

RESOLUTION NO.

PARLIAMENT

WHEREAS by virtue of 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 Needham's Point Holdings Ltd, 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 the Company has decided to raise the sum of eighty million Barbados dollars (BDS\$80.0m) by way of an issue and sale of fixed rate bonds arranged by the Royal Fidelity Merchant Bank and Trust (Barbados) Limited a company incorporated under the provisions of the *Companies Act*, Cap. 308;

AND WHEREAS it has been agreed and determined that the bonds shall be constituted and secured in the manner and upon the terms and conditions contained in the *Schedule* hereto;

AND WHEREAS by virtue of section 4 of the *Guarantee of Loans (Companies) Act*, Cap. 96 the aggregate amount of all borrowings by companies that are guaranteed by the Government shall not exceed \$1 000 000 000 without taking into account any amount in respect of interest, commission and any other expenses secured by the guarantees; and the Minister of Finance has certified that the aggregate amount of all borrowings guaranteed by the Government and any further borrowings do not exceed the limit;

BE IT RESOLVED that Parliament approve the guarantee by the Minister of Finance of the principal sum of \$80 million Barbados dollars and interest thereon to be raised by the Needham's Point Holdings Limited through the issue and sale of fixed rate bonds arranged by the Royal Fidelity Merchant Bank and Trust (Barbados) Limited on the terms and conditions set out in the *Schedule* hereto.

APPROVED by the House of Assembly this _____ day of _____, 2012.

Speaker

APPROVED by the Senate this _____ day of _____, 2012.

President

SCHEDULE
TERMS AND CONDITIONS

Arranger:	Royal Fidelity Merchant Bank and Trust (Barbados) Limited.
Issuer:	Needham's Point Holdings Limited.
Trustee and Registrar:	Royal Fidelity Merchant Bank and Trust (Barbados) Limited.
Guarantor:	Government of Barbados.
Purpose:	Net proceeds from the issue of bonds will be applied to re-finance existing debt obligations of the Issuer.
Facility:	Fixed rate guaranteed bonds.
Issue Amount:	BDS\$80 million.
Currency:	Barbados Dollars.
Maturity Date:	7th day of January 2021.
Security:	Unconditional and irrevocable guarantee of the Government of Barbados to repay all outstanding principal, interest and any other amounts in respect of the bond issue.
Interest Rate:	6.75 per cent per annum.
Interest Payment Dates:	7th day of July 2011 and the 7th day of January and the 7th day of July respectively in each and every year thereafter.
Paying Agent:	Royal Fidelity Capital Markets (Barbados) Limited.
Paying Agent Fee:	BDS\$5 000 per annum plus VAT payable in advance.

Principal Repayment: Unless purchased or cancelled the Issuer will redeem the bonds in full by settlement of the principal on the Maturity Date.

All bonds that are redeemed or purchased by the Issuer will be cancelled and may not be re-issued or re-sold.

The Issuer shall have, after the expiration of 6 years from the Closing Date, the option to repay without penalty all or any part of the bonds on any payment date, provided that no prepayment shall be less than BDS\$10.0m.

Closing Date: 7th day of January, 2011.

Arranger Fees: 1 per cent of BDS\$80 million plus VAT.

Registrar's Fees: BDS\$5,000 per annum plus VAT payable annually in advance.

Condition Precedent: Usual and customary for this type of transaction, including but not limited to

- (a) no event of default;
- (b) all representations and warranties are true and correct in all material respects;
- (c) the absence, in the Arranger's opinion of any material adverse conditions that results in an adverse market effect;
- (d) the successful preparation, negotiation, execution and delivery of all necessary legal documentation to the Arranger's and Trustee's satisfaction;
- (e) satisfactory completion in the opinion of the Arranger of the Arranger's due diligence of the Issuer;

- (f) a legal opinion approved by the Arranger and Trustee stating that the Issuer is authorised to issue bonds and meet its financial obligations;
- (g) a legal opinion issued by the Solicitor-General stating that the repayment obligations constitute a charge on the Consolidated Fund of the Government of Barbados;
- (h) all regulatory approvals and legal consents are obtained and are in full force and effect.

Negative Pledge: As long as any bonds are outstanding the Issuer shall not without the consent in writing of the Trustee

- (a) make any assignment for the benefit of its creditors;
- (b) do, cause or permit to be done anything which may in any way materially depreciate, jeopardise or otherwise prejudice the terms and conditions under the Trustee Deed, Subscription Agreement, Registrar Agreement, Paying Agency Agreement and Guarantee.

Cost and Expenses: The Issuer will pay all reasonable costs and expenses incurred in connection with the preparation and printing of the bonds and other financial documents as well as other documents relating to the issue subscription and sale of the bonds.

The Issuer agrees to reimburse the Arranger all its reasonable out-of-pocket expenses up to a maximum of \$10 000. These include the following cost:

- (a) communication;
- (b) design and printing certificates;

(c) stationery

but do not include expenses relating to the marketing of the issue to investors nor any costs associated with the Securities Commission of Barbados and other regulatory filings and stock exchange listings.

Events of Default:

Customary events of default for a transaction of this nature including, but not limited to, failure to pay interest or principal when due, *force majeure*, cross default in respect of other indebtedness or obligation guaranteed by the Issuer.

Governing Law:

Laws of Barbados.

ADDENDUM

Needham's Point Holdings Ltd., on the 7th day of January, 2011 entered into an agreement with Royal Fidelity Merchant Bank and Trust (Barbados) Limited for a bond issue in the sum of \$80 million dollars in the currency of Barbados. Security was given to the Arranger by way of a Letter of Comfort by the Government and an undertaking was given that the Government would subsequently provide security by way of guarantee.

The proceeds of the bond issue are to be used for the refinancing of the Company's existing debt obligations.

In accordance with section 3 of the *Guarantee of Loans (Companies) Act*, Cap. 96, the approval of Parliament is being sought for the guarantee by the Crown of the principal and interest necessary for the redemption of the issue of the bonds by Needham's Point Holdings Ltd.