

RESOLUTION NO.

PARLIAMENT

WHEREAS by section 2 of the *Special Loans Act*, Cap. 105 the Government is authorised from time to time to borrow from any bank, corporation, company or other institution sums of money not exceeding in the aggregate BDS \$1,500,000, 000 on such terms as may be agreed upon between the Government and the lender of any such sum of money;

AND WHEREAS by section 3 of the said Act it is provided that any money borrowed under the authority of the Act shall be appropriated and applied to such purposes as Parliament may approve by resolution and that such money and interest payable thereon is charged upon the general revenues and assets of Barbados;

AND WHEREAS the Government considers it necessary to borrow the sum not exceeding \$165,000,000 by way of bonds to be issued by the Government from the Barbados National Bank Inc. a company incorporated in Barbados as Company No. 19285 and having its registered office at Independence Square, Bridgetown Barbados for the purpose of financing the Barbados Road Network Infrastructure Improvement Project;

AND WHEREAS the sum of \$165,000,000 is within the borrowing limit given to the Government under section 2 of the said Act;

BE IT RESOLVED that Parliament approve the borrowing of the said sum not exceeding \$165,000,000 from the Barbados National Bank Inc. for the purpose of financing the Barbados Road Network Infrastructure Improvement Project of which the terms and conditions are set out in the *Schedule* hereto.

APPROVED by the House of Assembly this _____ day of _____, Two thousand and nine.

Speaker

APPROVED by the Senate this _____ day of _____, Two thousand and nine.

President

SCHEDULE

The Government of Barbados seeks by Deed of Trust to borrow money from the Barbados National Bank Inc. by way of the issue of bonds in Barbados dollars and in the currency of the United States of America in accordance with the terms of a Deed of Trust made between the Government of Barbados and Barbados National Bank Inc., a summary of which is set out below:

Lender:	Barbados National Bank Inc.
Borrower:	Government of Barbados.
Paying agent:	Barbados National Bank Finance and Trust Corporation.
Proposed Facility:	Bonds are to be issued in tranches, the amounts not exceeding \$125,000,000 in Barbados dollars and also in amounts not exceeding \$32,500,000 in the currency of the United States of America.
Amount:	Not exceeding Barbados \$165,000,000.
Purpose:	The financing of the Barbados Road-Network Infrastructure Improvement Project including the widening of roads.
Security:	Charge on the Consolidated Fund set out in clause 7.00 of the Trust Deed.
Interest:	<p><i>(a)</i> Accrual of Interest</p> <p style="padding-left: 40px;">The Bonds will bear interest from the date of issue and interest will accrue daily and will cease to accrue from the due date for repayment thereof unless, upon due presentation of the relevant Certificate, payment of principal is improperly withheld or refused.</p> <p><i>(b)</i> Interest Payment Dates and Interest Periods</p> <p style="padding-left: 40px;">Interest in respect of each Bond is payable on each Interest Payment Date in respect of each Interest Period.</p>

SCHEDULE (Cont'd)

Interest (Cont'd):

Rate of Interest

The Rate of Interest in respect of the Bonds is as follows:

- (a) Interest on the Barbados Dollar Bonds - a fixed rate of eight and one-half percent (8.5%) per annum for twenty-five (25) years.
- (b) Interest on the US Dollar Bonds - a floating rate initially set at eight and one-half percent (8.5%) per annum for the first three (3) years after the Issue Date of the Original Bonds and reset twice thereafter once at the expiration of the initial three (3) year period for a further three (3) years and again at the expiration of such further three (3) year period for a period of four (4) years at a rate at the time of each reset to be based on the prevailing market rates for Barbados US Dollar or Trinidad and Tobago US Dollar sovereign bonds of similar risk and maturity with the new rate to be determined at least one month prior to the commencement of the new three (3) or four (4) year term, as the case may be.

Repayment terms:

Method of Payment

Payment of the principal amounts in respect of the Bonds will only be made against presentation and surrender of the Bond Certificate at the Specified Office of the Paying Agent but the Trustee may dispense with the production of a Certificate in any particular case on such indemnity being given as it shall think fit.

SCHEDULE (Cont'd)

Repayment terms: (Cont'd) Payments in respect of the principal and interest on the Barbados Dollar Bonds will be made by cheque drawn on a bank in Barbados. Cheques in respect of principal and interest payments will be mailed to Bondholders at the address appearing in the register of Bondholders. Payments in respect of the principal and interest on the US Dollar Bonds will be made by wire transfer to the bank account particulars of which have been provided by the Bondholder to the Paying Agent.

All payments of principal and interest in respect of the Bonds will be subject to any applicable fiscal and other laws.

Arrangement fee: 0.5% of facility value upon first disbursement. (value BBD\$825,000.00) disbursement.

Redemption of Bonds: Repayment Purchase and Cancellation

Unless purchased and cancelled, the Government will redeem the Barbados Dollar Bonds by fifty (50) semi-annual blended payments of principal and interest commencing on the first Interest Payment Date and the US Dollar Bonds by twenty (20) semi-annual blended payments of principal and interest commencing on the first Interest Payment Date and not otherwise and continuing thereafter on each Interest Payment Date until the Bonds are repaid in full.

Other Conditions: All statutory approvals must be in place at the time of disbursement.

Negative Pledge

So long as any Bonds remain outstanding, the Government shall not without the consent in writing of the Trustee do any of the matters set out in clause 5.00 of the Trust Deed.

ADDENDUM

This Resolution seeks the approval of Parliament to borrow the sum not exceeding \$165,000,000, a sum which is within the limit authorised under the *Special Loans Act*, from the Barbados National Bank for the purpose of financing the Barbados Road Network Infrastructure Improvement Project.