

ADDENDUM

This Resolution seeks the approval of Parliament for the borrowing of \$100 000 000 in the currency of the United States from ScotiaTrust and Merchant Bank Trinidad and Tobago Limited for the purpose of satisfying the contractual obligations of the Government of Barbados relating to the redemption of US\$100 000 000 8.75% Notes, due on the 15th June, 2010.

The loan is a short term measure pending the finalization of the bond issue on the international capital markets approved by Parliament on 31st March, 2010.

RESOLUTION NO.

PARLIAMENT

WHEREAS by section 2 of the *Special Loans Act*, Cap. 105 the Government is authorized 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 deems it necessary to borrow the sum of US\$100 000 000, from the ScotiaTrust and Merchant Bank Trinidad and Tobago Limited on the terms and conditions set out in the Schedule for the purpose of satisfying the contractual obligations of the Government of Barbados relating to the redemption of US\$100 000 000 8.75% Notes, due on the 15th June, 2010;

AND WHEREAS the said sum of US\$100 000 000 is within the authorized borrowing limits given to the Government under section 2 of the said Act;

BE IT RESOLVED that Parliament approve the borrowing of the said sum of US\$100 000 000 from the ScotiaTrust and Merchant Bank Trinidad and Tobago Limited on the terms and conditions set out in the Schedule for the purpose of satisfying the contractual obligations of the Government of Barbados relating to the redemption of US\$100 000 000 8.75% Notes, due on the 15th June, 2010;

APPROVED by the House of Assembly this _____ day of _____, 2010.

Speaker

APPROVED by the Senate this _____ day of _____, 2010.

President

SCHEDULE

TERMS AND CONDITIONS

Facility:	Short-term note.
Issuer:	Government of Barbados.
Arranger:	ScotiaTrust and Merchant Bank Trinidad and Tobago Limited;
Principal Amount:	Up to US\$100 000 000.
Term:	Up to a maximum of 6 months, with the option to roll after 3 months if the bond being raised on the international capital market is not executed.
Indicative Coupon:	Fixed at the US 3-month LIBOR plus 400 to 425 basis points, to be fixed on the date of issue. Current effective rate 4.54%;
Principal Repayment:	Bullet at maturity.
Interest Payment:	Due at maturity.
Arranging Fee:	0.1% (US\$100 000).
Fees and Expenses:	With the exception of legal fees, all fees and expenses are for the account of the Government;
Repayment terms:	All payments will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed or levied by or on behalf of the Government of Barbados.