

**RESOLUTION NO.****PARLIAMENT**

**WHEREAS** by paragraph (a) of section 3 (1) of the *Guarantee of Loans (Companies) Act*, Cap. 96, the Government may, with the approval of Parliament, guarantee the borrowing by a company incorporated under the *Companies Act* and controlled by the Government, of such sums from a lending agency as are authorised by the Government;

**AND WHEREAS** Barbados Port Inc., a company incorporated under the *Companies Act*, Cap. 308 is a company controlled by the Government within the meaning of section 2 of the *Guarantee of Loans (Companies) Act*, Cap. 96;

**AND WHEREAS** Barbados Port Inc. is seeking a loan in the sum of BDS \$50 million from BNB Finance & Trust Corporation on the terms and conditions set out in the *Schedule* hereto for the purpose of refinancing a portion of the Company's existing debt and the funding of the Company's on-going capital works programme;

**AND WHEREAS** by the virtue of section 4 of the *Guarantee of Loans (Companies) Act*, the aggregate amount of all borrowings by companies that are guaranteed by the Government shall not exceed \$345 000 000, without taking

into account any amount in respect of interest, commissions and any other expenses secured by the guarantee; and the Minister responsible for Finance has certified that the aggregate amount of all borrowings guaranteed by the Government and any further borrowings do not exceed the limit imposed by that section:

**BE IT RESOLVED** that Parliament approve the guarantee by the Minister responsible for Finance of the payment of the principal sum of \$50 million and interest thereon to be borrowed by Barbados Port Inc. from BNB Finance & Trust Corporation on the terms and conditions set out in the *Schedule* hereto .

**APPROVED** by the House of Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

**Speaker**

**APPROVED** by the Senate this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

**President**

## SCHEDULE

*Terms and Conditions*

Amount:	\$50 million
Term:	10 years
Lending Institution:	BNB Finance & Trust Corporation
Instrument:	Fixed/Floating rate bonds
Type:	Private placement
Issue Price:	100%
Maturity:	2018
Repayment:	<p>The repayment terms and conditions are as follows:</p> <ul style="list-style-type: none"> <li>(a) interest to be paid quarterly during the term of the facility with a moratorium on principal repayments during the first 3 years;</li> <li>(b) thereafter, amortised payments of principal and interest to be paid quarterly during the remainder of the term;</li> <li>(c) interest will be calculated on the reducing balance of the principal during the amortisation (repayment) period;</li> <li>(d) combined paying Agent/Registrar/Trustee fee to be paid with effect from six months after closing date of issue.</li> </ul>
Interest Rate:	<p>Barbados dollar facility: 7.0% fixed  US dollar facility: 6.7% fixed for an initial period of five years.</p> <p>The rate for the second five year period will be determined in advance (one month prior to the end of the first five year term) on the basis of 0.5% above a Government of Barbados US dollar bond with a similar maturity.</p>

#### ADDENDUM

This Resolution seeks the approval of Parliament of a guarantee by the Government for repayment by Barbados Port Inc. of BDS \$50 million which the Company is seeking to borrow from BNB Finance & Trust Corporation primarily for the purpose of refinancing approximately \$35 million of the Company's existing debt at lower interest rates and with an extended maturity period. This would improve the Company's asset liability structure. The loan would also facilitate the reduction of the Company's pension liability by at least \$10 million. In addition, it will provide funding for the Company's on-going capital works programme and in particular, the acquisition of cargo handling equipment.