

Resolution Authorising the Purchase and Redemption of the GOB U.S. Dollar Bonds Due 2034, The Blue Loan Agreement, the Conservation Funding Agreement and The Ancillary Agreements Motion, 2021.

WHEREAS, the Government of Belize is working to restructure its external indebtedness by retiring all of its U.S. Dollar Bonds due 2034, (the “*Bonds*”) with a view to achieving a sustainable debt position and to achieving certain marine conservation objectives;

AND WHEREAS, in furtherance of its debt restructuring efforts and pursuant to the Offer to Purchase and Consent Solicitation Statement, dated 13th September 2021, (as amended, supplemented and modified from time to time, the “*Offer Statement*”), the Government of Belize made an offer (the “*Tender Offer*”) to purchase all Bonds tendered on or prior to 24th September 2021, pursuant to the Offer Statement for a total amount of U.S.\$550.90 per U.S.\$1,000 principal nominal amount of Bonds; to purchase all Bonds tendered between 25th September 2021, and 22nd October 2021, pursuant to the Offer Statement for a total amount of U.S.\$517.90 per U.S.\$1,000 principal nominal amount of Bonds; and subject to the satisfaction of certain conditions, to redeem all non-tendered Bonds for a total amount of U.S.\$517.90 per U.S.\$1,000 principal nominal amount of the Bonds on the date of settlement of the Tender Offer;

AND WHEREAS, pursuant to the Offer Statement, the Government of Belize also sought and obtained consents from eligible holders of the Bonds to enter into a Fourth Supplemental Indenture to amend the Trust Indenture, dated 20th March 2013, between the Government of Belize and The Bank of New York Mellon, as trustee (the “*Trustee*”) (as modified by the First Supplemental Indenture, dated 21st March 2017, the Second Supplemental Indenture, dated 18th August 2020, and the Third Supplemental Indenture, dated 16th June 2021, the “*Indenture*”), to modify, remove or add certain terms, including:

- a. **Bond Buybacks**: removal of certain restrictions in the Indenture that prevent the Government of Belize from acquiring Bonds in the secondary market that, if not removed, would impair the settlement of the purchase and redemption contemplated by the Offer Statement (the “*Purchase and Redemption*”);
- b. **Redemption and Cancellation**: addition of provisions providing a right for the Government of Belize to redeem, for cancellation, any Bonds that have not been tendered pursuant to the Offer Statement at the price set forth in the Offer Statement; and
- c. **Custody Account**: (i) establishment of a custody account (the “*Custody Account*”) to be maintained by the Trustee, as custodian (in such capacity, the “*Custodian*”) for deposit of an amount sufficient to redeem all Bonds that have not been tendered pursuant to the Offer Statement to be held in trust for the benefit the holders of the redeemed Bonds and for release upon the delivery by such holders certification forms to the Government of Belize

or its agents, (ii) addition of certain provisions providing that, upon the Government of Belize's deposit of such funds into the Custody Account, the Government of Belize's obligations under the Indenture will be fully discharged and the Bonds shall not be transferrable, and (iii) addition of certain provisions providing that any funds remaining in the Custody Account after the end of a two-year prescription period shall be applied, *first*, to repay the Custodian under the terms of that certain Custody Agreement to be entered into by and between the Government of Belize and the Custodian on or prior to the date of settlement of the Tender Offer, and *second*, to the Initial Lender (as defined below) to pay the present value of all outstanding future management fees pursuant to the terms of the Conservation Funding Agreement (as defined below), and *third*, to a bank account specified in the Loan Agreement in order to satisfy Belize's scheduled debt service payment obligations under the Loan Agreement (as defined below) in chronological order on each payment date in accordance with the Loan Agreement;

AND WHEREAS, to fund the Purchase and Redemption and in furtherance of the Government of Belize's marine conservation efforts, the Government of Belize proposes to enter into that certain (i) Blue Loan Agreement (the "*Loan Agreement*") with the Belize Blue Investment Company, LLC, a wholly owned affiliate of The Nature Conservancy, as lender (the "*Initial Lender*"), pursuant to which the Initial Lender will make the Government of Belize a loan in the principal amount of up to U.S.\$365,000,000, (ii) that certain Conservation Funding Agreement (the "*Conservation Funding Agreement*") with the Initial Lender, and (iii) certain other ancillary documents relating to the foregoing and the Purchase and Redemption (the "*Ancillary Agreements*") to be entered into with the Initial Lenders and certain parties that are providing financing, insurance or other undertakings to the Initial Lender in connection with the Loan Agreement (including that certain Direct Agreement to be entered into on the same date as the Loan Agreement and the Conservation Funding Agreement);

AND WHEREAS, the Loan Agreement requires, among other things, Belize to repay the principal amount of the loan, and interest thereon, at a pre-default interest rate to be fixed for each period in accordance with a schedule that will be determined on a pricing date that takes into consideration (a) the loan having an original issue discount, and (b) a yield equal to the sum of (i) the straight-line interpolated yield of active U.S. Treasury Bonds to the date equal to the weighted-average life of the loan, and (ii) an applicable financing spread rate, in each case as calculated on such pricing date;

AND WHEREAS, the principal amount of the loan in the amount of up to U.S.\$365,000,000 will be repaid without regard to any original issue discount over a period of nine years in eighteen equal semi-annual instalments commencing on 20th April 2032, and a final instalment on 20th October 2040;

AND WHEREAS, the Conservation Funding Agreement requires, among other things, the Government of Belize to (i) comply with the conservation commitments as set

forth in Annex A hereto (with such modifications as may be approved by the Minister of Finance that do not otherwise increase Belize's payment obligations or conservation commitments) (each, a "*Conservation Milestone*"), (ii) if on any quarterly payment date, the Government of Belize shall have failed to achieve one or more Conservation Milestone within the applicable grace period (each, a "*Conservation Event*"), make a payment equal to U.S.\$250,000 plus a sum equal to U.S.\$50,000 times the number of Conservation Events that have occurred and are continuing as of such quarterly payment date, (iii) cause an account to be funded with proceeds from the Loan Agreement in an initial amount of U.S.\$23,450,000, and to replenish such account to the extent that amounts therein have been applied pursuant to the Loan Agreement, to be held as security for certain indebtedness and costs and expenses of the Initial Lender and after on or about 20th October 2041, (which date may be extended under limited circumstances pursuant to the terms of the Conservation Funding Agreement) to be transferred to a conservation fund that meets the requirements set forth in Annex B hereto (with such modifications as may be approved by the Minister of Finance that do not otherwise increase Belize's payment obligations or conservation commitments), (iv) make certain payments for the purposes provided for under the Conservation Funding Agreement, and (v) irrevocably direct the Custodian to transfer to any funds in the Custody Account upon the expiration of the two-year prescription period to be set forth in the Fourth Supplemental Indenture in satisfaction of certain of Belize's payment obligations under the Loan Agreement and pursuant the Conservation Funding Agreement, such that, as a result of such irrevocable direction Belize will not have any interest in any amounts in the Custody Account;

AND WHEREAS, pursuant to the Loan Agreement, the Conservation Funding Agreement, and certain ancillary agreement, the Government of Belize proposes (i) to waive certain aspects of sovereign immunity to which it may otherwise be entitled; (ii) to confer on the parties to the Agreement, the Conservation Funding Agreement and any Ancillary Agreement exemptions under the Income and Business Tax Act, the General Sales Tax Act, the Customs and Excise Duties Act, the Stamp Duties Act, the Trusts Act, the Customs Regulations Act and the Exchange Control Regulations Act and all regulations thereunder, and from certain taxes in connection with payments made under the Loan Agreement and the Conservation Funding Agreement and from any and all registrations that such parties may otherwise be subject to in connection with the Loan Agreement and the Conservation Funding Agreement;

AND WHEREAS, under the provisions of section 7(2) of the Finance and Audit (Reform) Act, the Government of Belize is required to obtain the prior authorisation of the National Assembly, by way of a Resolution, of the Loan Agreement, the Conservation Funding Agreement and the Ancillary Agreements;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that it would be in the interest of Belize so to do, approves and confirms the Purchase and Redemption, the Loan Agreement, the Conservation Funding Agreement and any Ancillary Agreement on the terms and conditions set out above and authorizes Belize to make any payments thereunder and to pay fees and expenses incurred by the

Government of Belize in connection with the negotiation and execution of such agreements;

AND BE IT FURTHER RESOLVED that this Honourable House hereby authorises, in the name and on behalf of the Government of Belize, the Minister of Finance to finalize, effectuate, execute and/or deliver the Purchase and Redemption, the Loan Agreement, the Conservation Funding Agreement and the Ancillary Agreements on the terms and conditions set out above.