

**SOVEREIGN COUNTER-GUARANTEE CONTRACT**

Between the

**GOVERNMENT OF BARBADOS**

and

**THE NATURE CONSERVANCY**

**Program to Support Environmental and Economic Development in Barbados**

**September 20, 2022**

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## SOVEREIGN COUNTER-GUARANTEE CONTRACT

### SPECIAL CONDITIONS

This sovereign counter-guarantee contract (this “**Contract**”) is entered into between THE GOVERNMENT OF BARBADOS (interchangeably, the “**Counter-Guarantor**” or “**Barbados**”) and THE NATURE CONSERVANCY, a non-profit corporation established under the laws of the District of Columbia with its registered office at 1015 15th St., NW, Suite 1000, Washington, DC 20005 (“**TNC**” and together with the Counter-Guarantor, the “**Parties**”) on September 20, 2022.

#### **WHEREAS:**

- (A) In connection with the Multicurrency Term Facility Agreement, dated as of the date hereof, arranged by Credit Suisse International and FirstCaribbean International Bank (Barbados) Limited with FirstCaribbean International Bank (Barbados) Limited as Facility Agent and BB Blue Financing DAC and FirstCaribbean International Bank (Barbados) Limited as Lenders and Barbados as Borrower (the “**Blue Loan Agreement**”), the Counter-Guarantor has requested TNC, as Secondary Guarantor, and the Inter-American Development Bank (“**IADB**”), as Primary Guarantor, to enter into the Partial Credit Guarantee Agreement pursuant to which each of the above Lenders is a Guaranteed Lender (the “**Guarantee Agreement**”);
- (B) Pursuant to the Guarantee Agreement, TNC agrees to guaranty a portion of the Barbados payment obligations under the Blue Loan Agreement (such obligations guaranteed by TNC under the Guarantee Agreement being, the “**TNC Guaranteed Obligations**”) up to USD 50,000,000;
- (C) In consideration of TNC entering into the Guarantee Agreement and thereby guaranteeing the TNC Guarantee Obligations, the Counter-Guarantor agrees to undertake the reimbursement, indemnity and other obligations provided herein
- (D) The Counter-Guarantor has also agreed to enter into a sovereign counter-guarantee contract with IADB dated on or about the date hereof (the “**IADB Counter-Guarantee Contract**”); and
- (E) Among other conditions, the entry into effect of this Contract is a condition precedent for the entry into the Guarantee Agreement.

#### **IT IS THEREFORE AGREED BY THE PARTIES:**

### **CHAPTER I**

#### **Purpose, Constituent Elements of the Contract, and Special Definitions**

**SECTION 1.01.** **Purpose of the Contract.** The purpose of this Contract is to establish the terms and conditions under which TNC shall enter into the Guarantee Agreement in order to guarantee the TNC Guaranteed Obligations, for up to the Guaranteed Amount, to support the

execution of the Program (as this term is defined below) and to establish the terms and conditions under which the Counter-Guarantor will reimburse, indemnify and hold harmless TNC for any disbursement, if any, made by TNC under the Guarantee Agreement.

**SECTION 1.02. Constituent Elements of the Contract.** This Contract is composed of these Special Conditions and the General Conditions, which are attached hereto as Exhibit A.

**SECTION 1.03. Special Definitions.** Whenever terms are capitalized in this Contract (including the General Conditions), they shall have the meaning assigned to them below. Any reference to the singular includes the plural and vice versa.

- (a) **“Additional Payment”** has the meaning assigned to that term in Section 4.03(b) of these Special Conditions.
- (b) **“Affiliate”** means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, **“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.
- (c) **“Agency”** means any agency or instrumentality of the Government that is (a) a legal person (corporate or otherwise) separate from the Government and (b) majority-owned or otherwise controlled by the Government (in any case directly or indirectly); provided that, so long as such agency, instrumentality or other legal person does not have the authority to govern, legislate, regulate, levy or collect taxes, fees or duties or grant licenses or permits in the Jurisdiction, it shall not be an “Agency” if it (i) operates primarily as a commercial enterprise, (ii) primarily funds itself in the ordinary course from non-governmental sources without a Government guaranty or other Government assurance of payment or (iii) provides financing substantially to the private sector.
- (d) **“Anti-Money Laundering Framework”** has the meaning assigned to that term in Section 4.01(j) of these Special Conditions.
- (e) **“Arbitration”** has the meaning assigned to that term in Section 7.03(b) of these Special Conditions.
- (f) **“Barbados”** has the meaning assigned to that term in the preamble of these Special Conditions.
- (g) **“Blue Loan Agreement”** has the meaning assigned to that term in the recitals of these Special Conditions.
- (h) **“Business Day”** means a day on which commercial banks are open for general business in New York, New York and Bridgetown, Barbados.

- (i) **“Central Bank”** means the Central Bank of Barbados.
- (j) **“Connection Income Taxes”** means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.
- (k) **“Contract”** has the meaning assigned to that term in the preamble of these Special Conditions.
- (l) **“Conservation Advisory Payment”** means an annual non-refundable fee payable by the Counter-Guarantor to TNC pursuant to Section 2.06 of these Special Conditions equal to (a) U.S.\$90,000 from the Closing Date up to (and including) the fifth (5<sup>th</sup>) anniversary of the Closing Date and (b) U.S.\$70,000 from and after the sixth (6<sup>th</sup>) anniversary of the Closing Date; provided that the aggregate amount of all Conservation Advisory Payments payable by the Counter-Guarantor under this Contract shall not exceed U.S.\$1,150,000.
- (m) **“Conservation Agreements”** means the Conservation Funding Agreement and the Conservation and Sustainability Commitments Agreement.
- (n) **“Conservation and Sustainability Commitments Agreement”** means that certain Conservation and Sustainability Commitments Agreement, dated as of the date hereof, between the Counter-Guarantor and TNC.
- (o) **“Conservation and Sustainability Commitments”** has the meaning set forth in the Conservation and Sustainability Commitments Agreement.
- (p) **“Conservation Fund”** has the meaning set forth in the Conservation Funding Agreement.
- (q) **“Conservation Funding Agreement”** means that certain Conservation Funding Agreement, dated as of the date hereof, among the Counter-Guarantor, TNC, the Conservation Fund and EndowCo.
- (r) **“Counter-Guarantor”** has the meaning assigned to that term in the preamble of these Special Conditions.
- (s) **“Closing Date”** means the date on which the Blue Loan Agreement, the Guarantee Agreement and each of the other Transaction Documents are executed simultaneously.
- (t) **“Dollars”** and **“U.S.\$”** means the lawful currency of the United States of America.
- (u) **“Early Disbursement Event of the Guarantee”** has the meaning assigned to that term in Section 2.07(a) of these Special Conditions.

- (v) **“EndowCo”** means Barbados Blue Conservation Trust, an endowment set up as a Delaware statutory trust.
- (w) **“Escrow Payment”** means the payment made by TNC to a trust, escrow account, or any other form of account or fund under administration, for the benefit of the Guaranteed Creditors, in accordance with Section 2.07 of these Special Conditions and with the Guarantee Agreement.
- (x) **“Executing Agency/Agencies”** means the entity/entities responsible for executing all or part of the Program.
- (y) **“FATF”** has the meaning assigned to that term in Section 4.01(j) of these Special Conditions.
- (z) **“Final Payment Date”** means the day that is twenty (20) years from the date of the Guarantee Agreement.
- (aa) **“General Conditions”** means the entirety of articles which comprise the second part of this Contract that are attached as Exhibit A to these Special Conditions.
- (bb) **“Government”** means the central government of Barbados, including any ministry, department or instrumentality thereof, in each case, that is not a separate legal person, corporate or otherwise, from the central government.
- (cc) **“Governmental Authority”** means (a) the government of (i) the United States of America or any State thereof, (ii) Barbados or (iii) any political subdivision of any of the foregoing or (b) any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of, or pertaining to, any such government.
- (dd) **“Guarantee Agreement”** has the meaning assigned to that term in the recitals to these Special Conditions.
- (ee) **“Guaranteed Amount”** means fifty million U.S. Dollars (USD50,000,000).
- (ff) **“Guarantee Fee”** has the meaning assigned to that term in Section 2.05 of these Special Conditions.
- (gg) **“Guaranteed Creditors”** means the creditors under the Blue Loan Agreement.
- (hh) **“Guaranteed Payment”** means any payment made by TNC in accordance with the terms of the Guarantee Agreement or any payment made by TNC or on its behalf with respect to the Guarantee Agreement, including any Escrow Payment.
- (ii) **“IADB”** means Inter-American Development Bank.

- (jj) **“IADB Counter-Guarantee Contract”** has the meaning assigned to that term in the recitals to these Special Conditions.
- (kk) **“ICC”** has the meaning assigned to that term in Section 7.03(c) of these Special Conditions.
- (ll) **“Indemnified Party”** has the meaning assigned to the term in Section 4.02(a) of these Special Conditions.
- (mm) **“Indicative Guarantee Fee”** has the meaning assigned to the term in Section 2.05 of these Special Conditions.
- (nn) **“Jurisdiction”** means Barbados.
- (oo) **“Lien”** means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or preferential arrangement which has the practical effect of constituting a security interest with respect to the payment of any obligations with or from the proceeds of any assets or revenues of any kind, whether in effect on the Closing Date or at any time thereafter.
- (pp) **“Maximum Guaranteed Amount”** has the meaning assigned to it in the Guarantee Agreement.
- (qq) **“Material Adverse Effect”** means the occurrence of any event or circumstance or series of events and circumstances which has or is reasonably likely to have a material adverse effect on:
  - (i) the ability of the Counter-Guarantor to comply with any of its material obligations under this Agreement and/or the Conservation Agreements; or
  - (ii) the validity or enforceability of this Agreement and/or the Conservation Agreements or the rights and remedies of TNC thereunder.
- (rr) **“New York Convention”** has the meaning assigned to that term in Section 7.03(e) of these Special Conditions.
- (ss) **“OFAC”** has the meaning assigned to that term in Section 4.01(h) of these Special Conditions.
- (tt) **“Official”** has the meaning assigned to that term in Section 4.01(k) of these Special Conditions.
- (uu) **“Other Connection Taxes”** means, with respect to any recipient of a payment, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations

under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to and/or enforced this Contract, or sold or assigned an interest in this Contract or any other Transaction Document).

- (vv) **“Outstanding Balance”** has the meaning assigned to that term in Section 3.01(a) of these Special Conditions.
- (ww) **“Overdue Rate”** means a rate per annum equal to four point eighty two percent (4.82%).
- (xx) **“Parties”** has the meaning assigned to that term in the preamble of these Special Conditions.
- (yy) **“Paying Agent”** means FirstCaribbean International Bank (Barbados) Limited.
- (zz) **“Paying Agency Agreement”** means the agreement between the Paying Agent, and the Parties detailing the appointment, right and responsibilities of the Paying Agent in respect of (among others) payments under (among others) these Special Conditions.
- (aaa) **“Payment Date”** has the meaning assigned to that term in Section 2.05 of these Special Conditions.
- (bbb) **“Person”** means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.
- (ccc) **“Program”** means the obligation of the Counter-Guarantor to make the Conservation Payments (as this term is defined in the Conservation Funding Agreement) under the Conservation Funding Agreement, to make Incremental Payments (as this term is defined in the Conservation and Sustainability Commitments Agreement) under the Conservation and Sustainability Commitments Agreement, and to undertake, *inter alia*, the implementation of the Conservation Commitments under the Conservation and Sustainability Commitments Agreement.
- (ddd) **“Public External Debt”** means any obligation of or guarantee by the Counter-Guarantor which is payable or may be paid (a) in a currency other than the currency of Barbados and (b) to a Person resident or having its principal place of business outside Barbados, that is in the form of, or represented by, bonds, debentures, notes or other similar securities that are or are intended by Barbados to be quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system or over-the-counter or other securities market.
- (eee) **“Quarter”** means each of the following three-month (3-month) periods of the calendar year: the period beginning on January 1st and ending on March 31st; the

period beginning on April 1st and ending on June 30th; the period beginning on July 1st and ending on September 30th and the period beginning on October 1st and ending on December 31st.

- (fff) **“Responsible Minister”** means the Minister of Finance of the Counter-Guarantor and any other minister of the Government designated by the Prime Minister of Barbados in writing with responsibility for the administration of the relevant portion of this Contract.
- (ggg) **“Rules”** has the meaning assigned to that term in Section 7.03(c) of these Special Conditions.
- (hhh) **“Sanctioned Country”** at any time, a country, territory or geographical region which is itself the subject or target of any Sanctions (including, at the time of this Contract, the so - called Donetsk People’s Republic, the so- called Luhansk People’s Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).
- (iii) **“Sanctioned Person”** means any Person: (a) that is the target of any Sanctions; (b) identified on the “Specially Designated Nationals and Blocked Persons List” maintained by OFAC; (c) as applied to Persons, with its principal place of business in, organized under the laws of or resident in a Sanctioned Country; (d) as applied to governments, the government of a Sanctioned Country, the government of any political subdivision within such Sanctioned Country, or any agency or instrumentality of such governments; (e) that is, by public designation of the United Nations Security Council, the European Union, or Her Majesty’s Treasury of the United Kingdom, the target of any Sanction; (f) with which any party to this Contract is prohibited from dealing or otherwise engaging in any transaction by any Sanctions Laws; or (g) with respect to entities, any Person owned 50 percent or more in the aggregate by one or more Person or Persons described in the foregoing clauses (b) and (d) (unless ownership by such Persons would not, under applicable Sanctions, mean that the Person so owned would automatically be treated as a target of Sanctions).
- (jjj) **“Sanctions”** has the meaning assigned to that term in Section 4.01(h) of these Special Conditions.
- (kkk) **“Sanctions Laws”** means all laws, rules, regulations and requirements of any applicable jurisdiction (including the U.S.) concerning or relating to Sanctions.
- (lll) **“Special Conditions”** means these Special Conditions which comprise the first part of this Contract.
- (mmm) **“Stamp Tax”** means all present or future stamp duty, intangible, recording, filing, issuance, court or documentary or other similar tax, duty, fee or charge that arises from the execution, delivery, performance, enforcement or registration of, from the



receipt or perfection of a security interest under, or otherwise with respect to, this Contract or any other Transaction Document.

- (nnn) “**Tax**” has the meaning assigned to that term in Section 4.03(a) of these Special Conditions.
- (ooo) “**Taxing Jurisdiction**” has the meaning assigned to that term in Section 4.03(b) of these Special Conditions.
- (ppp) “**TNC**” has the meaning assigned to that term in the preamble of these Special Conditions.
- (qqq) “**TNC Guaranteed Obligations**” has the meaning assigned to that term in the recital (B) of these Special Conditions
- (rrr) “**Transaction Documents**” means the following documents or agreements: (a) this Contract; (b) the Guarantee Agreement; (c) the Blue Loan Agreement; (d) the Conservation Funding Agreement; (e) the Conservation and Sustainability Commitments Agreement; and (f) any other document designated in writing by the Counter-Guarantor and TNC as a “Transaction Document” hereunder.
- (sss) “**US Dollar Payment Account**” means the account in Dollars in the name of the Government with number 1001223750 held with FirstCaribbean International Bank (Barbados) Limited or such other account in Dollars that the Parties may agree from time to time.

## **CHAPTER II**

### **The Guarantee**

**SECTION 2.01. Main Characteristics of the Guarantee Agreement.** Amongst other terms to be set forth in the Guarantee Agreement, the Guarantee Agreement will be subject, as a minimum, to the following terms and conditions:

- (a) The TNC Guarantee Obligations will not exceed the Guaranteed Amount.
- (b) It will have an expiration date of up to twenty (20) years from the date of the entry into force of the Guarantee Agreement.
- (c) Any amounts drawn under the Guarantee Agreement will not be reinstated. Any reimbursement made in accordance with Section 3.01 of these Special Conditions will not be available for any new Guaranteed Payments.

**SECTION 2.02 Conditions Precedent to the Issuance of the Guarantee Agreement.**

TNC shall enter into the Guarantee Agreement, subject to the fulfillment, as of the Closing Date, to the satisfaction of TNC, of the following conditions:

- (a) TNC shall have received from the Counter-Guarantor a counterpart of this Contract and each other Transaction Document, each duly executed by the parties thereto and which agreements shall be in full force and effect;
- (b) TNC has received (i) a legal opinion from the Solicitor General of the Counter-Guarantor and (ii) a legal opinion from Cleary Gottlieb Steen & Hamilton LLP, each in form, scope and substance satisfactory to TNC;
- (c) Each of the representations and warranties made by the Counter-Guarantor pursuant to Section 4.01 of this Contract shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, Material Adverse Effect or similar language, in all respects) on and as of the Closing Date (or, in the case of any such representation or warranty specifically stated to have been made as of a specific date, as of such specific date);
- (d) TNC is, at its sole discretion, satisfied with the structuring of the Blue Loan Agreement and its related documentation and is in agreement with the terms and conditions of both the Blue Loan Agreement and the Guarantee Agreement;
- (e) The Counter-Guarantor shall have designated one or more officials to represent it in all acts relating to the implementation of this Contract and shall have furnished TNC with copies of the signatures of said representatives. Should two or more officials be designated, the designation shall indicate whether such officials may act separately or must act jointly; and
- (f) The Counter-Guarantor (i) shall be in compliance with all the obligations provided under this Contract and each other Transaction Document, and (ii) shall not be in default for a period longer than thirty (30) days of any payment obligation under any other contract entered into with TNC or IADB.

**SECTION 2.03 [Reserved]**

**SECTION 2.04 Payments under the Guarantee Agreement.** The Counter-Guarantor irrevocably authorizes TNC to make any Guaranteed Payment in favor of the Guaranteed Creditors in accordance with the provisions of the Guarantee Agreement upon receipt of a payment demand in accordance with the terms of the Guarantee Agreement. TNC may rely on the information contained in payment such demand (including the amounts) to make any Guaranteed Payment and TNC will not be required to make any investigation as to whether the information contained in it is correct or accurate.

**SECTION 2.05 Guarantee Fee.** During the life of the Guarantee Agreement, the Counter-Guarantor will pay TNC an annual guarantee fee (the "Guarantee Fee") of 0.90% per annum on

the Maximum Guaranteed Amount, without defense, set-off or counterclaim, in the amount and dates described in the indicative table of Schedule A attached hereto, unless TNC notifies the Counter-Guarantor otherwise. The Guarantee Fee shall be paid by the Counter-Guarantor semi-annually, with the first payment being due on March 20<sup>th</sup>, 2023, and the last payment being due on the date the Guarantee Agreement is terminated or expires (this date individually, “**Payment Date**” and, together with the other payment dates that occur, “**Payment Dates**”). The Guarantee Fee will be calculated based on the exact number of days of each six-month (6-month)(or shorter) period. A table setting out the indicative guarantee fee assuming a Maximum Guaranteed Amount of USD 50,000,000 (the “**Indicative Guarantee Fee**”) is included in Schedule A to this Contract.

**SECTION 2.06 Conservation Advisory Payment.** The Counter-Guarantor shall pay TNC an amount in immediately available funds in Dollars equal to the Conservation Advisory Payment, without defense, setoff or counterclaim. The Counter-Guarantor shall pay fifty percent (50%) of the applicable Conservation Advisory Payment for that period on each Payment Date, with the first such payment occurring on March 20<sup>th</sup>, 2023.

**SECTION 2.07. Early Disbursement Events of the Guarantee Agreement.** (a) TNC may make an early disbursement of the Guarantee Agreement through a deposit in an escrow account (the “**Escrow Payment**”), nominated by and for the benefit of the Guaranteed Creditors, if any of the events described in Article 5.01 of the General Conditions occurs (each of them, in addition to being an accelerated maturity event under the General Conditions of this Contract, an “**Early Disbursement Event of the Guarantee**”).

(b) In the event that TNC makes an Escrow Payment equivalent to the Maximum Guaranteed Amount, the Guarantee Agreement will be canceled once the Guaranteed Creditors have been notified, in accordance with the provisions set forth in the Guarantee Agreement. This deposit will constitute a Guaranteed Payment for the purposes of the provisions of Section 3.01 of this Contract. Upon the occurrence of an Early Disbursement Event of the Guarantee, the right of TNC to declare that the Outstanding Balance or a portion thereof is immediately due and payable in accordance with Article 5.01 of the General Conditions, will be exercisable by TNC in accordance with Section 3.01 of these Special Conditions.

**SECTION 2.08. Cancellation of the Guarantee Agreement.** If the Counter-Guarantor requests TNC to partially or entirely cancel the Guarantee Agreement, such cancellation will be subject to TNC’s ability to perform the cancellation in accordance with the terms and conditions of the Guarantee Agreement. In this case, the Counter-Guarantor shall be liable for any costs and expenses reasonably incurred by TNC, *inter alia*, to cancel the Guarantee Agreement.

### **CHAPTER III** **Reimbursement of Claim**

**SECTION 3.01. Reimbursement of Claim.** (a) The Counter-Guarantor undertakes unconditionally and irrevocably to reimburse TNC for any and all Guaranteed Payments immediately, within a period of not more than one hundred and eighty (180) days from the date of payment of any such Guaranteed Payment by TNC under the Guarantee Agreement by depositing such money into the US Dollar Payment Account (for the benefit of TNC in accordance with the

Paying Agency Agreement), unless otherwise agreed to between the Parties as established in Section 3.01(b) below. For purposes of this Contract, "**Outstanding Balance**" means the total outstanding amount of Guaranteed Payment(s) that have not yet been reimbursed to TNC by the Counter-Guarantor.

(b) TNC, in its sole discretion, and through written agreement with the Counter-Guarantor, may agree to a payment schedule that is different than the one specified in clause (a) above. Notwithstanding the provisions of Section 3.01(a) above, all Outstanding Balances and any other amounts payable by the Counter-Guarantor under this Contract shall become finally due and payable on the Final Payment Date.

(c) As from the date of each Guaranteed Payment, the Counter-Guarantor shall pay the Paying Agent (on behalf of TNC) interest on the daily Outstanding Balance, at a rate determined pursuant to the provisions of Section 3.02 of these Special Conditions.

(d) Any Guaranteed Payment shall be treated, for all purposes, as a loan from TNC to the Counter-Guarantor. Any and all other rights and prerogatives that TNC has under any of the Transaction Documents may also apply.

(e) Notwithstanding anything to the contrary in this Contract, to the extent that IADB agrees to convert all or any portion of any amounts due and payable by the Counter-Guarantor to IADB under the IADB Counter-Guarantee Contract as a loan advanced by IADB to the Counter-Guarantor, TNC may, in its sole and absolute discretion upon receipt of a written request from the Counter-Guarantor, also convert all or any portion of the Outstanding Balances as a loan from TNC to the Counter-Guarantor on such terms and conditions as may be agreed between TNC and the Counter-Guarantor. Without prejudice to TNC's rights set forth in this Section 3.01(e), the Counter-Guarantor may, in any such written request to TNC, propose commercially reasonable terms and conditions for such loan, and shall negotiate in good faith with TNC in relation to any such conversion request. Any such loan shall be documented in a written instrument signed by the Parties.

**SECTION 3.02. Interest and Default Interest.** (a) The Counter-Guarantor shall pay interest on the daily Outstanding Balance at a rate determined pursuant to the provisions of Article 3.02 of the General Conditions.

(b) Interest shall be payable by the Counter-Guarantor to the US Dollar Payment Account (for the benefit of TNC) semi-annually. The first interest payment shall be due on the expiration date of the six-month (6-month) period following the effective date of the first Guaranteed Payment. If the expiration date of the period for the first interest payment does not fall on the fifteenth (15<sup>th</sup>) day of the month, the first interest payment shall be made on the fifteenth (15<sup>th</sup>) day of the month immediately preceding the expiration date of such period.

(c) The Counter-Guarantor shall pay interest on any interest or any other amounts payable by the Counter-Guarantor under this Contract that is not paid in full when due (whether at the stated due date, by acceleration or otherwise) at a rate per annum equal to the Overdue Rate, which shall accrue from the date such payment is due under this Contract until paid in full.

**SECTION 3.03. Payment Instructions.** Any payment made by the Government to the Paying Agent under these Special Conditions shall be accompanied by an instruction setting out the type of payment and the relevant clause of these Special Conditions pursuant to which such payment is being made

#### **CHAPTER IV**

#### **Representations, Warranties, and Indemnity**

**SECTION 4.01. Representations and Warranties.** The Counter-Guarantor represents and warrants to TNC on the date hereof and the Closing Date that:

(a) The Transaction Documents comply with the requirements of the laws of Barbados and do not violate any law, agreement, treaty, or regulation of Barbados.

(b) All the Counter-Guarantor's information disclosed in connection with the Blue Loan Agreement and in the offering memorandum, if the Blue Loan Agreement is a bond, and in each other Transaction Document is true, correct and complete, and there are no other facts the omission of which would make such information misleading.

(c) The Counter-Guarantor is duly authorized to enter into this Contract and each other Transaction Document to which it is a party, and has obtained all the authorizations necessary for the execution and delivery of, and performance of this Contract and each other Transaction Document to which it is a party, which complies with all the requirements of the laws of Barbados, and the obligations and commitments of the Counter-Guarantor derived from this Contract and each other Transaction Document to which it is a party are valid and enforceable against the Counter-Guarantor in accordance with its terms.

(d) This Contract and each other Transaction Document to which it is a party has been duly authorized by all necessary action on the part of the Counter-Guarantor (including any action required (a) to provide the signatories hereto with the authority to execute this Contract and each other Transaction Document to which it is a party, (b) subject to the exceptions set out in Section 7.03(j), to waive sovereign immunity to the extent herein waived, and (c) in connection with the obtaining of Dollars to make payments under this Contract and each other Transaction Document to which it is a party and the payment of such Dollars to Persons resident in the United States of America), and this Contract and each other Transaction Document to which it is a party constitutes the legal, valid and binding obligation of the Counter-Guarantor, enforceable against the Counter-Guarantor in accordance with its terms.

(e) Notwithstanding anything to the contrary in the preceding paragraphs, the Counter-Guarantor accepts and agrees that the Counter-Guarantor's obligations under this Contract and each other Transaction Document to which it is a party shall not be affected by the Contract or any of the Counter-Guarantor's or any other parties' obligations herein or related to this Contract and each other Transaction Document to which it is a party being held invalid, illegal or irregular.

(f) No consent, approval or authorization of, or registration, filing or declaration with,

any Governmental Authority in Barbados is required in connection with the execution, delivery or performance by the Counter-Guarantor of this Contract and each other Transaction Document to which it is a party, the obtaining of Dollars to make payments under this Contract and each other Transaction Document to which it is a party, or the payment of such Dollars to Persons resident in the United States of America, other than the approval of the Cabinet of Barbados provided as of September 16<sup>th</sup>, 2022 and the approval of the Parliament of Barbados dated as of September 16<sup>th</sup>, 2022. No payment of any Stamp Tax in the Jurisdiction is due in connection with the execution, delivery and performance of this Contract, the Guarantee Agreement and each other Transaction Document to which it is a party, or the consummation of the transactions contemplated herein or therein.

(g) The execution, delivery and performance by the Counter-Guarantor of this Contract and each other Transaction Document to which it is a party, and the consummation of the transactions contemplated hereby or thereby will not (a) violate any provisions of the Barbados Constitution, (b) contravene, result in any breach of, or constitute a default in any material respect under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, or any other contract, agreement, instrument or obligation or any treaties, including any negative pledge covenant included therein, to which the Counter-Guarantor is or may be bound or affected, (c) conflict with or result in a breach of any of the terms, conditions or provisions of any consent, approval, authorization, order, judgment, decree or ruling of any court, arbitrator, regulatory body or Governmental Authority having jurisdiction over the Counter-Guarantor, the Government or any Agency or over any of their respective properties, including any debt limitations or ceilings contained in any consent of the Counter-Guarantor or other consent, approval or authorization referred in Section 4.01(f) above, or (d) violate any provision of any statute, law, convention or other rule or regulation of any Governmental Authority applicable to the Counter-Guarantor, the Government or any Agency, except in the cases of clauses (b) and (c) for those violations and defaults which individually, or in the aggregate, could not reasonably be expected to have a material adverse effect on the validity or enforceability of this Contract and each other Transaction Document to which it is a party, the ability of the Counter-Guarantor to make payments under this Contract and each other Transaction Document to which it is a party in such currency as pursuant to the terms and conditions set forth herein or therein.

(h) The Counter-Guarantor represents that none of it, the Government or any Agency used, directly or knowingly indirectly, the proceeds of the Blue Loan Agreement, or lend, contribute or otherwise make available such proceeds to any Person: (a) to fund or facilitate any activities or business of or with any Person that, at the time of such funding or facilitation, is the target of any economic sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom or Switzerland (collectively, "Sanctions") or is resident in any Sanctioned Country, unless permitted by applicable law or regulation or if an appropriate license for any such transaction was obtained from the authority administering the relevant Sanctions; or (b) in any other manner that will result in a violation of Sanctions.

(i) The Counter-Guarantor is not designated by the Secretary of State of the United States as a State Sponsor of Terrorism pursuant to section 104(c) of the Export Control Reform Act (50

U.S.C. § 4813(c), section 40 of the Arms Export Control Act (22 U.S.C. § 2780), or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. § 2371).

(j) The Counter-Guarantor, through the Government, has implemented, through measures adapted to its particular circumstances, the necessary laws, regulations, and regulatory and enforcement structures to implement the framework of measures recommended by the Financial Action Task Force (“FATF”) in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction as set forth in the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation as promulgated by the FATF (the “**Anti-Money Laundering Framework**”) and has not been identified by the FATF as a jurisdiction with strategic deficiencies in its Anti-Money Laundering Framework.

(k) To the knowledge of the Counter-Guarantor, none of the Government’s or Agencies’ officials working on the transaction contemplated by or in connection with this Contract or any other Transaction Document, or the transactions contemplated hereby or thereby, or any representative, agent, employee or other person with actual authority to act on behalf of the Counter-Guarantor, the Government or its Agencies (each, an “**Official**”) has taken any action to request, demand or receive any money or thing of value from any Person (i) to induce such Official to act or refrain from acting, (ii) to use such Official’s influence with other Officials, or (iii) to confer an improper benefit upon any Person in connection with the sale of the Blue Loan Agreement or the subsequent use of the Blue Loan Agreement proceeds, in each of the foregoing cases, in violation of the Prevention of Corruption Act of Barbados, the U.S. Foreign Corrupt Practices Act of 1977, and the U.K. Bribery Act 2010, each as may be amended.

(l) This Contract and each other Transaction Document to which it is a party is in proper legal form under the laws of the Jurisdiction for the enforcement thereof in the Jurisdiction against the Counter-Guarantor in accordance with its terms, and to ensure the legality, validity or enforceability of this Contract in the Jurisdiction in accordance with its terms, it is not necessary that it be filed or recorded, except as described under Section 4.01(f) herein, with any court or other authority in the Jurisdiction or that any Stamp Tax be paid in the Jurisdiction on or in respect of any of said documents.

(m) In any proceedings taken in the Jurisdiction or in the United States in relation to this Contract or any other Transaction Document to which it is a party, the Counter-Guarantor will not be entitled to claim, and will not claim, for itself or any of its revenues, immunity from suit, execution, attachment or other legal processes except for limitations on immunity waivers applicable generally to sovereigns under the laws of the United States. The waiver of immunity by the Counter-Guarantor pursuant to Section 7.03(i) is legal, valid and binding on the Counter-Guarantor.

(n) Payments made hereunder or under any other Transaction Document to which is a party by the Counter-Guarantor are not subject to withholding or deduction for or on account of tax under the current laws and regulations of Barbados or any political subdivision or taxing authority thereof. There is no income, stamp or other tax, levy, impost, deduction or other charges imposed or levied (whether by withholding or otherwise) by Barbados or any political subdivision

or taxing authority thereof or therein on or by virtue of the execution, delivery or performance by of this Contract or under any other Transaction Document to which is a party or any of the other documents or instruments to be executed and delivered by the Counter-Guarantor in connection herewith.

(o) All obligations and liabilities of the Counter-Guarantor under this Contract are general, direct, unconditional, unsubordinated and unsecured obligations of the Counter-Guarantor for the payment and performance of which the full faith and credit of the Counter-Guarantor has been pledged, which obligations and liabilities rank in right of payment at least pari passu with all of the other present and future unsecured and unsubordinated Public External Debt.

(p) The choice of New York law in this Contract is a valid choice of law under the laws of the Jurisdiction and, accordingly, would be recognized and applied by the courts of the Jurisdiction if this Contract or any claim hereunder is brought before any such court; provided that in any proceedings in the Jurisdiction for the enforcement of this Contract, a court in the Jurisdiction would apply procedural law of the Jurisdiction.

(q) All representations and warranties in the Transaction Documents are true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of the Closing Date as if made on such date (or if any such representations or warranty is made as of a specific date, as of such specific date).

**SECTION 4.02. Indemnity.** (a) In addition to the reimbursement obligations established in this Contract, the Counter-Guarantor shall indemnify and hold harmless TNC and its respective directors, officers, employees, agents and advisors (each, an "**Indemnified Party**"), to the fullest extent lawful, from and against any and all losses, claims, penalties, damages, expenses or liabilities whatsoever (including, without limitation, reasonable documented fees and disbursements of counsel), incurred by or asserted or awarded against any Indemnified Party (including, without limitation, in connection with any pending or prospective investigation, litigation or proceeding or the preparation of any defense or appearing as a third-party witness in connection therewith) arising out of or relating to the Counter-Guarantor's breach of any of the terms of, or any of the representations or warranties given by the Counter-Guarantor pursuant to, this Contract or any other Transaction Document, including any and all losses, claims, penalties, damages, expenses or liabilities whatsoever (including, without limitation, documented fees and disbursements of counsel) any Indemnified Party may reasonably incur or suffer, directly or indirectly, in relation to, or as a consequence of: (i) the issuing of the Guarantee Agreement, (ii) the signing of the Guarantee Agreement, or (iii) the execution of the Transaction Documents, except to the extent that such losses, claims, penalties, damages, liabilities or expenses (or proceedings in respect thereof) (a) are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the fraud, gross negligence, bad faith or willful misconduct of such Indemnified Party or (b) result from a dispute or claim between Indemnified Parties; provided that, in any case, the Counter-Guarantor shall not be held liable for any settlement of any such proceedings unless the Indemnified Party has previously notified and consulted with the Counter-Guarantor in respect thereof, and the Counter-Guarantor has provided its consent in respect of any settlement.



(b) In addition to but without duplication of the foregoing and the obligations of the Counter-Guarantor pursuant to Section 4.03, the Counter-Guarantor shall indemnify and hold harmless the Indemnified Parties from and against any and all Taxes imposed by a Taxing Jurisdiction in Barbados on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes or any other taxes or similar charges imposed on the Indemnified Parties in Barbados in each case, solely as a result of or otherwise in connection with the execution, delivery and performance of this Contract or any other Transaction Document (including but not limited to TNC's registration as a business under Barbados law, TNC's actions with respect to any parametric or political risk insurance policy, and any monitoring of this Contract or any other Transaction Document), or the receipt of any payment under this Contract or any other Transaction Document. The indemnity in this Section 4.02(b) shall not apply in relation to (i) Taxes already covered by Section 4.03(b) below or that would be so covered but for the application of Section 4.03(c) below, or (ii) Stamp Taxes already covered by Section 4.03(d) below or that would be so covered but for the application of the exception in Section 4.03(d) below.

(c) No Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Counter-Guarantor or any of its Agencies or other affiliates, security holders or creditors for or in connection with the services or transactions contemplated hereby or any other Transaction Document, except to the extent such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's fraud, gross negligence, bad faith or willful misconduct. In no event, however, shall any Indemnified Party be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings), and the Counter-Guarantor hereby releases and holds harmless (for itself and any person claiming through it) each Indemnified Party from all such liability. No Indemnified Party shall be liable for any damages arising from the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons, except to the extent such interception is due to the fraud, gross negligence, bad faith or willful misconduct of such Indemnified Party.

**SECTION 4.03. Taxes.** (a) All payments by the Counter-Guarantor to TNC under this Contract or any other Transaction Document shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, fees, assessments, charges, deductions or withholdings, including any interest, penalties or additions to tax imposed with respect thereto or with respect to the making of payments in Dollars, such as financial transactions taxes or currency taxes, in each case, imposed by or for a government or other authority having power to tax (hereinafter, "**Tax**") unless any withholding or deduction for or on account of Tax is required by applicable law.

(b) If the Counter-Guarantor shall be obligated by law to make any such withholding or deduction for any Tax imposed, levied, collected, assessed or withheld by or within the Jurisdiction or any political subdivision or taxing authority thereof or therein, by any jurisdiction in which the Counter-Guarantor carries on business or by any other country or jurisdiction (or any taxing authority thereof or therein) (each, a "**Taxing Jurisdiction**"), then the Counter-Guarantor will (i) timely pay to the relevant Taxing Jurisdiction the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any Additional

Payment required to be made pursuant to clause (i) hereof) and (ii) pay to TNC such additional amount as is necessary in order that the amount received by TNC after any required deduction or withholding (including any required deduction or withholding with respect to such additional amount) shall equal the amount TNC would have received had no such deduction or withholding been made (the "Additional Payment").

(c) Notwithstanding the provisions of this Section 4.03, no such Additional Payments shall be payable for or on account of any Connection Income Taxes or any Tax that is attributable to TNC's failure to make a declaration of non-residence or other similar claim, or comply with any reporting requirement (as notified to TNC in writing by or on behalf of the Counter-Guarantor giving TNC sufficient time to satisfy such requirements), as is required (i) by statute, treaty or regulation of the Jurisdiction existing on the date hereof, or which are not substantially more onerous than those existing on the date hereof and which do not impose an unreasonable burden (in time, resources or otherwise) on TNC or materially prejudice TNC's legal or commercial position, or (ii) by statute, treaty or regulation in any other relevant Taxing Jurisdiction to the extent the requirements thereof are not substantially more onerous than those of the Jurisdiction existing on the date hereof and which do not impose an unreasonable burden (in time, resources or otherwise) on TNC or materially prejudice TNC's legal or commercial position as a precondition to exemption from or reduction of all or part of such Tax.

(d) The Counter-Guarantor shall timely pay to the relevant Taxing Jurisdiction in accordance with applicable law, or at the option of TNC timely reimburse TNC for the payment of, any Stamp Taxes, except any such Stamp Taxes imposed with respect to a voluntary assignment or transfer.

(e) As soon as practicable after any payment of Taxes by the Counter-Guarantor to a Taxing Jurisdiction pursuant to this Section 4.03, the Counter-Guarantor shall deliver to TNC the original or a certified copy of a receipt issued by such Taxing Jurisdiction evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to TNC.

(f) The Counter-Guarantor shall indemnify TNC, within thirty (30) days after demand therefor, for the full amount of any Taxes imposed on or with respect to any payment made by the Counter-Guarantor under this Contract (including such Taxes imposed or asserted on or attributable to amounts payable under this Section 4.03) and any Stamp Taxes payable or paid by TNC or required to be withheld or deducted from a payment to TNC and any reasonable out of pocket expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Taxing Jurisdiction. A certificate as to the amount of such payment or liability delivered to the Counter-Guarantor by TNC shall be conclusive absent manifest error. The indemnity in this Section 4.03(f) shall not apply in relation to (i) Taxes already covered by Section 4.03(b) above, or that would be so covered but for the application of Section 4.03(c) above, or (ii) Stamp Taxes already covered by Section 4.03(d) above or that would be so covered but for the application of the exception in Section 4.03(d) above.

(g) If TNC determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 4.03 (including

by the payment of additional amounts pursuant to this Section 4.03), it shall pay to the Counter-Guarantor an amount equal to such refund (but only to the extent of indemnity payments made under this Section 4.03 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of TNC and without interest (other than any interest paid by the relevant Taxing Jurisdiction with respect to such refund). The Counter-Guarantor, upon the request of TNC, shall repay to TNC the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant Taxing Jurisdiction) in the event that TNC is required to repay such refund to such Taxing Jurisdiction. Notwithstanding anything to the contrary in this paragraph, in no event will TNC be required to pay any amount to the Counter-Guarantor pursuant to this Section 4.03(g) the payment of which would place TNC in a less favorable net after-Tax position than TNC would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed, and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 4.03 shall not be construed to require TNC to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Counter-Guarantor or any other Person.

(h) Each Party's obligations under this Section 4.03 shall survive any assignment of rights by TNC, the enforcement, amendment or waiver of any provision of this Contract and the expiry or termination of this Contract.

## CHAPTER V

### Execution of the Program

**SECTION 5.01. Executing Agency.** The Parties agree that the execution of the Program shall be carried out by the Counter-Guarantor, through its Ministry of Finance, Economic Affairs and Investment, which for the purposes of this Contract shall be referred to, without distinction, as either the "Counter-Guarantor", "Barbados", or the "Executing Agency".

**SECTION 5.02. Implementation of Program.** If from the review of the Counter-Guarantor's reports, TNC determines that the implementation of the Program is not satisfactory, the Counter-Guarantor shall submit to TNC within thirty (30) days from the date of TNC's notification, the plans or reports necessary to correct the problems, along with a timetable for their implementation.

**SECTION 5.03. Ex-Post evaluation.** The Counter-Guarantor agrees to cooperate, directly or through the Executing Agency, in the evaluation of the Program to be carried out by TNC after the Program's execution, with the purpose of identifying to what extent objectives of the Program have been reached, and to provide to TNC all the information, data and documentation that TNC may request to carry out said evaluation.

**SECTION 5.04. Modification of legal provisions and basic regulations.** The Parties agree that, if changes are made to the legislation or basic regulations relating to the Executing Agency, that TNC considers could substantially affect the Program, TNC shall have the right to request of the Counter-Guarantor all necessary and reasonable information, with the purpose of determining whether said changes may have a Material Adverse Effect in the execution of the Program. TNC,

after receiving and analyzing the information provided by the Counter-Guarantor, and after consultation with the Counter-Guarantor, may take the measures it deems necessary in accordance with the provisions of this Contract.

**CHAPTER VI**  
**Inspections and Reports**

**SECTION 6.01.**     **Reports.** The Counter-Guarantor agrees to submit to TNC all notices and other information required to be delivered by the Counter-Guarantor pursuant to Article 5.02(a) of the General Conditions.

**SECTION 6.02.**     **Inspection.** The Counter-Guarantor shall provide TNC and its representatives the visitation and inspection rights set forth in Article 5.02(b) of the General Conditions of this Contract.

**CHAPTER VII**  
**Miscellaneous Provisions**

**SECTION 7.01.**     **Entry into Effect of the Contract.** This Contract shall enter into effect on the signature date by the Counter-Guarantor.

**SECTION 7.02.**     **Communications and Notices.** Any notice, request, or communication from one party to another by virtue of this Contract shall be made in writing and shall be considered to have been made when the relevant document is delivered to the addressee at the respective address given below, or by electronic means under such terms and conditions as TNC establishes and communicates to the Counter-Guarantor, unless the parties agree otherwise in writing:

For the Counter-Guarantor:

Mailing address: Permanent Secretary, Finance  
Ministry of Finance, Economic Affairs and Investment  
Government Headquarters  
Bay Street  
St. Michael  
Barbados

Facsimile:

Email address:       Barbadosloans@barbados.gov.bb

For TNC:

Mailing address:

The Nature Conservancy  
4245 North Fairfax Dr., #100,

Arlington VA 22203  
U.S.A.

Attn: Legal Corporate Services

Email address: Email: LegalCS@tnc.org and SDPortfolio@tnc.org

**SECTION 7.03. Governing Law, Jurisdiction and Service of Process; Waiver of Sovereign Immunity.**

- a) This Contract shall be governed by and construed in accordance with the laws of the state of New York.
- b) Any dispute arising, whether past, present or future, whether sounding in contract, tort or otherwise, and whether arising at law or in equity, arising out of, or related to, this Contract, including any question as to the existence, negotiation, construction, interpretation, validity, arbitrability, enforceability, or the alleged or threatened breach of the rights and obligations created herein shall be resolved through binding arbitration, as provided by this Section 7.03 (each, an “**Arbitration**”).
- c) Any Arbitration shall be administered by the International Chamber of Commerce (the “**ICC**”) Rules of Arbitration in effect on the date hereof (the “**Rules**”), except as such Rules may be changed by this provision. The seat of arbitration shall be the City of New York, New York, United States of America, with hearings held in such location, or in such other place as the parties hereto agree in writing, before three independent arbitrators selected in accordance with the Rules. All filings and submissions shall be made, and proceedings conducted, in the English language.
- d) Notwithstanding anything to the contrary herein, the arbitration provisions set forth herein, and any arbitration conducted thereunder, shall be governed exclusively by the Federal Arbitration Act, Title 9 United States Code, to the exclusion of any state or municipal law of arbitration.
- e) For purposes of this Section 7.03, the Parties hereto stipulate that this arbitration provision constitutes an agreement in writing to arbitrate an international dispute and satisfies the requirements for an agreement in writing pursuant to Article II of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “**New York Convention**”).
- f) Each Party hereto may make the appropriate application in any court having jurisdiction, and any appellate court from any thereof, for the purpose of seeking an order compelling

arbitration to take place in the place and manner specified herein or to provide emergency relief pending arbitration or to enforce an arbitration award.

- g) Each Party hereto waives any right to challenge any arbitral award issued in an Arbitration commenced hereunder except on the grounds expressly provided in Article V of the New York Convention.
- h) Each Party agrees that service of process, summons, notice, or other document by registered or certified mail (or any substantially similar form of mail) at its address set forth in Section 7.02 (*Communications and Notices*) shall be effective service of process for any suit, action, or other proceeding brought against either of them in accordance with this Section 7.03.
- i) The Counter-Guarantor hereby irrevocably waives, to the extent permitted by applicable law and international conventions, (a) any immunity from jurisdiction it may have in any dispute in the courts of New York or in any other jurisdiction, and (b) except as provided below, any immunity from attachment or execution to which its assets or property might otherwise be entitled in any dispute in the courts of New York, and agrees that it will not claim any such immunity in any such dispute.
- j) Notwithstanding the foregoing, the above waiver shall not constitute a waiver of immunity from attachment or execution with respect to:
  - a. any property of the Central Bank of Barbados,
  - b. any property of Barbados located in the territory of Barbados,
  - c. any property located in or outside the territory of Barbados that provides an essential public service,
  - d. any property entitled to the privileges and immunities of the Vienna Convention on Diplomatic Relations of 1961 and the Vienna Convention on Consular Relations of 1963, including, but not limited to, property, premises and bank accounts used by the missions of Barbados,
  - e. any property of a diplomatic, governmental or consular mission of Barbados,
  - f. taxes, duties, levies, assessments, royalties or any other governmental charges imposed by Barbados, including the right of Barbados to collect any such charges,
  - g. any property of a military character or under the control of a military authority or defence agency of Barbados,
  - h. property forming part of the cultural heritage of Barbados, or
  - i. property of Barbados outside Barbados not used for a commercial purpose.

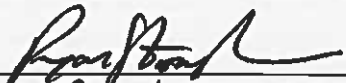
For the purposes of this Section 7.03, "property" includes, without limitation, assets, accounts, bank deposits, cash, revenues, securities and rights, including rights against third parties.

- k) The foregoing constitutes a limited and specific waiver by the Counter-Guarantor solely for the purposes of this Contract and under no circumstance shall it be construed as a general waiver by Barbados or a waiver with respect to proceedings unrelated to this Contract.

IN WITNESS WHEREOF, the Counter-Guarantor and TNC, each acting through its authorized representative, have signed and delivered this Contract as of the day and year first above written.

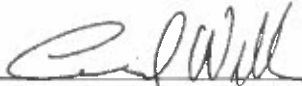
*[Signature Pages Follow]*

**THE GOVERNMENT OF  
BARBADOS**

By:   
Name: **RYAN STRAUGHAN**  
Title: **ACTING MINISTER OF FINANCE  
ECONOMIC AFFAIRS AND INVESTMENT**



**THE NATURE CONSERVANCY**

By:  \_\_\_\_\_  
Name: Leonard Williams  
Title: Chief Finance and  
Administrative Officer

**EXHIBIT A**

**[Attached]**

**EXHIBIT A  
PART TWO**

**GENERAL CONDITIONS**

**CHAPTER I  
Application of the General Conditions**

**ARTICLE 1.01. Application of the General Conditions.** These General Conditions form an integral part of this Contract.

**ARTICLE 1.02. Interpretation.** (a) **Inconsistency.** In the event of contradiction or inconsistency between the provisions of the Special Conditions, any annex of the Contract, if any, and these General Conditions, those provisions shall prevail over the provisions of these General Conditions. In the event of contradiction or inconsistency between provisions of a single element of this Contract, or between the provisions of the Special Conditions, any annex of the Contract, if any, the specific provision shall prevail over these General Conditions.

(b) **Headings and Subheadings.** Any heading or subheading of the chapters, articles, clauses, or other sections of this Contract are included solely for reference and should not be taken into account in the interpretation of this Contract.

(c) **Periods.** Unless this Contract provides otherwise, periods expressed in days, months, or years shall be understood as calendar days, months, or years.

**CHAPTER II  
Definitions**

**ARTICLE 2.01. Definitions.** Whenever terms are capitalized in this General Conditions, they shall have the meaning assigned to them in the Special Conditions unless otherwise defined below.

**CHAPTER III  
Payments, Interest, Fees, Inspection and Supervision, and Prepayments**

**ARTICLE 3.01. Dates of Payment, Interest Fees, and Other Costs.** The Outstanding Balance will be due and payable in accordance with Section 3.01(a) of the Special Conditions. Each of the Guarantee Fee and the Conservation Advisory Payment shall be paid on the fifteenth (15th) day of the month, as set forth in the Special Conditions.

**ARTICLE 3.02. Interest.** The Counter-Guarantor shall pay interest on the daily Outstanding Balances at rate per annum equal the interest rate per annum on the Blue Loan Agreement. Interest shall accrue at an annual rate for each Quarter as determined by TNC and shall be payable by the Counter-Guarantor at the end of each Quarter.

**ARTICLE 3.03. Default Interest.** After the date that any amount (including any Outstanding Balance, any interest on the Outstanding Balance, the Guarantee Fee or the Conservation Advisory Payment) is due and payable under this Contract, the Counter-Guarantor shall pay interest (after as well as before judgment) on such amounts at a rate per annum equal to: (a) in the case of any Outstanding Balance, the rate of interest that otherwise would be payable to such Outstanding Balance pursuant to Section 3.02 of these General Conditions *plus* 1% per annum, and (b) in the case of overdue interest and any other amounts, at the Overdue Rate.

**ARTICLE 3.04. Computation of Interest.** The interest and fees shall be calculated according to the exact number of days in the respective interest period.

**ARTICLE 3.05. [Reserved].**

**ARTICLE 3.06. Currency of payment.** All payments under this Contract shall be made in Dollars.

**ARTICLE 3.07. Prepayments.** (a) The Counter-Guarantor may prepay all or part of any Outstanding Balances in Dollars on any interest payment date, provided that it delivers to TNC a written irrevocable request at least thirty (30) days in advance.

(b) For purposes of paragraph (a) above, the following payments shall be considered as prepayments: payments resulting from all or a part of the Outstanding Balance being declared immediately due and payable, pursuant to the Special Conditions.

**ARTICLE 3.08. Application of Payments.** All payments shall be applied first to fees and interest due on the payment date, and if a balance exists, to the Outstanding Balance in the order payment thereof is due.

**ARTICLE 3.09. Transactions Falling Due on Non-Business Days.** Any payment or other transaction which, pursuant to this Contract, should be effected on a day other than a Business Day, shall be considered validly effected if made on the first Business Day immediately thereafter, and in such case no penalty whatsoever shall apply.

**ARTICLE 3.10. Place of Payments.** All payments shall be made to the US Dollar Payment Account to be distributed to the Counter Guarantor by the Paying Agent in accordance with this Contract and the Paying Agency Agreement.

#### CHAPTER IV

[Reserved]

#### CHAPTER V

**Accelerated Maturity; Covenants**

**ARTICLE 5.01. Accelerated Maturity.** TNC may declare that the Outstanding Balance or a portion thereof is immediately due and payable, together with interest and fees accrued up to the date of payment if:

- (a) Any of the following circumstances occurs and continues for more than sixty (60) days:
  - (i) Delay in the payment of any sums owed by the Counter-Guarantor to TNC for Outstanding Balances, fees (including the Conservation Advisory Payment), interest or any other amounts under this Contract;
  - (ii) A Major Commitment Default (other than an Expropriation Event) (each as defined in the Conservation and Sustainability Commitments Agreement) has occurred, and after receipt of the Major Commitment Default Declaration, IDB has declared the Outstanding Balance (as defined in the IDB Counter-Guarantee Agreement) or a portion thereof immediately due and payable in accordance with Article 5.01 of the general conditions of the IDB Counter-Guarantee Agreement);
  - (iii) The Counter-Guarantor fails to make any payment due and payable pursuant to Section 2.1 of the Conservation Funding Agreement, as and when the same shall become due and payable; or
  - (iv) The Counter-Guarantor fails to make any payment due and payable pursuant to Section 3.1 or Section 3.2 of the Conservation and Sustainability Commitments Agreement, as and when the same shall become due and payable, provided IDB has declared the Outstanding Balance (as defined in the IDB Counter-Guarantee Agreement) or a portion thereof immediately due and payable in accordance with Article 5.01 of the general conditions of the IDB Counter-Guarantee Agreement.
- (b) An Expropriation Event (as such term is defined in the Conservation and Sustainability Commitments Agreement) occurs;
- (c) (i) Any representation or warranty provided by the Counter-Guarantor in Section 4.01(o) or Section 4.01(p) of the Special Conditions is proven to have been incorrect when made or deemed made, or (ii) any other representation, warranty, certification or statement of fact (other than pursuant to Section 4.01(o) or Section 4.01(p) of the Special Conditions) made or deemed made by or on behalf of the Counter-Guarantor in this Contract shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Contract already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made (unless cured within 60 days after written notice thereof has been provided to the Counter-Guarantor by TNC);

- (d) The Blue Loan Agreement shall become due and payable due to acceleration (and such acceleration shall not have been rescinded or annulled), or the Counter-Guarantor shall have failed to pay the Blue Loan Agreement in full on the maturity date;
- (e) Any IADB Early Disbursement Event (as such term is defined in the IADB Counter-Guarantee Contract) has occurred and is continuing under the IADB Counter-Guarantee Contract;
- (f) The Counter-Guarantor shall deny any of its obligations hereunder or under any other Transaction Document to TNC, or any constitutional provision, treaty, convention, law, regulation, official communique, ordinance of the Counter-Guarantor, or any final non-appealable decision by any court in Barbados having jurisdiction, shall purport to render any material provision of this Contract or any other Transaction Document, invalid or unenforceable or shall purport to prevent or delay the performance or observance by the Counter-Guarantor of any of its material obligations hereunder or thereunder;
- (g) The validity of this Contract or any other Transaction Document shall be contested in a formal administrative, legislative or judicial proceeding by the Counter-Guarantor, the Government or any legislative, executive or judicial body or official of the Counter-Guarantor or the Government which is authorized in each case by law to do so and, acting alone or together with another such body or official, has the legal power and authority to declare or have this Contract or any other Transaction Document declared invalid or unenforceable, or the Counter-Guarantor shall deny any of its obligations hereunder or under any other Transaction Document to TNC, or any constitutional provision, treaty, convention, law, regulation, official communique, decree, ordinance or policy of the Jurisdiction, or any final decision by any court in the Jurisdiction having jurisdiction, shall purport to render any material provision of this Contract or any other Transaction Document, invalid or unenforceable or shall purport to prevent or delay the performance or observance by the Counter-Guarantor of any of its material obligations hereunder or under any other Transaction Document to TNC;
- (h) Any constitutional provision, treaty, convention, law, regulation, ordinance, decree, consent, approval, license or other authority necessary to enable the Counter-Guarantor to make or perform its material obligations under this Contract or any other Transaction Document, or the validity or enforceability thereof, shall expire, be withheld, revoked, terminated or otherwise cease to remain in full force and effect, or shall be modified in a manner which adversely affects any rights or claims of TNC;
- (i) The Counter-Guarantor shall have become a Sanctioned Country or a Sanctioned Person or the Government or any of its Agencies shall have become a Sanctioned Person; or

- (j) The Counter-Guarantor or the Government shall be designated by the Secretary of State of the United States as a State Sponsor of Terrorism pursuant to section 104(c) of the Export Control Reform Act (50 U.S.C. § 4813(c), section 40 of the Arms Export Control Act (22 U.S.C. § 2780), or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. § 2371).

**ARTICLE 5.02.** **Affirmative Covenants.** Until all payment obligations hereunder shall have been paid in full, the Counter-Guarantor covenants and agrees with TNC as follows:

- (a) The Counter-Guarantor shall deliver to TNC:
  - (i) within fifteen (15) Business Days of being laid in parliament in Barbados, the Government of Barbados' annual budget, setting out the Estimates of Expenditure and Revenue for the financial year;
  - (ii) within fifteen (15) Business Days of its publication, on an annual basis, the published data on the international balance of payments of Barbados (unless the relevant information is contained in the Central Bank quarterly report, in which case it does not need to be provided separately);
  - (iii) within fifteen (15) Business Days of its publication each quarter, each Central Bank quarterly report;
  - (iv) within fifteen (15) Business Days of its being provided to the IMF, World Bank or IDB, any report or data provided as a supplement to the reports or data provided under paragraphs (ii) and (iii) above by the Central Bank of Barbados (provided that the Counter-Guarantor shall not be required to supply such report if it has been otherwise made publicly available in electronic form);
  - (v) within fifteen (15) Business Days of its issue, each report from the Director of the Finance and Economic Affairs in respect of the Barbados Economic Recovery and Transformation Plan ("BERT Plan") and as agreed with the Executive Board of the IMF; and
  - (vi) within fifteen (15) Business Days of a request, any other information on the economy or Barbados, including (A) on macro-fiscal targets identified in the BERT Plan or as otherwise approved by the Government of Barbados, or (B) any Article IV report or programme review provided by the IMF, World Bank or IDB to the Counter-Guarantor that is not provided by the Counter-Guarantor to TNC under paragraph (iv) above, as reasonably requested by TNC,

provided that, in connection with sub-paragraphs (i) – (v) above, no failure by the Counter-Guarantor to deliver any of the relevant items by the relevant deadline shall

be deemed to have occurred unless (x) any Finance Party requests that the Counter-Guarantor provides such items after the relevant deadline has elapsed and (y) the Counter-Guarantor does not deliver such items within fifteen (15) Business Days of such request

(b) The Counter-Guarantor shall deliver to TNC:

- (i) Promptly, and in any event within 10 days after the Responsible Minister becoming aware of the existence of any of the events set forth in Article 5.01 of these General Conditions, a written notice specifying the nature and period of existence thereof and what action the Counter-Guarantor is taking or proposes to take with respect thereto;
- (ii) Promptly after publication thereof, any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect; and
- (iii) Upon the occurrence of any of the events set forth in Article 5.01 of these General Conditions, within a reasonable time period, information relating to the assets, properties, liabilities, revenues, expenditures or financial, economic, fiscal or political affairs or condition of the Counter-Guarantor or relating to the ability of the Counter-Guarantor to perform its obligations hereunder as from time to time may be reasonably requested by TNC.

(c) The Counter-Guarantor shall permit the representatives of TNC, at TNC's own expense, and upon reasonable prior notice to the Counter-Guarantor, to visit the principal executive office of the Government, in order to discuss with the Government's ministers or officials the affairs, finances and accounts of the Counter-Guarantor and its Agencies that are related to this Contract, up to four (4) times per fiscal year and with at least a 20-day advance notice, which request shall specify the purpose of the visit; provided that if any of the events set forth in Article 5.01 of these General Conditions has occurred and is continuing, then the Counter-Guarantor shall permit the representatives of TNC, at the Counter-Guarantor's expense, and upon 5-day advance notice to the Counter-Guarantor, to visit offices of the Government to examine such records, reports and other papers, to make copies and extracts therefrom, as are relevant to this Contract and to discuss its affairs, finances and accounts with its ministers and officials, all at such reasonable times and as often as may be reasonably requested.

(d) The Counter-Guarantor shall and shall cause the Government and each of its Agencies to comply with all treaties, laws, ordinances or governmental rules or regulations to which each of them is subject, and shall obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.



(e) The Counter-Guarantor and the Government shall at all times obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorizations, approvals, licenses and consents required in or by the laws and regulations of the Jurisdiction to enable it lawfully to enter into and perform its obligations under this Contract and each other Transaction Document or to ensure the legality, validity, enforceability or admissibility in evidence in the Jurisdiction of this Contract and each other Transaction Document.

(f) The Blue Loan Agreement is a general, direct, unconditional, unsubordinated and unsecured obligation of the Counter-Guarantor for the payment and performance of which the full faith and credit of the Counter-Guarantor has been pledged, which obligations and liabilities rank in right of payment at least *pari passu* with all of the other present and future unsecured and unsubordinated Public External Debt.

**ARTICLE 5.03. Negative Covenants.** Until all payments obligations hereunder shall have been paid in full, the Counter-Guarantor covenants and agrees with TNC it shall not:

(b) Prevent, hinder, frustrate, delay, or otherwise take any action inconsistent with TNC's rights under this Contract or any other Transaction Document, or cause or permit any Agency to take such actions.

(c) Use, directly or knowingly indirectly, the proceeds of the Blue Loan Agreement, or lend, contribute or otherwise make available such proceeds to any Person: (i) to fund or facilitate any activities or business of or with any Sanctioned Person or in any Sanctioned Country, unless permitted by applicable law or regulation or if a license authorizing any such transaction shall have been obtained from the authority administering the relevant Sanctions; or (ii) in any other manner that will result in a violation of Sanctions.

(d) Permit any part of the funds used in the payment or repayment, as applicable, of any amount payable pursuant to this Contract or the other Transaction Documents to be knowingly derived from a transaction with, or proceeds from, a Sanctioned Person or Sanctioned Country.

(e) Use funds that were knowingly the subject of unlawful money laundering activities or any other activities unlawful under applicable law to make any payments to TNC under this Contract or the other Transaction Documents or otherwise make any payment to TNC hereunder that would cause it to be in violation of any applicable law.

(f) Neither the Counter-Guarantor nor any person acting on its behalf may, at any time, institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to TNC or any of its officers, shareholders, members, incorporators, corporate service providers or directors or any of its assets.

(g) Amend, supplement, waive or otherwise modify the Blue Loan Agreement without the consent of TNC.

**ARTICLE 5.04. Non-waiver of Rights.** Any delay by TNC in the exercise of its rights pursuant to this Contract, or failure to exercise them, shall not be construed as a waiver by TNC of any such rights nor as acquiescence in events or circumstances which, had they occurred, would have empowered it to exercise them.

**ARTICLE 5.05. Provisions not Affected.** The application of any of the measures provided for by this Chapter shall not affect the obligations of the Counter-Guarantor established in this Contract, which shall remain in full force and effect, except that in case the entire Outstanding Balance has been declared due and payable, only the pecuniary obligations of the Counter-Guarantor shall continue in force.

## **CHAPTER VI** **Provision on Encumbrances**

**ARTICLE 6.01. Commitment on Encumbrances.** If the Counter-Guarantor should agree to create any Lien or any other specific encumbrance on all or part of its assets or revenues to secure any Public External Debt, it shall at the same time create an encumbrance guaranteeing to TNC, equally and ratably, the fulfillment of the pecuniary obligations arising from this Contract. However, the foregoing shall not apply: (a) to encumbrances on goods used as security for payment of the unpaid balance of the purchase price; and (b) to encumbrances created in banking operations to secure payment of debts with maturities of not more than one year. The term "assets or revenues" shall mean all types of assets or revenues which belong to the Counter-Guarantor or any of its dependent agencies which are not autonomous entities with their own separate capital.

## **CHAPTER VII** **Miscellaneous Provisions**

**ARTICLE 7.01. Assignment of Rights.** TNC may assign any or all of its rights and obligations under this Contract to any other Person. TNC shall immediately notify the Counter-Guarantor of each assignment. TNC may also grant participations in respect of Outstanding Balance at any time.

**ARTICLE 7.02. Modifications and Contractual Waivers.** Any modification or waiver of the provisions of this Contract shall be agreed upon in writing by the Parties.

**ARTICLE 7.03. Non-waiver of Rights.** Any delay or failure by TNC to exercise its rights pursuant to this Contract may not be construed as a waiver of such rights or as implied acceptance of events, actions, or circumstances that would have empowered it to exercise them.

**ARTICLE 7.04. Termination.** (a) The total and definitive settlement of the Guarantee Agreement, and the full payment to TNC of all Outstanding Balance, if any, as to the full payment of all obligations arising from it shall be deemed terminated upon full payment of the principal, interest, fees, premiums, and all other expenses, as well as all other expenses, costs and payments arising from this Contract, with the exception of those referred to in paragraph (b) of this Article.

(b) The obligations acquired by the Counter-Guarantor under this Contract and other obligations relating to the operational policies of TNC, shall remain in effect until such obligations are deemed fulfilled to the reasonable satisfaction of TNC.

**ARTICLE 7.05. Validity.** The rights and obligations established in this Contract are valid and enforceable in accordance with the terms agreed upon herein.

**ARTICLE 7.06. Disclosure of Information.** TNC may disclose this Contract and any information related thereto, in accordance with its access to information policy in effect at the time of such disclosure.

## SCHEDULE A

### Schedule of Payments under the TNC Counter-Guarantee Agreement

#### **Expected Schedule of Guarantee Fees**

Figures in USD, Payable in USD

Scheduled Payment Date	Guarantee Fees
9/20/2022	
3/20/2023	US\$ 223,151
9/20/2023	US\$ 226,849
3/20/2024	US\$ 224,384
9/20/2024	US\$ 226,849
3/20/2025	US\$ 223,151
9/20/2025	US\$ 226,849
3/20/2026	US\$ 223,151
9/20/2026	US\$ 198,498
3/20/2027	US\$ 167,373
9/20/2027	US\$ 141,797
3/20/2028	US\$ 112,213
9/20/2028	US\$ 85,095
3/20/2029	US\$ 55,819
9/20/2029	US\$ 28,393
3/20/2030	US\$ 41
9/20/2030	
3/20/2031	
9/20/2031	
3/20/2032	
9/20/2032	
3/20/2033	
9/20/2033	
3/20/2034	
9/20/2034	
3/20/2035	
9/20/2035	
3/20/2036	
9/20/2036	
3/20/2037	
9/20/2037	
<b>TOTAL</b>	<b>US\$ 2,363,612</b>

The schedule of payments above may be adjusted in case a Natural Disaster Event or Pandemic Event is triggered under the Blue Loan Agreement.

**Schedule of Conservation Advisory Payments**  
Figures in USD, Payable in USD

Payment Date	Conservation Advisory Payment
9/20/2022	
3/20/2023	US\$ 45,000
9/20/2023	US\$ 45,000
3/20/2024	US\$ 45,000
9/20/2024	US\$ 45,000
3/20/2025	US\$ 45,000
9/20/2025	US\$ 45,000
3/20/2026	US\$ 45,000
9/20/2026	US\$ 45,000
3/20/2027	US\$ 45,000
9/20/2027	US\$ 45,000
3/20/2028	US\$ 35,000
9/20/2028	US\$ 35,000
3/20/2029	US\$ 35,000
9/20/2029	US\$ 35,000
3/20/2030	US\$ 35,000
9/20/2030	US\$ 35,000
3/20/2031	US\$ 35,000
9/20/2031	US\$ 35,000
3/20/2032	US\$ 35,000
9/20/2032	US\$ 35,000
3/20/2033	US\$ 35,000
9/20/2033	US\$ 35,000
3/20/2034	US\$ 35,000
9/20/2034	US\$ 35,000
3/20/2035	US\$ 35,000
9/20/2035	US\$ 35,000
3/20/2036	US\$ 35,000
9/20/2036	US\$ 35,000
3/20/2037	US\$ 35,000
9/20/2037	US\$ 35,000
<b>TOTAL</b>	<b>US\$ 1,150,000</b>

# Abstract

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