

RESOLUTION NO.

PARLIAMENT

WHEREAS by section 2 of the *Special Loans Act*, Cap. 105 the Government is authorized from time to time to borrow from any bank, corporation, company or other institution sums of money not exceeding in the aggregate BDS \$1 500 000 000.00 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 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 thirty-nine million, five hundred thousand dollars (\$39 500 000.00) in the currency of the United States of America, from ING Bank N. V. a public limited liability company, established in Amsterdam, The Netherlands, for the purpose of financing of the acquisition of eleven vessels to be used by the Barbados Defence Force and the maintenance of such vessels;

AND WHEREAS the sum of \$39 500 000.00 in the currency of the United States of America is within the borrowing limit prescribed under section 2 of the said Act;

BE IT RESOLVED that Parliament approve the borrowing of the said sum of \$39 500 000.00 from ING Bank N.V. of Amsterdam, The Netherlands, for the purpose of financing the acquisition of eleven vessels to be used by the Barbados Defence Force and the maintenance of such vessels on the terms and conditions set out in the *Schedule* hereto.

APPROVED by the House of Assembly this day of ,
Two thousand and ten.

Speaker

APPROVED by the Senate this day of ,
Two thousand and ten.

President

SCHEDULE

TERMS AND CONDITIONS

The Government of Barbados has entered into a contract with ING Bank N.V. of Amsterdam, The Netherlands, for the supply of vessels to be used by the Barbados Defence Force. The terms and conditions of the loan are set out in the contract made between the Government of Barbados and ING Bank N.V. Amsterdam and dated the 10th August, 2007 hereinafter referred to as the "loan contract". A summary of the terms and conditions is set out hereunder:

Lender:	ING Bank N.V. with its registered office at Amselveenseweg 500, 1081 KL Amsterdam, The Kingdom of the Netherlands;
Borrower:	Government of Barbados;
Proposed Facility/Tenor:	Export Credit facility;
Loan Amount:	A maximum of US\$39,500,000.00 being 80% of the project amount plus related financing costs;
Purpose:	Purchase and maintenance of vessels to be used by the Barbados Defence Force;
Interest:	Interest is payable on each advance made to the Government of Barbados or on the entire loan amount. The rate is based on the "USD LIBOR" increased by a margin of 0.75% per annum and subject to the terms set out in Article 8 of the loan contract;

Interest is payable in respect of each interest period which has a duration of 6 months;

The first interest period shall commence on the date that the first advance is made and shall end on the date of expiry of that period. Successive interest periods shall commence on the date of the expiry of the immediately preceding interest period. Interest shall be calculated on the loan on the basis of the actual days that have elapsed and a 360-day year and shall accrue from day to day;

- Late payment of Interest:** Failure by the Government of Barbados to pay a sum that is due attracts a further payment of interest for the late payment calculated on a daily basis and a year of 360 days at a rate being the aggregate of the margin of 1 per cent per annum and LIBOR (in the currency of the United States America) in accordance with the terms set out in Article 9 of the loan contract;
- Repayment terms:** Repayment is to be made by the Government of Barbados in twenty (20) consecutive semi-annual instalments of \$1,975,000.00 in the currency of the United States of America, on the prescribed repayment dates. Full payment of amounts owing must be made and are to be applied in the manner stipulated in the loan contract;
- Utilization:** Irrevocable authorization from the Government of Barbados to the ING Bank N.V. to make advances during the availability period of the loan;
- Advances are to be made available on the 5th business day after all conditions precedent have been satisfied;
- Fees:** The Government of Barbados is required to pay a commitment fee of zero point three five per cent (0.35%) per annum calculated on the un-utilized loan amount, from the date of the loan contract until the Final Delivery Date (as defined in the contract) payable on each Interest Payment Date (as defined in the loan contract) in arrears;
- The commitment fee shall be calculated on the basis of actual days elapsed and on a year of three hundred and sixty (360) days.

ADDENDUM

This Resolution seeks the approval of Parliament to borrow the sum of US\$39 500 000.00, a sum which is within the limit authorized under the *Special Loans Act*, Cap. 105 from ING Bank N.V. for the purpose of purchasing and maintaining vessels to be used by the Barbados Defence Force.