

RESOLUTION NO.

PARLIAMENT

WHEREAS by virtue of section 3(1) of the *External Loans Act*, Cap. 94D, the Government of Barbados is authorised to borrow money outside of Barbados for such purposes and in such sums as are approved by resolution of Parliament;

AND WHEREAS by virtue of section 3(2) of the said Act, all borrowings thereunder shall be effected and secured by issue and sale of securities;

AND WHEREAS by virtue section 5(2) of the said Act, the principal of and the interest on securities and any sinking fund payment required to be made under section 6(1) of the Act are charged on and payable out of the Consolidated Fund;

AND WHEREAS the Government of Barbados deems it necessary to exchange certain eligible existing debt for two new series of securities of up to \$580 million in the currency of the United States of America with Bank of New York Mellon Corporation as Trustee on the terms and conditions set out in the *Schedule* to this Resolution;

AND WHEREAS the new borrowing in the form of two new series of securities is for the purpose of supporting the principle agreement reached to restructure the Government's external commercial debt.

BE IT RESOLVED therefore that Parliament

- (a) approve the borrowing in the form of the issuance of two new series of securities of the said sums up to \$580 million in the currency of the United States of America with Bank of New York Mellon Corporation as Trustee for the purpose herein mentioned; and
- (b) approve the establishment of a sinking fund for the redemption of each issue of securities made under the said Act and for the moneys necessary to maintain and service that fund.

APPROVED by the House of Assembly this day of , 2019.

Speaker

APPROVED by the Senate this day of , 2019.

President

SCHEDULE

TERMS AND CONDITIONS

Issuer:	Government of Barbados
Trustee:	Bank of New York Mellon Corporation
Instruments:	U.S. Dollar 6.500% Bonds due 2029 (the " <i>2029 Bonds</i> "); and U.S. Dollar 6.500% Bonds due 2021 (the " <i>PDI Bonds</i> ").
Face Value:	For the 2029 Bonds: Up to US\$547.5 million. For the PDI Bonds: Up to US\$32.5 million.
Maturity:	For the 2029 Bonds: 1 st October, 2029. For the PDI Bonds: 1 st February, 2021.
Interest Rate:	For the 2029 Bonds: 6.500% per annum. For the PDI Bonds: 6.500% per annum.
Interest Payment Dates:	For the 2029 Bonds: 1 st April and 1 st October of each year, commencing on 1 st April, 2020. For the PDI Bonds: 1 st October, 2020 and 1 st February, 2021.
Amortisations:	For the 2029 Bonds: The 2029 Bonds will be amortised in 10 equal semi-annual payments from 1 st April, 2025 through 1 st October, 2029 (inclusive). For the PDI Bonds: Two instalments of US\$30 million on 1 st October, 2020 and US\$2.5 million on 1 st February, 2021.
Cash Payment:	US\$7.5 million to be paid in cash at closing to holders participating in the exchange.
Adverse Weather Clause:	For the 2029 Bonds: Included, providing a 2 year grace on principal and interest. For the PDI Bonds: Not applicable.
Principal Reinstatement Clause:	The reinstatement of forgiven principal upon the occurrence of a payment event of default prior to the expected end date of the current IMF program.
Governing Law:	English Law.

ADDENDUM

The Resolution seeks the approval of Parliament for the issuance of two new series of securities with the aggregate principal amount of up to US\$580 million on the international capital markets by the issue of securities with Bank of New York Mellon Corporation as Trustee for the purpose of supporting the arrangement reached to restructure the Government's external commercial debt.