

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 and in such manner and on such terms and subject to such conditions as may be agreed between it and a lending agency, guarantee the borrowing of such sums by a company from a lending agency as is authorised by the Government;

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

AND WHEREAS the Barbados Agricultural Management Company Ltd. is seeking a loan of BDS \$41.0 million from FirstCaribbean International Bank (Barbados) Limited ("FirstCaribbean") on the terms and conditions set out in the *Schedule* hereto, for the purpose of converting the overdraft facility to a term facility;

AND WHEREAS by 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 \$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 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 payment of the principal sum of BDS \$41.0 million and interest thereon to be borrowed by the Barbados Agricultural Management Company Ltd. from FirstCaribbean International Bank (Barbados) Limited ("FirstCaribbean") on the terms and conditions set out in the *Schedule* hereto.

SCHEDULE

TERMS AND CONDITIONS

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| Borrower: | Barbados Agricultural Management Company Ltd. |
| Lender: | FirstCaribbean International Bank (Barbados) Limited ("FirstCaribbean"). |
| Amount: | \$41.0 million. |
| Currency: | Barbados dollars. |
| Purpose: | To convert the overdraft facility to a term facility. The borrowings supported the general working capital requirements, including the cultivation of sugar cane and the maintenance of sugar factories. |
| Tenor: | Three (3) years. |
| Interest Rate: | A margin of 2.50 percent (2.50%) below FirstCaribbean Prime Rate, currently 8.05 per cent (8.05%). The current effective rate is 5.55 per cent (5.55%). |

Without prejudice to any other rights the Lender may have in the event of a downgrade of the Government of Barbados local currency debt by any international or regional credit rating agency, the Interest Rate shall be increased by 25bps for every sub-grade downgrade within the investment grade band or decreased by 25bps for each and every sub-grade upgrade level provided that the rate is not lower than the Interest Rate established at financial close.

TERMS AND CONDITIONS (Concl'd)

- Repayment: Sixty (60) regular blended quarterly payments of \$1,011,364.91 each. Amounts paid cannot be re-drawn.
- The facility is subject to a three (3) year term.
- Repayment is based on a fifteen (15) year amortization.
- Security: Full and unconditional guarantee from the Government of Barbados in a form and substance that is acceptable to the Lender.
- Fees: A fee of \$20,500.00 will be payable up-front.
- Late reporting: In the event that financial information is not provided as agreed, the interest rate on the approved facility will be increased by 1 percent (1%) to reflect the increased risk involved in lending without the benefit of up to date financial information.
- Governing Law: Laws of Barbados.

ADDENDUM

This Resolution seeks the approval of Parliament of a guarantee by the Government of Barbados under the *Guarantee of Loans (Companies) Act*, Cap. 96 in respect of a loan in the amount of BDS \$41.0 million and the interest thereon to be borrowed by the Barbados Agricultural Management Company Ltd. from FirstCaribbean International Bank (Barbados) Limited ("First Caribbean").

The loan is to convert the overdraft facility to a term facility.