

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\$2,500,000,000.00 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 any interest payable thereon is charged upon the general revenues and assets of Barbados;

AND WHEREAS the Government considers it necessary to borrow the sum of US\$67.9 million from Citibank N.A. the proceeds of which will be on-lent to the Barbados Water Authority to finance its Smart Meter Project on the terms and conditions contained in the Agreement, the main provisions of which are set out in the *Schedule*;

AND WHEREAS the said sum of US\$67.9 million is within the authorised borrowing limit given to the Government under section 2 of the said Act;

RESOLVED therefore that Parliament approve the borrowing of the said sum of US\$67.9 million from Citibank N.A. the proceeds of which will be on-lent to the Barbados Water Authority to finance its Smart Meter Project on the terms and conditions set out in the *Schedule*.

APPROVED by the House of Assembly this _____ day of _____, 2015.

Speaker

APPROVED by the Senate this _____ day of _____, 2015.

President

SCHEDULE

TERMS AND CONDITIONS

Arranger:	Citi
Borrower:	Government of Barbados
Lender:	Citibank N.A. and other lenders to be determined by the Arranger.
Facility Agent:	Citibank N.A
Canadian Policy Agent:	Citi Trust Company Canada
Executing Agency:	Barbados Water Authority
Facility Type:	Term loan benefitting from 95% cover under the Export Development Canada (EDC) Non-Honoring of Sovereign Obligations insurance programme.
Facility Amount:	US\$67.9 million
Purpose:	To finance the Barbados Water Authority's Smart Meter Project.
Availability Period:	Three (3) years, or as otherwise approved by EDC and Citi.
Repayment Period:	Principal will be repaid over nine (9) years in eighteen (18) consecutive approximately equal semi-annual installments in arrears, with the first repayment to be made within no more than six (6) months following the end of the availability period, or when fully disbursed, whichever is earlier.
Interest Period:	Interest and the Lender's commitment fee will be payable semi-annually and shall be computed on a 360 day basis and the actual number of days elapsed.
Interest Rate:	6 month USD LIBOR plus a margin of 155 bps per annum (weighted average).

EDC Premium:	Estimated at USD 9.3 million. The Premium is based on the transaction parameters and is subject to change if any of the parameters change. All premiums received by EDC are non-refundable.
Commitment Fee:	0.62% per annum
Structuring Rate:	Non-refundable up-front fee of 1.75% of the facility amount.
Facility Agent Fee:	A one-time acceptance fee of up to US\$10 000. An annual administration fee of US\$50 000 during the availability period and US\$40 000 during the repayment period.
Canadian Policy Agent Fee:	An annual administration fee of US\$10 000.
Cancellation Fee:	US\$500 000
Optional prepayment:	Prepayment shall be permitted without penalty on the last day of each interest period (an interest payment date) provided that advance notice of the prepayment is provided to the Agent (exact amount of advance notice required to be determined) and provided that the Borrower shall be responsible for payment of any minimum fee due to EDC as consideration for the issuance of the proposed coverage. The Borrower will bear all costs related to the prepayment of an advance prior to the last day of its interest period. Any swap breakage costs, embedded hedge unwinding costs or make whole premiums are the sole responsibility of the Borrower.
Taxation:	All payments in respect of the Facility will be made free and clear of any present or future taxes, withholdings or other deductions whatsoever (other than income taxes in the jurisdiction of the Lender's applicable lending office). The Borrower will indemnify the Lenders and the Agent for such taxes paid by the Lenders or the Agent.
Increased costs:	The Borrower will reimburse the Lenders for any increased costs arising from increased liquidity costs, reserve requirements, capital adequacy protection, indemnification, break funding costs, withholding, any change in law, or compliance with any other requests from or requirement of any central bank or other fiscal, monetary or other authority.

- Conditions Precedent: Usual and customary for this type of transaction including but not limited to
- (a) the submission by the Borrower to the Facility Agent of a Notice of Borrowing to be delivered on or before the date that is 90 days after the date of the Agreement;
 - (b) duly executed and delivered transaction documents that are fully effective;
 - (c) all authorisations connected with the project, the execution, delivery and performance of the Finance Documents shall be obtained by the Borrower;
 - (d) the provision by the Borrower of all governmental, ministerial and other regulatory approvals or consents as may be required;
 - (e) the successful preparation, negotiation and execution of all necessary legal documentation to the Lenders satisfaction;
 - (f) receipt of legal opinions in form and substance satisfactory to the Lenders, including the opinion of the Solicitor General of Barbados;
 - (g) the absence in the Lenders opinion of any material adverse change in the financial, economic or political environment of Barbados;
 - (h) all representations and warranties are true and correct;
 - (i) all fees due prior to disbursement have been paid;
 - (j) all other required approvals have been obtained.

Events of Default:

Notwithstanding any other provision herein contained, any sum advanced with all unpaid interest thereon shall become immediately payable to the Lender upon the happenings of the following:

- (a) if any principal or interest payment due by the Borrower is not paid on that date fixed for the payment thereof as per the Facility Agreement;
- (b) if the Borrower shall default in the performance or observance of any of the terms and covenants contained in the Facility Agreement;
- (c) if any representation or warranty given hereunder shall prove to be untrue or incorrect in any respect;
- (d) if the Borrower ceases to be a member in good standing with the International Monetary Fund and ceases to be entitled to the general resources thereof.

Governing law:

State of New York.

ADDENDUM

This Resolution seeks the approval of Parliament for the borrowing of US\$67.9 million, a sum which is within the limit of the *Special Loans Act*, Cap. 105, from Citibank N.A.

The proceeds of the loan will be on-lent to the Barbados Water Authority to finance the Barbados Water Authority Smart Meter Project.