

SECURITIES (REGISTRATION AND PROSPECTUS DISCLOSURE) REGULATIONS, 2006

FORM R- F1

APPENDIX B

AUDITOR'S CONSENT AND COMFORT LETTER

Financial Services Commission
39-43 Barbados Avenue
Kingston 5, Jamaica W.I.

Dear Sirs:

Re: · [name of issuer] (the "Company")

We refer to the integrated disclosure prospectus (the "Prospectus") dated · , relating to the issue and sale of [describe number and type of securities] of the Company.

We consent to the use, through incorporation by reference in the Prospectus, of our report dated · to the [shareholders/other addressees] of the Company on the balance sheet dated as of · and the related statements of income, cash flows and changes in equity of the Company for the year then ended.

We report that we have read the Prospectus and all information specifically incorporated by reference in the Prospectus and have no reason to believe that there are any misrepresentations in the information contained in it that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.

Yours very truly,

Chartered Accountants

indebtedness or shares in respect of which the payment is to be made and of the payment proposed to be made.

10. Any other material facts with respect to the relationship between the issuer and the underwriter that could impact on the impartiality of the underwriter.

SECURITIES (REGISTRATION AND PROSPECTUS DISCLOSURE) REGULATIONS, 2006

FORM R-F1

APPENDIX A

UNDERWRITER CONFLICTS OF INTEREST

REQUIRED INFORMATION FOR THE FRONT PAGE OF THE PROSPECTUS

1. A statement in bold type, naming each underwriter that the issuer or the selling security holder is an associated person of, or indebted to.
2. A summary of the basis on which paragraph 1 applies to the distribution.
3. A cross-reference to the applicable section in the body of the prospectus where further information concerning the relationship between the issuer or selling security holder and underwriter is provided.

REQUIRED INFORMATION FOR THE BODY OF THE PROSPECTUS

4. A statement naming each underwriter that the issuer or the selling security holder is an associated person of, or indebted to.
5. The basis on which the issuer or selling security holder is an associated person of each underwriter referred to in paragraph 4.
6. If the issuer or selling security holder or an associated person is indebted to the underwriter or an associated person of the underwriter,
 - (a) the amount of the indebtedness;
 - (b) the extent to which the issuer or selling security holder is in compliance with the terms of the agreement governing the indebtedness;
 - (c) the extent to which a related issuer has waived a breach of the agreement since its execution;
 - (d) the nature of any security for the indebtedness; and
 - (e) the extent to which the financial position of the issuer or selling security holder or the value of the security has changed since the indebtedness was incurred.
7. Disclosure as to whether the issue was required, suggested or consented to by the underwriter or an associated person of the underwriter and, if so, on what basis.
8.
 - (a) Information about the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the underwriter or an associated person of the underwriter, or
 - (b) If the proceeds will not be applied for the benefit of the underwriter or an associated person of the underwriter, a statement to that effect.
9. If a portion of the proceeds of the distribution is to be directly or indirectly applied to or towards the payment of indebtedness referred to in paragraph 4, particulars of the

17.2 Underwriters

If there is an underwriter and the underwriter is participating in the distribution, include a certificate in the following form signed by each such underwriter:

"To the best of our knowledge, information and belief, this integrated disclosure prospectus, together with the documents incorporated in it by reference, constitutes full, true and plain disclosure of all material facts relating to the securities to be issued under this prospectus and contains no misrepresentation that is likely to affect the value or the market price of the securities being offered."

17.3 Amendments

- (1) Include in an amendment to a prospectus that does not restate the prospectus the certificates required under sections 17.1 and 17.2 with the reference in each certificate to "this prospectus" omitted and replaced by "the prospectus dated [insert date] as amended by this amendment".
- (2) Include in an amended and restated prospectus the certificates required under sections 17.1 and 17.2 with the reference in each certificate to "this prospectus" omitted and replaced by "this amended and restated prospectus".

17.4 Date of Certificates

The certificates in a preliminary prospectus, a final prospectus or an amendment to a preliminary or final prospectus must be dated not more than two business days before the date of filing the preliminary prospectus, final prospectus or amendment, as applicable.

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the beginning of the financial year in respect of which the issuer's current AIF is filed.

- (2) In the statement incorporating by reference into the prospectus the documents listed in subsection (1), clarify that the documents are not incorporated by reference to the extent their contents are modified or superseded by a statement contained in the prospectus or in any other subsequently filed document that is also incorporated by reference in the prospectus.

INSTRUCTIONS

- (1) *Paragraph (d) of subsection (1) requires issuers to incorporate only the news release or other public communication through which more recent financial information is released to the public. However, if the financial statements from which the information in the news release has been derived have been filed, then the financial statements must be incorporated by reference.*
- (2) *Issuers must provide a list of the material change reports required under paragraph (e) of subsection (1), giving the date of filing and briefly describing the material change or acquisition, as the case may be, in respect of which the report was filed.*
- (3) *Under sections 4.1 and 4.2 of the Regulation, any material incorporated by reference in a prospectus is required to be filed with the prospectus unless it has been previously filed.*

16.2 Mandatory Incorporation by Reference of Future Documents

State that any documents of the type described in section 16.1, if filed by the issuer after the date of the prospectus and before the termination of the offering, are deemed to be incorporated by reference in the prospectus.

PART 17 CERTIFICATES

17.1 Officers, Directors and Promoters

Include a certificate in the following form signed by

- (a) the chief executive officer and the chief financial officer or, if no such officers have been appointed, the persons acting on behalf of the issuer in similar capacities,
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer duly authorized to sign, other than the persons referred to in paragraph (a), and
- (c) any person who is a promoter of the issuer:

"This integrated disclosure prospectus, together with the documents incorporated in it by reference, constitutes full, true and plain disclosure of all material facts relating to the securities to be issued under this prospectus and contains no misrepresentation that is likely to affect the value or the market price of the securities being offered."

“Under section 44 of the *Companies Act, 2004*, the directors and promoters of an issuer and certain named experts in a prospectus and other persons may be liable to pay compensation to subscribers of securities from the loss or damage they may have sustained by reason of an untrue statement contained in the prospectus. In order to obtain more information concerning this statutory right, and the defences available to the persons named in section 44 as having civil liability for untrue statements in a prospectus, you should consult a legal adviser.”

PART 16 DOCUMENTS INCORPORATED BY REFERENCE

16.1 Mandatory Incorporation by Reference

- (1) In addition to any other document that an issuer may choose to incorporate by reference, specifically incorporate by reference in the prospectus by means of a statement in the prospectus to that effect, the documents set forth below:
 - (a) The issuer's current AIF;
 - (b) The issuer's current annual financial statements and related MD&A;
 - (c) The issuer's interim financial statements most recently filed or required to have been filed under Regulation CD in respect of an interim period, if any, subsequent to the financial year in respect of which the issuer has filed its current annual financial statements or has included annual financial statements in the prospectus, and the related interim MD&A;
 - (d) If, before the prospectus is filed, financial information about the issuer for a financial period more recent than the period for which financial statements are required under paragraphs (b) and (c) is publicly disseminated by the issuer through news release or otherwise, the content of the news release or public communication;
 - (e) Any material change report, except a confidential material change report, filed under PART 7 of Regulation CD since the end of the financial year in respect of which the issuer's current AIF is filed;
 - (f) Any information circular filed by the issuer under PART 9 of Regulation CD since the end of the financial year in respect of which the issuer's current AIF is filed;
 - (g) Any other disclosure document that the issuer has filed pursuant to an undertaking to the Financial Services Commission or the Jamaica Stock Exchange since the beginning of the financial year in respect of which the issuer's current AIF is filed;
 - (h) Any other disclosure document of the type listed in paragraphs (a) through (f) that the issuer has filed pursuant to an exemption from any requirement under Regulation CD since

PART 15 PURCHASERS' CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

15.1 Contractual Rights

State the following:

"If you purchase these securities you will have certain rights, some of which are described below:

Two-Day Cancellation Right - You can cancel your agreement to purchase these securities. To do so, you must send a notice to the issuer or to the underwriter through whom you purchased the securities by midnight on the 2nd business day after you sign the agreement to buy the securities.

Contractual Rights of Action in the Event of a Misrepresentation - If there is a misrepresentation in this prospectus or any of the documents integrated by reference, you have a contractual right to sue [name of issuer or other term used to refer to the issuer]:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This contractual right to sue is being provided to you by the issuer in consideration of your purchase of the securities:

- (i) whether or not you relied on the misrepresentation; and
- (ii) whether or not any person who participated in preparing or authorizing the prospectus on behalf of the issuer had reasonable grounds to believe that the prospectus did not contain a misrepresentation.

However, in an action for damages the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that [name of issuer or other term used to refer to the issuer] proves does not represent the depreciation in value of the securities resulting from the misrepresentation. [Name of issuer or other term used to refer to the issuer] has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence an action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence an action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

These contractual rights are in addition to any other rights you may have at law or under applicable securities legislation."

15.2 Statutory Rights of Action in the Event of a Misrepresentation

State the following:

- (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.
- (2) If a promoter of the issuer has been a director, executive officer or promoter of any entity during the 10 years ending on the date of the preliminary prospectus, that while he was acting in that capacity,
 - (a) the entity was the subject of a cease trade or similar order for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or
 - (b) within a year of the promoter ceasing to act in that capacity, the entity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.
- (3) If a promoter has been subject to any penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision, describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement,
- (4) If a promoter has, within the 10 years before the date of the preliminary prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

PART 13 OTHER MATERIAL FACTS

13.1 Other Material Facts

Give particulars of any material facts about the securities being offered that are not disclosed under any other items or in the documents incorporated by reference into the prospectus and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being offered, and not to make any misrepresentation likely to affect the value or market price of the securities.

PART 14 EXEMPTIONS FROM THE REGULATION

14.1 Exemptions from the Regulation

List all exemptions from the provisions of the Regulation relating to the distribution or to this prospectus, including this Form, granted to the issuer, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 8.2 of the Regulation.

- (1) who is named as having prepared or certified a statement, report or valuation in the prospectus or an amendment to the prospectus, either directly or in a document incorporated by reference; and
- (2) whose profession or business gives authority to the statement, report or valuation made by the person.

11.2 Interest of Experts

For each person referred to in section 11.1, provide the disclosure that would be required under section 17.2 of Form CD-F2 (Annual Information Form), as of the date of the prospectus, as if that person were a person referred to in section 17.1 of Form CD-F2.

11.3 Exemption

Sections 11.1 and 11.2 do not apply to a person if the disclosure regarding that person required under section 11.2 is already disclosed in the issuer's current AIF.

PART 12 PROMOTERS

12.1 Promoters

- (1) For a person that is, or has been within the three years immediately preceding the date of the preliminary prospectus, a promoter of the issuer or of a subsidiary of the issuer state,
 - (a) the person's name;
 - (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised by the person;
 - (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter, directly or indirectly, from the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return; and
 - (d) for an asset acquired by the issuer or by a subsidiary of the issuer from a promoter within the three years before the date of the preliminary prospectus or to be so acquired
 - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
 - (ii) the person making the determination referred to in subparagraph (i) and the person's relationship with the issuer, the promoter, or an affiliate of the issuer or of the promoter, and

9.3 Credit Ratings

If any credit ratings have been received from a recognized rating agency for the securities being offered and the ratings continue in effect, disclose

- (a) each security rating, including a provisional rating, received from a recognized rating agency;
- (b) the name of each recognized rating agency that has assigned a rating for the securities being offered;
- (c) a definition or description of the category in which each recognized rating agency rated the securities being offered and the relative rank of each rating within the organization's classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities being offered are not addressed by the rating;
- (e) any factors or considerations identified by the rating agency as giving rise to unusual risks associated with the securities being offered;
- (f) a statement that a security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency; and
- (g) any announcement made by, or any proposed announcement known to the issuer to be made by, a recognized rating agency that the agency is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this paragraph.

PART 10 UNDERWRITER CONFLICTS OF INTEREST

10.1 Relationship between Issuer or Selling Security Holder and Underwriter

If the issuer or selling security holder is one of the underwriters or an associated person of an underwriter, or if the issuer or selling security holder is indebted to an underwriter or an associated person of an underwriter, provide the information required by Appendix A.

INSTRUCTIONS

For the purposes of section 10.1, "associated person" has the same meaning as in the Securities Act.

PART 11 INTEREST OF EXPERTS

11.1 Names of Experts

Name each person

- (4) *The denominator represents a pro forma calculation of the aggregate of an issuer's interest obligations on all long-term debt and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect*
- (a) the issuance of all long-term debt and, in addition in the case of a distribution of preferred shares, all preferred shares issued, since the date of the annual or interim financial statements,*
 - (b) the issuance of the securities that are being offered under the prospectus, based on a reasonable estimate of the price at which these securities will be offered,*
 - (c) the repayment or redemption of all long-term debt since the date of the annual or interim financial statements, all long-term debt to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of a distribution of preferred shares, all preferred shares repaid or redeemed since the date of the annual or interim financial statements and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus, and*
 - (d) the servicing costs that were incurred, or will be incurred, in relation to the above adjustments.*
- (5) *For debt securities, disclosure of earnings coverage shall include language similar to the following*
- "[Name of the issuer]'s interest requirements, after giving effect to the issue of [the debt securities being offered under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]'s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]'s interest requirements for this period."*
- (6) *For preferred share issues, disclosure of earnings coverage shall include language similar to the following:*
- "[Name of the issuer]'s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares being offered under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$ for the 12 months ended •. [Name of the issuer]'s interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]'s earnings before interest and income tax for the 12 months ended • was \$, which is • times [name of the issuer]'s aggregate dividend and interest requirements for this period."*
- (7) *If the earnings coverage ratio is less than one-to-one, disclose the dollar amount of the coverage deficiency (i.e. the dollar amount of earnings required to attain a ratio of one-to-one).*
- (8) *Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.*

- (d) the repayment, redemption or other retirement of all long-term financial liabilities, as determined in accordance with IFRS, since the date of the annual or interim financial statements and all long-term financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities offered under the prospectus; and
 - (e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.
- (3) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the earnings required to achieve a ratio of one-to-one.
- (4) If the prospectus includes a pro forma income statement, calculate the pro forma earnings coverage ratio and disclose it in the prospectus.

INSTRUCTIONS

- (1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*
- (2) *Earnings coverage is calculated by dividing an entity's earnings (the numerator) by its interest and dividend obligations (the denominator).*
- (3) *For the earnings coverage calculation*
 - (a) *the numerator should be calculated using consolidated net income before interest and income taxes,*
 - (b) *imputed interest income from the proceeds of an offering should not be added to the numerator,*
 - (c) *an issuer may also present, as supplementary disclosure, a coverage calculation based on earnings before discontinued operations and extraordinary items,*
 - (d) *for offerings of debt securities, the appropriate denominator is interest expense determined in accordance with IFRS, after giving effect to the new debt issue and any retirement of obligations, plus the amount of interest that has been capitalized during the period,*
 - (e) *for offerings of preferred shares*
 - (i) *the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual interest requirements, including the amount of interest that has been capitalized during the period, less any retirement of obligations, and*
 - (ii) *dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate, and*
 - (f) *for offerings of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt being offered pursuant to the prospectus.*

- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates; and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

9.2 Earnings Coverage Ratios

- (1) If the securities being offered are preferred shares or debt securities having a term to maturity in excess of one year, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):
 - (a) The earnings coverage ratio based on the issuer's annual financial statements for its most recently completed financial year.
 - (b) The earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which interim financial statements of the issuer have been, or are required to have been, incorporated by reference into the prospectus.
- (2) Adjust the ratios referred to in subsection (1) to reflect
 - (a) the issuance of the securities being offered under the prospectus, based on the price at which these securities are expected to be offered;
 - (b) in the case of an offering of preferred shares,
 - (i) the issuance of all preferred shares issued since the date of the annual or interim financial statements; and
 - (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual or interim financial statements and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus;
 - (c) the issuance of all long-term financial liabilities, as determined in accordance with IFRS;

- (3) List the documents (other than the *Companies Act, 2004* or other legislation) that affect the rights of security holders and state that these have been filed with the Financial Services Commission. State that copies are available from the issuer or any underwriter free of charge, and are also available on the issuer's web site at [provide web address].

INSTRUCTIONS

This Part requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being offered or any other class of securities do not need to be set out in full.

PART 8 SELLING SECURITY HOLDER

8.1 Selling Security Holder

If any of the securities are being offered for the account of a security holder, state the following:

- (1) The name of the security holder.
- (2) The number or amount of securities of the class being offered owned by the security holder.
- (3) The number or amount of securities of the class being offered for the account of the security holder.
- (4) The number or amount of securities of the issuer of any class to be owned by the security holder after the offering, and the percentage that number or amount represents of the total outstanding.
- (5) Whether the securities referred to in paragraph (2), (3) or (4) are owned both of record and beneficially, of record only, or beneficially only.

PART 9 DEBT SECURITIES AND PREFERRED SHARES

9.1 Debt Securities

If debt securities are being offered, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;

those securities. Consult with the Financial Services Commission to obtain information as to additional required disclosure.

7.5

Restricted Securities

- (1) If the issuer proposes to offer any restricted securities (as defined in Regulation CD) under the prospectus, provide a detailed description of:
 - (a) the voting rights attached to the restricted securities and the voting rights, if any, attached to the securities of any other class of securities of the issuer that are the same or greater on a per security basis than those attached to the restricted securities;
 - (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of restricted securities; and
 - (c) any rights applicable under the *Companies Act, 2004*, in the constating documents or otherwise, of holders of restricted securities to attend meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled.
- (2) If holders of restricted securities do not have all of the rights referred to in subsection (1), include a statement in bold type of the rights the holders do not have.
- (3) State the percentage of the aggregate voting rights attached to the issuer's securities that will be represented by restricted securities after giving effect to the issuance of the securities being offered.

7.6

Modification of Terms

Describe provisions as to modification, amendment or variation of any rights or other terms attached to the securities being offered. If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

7.7

Other Attributes

- (1) If the rights attaching to the securities being offered are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being offered, include information about the other securities that will enable investors to understand the rights attaching to the securities being offered.
- (2) If securities of the class being offered may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

"The Jamaica Stock Exchange (JSE) and [name of exchange or other market] have conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of the issuer] fulfilling all of the requirements of the JSE and [name of exchange or market] on or before [date], [including offering of these securities to a minimum number of public security holders]."

PART 7 DESCRIPTION OF SECURITIES BEING OFFERED

7.1 Equity Securities

If equity securities are being offered, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics of the securities including, as applicable,

- (a) dividend rights;
- (b) voting rights;
- (c) rights upon dissolution or winding up;
- (d) pre-emptive rights;
- (e) conversion or exchange rights;
- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
- (i) provisions requiring a security holder to contribute additional capital.

7.2 Preferred Shares or Debt Securities

- (1) If preferred shares are being offered, provide the information required by section 7.1 as applicable, as well as any information required by PART 9 of this Form.
- (2) If debt securities are being offered, provide the disclosure required by section 9.1 in lieu of the information set forth in section 7.1.

7.3 Asset-backed Securities or Derivatives

If asset-backed securities or derivatives are being offered, consult with the Financial Services Commission to obtain information as to additional required disclosure.

7.4 Other Securities

If securities other than equity securities, debt securities, asset-backed securities or derivatives are being offered, describe fully the material attributes and characteristics of

the securities at a price of •, payable in cash to • [name of issuer or selling security holder] against delivery. The obligations of the underwriter under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter is, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement."

6.2 Best Efforts Offering

Outline briefly terms and conditions governing the offering of any securities being offered other than on the basis described in section 6.1.

6.3 Determination of Price

Disclose the method by which the offering price has been or will be determined and, if estimates have been provided, explain the process for determining the estimates.

6.4 Over-Allotments

If the issuer, a selling security holder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the offering of the securities, disclose this information.

6.5 Minimum Offering

If a minimum amount of funds is required under the issue and the securities are being offered on a best efforts basis, state the minimum needed and the maximum that could be raised. Also indicate that the offering will not continue for a period of more than 90 days after the date of the receipt for the prospectus if subscriptions representing the minimum amount of funds are not obtained within that period, unless each person who subscribed within that period consents to the continuation. State that until the closing of the offering, funds received from subscriptions will be held by a depository who is a licensed dealer, bank or trust company, and if the minimum amount of funds is not raised, the funds will be returned to the subscribers.

6.6 Listing Application

If application has been made to list or quote the securities being offered on the JSE or another exchange, include a statement in substantially the following form with the bracketed information completed:

"The issuer has applied to [list/quote] the securities offered under this prospectus on the Jamaica Stock Exchange (JSE) and [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of the JSE and [name of exchange or other market]."

6.7 Conditional Listing Approval

If application has been made to list or quote the securities being offered and conditional listing approval has been received, include a statement in substantially the following form, with the bracketed information completed:

4.3 Consolidated Capitalization

Provide a summary of the share and loan capital of the issuer and describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's current annual financial statements, including any material change that will result from the distribution of the securities being offered under the prospectus.

INSTRUCTIONS

Issuer's may provide the disclosure required by section 4.3 in a table showing in the first column consolidated capitalization as of the latest annual period for which financial statements have been prepared, then showing the same information in a second column to reflect any material changes since the date of those financial statements (if any) to the latest practical date before the date of the prospectus and finally, showing the same information in a third column as adjusted to reflect the offering (pro forma). If the only changes are those resulting from the offering, the second column can be omitted.

PART 5 USE OF PROCEEDS

5.1 Proceeds

State the estimated net proceeds to be received by the issuer or selling security holder, or in the case of an offering to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling security holder from the sale of the securities offered.

5.2 Principal Purposes

- (1) Describe in reasonable detail and, if useful, using a table, each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the issuer. If the closing of the offering is subject to a minimum subscription, provide disclosure of the use of proceeds for the minimum and maximum amounts.
- (2) If more than 10 percent of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used and, if the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and the outstanding amount owed.

PART 6 ISSUANCE OF THE SECURITIES

6.1 Disclosure of Market Out for Firm Underwriting

If securities are offered by an underwriter under a firm underwriting and the underwriter's obligations are subject to conditions, include a statement in substantially the following form, with the bracketed information completed and with grammatical and other modifications necessary to reflect the terms of the offering:

"Under an agreement dated • between • [name of issuer or selling security holder] and • [name of underwriter], as underwriter, • [name of issuer/selling security holder] has agreed to sell and the underwriter has agreed to purchase on • [date]

PART 3 RISK FACTORS**3.1 Risk Factors**

Describe the factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being offered.

INSTRUCTIONS*Include*

- (a) Risks associated with the issuer's financial position*
- (b) Business factors that may adversely affect the issuer's operations*
- (c) Other factors that may adversely affect the issuer's financial results*
- (d) Other factors that may adversely affect the value or market price of the securities being offered.*

Issuers may cross-reference to specific risk factors relevant to the securities being offered that are discussed in their current AIF or business risks and uncertainties discussed in their current annual or interim MD&A, but these should be briefly summarized before providing the cross-reference.

PART 4 FINANCIAL INFORMATION**4.1 Financial Statements**

State that the issuer's current annual financial statements [provide date of year end] and interim financial statements for its most recently completed interim period for which financial statements have been prepared [provide date] have been filed with the Financial Services Commission. State that copies are available from the issuer or any underwriter free of charge, and are also available on the issuer's web site at [provide web address]. State that these financial statements are expressly incorporated by reference into the prospectus and form part of it as if they were fully reproduced in the body of the prospectus. Include a cross-reference to the disclosure provided under PART 16 of this Form for more information concerning the documents incorporated by reference.

4.2 Discussion of Financial Results

State that the issuer's results of operations, cash flows, capital resources and liquidity for its most recently completed financial year and most recently completed interim period for which financial statements have been prepared are fully discussed and analyzed in its annual and interim Management Discussion & Analysis (MD&A) of its financial results, which have been filed with the Financial Services Commission. State that copies are available from the issuer or any underwriter free of charge, and are also available on the issuer's web site at [provide web address]. State that the MD&A are expressly incorporated by reference into the prospectus and form part of it as if they were fully reproduced in the prospectus. Include a cross-reference to the disclosure provided under PART 16 of this Form for more information concerning the documents incorporated by reference.

1.12 Earnings Coverage Ratios

If any of the earnings coverage ratios required to be disclosed under section 9.2 is less than one-to-one, disclose this fact in bold type.

PART 2 SUMMARY DESCRIPTION OF BUSINESS**2.1 Summary of Description of Business**

Provide a brief summary on a consolidated basis of the business carried on and intended to be carried on by the issuer.

2.2 Additional Information

Under the heading "Additional Information" state that additional information concerning the business of the issuer is provided in the issuer's current AIF which has been filed with the Financial Services Commission. State that the AIF is available without charge from the issuer or any underwriter, and may also be obtained from the issuer's web site at [provide web address]. State that the AIF is expressly incorporated by reference into the prospectus and forms part of it as if it were fully reproduced in the body of the prospectus. Include a cross-reference to the information provided under PART 16 of this Form for more information concerning the documents incorporated by reference.

2.3 Significant Acquisitions

(1) Describe any acquisition

- (a) that the issuer has completed since the filing of its current AIF;
- (b) that is a significant acquisition for the purposes of section 5.2 of Form CD- F2; and
- (c) that is not disclosed in the issuer's current AIF.

(2) Describe any proposed acquisition that

- (a) has progressed to a state where the likelihood of the acquisition being completed is high; and
- (b) under section 5.2 of Form CD-F2, would be a significant acquisition for the issuer if completed as of the date of the prospectus.

INSTRUCTIONS

For the description of the acquisition or proposed acquisition, include the information required by section 5.2 of Form CD-F2 AIF. For a proposed acquisition, modify this information as necessary to convey that the acquisition is not yet completed.

"There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See Risk Factors."

1.10 Underwriter(s)

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of PART 10 – Underwriter Conflicts of Interest, for cover page prospectus disclosure.
- (3) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the prospectus, and provide the anticipated date for closing of the offering, if known.
- (4) If there is no underwriter involved in the distribution, provide a statement in bold type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review of the contents of the prospectus.
- (5) Provide the following information in a table:

Underwriters' Position	Maximum size or number of securities held	Exercise period/Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer			
Total securities under option			
Other compensation securities			

INSTRUCTIONS

- (1) *Estimate amounts, if necessary. For offerings that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in a table.*
- (2) *If debt securities are being offered, express the information as a percentage.*

1.11 Restricted Securities

If the securities being offered are restricted securities (as defined in Part 9 of Regulation CD) and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

- (6) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling security holder and discounts granted. Set out in a note to the table
 - (a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling security holder;
 - (b) consideration other than discounts granted and cash paid or payable by the issuer or selling security holder, other than securities described in section 1.10 below; and
 - (c) any finder's fees or similar required payment.
- (7) Disclose separately those securities that are to be issued from treasury and those that are part of a secondary offering for the account of one or more selling security holders.
- (8) If a security is being offered for the account of a selling security holder, state the name of the selling security holder and a cross-reference to the applicable section in the prospectus where further information about the selling security holder is provided. State the portion of expenses of the offering to be borne by the selling security holder and, if none of the expenses of the offering are being borne by the selling security holder, include a statement to that effect and discuss the reasons why this is the case.

1.7 Non-Fixed Price Offerings

If the securities are to be offered at non-fixed prices, consult with the Financial Services Commission to obtain information concerning any guidelines it may wish to impose with respect to non-fixed price offerings and any additional prospectus disclosure it may require.

1.8 Reduced Price Offerings

If an underwriter wishes to be able to decrease the price at which securities are offered for cash from the initial offering price disclosed in the prospectus, include in bold type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.

1.9 Market for Securities

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class as the securities being offered are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market and provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being offered in the distribution exists or is expected to exist after the distribution, state the following in bold type:

Commission. Copies of the documents incorporated by reference into this prospectus may be obtained on request without charge from the issuer at [insert complete address and telephone number], from any underwriter named below and are also available on the issuer's website at [specify web address]."

1.4 Basic Disclosure about the Offering

State the following, immediately below the disclosure required under sections 1.1, 1.2 and 1.3, with the bracketed information completed:

[PRELIMINARY] INTEGRATED DISCLOSURE PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY OFFERING]

[Date]

[Name of Issuer]

[number and type of securities qualified for distribution under the prospectus and the price per security]

1.5 Name and Address of Issuer

State the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the issuer's registered office.

1.6 Offering

- (1) If the securities are being offered for cash, provide the information called for in the table below:

	Price to public	Underwriting discounts or commissions	Proceeds to issuer or selling security holders
	(a)	(b)	(c)
Per Security			
Total			

- (2) If there is an over-allotment option, describe the terms of the option and the fact that the prospectus qualifies both the grant of the option and the issuance or transfer of securities that will be issued or transferred if the option is exercised.
- (3) If the offering of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum subscriptions, if applicable.
- (4) If debt securities are offered at a premium or a discount, state in bold type the effective yield if held to maturity.
- (5) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis and, in the case of a best efforts offering, the latest date that the offering is to remain open.

document is incorporated by reference, clearly identify the excerpt in the prospectus by caption and paragraph of the document. Any material incorporated by reference in a prospectus is required under sections 4.1 and 4.2 of the Regulation to be filed with the prospectus and posted on the issuer's web site unless it has been previously filed.

- (5) *The disclosure must be understandable to readers and presented in an easy to read format. The presentation of information should comply with the plain language principles listed in section 1.3 of Regulation CD. If technical terms are required, clear and concise explanations should be given.*
- (6) *The prospectus need not refer to inapplicable items on Form R-F1 and, unless otherwise required in this Form, negative answers to items may be omitted.*
- (7) *Where the term "issuer" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, and disclosure of all material facts likely to affect the value or the market price of the securities being offered, to also include disclosure with respect to the issuer's subsidiaries and investees. If it is more likely than not that a person will become a subsidiary or investee, it may be necessary to also include disclosure with respect to the person.*
- (8) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information after that date, present the information as of the date of the change or a later date.*
- (9) *If the term "class" is used in any item to describe securities, the term includes a series of a class.*

PART 1 COVER PAGE DISCLOSURE

1.1 Required Language

State in italics at the top of the cover page the following:

"The Financial Services Commission has not expressed any opinion about the merits of these securities or determined that this prospectus is accurate or complete. It is illegal for anyone to tell you otherwise."

1.2 Preliminary Prospectus Disclosure

If the prospectus is a preliminary prospectus, print in red ink and italics on the top of the cover page the following, with the bracketed information completed:

"A copy of this preliminary prospectus has been filed with the Financial Services Commission but has not yet become final for the purpose of the distribution of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the final prospectus is obtained from the Financial Services Commission."

1.3 Disclosure Concerning Documents Incorporated by Reference

State the following in italics on the cover page, with the second sentence in bold type and the bracketed information completed:

"Information has been incorporated by reference into this prospectus from documents filed with the Financial Services

**SECURITIES (REGISTRATION AND PROSPECTUS DISCLOSURE) REGULATIONS, 2006
REGULATION R**

**FORM R-F1
INTEGRATED DISCLOSURE PROSPECTUS**

THE PURPOSE OF A PROSPECTUS

The purpose of a prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. Under securities legislation, this means to provide full, true and plain disclosure of all material facts relating to the securities being offered, and not to make any misrepresentation likely to affect the value or market price of the securities. This Form sets out specific disclosure requirements but you should not assume that by simply following the Form, you will satisfy the general requirement for completeness. Certain rules of specific application, such as the Third Schedule to the Companies Act, 2004, impose prospectus disclosure obligations in addition to those described in this Form. Issuer's should consult the Financial Services Commission where this Form does not provide the necessary guidance in the specific circumstances of their situation.

WHAT IS AN INTEGRATED DISCLOSURE PROSPECTUS

The form of prospectus prescribed by Form R-F1 is an integrated disclosure prospectus. An integrated disclosure prospectus is incomplete in and of itself and is meant to be completed by the information provided by the issuer under its continuous disclosure obligations. Accordingly, this Form omits certain information required to provide full true and plain disclosure as required by securities legislation, and supplements this by incorporating by reference into the prospectus the issuer's CD filings that contain missing information found in these documents. This type of prospectus is also referred to as a "short form" prospectus or "simplified" prospectus.

INSTRUCTIONS

- (1) Terms used and not defined in this Form that are defined or interpreted in the Regulation have the meanings they are given in the Regulation. Other definitions are set out in the Securities Act, Regulation CD and the Forms under Regulation CD, and the Companies Act, 2004.*
- (2) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgement in the particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in ISA 1.31.*
- (3) Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the final prospectus. Details concerning the price and other matters or relating to price, such as the number of securities being offered, may be left out of the preliminary prospectus, along with specifics concerning the underwriting agreement, to the extent that these matters have not been decided.*
- (4) Any information required in a prospectus may be incorporated by reference in the prospectus. Clearly identify in the prospectus any document incorporated by reference. If an excerpt of a*

TABLE OF CONTENTS
(continued)

	Page
7.3 Asset-backed Securities or Derivatives	10
7.4 Other Securities	10
7.5 Restricted Securities	11
7.6 Modification of Terms	11
7.7 Other Attributes	11
PART 8 SELLING SECURITY HOLDER	12
8.1 Selling Security Holder	12
PART 9 DEBT SECURITIES AND PREFERRED SHARES	12
9.1 Debt Securities	12
9.2 Earnings Coverage Ratios	13
9.3 Credit Ratings	16
PART 10 UNDERWRITER CONFLICTS OF INTEREST	16
10.1 Relationship between Issuer or Selling Security Holder and Underwriter	16
PART 11 INTEREST OF EXPERTS	16
11.1 Names of Experts	16
11.2 Interest of Experts	17
11.3 Exemption	17
PART 12 PROMOTERS	17
12.1 Promoters	17
PART 13 OTHER MATERIAL FACTS	18
13.1 Other Material Facts	18
PART 14 EXEMPTIONS FROM THE REGULATION	18
14.1 Exemptions from the Regulation	18
PART 15 PURCHASERS' CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION	19
15.1 Contractual Rights	19
15.2 Statutory Rights of Action in the Event of a Misrepresentation	19
PART 16 DOCUMENTS INCORPORATED BY REFERENCE	20
16.1 Mandatory Incorporation by Reference	20
16.2 Mandatory Incorporation by Reference of Future Documents	21
PART 17 CERTIFICATES	21
17.1 Officers, Directors and Promoters	21
17.2 Underwriters	22
17.3 Amendments	22
17.4 Date of Certificates	22

**SECURITIES (REGISTRATION AND PROSPECTUS DISCLOSURE) REGULATIONS, 2006
REGULATION R**

**FORM R-F1
INTEGRATED DISCLOSURE PROSPECTUS**

TABLE OF CONTENTS

	Page
PART 1 COVER PAGE DISCLOSURE	2
1.1 Required Language	2
1.2 Preliminary Prospectus Disclosure	2
1.3 Disclosure Concerning Documents Incorporated by Reference	2
1.4 Basic Disclosure about the Offering	3
1.5 Name and Address of Issuer	3
1.6 Offering	3
1.7 Non-Fixed Price Offerings	4
1.8 Reduced Price Offerings	4
1.9 Market for Securities	4
1.10 Underwriter(s)	5
1.11 Restricted Securities	5
1.12 Earnings Coverage Ratios	6
PART 2 SUMMARY DESCRIPTION OF BUSINESS	6
2.1 Summary of Description of Business	6
2.2 Additional Information	6
2.3 Significant Acquisitions	6
PART 3 RISK FACTORS	7
3.1 Risk Factors	7
PART 4 FINANCIAL INFORMATION	7
4.1 Financial Statements	7
4.2 Discussion of Financial Results	7
4.3 Consolidated Capitalization	8
PART 5 USE OF PROCEEDS	8
5.1 Proceeds	8
5.2 Principal Purposes	8
PART 6 ISSUANCE OF THE SECURITIES	8
6.1 Disclosure of Market Out for Firm Underwriting	8
6.2 Best Efforts Offering	9
6.3 Determination of Price	9
6.4 Over-Allotments	9
6.5 Minimum Offering	9
6.6 Listing Application	9
6.7 Conditional Listing Approval	9
PART 7 DESCRIPTION OF SECURITIES BEING OFFERED	10
7.1 Equity Securities	10
7.2 Preferred Shares or Debt Securities	10