND MANAGERS shall have a proprietary right with respect to such sum to trace same into any other fund or asset from time to time wholly or partially representing all or part of such sum.
- (2) JN FUND MANAGERS shall, as from the moment that the cheque or other payment instrument comprising such sum comes into the custody or control of the client or the client's nominee, also be deemed to have an immediate and unconditional right to possession of such cheque or other payment instrument, and the client shall in dealing with such cheque or other payment instrument be deemed to have unlawfully and tortuously converted same to the client's use.
- (3) In addition to such rights and remedies as JN FUND MANAGERS may have under this clause 16 and under the general law, JN FUND MANAGERS shall also have all the rights and remedies in relation to such sum as if such sum were outstanding Facilities to which clause 22 below applies.
- (4) Interest shall accrue and be payable by the client to JN FUND MANAGERS on the outstanding balance of such sum while it remains outstanding, at the highest lending rate from time to time charged by JN FUND MANAGERS on loans which are in arrears, both after as well as before any judgement, and such interest shall be payable by the client to JN FUND MANAGERS on demand and until paid shall be compounded at monthly rests by adding each month's accrued interest to the amount of the outstanding sum.
- (5) The client shall indemnify and hold JN FUND MANAGERS harmless from all losses, liabilities, costs and expenses resulting from the client's failure to comply with the foregoing provisions of this clause 16.



**17. ALLOCATION AND ASSUMPTION OF RISK**

17. (1) Subject to clause 17(2) below, in making any investment in a Security(ies) through JN FUND MANAGERS, the client takes, bears and assumes all risks (including, without limitation, the credit risk, liquidity risk, pricing risk, market risk and, where applicable, exchange rate risk) associated with such Security(ies), and the client relies entirely on the client's own due diligence and assessment of the creditworthiness of the issuer and/or third party guarantor of such Security(ies), the liquidity and price volatility of such Security(ies), and the nature of the market (if any) in which such Security(ies) is traded. Accordingly, JN FUND MANAGERS does not and shall in no event whatsoever be deemed to guarantee or otherwise stand as surety for the payment obligations of:

- (a) the issuer of any Security in which the client has invested through JN FUND MANAGERS, or
- (b) any third-party guarantor of the obligations of the issuer of any such Security,

and JN FUND MANAGERS shall in no event be liable to make good or indemnify the client with respect to any losses which may be incurred by the client in the event that the issuer and/or third-party guarantor of any such Security defaults in meeting the payment obligations set forth in or relating to such Security. Furthermore, and subject to clause 17(2) below, JN FUND MANAGERS has not agreed to, and shall in no event whatsoever be deemed to be liable to, purchase or otherwise acquire from the client, the client's interest in any Security in which the client has invested through JN FUND MANAGERS.

(2) Clause 17(1) shall not apply where JN FUND MANAGERS has expressly in writing either:

- (a) guaranteed to the client the payment obligations set forth in a Security in which the client has invested through JN FUND MANAGERS; or
- (b) agreed with the client to purchase from the client the client's interest in a Security in which the client has invested through JN FUND MANAGERS.

(3) JN FUND MANAGERS makes no representation or warranty whatsoever in relation to:

- (a) the credit risk and market risk associated with any Security(ies) in which the client invests through JN FUND MANAGERS; or
- (b) the creditworthiness of the issuer and/or third-party guarantor of such Security(ies).

**18. CLIENT IDENTIFICATION**

18. (a) The client shall, at the commencement of the client's investment relationship with JN FUND MANAGERS or as soon thereafter as JN FUND MANAGERS may require, deliver to JN FUND MANAGERS acceptable identifications of the client, such other information as may be required by law, regulations and/or JN FUND MANAGERS's operating policy and procedures and a specimen of the client's

signature, and shall sign JN FUND MANAGERS's standard account opening documentation (all of which are subject to and governed by the provisions of this Agreement).

- (b) JN FUND MANAGERS may from time to time require the client to provide updated identification or other identification. The client hereby acknowledges and agrees that the client may be precluded by JN FUND MANAGERS from conducting any transactions until such identification is provided by the client.

## **19. CONFIDENTIALITY**

- 19. (1) It is agreed that JN FUND MANAGERS may from time to time collect financial and other information about the client such as:
  - (a) information establishing and maintaining the client's identity (e.g. name, address, phone number, date of birth, Taxpayer Registration Number, any national reference number) and personal background;
  - (b) information related to transactions arising from the client's relationship with and through JN FUND MANAGERS and from other financial service providers;
  - (c) information the client provides on an application for any of JN FUND MANAGERS's products and services;
  - (d) information about the client's financial behaviour (e.g. payment history and credit worthiness).
- (2) The client authorises JN FUND MANAGERS to collect and confirm the information mentioned in sub-paragraph (1) during the course of the client's relationship with JN FUND MANAGERS. JN FUND MANAGERS may obtain this information from a variety of sources, wherever located, including from the client, from service arrangements the client makes with or through JN FUND MANAGERS, from credit bureaus, credit reporting and other financial service providers, from registries, from references the client provides to JN FUND MANAGERS and from other sources.
- (3) JN FUND MANAGERS may from time to time use or disclose the information mentioned in sub-paragraph (1) for the following purposes:
  - (a) to verify the client's identity and investigate the client's personal background;
  - (b) to open and operate the client's account(s) and provide the client with products and services that the client may request;
  - (c) to better understand the client's financial situation;
  - (d) to determine the client's eligibility for products and services that JN FUND MANAGERS offer;

- (e) to help JN FUND MANAGERS better understand the current and future needs of JN FUND MANAGERS's clients;
  - (f) to communicate to the client any benefit, feature and other information about products and services the client has with JN FUND MANAGERS;
  - (g) to help JN FUND MANAGERS better manage its business and the client's relationship with JN FUND MANAGERS;
  - (h) to protect the client's interests where JN FUND MANAGERS, in its sole discretion, deem it necessary or desirable;
  - (i) to maintain the accuracy and integrity of information held by a credit reporting agency;
  - (j) if JN FUND MANAGERS in its discretion deems such disclosure necessary or desirable;
  - (k) if disclosure is necessary to protect JN FUND MANAGERS's interests; and
  - (l) as required or permitted by the laws or regulations of Jamaica or any other jurisdiction.
- (4) For the purposes listed at sub-paragraph (3), JN FUND MANAGERS may:
- (a) make this information mentioned in sub-paragraph (1) available to JN FUND MANAGERS's employees and agents and service providers, wherever located, who are required to maintain the confidentiality of this information;
  - (b) share this information with other financial service providers or persons with whom the client may have financial or other business dealings wherever located;
  - (c) provide credit, financial and other related information to credit reporting agencies who may share it with others;
  - (d) use this information and share it with the JN Group, which term shall mean JN FUND MANAGERS and its [*holding company, subsidiaries, subsidiaries of its holding company, affiliates and associated companies wherever located, including but not limited to: [·]*] (the "**JN Group**"), who will be entitled to retain copies of any information disclosed; and
  - (e) use this information to promote products and services of JN FUND MANAGERS or of any company in the JN Group and may communicate with the client through various channels using the contact information obtained.
- (5) The client agrees that if it deals with any other company in the JN Group, JN FUND MANAGERS may, where not prohibited by law, consolidate this

information with information the other company(ies) in the JN Group may have about the client to allow JN FUND MANAGERS and any of the companies in the JN Group to manage the client's relationship with JN FUND MANAGERS and the JN Group.

- (6) The client hereby authorizes JN FUND MANAGERS to request from any company in the JN Group any information financial or otherwise, including account balances that they may have in respect of the client to enable JN FUND MANAGERS to better manage its business relationship with the client
- (7) Upon the client's request JN FUND MANAGERS may give the information mentioned in sub paragraph (1) to other persons.
- (8) JN FUND MANAGERS will retain information about the client after the termination of the Agreement or if the client's application is declined or abandoned for as long as permitted, for legal, regulatory, fraud prevention, financial crime and legitimate business purposes.
- (9) The client shall fully and accurately disclose to JN FUND MANAGERS all information requested by JN FUND MANAGERS, including in the JN FUND MANAGERS Customer Information Form. The client agrees and warrants that any information that the client provides to JN FUND MANAGERS is true and correct. The client shall immediately, and in any event not later than five (5) days after a change in any such information, advise JN FUND MANAGERS of such change. JN FUND MANAGERS shall in no event be responsible for or liable to any client in respect of any loss, liability, costs or expenses incurred by the client as a result of or in connection with any inaccurate or incomplete information provided by the client. The client further agrees to fully indemnify and save harmless JN FUND MANAGERS against all damages, costs and expenses which JN FUND MANAGERS may incur as a result of or in connection with any inaccurate or incomplete information provided by the client.

## **20. JOINT ACCOUNTS**

20. (1) In the event that there is more than one client named on an account held with JN FUND MANAGERS, then (unless the named account holders have in writing instructed JN FUND MANAGERS to the contrary) each named account holder shall be entitled to give instructions with respect to the account (including without limitation instructions with respect to encashments of investments credited to such account and the payment out of the proceeds of such encashment) as if such account holder were the only named account holder and without the need for the other account holder(s) to sign or otherwise authorise same, so however that JN FUND MANAGERS may in its discretion require all of the named account holders to sign hypothecations or other instruments creating a charge or other rights in favour of JN FUND MANAGERS with respect to the account or to sign other instructions in relation to the account if JN FUND MANAGERS feels that it is in its interests to so require.
- (2) Notwithstanding clause 20(1), in the event that any investment or account held with JN FUND MANAGERS is in the name of more than one person, those persons shall be deemed to be joint tenants with a right of survivorship unless specific

written instructions to the contrary signed by each of such persons are given to JN FUND MANAGERS prior to the death of any of them and shall be jointly and severally liable in respect of all transactions involving their accounts and investments.

**21. DEALINGS BY CLIENT**

The rights or proprietary interest of the client under any investment or instrument held through or issued by JN FUND MANAGERS shall not be assigned, charged or otherwise disposed of by the client without the prior written consent of JN FUND MANAGERS.

**22. CREDIT FACILITIES, MARGIN & SET OFF**

22. (1) Where JN FUND MANAGERS makes any advance by way of loan to the client or to a third party at the request of the client or issues any form of guarantee to secure obligations of the client or of a third party at the request of the client or assumes any other form of financial exposure whatsoever with respect to the client (any and all of the foregoing being hereinafter referred to as “**Facilities**”), JN FUND MANAGERS shall have a right of set off whereby JN FUND MANAGERS may reduce all or any part of JN FUND MANAGERS’s exposure under the Facilities by deducting same from sums and/or investments due to or held for the client by JN FUND MANAGERS.
- (2) JN FUND MANAGERS’s rights under clause 22(1) above shall apply and be exercisable whether or not:
- (a) the Facilities are denominated in the same currency as the sums and/or investments held by JN FUND MANAGERS for the client;
  - (b) the Facilities and JN FUND MANAGERS’s obligations thereunder are actual, present, future or contingent; and
  - (c) the client is the entitled as a sole or joint account holder to such sums and/or investments.
- (3) Without prejudice to the generality of the clauses 22(1) and 22(2) above, the client agrees that:
- (a) JN FUND MANAGERS may retain all documents and forms comprising or evidencing such investments, until JN FUND MANAGERS is satisfied that it has no further financial exposure in respect of the Facilities;
  - (b) JN FUND MANAGERS may retain all interest and other gains from time to time earned on or derived from such investments and apply same in reduction of JN FUND MANAGERS’s exposure in respect of the Facilities;
  - (c) JN FUND MANAGERS may at any time after the Facilities become due for payment, sell the Security(ies) comprising such investments and apply the proceeds of sale (after deduction of any costs associated with such sale)

in reduction of JN FUND MANAGERS's exposure in respect of the Facilities, or may (where any of the said Securities have been issued by JN FUND MANAGERS) deduct from sums due from JN FUND MANAGERS to the client all or any part of JN FUND MANAGERS's exposure in respect of the Facilities and appropriate same in reduction of JN FUND MANAGERS's exposure in respect of the Facilities; and

- (d) The sums due to or held for the account of the client in respect of such investments shall be deemed to be in a blocked account and the client shall have no right to any payment or transfer thereof while the Facilities remain outstanding.
- (4) Where the client hypothecates, pledges, charges, assigns or otherwise appropriates to JN FUND MANAGERS by way of security:
- (a) all or part of the client's interest in Securities in which the client has invested through JN FUND MANAGERS, or
  - (b) Securities delivered up to or held by a third party to the order of JN FUND MANAGERS,

as collateral for Facilities extended by JN FUND MANAGERS or as margin to cover exposures which may arise out of trading or investment transactions with respect to which JN FUND MANAGERS requires protection, JN FUND MANAGERS shall have the right to borrow, pledge, charge, loan or otherwise use or dispose of all or any part of such Securities comprising margin or collateral provided by the client, subject to JN FUND MANAGERS's obligation to account to the client for property of the same (but not necessarily identical) nature as the said Securities. JN FUND MANAGERS shall have the right to deposit, pledge or charge to a third party such margin or collateral, including for use by the third party as collateral for JN FUND MANAGERS's own obligations.

- (5) In addition, the client hereby authorises and directs JN FUND MANAGERS to deduct from any of the client's accounts or transfer any securities held with JN FUND MANAGERS without prior notice and apply the same to any amounts owed by the client to any company that is a member of the JN Group, as defined above. This right shall apply and be exercisable by JN FUND MANAGERS whether or not the currencies of the relevant amounts or obligations or accounts are the same and, if the currencies are not the same, such set off or appropriation shall be effected at such rate of exchange as JN FUND MANAGERS may determine. The client further authorises JN FUND MANAGERS to place any balance in account or product offered by JN FUND MANAGERS in JN FUND MANAGERS' discretion.

## **23. DETERMINATION OF BALANCES**

23. JN FUND MANAGERS' determination of:

- (a) the amount of the sum held by JN FUND MANAGERS for the account of the client;

- (b) the rate, and method of calculation, of any interest held by JN FUND MANAGERS for the account of the client; and
- (c) the amount of any other form of indebtedness owing by JN FUND MANAGERS to the client, shall be final and conclusive thereof and binding on the client.

## **24. TAXATION**

- 24. (1) In the event that JN FUND MANAGERS becomes, or reasonably believes that it has become, liable to deduct Taxes of any description from any sum paid or credited by JN FUND MANAGERS for the account of the client or to charge Taxes of any description on any fee or charge for any service or other supply rendered by or on behalf of JN FUND MANAGERS, JN FUND MANAGERS is hereby authorised to deduct such Taxes from the sums held by JN FUND MANAGERS for the account of the client or from any payment made by JN FUND MANAGERS to or on behalf of the client, and JN FUND MANAGERS shall not be liable to the client in any manner whatsoever in respect thereof provided that JN FUND MANAGERS in due course accounts to the relevant revenue department for the proceeds of such deduction or charge.
- (2) In the event that the client receives from any third party (including any depository or related payment system) any payment of interest on Securities which are collateralising a repurchase agreement between JN FUND MANAGERS and the client and Taxes has been withheld from such interest, the client shall forthwith deliver to JN FUND MANAGERS a copy of or (if JN FUND MANAGERS so requires) the original the withholding tax certificate (or other documentary evidence of such withholding) that the client receives or is entitled to, and the client shall take such steps and sign such forms and documents as JN FUND MANAGERS may require to enable or assist JN FUND MANAGERS to utilise such withheld tax in the withholding tax computations and filings made by JN FUND MANAGERS as a prescribed person under section 31A of the Income Tax Act of Jamaica (and in JN FUND MANAGERS's tax computations and filings generally).

## **25. USE OF TRANSMISSION SYSTEMS**

- 25. (1) JN FUND MANAGERS may use the services of any correspondent or other entity or any funds transfer method or system, as it may deem best in doing any act or thing in the course of or in connection with JN FUND MANAGERS doing business with or for and on behalf of the client. Such correspondent or other entity, in providing such services, and JN FUND MANAGERS, in using such services or funds transfer methods or systems, shall be deemed to be the agent of the client.
- (2) JN FUND MANAGERS shall not be liable to the client by reason of:
  - (a) any act or omission of such correspondent or other entity in the performance of such services or the failure of any such funds transfer method or system due to any reason beyond the reasonable control of JN FUND MANAGERS; or

- (b) the loss, destruction or delayed delivery of any instrument, security, certificate, document, instruction or signal of any kind while in transit or while in the possession or control of any person other than JN FUND MANAGERS.
- (3) JN FUND MANAGERS shall not be liable to the client for any delay in completing or failure to complete any funds transfer instructions:
  - (a) through the use of any funds transfer method or system for any reason not within the control of JN FUND MANAGERS; or
  - (b) due to any chronology in handling funds transfer instructions by JN FUND MANAGERS or any other party or system.

**26. VERIFICATION OF TRANSMISSION OF FUNDS**

- 26. (1) With respect to any funds transfer implemented by or through any transmission system mentioned above, the client shall review promptly the written or electronic notification of transfer sent to the client by JN FUND MANAGERS after each transfer and promptly, and in any event within twenty-four (24) hours of receipt or deemed receipt of same, report to JN FUND MANAGERS any discrepancy or objection concerning such transfer. The client expressly agrees that the failure to promptly report any such discrepancies or objections shall relieve JN FUND MANAGERS of any liability with respect to such discrepancies or objections.
- (2) Such notification may be sent to the client by mail at the client's last known address and shall be deemed to have been received four (4) Business Days subsequent to mailing, or by electronic notification to the client and, if so sent, shall be deemed received twenty-four (24) hours subsequent to the sending of such notification. Any delay due to interruption in any authorised communication service shall extend to the date of deemed receipt commensurate with the period of such delay.

**27. SUCCESSORS & ASSIGNS**

All contractual rights as between the client and JN FUND MANAGERS in relation to investments made by the client shall be binding upon and shall enure to the benefit of the parties and their respective successors and assigns.

**28. POWER OF ATTORNEY**

The client hereby irrevocably appoints JN FUND MANAGERS the client's attorney for the purpose of doing all things on behalf of the client in the course of managing the client's investment, and in particular (but without prejudice to the generality of the foregoing) to execute all documents whatsoever and to make demands and give instructions all on behalf of the client.

**29. TERMINATION**



29. (1) This Agreement may be terminated at any time hereafter by either the client or JN FUND MANAGERS giving to the other not less than fourteen (14) Business Days' notice in writing, whereupon the client's investment will be liquidated and paid (net of fees) to the client as speedily as is reasonably practicable.
- (2) Notwithstanding the provisions of clause 29(1) above, in the event that JN FUND MANAGERS believes that it has become necessary or prudent in its interests to do so, JN FUND MANAGERS may terminate any or all outstanding transactions and may close any or all accounts held for the client and sell the Securities held in such accounts by sending written notice thereof to the client to the last known address of the client. Such termination will be subject to settlement of all outstanding transactions between JN FUND MANAGERS and the client and obligations relating thereto (which settlement may be accelerated if JN FUND MANAGERS deems fit), and will also be subject to the specific terms and conditions applicable to the investments and transactions thereby terminated.
- (3) Upon sending a termination notice JN FUND MANAGERS will effect any close-out payments as soon as is reasonably practicable, subject to the requirements of applicable law. If the client does not provide instructions to JN FUND MANAGERS with respect to or otherwise facilitate close-out payments or transfers, JN FUND MANAGERS may sell any Securities held for the client by sending written notice thereof to the client to the last known address of the client and deposit the proceeds thereof (and any other funds held for the client) into a non-interest bearing account and such monies be held on trust for the clients at a licensed bank in Jamaica, and JN FUND MANAGERS will have no liability or obligation to the client with respect thereto or thereafter.
- (4) These terms and conditions of this Agreement shall survive the termination of transactions with and the closing of accounts held by the client, and shall thereafter continue to govern the legal relationship between JN FUND MANAGERS and the client.

**30. GOVERNING LAW**

30. (1) These terms and conditions shall be governed by and construed in accordance with Jamaican law. Without prejudice to clause 30(2) below, the client hereby submits to the jurisdiction of the Jamaican Courts, and waives any defence of inconvenient forum.
- (2) JN FUND MANAGERS shall be entitled to commence and maintain proceedings and execute process to enforce any of its rights and remedies under the provisions of this Agreement in any jurisdiction in which the client resides or maintains substantial assets.

**31. WAIVER**

No waiver of any provision of these terms and conditions and no consent by JN FUND MANAGERS to a departure here from shall be effective unless and until such shall be in writing and duly signed by JN FUND MANAGERS. The client expressly agrees that JN FUND MANAGERS will not be bound by any representation or agreement made by any of JN FUND MANAGERS's employees or agents which purports to affect or diminish JN FUND MANAGERS's rights under this Agreement.

**32. CLIENT COPY**

JN FUND MANAGERS shall keep a copy of these provisions (and/or any provisions hereafter promulgated by JN FUND MANAGERS which amend, update or supersede same) at its principal office and each of its branches and on its web site, and shall make a copy of same available to any of its clients on request and at JN FUND MANAGERS's cost. Failure on the part of JN FUND MANAGERS to comply with this Clause 32 in whole or in part shall not invalidate these terms and conditions or affect or prejudice JN FUND MANAGERS's right and entitlement to rely on and enforce these terms and conditions.

**33. INTERPRETATION**

33. (1) In this Agreement, the singular form shall include the plural form and the masculine form shall include the feminine and neuter forms, and vice versa.
- (2) The clause headings in the provisions of this Agreement shall not be used in construing or interpreting the scope, meaning or effect of any of the clauses and provisions in the provisions of this Agreement.

**34. NOTICES**

Any notice, demand or other communication to be given in writing to the client by JN FUND MANAGERS shall be properly and effectually made, given and served on and to the client if delivered by hand or ordinary or registered post addressed to the client at the client's last address advised to JN FUND MANAGERS by or on behalf of the client, sent to the client's fax number or e-mail address in the records of JN FUND MANAGERS or provided electronically by JN FUND MANAGERS to the client including by posting online on JN FUND MANAGERS's website or by uploading the same on JN FUND MANAGERS's online account access at [www.jnfunds.com](http://www.jnfunds.com), and shall be deemed to have been duly given and served on the date delivered (in the case of hand delivery), on the date sent (in the case of fax or e-mail), on the date uploaded (if posted online) or on the third day after posting at any post office in Jamaica (if sent by post).

**35. STATEMENTS AND CONFIRMATIONS**

35. (1) JN FUND MANAGERS may contact the client by personal delivery (including courier service) mail, telephone or email. All periodic statements, investment certificates, contract notes, notices or other forms of confirmation referred to herein that JN FUND MANAGERS has agreed to give you will be sent to the e-mail address that JN FUND MANAGERS has on file for the client and will be deemed to have been received by the client at the time of dispatch to the correct email address or other electronic address [or shall be accessible on such electronic platform as JN FUND MANAGERS shall make accessible to the client ]. If a periodic statement, investment certificate, contract note, notice or other form of communication is sent to the address that JN FUND MANAGERS has on file for the client, it will be deemed to have been received by the client no later than five (5) business days after it has been mailed or at the time of personal delivery.

The client shall be responsible for promptly notifying JN FUND MANAGERS in writing of any changes to their contact details

- (2) If, on the client's instruction, the said periodic statements, investment certificates, contract notes, notices or other forms of confirmation are to be held by JN FUND MANAGERS rather than sent by electronic mail, each such period statement, investment certificate, contract note or other form of confirmation shall be deemed to have been sent to the client on the day after the date on which the periodic statement, investment certificate, contract note or other form of confirmation was, or otherwise is ordinarily, prepared, provided that the client has signed a written consent form acknowledging this arrangement and confirming their understanding of deemed delivery under these circumstances.
- (3) If any periodic statement, investment certificate, contract note, notice or other form of confirmation is provided by JN FUND MANAGERS to the client and is returned to JN FUND MANAGERS on any occasion, this shall be deemed to be an instruction by the client for JN FUND MANAGERS to stop providing the said periodic statement, investment certificate, contract note, notice or other form of confirmation and to destroy any enclosures and delivery will be deemed to have occurred on the day after the date on which such document was, or otherwise is ordinarily, prepared. Thereafter, all future periodic statements, investment certificates, contract notes or other forms of confirmation addressed to the client may be retained by JN FUND MANAGERS.
- (4) In the event of any error made by JN FUND MANAGERS in recording any entry in or to the client's accounts, JN FUND MANAGERS shall have the right to make the necessary correction and accordingly reverse or adjust the entry without notice to the client and recover the amount (if any) from the client. JN FUND MANAGERS shall not be liable for any damages or loss arising as a result of such error.

### **36. SEVERABILITY**

Each clause, paragraph and provision in the provisions of this Agreement are and shall be deemed to be and shall be treated as severable, and any invalidity, illegality or unenforceability affecting any clause, paragraph or provision in the provisions of this Agreement shall not affect or prejudice validity, legality and enforceability of the remaining clauses, paragraphs and provisions contained in the provisions of this Agreement.

### **37. JN FUND MANAGERS RIGHT OF VARIATION**

Other than and excluding the provisions of clause 15 above, JN FUND MANAGERS may from time to time in writing vary, add to or replace these terms and conditions and/or those of any Ancillary or other Agreements or ancillary or other contractual material agreed by the client with JN FUND MANAGERS, and the client hereby waives the right to notice of such variations, additions or replacements save where such obligation to notify is specified by JN FUND MANAGERS in this Agreement, and the client shall be deemed to consent and agree thereto and each such variation, addition and replacement shall be binding on the client.

**38. CORPORATE CLIENTS**

38. (1) If the client is a body corporate, the client shall deliver to JN FUND MANAGERS at the commencement of the investment relationship between the client and JN FUND MANAGERS:
- (a) an extract from the minutes of a meeting of the client's Board of Directors (or analogous body) at which a resolution has been passed (i) authorising specified persons to sign instruments and contracts relating to the client's investments with JN FUND MANAGERS, and (ii) authorising specified persons to give instructions in relation to and deal with the client's investments and account(s) held with JN FUND MANAGERS;
  - (b) a signature certificate, duly certified by the client's corporate secretary or a director, bearing specimens of the signatures of such authorised persons appointed by resolution;
  - (c) a copy of the client's incorporation documents; and
  - (d) such other documents (attested in such manner as JN FUND MANAGERS may determine) as JN FUND MANAGERS may from time to time require for "due diligence" or regulatory purposes.

On making any investment through JN FUND MANAGERS or dealing with any investment or account held with JN FUND MANAGERS or receiving any payment from JN FUND MANAGERS on account thereof, the client shall, unless the client has otherwise specified by notice in writing to JN FUND MANAGERS prior to making such investment, be deemed to represent and warrant to JN FUND MANAGERS that the items referred to in sub-paragraphs (a), (b), (c) and (d) of clause 38(1) are current and in full force and effect.

**39. DISCLOSURE**

The products of JN FUND MANAGERS are not insured by the Jamaica Deposit Insurance Corporation (the "**JDIC**"). The JDIC provides protection for depositors in commercial banks, merchant banks, credit unions and building societies which are deposit-taking institutions. JN FUND MANAGERS is not a deposit-taking institution. JN FUND MANAGERS is a licensed securities dealer and is regulated by the Financial Services Commission.

**40. ACCEPTANCE OF CONDITIONS**

When the client signs the JN FUND MANAGERS Customer Information Form, the client acknowledges receipt of and agrees to be bound by the terms and conditions in this Agreement and shall commence and be effective upon the day referred to in the said JN FUND MANAGERS Customer Information Form. The terms and conditions in this Agreement shall continue notwithstanding the death, insanity, bankruptcy, winding up or dissolution of the client, or any of the clients.