A copy of this Prospectus, having attached thereto the documents specified in Section 18 entitled "Documents Available for Inspection" was delivered to the Registrar of Companies pursuant to Section 40(2) of the Companies Act, 2004 and was registered by the Registrar of Companies on the 23rd day of April, 2008. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

The Financial Services Commission registered this Prospectus on the 23rd day of April, 2008 pursuant to Section 26 of the Securities Act. The Financial Services Commission has neither approved the offered securities nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

# PROSPECTUS

**by**

**THE JAMAICA STOCK EXCHANGE LIMITED**
on its own behalf

**for**

**33,000,000 Cumulative Redeemable Variable Rate "A" Preference Shares**

at a fixed price of

**J$ 2.00 per Preference Share**

**Dated as of the 18th day of April, 2008**

**The Jamaica Stock Exchange**
**40 Harbour Street**
**Kingston**

This Prospectus (herein called "Prospectus") is intended for use in Jamaica only and is not to be construed as an offer of any of the Preference Shares outside Jamaica.

The Directors of The Jamaica Stock Exchange ("JSE") whose names appear in Section 6 of this Prospectus, are the persons responsible for the information contained herein. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted likely to affect the import of information contained herein.

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

PROSPECTUS
BY

THE JAMAICA STOCK EXCHANGE LIMITED
ON ITS OWN BEHALF

FOR 33,000,000 CUMULATIVE REDEEMABLE VARIABLE RATE "A" PREFERENCE SHARES
AT A FIXED PRICE OF J$ 2.00 PER PREFERENCE SHARE
payable in full on application

The Application List will open at 8.30am on Friday, May 16, 2008 and will close at 4.30pm pm on Friday, May 30, 2008, subject to the Company's right to close the Application List at any time without notice if applications have been received for the full amount of the Preference Shares offered and to the right to extend such closing beyond that date. Applications for Preference Shares should be made on the original Application Form provided at the end of this Prospectus or on the Application Forms contained in local newspapers when published therein. Each Application must be for multiples of 10,000 Preference Shares subject to a minimum of 15,000 Preference Shares. The procedure for completing the Application Form and the terms and conditions of this Prospectus are set out in Section 20 of this Prospectus and on the reverse side of the Application Form.

It is the intention of the Company to apply to the Board of The Jamaica Stock Exchange Limited for all of the issued Preference Stock Units (following conversion, on issue of the Preference Shares) to be listed on the JSE. The application will be made as soon as conveniently possible following the closing of the Offer and the allocation of Preference Shares. However, this statement is not to be construed as a guarantee that the Preference Stock Units will in fact be listed on the JSE.

# MESSAGE FROM THE CHAIRMAN

April 18, 2008

Dear Prospective Investors,

We are pleased to invite you to participate in our offering of Preference Shares. The Jamaica Stock Exchange (JSE) has enjoyed vibrant growth since its inception on August 14, 1968 when it was incorporated as a private limited liability company. The development of the JSE has been marked with historic highpoints, as we are the only securities exchange in Jamaica and the first in the English-speaking Caribbean to have an electronically traded platform, linked to a Depository allowing for the seamless trading and settlement of transactions. Trading began in February 1969 with 34 companies being listed and since then, the Stock Exchange has grown in size, depth and complexity and the market has yielded returns to investors. The Exchange has also provided a viable means for companies to raise capital for issuers.

The Jamaica Stock Exchange over the last three years has taken steps to change its business model from that of a mutual organization to a demutualized company. This, we felt, was necessary to ensure that we continue to operate with the highest regard for good corporate governance. Also, we are confident that this new model will allow for greater concentration of our efforts to "grow" the market with fairness, transparency, and with strong self regulation playing its role accordingly. On the eve of the JSE's 40th anniversary, a most important phase of our development to date has been the formal separation of the regulatory and the commercial arms of our operations in order to ensure transparency, fairness and efficiency of our operation. This separation will also allow greater concentration with respect to commercial activities.

The Exchange is now a public company, with a developed statement of corporate governance principles and practices, updated Articles of Incorporation and a new Regulatory Committee with new Rules which have been approved by the Financial Services Commission.

The main focus of the Exchange for 2008 and beyond will be the expansion of core business and development of products and services for the benefit of investors and stakeholders alike.

As we continue with our efforts to provide a fair, efficient and transparent stock market we invite you to join us in our efforts by subscribing to our Offer of Preference Shares. These J$ 2.00 denominated securities will offer returns based on the Government of Jamaica weighted average Treasury Bill yield, and the total Preference Share offer is 33,000,000 Preference Shares.

Yours sincerely
THE JAMAICA STOCK EXCHANGE LIMITED

Curtis Martin
Chairman

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## 1. DEFINITIONS

In this Prospectus, the following words and phrases shall, unless the context otherwise requires, be read and construed as having the following meanings ascribed thereto:

| | |
|---|---|
| **"Allotment"** | the allocation and issuance of Preference Shares to Applicants |
| **"Applicant"** | the person or organization by whom an Application is made |
| **"Application"** | the application on the prescribed form set forth in Appendix 4 to this Prospectus for the subscription of Preference Shares comprised in the Offer, duly completed and delivered to the Arranger or a Broker to the Offer, together with payment in full of the subscription price for the amount subscribed |
| **"Arranger"** | NCB Capital Markets Limited a company duly incorporated under the laws of Jamaica with registered offices at "The Atrium", 32 Trafalgar Road, Kingston 10 |
| **"BOJ"** | Bank of Jamaica |
| **"Closing Date"** | the time of closing of the Offer, as set forth in Section 3 of this Prospectus (subject to such extension(s) as the Directors may determine) |
| **"Company"** | The Jamaica Stock Exchange Limited of 40 Harbour Street, Kingston |
| **"Directors"** | the Directors of the Company |
| **"FSC"** | the Financial Services Commission of Jamaica, duly existing under the Financial Services Commission Act |
| **"GOJ"** | Government of Jamaica |
| **"J$"** | the lawful currency of Jamaica |
| "**JSE**" | Jamaica Stock Exchange |
| **"Offer"** | the offer of the Preference Shares for subscription under this Prospectus |
| **"Offer Price"** | J$ 2.00 per Preference Share |
| **"Opening Date"** | the time of opening of the Offer, as set forth in Section 3 of this Prospectus |
| **"Preference Shares"** | means the Cumulative Redeemable Variable Rate "A" Preference Shares of the JSE, the subject of the Offer |
| **"Preference Stock Units"** | all or any of the Preference Shares converted to Preference Stock Units on issue. |
| **"Registrar of Companies"** | the Registrar of Companies of Jamaica |

| | |
|---|---|
| **"Registrar"** | the Registrar whose name is set out in Section 5 or such other persons as may be appointed by the JSE from time to time to provide the services of registrar to the JSE |
| **"Terms of Issue of the Preference Shares"** | the terms of issue of the Preference Shares set forth in Appendix 3 to this Prospectus |

## 2. DISCLAIMER AND FORWARD LOOKING STATEMENTS

This Prospectus has been reviewed and approved by the Directors of the JSE and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries, and to the best of their knowledge, information and belief, (i) the information is true and accurate in all material respects and is not misleading in any material respect, (ii) any opinions, predictions or intentions expressed herein on the part of the JSE are honestly held or made and are not deliberately misleading in any material respect, (iii) that insofar as reasonably possible, all proper inquiries have been made to ascertain and to verify the foregoing, and (iv) this Prospectus does not contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements herein, in the light of the circumstances under which they are made, not misleading.

Each Applicant submitting an application for Preference Shares acknowledges and agrees that (i) such Applicant has been afforded a meaningful opportunity to review and has received, all additional information considered by such Applicant to be necessary to verify the accuracy of the information contained in this Prospectus, (ii) such Applicant has not relied on the JSE or any persons affiliated with the JSE or any selling agent appointed by the JSE, in connection with its investigation of the accuracy of such information or its investment decision, and (iii) no person has been authorised to give information or to make any representation concerning the JSE or this Prospectus or the Preference Shares issued pursuant thereto or to provide information or to make any representation whatsoever in connection with this Prospectus other than as contained in this Prospectus and information given by duly authorised officers and employees of the JSE in connection with the investors' verification of the information contained in this Prospectus and that, if given or made, such other information or representation should not be relied upon as having been authorised by the JSE or any affiliate.

Neither the publication of this Prospectus nor the offering, sale or allotment of any Preference Shares hereunder shall under any circumstances imply that there has been no change in the business, results of operations, financial condition or prospects of the JSE since the date of this Prospectus.

In making an investment decision, investors are expected to make their own assessment of the JSE and the terms of the offer for subscription herein, including the merits and risks involved.

**Neither the FSC nor any Governmental agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.**

This Prospectus contains summaries believed to be accurate with respect to certain terms of certain documents, but reference should be made to the actual documents (copies of which will be available to prospective investors upon request made to the JSE) for complete information with respect thereto, and all such summaries are qualified in their entirety by such complete information.

**Each invitee should consult with its own advisors as to the legal, tax, business, financial and related aspects of subscribing for Preference Shares in the JSE in this Offer**. Neither the JSE nor any of its respective representatives is making any representation to any invitee or investor regarding

the legal, tax, business, financial and related aspects of any invitee subscribing for Preference Shares in the JSE in this Prospectus, and invitees should not consider this Prospectus as a recommendation by the JSE that you should subscribe for or purchase any Preference Shares. Each invitee must make its own investigation and evaluation of the JSE and this Prospectus.

The distribution or publication of this Prospectus and the offering of the Preference Shares in certain jurisdictions is restricted by law. **THIS OFFER IS THEREFORE MADE ONLY TO RESIDENTS OF JAMAICA, IN JAMAICA.** The JSE requires that each Applicant informs himself about and observe such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, any offer to, or solicitation by, anyone in any jurisdiction in which, or to or by any person whom, such offer or solicitation would be unlawful.

## FORWARD LOOKING STATEMENTS

Except for the historical information concerning the JSE contained in this Prospectus, certain matters discussed in this Prospectus, including without limitation the discussions of future plans and financial projections, contain forward-looking statements. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the JSE believes that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Invitees are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions, as they relate to the JSE, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the JSE, the JSE undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the JSE’s financial or regulatory position, or to reflect the occurrence of unanticipated events. There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the JSE’s control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing within Jamaica, including actual rates of growth of the Jamaican economy, instability, high domestic interest rates or exchange rate volatility;
- adverse climatic events and natural disasters;
- unavailability of regulatory approval to launch new financial products, or unfavourable market receptiveness to new products;
- changes in any legislation or regulatory policy adversely affecting the revenues or expenses of the JSE;
- any other factor negatively impacting on the realisation of the assumptions on which the JSE’s financial projections are based; and
- other factors identified in this Prospectus

## 3. OFFER SUMMARY

*The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus.*

**Recipients are advised to read this entire Prospectus carefully before making an investment decision about this transaction. Each recipient's attention is specifically drawn to the Risk Factors in Section 16 of this Prospectus.**

If you have any questions arising out of this document or if you require any explanations, you should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

| | |
|---|---|
| ISSUER: | JSE |
| SECURITIES: | 33,000,000 Preference Shares in the capital of the JSE. |
| SIGNIFICANT TERMS & CONDITIONS OF PREFERENCE STOCK UNITS: | The Preference Stock Units will carry the right to a cumulative preferential dividend payable quarterly at the Agreed Rate (as hereinafter defined) per annum on the capital for the time being paid up or credited as paid up on the Preference Stock Units and on a winding up to repayment in priority to the ordinary shareholders of the JSE. They will not carry the right to vote save in narrowly prescribed circumstances being: (a) dividend not paid for more than 12 months; or (b) on a winding up. The Preference Stock Units may be redeemed by the JSE at any time after allotment. The JSE reserves the right to redeem the Preference Stock Units by purchase over the JSE for the price of J$2.00 per Preference Stock Unit.<br><br>The JSE also reserves the right to issue additional preference shares in the capital of the JSE, the same to be converted to preference stock units ranking *pari passu* with then existing Preference Stock Units or otherwise differing from such Preference Stock Units.<br><br>Variation of the Terms of Issue of the Preference Shares will require the consent of ¾ of the holders of Preference Stock Units present and voting.<br><br>**"Agreed Rate" means The higher of the GOJ weighted average Treasury bill yield having a tenor of between 178 days and the 184 days T-bill or the BOJ 182 days Reverse Repo Rate.**<br><br>**For the entire Terms of Issue of the Preference Shares, please see Appendix 3 to this Prospectus** |

| | |
|---|---|
| TENOR: | 60 Months |
| OFFER PRICE: | J$2.00 per Preference Share |
| HOW PAYABLE: | In full on application |
| No. of OFFERED PREFERENCE SHARES: | 33,000,000 Preference Shares representing all of JSE's issued preference share capital after the Offer. |
| OFFER CAPITALISATION: | J$ 66,000,000. |
| INTENTION TO LIST ON JSE: | The JSE intends, immediately following the closing of the Offer, to make an application to list all of its issued Preference Stock Units on the JSE to facilitate the trading of the Preference Stock Units over the JSE. **This statement is not to be construed as a guarantee that the Preference Stock Units will be listed on the JSE.** |
| TIMETABLE: | Publication of Prospectus: Wednesday, May 7, 2008<br>Subscription List opens: Friday, May 16, 2008<br>Application Forms to be received by: 4.30 pm on Friday May 30, 2008<br>Allocation announced by: June 13, 2008<br>Refund cheques sent by: June 13, 2008 |

## 4. PURPOSE OF THE OFFER

The JSE was established in 1969 with its main goals being to promote the development of a vibrant capital market and to ensure the orderly trading in listed securities on a stock exchange. The JSE has historically functioned as an industry utility, with profitability being considered secondary to its primary mandate.

In 2004, the Board of the JSE, which consists of sixteen (16) directors, five of whom are independent and the other eleven (11) being representatives of members/dealers/owners agreed to modify the structure of the JSE and the process of demutualization, commenced in 2004, has resulted in a separation of trading access from ownership of the Exchange. In addition, the commercial operations of the Exchange were recently separated from their regulatory operations (discussed more fully below). This new structure will facilitate the JSE offering its shares to the public and listing its own shares on the Exchange.

More specifically, the offering of the Preference Shares (the subject of the Offer) to the public will allow the JSE to strengthen its capital base and give members of the public an opportunity to participate in the success of the JSE. Further, by listing the Preference Stock Units on the JSE, the JSE will give investors the opportunity to invest in a security that is liquid and freely tradable. Those investors will receive dividends that are cumulative and free from withholding tax.

Finally, by listing its Preference Stock Units on the JSE, the JSE will have access to a flexible and cost effective means of raising capital to support future endeavours.

## Separation of Regulatory and Commercial Functions:

The JSE presently performs both commercial and regulatory functions. As a regulator, it is responsible for the oversight of all the companies listed on the JSE and attempts to ensure a fair, efficient and transparent stock market. As commercial entity, it earns revenues from the Cess levied on transactions carried out on the Exchange as well as from a variety of fees including initial listing fees, service/transaction fees, maintenance fees, trade data fees, annual listing fees, registrar fees and supplementary listing fees.

The JSE now proposes to list the Preference Shares on the Exchange.

As earlier noted, the listing of its own preference shares on the Exchange has been facilitated by the steps recently taken by the JSE to separate the commercial operations of the JSE from its regulatory functions.

This separation serves to remove any perception of conflict of interest between the JSE as regulator of the companies listed on the Exchange and the JSE also as a company listed on the Exchange. This separation has been effected by the delegation of the Board's regulatory powers in the manner discussed below.

The Board has the power to delegate its powers to a Committee pursuant to Article 117 of its Articles of Association which provides:

> *"The Directors may delegate any of their powers to committees consisting of such members or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors."*

By Board Resolution dated November 13, 2007 the Board of the JSE approved the establishment of the Regulatory and Market Oversight Committee ("the RMOC") and a Regulatory and Market Oversight Division. The Board delegated its regulatory powers to the RMOC. The RMOC is comprised of the Independent Members of the Board and will be responsible for Market Oversight, Standards and Regulation. The Board also ceded to the RMOC the power to make final decisions in regard to the regulation of the market. Based on this authority no market regulatory activity will be considered by the Board of the JSE and all decisions of the Committee will be final. While decisions of the RMOC are final, the Chairman of the Committee will provide monthly reports to the Board.

The RMOC was established on November 13, 2007 and the current members of this Committee are noted in Section 12 of this Prospectus.

The RMOC has the responsibility and powers to:

(a) Monitor the adequacy and effectiveness of the Exchange's regulatory program and assess the Exchange's regulatory performance. While the decisions of the Committee are final, the Chairman of the Committee will provide a monthly report to the Board. Budgetary considerations for the Regulatory and Market Oversight Division will be reviewed and forwarded to the Audit and Finance Committee of the JSE for recommendation and referral to the Board.

(b) Meet with the Exchange's Chief Regulatory Officer ("CRO") regularly to review:

- The budget of the Regulatory and Market Oversight Division.

- Personnel and compensation issues involving the Department, market regulation, market surveillance, ensuring market integrity is maintained, and broker members and listed companies' supervision.
- Any correspondence with, or other action by, regulators or governmental agencies, any significant legal matters and the Exchange's compliance with applicable law and regulation.

(c) Take any actions which the RMOC deems necessary and appropriate in connection with the indemnification of directors, officers and employees of listed companies and brokerage houses, pursuant to the JSE's rules and regulations and the Securities Act.

(d) To oversee the development, implementation and ongoing management of compliance and regulatory policies administered for listed companies and brokers.

(e) To oversee the implementation and management procedures for the receipt, retention and treatment of complaints received by the Regulatory and Market Oversight Division regarding compliance related matters.

(f) To exercise such other powers and authority that has been conferred on the RMOC.

Other Core Functions of the RMOC:

(a) Structuring and directing the regulatory functions of the Exchange

(b) Establishing Regulatory Rules of the Exchange

(c) Monitoring the compliance with Rules of the Exchange by market participants and listed companies

(d) Monitoring member dealers trading activities, investigation of trading activities and enforcement of Rules of the Exchange.

Resources and Authority of the RMOC:

The RMOC shall have direct access to and complete and open communication with the JSE's Regulatory and Market Oversight Division and may obtain advice and assistance from external legal and other advisors.

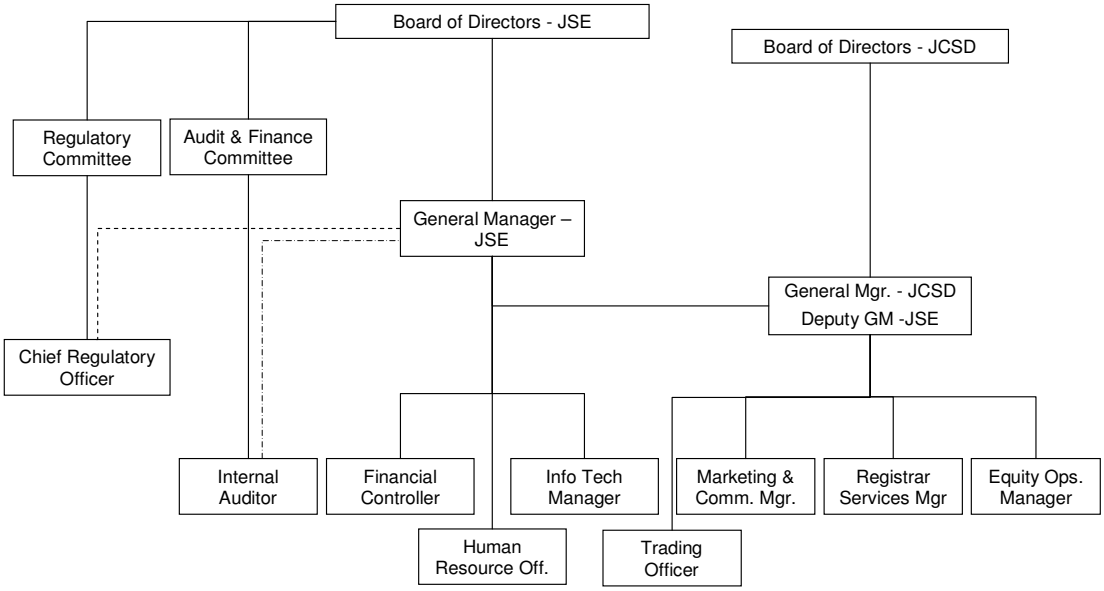
In performing its functions, the RMOC is entitled to rely on the findings of fact, advice, reports and opinions of the Regulatory and Market Oversight Division as well as legal, professional bodies and other advisors.

The RMOC may retain, if appropriate, independent legal and other advisors and may determine the compensation of such advisors and the Exchange shall be responsible for any costs or expenses so incurred.

The functions of the Disciplinary Committee will also be carried out by the RMOC who may impose any of the penalties specified in Rule 227 upon Member Dealers in respect of whom disciplinary action is taken, which results in a filing of misconduct.

The chart below details the Management Structure of the JSE.

**JAMAICA STOCK EXCHANGE**
MANAGEMENT STRUCTURE
March 2008



## 5. PROFESSIONAL ADVISORS TO THE OFFER

**FINANCIAL ADVISOR**
**NCB Capital Markets Limited**
The Atrium
32 Trafalgar Road
Kingston 10
Jamaica

**ARRANGER**
**NCB Capital Markets Limited**
The Atrium
32 Trafalgar Road
Kingston 10
Jamaica

**LEGAL ADVISORS TO THE COMPANY**
**Patterson Mair Hamilton**
Attorneys-at-Law
7th Floor, Citigroup Building
63-67 Knutsford Boulevard
Kingston 5

**REGISTRAR & TRANSFER AGENTS TO THE OFFER**
**Jamaica Central Securities Depository Limited**
40 Harbour Street
Kingston

**BROKERS AND SELLING AGENTS**
**NCB Capital Markets Limited**
The Atrium
32 Trafalgar Road
Kingston 10
Tel: 868-622-4234

**OTHER BROKERS TO THE OFFER**

Barita Investments Limited
15 St. Lucia Way
Kingston 5

First Global Financial Services Limited
2 St. Lucia Avenue
Kingston 5

Pan Caribbean Financial Services Limited
60 Knutsford Boulevard
Kingston 5

JMMB Securities Limited
6 Haughton Terrace
Kingston 10

Capital & Credit Securities Limited
18 Trafalgar Road
Kingston 10

Dehring Bunting & Golding Limited
7 Holborn Road
Kingston 10

Victoria Mutual Wealth Management Limited
52 – 60 Grenada Crescent
Kingston 5

Mayberry Investments Limited
1 ½ Oxford Road
Kingston 5

Stocks and Securities Ltd
24-26 Grenada Crescent
Kingston 5

M-VL Stockbrokers Limited
2 Grenada Crescent
Kingston 5

**BRANCHES OF NATIONAL COMMERCIAL BANK JAMAICA LIMITED WHERE APPLICATIONS MAY BE SUBMITTED:**

**CORPORATE AREA**

| | |
|---|---|
| Matilda's Corner<br>133 Old Hope Road<br>Kingston 6 | 1 – 7 Knutsford Boulevard<br>Kingston 5 |
| Newport West<br>54 Second Street<br>Kingston 11 | University of the West Indies<br>Mona Campus<br>Kingston 7 |
| Manor Park Plaza<br>184 Constant Spring Road<br>Kingston 8 | Half Way Tree<br>94 Half Way Tree Road<br>Kingston 10 |
| Cross Roads<br>90 – 94 Slipe Road<br>Kingston 5 | 211 Hagley Park Road<br>Kingston 11 |
| 37 Duke Street<br>Kingston | Red Hills Mall<br>105 Red Hills Road<br>Kingston 19 |

RURAL AREAS

| | |
|---|---|
| Mandeville Plaza<br>Mandeville<br>Manchester | 41 Main Street<br>May Pen<br>Clarendon |
| Santa Cruz<br>7 Coke Drive<br>St. Elizabeth | Baywest<br>Harbour Street<br>Montego Bay<br>St. James |
| 40 Main Street<br>Ocho Rios<br>St. Ann | 19-21 Main Street<br>St. Ann's Bay<br>St. Ann |
| 68 Great George Street<br>Savanna-la-mar<br>Westmoreland | 13 – 14 West Trade Way<br>Portmore Town Centre 1<br>St. Catherine |
| St. Jago Shopping Centre<br>Burke Road<br>Spanish Town<br>St. Catherine | 39 Queen Street<br>Morant Bay<br>St. Thomas |

## 6. DIRECTORS AND SENIOR MANAGEMENT

### PROFILES OF DIRECTORS

**Mr. Curtis Martin – Chairman**

Curtis Martin is the Chairman of The Jamaica Stock Exchange Limited and also the Jamaica Central Securities Depository Ltd. He is President and CEO of Capital and Credit Merchant Bank and Deputy Group President of Capital and Credit Financial Group Ltd. Mr Martin is Chairman for the Listing and Standards Committee and the Compensation Committee of the JSE

**Mr. Leo Williams – Deputy Chairman**

Leo Williams is the International Business Development Manager for Jamaica Money Market Brokers Limited and a founding Managing Director of JMMB Securities, the stock brokerage arm of JMMB. He also serves on the Board of Directors of the Trinidad-based CMMB Securities Ltd.

**Mrs. Rita Humpries-Lewin**

Mrs. Humphries-Lewin is a past Chairman of the JSE and is the Founder and Chairman of the Barita Group of Companies which includes Barita Investments Limited, Barita Unit Trusts Management Company Limited and Barita Portfolio Management Company Limited. She is one of the pioneers of the stockbroking industry having been in the business for approximately thirty-five (35) years.

**Mr. Edwin McKie**

Mr. Mckie is the Chairman and Managing Director of M/VL Stockbrokers Limited. Mr. McKie, who was awarded the Order of Distinction – Commander Class for his services to Jamaica in the field of banking, is a former trade administrator and former Chairman of the Trade Board and the Agriculture Credit Bank. He also served as a Board Member of the National Investment Bank of Jamaica and the Bank of Jamaica. He is the Deputy Chairman of the Development Bank of Jamaica. Mr. McKie is the Chairman of the Corporate Governance Committee of the JSE.

**Mr. Donovan Perkins**

Donovan Perkins is the President & CEO of Pan Caribbean Financial Services Limited (PCFS). He serves on the Boards of PCFS subsidiaries and also on the Boards of the National Insurance Fund and Jamaica Social Investment Fund. He is an active executive of the financial services community, having served as President of the Merchant Bankers' Association and as Vice President of the Jamaica Bankers' Association.

**Mr. Mark Croskery**

Mark Croskery is the President & CEO of Stocks & Securities Ltd (SSL). SSL is the second oldest brokerage house in Jamaica and was incorporated in 1977. Mr. Croskery received a M.Sc. in Global Financial Analysis & a dual B.Sc. in Corporate Finance/Accounting, both from Bentley College in Boston, Massachusetts. He previously interned at Prudential Financial, Inc. and has worked at NCB Capital Markets Ltd. in the capacity of wealth manager and equity trader. Mr. Croskery currently serves on the Board of SSL, and also on the Boards of the Sugar Company of Jamaica and the Jamaica Racing Commission

**Mr. Christopher Williams**

Christopher Williams is the Managing Director of NCB Capital Markets Limited. He currently serves as Chairman of the Jamaica Association for the Deaf, Director of the Jamaica College Old Boys Association, Director of the Jamaica College Foundation, and Council Member of the Jamaica Securities Dealers Association.

**Mr. Allan Lewis**

Allan Lewis is the Senior Vice President, Group Strategy, of the Victoria Mutual Group Limited. Prior to his present position, Mr. Lewis served as Managing Director of Prime Asset Management Limited, where he is currently a Director. Mr. Lewis, who has attained the designation of Associate of the Society of Actuaries is also passionate about primary and secondary education. His affiliations include the Board of the Mona Preparatory School Foundation and the Advisory Board of the Child Development Agency.

**Mr. Christopher Berry**

Christopher Berry has been the Chairman and Chief Executive Officer of Mayberry Investments Limited since 1993. A former Deputy Chairman of the JSE, he sits on several boards, including the Jamaica Central Securities Depository, the Forestry Conservancy, Apex Health Care Associates Limited and Apex Pharmacy Limited.

**Miss Sandra Shirley**

Sandra Shirley assumed the role of President of First Global Financial Services Limited on April 1, 2004. Miss Shirley has over twenty (20) years of experience and expertise in the financial sector in Jamaica and overseas. She has worked with entities such as the Bankers' Trust, New York, NCB group, the SIGMA group and its associated entities and now lends that expertise to First Global Financial Services. Miss Shirley serves in a number of organizations including the Soroptomist Club, the Council of Community Colleges of Jamaica, the Independence Park Ltd, the Women in International Trade Investment Club, and the National Dance Theatre Company of Jamaica. In 2003, she was asked to serve the Mona School of Business as an Alister McIntyre Fellow and more recently the Jamaica Institute of Management has conferred on her its highest award – Fellow of the Jamaican Institute of Management.

**Miss Anya Schnoor**

Anya Schnoor is the Chief Executive Officer of Dehring Bunting and Golding Limited and the Senior Vice President of the Scotia Wealth Management Division. She is also the President of the Jamaica Security Dealers Association and has served as President of the Primary Dealers Association. She is a Director of DB&G Merchant bank, DB&G Unit Trust Managers and Asset Management Limited. She sits on Scotiabank Jamaica's President's Council & ALCO Committee.

**Independent Members of the JSE Board of Directors**

**Miss Dian Black**

Dian Black is the Director Securities Management (Debt Management Unit) in the Ministry of Finance & Planning. In this capacity she has responsibility for all activities related to the registrar and payments functions for government securities and provides the necessary interface between the JSE and the Government.

**Mr. Garth Kiddoe**

Garth Kiddoe is the Dean of the Faculty of Business and Management at the University of Technology. He is a Fellow of the Institute of Chartered Accountants of the Caribbean as well as its President. Mr. Kiddoe is the Chairman of the Audit and Finance Committee of the Board of the JSE.

**Mr. Jeffrey Hall**

Jeffrey Hall is currently the Chief Executive Officer, Jamaica Producers Group Limited. In addition, Mr. Hall who is an attorney, serves on the Board of Scotia Group Jamaica Limited and Wallenford Coffee Company Limited.

**Miss Hilary Phillips Q.C.**

Hilary Phillips is a Partner in the law firm, Grant, Stewart, Phillips and Company where she has practised for approximately 32 years. She was elevated to the rank of Queen's Counsel in 1998 and has been the President and Vice President of the Jamaican Bar Association. She has served as the Vice President of the Organisation of Commonwealth Caribbean Bar Associations since 2003. Miss Phillips is the Chairman of the Conduct Review Committee and the Regulatory & Market Oversight Committee of the JSE.

**Mr Livingstone Morrison**

Livingstone Morrison is the Deputy Governor of the Bank of Jamaica with responsibility for Finance and Technology, Payment Systems, Investment and Risk Management.
Mr. Morrison joined the staff of the Bank of Jamaica in 1982 and worked for several years in the Financial Institutions Supervisory Division. Between 1998 and 2002, Mr. Morrison served as the Division Chief of the Finance and Technology Division, with core responsibilities for strategic management of the accounting, finance, and information and communication technology functions of the Bank.

For the period January 2003 to August 2006, he was seconded to the Sugar Company of Jamaica as President and Chief Executive Officer, with oversight responsibility for St. Thomas and Trelawny Sugar Companies.

**PROFILES OF SENIOR MANAGEMENT:**

**Mrs. Marlene Street-Forrest**

Marlene Street-Forrest is the General Manager of the Jamaica Stock Exchange. Mrs. Street-Forrest has a BSc in Management Studies and an MBA. She has combined over twenty five years experience in financial and general management. Her mandate as General Manager of the JSE, is to continue the process of developing the Exchange, ensuring that cutting edge technology is used to assist in providing the greatest level of efficiencies in the market. Mrs. Street-Forrest, who is a Justice of the Peace, serves as Secretary of the Board of the JSE and a Director of the Jamaica Central Securities Depository Ltd.

**Mr. Robin Levy**

Robin Levy is the General Manager of the Jamaica Central Securities Depository (JCSD) and the Deputy General Manager (DGM) of the Jamaica Stock Exchange. Mr. Levy has a BSc in Accounting, an MBA in Finance and is also a Certified Fraud Examiner. As General Manager of the JCSD his mandate includes ensuring that the JCSD remains current in and expands the services provided to the capital market. In his capacity as DGM, Mr. Levy is charged with expanding the JSE's core business, as well as developing new products and services in keeping with the company's strategic objectives.

**Mr. Wentworth Graham**

Wentworth Graham joined the Jamaica Stock Exchange (JSE) in 1995 and became the Chief Regulatory Officer this year, after serving as Assistant General Manager, Market Operations & Trading for over 4 years. A Fellow of the Jamaica Institute of Management with a Degree in Economics and History, Mr. Graham is presently reading for his MBA in Banking and Finance. As Chief Regulatory Officer, his mandate is to ensure that the regulatory and compliance related interests of the JSE in respect to Member Dealers, Listed Companies and other stakeholders, complies with the rules of the Exchange.

**Ms. Suzette McNaught**

Suzette McNaught joined the IT Team of the Jamaica Stock Exchange in 1998. She presently holds the position of Manager, Information Technology and Systems. Miss McNaught has the direct responsibility of managing and maintaining the JSE's information system, integral to the operations of the company. A Certified Information Systems Auditor, with a B.Sc in Computer Science and an MBA in Business Administration, Miss McNaught has been instrumental in the enhancement of the JSE's information systems, which includes implementation of a Site-to-site and Private

Network for the Broker community and implementation of a real time business continuity site, among other customer service and business systems improvements.

**Ms. Suzette Whyte**

Suzette Whyte is the Accounting Manager of the Jamaica Stock Exchange. She joined the JSE's team in 2000. Mrs. Whyte holds a BBA in Business Administration (Accounts) and is pursuing her CPA. She has the responsibility of managing the Finance and Accounting activities of the JSE and has been instrumental in transforming the accounting processes of the division to be compliant with the regulatory standards of the IFRS.

**Miss Michelle Sirdar**

Michelle Sirdar is the Manager of the Registrar Services Unit of the Jamaica Central Securities Depository (JCSD), a position she has held since the Unit's launch in 2006. Ms. Sirdar leads a team of 3 in providing registrar services for a variety of securities in both certificated and immobilized environments. Prior to taking up this position, Ms. Sirdar served as the JSE's Internal Auditor for several years and she is presently pursuing further qualifications with the Institute of Chartered Secretaries and Administrators.

## 7. INFORMATION ABOUT THE JAMAICA STOCK EXCHANGE

### BRIEF HISTORY

The Jamaica Stock Exchange Limited was incorporated as a private limited company in August 1968. There were four founding members:

**Mr. Willard Samms** – Annett & Company Limited

**Mr. Raglan I. Golding** – Capital Market Services (Ja) Ltd.

**Mr. Edward E. Gayle** – Edward Gayle & Company Ltd.

**Mr. Anthony Lloyd** – Pitfield Mckay Ross & Co Ltd.

Its principal objectives are:-

To promote the orderly development of the stock market and the Stock Exchange in Jamaica; to ensure that the stock market and its Broker-members operate at the highest standards practicable; to develop, apply and enforce rules designed to ensure public confidence in the stock market and its Broker-members; to provide facilities for the transaction of stock market business; to conduct research, disseminate relevant information and maintain local and international relationships calculated to enhance the development of the Jamaica Stock Market.

The Stock Market commenced operations on Monday, February 3, 1969. Stocktrading is restricted to Broker-members who trade both as agents and as principals. In the latter capacity, certain restrictions apply to transactions between a Broker and his own client.

The Exchange is governed by a Council/Board of Directors which has the following composition: the Governor of the Bank of Jamaica or his nominee, a representative of the Ministry of Finance and Planning, three persons other than seat-holders and up to ten seat-holders representing members.

**Public Company:**

Section 25(1) of the Companies Act, 2004 defines a private company as being one which by its articles, inter alia, restricts the right to transfer its shares, limits the number of its members to twenty and prohibits any invitation to the public to subscribe for any shares or debentures in the company.

These restrictions are naturally inconsistent with public ownership of the shares of the company. In 2007 the JSE therefore took steps to become a public company. The company's conversion from a private to a public one commenced when it passed a Special Resolution to convert to a public company and submitted its Adopted Articles of Incorporation to the Companies Office of Jamaica. Conversion was completed when a Statement in Lieu of Prospectus was filed on behalf of the Company in accordance with Section 26(1) of the Companies Act, and same was accepted by the Registrar of Companies on October 14, 2005.

The JSE's status as public company is not to be confused with the status of a publicly-listed company. The JSE will not become publicly-listed until the subscription for Preference Shares is complete, the Application to List the resulting Preference Stock Units is approved and the Preference Stock Units are listed on the JSE.

## 8. REGULATORY FRAMEWORK AND LICENCES

The JSE is at present the only institution that is licensed as a stock exchange to carry out the functions of an equities market in Jamaica. The JSE is licensed under Section 18(2) of the Securities Act which provides:

> *"From and after the 6th December, 1993, the Jamaica Stock Exchange (hereinafter referred to as "the Exchange") shall, subject to subsection (3), be deemed to be licensed under this section.*"

The JSE is regulated by the FSC under the Securities Act. The Act, by Section 23(1) gives the FSC broad powers to give directions to the JSE:

> *"The Commission may, where it appears to be in the public interest, issue directions to a recognized stock exchange with respect to-*
>
> *(a) trading on or through the facilities of that stock exchange or with respect to any security listed on that stock exchange;*
>
> *(b) the manner in which a recognized stock exchange carries on its business; or*

*(c) any other matters which the Commission considers necessary for the effective administration of this Act, and the stock exchange concerned shall, subject to this section, comply with any such directions forthwith".*

The Act further provides that the FSC shall have the power to approve the members of the JSE's Board. Section 20 provides that:

*"A person who is not licensed under this Act shall not be appointed to the board of a recognized stock exchange unless the Commission approves that person as a fit and proper person (as described in section 9 (3)(a)(ii)) for such appointment*."

Under Section 19 of the Act, the JSE is also obliged to notify the FSC of any changes to its rules:

*Within fourteen days after-*

*(a) an amendment is made, by way of rescission, alteration or addition, to the business rules of a recognized stock exchange; or*

*(b) a recognized stock exchange makes or adopts an amendment, by way of recission, alteration or addition, to its listing rules, it shall lodge written notice of the amendment with the Commission.*

## 9. THE JAMAICA CENTRAL SECURITIES DEPOSITORY

The Jamaica Central Securities Depository is a wholly owned subsidiary of the JSE established in June, 1998. It is a facility for holding securities which enable securities transactions to be processed by book entry. A book entry system is an accounting system which facilitates the change of ownership of securities electronically between parties, without the need for the movement of physical documents. In short, the JCSD is a means of recording the ownership of securities.

The current members of the Board of the JCSD are:

Mr. Curtis Martin – Chairman

Mr. Alvaro Casserly – Director

Mr. Christopher Berry – Director

Mr. Livingstone Morrison – Director

Mr. Jonathon Brown – Director

Ms. Sandra Shirley – Director

Mrs. Marlene Street-Forrest – Director

Mr. Robin Levy – Secretary/General Manager

**Why the JCSD is necessary**:

As the transactions in listed securities increase, the ability to settle those transactions through the physical delivery of certificates becomes more cumbersome and error prone. The JCSD allows participating entities such as brokers and institutional investors to place their securities on deposit at the JCSD.

The JCSD registers the securities in its nominee name, in this case, the JCSD Ltd. The JCSD maintains the certificates physically in its vaults, records securities movements, and will debit or credit a participating firm's position through a book-entry computerized system. The existence of the JCSD, therefore, shortens the settlement cycle.

**JCSD Services:**

The services provided by the JCSD include the following:

- The movement of securities between stockbrokers.
- Provision of statements at regular intervals.
- Submission of record date information to registrars for them to generate and mail dividend cheques to JCSD clients.
- JCSD clients receive bonus allotments credited immediately at the close of business at record date.
- Participating financial institutions accept securities lodged at the JCSD as collateral for loans

## 10. MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS & FUTURE PROSPECTS

April 21, 2008

The Board of Directors
The Jamaica Stock Exchange Limited
40 Harbour Street
**KINGSTON**

Ladies and Gentlemen:

We have audited in accordance with International Standards on Auditing the consolidated financial statements of The Jamaica Stock Exchange Limited and its subsidiary as at December 31, 2007, December 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003 and for each of the period ended on those dates, and in our reports dated March 12, 2008, March 14, 2007, March 15, 2006 May 3, 2005 and April 16, 2004, we expressed unqualified opinions on those financial statements.

In our opinion, the extracted consolidated balance sheets and consolidated income and expenditure accounts set out in Section 10 of the Prospectus issued by the Jamaica Stock Exchange Limited and dated April 18, 2008 is consistent in all material respects with the financial statements referred to above from which they were derived.

For a better understanding of the company's financial position at the dates referred to above, the results of its operations for each of the respective periods and the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which they were derived and our audit reports thereon.

Yours faithfully,

Deloitte Touche Tohmatsu

The following is a summary of the key financial data extracted from the audited financial statements of JSE for the periods stated:

## Presentation of Historical Financial Data

### Consolidated Balance Sheets

| As At December 31, | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 96,687 | 91,646 | 75,695 | 53,682 | 44,944 |
| Intangible assets | 13,529 | 15,074 | 86,843 | 34,270 | 13,029 |
| Investments in securities: | | | | | |
| Compensation Fund | 138,972 | 135,146 | 179,717 | 187,519 | 137,195 |
| Other | 162,657 | 185,547 | 198,744 | 183,700 | 97,642 |
| Long-term receivable | 3,675 | 5,701 | 3,648 | 864 | 400 |
| Post employment benefits | 46,946 | 45,228 | 26,451 | 15,986 | 3,051 |
| Deferred tax asset | - | - | - | - | 1,363 |
| **Total non-current assets** | 462,466 | 478,342 | 571,098 | 476,021 | 297,624 |
| **Current assets** | | | | | |
| Income tax recoverable | 14,168 | 1,767 | - | - | - |
| Trade and other receivables | 26,459 | 31,384 | 54,662 | 35,519 | 29,280 |
| Investments in securities: | | | | | |
| Compensation Fund | 324,787 | 299,540 | 224,536 | 191,320 | 194,322 |
| Other | 149,097 | 115,417 | 95,868 | 101,964 | 108,412 |
| Cash and bank deposits | 26,607 | 41,497 | 23,356 | 15,076 | 18,057 |
| **Total current assets** | 541,118 | 489,605 | 398,422 | 343,879 | 350,071 |
| **Total assets** | 1,003,584 | 967,947 | 969,520 | 819,900 | 647,695 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Capital and Reserves** | | | | | |
| Share capital | 113,590 | 113,590 | 550 | 2 | 2 |
| Reserves | | | | | |
| Share premium | - | - | 8,040 | 8,040 | 8,040 |
| Capital reserve | - | - | 104,900 | 104,900 | 54,900 |
| Capital redemption reserve fund | - | - | 100 | 100 | 100 |
| Fair value reserve | -1,102 | -2,554 | -3,348 | 1,682 | 1,257 |
| Contingency reserve | 442,030 | 414,339 | 384,980 | 356,349 | 311,372 |
| Revenue reserve | 373,785 | 354,836 | 373,801 | 289,046 | 222,730 |
| **Total equity** | 928,303 | 880,211 | 869,023 | 760,119 | 598,401 |
| **Non-current liabilities** | | | | | |
| Long-term liabilities | - | 4,958 | 10,112 | 3,847 | - |
| Deferred tax liabilities | 33,380 | 19,456 | 42,207 | 23,307 | 30,105 |
| **Total non-current liabilities** | 33,380 | 24,414 | 52,319 | 27,154 | 30,105 |
| **Current liabilities** | | | | | |
| Accounts payable | 41,901 | 63,272 | 38,352 | 20,272 | 9,859 |
| Income tax payable | - | - | 9,826 | 12,355 | 9,330 |
| Bank overdraft | - | 50 | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| **Total current liabilities** | 41,901 | 63,322 | 48,178 | 32,627 | 19,189 |
| **Total equity and liabilities** | 1,003,584 | 967,947 | 969,520 | 819,900 | 647,695 |

## Consolidated Income Statements

| Year Ended 31 December, | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Income** | | | | | |
| Cess | 82,695 | 113,539 | 119,649 | 107,345 | 78,584 |
| Fee income | 90,060 | 109,595 | 113,855 | 51,351 | 26,330 |
| Other operating income | 33,134 | 30,491 | 31,552 | 18,131 | 7,389 |
| | 205,889 | 253,625 | 265,056 | 176,827 | 112,303 |
| **Expenses** | | | | | |
| Staff costs | 86,520 | 76,179 | 71,661 | 40,299 | 38,543 |
| Property expenses | 29,054 | 25,539 | 21640 | 22,419 | 15,836 |
| Depreciation and amortization | 17,620 | 17,277 | 10,596 | 6,729 | 7,373 |
| Advertising and promotion | 19,961 | 19,689 | 10,716 | 18,379 | 8,588 |
| Professional fees | 16,676 | 5,772 | 6,805 | 7,281 | 4,992 |
| Securities commission fees | 24,135 | 31,749 | 34,739 | 30,034 | 20,278 |
| Allowances for doubtful debts | 1,899 | 1,888 | | - | 226 |
| Demutualization costs | - | 139 | 10,500 | - | - |
| Impairment of investment | - | 1,317 | - | - | 503 |
| Other operating expenses | 17,923 | 12,698 | 12,458 | 9,515 | 4,851 |
| | 213,788 | 192,247 | 179,115 | 134,656 | 101,190 |
| **(DEFICIT) SURPLUS FROM OPERATIONS** | -7,899 | 61,378 | 85,941 | 42,171 | 11,113 |
| Investment income | 34,908 | 40,890 | 48,534 | 42,568 | 48,694 |
| Compensation Fund income (net) | 37,751 | 39,866 | 43,375 | 60,201 | 56,596 |
| Finance cost | -1,380 | -2,394 | -984 | -748 | -26 |
| Other gains and losses | 2,372 | -128,708 | - | -91 | - |
| **SURPLUS BEFORE TAXATION** | 65,752 | 11,032 | 176,866 | 144,101 | 116,377 |
| Taxation | -21,636 | -2,819 | -62,653 | -35,100 | -39,064 |
| **NET SURPLUS** | 44,116 | 8,213 | 114,213 | 109,001 | 77,313 |

The figures for 2003, 2004 and 2005 have been re-classified to conform to the classification in 2007.

The Jamaica Stock Exchange (JSE) Group achieved a 437% increase in its Net Income from $8.2 Million in 2006 to $44.1 Million for the year ended December 31, 2007. This fiscal improvement was marked by great diversification of revenue streams and cost containment efforts in an environment of higher-than-normal inflation but also reflects a significant prior year one-off item, namely the write-off of $128 million in accumulated costs from the abandoned fixed income software development project by its subsidiary, the Jamaica Central Securities Depository (JCSD) in 2006.

The JSE's continuing drive to reduce its level of financial dependence on revenue from trading has proved timely, as there was an improvement of 9% from other operating income sources during the year. This gain was, however, not enough to offset the much larger declines of 27% in cess revenue and 18% in fee income, largely due to reduced trading activity levels for 2007. Inflationary pressures were noted to have increased most expense line items with the sole exception of Securities Commission fees, which are also pegged to transaction revenues. The JSE was, however, still able to report a net surplus as a result of non-operational income streams such as investment income, compensation fund management fees and other gains.

The consolidated balance sheet for the JSE Group displays total asset growth of 4% to just over $1 Billion mainly on the strength of good cash flow management resulting in a $40 Million increase in the value of total investments in securities. This was further boosted by a $13 Million increase in the Group's income tax credits as a result of the prior year losses of the JCSD.

The JSE is currently in the final stages of its plan for demutualization with the formal separation of its regulatory arm from its commercial arm, effective April 2008. The new organizational structure, inclusive of the utilization of a powerful and independent Regulatory and Market Oversight Committee, illustrates a clear line of demarcation between the Exchange's twin roles of regulating participants in a fair and transparent stock market and operating an efficient and profitable platform on which that market trades.

The year 2008 has already shown several promising signs for the future with another successful hosting of the Regional Conference being complemented by improved trading volumes in the first 2 months of the year. It is expected that interest in the market will rebound and result in slow but steady growth through the next year or two, barring further economic shocks. The Caribbean Stock Exchange Network, Junior Venture Exchange Market and other new developments on the horizon hold the promise of bringing new and vibrant participants into the market while offering a wider range of exciting choices to investors.

## 11. AUDITORS' REPORT and FINANCIAL STATEMENTS

See Appendix 1 to this Prospectus

## 12. CORPORATE GOVERNANCE

**The Board of Directors**

The Board of Directors and the Management team of the JSE are committed to following best practices in corporate governance as a foundation for long-term success.

The names of the directors and senior management and their biographical information are set out in Section 6 of this Prospectus.

The Board is comprised of:

Mr. Curtis Martin - Chairman - President & CEO - Capital & Credit Merchant Bank

Mr. Leo Williams - Deputy Chairman - Managing Director - JMMB Securities Limited

Mrs. Rita Humphries - Lewin, Chairman - Barita Investments Limited

Mr. Christopher Berry – Chairman - Mayberry Investments Limited

Mr. Ed McKie - CEO/Chairman - M/VL Stockbrokers Limited

Mr. Mark Croskery - President & CEO – Stocks & Securities Limited

Mr. Christopher Williams - Managing Director - NCB Capital Markets Limited

Ms. Sandra Shirley - President - First Global Financial Services Ltd.

Mr. Donovan Perkins, President/CEO - Pan Caribbean Financial Services Ltd.

Mr. Allan Lewis – Director – Victoria Mutual Wealth Management Ltd

Mrs. Marlene Street-Forrest - Board Secretary - General Manager, JSE

**Independent Directors**:

Mr. Livingstone Morrison - Deputy Governor Bank of Jamaica - Finance & Technology, Payment Systems, Investment & Risk Management

Miss Dian Black - Director - Securities Management, Ministry of Finance & Planning

Miss Hilary Phillips, Q.C. Attorney-at-Law, Partner, Grant, Stewart, Phillips & Co

Mr. Jeffery Hall – Director – Jamaica Producers Group Ltd.

Mr. Garth Kiddoe- Dean - Faculty of Business & Management, University of Technology

**Board Committees:**

The JSE has established a number of Board Sub-Committees charged with ensuring the JSE's corporate integrity and adherence to regulatory requirements. Their members are noted below.

Listing Standards Committee:

Chairman: Mr. Curtis Martin
Mr. Leo Williams
Mrs. Rita Humphries-Lewin
Mrs. Marlene Street-Forrest
Mr. Christopher Williams
Mr. Livingstone Morrison

Conduct Review:

Chairman: Miss Hilary Phillips, Q.C.
Mr. Livingstone Morrison
Miss Dian Black
Mr. Garth Kiddoe
Mr. Jeffrey Hall

Compensation Committee:

Chairman: Mr. Curtis Martin

Mr. Garth Kiddoe
Miss Hilary Phillips, Q.C.
Mr. Donovan Perkins

Regulatory and Market Oversight Committee:

Chairman: Miss Hilary Phillips, Q.C.
Miss Dian Black
Mr. Garth Kiddoe
Mr. Livingstone Morrison

Audit and Finance Committee:

Chairman: Mr. Garth Kiddoe
Miss Hilary Phillips,Q.C.
Miss Dian Black
Mr. Ed McKie *(or alternate Dr. Derrick McKoy)*

Mr. Allan Lewis
Miss Karlene Bailey

Nominating Committee:

All Board Members

Corporate Governance:

Chairman: Mr. Ed McKie *(or alternate Dr. D. McKoy)*
Mr. Leo Williams
Mr. Garth Kiddoe
Miss Sandra Shirley

## 13. DIVIDEND POLICY IN RELATION TO PREFERENCE STOCK UNITS

The payment of dividends on the Preference Stock Units by the JSE will be primarily dependent on its future profitability. Subject to this, it is the Company's intention to pay dividends in accordance with the Terms of Issue of the Preference Shares.

## 14. MATERIAL CONTRACTS

There are no material contracts.

## 15. LITIGATION

The Company is not currently involved in any material litigation nor is it aware of any pending material litigation.

## 16. RISK FACTORS AND RISK MITIGATION

**RISK FACTORS**

**Volatility in Stock Price**

Newly-issued Preference Shares may experience significant volatility in stock price which may extend beyond the short term and which may be dependent on the JSE's performance, investors' confidence and other factors over which the JSE has no control.

**Regulatory and Legal Uncertainties**

Once this Offer has been closed, the JSE will seek to list the Preference Stock Units on the Exchange. This will result in the JSE becoming a listed company while still performing its function (through an independent Committee of the Board of the Exchange, the Regulatory and Market Oversight Committee) as regulator for the entire Exchange. Changes in approach by the Financial Services Commission in relation to existing Regulations or the introduction of new Regulations or guidelines may also affect the operations of the JSE and thereby affect its profitability.

**Risks Specific to this Offer:**

**Trading History**

Preference Stock Units in the JSE have no observable arm's-length trading history as they have not previously been traded. Neither the JSE nor any of its advisors can predict the stock's trading behaviour after it is listed on the JSE.

**Legal Control**

Offering of Preference Shares will not confer legal or effective control of the JSE on successful Applicants.

**Payment of Dividends and Redemption**

The payment of dividends on the Preference Stock Units and the ability of the JSE to redeem them will be primarily dependent on the JSE's future profitability.

**Issue of Additional Preference Shares**

The Directors of the JSE may hereafter authorise the issue of additional preference shares in the JSE. Such preference shares, once issued and converted on issue to preference stock units, may rank pari passu with the existing Preference Stock Units and may be listed on the JSE or on any other stock exchange(s). Additional preference shares so issued could affect the market price of the Preference Stock Units.

**Country-Specific Risks:**

**Macro-Economic Policies**

Changes in fiscal and monetary policies by the GOJ may affect the behaviour of capital markets. Such changes in policies may create opportunities as well as challenges for the JSE.

**Other Risks:**

**New Accounting Rules or Standards**

The JSE may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the JSE currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively.

**Key Personnel**

It is very important that the JSE attract and retain highly skilled personnel, to accommodate growth, establish new services and to replace personnel whose employment may be terminated for any reason. Competition for qualified personnel can be intense, especially in the local securities industry, as there are a limited number of people in Jamaica with the requisite knowledge and experience. The JSE will need to attract and retain qualified personnel and failure to do so could have a

material adverse impact on its operating results and its ability to pay dividends on, and ultimately redeem, the Preference Stock Units.

**Risks Associated with International Conditions**

The JSE's financial results may be adversely affected by international risks, such as:

• international political and economic conditions;

• trade barriers;

• adverse tax consequences

**Operational Risk**

This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition excludes systemic risk, legal risk and reputation risk.

This catch-all category of risks includes:

• employee errors;

• computer and manual systems failures, security failures;

• fire, floods or other losses to physical assets; and

• fraud or other criminal activity.

**RISK MITIGATION**

The JSE attempts to mitigate all operational risks by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking regular contingency planning.

The JSE's management believes that there are currently no significant or unusual developments surrounding the risks described in this Section 16.

## 17. CONSENTS

Deloitte Touche Tohmatsu has given and not withdrawn its consent to the issue of this Prospectus with the inclusion therein of financial data extracted from audited financial statements and the references to its name in the form and context in which they are included.

## 18. DOCUMENTS AVAILABLE FOR INSPECTION

From the date of publication of this Prospectus, the following documents will be available for inspection on any weekday (Saturdays, Sundays and public holidays excepted) during the hours of 9:00 am to 4:30 pm, at the offices of the JSE at 40 Harbour Street, Kingston.

(1) the current Articles of Incorporation

(2) the written consent of the Auditors Deloitte Touche Tohmatsu dated April 21, 2008

(3) Audited Financial Statements for the JSE for the years ended December 31, 2007, 2006, 2005, 2004, 2003

## 19. STATUTORY AND GENERAL INFORMATION

19.1 a) JSE has no founders or management or deferred shares.

b) The Articles of Incorporation fix no shareholding qualification for directors and none has been otherwise fixed by the JSE in general meeting. The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:

The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings or any committee of the Directors or general meetings of the Company in connection with the business of the Company. The Directors may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interests of the Company, or undertaking any work additional to that usually required of Directors of a Company. (Article 82)

A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise, and no such director shall be accountable to the company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company. (Article 84)

A director may hold any other office or place of profit under the company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or management entered into by or on behalf of the company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established. (Article 97(5))

Any director may act by himself or his firm in a professional capacity for the company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorize a director or his firm to act as auditor to the company. (Article 97(7))

The Directors may give or award pensions, annuities, gratuities, guarantee loans and superannuation or other allowances or benefits to any persons who are or have at anytime been Directors of or employed by or in service of the Company or any Company which is a subsidiary of the Company, and to the wives, widows, children and other relatives and dependants of any such persons, and may set up, establish, support and maintain pensions, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are herein before referred to or any of them or any class of them. Any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit and may vote as a Director in respect of the exercise or any of the powers of this Article conferred upon Directors notwithstanding that he is or may be or become interested therein. (Article 100)

A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine. (Article 122)

c) The names and addresses of the Directors of the JSE appear in Section 6 of this Prospectus.

19.2 No minimum amount is required to be raised out of the proceeds of the Preference Stock Issue to provide for any of the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Act. The expenses in connection with this Offer, namely for advertising, printing, professional and consultancy fees, brokerage fees and miscellaneous expenses, are set out below and will be borne by the JSE.

| | |
|---|---|
| Advisory Service Fees | J$1,581,000 |
| Production & Advertisement | J$1,500,000 |
| Miscellaneous | J$ 200,000 |
| Registrar & Transfer Agent's Fee | J$ 289,500 |
| Total Cost of Transaction | J$ 3,481,000 |

19.3 (a) The application list will open at 8.30am on Friday May 16, 2008 and will close at 4:30 pm on Friday May 30, 2008, subject to the JSE's right to close the application list at any time if applications have been received for an amount in excess of the Preference Shares offered under this Prospectus or to extend the closing date beyond Friday, May 30, 2008.

(b) All applicants will be required to pay in full, on application, the Offer Price of $2.00 per Preference Share. No further sum will be payable on allotment.

19.4 No previous offer of shares or preference shares in JSE has been made to the public.

19.5 No person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, JSE.

19.6 (a) As at 31st December 2007, the JSE held investments in securities, amounting to $311.8M. These are primarily Government of Jamaica Securities and Investments in Repurchase Agreements. For further details please refer to Section 8.2 of the Audited Financial Statements for 2007

(b) There is no amount for goodwill, patent, or trade marks shown in the financial statements of JSE and there is no contract for sale and purchase which would involve any goodwill, patent or trade marks.

(c) The aggregate amount of bank loans and overdrafts owing by the JSE as at December 31, 2007 is Nil. For further details with respect to loan receivables see Note # 9 to the Financial Statements referred to in Section 11 of this Prospectus.

(d) No amount is recommended for distribution by way of dividend.

19.7 No property has been or is proposed to be purchased or acquired by the JSE, which is to be paid for wholly or partly out of the proceeds of this Offer, and accordingly, paragraph 6 of Part 1 of the Third Schedule of the Companies Act does not apply.

19.8 For the reason stated in paragraph 19.7 above, paragraph 7 of Part 1 of the Third Schedule to the Companies Act does not apply.

19.9 For the reason stated in paragraph 19.7 above, paragraph 8 of Part 1 of the Third Schedule to the Companies Act does not apply.

19.10 For the reason stated in paragraph 19.7 above, paragraph 9 of Part 1 of the Third Schedule to the Companies Act does not apply.

19.11 (a) Within the two preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the JSE.

The Lead Broker will pay a Selling Agent Fee to the other brokers of 0.25% of the value of the applications received through them.

(b) The total expenses of the Offer is estimated at J$3,481,000 and will be payable for the services identified in paragraph 19.2 above.

(c) Within the last two years preceding the date of this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter.

19.12 The name and address of the auditors of the JSE are:

Deloitte Touche Tohmatsu
7 West Avenue
Kingston 4

19.13 The authorised share capital of the Company consists of 600,000,000 ordinary shares of no par value and 100,000,000 Redeemable Cumulative Variable Preference "A" Shares. The issued share capital of the Company consists of 500,000 ordinary shares of no par value. Subject to any rights or restrictions for the time being attached to classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder. (See Article 66). The Preference Stock Units (following conversion on issue of the Preference Shares) do not carry the right to vote save in narrowly prescribed circumstances.

19.14 The JSE has carried on business as the JSE since February 3rd, 1969.

**General Information**

Articles of Incorporation

The Articles of Incorporation of the JSE provides that its principal objects are, inter alia:

- To establish and operate stock exchanges in Jamaica and to promote the orderly development of the securities market
- Ensure that the stock market operates at all times in accordance with the highest standards practicable.

- Ensure that persons engaged in the buying and selling of stocks, shares and other securities establish and maintain acceptable standards of professional etiquette and conduct as Stockholders or dealers in securities.
- Develop a set of rules and practices applying to the stock market and those engaged therein designed to merit, obtain and retain public confidence in the stock market, its brokers and dealers.
- Formulate, promulgate, apply and enforce rules and regulations designed to carry out and facilitate the carrying out of the objects of the Company and to provide for and enforce penalties.

The above and other objects of the JSE are set out in full in the Articles of Incorporation, which is among the documents available for inspection as noted in Section 18 of this Prospectus.

On October 14, 2005, the JSE converted from a private limited liability company to a public limited liability company, adopted new Articles of Incorporation and filed a statement in lieu of prospectus with the Registrar of Companies. The effect of certain provisions of the Articles of Incorporation is summarized below.

Dividends

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

Conversion of Shares to Stock

The Company is authorised to convert shares of the Company into stock units by ordinary resolution passed by the Company.

Power to purchase its own Shares

The Company has power, subject to the provisions of the Companies Act, 2004, to exercise to the fullest extent, the powers granted by sections 58, 59, 62 and 70 of the Companies Act, to purchase or otherwise deal in its own shares and the Company may, to the extent permitted by law give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company (if any) and the Company may, to the extent permitted by law, make a loan for any purpose whatsoever on the security of its shares or those of its holding company (if any).

Director's Indemnity

To the fullest extent permitted by sections 201, 202 and 203 of the Companies Act, 2004 every Director or other officer of the JSE or their respective legal representatives is entitled to be indemnified out of the assets of the JSE against all costs, charges, expenses, awards of damages, losses or liabilities which he may sustain or incur:

(i) in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a Director or officer of the Company;

(ii) in connection with any derivative action;

(iii) in connection with any application under section 389 of the Companies Act in a case where relief is granted by the Court in an action against a Director, who though liable in negligence or breach of duty, acted honestly.

Directors' & Officers' Liability Insurance

The Directors are authorised to effect and maintain at the cost of the JSE, such Directors' & Officers' Liability insurance as they shall deem fit.

Director's interest in contracts

If a Director is in any way directly or indirectly interested in a contract or proposed contract with the JSE, he must disclose the nature and extent of his interest in writing and subject to disclosure aforesaid and to the provisions of the Companies Act, the affected Director may be present during any Board meeting at which the contract is considered for approval and may be counted in the quorum.

Jamaica Taxation

Under current legislation, the JSE's taxable surplus is subject to tax at the rate of 33⅓%. If the Preference Stock Units are listed on the JSE, as anticipated, then dividends will be paid tax-free to stockholders resident in Jamaica. Capital distributions are subject to transfer tax (currently 7.5% on the amount of the distribution). The transfer of Preference Stock Units on the JSE is exempt from transfer tax and *ad valorem* stamp duty. If the Preference Stock Units are transferred other than by way of the facilities of the JSE then such transfer tax (currently 7.5%) and stamp duty (currently approximately 1%) would be chargeable. Applicants should consult their own tax advisors, with respect to other possible tax implications.

Underwriting

The Offer contained in this Prospectus is equally underwritten by each of the 11 stockbrokers listed in Section 5 of this Prospectus.

Insurance

The Directors are of the opinion that the JSE carries reasonable insurance cover for property damage and third party liability risks. The JSE does not carry professional liability insurance or fidelity guarantee insurance.

Pensions

The JSE operates a defined benefit pension plan for its employees and the employees of its subsidiary JCSD. The scheme is funded by employee contributions of 5% or more of pensionable salary. The company contributes to the plan at rates determined periodically by independent actuaries to meet the obligations of the scheme.

## 20. APPLICATION PROCEDURES AND CONDITIONS OF OFFER

### Application Procedures, Terms and Conditions

1. You may apply for Preference Shares in the Offer by means of the Application Form included in Appendix 4 to this Prospectus. Each duly completed and signed Application

Form must be taken to the offices of NCB Capital Markets Limited or to one of the other stockbrokers listed in Section 5 of this Prospectus on or before 4:30 pm (Eastern Standard Time) on Friday May 30, 2008. The full amount payable for the Preference Shares applied for by you must be paid either (i) in cleared funds in J$ held with NCB Capital Markets Limited in an investment account in the Applicant's name OR (ii) in cleared funds in J$ held with one of the other stockbrokers listed in Section 5 of this Prospectus and held in an investment account in the Applicant's name OR (iii) a manager's cheque made payable to either the stockbroker to whom the completed application form is submitted, or, if submitted through a branch of National Commercial Bank Jamaica Limited, to NCB Capital Markets Limited.

2. Applications must be for a minimum of 15,000 Preference Shares and multiples of 10,000.

3. The Directors of the JSE reserve the right to make available for subscription by officers and/or employees of the JSE and/or the Jamaica Central Securities Depositary, up to 500,000 Preference Shares on preferred terms.

4. The Directors of the JSE in their sole discretion may accept (in whole or in part) or reject any application to purchase Preference Shares even if the application is received, validated and processed. The acceptance may be in respect of the whole or any part of the application and, accordingly, the allocated number of Preference Shares may be less than the amount specified in the Application Form.

5. The acceptance by the JSE of an application to subscribe for the Preference Shares (in whole or in part) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the Preference Shares in respect of which the application has been accepted at the Offer Price.

6. If the Offer is oversubscribed, the Preference Shares may be allotted to Applicants on a basis to be determined by JSE in its sole discretion. Applicants may be allotted fewer Preference Shares than they applied for.

7. In respect of each Application which is accepted in whole or in part by the JSE, the JSE will issue a letter of allotment in the name of that Applicant (or in the joint names of joint Applicants) for the number of Preference Shares allotted to the Applicant. The letters of allotment will be sent to the stockbrokers listed in Section 5 of this Prospectus who will distribute same to the Applicants, along with a cheque for the portion of the subscription monies which is refundable to the Applicant if the Application has only been accepted in part.

8. Cheques for the amounts refundable to Applicants whose Applications are not accepted will be sent to the stockbrokers listed in Section 5 of this Prospectus who will distribute same to the Applicants. The JSE will use its best efforts to send the letters of allotment and refund cheques to the stockbrokers within seven working days after the Closing Date or as soon thereafter as practicable.

9. Each letter of allotment and refund cheque will be mailed through the post at the Applicant's risk to the address of the Applicant (or of the first-named joint Applicant) stated in the Application Form.

10. Letters of allotment are not transferable or assignable.

## 21. DIRECTOR'S SIGNATURES

.

Signed on behalf of The Jamaica Stock Exchange Limited by the below-mentioned Directors, for and on behalf of the Directors of The Jamaica Stock Exchange Limited, this 18th day of April, 2008.

| **Name of Director/Secretary** | **Original Signed By:** |
|---|---|
| **Curtis Martin** | |
| **Leo Williams** | |
| **Marlene Street-Forrest (Secretary)** | |

# APPENDIX 1
## Auditors' Report and Financial Statements
**[See following pages]**

# APPENDIX 2

## Auditors' Consents:

**[See following page]**

April 21, 2008

The Board of Directors
The Jamaica Stock Exchange Limited
40 Harbour Street
**KINGSTON**

Ladies and Gentlemen:

We have given, and have not withdrawn our consent for the inclusion of our reports in the prospectus issued by The Jamaica Stock Exchange Limited and dated April 18, 2008 for the sale of preference stock units, in the terms and context in which they appear.

Yours faithfully,

Deloitte Touche Tohmatsu

## Appendix 3

# Terms of Issue of Redeemable Cumulative Variable Rate "A" Preference Shares

**The Jamaica Stock Exchange Limited**

**(the "Company")**

"**Terms of Issue – Redeemable Cumulative Variable Rate 'A' Preference Shares"**

In these Terms of Issue:

"Agreed Rate" means the higher of the GOJ weighted average Treasury bill yield having a tenor of between 178 days and the 184 days T-bill or the BOJ 182 days Reverse Repo Rate;

"Business Day" means a date, not being a Saturday, Sunday or public holiday when banks are open for business in Jamaica;

"Preference Stock Units" means the preference stock units created on conversion of the Preference Shares, on issue.

**The Preference Shares in the capital of the Company, with no par value, and subject as hereinafter provided, a tenor of 60 months, the same to be issued at a price of J$2.00 shall be denominated Redeemable Cumulative Variable Rate "A" Preference Shares" (herein in these Terms, the "Preference Shares") conferring upon the registered holders thereof the following rights and shall be subject to the following restrictions, namely:**

(a) the right to a cumulative preferential dividend at the Agreed Rate per annum on the capital for the time being paid up or credited as paid up on the Preference Stock Units, to be paid quarterly, in Jamaican Dollars, in each case on the earliest possible date following declaration by the Board of Directors of the Company and processing by the Registrar and Transfer Agent engaged by the Company to attend to, *inter alia*, payments to registered holders;

(b) the right on a winding up of the Company or other return of capital to repayment in Jamaican Dollars in priority to any payment to the holders of any other shares or stock units in the capital of the Company of:

   (i) the amounts paid up on the Preference Stock Units; and
   (ii) any arrears or accruals of the cumulative preferential dividend on the Preference Stock Units, whether declared or earned, or not, calculated down to the date of such repayment but to no further or other right to share in the surplus assets of the Company on a winding up.

(c) the Preference Stock Units shall NOT carry the right to vote at any general meeting of the Company EXCEPT in circumstances where the cumulative dividend on the Preference

Stock Units remains unpaid for a period greater than 12 months and/or a resolution to wind up the Company has been passed AND in either such event, every holder of Preference Stock Units present in person or by proxy shall have one vote, and on a poll every holder of Preference Stock Units, present in person or by proxy, shall have one vote for each Preference Stock Unit of which he is the holder.

(d) The Company may, without any consent or sanction of the holders of Preference Stock Units create and issue further preference shares, the same to be converted into preference stock units either ranking pari passu and identically in all respects and so as to form one class with the existing Preference Stock Units or ranking pari passu therewith as regards priority in respect of income and/or capital but carrying a different rate of dividend or otherwise differing from the Preference Stock Units.

(e) The Preference Shares shall be issued as redeemable cumulative variable rate preference shares, converted on issue to Preference stock Units and subject to the provisions contained in Section 56 of the Companies Act of Jamaica (the "Act") (as the same may be amended from time to time) redemption of such Preference Stock Units shall be effected in the manner and on the terms following:

(i) For greater certainty in these Terms, it is hereby confirmed that redemption of the Preference Stock Units by the Company may be effected pursuant to a notice issued by the Company in accordance with these Terms.

(ii) At the time and place fixed for redemption of Preference Stock Units:

a. the registered holder, if such registered holder is the holder of Preference Stock Units by virtue of an allotment by the Company (the "original holder") or a transferee from the original holder effected OTHER than by the facilities of the Jamaica Stock Exchange, shall be bound to deliver up to the Company the relative share/stock certificate(s) with respect to the said Preference Stock Units for cancellation following redemption; and/or

b. the Company shall be bound to redeem the said Preference Stock Units and shall pay the registered holder, the redemption money in respect of such Preference Stock Units together with any arrears or accruals of the cumulative preferential dividend (whether earned or declared or not) calculated down to the date fixed for payment.

(f) If the fixed cumulative dividend on the Preference Stock Units shall have been paid up in full up to and including the last yearly date fixed for payment, the Company may (subject to the provisions of the Companies Act) redeem all or any of the Preference Stock Units on the date coinciding with the last Business Day of the sixtieth month following the date of issue, by the purchase of such Preference Stock Units on the Jamaica Stock Exchange (by way of an uninterruptible put through) or by private treaty at a price of $2.00 per Preference Stock Unit (exclusive of stamp duty, commission and other expenses of purchase and any accrued dividend thereon).

(g) As from the time fixed for redemption of any of the Preference Stock Units under any notice given by the Company pursuant to paragraph (e) of these Terms, dividends shall cease to accrue on such Preference Stock Units except in respect of any Preference Stock Unit in respect of which payment due on such redemption was refused.

(h) If any holder of Preference Stock Units shall fail or refuse to surrender the certificate(s) for such Preference Stock Units (where such surrender is required) or shall fail or refuse to accept the redemption money payable in respect of such Preference Stock Units, at the time fixed for redemption of any of the Preference Stock Units under any notice given by the Company pursuant to paragraph (e) of these Terms, such money shall be retained and held by the Company in trust for such registered holder but without interest or further obligation whatever.

(i) No Preference Stock Units shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of preference shares made for the purposes of the redemption as permitted by the Act.

(j) No Preference Stock Units redeemed by the Company shall be capable of re-issue and on redemption of any Preference Stock Units, the Directors may convert the authorised share capital created as a consequence of such redemption into shares and/or stock units of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares and/or stock units of such class then in issue or into unclassified shares and/or stock units of the same nominal amount as the Preference Stock Units.

(k) The rights attaching to the Preference Stock Units may not be varied either while the Company is a going concern or during or in contemplation of a winding up of the Company without the consent in writing of the holders of three-fourths of the issued Preference Stock Units or without the sanction of an Extraordinary Resolution passed at a separate meeting of that class, but not otherwise. To every such separate meeting all of the provisions of the Articles of Association of the Company relating to general meetings of the Company or to proceedings thereat shall, *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued Preference Stock Units (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum) and that the holders of Preference Stock Units shall, on a poll, have one vote in respect of each Preference Stock Units held by them respectively.

These Terms of Issue were approved by the directors of the Company pursuant to a resolution of the directors of the Company passed as at February 13, 2008.

# APPENDIX 4
# THE JAMAICA STOCK EXCHANGE LIMITED
# APPLICATION FORM

THE JAMAICA STOCK EXCHANGE LIMITED

Offer for Sale of preference shares in
The Jamaica Stock Exchange Limited

## APPLICATION FORM

**PLEASE READ INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM**

To: The Company in the Prospectus of 33,000.000 preference shares in The Jamaica Stock Exchange Limited made pursuant to the Prospectus dated April 18, 2008 and registered on April 23, 2008 I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated in this Application Form by reference.

I/We hereby apply for ☐☐☐☐☐☐☐☐☐ preference shares in The Jamaica Stock Exchange Limited on and subject to the terms and conditions of the Prospectus at the price of $2.00 each and I/We attach my/our cheque for total payment of $ ☐☐☐☐☐☐☐☐☐

I/We agree to accept the same or any smaller number of shares in respect of which this application may be accepted, subject to the terms and conditions in the Prospectus and the Memorandum and Articles of Association of The Jamaica Stock Exchange Limited, by which I/We agree to be bound. I/We request you to sell and transfer to me/us the number of shares which may be allocated to me/us at the close of the said Offer upon the terms and conditions governing applications, as set forth in the Prospectus. I/We hereby agree to accept the shares that may be allocated to me/us to be credited to an account in my/our name(s) in the Jamaica Central Securities Depository.

INSTRUCTIONS TO COMPLETING APPLICATION FORM: All fields are relevant and must be completed. If you already have an account with the JCSD, please ensure that you indicate your JCSD Account number.

**PRIMARY HOLDER (Either Company or Individual)**

TITLE | TRN # | CITIZENSHIP | JCSD ACCOUNT # | BROKER CUSTOMER NUMBER

ADDRESS LINE 1

ADDRESS LINE 2

ADDRESS LINE 3 | TEL NO:

CITY | POSTAL CODE | COUNTRY

OCCUPATION | BROKER # | CLIENT TYPE | ACCOUNT TYPE

Signature:
Companies: _____ _____
**Director** **Director/Secretary**

**Individual:** _____ _____
**Applicant** **Date signatures affixed**

**JOINT HOLDER INFORMATION**

FIRST NAMED JOINT HOLDER

T.R.N. | OCCUPATION | SIGNATURE

SECOND NAMED JOINT HOLDER

T.R.N. | OCCUPATION | SIGNATURE

THIRD NAMED JOINT HOLDER

**T.R.N** | SIGNATURE

| FOR USE BY BROKER ONLY | | | |
|---|---|---|---|
| Processing Date | | *Cheaue* | |
| Time Received | | Cheque Value | |
| Payment Method | | | |
| Broker Stamp and Signature | | *Share Pool* ☐ *Public* ☐ *Broker Client* | |

**ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS**
**THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA**

## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. Application must be for a minimum of 15,000 shares with increments in multiples of 10,000.

2. You must attach your payment by cheque for the total amount due based on the number of Shares applied for. Applications are to be made payable to your broker, and should be delivered along with this Application Form duly completed to your broker.

3. If you are applying jointly with any other person you must complete the Joint Holder Information and each joint holder must sign the Application Form at the place indicated.

4. An individual applicant must be at least 18 years old

5. Share certificates will not be issued unless specifically requested. Instead the shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account.