

**RESOLUTION NO.**

**PARLIAMENT**

**WHEREAS** by virtue of section 17(1) of the *Transport Board Act*, Cap. 297, the Transport Board may, with the approval of the Minister, borrow amounts required by it for meeting any of the obligations or discharging any of the functions of the Board;

**AND WHEREAS** by virtue of section 17(2) of the Act the Government may by resolution of both Houses of Parliament guarantee in such manner and on such terms and conditions as it thinks fit, the repayment of any amount borrowed by the Board, together with the interest payable on the amount;

**AND WHEREAS** the Transport Board is desirous of borrowing the sum of thirty-five million Barbados dollars (BDS\$35 000 000) by way of a bond issue to be arranged by the Barbados National Bank Finance and Trust Corporation, on the terms and conditions set out in the *Schedule* to this Resolution for the purpose of financing the repayment of a short term bridge facility advanced by the Barbados National Bank Inc. to the Transport Board, the proceeds of which were utilized to finance the operating cost of the Transport Board;



## SCHEDULE

## TERMS AND CONDITIONS

Issuer:	Transport Board
Arranger:	BNB Finance and Trust Corporation.
Issue Amount:	BDS\$35.0M.
Facility:	Fixed Rate Bonds.
Purpose:	To repay the short-term bridge facility of the Transport Board to the Barbados National Bank Inc.
Interest Rate:	Fixed at 6.875% (0.25 per cent above the prevailing rate for Government of Barbados 10 year debentures).
Interest Payment Date:	30 June, September 2011, 31 December, 2011, 30 March, 2012, thereafter June, March and 30 September and 31 December.
Closing Date:	15 March, 2011.
Repayment:	Unless purchased or cancelled the Issuer will redeem the bonds by quarterly blended installments of principal and interest of \$1,217,189 commencing 30 June, 2011.  All bonds which are redeemed or purchased by or on behalf of the Issuer will be cancelled and may not be re-sold.  The Issuer shall have after the expiration of 5 years from the Closing Date, the option to repay without penalty, all or any part of the bonds on any Payment Date; provided that no pre-payment is less than \$4.0M.
Maturity Date:	31 March, 2021.

Paying Agent/Trustee/ Registrar:	BNB Finance and Trust Corporation.
Paying Agent and Registrar Fee:	BDS \$10 000 per annum, plus VAT, payable in advance.
Trustee Fee:	\$5,000 per annum.
Arrangers Fee:	0.45 percent of BDS \$35 million plus VAT.
Conditions Precedent:	<p>The arranging of the issue of the bonds is subject to the fulfilment of certain conditions precedent, including but not limited to the following:</p> <ul style="list-style-type: none"><li>(a) receipt by the Arranger of all necessary internal approvals;</li><li>(b) receipt by the Issuer of all necessary governmental and regulatory approvals;</li><li>(c) satisfactory completion in the opinion of the Arranger of a due diligence review;</li><li>(d) production of an information memorandum and any supplements for distribution to potential investors;</li><li>(e) execution of documentation to the satisfaction of the Arranger and to international standards usual in transactions of this nature (including, without limitation, legal opinions in form and substance satisfactory to the Arranger);</li><li>(f) absence of any material adverse change in the economic and financial condition, operations and ownership of the Issuer; the domestic or regional capital markets; the political, economic or financial conditions of Barbados which in the sole opinion of the Arranger would affect the successful placement of the bonds.</li></ul>

- Negative Pledge: So long as any bonds remain outstanding there shall not without the consent in writing of the Trustee
- (a) make any assignment for the benefit of its creditor; or
  - (b) do or cause or permit to be done anything which may in any way materially depreciate, jeopardise or otherwise prejudice the terms and conditions under the Security Documents.
- Security Documents: Trust Deed, Subscription Agreement, Paying Agency Agreement and the Guarantee.
- Cost and Expenses: Expenses will be for the Issuer's account and will be capped at \$10 000. These expenses include the following costs:
- (a) communication;
  - (b) design and printing certificates;
  - (c) stationery
- but do not include expenses related to the marketing of the issue to investors nor any costs associated with the Securities Exchange Commission of Barbados and other regulatory filings and stock exchange listings.

Events of Default: Customary events of default for a transaction of this nature including, but not limited to, failure to pay interest or principal when due, *force majeure*, cross default in respect of other indebtedness or obligations guaranteed by the Issuer.

Governing Law: Laws of Barbados.

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**ADDENDUM**

The Transport Board on the 14 day of March 2011 entered into an agreement with the Barbados National Bank Finance and Trust Corporation for a bond issue in the sum of thirty-five million Barbados dollars (BDS\$35 000 000).

The proceeds of the bond issue are to be used for financing the repayment of a short term bridge facility to the Barbados National Bank Inc.

In accordance with section 17(2) of the *Transport Board Act*, Cap. 297, the Government may by resolution of both Houses of Parliament guarantee the principal and interest necessary for the redemption of the issue of bonds by the Transport Board.

