

# Master Repurchase Agreement

Dated as of.....  
Between:..... Bank of Sierra Leone (hereafter called 'the Bank')  
and.....

## 1. Applicability

From time to time the parties hereto may enter into transactions in which one party ("Seller") agrees to transfer to the other ("Buyer") securities or other assets ("Securities") against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex 1 hereto and in any other annexes identified herein or therein as applicable hereunder.

## 2. Definitions

- (a) "Act of Insolvency", with respect to any party,
  - (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment,
  - (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment, which:
    - A) is consented to or not timely contested by such party,
    - B) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or
    - C) is not dismissed with 15 days,
  - (iii) the making by such party of a general assignment for the benefit of creditors, or
  - (iv) the admission in writing by such party of such party's inability to pay such party's debts as they become due;

- (b) "Additional Purchased Securities", Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;
- (c) "Buyer's Margin Amount," with respect to any Transaction as of any date, the amount obtained by application of the Buyer's Margin Percentage to the Repurchase Price for such Transaction as of such date;
- (d) "Buyer's Margin Percentage", with respect to any Transaction as of any date, a percentage agreed to by Buyer and Seller and detailed in Annex 1.
- (e) "Confirmation," the meaning specified in Paragraph 3(b) hereof;
- (f) "Income," with respect to any Security at any time, any principal thereof and all interest, dividends or other distributions thereon;
- (g) "Margin Deficit," the meaning specified in Paragraph 4(a) hereof;
- (h) "Margin Excess," the meaning specified in Paragraph 4(b) hereof;
- (i) "Margin Notice Deadline", the time agreed to by the parties in the relevant Confirmation, Annex 1 hereto or otherwise as the deadline for giving notice requiring same-day satisfaction of margin maintenance obligations as provided in Paragraph 4 hereof (or, in the absence of any such agreement, the deadline for such purposes established in accordance with market practice);
- (j) "Market Value", with respect to any Securities as of any date, the price for such Securities on such date as reasonably determined by the Bank;
- (k) "Price Differential", with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such transaction on a non-compounding 365 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination;
- (l) "Pricing Rate," the per annum percentage rate for determination of the Price Differential;

- (m) "Purchase Date," the dates on which Purchased Securities are to be transferred by Seller to Buyer;
- (n) "Purchase Price", on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer;
- (o) "Purchased Securities," the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefore in accordance with Paragraph 9 hereof. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) hereof and shall exclude Securities returned pursuant to Paragraph 4(b) hereof;
- (p) "Repurchase Date", the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraph 12 hereof;
- (q) "Repurchase Price", the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case as the sum of the Purchase Price and the Price Differential as of the date of such determination;
- (r) "Seller's Margin Amount," with respect to any Transaction as of any date, the amount obtained by application of the Seller's Margin Percentage to the Repurchase Price for such Transaction as of such date;
- (s) "Seller's Margin Percentage", with respect to any Transaction as of any date, a percentage agreed to by Buyer and Seller and detailed in Annex 1.

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

- (a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.
- (b) Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The

Confirmation shall describe the Purchased Securities (type(s), maturity date(s) and volume(s)), identify Buyer and Seller and set forth:

- (i) the Purchase Date,
- (ii) the Purchase Price,
- (iii) the Repurchase Date,
- (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and
- (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement.

The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.

#### **4. Margin Maintenance**

- (a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer, may by notice to Seller require Seller in such Transactions, to transfer to Buyer additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Buyer's Margin Amount.
- (b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller, may by notice to Buyer require Buyer in such Transactions, to transfer Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount.
- (c) If any notice is given by Buyer or Seller under sub-paragraph (a) or (b) of this Paragraph at or before the Margin Notice Deadline on any business day, the party receiving such notice shall transfer Additional Purchased Securities as provided in such subparagraph no later than

the close of business in the relevant market on such day. If any such notice is given after the Margin Notice Deadline, the party receiving such notice shall transfer such Securities no later than the close of business in the relevant market on the next business day following such notice.

- (d) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or Margin Excess, as the case may be, exceeds a specified percentage of the Repurchase Prices for such Transactions (which percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).
- (e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

**5. Income Payments**

Where the term of a Transaction extends over an Income payment date on Securities subject to that Transaction, the seller shall be entitled to the income receivable on that date.

**6. Security Interest**

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all Income thereon and other proceeds thereof.

**7. Payment and Transfer**

Unless otherwise mutually agreed, all transfers and funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party:

- (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other

documentation as the party receiving possession may reasonably request,

- (ii) shall be transferred on the register of the Bank, or
- (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer.

**8. Segregation of Purchased Securities**

To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial or securities custodian. All of Seller's interest in the Purchased Securities shall pass to Buyer on the Purchase Date.

**9. Substitution**

Substitution of Securities for Purchased Securities is not permissible in Transactions covered by this Agreement.

**10. Blocked Trading**

Purchased Securities transferred to the Buyer in a transaction under this Agreement shall not be further traded until transferred to the Seller upon termination of the Transaction.

**11. Representations**

Each of Buyer and Seller represents and warrants to the other that:

- (i) it is duly authorized to execute and deliver this Agreement, to enter into Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance,
- (ii) it will engage in such Transactions as principal,
- (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf,
- (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect; and
- (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

## 12. Events of Default

The occurrence of any of the following events in relation to a party is an 'Event of Default' in respect of such party.

- (i) Seller fails to transfer or Buyer fails to purchase Purchased Securities upon the applicable Purchase Date,
- (ii) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date,
- (iii) Seller or Buyer fails to comply with Paragraph 4 hereof,
- (iv) Buyer fails, after one business day's notice, to comply with Paragraph 5 hereof,
- (v) An Act of Insolvency occurs with respect to Seller or Buyer,
- (vi) Any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or
- (vii) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default").

Should an "Event of default" occur:

- (a) At the option of the non-defaulting party may, (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), declare an Event of Default to have occurred hereunder and, upon the exercise or deemed exercise of such option, the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (except that, in the event that the Purchase Date for any Transaction has not yet occurred as of the date of such exercise or deemed exercise, such Transaction shall be deemed immediately canceled). The non-defaulting party shall (except upon the occurrence of an Act of Insolvency) give notice to the defaulting party of the exercise of such option as promptly as practicable.
- (b) In all Transactions in which the defaulting party is acting as Seller, if the non-defaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph,
  - (i) the defaulting party's obligations in such Transactions to repurchase all Purchased Securities, at the Repurchase Price therefore on the Repurchase Date determined in accordance with subparagraph (a) of this Paragraph, shall thereupon become immediately due and payable,
  - (ii) all Income paid after such exercise or deemed exercise shall be retained by the non-defaulting party and applied to the

- aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder, and
- (iii) the defaulting party shall immediately deliver to the non-defaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession or control.
- (c) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the non-defaulting party of payment of the aggregate Repurchase Prices for all such Transactions, all right, title and interest in and entitlement to all purchased Securities subject to such Transactions shall be deemed transferred to the non-defaulting party, and the defaulting party shall deliver all such Purchased Securities to the non-defaulting party.
- (d) If the non-defaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, the non-defaulting party, without prior notice to the defaulting party, may:
- (i) as to Transactions in which the defaulting party is acting as Seller,
    - (A) immediately sell, in a recognized market at such price or prices as the non-defaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder or
    - (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefore on such date, obtained from the Bank, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder;
  - (ii) as to Transactions in which the defaulting party is acting as Buyer,
    - (A) immediately purchase, in a recognized market at such price or prices as the non-defaulting party may reasonably deem satisfactory, securities ("Replacement Securities") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the non-defaulting party as required hereunder or

- (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefore on such date, obtained from the Bank.
- (e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the non-defaulting party for any excess of the price paid (or deemed paid) by the non-defaulting party for Replacement Securities over the Repurchase Price for the Purchased Securities replaced thereby and for amounts payable by the defaulting party under Paragraph 5 hereof or otherwise hereunder.
- (f) For purposes of this Paragraph 12, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the non-defaulting party of the option referred to in subparagraph (a) of this Paragraph.
- (g) The defaulting party shall be liable to the non-defaulting party for:
  - (i) the amount of all reasonable legal or other expenses incurred by the non-defaulting party in connection with or as a result of an Event of Default,
  - (ii) damages in an amount equal to the cost (including all fees, expenses and commissions) of entering into replacement transactions as a result of an Event of Default, and
  - (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of an Event of Default in respect of a Transaction.
- (h) To the extent permitted by applicable law, the defaulting party shall be liable to the non-defaulting party for interest on any amounts owing by the defaulting party hereunder, from the date the defaulting party becomes liable for such amounts hereunder until such amounts are:
  - (i) paid in full by the defaulting party or
  - (ii) satisfied in full by the exercise of the non-defaulting party's rights hereunder. Interest on any sum payable by the defaulting party to the non-defaulting party under this Paragraph 12(h) shall be at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the rate at which the Bank offers to buy 91-Day Treasury Bills.

- (i) The non-defaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

**13. Single Agreement**

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees:

- (i) to perform all of its obligations in respect of each Transaction hereunder and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder.
- (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and
- (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

**14. Notices and Other Communications**

Any and all notices, statements, demands or other communications hereunder may be given by a party to the other by mail, facsimile, messenger or otherwise to the address specified in Annex 1 hereto, or so sent to such party at any other place specified in a notice of change of address hereafter received by the other. All notices, demands and requests hereunder may be made orally, to be confirmed promptly in writing, or by other communication as specified in the preceding sentence.

**15. Entire Agreement, Severability**

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

**16. Non-assignability, Termination**

- (a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party, and any such assignment without the prior written consent of the other party shall be null and void. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be terminated by either party upon giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.
  
- (b) Subparagraph (a) of this Paragraph 16 shall not preclude a party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Paragraph 12 hereof.

**17. Governing Law**

This Agreement shall be governed by the laws of the Republic of Sierra Leone.

**18. No Waivers, etc.**

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to Paragraph 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

(Name of Party)

(Name of Party)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# ANNEX 1

## Supplemental Terms and Conditions to Master Repurchase Agreement

Dated as of.....  
Between:..... Bank of Sierra Leone (hereafter called 'the Bank')  
and.....

### 1. Purchased Securities

Purchased Securities eligible to be delivered under this Agreement are Treasury Bills issued by the Government of Republic of Sierra Leone provided the maturity date is at least five (5) banking days after the Repurchase Date of the transaction.

### 2. Valuation Of Securities

- (i) Where the Bank is the Buyer of Purchased Securities, the Buyer's Margin Percentage is 110% requiring the market value of Purchased Securities bought by the Bank to be at least 110% of the Repurchase Price.
- (ii) Where the Bank is the Seller of Purchased Securities, the Seller's Margin Percentage is 90% requiring the market value of Purchased Securities sold by the Bank to be no more than 90% of the Purchase Price.

### 3. Margin Maintenance

- (i) Pursuant to Paragraph 4 (d) of the Agreement, where the Bank is the Buyer of Purchased Securities,
  - (A) the Buyer has the right to request Additional Purchased Securities where the aggregate market value of Purchased Securities falls below 105% of the Repurchase Prices for all Transactions outstanding, where the Bank is the Buyer; and
  - (B) the Seller has the right to request the transfer of Purchased Securities when the market value of Purchased Securities rises above 115% of the repurchase prices for Transactions outstanding, where the Bank is the Buyer;
  - (C) where a margin has been called, the total market value of Purchased Securities is to be restored to no less than the Buyer's

Margin Percentage for all Transactions outstanding, where the Bank is the Buyer.

- (ii) Pursuant to Paragraph 4 (d) of the Agreement, where the Bank is the Seller of Purchased Securities,
  - (A) the Seller has the right to request security where the aggregate market value of Purchased Securities rises above 93% of the Repurchase Prices for all Transactions outstanding, where the Bank is the seller and
  - (B) the Buyer has the right to request Additional Purchased Securities where the market value of Purchased Securities falls below 85% of the purchase prices for all Transactions outstanding, where the Bank is the Seller.
  - (C) Where a margin has been called, the total market value of Purchased Securities is to be restored to no more than the Seller's Margin Percentage for al Transactions outstanding, where the Bank is the Seller.

**4. Margin Notice Deadline**

Margin calls made by 12:00 p.m. on a day, must be met by 3:30 p.m. on that day. Margin calls made after 12:00 p.m. must be met by 3:30 p.m. on the Banking day following.

**5. Addresses for Notices, Statements, Demands etc.**

The Bank of Sierra Leone:

Facsimile:

Street Address:

Postal Address:

The Counterparty:

Facsimile:

Street Address:

Postal Address:

(the Bank)

(Name of Party)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_