

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR OWN INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

**UPDATED NOTICE OF MEETING
GOVERNMENT OF BARBADOS**

in respect of the

Government of Barbados Floating Rate U.S. Dollar Bonds 2009-2019 (the “Existing Instruments”) issued or contracted by the Government of Barbados (“Barbados”).

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Second Schedule (*Provisions for Meetings of Bondholders*) to the trust deed dated on or about 7 August 2009, relating to the Existing Instruments, between Barbados and Republic Bank (Barbados) Limited (formerly Barbados National Bank Inc.) as trustee (the “**Trustee**”) (the “**Trust Deed**”), Barbados has convened a meeting of the holders of the Existing Instrument (the “**Bondholders**”) to be held on 3 March 2020 at Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael, Barbados BB11093, at 12 p.m. (Barbados time) for the purpose of considering and, if thought fit, passing the resolution set out below which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed (the “**Meeting**”). If, within fifteen minutes from the time appointed for the Meeting, a quorum is not present, the Meeting shall stand adjourned to such day, time and place, being not less than 28 days nor more than 42 days, as may be appointed by the Chairman.

Unless the context otherwise requires, terms used in this notice and defined in the Trust Deed or consent solicitation statement circulated by Barbados relating, to the Existing Instruments dated on or about the date hereof as amended or supplemented from time to time (the “**Consent Solicitation Statement**”) are used herein as so defined.

This updated notice of meeting supersedes the previous notice of meeting in relation to the Existing Instruments published in the Barbados Advocate on 4 February 2020. The previous meeting due to be held on 26 February 2020 is now cancelled.

EXTRAORDINARY RESOLUTION

“THAT THIS MEETING (the “**Meeting**”) of the holders (the “**Bondholders**”) of the Government of Barbados Floating Rate U.S. Dollar Bonds 2009-2019 (the “**Existing Instruments**”) issued or contracted by Barbados HEREBY:

(1) assents to and sanctions the following amendments (the “**Proposed Amendments**”) to the trust deed dated on or about 7 August 2009 relating to the Existing Instruments (the “**Trust Deed**”) and to each Existing Instrument:

(a) Subclause 2.01 of clause 2.00 (*Covenant to repay and to pay Interest*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

2.01 The aggregate principal amount of the Original Bonds shall be Five Million, Two Hundred and Eighty-Three Thousand and Two Hundred and Eighty-Six US Dollars (US\$5,283,286) subscribed and paid for on the Issue Dates.

(b) Subclause 4.01 of clause 4.00 (*Principal amount of the Bonds*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

4.01 The principal amount of the Original Bonds shall be Five Million, Two Hundred and Eighty-Three Thousand and Two Hundred and Eighty-Six US Dollars (US\$5,283,286). The whole of the Bonds shall constitute obligations of the Government and shall rank pari passu equally and ratably without discrimination or preference among themselves.

(c) Recital A of the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

A. The aggregate amount of Five Million, Two Hundred and Eighty-Three Thousand and Two Hundred and Eighty-Six US Dollars (US\$5,283,286) floating rate Bonds 2009-2029 (the “**Bonds**”) of The Government of Barbados (the “**Government**”) are issued in one maturity 2029 for the US Dollar Bonds and are in registered transferable form without interest coupons attached.

(d) The definition of “**Interest Payment Date**” set out in subclause 1.01.02 of Condition 1.00 (*Definitions*) of the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

1.01.02 “**Interest Payment Date**” in respect of the Bonds means April 1, 2020 and October 1, 2020, and April 1 and October 1 respectively in each and every year thereafter. If an Interest Payment Date falls on a day which

is not a Business Day (as defined below) it shall be the next succeeding day which is a Business Day.

- (e) The definition of “Interest Period” set out in subclause 1.01.03 of Condition 1.00 (*Definitions*) of the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

1.01.03 “Interest Period” means in respect of the Bonds the period from October 1, 2019 to April 1, 2020 and then half-yearly thereafter until the Bonds are finally repaid

- (f) Subclause 6.01.01 of Condition 6.00 (*Interest*) of the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

The Bonds will bear interest from and including October 1, 2019. Interest in respect of each Bond will accrue from day to day and will cease to accrue from the due date for repayment thereof unless, upon due presentation of the relevant Certificate, payment of principal is improperly withheld or refused.

- (g) Subclause 6.03.01(b) of Condition 6.00 (*Interest*) of the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

(b) Interest on the US Dollar Bonds - a fixed rate of six and one-half percent (6.5%) per annum from October 1, 2019 until October 1, 2029.

- (h) Subclause 7.01 of Condition 7.00 (*Repayment Purchase and Cancellation*) of the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument shall be deleted and replaced with the following:

7.01 Unless purchased and cancelled, the Government will redeem the US Dollar Bonds by sixteen (16) semi-annual payments of principal commencing on April 1, 2022 and continuing thereafter on each Interest Payment Date until the Bonds are repaid in full.

- (i) A new Condition 18.00 shall be added to the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument as follows:

18.00 NATURAL DISASTER CLAUSE

- (a) Following the occurrence of any Caribbean Earthquake Event, Caribbean Tropical Cyclone Event or Covered Area Rainfall Event, as defined in the CCRIF Policy (an “**Event**”) that occurs prior to 1 October 2027, in respect of which a Policy Payment has been made to the Government, and subject to paragraph (d) below, the Government may elect to defer payment of the

Deferred Payment Amounts on a Deferral Date. Any such Deferred Payment Amount shall remain outstanding and shall continue to accrue interest in accordance with paragraph (c) below.

- (b) Beginning with the next Interest Payment Date following the relevant Deferral Period, each remaining principal amortisation of the Bonds will be increased by an amount equal to a pro rata portion of *principal* that is being deferred on the Deferral Date and a pro rata portion of interest capitalised in accordance with paragraph (c) below, in each case, taking into account the number of remaining principal amortisation payments of the Bonds.
- (c) The portion of a Deferred Payment Amount that is comprised of interest will be capitalised and added to principal as each such interest payment falls due under the terms of the Bonds after the relevant Deferral Date. As such interest is converted into principal, the principal amount of the Bonds shall be increased in the amount of such deferred interest.
- (d) The Government shall be entitled to defer the Deferred Payment Amount following the occurrence of an Event only if all of the following conditions are satisfied: (A) the CCRIF Policy is in full force and effect and CCRIF has issued a written report confirming that the Event is an Insured Event in respect of which a Policy Payment has been made to the Government; (B) since the Issue Date, neither of the Coverage Limit or the Exhaustion Point applicable to earthquakes, tropical cyclone or excess rainfall has been reduced, unless it has been reduced by CCRIF and CCRIF has declined a request submitted by the Government to CCRIF to maintain such Coverage Limit or Exhaustion Point, as the case may be; and (C) the Policy Payment to the Government resulting from the Event is greater than US\$5 million in the case of a Caribbean Earthquake Event or Covered Area Rainfall Event or US\$7.5 million in the case of a Caribbean Tropical Cyclone Event.
- (e) Upon electing to defer the Deferred Payment Amount, the Government shall at its own expense provide notice thereof (a “**Deferral Claim**”) to the Holders in accordance with Condition 12, describing in reasonable detail the particulars of the Event giving rise to the right to make such Deferral Claim. The Government shall be entitled to make no more than three Deferral Claims for the Bonds.
- (g) For purposes of this Condition: “**Caribbean Earthquake Event**”, “**Caribbean Tropical Cyclone Event**”, “**Covered Area Rainfall Event**”, “**Coverage Limit**”, “**Exhaustion Point**”, “**Insured Event**”, “**Policy Payment**” and “**Rainfall Index Loss**” have the meanings given to such terms in the CCRIF Policy.

“**CCRIF**” means CCRIF SPC (formerly, the Caribbean Catastrophe Risk Insurance Facility), or any successor thereof, with whom the Government has entered into the CCRIF Policy.

“**CCRIF Policy**” means the Parametric Insurance Contract dated 1 June 2018 which the Government has entered into with CCRIF to insure against risks of earthquake, tropical cyclone and excess rainfall, including any documents incorporated by reference therein and any attachments, annexes, appendices or supplements thereto (including but not limited to the applicable coverage summary and associated loss curve data spreadsheet), as such CCRIF Policy may be amended or supplemented from time to time.

“**Deferral Claim**”, in respect of an Event, has the meaning given to such term in paragraph (e) of this Condition.

“**Deferral Date**” means the Interest Payment Date following submission of a Deferral Claim.

“**Deferred Payment Amount**” means all principal amortisations and interest payments falling due on the Bonds for the consecutive two-year period immediately following the Deferral Date.

“**Deferral Period**” means the consecutive two-year period immediately following a Deferral Date.

“**Return Period (years)**” means the return period applicable to the Event as such term is used in the model and formulae detailed in the CCRIF Policy.

- (j) A new Condition 19.00 shall be added to the First Schedule Part B (*Terms and Conditions of the Bonds*) of the Trust Deed and each Existing Instrument as follows:

19.00 CONFLICT OR INCONSISTENCY

In the event of any conflict or inconsistency between the Trust Deed and these Conditions (as amended), the terms of these Conditions (as amended) shall prevail.

- (2) sanctions every abrogation, modification, compromise or arrangement in respect of the rights of Bondholders appertaining to the Existing Instruments involving, resulting from or affected by this Extraordinary Resolution, whether or not such rights arise under the terms and conditions of the Existing Instruments;
- (3) assents to and sanctions (a) the reduction of the outstanding principal amount of the Existing Instruments by 25 per cent to US\$4,825,837 and the reduction of accrued and unpaid interest on the Existing Instruments by 35 per cent from US\$703,768 to US\$457,449; and (b) the capitalization of the remaining 65% of accrued but unpaid interest such that it is included in the outstanding principal amount of the Existing Instruments as

of 1 October 2019; such that, the total outstanding principal amount (including 65% of accrued but unpaid interest as of 1 October 2019) will be US\$5,283,286 and the amount of any accrued but unpaid interest, any default interest and any past due interest prior to 1 October 2019 shall be US\$0.00;

- (4) assents to and sanctions the reduction of the denomination of each Existing Instrument from US\$10,000.00 to US\$8,210.94 such that all references to each Existing Instrument's denomination amount in the Trust Deed and each Existing Instrument shall be deleted and replaced with US\$8,210.94;
- (5) irrevocably and unconditionally waives any existing, past or continuing defaults or Events of Default (as defined in the Trust Deed) and their consequences pursuant to the Trust Deed with respect to the Existing Instruments;
- (6) authorises, directs, requests and empowers the trustee to concur in the foregoing amendments and waivers and to concur in, and to execute and do, all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this resolution and to implement the foregoing amendments and waivers including executing an amended or supplemented Trust Deed; and
- (7) releases, discharges and exonerates the trustee from any liability in respect of anything done or omitted to be done and any liability it may now have or may in the future have under the Trust Deed, the Proposed Amendments or the Existing Instruments in respect of any act or omission in connection with the foregoing amendments and waivers, their implementation or this resolution.”

Subject to the Extraordinary Resolution having been duly passed and the conditions set out therein being met, the Extraordinary Resolution will become effective on the Closing Date which is expected to be 3 March 2020.

Background

Barbados is inviting holders of Existing Instruments to consent to the amendments and waivers in the Extraordinary Resolution above (the “**Consent Solicitation**”), all as more fully described in the Consent Solicitation Statement, a copy of which is available as indicated below.

Documents Available for Inspection

As soon as practicable hereafter, Bondholders may inspect copies of the documents set out below (which will also be available at the Meeting) at the Ministry of Finance, Economic Affairs and Investment:

- (i) the Trust Deed;
- (ii) this Notice of Meeting;
- (iii) the draft supplemental trust deed; and

(iv) the Consent Solicitation Statement.

General

The attention of Bondholders is particularly drawn to the quorum required for the Meeting which is set out in “—*Voting and Quorum and Other Matters*” below. Having regard to such requirements, Bondholders are strongly urged to take steps to be represented at the Meeting as soon as possible.

Bondholders may vote in relation to the Extraordinary Resolution at the Meeting (or any adjourned Meeting) by complying with the procedures set out below.

Appointment of Proxy Pursuant to the Consent Solicitation

Bondholders who wish to participate in the Consent Solicitation may appoint Barbados or Barbados’ agent as their proxy with respect to all such Existing Instruments tendered thereby to attend the Meeting (or any adjourned Meeting) and vote in favour of the Extraordinary Resolution by returning a duly executed Form of Consent to the Ministry of Finance, Economic Affairs and Investment prior to 5:00 p.m. (Barbados time) on 2 March 2020 (the “**Expiration Date**”).

Bondholders must take the relevant steps to submit Forms of Consent as described in the Consent Solicitation Statement.

Bondholders may also appoint proxies by executing and delivering a form of proxy to the Specified Office of the Registrar (each as defined in the Trust Deed) not later than forty-eight (48) hours before the time fixed for the Meeting or, in the case of corporations, may appoint representatives by resolution of their directors or governing bodies.

Voting and Quorum and Other Matters

In accordance with the terms and conditions of the Existing Instruments, two or more persons present holding the Existing Instruments or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the principal amount of the Existing Instruments for the time being outstanding shall constitute a quorum for considering the proposed Extraordinary Resolution. If, within fifteen minutes from the time appointed for the Meeting, a quorum is not present, the Meeting shall stand adjourned to such day, time and place, being not less than 28 days nor more than 42 days, as may be appointed by the Chairman, and at such adjourned meeting two or more persons present holding the Existing Instruments or being proxies or representatives and holding or representing in the aggregate not less than one-third of the principal amount of the Existing Instruments for the time being outstanding shall constitute a quorum and have power to pass the Extraordinary Resolution and to decide upon all matters which, had there been a quorum, could properly have been dealt with at the Meeting. No business may be transacted in the absence of a quorum unless the requisite quorum be present at the commencement of business.

Pursuant to the terms and conditions of the Existing Instruments, at a Meeting (or any adjourned meeting) of holders of the Existing Instruments where a quorum is present as described above, the

proposed Extraordinary Resolution will be effectively passed if passed by the majority consisting of not less than three-quarters of the votes cast thereon.

The Extraordinary Resolution will only become effective if the conditions for the effectiveness of the Extraordinary Resolution have been met. If the Extraordinary Resolution is passed at the Meeting (or any adjourned meeting), it will be binding on all holders of the Existing Instruments, whether or not they are present at the Meeting and whether or not they otherwise consented to the adoption of the Extraordinary Resolution.

Further Information

Any questions relating to the completion and submission of Forms of Consent or other matters relating to the Consent Solicitation or the voting process should be addressed to:

Mrs Octavia Forde

Deputy Permanent Secretary – Ministry of Finance, Economic Affairs and Investment

Telephone: (246) 535-5376

Email: BarbadosLoans@gob.bb.