

**BELIZE:**

**ELECTRICITY ACQUISITION (SETTLEMENT) ACT, 2015**

**ARRANGEMENT OF SECTIONS**

1. Short title.
2. Interpretation.
3. Validation of Government's authority.
4. Put option payable from Consolidated Fund.
5. Exemptions conferred.
6. Extent of exemptions.
7. Commencement.

**FIRST SCHEDULE**

**SECOND SCHEDULE**



**No. 12 of 2015**

**I assent,**

**(SIR COLVILLE N. YOUNG)**

*Governor-General*

4<sup>th</sup> September, 2015.

**AN ACT to facilitate the implementation of the terms of a deed of settlement and compromise between the Government and the Fortis Companies arising from the acquisition by the Government, in the public interest, of shares in Belize Electricity Limited held by the Fortis Companies, and to provide for matters connected therewith or incidental thereto.**

*(Gazetted 5<sup>th</sup> September, 2015.)*

***BE IT ENACTED, by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:***

**1. This Act may be cited as the**

**Short title.**

**ELECTRICITY ACQUISITION (SETTLEMENT)**  
**ACT, 2015.**

**Interpretation.**

2. In this Act, unless the context otherwise requires –

“BECOL” means Belize Electricity Company Limited;

“BEL” means Belize Electricity Limited;

“Deed of Assurance” means the Deed of Confirmation and Assurance entered into between the Government, Fortis, and BECOL in the form agreed between them in accordance with the Deed of Settlement, giving Fortis and BECOL assurances in respect of the ownership of BECOL and of the rights of BECOL to carry on its business in the ordinary course;

“Deed of Settlement” means the Deed of Settlement and Compromise made the 28th day of August 2015 between the Government and the Fortis Companies, the terms of which are reproduced in the Second Schedule, and as may be amended from time to time;

“Fortis” means Fortis Inc.;

“Fortis Companies” means Fortis Cayman Inc., Maritime Electric Cayman Inc., Newfoundland Energy Cayman Inc., and Fortis Energy International (Belize) Inc.;

“the Fortis Shareholder” means Fortis Cayman Inc. or its successors and any transferee of the Shares;

“Put Option” means the option granted by the Government to the Fortis Shareholder and any transferee of the Shares to require the Government to purchase all of the shares in BEL then held by it (“the **Fortis Shares**”) at the Put Option Price and on the terms and subject to the conditions set out in Clause 5 of the Deed of Settlement;

“Shareholders Agreement” means the Shareholders Agreement entered into between the Government and the

Fortis Shareholder, in the form agreed between them in accordance with the Deed of Settlement setting out certain rights and obligations of the Government and the Fortis Shareholder as shareholders of BEL, and any amendment or modification thereto;

“Shares” means 22,984,662 ordinary shares in BEL, representing 33.3 % of the issued and outstanding ordinary shares in the capital of BEL; and

“Transaction Documents” means the Deed of Settlement, the Deed of Assurance and the Shareholders Agreement, and as may be amended from time to time.

3. For greater certainty, it is hereby declared that the Government –

Validation of  
Government’s  
authority.

- (a) has with full lawful authority entered into the Deed of Settlement; and
- (b) is lawfully authorized to carry out its obligations as provided under the Transaction Documents.

4. All amounts which may become payable by the Government if the Fortis Shareholder (or its transferee) exercises the Put Option contained in the Deed of Settlement shall be paid by the Financial Secretary and shall be a charge on the Consolidated Revenue Fund of Belize and shall be paid within the times as provided for in the said Put Option.

Put Option  
payable from  
Consolidated  
Fund.

5. Notwithstanding anything to the contrary contained in the Income and Business Tax Act, the Exchange Control Regulations Act and Regulations made thereunder, the Stamp Duties Act or any other law, rule, regulation, order or instrument whatsoever, the exemptions from taxes, duties, fees and imposts and exchange control requirements set out in the First Schedule hereto shall vest in the Fortis

Exemptions  
conferred.

Companies and shall have effect in Belize commencing from the date of the Deed of Settlement and continuing for so long as the Fortis Shareholder (or its transferee) remains a shareholder in BEL.

**Extent of  
exemptions.**

**6.** The exemptions granted by section 5 shall apply only to such activities of the Fortis Companies and any transferee of the Shares as relate directly to the terms of the Deed of Settlement or their ownership of the Shares.

**Commencement.**

**7.** This Act shall be deemed to have come into operation on the 28<sup>th</sup> day of August, 2015.

**FIRST SCHEDULE****[Section 3]****EXTENT OF EXEMPTIONS**

1. The Fortis Companies (and any transferee of the Shares) shall be exempt from all taxes imposed on dividends and distributions paid:

- (a) by BEL to the Fortis Shareholder (or its transferee);
- (b) by the Fortis Shareholder (or its transferee) to its parent company or its shareholders, from time to time; and
- (c) in respect of any payment received pursuant to the Tag-Along provision set out at Clause 9 of the Shareholders Agreement

that would, but for this provision, be payable to the Government (including exemption from withholding of tax as required by section 22 of the Income and Business Tax Act, as amended from time to time).

2. The Fortis Companies (and any transferee of the Shares) shall be exempt from the provisions of the Exchange Control Regulations Act and Regulations made thereunder from time to time that would, but for this provision, apply in respect of the transfer of the Shares by the Government to the Fortis Shareholder and to future dividends and distributions paid –

- (a) by BEL to the Fortis Shareholder (or its transferee);
- (b) by the Fortis Shareholder (or its transferee) to its shareholders;
- (c) in respect of any payment received pursuant to the Tag-Along provision set out at Clause 9 of the Shareholders Agreement; and

- (d) on consideration paid by the Government to the Fortis Shareholder (or its transferee) in the event that the Fortis Shareholder (or its transferee) exercises the Put Option.

3. The Fortis Companies (and any transferee of the Shares) shall be exempt from any stamp duty that would, but for this provision, be payable on -

- (a) the transfer of the Shares to the Fortis Shareholder; and
- (b) foreign exchange permits on the purchase of foreign exchange by the Fortis Shareholder (or its transferee) in respect of all future dividends and distributions paid by BEL to the Fortis Shareholder (or its transferee) and in respect of any payment received pursuant to the Tag-Along provision set out at Clause 9 of the Shareholders Agreement.

4. The Fortis Companies (and any transferee of the Shares) shall be exempt from any and all taxes, duties, charges, fees and imposts that, but for this provision, would be payable by the Fortis Shareholder (or its transferee) on consideration received by the Fortis Shareholder (or its transferee) from the Government in the event that the Fortis Shareholder (or its transferee) exercises its option pursuant to the terms of the Put Option.

SECOND SCHEDULE

[SECTION 2]

DEED OF SETTLEMENT AND COMPROMISE



**BELIZE:**

**SECOND SCHEDULE**

**[SECTION 2]**

**DEED OF SETTLEMENT AND COMPROMISE**

**28 AUGUST 2015**

**THE GOVERNMENT OF BELIZE**

**FORTIS CAYMAN INC.**

**MARITIME ELECTRIC CAYMAN INC.**

**NEWFOUNDLAND ENERGY CAYMAN INC.**

**and**

**FORTIS ENERGY INTERNATIONAL (BELIZE) INC.**

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THIS DEED OF SETTLEMENT AND COMPROMISE is made the 28th day of August 2015

**BETWEEN:**

- (1) **THE GOVERNMENT OF BELIZE** of Sir Edney Cain Building, Belmopan, Cayo District (“the **Government**”) of the first part;
- (2) **FORTIS CAYMAN INC.** a company duly incorporated under the Laws of The Cayman Islands, having its registered office at Cricket Square, Hutchins Drive, Grand Cayman, Cayman Islands (“the **Fortis Shareholder**”) of the second part;
- (3) **MARITIME ELECTRIC CAYMAN INC.** a company duly incorporated under the Laws of The Cayman Islands, having its registered office at Cricket Square, Hutchins Drive, Grand Cayman, Cayman Islands of the third part;
- (4) **NEWFOUNDLAND ENERGY CAYMAN INC.** a company duly incorporated under the Laws of The Cayman Islands, having its registered office at Cricket Square, Hutchins Drive, Grand Cayman, Cayman Islands of the fourth part; and
- (5) **FORTIS ENERGY INTERNATIONAL (BELIZE) INC.** a company duly incorporated under the Laws of Belize, having its registered office at 15 A Street, Belize City, Belize of the fifth part (the second, third, fourth and fifth part each a “**Fortis Company**” and collectively “the **Fortis Companies**”),

together the “**Parties**”, and each a “**Party**”.

**WHEREAS:**

- (A) In 1999, Fortis Inc. (“**Fortis**”) acting through the Fortis Companies purchased a majority shareholding stake in Belize Electricity Limited (“**BEL**” or the “**Company**”) on the basis of certain assurances given by the Government, including those contained in two share purchase agreements dated 28 October 1999;
- (B) By 2011, the Fortis Companies held 70.2% of the issued and outstanding shares in BEL;
- (C) On 20 June 2011, the Government expropriated all of the shares held by the Fortis Companies in BEL (being 70.2% of the issued and outstanding shares) pursuant to the Electricity (Amendment) Act, 2011 and the issuance by the Minister responsible for electricity of The Electricity (Assumption of Control over Belize Electricity Limited) Order, 2011 being Statutory Instrument No. 67 of 2011;
- (D) On 25 October 2011, the Belize Constitution (Eighth Amendment) Act 2011 (“the **Eighth Amendment**”) was enacted which sought to entrench the nationalization of BEL and provide for Government majority ownership and control of BEL;
- (E) Fortis Energy International (Belize) Inc. challenged the legality of the expropriation of its shares before the Belize Courts and its appeal is pending before the Caribbean Court of Justice (“the

CCJ”) (BZCV2014/007 *Fortis Energy International (Belize) Inc. v The Attorney General of Belize & The Minister of Public Utilities*), with the parties currently awaiting a decision (“the **CCJ Appeal**”);

- (F) The Fortis Companies have also submitted a without prejudice claim for compensation under the Electricity (Amendment) Act, 2011 but no compensation has been paid to date (“the **Compensation Claim**”);
- (G) Fortis Cayman Inc., Maritime Electric Cayman Inc., and Newfoundland Energy Cayman Inc. have notified the Government that they have a claim under the UK-Belize Bilateral Investment Treaty, although they have not yet commenced this claim (“the **Arbitration Claim**”); and
- (H) The Government and Fortis have agreed to settle and compromise the CCJ Appeal, the Compensation Claim and the Arbitration Claim (collectively, “the **Claims**”) in consideration of the terms and covenants and releases hereinafter set out.

**NOW THIS DEED** witnesseth as follows:

## 1. DEFINITIONS AND INTERPRETATION

- 1.1 Section headings are for convenience and are not to be considered in construing or interpreting this Deed. References to statutes include any amendment, re-enactment or extension of them. References to “Sections”, “Clauses”, “Sub-clauses” and “Schedules” are references to Sections, Clauses, Sub-clauses of and attachments to this Deed. The Schedules to this Deed are an integral part of this Deed and references to this Deed include references to the Schedules. Headings are for ease of reference only and are not to be taken into account in construing this Deed.
- 1.2 Save where otherwise defined in this Deed and the Schedules to it, the following words and expressions have the following meanings:

“**Act**” means the Companies Act Chapter 250 of the Laws of Belize, Revised Edition 2003, as amended;

“**Agreed Form**” means, in relation to a document, the form of that document which has been initialled by or on behalf of the Parties on the date of this Deed, together with such amendments as may be agreed by the Parties from time to time thereafter;

“**Arbitration Claim**” has the meaning set forth in the recitals to this Deed;

“**BECOL**” means Belize Electricity Company Limited;

“**BEL**” or the “**Company**” means Belize Electricity Limited;

“**Book Value**” means an amount in Belize Dollars for each Fortis Share equal to the aggregate of the ordinary share capital, additional paid-in capital and retained earnings of the Company, divided by the number of issued and outstanding ordinary shares of the Company, in each case as showing in the last annual audited financial statements of the Company available as at the date on which the Fortis Shareholder or its transferee served notice of exercise of the Put Option (and in respect of the number of outstanding ordinary shares of the Company, excluding any additional ordinary shares in issue following any of the events set out in clause 5.3(b)(iv)). By

way of illustration only, the Book Value calculated by reference to the Company's audited financial statements dated December 31, 2014 is BZ\$4.84, being BZ\$138,046,000 of ordinary share capital, plus BZ\$5,741,000 of additional paid-in capital and BZ\$189,990,000 of retained earnings, divided by 69,023,009 ordinary shares;

**"BSSB"** means the Belize Social Security Board;

**"CCJ"** has the meaning set forth in the recitals to this Deed;

**"CCJ Appeal"** has the meaning set forth in the recitals to this Deed;

**"Closing Obligation"** has the meaning given to it at Clause 2.1;

**"Claims"** has the meaning set forth in the recitals to this Deed;

**"Compensation Claim"** has the meaning set forth in the recitals to this Deed;

**"Constitutional Documents"** means the memorandum and articles of association of BEL in existence at the date of this Deed and as subsequently amended from time to time;

**"Deed"** means this Deed of Settlement and Compromise;

**"Deed of Assurance"** refers to the Deed of Confirmation and Assurance to be entered into between the Government, Fortis and BECOL in the Agreed Form, giving Fortis and BECOL assurances in respect of Fortis' ownership in BECOL and of the rights of BECOL to carry on its business in the ordinary course;

**"EGM"** means an extraordinary general meeting of the shareholders of BEL;

**"Fortis"** has the meaning set forth in the recitals to this Deed;

**"Fortis Companies"** has the meaning set forth in the recitals to this Deed;

**"Fortis Completion Documents"** has the meaning given to it at Clause 5.4;

**"Fortis Group"** means Fortis and its subsidiaries and subsidiary undertakings;

**"Fortis Shares"** has the meaning given to it at Clause 5.1;

**"Fortis Shareholder"** has the meaning set forth in the recitals to this Deed;

**"Government"** has the meaning set forth in the recitals to this Deed;

**"Opinion"** has the meaning given to it at Clause 2.1(b)(vi);

**"Legislation"** has the meaning given to it at Clause 2.1(a)(ii);

**"Long Stop Date"** shall mean 31 October 2015 or such other date as the Parties may mutually agree;

“**Put Notice**” has the meaning given to it at Clause 5.3;

“**Put Option**” has the meaning given to it at Clause 5.1;

“**Put Option Price**” has the meaning given to it at Clause 5.2;

“**Shares**” means 22,984,662 ordinary shares in BEL, representing 33.3% of the issued and outstanding ordinary shares in the capital of BEL;

“**Shareholders Agreement**” refers to the shareholders agreement, in the Agreed Form, to be initially entered into by the Government and the Fortis Shareholder, and to subsequently be adhered to by BSSB, setting out certain rights and obligations of the Government, BSSB and Fortis Shareholder as shareholders of BEL; and

“**Transaction Documents**” means this Deed, the Deed of Assurance and the Shareholders Agreement.

## 2. **CONSIDERATION**

2.1 In consideration of the full and final settlement, release and compromise by the Fortis Companies of the Claims as provided for in Clause 3 of this Deed, the Government hereby grants the Put Option and agrees to perform the obligations at Sub-clause 2.1(a) and 2.1(b) below (each, a “**Closing Obligation**” and, collectively, “the **Closing Obligations**”).

(a) The Government shall, as soon as reasonably practicable following the date of this Deed and in any event no later than 7 September 2015, pass legislation and/or take such executive action as may be required by law to:

(i) authorise the Government to:

(A) enter into this Deed;

(B) to make the payment to Fortis Cayman Inc. pursuant to Sub-clause 2.1(b)(i);

(C) enter into the Put Option entered into between the Government and the Fortis Shareholder as a part of this Deed; and

(D) pay to the Fortis Shareholder (or its transferee), if it becomes obligated to do so following exercise of the Put Option, the consideration for the Fortis Shares.

(ii) confer on the Fortis Companies:

(A) full exemption from stamp duty (if any) payable on the transfer of the Shares to the Fortis Shareholder;

(B) full exemption from the payment of stamp duty payable on foreign exchange permits on the purchase of foreign exchange by the Fortis



Shareholder (or its transferee) in respect of all future dividends and distributions paid by BEL to the Fortis Shareholder (or its transferee) and in respect of any payment received pursuant to the Tag-Along provisions set out at clause 9 of the Shareholders Agreement;

- (C) full exemption from all taxes payable on all dividends and distributions paid: (i) by BEL to the Fortis Shareholder (or its transferee); and (ii) by the Fortis Shareholder (or its transferee) to its parent company or its shareholders, from time to time (including exemption from withholding of tax as required by section 22 of the Income and Business Tax Act as amended from time to time) and in respect of any payment received pursuant to the Tag-Along provisions set out at clause 9 of the Shareholders Agreement;
- (D) full exemption from the provisions of the Exchange Control Regulations Act and Regulations made thereunder from time to time in respect of the transfer of the Shares by the Government to the Fortis Shareholder and future dividends and distributions paid: (i) by BEL to the Fortis Shareholder (or its transferee); (ii) by the Fortis Shareholder (or its transferee) to its parent company or its shareholders; and (iii) on consideration paid by the Government to the Fortis Shareholder in the event that the Fortis Shareholder (or its transferee) exercises the Put Option and in respect of any payment received pursuant to the Tag-Along provisions set out at clause 9 of the Shareholders Agreement; and
- (E) full exemption from any and all taxes, duties, charges, fees and imposts (if any) payable by the Fortis Shareholder (or its transferee) on consideration received by the Fortis Shareholder (or its transferee) from the Government in the event that the Fortis Shareholder (or its transferee) exercises its option pursuant to the terms of the Put Option or exercises and in respect of any payment received pursuant to the Tag-Along provisions set out at clause 9 of the Shareholders Agreement,

(collectively, “the **Legislation**”).

(b) The Government shall, on the business day following the Legislation being enacted:

- (i) pay Thirty Five Million dollars in the currency of the United States of America (US\$35,000,000.00) in immediately available funds to Fortis Cayman Inc. by wire transfer into a bank account at a bank that carries on business outside of Belize, which shall be notified to the Government by Fortis Cayman Inc. in accordance with the notification provisions in Clause 12 of this Deed;
- (ii) transfer the Shares to the Fortis Shareholder and: (i) take (and procure that BEL take or procure to be taken) such corporate actions as are required by the Act and the Constitutional Documents or otherwise to have the Fortis Shareholder entered on the register of members of BEL as the holder of the Shares; and (ii) procure that BEL issue a share certificate to the Fortis Shareholder in respect of the Shares;

- (iii) execute and deliver the Shareholders Agreement;
- (iv) execute and deliver the Deed of Assurance;
- (v) take and shall procure that BEL take or procure to be taken such corporate action as may be required to appoint three (3) nominees of the Fortis Shareholder to the Board of Directors of BEL; and
- (vi) procure that the Attorney General issue an opinion to the Fortis Companies, entitling the Fortis Companies to rely upon such opinion, confirming that:
  - (A) the Transaction Documents and the obligations therein (including the Put Option entered into between the Government and the Fortis Shareholder as a part of this Deed), are valid, binding and enforceable obligations of the Government; and
  - (B) the transfer of the Shares to the Fortis Shareholder and the Shareholders Agreement: (A) will not result in the Government shareholding being less than fifty one percent (51%) of the issued and outstanding share capital of BEL; and (B) do not create any veto power or special rights in favour of the Fortis Companies which would inhibit the Government from administering the affairs of BEL freely and without restriction (as contemplated by the Eighth Amendment);

(together, “the **Opinion**”).

- 2.2 If all the Closing Obligations are not satisfied on or before the dates specified in Sub-clauses 2.1(a) and 2.1(b) above, except for this Sub-clause, Clauses 1, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21 and 22 all the provisions of this Deed shall lapse and cease to have effect.
- 2.3 In further consideration of the full and final settlement, release and compromise by the Fortis Companies of the Claims as provided for in Clause 3 of this Deed, the Government agrees to use its best endeavours to procure with all dispatch that BSSB shall become a party to the Shareholders Agreement by executing the deed of adherence in the form set out in Schedule 2 of the Shareholders Agreement.
- 2.4 The Fortis Companies may, together, waive any one of the Closing Obligations (either in whole or in part) at any time by giving notice in writing to the Government.

### **3. SETTLEMENT RELEASE AND COMPROMISE**

Upon performance by the Government of the Closing Obligations and the obligations stated at Clause 6, the Fortis Companies shall release and discharge the Government from the Claims and from all actions, proceedings, claims, costs, expenses and demands whatsoever related to or arising out of the expropriation of the shareholding of the Fortis Companies in BEL (being 70.2% of the issued and outstanding shares of BEL) pursuant to the Electricity (Amendment) Act, 2011 and The Electricity (Assumption of Control over Belize Electricity Limited) Order, 2011 being Statutory Instrument No. 67 of 2011. Such release and discharge shall be effective



upon performance by the Government of all the Closing Obligations and the obligations stated at Clause 6.

#### **4. COVENANTS**

- 4.1 The Fortis Companies hereby covenant with the Government that, following performance by the Government of its Closing Obligation at Sub-clause 2.1(b)(iv), they will procure that Fortis and BECOL shall enter into the Deed of Assurance.
- 4.2 The Fortis Shareholder hereby covenants with the Government that, subject to the performance by the Government of:
- (a) its Closing Obligation contained at Sub-Clause 2.1(b)(ii), it shall accept the transfer of the Shares; and
  - (b) its Closing Obligation contained at Sub-Clause 2.1(b)(iii), it shall enter into the Shareholders Agreement.
- 4.3 The Government hereby acknowledges that by law, the Public Utilities Commission, or such other regulatory body as may appropriate, is obliged to afford the Company a reasonable rate of return on investment when operating in a manner compatible with international standards of an efficiently operated power system of similar characteristics to that of Belize.
- 4.4 The Government hereby covenants with the Fortis Shareholder that it shall procure that neither BEL nor BSSB shall, and shall not take any steps to, convert to ordinary shares any of the outstanding preference shares of the Company.

#### **5. PUT OPTION**

##### **5.1 Grant of the Put Option**

- (a) the Government hereby grants to the Fortis Shareholder and any transferee of the Shares an option to require the Government to purchase all of the shares in BEL then held by it (“the **Fortis Shares**”) at the Put Option Price and on the terms and subject to the conditions set out in this Clause 5 (“the **Put Option**”); and
- (b) the exercise of the Put Option shall oblige the Fortis Shareholder or its transferee to sell and the Government to purchase the Fortis Shares.

##### **5.2 The Put Option Price**

The price payable by the Government for the Fortis Shares (“the **Put Option Price**”) following the exercise of a Put Option by the Fortis Shareholder or its transferee shall be the United States dollar equivalent amount of the Book Value of the Fortis Shares.

##### **5.3 Exercise of the Put Option**

- (a) The Fortis Shareholder (or its transferee) may exercise its Put Option by serving written notice on the Government (“the **Put Notice**”).

- (b) The Put Notice may only be served on or after the fourth anniversary of this Deed, except on the occurrence of one of the events listed below, in which case the Put Notice may be served by the Fortis Shareholder (or its transferee) at any time following:
- (i) the enactment of any legislation, regulations, decrees or other actions or inactions by any government or government related body, entity, authority or regulator in Belize that targets directly or indirectly the Company or the Fortis Shareholder or its transferee and/or has a material adverse effect on the Company or the Fortis Shareholder or its transferee's shareholding in the Company;
  - (ii) the Government does not perform its obligations under Clause 6 by the Long Stop Date;
  - (iii) BSSB does not become a party to the Shareholders Agreement in accordance with sub-clause 2.3 by the Long Stop Date;
  - (iv) the creation, issuance, purchase, redemption, conversion (including the conversion of the issued and outstanding preference shares held by BSSB) or other reorganization of any of the share capital of the Company without the consent of the Fortis Shareholder, other than the redemption of the preference shares held by BSSB no later than 31 December 2015;
  - (v) this Deed or any part of it is found by a court or tribunal of competent jurisdiction to be void or in violation of applicable law in Belize;
  - (vi) a breach by the Government of the Deed of Assurance or the Shareholders Agreement;
  - (vii) any event occurs that has a material adverse effect on the reputation of the Company or its shareholders (which is not attributable to the Fortis Companies); or
  - (viii) any action or inaction of the Government, including any government related body, entity, authority or regulator which would result in the Company having rates which would not recover the reasonable costs to serve customers, or delivering a fair and reasonable market-based return on capital comparable to other utilities operating in North America.
- (c) Any delay in exercising or non-exercise of any right granted to the Fortis Shareholder under this Clause 5 shall not constitute a waiver of that right or a bar to the future exercise of any such right by the Fortis Shareholder.

#### **5.4 Put Option Completion**

- (a) Completion of the sale and purchase of the Fortis Shares following the serving of a Put Notice shall take place on a date and at such location proposed by the Government and acceptable to the Fortis Shareholder (or its transferee), provided such date is within 24 months after (and not including) the date of the Put Notice and if no such date is proposed or accepted, completion of the sale and purchase of the Fortis Shares shall take

place on the date which is 24 months after (and not including) the date of the Put Notice at the registered office of the Company. The Fortis Shareholder (or its transferee) shall, on receipt of payment of the Put Option Price in accordance with Sub-clause 5.4(b) below, procure the delivery to the Government of a duly executed transfer or transfers in respect of the Fortis Shares in favour of the Government, together with share certificate(s) in respect of the Fortis Shares (or an indemnity in the customary form in the event of any of them being missing) (“the **Fortis Completion Documents**”);

- (b) The Government shall pay in full the Put Option Price, free of all taxes, duties, fees, imposts and deductions, in immediately available funds to (or at the direction of) the Fortis Shareholder (or its transferee) in United States Dollars, by wire transfer into a bank account at a bank that carries on business outside of Belize, which shall be notified to the Government by the Fortis Shareholder or its transferee in accordance with the notification provisions in Clause 12 of this Deed;
- (c) Until such time as the Fortis Shares are transferred to the Government and payment of the Put Option Price is made to the Fortis Shareholder or its transferee and for so long as the Fortis Shareholder or its transferee is the registered holder of the Fortis Shares, it shall be entitled to exercise all voting and other rights attached to the Fortis Shares and shall be entitled to receive and retain all dividends and other distributions payable in respect of the period of its ownership of the Fortis Shares (whenever paid); and
- (d) If the Fortis Shareholder transfers all of the Shares at any time, each of the other Parties hereby agrees and undertakes that the Fortis Shareholder may assign its rights and obligations to the transferee of the Shares by notice in writing to that effect to all of the other Parties and such transferee shall, with effect from the date of such notice, have the benefit of the rights conferred on the Fortis Shareholder (including this Put Option) as if it were a party to this Deed.

## 5.5 Severability

Each of the restrictions in each paragraph or Sub-clause of this Clause 5 shall be enforceable independently of each of the others and its validity shall not be affected if any of the others is invalid. If any of those restrictions is void but would be valid if some part of the restriction were deleted, the restriction in question shall apply with such modification as may be necessary to make it valid.

## 6. THE CCJ APPEAL

Following the completion or waiver by the Fortis Companies of the Closing Obligations, the parties will make the following applications to the CCJ in the CCJ Appeal:

- (a) Fortis Cayman Inc., Maritime Electric Cayman Inc., and Newfoundland Energy Cayman Inc. shall apply to the CCJ to be added as Respondents to the CCJ Appeal, such application to be supported by Fortis Energy International (Belize) Inc. and the Government; and
- (b) The Fortis Companies shall apply to the CCJ for a Consent Order in the form set out in Schedule 3 of this Deed, such application to be supported by the Government.

**7. THE BELIZE CONSTITUTION (EIGHTH AMENDMENT) ACT**

The Government covenants that:

- (a) The transfer of the Shares to the Fortis Shareholder and the Shareholders Agreement will not result in Government owning and controlling less than fifty one percent (51%) of the issued and outstanding share capital of BEL, will not create any veto power or special rights in favour of any Fortis Company which would inhibit the Government from administering the affairs of BEL freely and without restriction and that the said transfer of the Shares and the Shareholders Agreement will, when entered into, be valid, binding and enforceable on their terms and will not contravene the Eighth Amendment;
- (b) Upon the transfer of the Shares to the Fortis Shareholder title to the Shares shall vest absolutely in the Fortis Shareholder subject to the Constitutional Documents and in the event that the said transfer shall at any time to be found or declared by a Court of competent jurisdiction to be in contravention of the Eighth Amendment, the Fortis Shareholder shall be entitled to demand as a debt due and to be forthwith paid by the Government of Belize an amount equal to the Put Option Price; and
- (c) It will not institute or initiate any claim suit or proceeding before any Court of competent jurisdiction or tribunal seeking to impeach impugn or have declared void the transfer of the Shares to the Fortis Shareholder or the Fortis Shareholders' title to the Shares, and that it will fully and faithfully at its own expense defend (whether in cooperation with the Fortis Shareholder or not) any claim suit or proceeding instituted or initiated by any third party before any court of competent jurisdiction or tribunal that seek to impeach impugn or have declared void the transfer of the Shares to the Fortis Shareholder or the Fortis Shareholder's title to the Shares.

**8. REPRESENTATIONS AND WARRANTIES**

8.1 The Government represents and warrants to the Fortis Companies that:

- (a) the execution, delivery and performance of this Deed:
  - (i) are its legal, valid and binding obligations, enforceable against it by the Fortis Companies in accordance with its terms, and that it has all powers, authorities, consents and approvals necessary to enter into this Deed;
  - (ii) save as otherwise contemplated in Clause 2.1(a)(i), have been duly ratified by all necessary constitutional and legal action;
  - (iii) do not contravene the Constitution or any law, rule, regulation, treaty, regulated practice, procedure or policy or any of its duties or obligations, any material indenture, mortgage, trust deed, bond or other instrument or agreement to which it is bound, or any award, order, judgment, regulation, injunction, resolution, determination or other ruling of any court or governmental authority, agency or instrumentality which is binding on it; and

- (iv) do not constitute or will not result in (even if notice is given, time elapses or both) a default, event of default or event of acceleration under any contract which is binding on or affecting it;
- (b) it has taken, or will take in accordance with Clause 2.1(a)(i), all action required by law, regulation, or policy required to authorize the execution, delivery and performance of this Deed, and this Deed is a valid and binding Deed of the Government in accordance with its terms;
- (c) the undersigned party executing this Deed on behalf of the Government has been duly authorized to execute and deliver this Deed;
- (d) it is not in violation or breach of, or in default under, any law, rule or regulation, any duty or obligation, or any indenture, mortgage, trust deed or other instrument or Deed to which it is bound, so as to materially and adversely affect in any of the foregoing instances, its ability to perform its obligations hereunder; and, as of the date of this Deed, there is no pending or, to its knowledge, threatened action or proceeding affecting it before any court, governmental agency or arbitrator which may materially and adversely affect its assets, financial condition, affairs or its ability to either execute, deliver or perform (or the ability of the Fortis Companies to enforce) this Deed;
- (e) its obligations hereunder are direct, unconditional and general obligations;
- (f) each of the statements set out at Schedule 1 is, unless otherwise stated in Schedule 2, true, accurate and not misleading; and
- (g) it will co-operate in all respects to the end that all matters and transactions contemplated by this Deed will be consummated.

8.2 Each of the Fortis Companies severally represents and warrants to the Government that:

- (a) it is a limited company duly established and incorporated, validly existing and in good standing under the laws in operation in the jurisdiction where it is registered;
- (b) it has taken all action required by law to authorize the execution and delivery of this Deed, and this Deed is a valid and binding in accordance with its articles of incorporation (or equivalent) and governing instruments;
- (c) the undersigned party executing this Deed on its behalf has been duly authorized by it to execute and deliver this Deed; and
- (d) it is not bankrupt, has not been and is not subject to any insolvency proceedings, nor has it filed for nor is it in any other way involved in any proceedings for re-organization of the company or in any similar proceedings which would affect its capacity to assume the obligations under this Deed or their ability to perform its obligations hereunder.

8.3 Without prejudice to any other remedy available to a Party or its ability to claim damages on any other basis which is available to it by reason of any of the warranties set out in this Deed being untrue, inaccurate or misleading, if any of the warranties is untrue, inaccurate or misleading the



Party breaching its representation or warranty shall be liable for and shall, at the direction of the other Party, pay an amount equal to all losses whether directly or indirectly arising incurred or suffered by that Party, which would not have existed or arisen if the relevant representation or warranty had not been untrue, inaccurate or misleading, including any drop in the market value of the Shares.

## 9. OBLIGATIONS OF THE PARTIES

The obligations of the Fortis Companies under this Deed are subject to the satisfaction, or the waiver by the Fortis Companies, of all of the following conditions:

- (a) *Accuracy of Representations and Warranties* – The representations and warranties of the Government contained in this Deed (including but not limited to Schedule 1) shall be true in every material respect on the date of this Deed and on the date on which the Shares are registered in the name of the Fortis Shareholder, with the same effect as though such representations and warranties had been made on and as of such date.
- (b) *Performance of Deed* – The Government shall have performed all obligations and actions required to be performed by it and complied with all terms and conditions required to be complied with by it, hereunder, on or prior to the date by which such obligations and actions are expressed to be performed.
- (c) *Satisfactory Due Diligence* - The Fortis Shareholder giving notice to the Government not later than the 1st day of September 2015 that it is satisfied on inspection and investigation as to the financial, contractual and taxation and trading performance of the Company.

## 10. VALIDITY

If, for any reason whatsoever, this Deed has not been validly executed and delivered by any of the Parties hereto, this Deed shall continue to be fully binding and enforceable against all and each of the remaining Parties.

## 11. BREACH

Each of the Parties acknowledges, having regard to the nature of this Deed, that damages would not be a fully adequate remedy for any breach of this Deed and that the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of this Deed should also lie to enforce any of the obligations herein.

## 12. NOTICES

- 12.1 Notices under this Deed must be in writing and will be deemed given when actually received if delivered by courier with written proof of delivery, by fax upon confirmation of successful transmission; or ten days after being sent by first class mail, return receipt requested, to the other party at the address below:

- (a) For notices to the Government:

To the address set forth on page 1, marked "Attention: Hon Dean Barrow, Prime Minister and Minister of Finance", with copies (which will not constitute notice) by fax to +501 822-2886, and to Attorney-at-Law Mr. Denys Barrow SC of Barrow & Co LLP and by email at brotherbarrow@yahoo.com and by fax at +501 223-5913.

- (b) For notices to the Fortis Companies:

To Fortis Inc., Fortis Place, suite 1100, 5 Springdale Street, PO Box 8837, St John's, NL, A1B 3T2, Canada, marked "Attention: Mr. Barry Perry", with copies: (which will not constitute notice) (i) by fax to 709-737-5307, (ii) to Mr. David Bennett and by email at dbennett@fortisinc.com and by fax at 709-737-5307 and (iii) to Attorney-at-Law Mr. Eamon Courtenay SC of Courtenay & Co LLP and by email at ecourtenay@courtenaycoye.com and fax at +501 223 0214.

12.2 A party may change its address by giving the other written notice as described above.

### **13. ANNOUNCEMENTS**

Unless required by law, regulation, court order or other judicial proceeding or the rules of any stock exchange or securities regulator, in each case having jurisdiction over either party or any of its affiliates, or unless agreed by the Parties, the Parties shall (and shall procure that anyone to whom they have had to inform of the existence of this Deed shall) consult with the other Parties and have reasonable regard to the representations made by any of them before making any announcement concerning this Deed or any related or ancillary matter.

### **14. REMEDIES AND WAIVERS**

No delay or omission on the part of any of the Parties in exercising any right, power or remedy provided by the law of any jurisdiction or under this Deed shall:

- (a) impair such right, power or remedy; or
- (b) operate as a waiver thereof.

### **15. ENTIRE AGREEMENT**

This Deed, its Schedules, the Transaction Documents and any other documents specifically incorporated herein by reference constitute the entire understanding and agreement of the Government and the Fortis Companies, whether written or oral, with respect to the subject matter of this Deed and supersede any prior or contemporaneous agreements or understandings between the Government and the Fortis Companies with respect to its subject matter.

### **16. FURTHER ASSURANCES**

The Government shall, at its own cost and expense, execute and do (or procure to be executed and done by any other necessary party) all such deeds, documents, acts and things as the Fortis Companies may from time to time require in order to vest any of the Shares in the Fortis Shareholder or as otherwise may be necessary to give full effect to the Transaction Documents and shall procure the convening of all meetings, the giving of all waivers and consents and the

passing of all resolutions as are necessary under statute, its constitutional documents or any agreement or obligation affecting it to give effect to the Transaction Documents.

**17. AMENDMENTS AND SUCCESSORS**

17.1 This Deed may not be amended or modified except by a written amendment signed by authorized signatories of the Government and the Fortis Companies.

17.2 References to the Fortis Companies in this Deed shall include their successors or assigns (immediate or otherwise) and any entity which is the surviving entity of a merger or amalgamation with the relevant Fortis Company shall, following such merger or amalgamation, have the rights, subject to the obligations, of that Fortis Company under this Deed.

**18. SEVERABILITY**

If a court or tribunal of competent jurisdiction holds that any provision of this Deed is invalid or unenforceable, the remaining provisions will remain in full force and effect, and the parties will replace the invalid or unenforceable provision with a valid and enforceable provision that achieves the original intent and economic effect of this.

**19. COUNTERPARTS**

The Government and the Fortis Companies may execute this Deed in multiple counterparts, each of which will be deemed an original, and all of which, collectively, will constitute only one agreement. Delivery of an executed counterpart by email or fax shall be as effective as executing and delivering this Deed in the presence of the other party.

**20. WAIVERS**

A waiver of a condition or obligation under this Deed will be effective only if in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of the satisfaction of any other condition or the non-performance of any other obligation.

**21. GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with the Laws of Belize.

**22. DISPUTE RESOLUTION**

**22.1 Jurisdiction**

Subject to Clause 22.2 (Option to arbitrate), the Belize courts have non-exclusive jurisdiction to settle any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Deed, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (for the purpose of this Clause, “a **Dispute**”), and each party submits to the non-exclusive jurisdiction of the Belize courts.



**22.2 Option to arbitrate**

- (a) The Fortis Companies may by notice in writing to the Government in a manner provided for in Clause 12 (“**Notice**”) require that all Disputes or a specific Dispute be referred to and finally resolved by arbitration under the LCIA Arbitration Rules as amended from time to time (for the purpose of this Clause, “the **Rules**”).
- (b) If proceedings have already been commenced (pursuant to Clause 22.1 above) in respect of any Dispute(s) referred to in a Notice:
  - (i) that Notice must be given no later than the date for service of the acknowledgment of service or within seven days of any application having been made to the CCJ in the CCJ Appeal;
  - (ii) following such Notice being given, those proceedings shall be stayed by consent with no order as to costs; and
  - (iii) each party to those proceedings shall, following such Notice being given, instruct attorneys to execute a consent order (or, if applicable, consent orders) to this effect as soon as reasonably practicable and in any event prior to the date for service of the defence.
- (c) Any stay of proceedings will be without prejudice to the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

**22.3 Arbitration**

- (a) Where Notice has been given pursuant to Clause 22.2, then in respect of each Dispute to which the Notice refers, the provisions of this Clause 22.3 shall apply.
- (b) The Rules are incorporated by reference into this Clause and capitalised terms used in this Clause which are not otherwise defined in this Deed shall have the meaning given to them in the Rules.
- (c) The number of arbitrators shall be three. The Claimant (or Claimants jointly) shall nominate one arbitrator for appointment by the LCIA Court. The Respondent (or Respondents jointly) shall nominate one arbitrator for appointment by the LCIA Court. The LCIA Court shall appoint the presiding arbitrator.
- (d) The seat or legal place of arbitration shall be London, England.
- (e) The parties agree that Washington DC is a convenient venue for any hearings in the arbitration.

**22.4 Joinder of parties and Consolidation of Parties**

- (a) Each party agrees that the arbitration agreement set out in Clause 22.2 and the arbitration agreement contained in each Transaction Document shall together be deemed to be a single arbitration agreement.

- (b) Any party to an arbitration commenced pursuant to this Clause 22.2 may, prior to the constitution of an Arbitral Tribunal in respect of that arbitration, join any party to this Deed or any Transaction Document to that arbitration by delivery of a notice to the party it seeks to join at the address given for the sending of notices under this Deed or the relevant Transaction Document (as applicable).
- (c) Any party to this Deed or any Transaction Document may, subject to and in accordance with the Rules, be joined to any arbitration commenced under this Deed or any Transaction Document and each party consents to such joinder for the purposes of the Rules.
- (d) The parties agree to the consolidation of any two or more arbitrations commenced pursuant to this Clause 22 and/or the arbitration agreement contained in any Transaction Document, subject to and in accordance with the Rules. For the avoidance of doubt, this Clause 22.4(d) is an agreement in writing by all parties to any arbitrations to be consolidated for the purposes of Article 22.1(ix) of the Rules.

## **22.5 Waiver of immunity**

To the fullest extent permitted by law the Government irrevocably and unconditionally:

- (a) submits to the jurisdiction of the Belize and English courts in relation to any Dispute to be resolved in accordance with Clause 22 and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the Belize and English courts in relation to any Dispute to be resolved in accordance with Clause 22 (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.
- (b) submits to the jurisdiction of the Belize and English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the Belize or English courts in relation to any Dispute (including a judgment or order in support of any arbitration) and in relation to the recognition of any arbitral award and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the Belize or English courts in relation to the recognition of any such judgment or court order or arbitral award and agrees to ensure that no such claim is made on its behalf.
- (c) consents to the enforcement of any order or judgment or award made or given in accordance with Clause 22 in connection with any Dispute and the giving of any relief in the Belize or English courts whether before or after final judgment or arbitral award including, without limitation:
  - (i) relief by way of interim or final injunction or order for specific performance or recovery of any property;
  - (ii) attachment of its assets; and
  - (iii) enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use) and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the Belize or English courts in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.

## SCHEDULE 1

## REPRESENTATION AND WARRANTIES OF THE GOVERNMENT

1. The Government is the registered and beneficial owner of the Shares, that the Shares are fully paid and that there are no options, claims or third party rights in respect of the same, other than as set forth in the Claims and the Government has full power without limitation to transfer the Shares to the Fortis Shareholder;
2. The Company has all permits, licences, authorisations, permissions, accreditations, consents, exemptions or other approvals required for carrying on its business as currently conducted, and such licences are in full force and effect and have been complied with.
3. There are no litigation, arbitration or alternative dispute resolution proceedings of any kind commenced or pending or threatened against the Company and that the Government has no knowledge of any facts likely to give rise to any such proceedings;
4. There are no facts, circumstances, agreements or information relating to the business or affairs of the Company which have not been disclosed to the Fortis Companies, and which if disclosed, might be reasonably expected to affect the decision of the Fortis Companies to enter into this Deed;
5. No taxes of any description are owed by the Company;
6. The Company is in good standing and the below particulars relating to the Company are true and accurate:

<i>Company name:</i>	Belize Electricity Limited
<i>Registered number:</i>	3495
<i>Registered office:</i>	2 ½ Miles Philip Goldson Highway, Belize City, Belize
<i>Date and place of incorporation:</i>	October 5, 1992
<i>Directors:</i>	Rodwell Williams (Chairman), Alan Slusher (Deputy Chairman), Beverly Castillo, Anuar Flores, Jeffrey, Locke, Louis Lue, Eden Martinez, John Mencias, Anthony Michael & Ariel Mitchell
<i>Secretary:</i>	Dawn Sampson Nuñez
<i>TAX number:</i>	54
<i>Accounting reference date:</i>	Financial year is January to December
<i>Auditors:</i>	Grant Thornton LLP
<i>Share capital:</i>	

	<b>Ordinary</b>	<b>Preference</b>	<b>Special</b>
<i>Total authorised capital</i>	100,000,000	12,000,000	1
<i>Issued share capital</i>	69,023,009	5,000,000	1
<i>Fully paid share capital</i>	69,023,009	5,000,000	1
<i>Issued and Unpaid share capital</i>	0	0	0
<i>Redemption Date</i>	N/A	December 31, 2015	N/A

7. The copy of the Constitutional Documents of the Company which has been provided to the Fortis Companies is accurate, complete and current and is in full force and effect;
8. The register of members and other statutory books and registers of the Company have been properly kept and are current, and no notice or allegation that any of them is incorrect or should be rectified has been received;
9. No person is entitled or has claimed to be entitled to an option of any kind on any of the share capital (whether issued or unissued) or other securities of the Company, nor to require the Company to issue any share or loan capital either now or at any future date whether contingently or not;
10. There is no mortgage, charge (fixed or floating), pledge, lien, option, right to acquire, right of pre-emption, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind on, over or affecting any of the Shares and no person has claimed to be entitled to any such encumbrance;
11. Other than with respect to any Fortis Companies there has been no transaction pursuant to or as a result of which (a) any of the shares in the Company or (b) any asset owned, purportedly owned or otherwise held by the Company is liable to be transferred or re-transferred to another person or which gives or may give rise to a right of compensation or other payment in favour of another person under the law of any relevant jurisdiction;
12. The management accounts and most recent annual accounts of the Company were prepared in accordance with generally accepted accounting principles applied on a basis consistent with the management accounts and audited accounts of the Company for the five prior years, and give a true and fair view of the state of affairs of the Company and of the profit and cash flows of the Company in respect of the periods for which they were prepared;
13. Since 20 June 2011:
  - (a) the Company has carried on its business in the ordinary and usual course so as to maintain the business as a going concern;
  - (b) the Company has not repaid nor redeemed any share or loan capital, or made (whether or not subject to conditions) an agreement or undertaken an obligation to do any of those things;
  - (c) there are no material facts, circumstances, agreements or information relating to the business or affairs of the Company or which would materially affect a shareholder of the Company;
  - (d) there are no government grants enjoyed by the Company;
  - (e) there are no anticipated material changes in the salary or other benefits of employees of the Company;
  - (f) no change has occurred in the accounting methods, principles or practices applied by the Company and there has been no revaluation by the Company of any of its assets;

- (g) there has been no material adverse change in the financial or trading condition, assets, liabilities, operations, earnings, business or prospects of the Company; and
  - (h) there has been no material damage, destruction or loss, whether or not covered by insurance, affecting the assets, properties or business of the Company;
14. Other than as set out in the documents and information provided in writing to the Fortis Companies in response to the Fortis Companies' request for information entitled 'Enquiries relating to Belize Electricity Limited Information and Copy Documents Requested' submitted to the Government on 3 August 2015 and the subsequent request for information sent on 18 August 2015, since 20 June 2011:
- (a) the Company has not declared, paid or made a dividend or other distribution;
  - (b) no resolution of the board or shareholders of the Company has been passed;
  - (c) there has not been any correspondence with auditors, including audit response letters, reports, recommendations and opinions;
  - (d) there are no loan agreements or other securities or liabilities to which the Company is a party in respect of its borrowings;
  - (e) there is no material correspondence with lenders to the Company, including any compliance certificates;
  - (f) there are no insurance policies issued to the Company or insurance claims made by or against the Company;
15. The Company has not entered into any agreements, whether oral or written and has not agreed to enter into any such agreements which would result in any shareholder of the Company having any liability outside of the requirement to fully pay for any shares which it has been allotted;
16. Neither the Company nor (so far as the Government is aware) any of the officers, agents or employees of the Company (during the course of his duties), has done or omitted to do anything which is a contravention of any statute, order, regulation or the like which has resulted or may result in any fine, penalty or other liability or sanction on the part of the Company;
17. The Shares will, immediately prior to the transfer to the Fortis Shareholder, represent 33.3% of the issued ordinary shares in the capital of the Company on a fully diluted basis and, once transferred to the Fortis Shareholder, such transfer will not result in the Government owning less than fifty one percent (51%) of the issued and outstanding share capital of BEL, when applying the concepts of Government shareholding and majority ownership and control as they are each defined in section 143 of the *Belize Constitution (Eighth Amendment) Act* and will not create any veto power or special rights in favour of any of the Forties Companies which would inhibit the Government from administering the affairs of BEL freely and without restriction and that the transfer of the Shares is valid and binding and does not contravene sections 143 and 144 of the *Belize Constitution (Eighth Amendment) Act*;

18. The Company has not received any complaint or notice alleging the Company's material non-compliance with, or liability under, any and all laws (including statutes, secondary and subordinate legislation, by-laws, regulations, directives, rules, codes of practice, circulars, guidance, common law, notices under legislation, judgments, orders and decisions) concerning the protection of the environment, human health or welfare or the conditions of the workplace, nor has it received correspondence stating that there are grounds for such a complaint being made or notice being served; and
19. The machinery and plant of the Company and all vehicles and office equipment owned or used by the Company:
  - (a) have not in the 12 months prior to the date of this Deed suffered any defect resulting in a loss of production;
  - (b) perform and, so far as the Government is aware, will continue to perform the tasks for which they were designed;
  - (c) have been properly serviced and maintained; and
  - (d) are in satisfactory working order.



**SCHEDULE 2****DISCLOSURES**

The following disclosures are made to the representations and warranties of the Government contained in Schedule 1, as set out by reference to the number of the relevant representation and warranty:

3. The Company is involved in litigation as set out in the files entitled 'Litigation Report year ended December 31 2012', 'Litigation Report year ended December 31 2013' and 'Litigation Report year ended December 31 2014';
5. The Company currently has a tax liability of BZD 5.425 million being carried contingently on the Company's books, since 2012. The Company plans to present these adjustments in the upcoming FTRP for inclusion in VAD;
- 13(b). By resolution of the Company dated 18 June 2015, the Company irrevocably resolved to redeem all preference shares issued and outstanding. Redemption will occur on 31 December 2015;
- 13(e). The Company is presently going through a salary and wage negotiation with the Belize Energy Workers Union which is likely to be completed by 30 September 2015 and is expected to result in a cumulative increase in manpower cost of approximately BZD 3 million over the four year period of the revised Partnership Collective Agreement 2015-2019; and
- 13(f). A fixed asset audit was completed by the Company in 2014, resulting in the write down of BZD 29.6 million in assets. There are no further write downs to be taken with respect to this exercise.

SCHEDULE 3

CONSENT ORDER

IN THE CARIBBEAN COURT OF JUSTICE

Appellate Jurisdiction

ON APPEAL FROM THE COURT OF APPEAL OF BELIZE

CCJ Appeal No. CV 4 of 2011  
BZ Civil Appeal No. 31 of 2010

BETWEEN:

DEAN BOYCE	Appellant
-AND-	
THE ATTORNEY GENERAL OF BELIZE	First Respondent
THE MINISTER OF PUBLIC UTILITIES	Second Respondent

IN THE CARIBBEAN COURT OF JUSTICE

Appellate Jurisdiction

ON APPEAL FROM THE COURT OF APPEAL OF BELIZE

CCJ Appeal CV 6 of 2011  
BZ Civil Appeal No. 30 of 2010

BETWEEN:

BRITISH CARIBBEAN BANK LIMITED	Appellant
-AND-	
THE ATTORNEY GENERAL OF BELIZE	First Respondent
THE MINISTER OF PUBLIC UTILITIES	Second Respondent

IN THE CARIBBEAN COURT OF JUSTICE



Appellate Jurisdiction

ON APPEAL FROM THE COURT OF APPEAL OF BELIZE

CCJ Appeal No. BZCV2014/005  
CCJ Appeal No. BZCV2014/008  
Civil Appeal No. 19 of 2012

BETWEEN:

DEAN BOYCE  
TRUSTEES OF THE BTL EMPLOYEES TRUST

Appellants

-AND-

THE ATTORNEY GENERAL OF BELIZE  
THE MINISTER OF PUBLIC UTILITIES

Respondents

IN THE CARIBBEAN COURT OF JUSTICE

Appellate Jurisdiction

ON APPEAL FROM THE COURT OF APPEAL OF BELIZE

CCJ Appeal No. BZCV2014/006  
CCJ Appeal No. BZCV2014/008  
BZ Civil Appeal No. 18 of 2012

BETWEEN:

BRITISH CARIBBEAN BANK LIMITED

Appellant

-AND-

THE ATTORNEY GENERAL OF BELIZE

First Respondent

THE MINISTER OF PUBLIC UTILITIES

Second Respondent

IN THE CARIBBEAN COURT OF JUSTICE

Appellate Jurisdiction

ON APPEAL FROM THE COURT OF APPEAL OF BELIZE

CCJ Appeal No. BZCV2014/007

BZ Civil Appeal No. 21 of 2012

BETWEEN:

FORTIS ENERGY INTERNATIONAL (BELIZE) INC.

Applicant

-AND-

THE ATTORNEY GENERAL OF BELIZE

First Respondent

THE MINISTER OF PUBLIC UTILITIES

Second Respondent

*[Consolidated by Order of the Court dated 23<sup>rd</sup> July, 2014]*

Dated the [ ] day of October 2015

Before the Honourable

Mr Justice D. Byron, President

AND the Honourables

Mr Justice A. Saunders, JCCJ

Mr Justice J. Wit, JCCJ

Mr Justice D. Hayton, JCCJ

Mr Justice W. Anderson, JCCJ

**UPON READING** the Notice of Application dated the [ ] day of September 2015 filed by the Appellant in BZCV2014/007 together with the Affidavit of [ ] sworn to on the [ ] September 2015 and filed in support thereof and the Affidavit of [ ] sworn to on the [ ] September 2015 on behalf of the Respondents in BZCV2014/007

**AND UPON READING** the Notice of Application dated the [ ] day of September 2015 filed by Fortis Cayman Inc, Maritime Electricity Cayman Inc and Newfoundland Energy Cayman Inc together with the Affidavit of [ ] sworn to on the [ ] September 2015 and filed in support thereof and the Affidavit of [ ] sworn to on the [ ] September 2015 on behalf of the Respondents in BZCV2014/007

**AND UPON HEARING** the oral submissions of Mr Eamon H. Courtenay SC Attorney-at-Law for the Appellant in BZCV2014/007 and for Fortis Cayman Inc, Maritime Electricity Cayman Inc and

Newfoundland Energy Cayman Inc and the oral submissions of Mr Denys A. Barrow SC Attorney-at-Law for the Respondent in BZCV2014/007

**AND UPON THE APPELLANT AND THE RESPONDENT HAVING AGREED** terms of compromise

**IT IS BY CONSENT ORDERED THAT –**

1. The Order of this Honourable Court made herein on the 23 July 2014 is varied to the extent that CCJ Appeal BZCV2014/007 *Fortis Energy International (Belize) Inc. v The Attorney General of Belize & The Minister of Public Utilities* shall no longer be treated as being consolidated with CCJ Appeals numbered BZCV2014/005; BZCV2014/006; BZCV2011/002; AND BZCV2011/003
2. Fortis Cayman Inc, Maritime Electricity Cayman Inc and Newfoundland Energy Cayman Inc be and are hereby added as Respondents to CCJ Appeal BZCV2014/007 so as to enjoy the benefit of and be bound by this Order,
3. The parties each bear their costs of this appeal and the proceedings in the Supreme Court and Court of Appeal; and
4. All further proceedings in CCJ Appeal BZCV2014/007 be stayed upon the terms set out in the schedule hereto save for the purposes of enforcement of those terms with permission to apply to the Caribbean Court of Justice for the said purpose.

Registrar and Chief Marshall

Caribbean Court of Justice

To: Registrar of the Supreme Court of Belize

**AND to: Mr Eamon H. Courtenay SC**

**Mr Denys A. Barrow SC**

SIGNATORIES

SIGNED SEALED and DELIVERED by )  
 )  
THE GOVERNMENT OF BELIZE )  
 )  
in the presence of: )

\_\_\_\_\_  
Witness

SIGNED SEALED and DELIVERED by )  
 )  
FORTIS CAYMAN INC. )  
 )  
in the presence of: )

\_\_\_\_\_  
Witness

SIGNED SEALED and DELIVERED by )  
 )  
MARITIME ELECTRIC CAYMAN INC. )  
 )  
in the presence of: )

\_\_\_\_\_  
Witness

SIGNED SEALED and DELIVERED by )  
 )  
NEWFOUNDLAND ENERGY CAYMAN )  
INC. )  
 )  
in the presence of: )

\_\_\_\_\_  
Witness

SIGNED SEALED and DELIVERED by )  
 )  
FORTIS ENERGY INTERNATIONAL )  
(BELIZE) INC. )  
 )  
in the presence of: )

\_\_\_\_\_  
Witness