



**BESF**

BARBADOS ENVIRONMENTAL  
SUSTAINABILITY FUND



# CONSERVATION FUNDING AGREEMENT

**CONSERVATION FUNDING AGREEMENT**

dated as of September 20, 2022

among

**THE GOVERNMENT OF BARBADOS,**

**THE NATURE CONSERVANCY,**

**BARBADOS ENVIRONMENTAL SUSTAINABILITY FUND INC.,**

and

**BARBADOS BLUE CONSERVATION TRUST**

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Exhibit A Conservation Fund Terms

Exhibit B Payment Schedule

This CONSERVATION FUNDING AGREEMENT, dated as of September 20, 2022 (this “**Agreement**”), by and among THE GOVERNMENT OF BARBADOS (“**Barbados**”), THE NATURE CONSERVANCY, a non-profit corporation established under the laws of the District of Columbia with its registered office at 1015 15<sup>th</sup> St., NW, Suite 1000, Washington, DC 20005 (“**TNC**”), BARBADOS ENVIRONMENTAL SUSTAINABILITY FUND INC., with its registered office at Chancery House High Street, Saint Michael, Barbados (“**BESF**”) and BARBADOS BLUE CONSERVATION TRUST, an endowment set up as a Delaware statutory trust, with an office at BNY Mellon Trust of Delaware, 301 Bellevue Parkway, 3<sup>rd</sup> Floor, Wilmington, DE 19809 (“**EndowCo**”).

#### PRELIMINARY STATEMENTS:

WHEREAS, TNC has entered into that certain Partial Credit Guarantee Agreement, dated the date hereof (as amended or otherwise modified from time to time in accordance with its terms, the “**Guarantee Agreement**”) among the Inter-American Development Bank (“**IADB**”), as Primary Guarantor, and TNC, as Secondary Guarantor, and BB Blue Financing Company DAC and FirstCaribbean International Bank (Barbados) Limited, as Lenders, and First Caribbean International Bank (Barbados) Limited, as Facility Agent, pursuant to which TNC agreed, subject to the terms and conditions set forth in the Guarantee Agreement, to guarantee a portion of Barbados’s debt service and other obligations in respect of loans by the Lenders to Barbados extended under the Blue Loan Agreement, dated the date hereof, among the Lenders and Barbados (the Barbados payment obligations guaranteed by TNC under the Guarantee Agreement being, the “**TNC Guaranteed Obligations**”) up to a specified maximum amount;

WHEREAS, Barbados has entered into that certain Sovereign Counter-Guarantee Contract, dated the date hereof (as amended or otherwise modified from time to time in accordance with its terms, the “**TNC Counter-Guarantee Contract**”), with TNC, pursuant to which TNC agreed to enter into the Guarantee Agreement (subject to the terms and conditions set forth in the TNC Counter-Guarantee Contract) and Barbados agreed to, *inter alia*, reimburse and indemnify TNC for payments made by TNC under the Guarantee Agreement; and

WHEREAS, it is a condition precedent to the obligation of TNC under the TNC Counter-Guarantee Contract to enter into the Guarantee Agreement that Barbados enters into this Agreement to, *inter alia*, provide funds for conservation in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of TNC’s entry into the Guarantee Agreement, the TNC Counter-Guarantee Contract and the obligations agreed to thereunder by TNC and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### ARTICLE 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions.

As used in this Agreement, the following terms have the respective meanings set forth below:

“**Additional Payment**” has the meaning set forth in Section 13.8(b).

“**Administrator**” has the meaning set forth in the Trust Agreement.

“**Affiliate**” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. For the avoidance of doubt, the Conservation Fund shall not be deemed an Affiliate of Barbados, TNC or EndowCo. As used in this definition, “**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agency**” means any agency or instrumentality of the Government that is (a) a legal person (corporate or otherwise) separate from the Government and (b) majority-owned or otherwise controlled by the Government (in any case directly or indirectly); provided that, so long as such agency, instrumentality or other legal person does not have the authority to govern, legislate, regulate, levy or collect taxes, fees or duties or grant licenses or permits in the Jurisdiction, it shall not be an “Agency” if it (i) operates primarily as a commercial enterprise, (ii) primarily funds itself in the ordinary course from non-governmental sources without a Government guaranty or other Government assurance of payment or (iii) provides financing substantially to the private sector.

“**Agreement**” has the meaning ascribed thereto in the preamble.

“**Anti-Money Laundering Framework**” has the meaning ascribed thereto in Section 3.11(b).

“**Approved Deferral Claim**” means a Deferral Claim that is validly submitted by Barbados to the lenders under the Blue Loan Agreement pursuant to the terms of the Blue Loan Agreement (a) that has been approved by the lenders under the Blue Loan Agreement or (b) for which no Blocking Notice (as defined in the Blue Loan Agreement) has been issued by the Facility Agent (at the direction of the lenders under the Blue Loan Agreement) to Barbados and is deemed approved pursuant to the terms of the Blue Loan Agreement; provided however; that the Deferral Claim is not subsequently declared null and void pursuant Section 7.1(i) of the Blue Loan Agreement.

“**Arbitration**” has the meaning set forth in Section 13.5(b).

“**Barbadian Dollar Equivalent Amount**” means the amount of Barbadian Dollars that would allow Paying Agent to purchase in the New York, New York foreign exchange markets an amount in Dollars that is equal to the applicable CF Conservation Payment, in accordance with normal banking procedures at the rate of exchange prevailing on the date of the payment of the applicable CF Conservation Payment in Barbadian Dollars.

“**Barbadian Dollar Payment Account**” means the account in Barbadian Dollars in the name of the Government with account number 1001223753 held with First Caribbean International Bank (Barbados) Limited or such other account in Barbadian Dollars that may be agreed between the Parties.

“**Barbadian Dollars**” means the lawful currency of Barbados.

“**Barbados**” has the meaning set forth in the preamble.

“**Beneficial Owner**” shall have the meaning set forth in the Trust Agreement.

“**BESF**” has the meaning set forth in the preamble and its successors and permitted assigns pursuant to the terms of this Agreement.

“**Blue Loan Agreement**” means that certain blue loan agreement entered into, on or about the date hereof, among BB Blue Financing Company DAC and FirstCaribbean International Bank (Barbados) Limited, as Lenders, and Barbados as borrower.

“**Business Day**” means any day other than a Saturday, Sunday or legal holiday on which commercial banks and foreign exchange markets are open for business in New York, New York and Bridgetown, Barbados.

“**Caribbean Earthquake Event**” has the meaning set forth in the CCRIF Policy.

“**Caribbean Tropical Cyclone Event**” has the meaning set forth in the CCRIF Policy.

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

“**CCRIF Policy**” means the Parametric Insurance Contract dated June 1, 2022 that Barbados 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.

“**CF Conservation Payment**” means, with respect to each Payment Date, the payment in the amount set forth in the Payment Schedule for such Payment Date payable to the Conservation Fund.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“**Conservation and Sustainability Commitments Agreement**” means that certain Conservation and Sustainability Commitments Agreement, dated the date hereof, between Barbados and TNC.



“**Conservation Fund**” means, at any given time, (i) unless replaced pursuant to Section 5.3, BESF, or (ii) any Qualifying Conservation Entity that has replaced the previous Conservation Fund pursuant to Section 5.3.

“**Conservation Payments**” means the EndowCo Conservation Payment and the CF Conservation Payment, or any of them, as the context may require.

“**Covered Area Rainfall Event**” has the meaning set forth in the CCRIF Policy.

“**Deferral Claim**” has the meaning set forth in the Blue Loan Agreement.

“**Deferral Date**” means the date on which a Deferral Claim becomes an Approved Deferral Claim.

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

“**Dollars**” and “**U.S.\$**” means the lawful currency of the United States of America.

“**Effective Date**” has the meaning set forth in Section 13.11(a).

“**End Date**” means the date that is fifteen (15) years from the date hereof.

“**EndowCo**” has the meaning set forth in the preamble and its successors and permitted assigns pursuant to the terms of this Agreement.

“**EndowCo Conservation Payment**” means, with respect to each Payment Date, the payment in the amount set forth in the Payment Schedule for such Payment Date payable to EndowCo.

“**Endowment Account**” means an account in Dollars in the name of EndowCo maintained at The Bank of New York Mellon, or such other account as from time to time may be designated by EndowCo with TNC’s and Barbados’s prior written consent.

“**Expropriation Event**” means (a) with regards to the Conservation Fund, a *de jure* or *de facto* taking, seizure, confiscation, requisition, exercise of rights of eminent domain, public improvement, inverse condemnation, condemnation, expropriation, creeping expropriation, nationalization or similar action or proceeding, of the Conservation Fund or its property by Barbados, the Government, any Agency or any entity, person or organization acting on the instruction of Barbados, (b) actually depriving the Conservation Fund whether *de jure* or *de facto* by the implementation of law of Barbados or actions by Barbados, the Government, any Agency of the Conservation Fund’s rights necessary to conduct its business or own its property; and/or (c) with regards to this Agreement, the abrogation, repudiation, or impairment of contract, including forced renegotiation of the terms hereof.

“**FATF**” has the meaning set forth in Section 3.11(b).

“**Government**” means the central government of Barbados, including any ministry, department or instrumentality thereof, in each case, that is not a separate legal person, corporate or otherwise, from the central government.

“**Governmental Authority**” means (a) the government of (i) the United States of America or any State thereof, (ii) Barbados or (iii) any political subdivision of any of the foregoing or (b) any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of, or pertaining to, any such government.

“**Guarantee Agreement**” has the meaning set forth in the preliminary statements.

“**IADB**” has the meaning set forth in the preliminary statements.

“**IADB Counter-Guarantee Contract**” means that certain Counter-Guarantee Contract, dated on or around the date hereof (as amended or otherwise modified from time to time in accordance with its terms), between Barbados and IADB, pursuant to which Barbados will, *inter alia*, reimburse and indemnify IADB for payments made by IADB under the Guarantee Agreement.

“**ICC**” has the meaning set forth in Section 13.5(c).

“**Indemnified Party**” has the meaning set forth in Section 13.9(a).

“**Interference Condition**” means the continuation without cure for a period of thirty (30) days of a breach by Barbados in any material respect of its obligations under Section 4(c).

“**IRS**” means the U.S. Internal Revenue Service.

“**Jurisdiction**” means the territory comprising the island state of Barbados.

“**Major Commitment Default**” has the meaning set forth in the Conservation and Sustainability Commitments Agreement.

“**Major Commitment Default Declaration**” has the meaning set forth in the Conservation and Sustainability Commitments Agreement.

“**Ministries**” means each ministry, or central government department headed by a minister or equivalent postholder, of Barbados.

“**New York Convention**” has the meaning set forth in Section 13.5(e).

“**Non-Compliant Conservation Fund Entity**” has the meaning set forth in Section 5.3.

“**OFAC**” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“**Official**” has the meaning set forth in Section 3.11(c).

“**Other Connection Taxes**” means, with respect to any recipient of a payment under this Agreement, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement, and/or sold or assigned an interest in this Agreement).

“**Other Currency**” has the meaning set forth in Section 13.6.

“**Overdue Rate**” means a rate per annum equal to four point eighty two percent (4.82%).

“**Pandemic Event**” means the occurrence of the following sequence of events after the Utilisation Date:

- (a) the World Health Organization (the "**WHO**") declares a Public Health Emergency of International Concern (as defined in the International Health Regulations of the WHO) with respect to any disease that grants such disease phase 6 status, or any other categorisation as the WHO may use to describe an active ongoing pandemic from time to time (a "**PHIO**") (excluding the continuation of the COVID-19 pandemic in the form of the current variants of COVID-19 existing as of the date of this Agreement);
- (b) the Government of Barbados or any other competent political or regulatory subdivision thereof declares a state of public health emergency with respect to any PHIO declared under (a) above; and
- (c) either:
  - (i) the occurrence of a Real GDP contraction over two consecutive quarters, which in aggregate results in a contraction of at least 5% of Real GDP relative to the same two quarters in the previous fiscal year (based on estimated realized GDP at constant prices for the current year and provisional realized GDP at constant prices for the prior year, as published by the Central Bank of Barbados and reported to at least two of: the IMF, the World Bank and IDB); and/or
  - (ii) the events described in paragraphs (a) and (b) above result in the Government approving and enacting an increase in governmental spending (that is not rescindable) (the "**Pandemic Increased Spending**") directly relating to the relevant PHIO (and the measures taken by the Government in response thereto) that is at least equal to U.S.\$18,750,000.

For the purposes of paragraph (c)(ii) above, any reduction in budgeted government spending as a result of payments due under this Agreement being deferred as a result of a Pandemic Event occurring shall be disregarded when determining whether Pandemic Increased Spending has been approved and enacted.

“**Parties**” means, collectively, Barbados, TNC, EndowCo and BESF.

“**Paying Agency Agreement**” means the agreement between the Paying Agent and the Parties detailing the appointment, right and responsibilities of the Paying Agent in respect of the Conservation Payments.

“**Paying Agent**” means FirstCaribbean International Bank (Barbados) Limited.

“**Payment Date**” means March 20th and September 20th of each calendar year or, if such date is not a Business Day, the immediately succeeding Business Day.

“**Payment Schedule**” means the payment schedule attached hereto as Exhibit B.

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organization, government, state or agency of a state or government or other entity, whether or not having a separate legal personality.

“**Public External Debt**” means any obligation of or guarantee by Barbados which is payable or may be paid (a) in a currency other than the currency of Barbados and (b) to a Person resident or having its principal place of business outside Barbados, that is in the form of, or represented by, bonds, debentures, notes or other similar securities that are or are intended by Barbados to be quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system or over-the-counter or other securities market.

“**Qualifying Conservation Entity**” means, in respect of any replacement of the Conservation Fund pursuant to Section 5.3, an entity that meets, at the time of such replacement, all of the requirements set forth in Exhibit A; provided that, during the continuance of an Interference Condition, such entity is not required to meet the requirement set forth in Exhibit A (other than clause (1) of Exhibit A).

“**Relevant Party**” means TNC, EndowCo and the Conservation Fund, or any of them, as the context may require.

“**Relevant Jurisdiction**” means, in relation to Barbados: (a) the Jurisdiction; or (b) any other jurisdiction where it conducts its business.

“**Replacement Event**” has the meaning set forth in Section 5.3(a).

“**Rules**” has the meaning set forth in Section 13.5(c).

“**Sanctioned Country**” at any time, a country, territory or geographical region which is itself the subject or target of any Sanctions (including, at the time of this Agreement, the so - called Donetsk People’s Republic, the so- called Luhansk People’s Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

“**Sanctioned Person**” means (a) any Person that is the subject or target of any sanctions or sanctions administered by Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC) including the "Specially Designated Nationals and Blocked Person List"

as set forth on <http://www.ustreas.gov/offices/enforcement/ofac/sdn/>, the United Nations (UN), the European Union (EU), Her Majesty's Treasury (UK HMT), the Swiss Secretariat of Economic Affairs (SECO), the Hong Kong Monetary Authority (HKMA), the government of Japan (Japan), Global Affairs Canada, the Department of Foreign Affairs and Trade (Australia) and the Monetary Authority of Singapore (MAS), and the equivalent Governmental Authorities in Barbados and any jurisdiction in which the Borrower the proceeds of the Loans will be used or from which repayments of the Obligations will be derived (hereinafter, the "**Sanctions Programs**"), (b) any person domiciled, resident, or located in Iran, Syria, Cuba, North Korea or the Crimea, Donetsk, and Luhansk regions of Ukraine (hereinafter, "**Sanctioned Jurisdiction**") or (c) any other Person with whom a U.S. Person may not engage under any Prohibited Nations Act in the absence of specific governmental authorization or (d) any Person owned or controlled by persons, entities or other parties referred to in (a) to (c).

"**Sanctions**" has the meaning set forth in Section 3.6.

"**Senior Official**" means any minister, deputy minister, or permanent secretary of any ministry of Barbados.

"**Stamp Tax**" means all present or future stamp duty, intangible, recording, filing, issuance, court or documentary or other similar tax, duty, fee or charge that arises from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement.

"**Tax**" has the meaning set forth in Section 13.8(a).

"**Taxing Jurisdiction**" has the meaning set forth in Section 13.8(b).

"**Termination Event**" has the meaning set forth in Section 6.1.

"**Termination Payment**" has the meaning set forth in Section 6.2(a).

"**TNC**" has the meaning set forth in the preamble and its successors and permitted assigns pursuant to the terms of this Agreement.

"**TNC Counter-Guarantee Contract**" has the meaning set forth in the preliminary statements.

"**TNC Guaranteed Obligations**" has the meaning set forth in the preliminary statements.

"**Treasury Rate**" means the yield calculated by the linear interpolation of the yields, as reported in Federal Reserve Statistical Release H.15 Selected Interest Rates under the heading U.S. Government Securities/Treasury Constant Maturities for the week ending prior to the End Date, of U.S. Treasury constant maturities with maturity dates (one longer and one shorter) most nearly approximating the End Date. In the event Release H.15 is no longer published, TNC shall select a reasonably comparable publication to determine the Treasury Rate.

“**Trust Agreement**” means the Amended and Restated Trust Agreement of Barbados Blue Conservation Trust, dated September 20, 2022, between The Nature Conservancy and BNY Mellon Trust of Delaware.

“**US Dollar Payment Account**” means the account in US Dollars in the name of the Government with account number 1001223750 held with First Caribbean International Bank (Barbados) Limited or such other account in US Dollars that may be agreed between the Parties.

“**Utilisation Date**” has the meaning set forth in the Blue Loan Agreement.

## 1.2 Principles of Interpretation.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (b) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns; (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; (d) all references herein to Sections, Schedules, Exhibits and Annexes shall be construed to refer to Sections of and Schedules, Exhibits and Annexes to, this Agreement; (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time; and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

## **ARTICLE 2. CONSERVATION PAYMENTS**

### 2.1 Conservation Payments.

Barbados hereby agrees with TNC that Barbados shall make the applicable EndowCo Conservation Payment to the Paying Agent for the benefit of EndowCo and the CF Conservation Payment to the Paying Agent for the benefit of the Conservation Fund, in each case, beginning on the date specified in the Payment Schedule and ending on the End Date, without defense, setoff or counterclaim; provided that (i) Barbados shall make the applicable EndowCo Conservation Payment into the US Dollar Payment Account in immediately available funds in Dollars, (ii) Barbados shall make the applicable CF Conservation Payment into the Barbadian Dollar Payment Account in immediately available funds in Barbadian Dollars, except, in the case of this clause (ii) only, that if an Expropriation Event has occurred and is continuing, Barbados

shall make the applicable CF Conservation Payment into the US Dollar Payment Account in immediately available funds in Dollars.

## 2.2 Payments Generally

(a) Notwithstanding anything in this Agreement to the contrary, any payment that is due on a date other than a Business Day shall be made on the immediately succeeding Business Day.

(b) If any payment required to be made under this Agreement shall not be paid in full on the date on which it is due, Barbados shall pay a late charge at the Overdue Rate on the full unpaid amount of such payment; provided that, to the extent that (i) a Caribbean Earthquake Event, a Caribbean Tropical Cyclone Event, a Covered Area Rainfall Event or a Pandemic Event has occurred and (ii) such event is an Approved Deferral Claim, then no such late charge shall be payable during the Deferral Period.

(c) Any payment required to be made hereunder in Dollars shall be made not later than 3:00 p.m. New York, New York time on the date when due. Any payment required to be made hereunder in Barbadian Dollars shall be made not later than 3:00 p.m. New York, New York time on the date when due and, if the applicable amount so payable is denominated in Dollars hereunder, the amount payable in Barbadian Dollars shall be equal to the Barbadian Dollar Equivalent Amount of the applicable Dollar amount as at the date such amount is paid.

(d) Payment to the Paying Agent shall only discharge Barbados' obligations under Section 2.1 if the amount available to the Paying Agent to make the transfers contemplated under the TNC Counter-Guarantee Contract equals the sum of such amount plus the amount of the EndowCo Conservation Payment and the CF Conservation payable on the applicable Payment Date.

(e) If for any reason EndowCo or the Conservation Fund receives any payments that pursuant to the terms hereof should have been paid for distribution by the Paying Agent and deposited into the US Dollar Payment Account or Barbadian Dollar Payment Account, as applicable, then such Person shall promptly (and, in any event, within five (5) Business Days from receipt thereof) deposit, or cause to be deposited, such amounts into the US Dollar Payment Account or Barbadian Dollar Payment Account, as required pursuant to the terms of this Agreement.

(f) Any payment made by the Government to the Paying Agent under this Agreement shall be accompanied by an instruction setting out the type of payment and the relevant clause of this Agreement pursuant to which such payment is being made.

## **ARTICLE 3. REPRESENTATIONS AND WARRANTIES**

Barbados hereby represents and warrants on the date hereof and on the Effective Date that:

### 3.1 Power and Authority.

Barbados has the power and authority to execute and deliver this Agreement and to perform its obligations under the provisions hereof, including Barbados's obligations in connection with the obtaining of Dollars to make payments under this Agreement and the appointment of representatives to serve as board members of the Conservation Fund.

### 3.2 Authorization, etc.

This Agreement has been duly authorized by all necessary action on the part of Barbados (including any action required (a) to provide the signatories hereto with the authority to execute the Agreement, (b) to waive sovereign immunity to the extent herein waived, and (c) in connection with the obtaining of Dollars to make payments under this Agreement and the payment of such Dollars to Persons resident in the United States of America), and this Agreement constitutes the legal, valid and binding obligation of Barbados, enforceable against Barbados in accordance with its terms.

### 3.3 Compliance with Laws, Other Instruments.

The execution, delivery and performance by Barbados of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provisions of the Barbados Constitution, law or regulation applicable to Barbados, (b) contravene, result in any breach of, or constitute a default in any material respect under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, or any other contract, agreement, instrument or obligation or any treaties, including any negative pledge covenant included therein, to which Barbados is or may be bound or affected, (c) conflict with or result in a breach of any of the terms, conditions or provisions of any consent, approval, authorization, order, judgment, decree or ruling of any court, arbitrator, regulatory body or Governmental Authority having jurisdiction over Barbados, the Government or any Agency or over any of their respective properties, including any debt limitations or ceilings contained in any consent, approval or authorization referred in Section 3.4, or (d) violate any provision of any statute, law, convention or other rule or regulation of any Governmental Authority applicable to Barbados, the Government or any Agency, except in the cases of clauses (b) and (c) for those violations and defaults which individually, or in the aggregate, could not reasonably be expected to have a material adverse effect on the validity or enforceability of this Agreement, the ability of Barbados to make payments under this Agreement in such currency as required pursuant to the terms and conditions set forth herein.

### 3.4 Governmental Authorizations, etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority in Barbados is required in connection with the execution, delivery or performance by Barbados of this Agreement, the obtaining of Dollars to make payments under this Agreement, or the payment of such Dollars to Persons resident in the United States of America, other than the approval of the Cabinet of Barbados provided as of September 16<sup>th</sup>, 2022 and the approval of the Parliament of Barbados dated as of September 16<sup>th</sup>, 2022. No payment of any Stamp Tax in the Jurisdiction is due in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated herein.



All authorizations, consents, approvals and any other acts, conditions, or things required under the laws and regulations of Barbados or otherwise to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Agreement, including the payment in USD of any amount payable in USD under this Agreement, have been obtained or effected, and are in full force and effect.

All acts, conditions or things required under the laws and regulations of Barbados or otherwise to make this Agreement to which it is a party admissible in evidence in judicial proceedings in Barbados have been effected.

### 3.5 Litigation.

There is no action, suit or proceeding pending or, to the knowledge of Barbados, threatened against or affecting Barbados, the Government or any Agency or any property of Barbados, the Government or any Agency in any court, governmental agency, authority or body or any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would or would reasonably be likely to limit the legality, validity or enforceability of, or the ability of Barbados to perform its obligations under, this Agreement.

### 3.6 Sanctions.

Barbados represents that it, the Government or any Agency has not used, directly or knowingly indirectly, the proceeds of the Blue Loan Agreement, or lent, contributed or otherwise made available such proceeds to any Person: (a) to fund or facilitate any activities or business of or with any Person that, at the time of such funding or facilitation, is the target of any economic sanctions administered or enforced by OFAC, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom or Switzerland (collectively, "**Sanctions**") or is resident in any Sanctioned Country, unless expressly permitted by applicable law or regulation or if an appropriate license for any such transaction was obtained from the authority administering the relevant Sanctions; or (b) in any other manner that will result in a violation of Sanctions.

### 3.7 Pari Passu.

All obligations and liabilities of Barbados under this Agreement are general, direct, unconditional, unsubordinated and unsecured obligations of Barbados for the payment and performance of which the full faith and credit of Barbados has been pledged, which obligations and liabilities rank in right of payment at least *pari passu* with all of the other present and future unsecured and unsubordinated Public External Debt.

### 3.8 No Immunity from Suit or Execution for Barbados.

In any proceedings taken in the Jurisdiction or in the United States in relation to this Agreement, Barbados will not be entitled to claim, and will not claim, for itself or any of its revenues or properties, immunity from suit, execution, attachment or other legal processes except for limitations on immunity waivers applicable generally to sovereigns under the laws of Barbados or the United States. The waiver of immunity by Barbados pursuant to Section 13.5 is legal, valid and binding on Barbados.

### 3.9 Changes in Law.

There is no pending amendment to the laws, regulations, statutes or treaties of Barbados, nor any (a) of the foregoing proposed in writing by or to the Government or (b) pending legislation in the Jurisdiction, that, if it were to become effective, could reasonably be expected to have a material adverse effect on the validity or enforceability of this Agreement, the ability of Barbados to make payments under this Agreement in such currency as required pursuant to the terms and conditions set forth herein.

### 3.10 No Withholding or Other Charges.

Payments made hereunder by Barbados are not subject to withholding or deduction for or on account of tax under the current laws and regulations of Barbados or any political subdivision or taxing authority thereof. There is no income, stamp or other tax, levy, impost, deduction or other charges imposed or levied (whether by withholding or otherwise) by Barbados or any political subdivision or taxing authority thereof or therein on or by virtue of the execution, delivery or performance by Barbados of this Agreement or any of the other documents or instruments to be executed and delivered by Barbados in connection herewith.

### 3.11 Anti-Terrorism; Anti-Money Laundering; Anti-Corruption.

(a) Barbados is not designated by the Secretary of State of the United States as a State Sponsor of Terrorism pursuant to section 104(c) of the Export Control Reform Act (50 U.S.C. § 4813(c), section 40 of the Arms Export Control Act (22 U.S.C. § 2780), or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. § 2371).

(b) Barbados has implemented, through measures adapted to its particular circumstances, the necessary laws, regulations, and regulatory and enforcement structures to implement the framework of measures recommended by the Financial Action Task Force (“**FATF**”) in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction as set forth in the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation as promulgated by the FATF (the “**Anti-Money Laundering Framework**”) and has not been identified by the FATF as a jurisdiction with strategic deficiencies in its Anti-Money Laundering Framework.

(c) To the knowledge of Barbados, none of the Government’s or Agencies’ officials working on the transaction contemplated by or in connection with the Blue Loan Agreement, the TNC Counter-Guarantee Contract or the transactions contemplated hereby or any representative, agent, employee or other person with actual authority to act on behalf of Barbados, the Government or its Agencies (each, an “**Official**”) has taken any action to request, demand or receive any money or thing of value from any Person (i) to induce such Official to act or refrain from acting, (ii) to use such Official’s influence with other Officials, or (iii) to confer an improper benefit upon any Person in connection with the sale of the Blue Loan Agreement or the subsequent use of the Blue Loan Agreement proceeds, in each of the foregoing cases, in violation of the Prevention of Corruption Act of Barbados, the U.S. Foreign Corrupt Practices Act of 1977 or the U.K. Bribery Act 2010, each as may be amended.

### 3.12 Choice of Law.

The choice of New York law in this Agreement is a valid choice of law under the laws of the Jurisdiction and, accordingly, would be recognized and applied by the courts of the Jurisdiction if this Agreement or any claim hereunder is brought before any such court; provided that, in any proceedings in the Jurisdiction for the enforcement of this Agreement, a court in the Jurisdiction would apply procedural law of the Jurisdiction.

Any judgment obtained in New York in relation to this Agreement will be recognized and enforced in Barbados in accordance with, and subject to compliance with, the applicable law.

### 3.13 Legal Form.

This Agreement is in proper legal form under the laws of the Jurisdiction for the enforcement thereof in the Jurisdiction against Barbados in accordance with its terms, and to ensure the legality, validity or enforceability of this Agreement in the Jurisdiction in accordance with its terms, it is not necessary that it be filed or recorded, except as described under Section 3.4 herein, with any court or other authority in the Jurisdiction or that any Stamp Tax be paid in the Jurisdiction on or in respect of any of said documents.

### 3.14 Exchange Controls.

Under current laws and regulations of the Jurisdiction and each political subdivision thereof, all payments to be made pursuant to this Agreement may be freely transferred out of the Jurisdiction and may be paid in, or freely converted into, Dollars, and Barbados shall ensure that all necessary approvals or steps required to be taken to make any payment required to be made by Barbados pursuant to this Agreement are promptly made and in that connection shall procure that its Government and Agencies shall act to achieve the same objective.

### 3.15 No filing or stamp taxes.

Under the law and regulations of Barbados it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Agreement or the transactions contemplated herein.

### 3.16 No misleading information.

No factual statement made, or other factual information furnished, by Barbados or any of its Ministries, Senior Officials or official representatives (to the best of Barbados knowledge and belief having made due and careful enquiry) to TNC in, or in connection with, this Agreement, any other document furnished by or on behalf of Barbados to TNC contains any untrue statement of a material fact or omits to state (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they were made.

Nothing has occurred or been omitted from information provided by Barbados or any of its Ministries, Senior Officials or official representatives (to the best of Barbados' knowledge and belief having made due and careful enquiry) to TNC and no information has been given or withheld that results in such information being untrue or misleading in any material respect as at the date at which that information was stated as being provided.

3.17 Public procurement rules.

All public procurement rules in Barbados which are applicable to Barbados' entry into and the exercise of the Barbados' rights and performance of its obligations under this Agreement and the Conservation and Sustainability Commitments Agreement have been complied with by the relevant authorities in Barbados.

**ARTICLE 4. ADDITIONAL COVENANTS**

Barbados hereby covenants that until this Agreement has terminated in accordance with Section 13.11:

(a) Barbados shall appoint representatives to fill the seats on the board of the Conservation Fund that are reserved for representatives of Barbados.

(b) In order to receive any grant, Barbados or the applicable Agency may be required at the request of the Conservation Fund to demonstrate to the satisfaction of the Conservation Fund that any such amounts being received from the Conservation Fund shall not in any way reduce Barbados's conservation expenditures as a direct result of receipt of a grant from the Conservation Fund through submission to the Conservation Fund of supporting materials such as relevant audited accounts and any other relevant conservation strategy documentation that might demonstrate any such amount shall be a supplement to, and not a replacement for, Barbados's conservation expenditure.

(c) Barbados shall not, and shall cause its Agencies not to:

(i) appoint, or cause to be appointed, in each case directly or indirectly, representatives of Barbados on the board of the Conservation Fund that are subject to or targeted by any Sanctions (or that otherwise do not comply with the requirements to be a member of the board of the Conservation Fund) or that, once appointed, constitute 50% or more of the board members of the Conservation Fund;

(ii) control the Conservation Fund;

(iii) unreasonably withhold or delay any governmental approvals necessary for the Conservation Fund to operate in Barbados;

(iv) unreasonably withhold or delay the granting of, or rescind, the nonprofit and tax-free status of the Conservation Fund under the laws of Barbados; or

(v) stipulate, or cause to be effected, such revisions to the governance and operations of the Conservation Fund (or laws that would govern the operations of the

Conservation Fund) or take or fail to take any other reasonable action within its control such that the Conservation Fund is no longer able to operate effectively as an entity independent from Barbados or its Agencies consistent with the requirements of Exhibit A.

(d) Barbados shall not, and shall cause its Agencies not to (i) unreasonably withhold or delay any governmental approvals necessary or advisable for each of TNC and EndowCo to operate without undue hindrance in Barbados or (ii) enact, promulgate or adopt any law, regulation or other requirement having the force of law or other governmental restriction in Barbados that materially interferes with, delays or otherwise impedes either TNC's or EndowCo's ability to effectively perform its obligations under this Agreement.

(e) Each of Barbados, BESF and EndowCo agrees that none of it or, in the case of Barbados, any of its Agencies shall, directly or knowingly indirectly, (i) in the case of Barbados, fund the payment of any Conservation Payment with amounts received from any Prohibited Person, or (ii) in the case of Barbados (through its representatives or otherwise), BESF and EndowCo, direct or cause the direction of the use of the proceeds of any Conservation Payment, or direct or cause any such proceeds to be lent, contributed or otherwise made available to EndowCo, the Conservation Fund or any other Person: (x) to fund or facilitate any activities or business of or with any Prohibited Person, unless permitted by applicable law or regulation or if an appropriate license for any such transaction was obtained from the authority administering the relevant Sanctions; or (y) in any other manner which would expose TNC or any other Person party to this Agreement or the Conservation and Sustainability Commitments Agreement to the risk of an enforcement proceeding for a violation of Sanctions.

**"Prohibited Person"** shall mean any Person that, at the time of such funding or facilitation, is the target of any Sanctions or is resident in any Sanctioned Country.

## **ARTICLE 5. CONSERVATION FUND AND ENDOWMENT ACCOUNT**

### **5.1 Endowment Account Funds.**

(a) EndowCo agrees:

(i) that on each date on which an EndowCo Conservation Payment is received by the Paying Agent from the Government under Section 2.1, the Paying Agent shall transfer from the US Dollar Payment Account to the Endowment Account (in accordance with the Paying Agency Agreement) such amount, as notified by TNC, which equals the excess of the amount of the EndowCo Conservation Payment so received over the sum of the costs, expenses and indemnities then due and payable under this Agreement and any fee or expense reimbursement then payable to the Paying Agent pursuant to Section 4 of the Paying Agent Agreement; and

(ii) to transfer to the Conservation Fund as an endowment the amounts held in the Endowment Account on the End Date; and

(b) the Conservation Fund agrees that on each date on which a CF Conservation Payment is received by the Paying Agent from the Government under Section 2.1, the Paying Agent shall transfer the relevant received amounts from the Barbadian Dollar Payment Account to an account held by the Conservation Fund as notified at least two Business Days in advance in accordance with the Paying Agency Agreement.

## 5.2 Beneficial Owner of the Endowment

(a) TNC shall serve as the initial Beneficial Owner of EndowCo.

(b) TNC, acting as Administrator, will appoint the Conservation Fund as Beneficial Owner if the following conditions have been met to TNC's, acting as Administrator, satisfaction (acting reasonably) or waived by TNC:

(i) The board of directors of the Conservation Fund has approved becoming the Beneficial Owner and acknowledged that it will be responsible for all applicable U.S. and Barbados tax filings that may arise as a result of serving as Beneficial Owner.

(ii) The Conservation Fund has obtained and provided to TNC, acting as Administrator, a determination letter from the IRS confirming that the Conservation Fund is both:

- A. an organization exempt from taxation under Section 501(c)(3) of the Code; and
- B. a public charity (i.e. an organization other than a "private foundation" within the meaning of section 509(a) of the Code).

(iii) The Conservation Fund has provided to TNC, acting as Administrator, a valid and executed IRS Form W-8EXP (or applicable successor form) with respect to the income of EndowCo, that:

- A. certifies that the Conservation Fund is a "foreign tax-exempt organization" and not a "foreign private foundation";
- B. certifies that the Conservation Fund has been issued a determination letter by the IRS and the date of such letter;
- C. includes an affidavit of the organization setting forth sufficient facts for the IRS to determine that the organization is not a "private foundation" because it meets one of the exceptions described in section 509(a)(1), (2), (3) or (4) of the Code; and
- D. includes as attachments any other statements, affidavits or other information required under the instructions to the Form W-8EXP (or applicable successor form).

(iv) The Conservation Fund has obtained and provided TNC, acting as Administrator, a determination letter from the Barbados Revenue Authority confirming that the Conservation Fund is exempt from tax in Barbados

(v) The Conservation Fund is in compliance with the terms of this Agreement.

(vi) No Replacement Event shall have occurred and be continuing.

(vii) The trustee of EndowCo has concluded all necessary due diligence to permit the Conservation Fund to become Beneficial Owner.

(viii) TNC, acting as Administrator, has received a legal opinion from a reputable Barbados law firm that the Conservation Fund serving as the Beneficial Owner will not violate any law in Barbados or the terms of the Conservation Fund.

(c) The Conservation Fund will use commercially reasonable best efforts to maintain the tax-exempt statuses identified in Sections 5.2(b)(ii)A. and B. and (iv), including the filing of annual IRS Forms 990, if required. The Conservation Fund shall promptly provide to TNC an updated, valid and executed Form W-8EXP upon any change in circumstances, upon the expiration of a previously provided form or upon the request of TNC, acting as Administrator. The Conservation Fund will notify TNC, in its role as Administrator, within 3 days of receipt by the IRS of any revocation of a determination letter regarding or of any other challenge (e.g., on audit) to the Conservation Fund's status described in Sections 5.2(b)(ii)A. and B.

(d) If a Replacement Event has occurred and is ongoing, if any of the conditions listed in Section 5.2(b) or (c) ceases to be met, or if TNC, acting as Administrator, receives a notification described in the last sentence of Section 5.2(c), TNC, acting as Administrator, may remove the Conservation Fund as Beneficial Owner and designate a replacement Beneficial Owner. Such replacement will be TNC until such time as a new Conservation Fund meets the requirements in Section 5.2(b) above.

(e) TNC, in its individual capacity and acting as Administrator, shall have received waivers in form and substance satisfactory to it from Barbados, BESF and the Conservation Fund in respect of any and all liabilities, losses, costs, damages and expenses which may arise (and howsoever they may arise) in connection with the appointment of the Conservation Fund as Beneficial Owner and the resignation of TNC as Beneficial Owner.

### 5.3 Acknowledgments and Representations and Warranties of the Parties with Respect to the Conservation Fund and the Endowment Account.

Barbados acknowledges and agrees that:

(a) Barbados will be eligible to apply to the Conservation Fund for grants and that neither Barbados nor any of its Agencies shall be entitled to receive any other type of funds or funding from the Conservation Fund other than those amounts that Barbados may

receive as a result of taxes, nominal registration or similar fees or other statutory charges that are generally applicable to not-for-profit or charitable entities and not explicitly or de facto targeted for application to the Conservation Fund;

(b) Barbados will at all times be familiar with the laws and internal regulations that govern or will govern the Conservation Fund and its operations; and

(c) Barbados shall use reasonable efforts to identify appropriate persons to be appointed as its representatives to the Conservation Fund in line with the requirements to be a member of the board of the Conservation Fund and shall restrict its appointments to such persons.

#### 5.4 Replacement of the Conservation Fund.

(a) If one or more of the following events (each, a “**Replacement Event**”) shall have occurred and be continuing, then TNC and Barbados shall have the rights set forth in Section 5.2(d) above and Section 5.4(b) below:

(i) an Interference Condition is continuing;

(ii) TNC has determined that the Conservation Fund is in breach or otherwise has failed to comply with any agreement in any material respect to which TNC or EndowCo and the Conservation Fund are a party or any undertaking by such entity for the benefit of TNC or EndowCo and such breach or failure continues unremedied for a period of sixty (60) days after written notice of such determination has been provided by TNC or EndowCo to the Conservation Fund; or

(iii) the Conservation Fund fails to satisfy any of the requirements set forth in Exhibit A applicable to such entity or otherwise breaches any of its organizational documents in any material respect and such breach continues unremedied for a period of thirty (30) days after written notice thereof has been provided by TNC to the Conservation Fund.

(b) If any Replacement Event has occurred and is continuing, then TNC may designate, by delivery of notice to Barbados, the Conservation Fund as a “Non-Compliant Conservation Fund Entity.”

(c) If the Conservation Fund is designated as a Non-Compliant Conservation Fund Entity, as soon as practicable thereafter, and after good-faith consultation with the Government, TNC may select, by delivery of notice to Barbados, a Qualifying Conservation Entity to replace the Conservation Fund. Such selected Qualifying Conservation Entity shall replace the Conservation Fund for all purposes under this Agreement.



## ARTICLE 6. TERMINATION EVENTS

### 6.1 Termination Events.

If one or more of the following events (each, a “**Termination Event**”) shall have occurred and be continuing (whatever the reason for such Termination Event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), TNC shall have the right to exercise the remedies set forth in Section 6.2 below:

(a) Barbados fails to make any payment due and payable pursuant to this Agreement or under the TNC Counter-Guarantee Contract, as and when the same shall become due and payable, and such failure continues unremedied for a period of thirty (30) days;

(b) an Expropriation Event occurs;

(c) a Major Commitment Default (other than an Expropriation Event) has occurred and, after receipt of the Major Commitment Default Declaration, IADB has declared the Outstanding Balance (as defined in the IADB Counter-Guarantee Contract) or a portion thereof immediately due and payable in accordance with Article 5.01 of the general conditions of the IADB Counter-Guarantee Contract;

(d) the Blue Loan Agreement shall become due and payable due to acceleration (and such acceleration shall not have been rescinded or annulled), or Barbados shall have failed to pay the Blue Loan Agreement in full on the maturity date;

(e) the validity of this Agreement shall be contested in a formal administrative, legislative or judicial proceeding by Barbados, the Government or any executive, legislative, or judicial body or official of Barbados which is authorized in each case by law to do so and, acting alone or together with another such body or official, has the legal power and authority to declare this Agreement invalid or unenforceable, or Barbados shall deny any of its obligations hereunder to any Relevant Party, or any constitutional provision, treaty, convention, law, regulation, decree, ordinance of the Jurisdiction, or any final non-appealable decision by any court in the Jurisdiction having jurisdiction, shall purport to render any material provision of this Agreement, invalid or unenforceable or shall purport to prevent or delay the performance or observance by Barbados of any of its material obligations hereunder to any Relevant Party;

(f) Barbados shall deny any of its obligations hereunder to any Relevant Party, or any constitutional provision, treaty, convention, law, regulation, official communique, ordinance of Barbados, or any final non-appealable decision by any court in Barbados having jurisdiction, shall purport to render any material provision of this Agreement, invalid or unenforceable or shall purport to prevent or delay the performance or observance by Barbados of any of its material obligations hereunder;

(g) any constitutional provision, treaty, convention, law, regulation, ordinance, decree, consent, approval, license or other authority in Jurisdiction necessary to enable

Barbados to, direct or indirectly, make or perform its material obligations under this Agreement, or the validity or enforceability thereof, shall expire, be withheld, revoked, terminated or otherwise cease to remain in full force and effect, or shall be modified in a manner which adversely affects any rights or claims of any Relevant Party;

(h) TNC has made an early disbursement of the Guarantee Agreement pursuant to Section 2.07 of the special conditions of the TNC Counter-Guarantee Contract;

(i) Barbados shall have become a Sanctioned Country or a Sanctioned Person or the Government or any of its Agencies shall have become a Sanctioned Person; or

(j) Barbados or the Government shall be designated by the Secretary of State of the United States as a State Sponsor of Terrorism pursuant to section 104(c) of the Export Control Reform Act (50 U.S.C. § 4813(c), section 40 of the Arms Export Control Act (22 U.S.C. § 2780), or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. § 2371).

## 6.2 Remedies.

(a) If any Termination Event has occurred and is continuing, TNC may, at any time at its option, by written notice to Barbados (with a copy to IADB), terminate this Agreement, and thereupon (i) this Agreement shall terminate immediately and (ii) Barbados shall immediately pay in Dollars in immediately available funds to the Conservation Fund an amount equal to the present value of the aggregate amount of all Conservation Payments that are required to be made by Barbados and that have not been made by Barbados to EndowCo or to the Conservation Fund until the End Date computed using a discount rate equal to the Treasury Rate (the “**Termination Payment**”); provided that, with respect to clause (ii) above, if the Termination Event set forth in Section 6.1(b) above has occurred, TNC may by written notice to Barbados direct that the Termination Payment be paid by Barbados into the US Dollar Payment Account (and Barbados shall comply with such direction), and the parties agree that, once a Qualifying Conservation Entity has been designated pursuant to Section 5.3 to replace the Conservation Fund, EndowCo shall arrange for all amounts held by EndowCo minus (the costs of winding up EndowCo) to be transferred to such Qualifying Conservation Entity. Besides the written notice delivered by TNC notifying the termination of this Agreement, no presentment, demand, protest or notice of any kind (all of which are hereby waived by Barbados) shall be required for the Termination Payment to be immediately due and payable.

(b) If any Termination Event has occurred and is continuing, and irrespective of whether this Agreement has been terminated pursuant to Section 6.2(a), TNC, at any time, may proceed to protect and enforce its rights by any action commenced pursuant to Section 13.5 for any remedy available at law or in equity, whether for the specific performance of any agreement contained herein, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law.

(c) No course of dealing, and no delay on the part of a Relevant Party in exercising any right, power or remedy shall operate as a waiver thereof or otherwise

prejudice such Relevant Party's rights, powers or remedies. No right, power or remedy conferred by this Agreement upon a Relevant Party hereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of Barbados under ARTICLE 7, Barbados will pay to each Relevant Party on demand such further amount as shall be sufficient to cover all reasonable costs and expenses of such Relevant Party incurred in any enforcement under this Section 6.2, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

#### **ARTICLE 7. EXPENSES.**

Barbados will pay, or cause to be paid, on demand, (a) fifty per cent (50%) of all costs and expenses (including reasonable attorneys' fees) incurred by each Relevant Party in connection with enforcing or defending any obligations of Barbados pursuant to this Agreement or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, and (b) fifty per cent (50%) of all reasonable costs and expenses, including financial advisors' fees, incurred in connection with the insolvency of Barbados or in connection with any workout restructuring of this Agreement.

#### **ARTICLE 8. SURVIVAL**

Section 6.2 (to the extent the Agreement is terminated pursuant to TNC's exercise of remedies thereunder), Section 5.1, ARTICLE 8 and ARTICLE 13 will survive the enforcement, amendment or waiver of any provision of this Agreement and the termination of this Agreement.

#### **ARTICLE 9. ENTIRE AGREEMENT**

This Agreement embodies the entire agreement and understanding among TNC, EndowCo, the Conservation Fund and Barbados and shall supersede all prior agreements and understandings relating to the subject matter hereof.

#### **ARTICLE 10. AMENDMENT AND WAIVER**

No amendment or waiver of any provision of this Agreement, nor consent to any departure by Barbados therefrom, shall in any event be effective unless the same shall be in writing and signed by (i) TNC, (ii) in the case of amendments only, Barbados, and (iii) in the case of amendments to Exhibit A only, also the Conservation Fund, and any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

#### **ARTICLE 11. NOTICES**

All notices and communications provided for hereunder shall be in writing and sent (a) by a recognized overnight delivery service (with charges prepaid), or (b) via email. Any such notice must be sent:

(a) if to TNC, to it at 4245 North Fairfax Dr., #100, Arlington VA 22203, Attn: Legal Corporate Services. Email: [LegalCS@tnc.org](mailto:LegalCS@tnc.org) and [SDPortfolio@tnc.org](mailto:SDPortfolio@tnc.org), or at such

other address as TNC shall have specified to Barbados, EndowCo and the Conservation Fund in writing from time to time;

(b) if to EndowCo, to it c/o TNC at 4245 North Fairfax Dr., #100, Arlington VA 22203, Attn: Legal Corporate Services. Email: [LegalCS@tnc.org](mailto:LegalCS@tnc.org) and [SDPortfolio@tnc.org](mailto:SDPortfolio@tnc.org), or at such other address as EndowCo shall have specified to TNC, Barbados and the Conservation Fund in writing from time to time,

(c) if to BESF, to Room 29, Hastings Plaza, Hastings, Christ Church BB15150, Barbados, Attention: Chairman of BESF, e-mail address [Gregory.hinkson@samdorservices.com](mailto:Gregory.hinkson@samdorservices.com), with a copy to Ministry of Environment, and National Beautification, Green and Blue Economy, 10<sup>th</sup> Floor, Warrens Tower II, Warrens, St. Michael, BB12001, Barbados, Attention: Permanent Secretary of Blue Economy, e-mail address [Sonia.Foster@Barbados.gov.bb](mailto:Sonia.Foster@Barbados.gov.bb), or at such other address as BESF shall have specified to TNC, EndowCo and Barbados in writing from time to time; or

(d) if to Barbados, to Ministry of Finance, Economic Affairs and Investment, Government Headquarters, Bay Street, St. Michael, Barbados , Attention: Permanent Secretary of Finance , e-mail address [Barbadosloans@barbados.gov.bb](mailto:Barbadosloans@barbados.gov.bb) ,or at such other address as Barbados shall have specified to TNC, EndowCo and the Conservation Fund in writing from time to time.

## **ARTICLE 12. ASSIGNMENTS; CERTAIN PLEDGES**

(a) TNC may not assign or otherwise transfer all or any portion of TNC's rights and obligations under this Agreement except to an Affiliate of TNC with the prior written consent of Barbados (such consent not to be unreasonably withheld, delayed or conditioned); provided that Barbados shall be deemed to have provided its consent to any such assignment if it fails to respond within thirty (30) calendar days of a written request by TNC.

(b) Barbados, EndowCo or BESF may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of TNC, except that BESF shall transfer of all of its rights and obligations under this Agreement to the Qualifying Conservation Entity that replaces BESF as the Conservation Fund. Any assignment made without the consent of TNC (other than an assignment by BESF to a Qualifying Conservation Entity that replaces BESF as the Conservation Fund) shall be null and void. No assignee will acquire any rights or obligations by reason of an assignment made without the consent of TNC (other than an assignment by BESF to a Qualifying Conservation Entity that replaces BESF as the Conservation Fund).

(c) Any purported assignment, disposition, conveyance, pledge or transfer of rights in violation of this Agreement shall be absolutely null and void and have no force or effect, and shall vest no rights in the purported beneficiary of such assignment, disposition, conveyance, sale of participation, pledge or transfer.

## ARTICLE 13. MISCELLANEOUS

### 13.1 Successors and Assigns.

All terms, provisions, covenants and other agreements contained in this Agreement, by or on behalf of any of the Parties hereto, shall bind, inure to the benefit of and be enforceable against their respective successors, assigns and transferees whether so expressed or not. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

### 13.2 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

### 13.3 Construction.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one (1) covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

### 13.4 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one (1) instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the Parties hereto. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, or other transmission method), and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

### 13.5 Governing Law, Jurisdiction and Service of Process; Waiver of Sovereign Immunity.

(a) This Agreement shall be governed by and construed in accordance with the laws of the state of New York.

(b) Any dispute arising, whether past, present or future, whether sounding in contract, tort or otherwise, and whether arising at law or in equity, arising out of, or related to, this Agreement, including any question as to the existence, negotiation, construction,

interpretation, validity, arbitrability, enforceability, or the alleged or threatened breach of the rights and obligations created herein shall be resolved through binding arbitration, as provided by this Section 13.5 (each, an “**Arbitration**”).

(c) Any Arbitration shall be administered by the International Chamber of Commerce (the “**ICC**”) Rules of Arbitration in effect on the date hereof (the “**Rules**”), except as such Rules may be changed by this provision. The seat of arbitration shall be the City of New York, New York, United States of America, with hearings held in such location, or in such other place as the parties hereto agree in writing, before three independent arbitrators selected in accordance with the Rules. All filings and submissions shall be made, and proceedings conducted, in the English language.

(d) Notwithstanding anything to the contrary herein, the arbitration provisions set forth herein, and any arbitration conducted thereunder, shall be governed exclusively by the Federal Arbitration Act, Title 9 United States Code, to the exclusion of any state or municipal law of arbitration.

(e) For purposes of this Section 13.5, the Parties hereto stipulate that this arbitration provision constitutes an agreement in writing to arbitrate an international dispute and satisfies the requirements for an agreement in writing pursuant to Article II of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “**New York Convention**”).

(f) Each Party hereto may make the appropriate application in any court having jurisdiction, and any appellate court from any thereof, for the purpose of seeking an order compelling arbitration to take place in the place and manner specified herein or to provide emergency relief pending arbitration or to enforce an arbitration award.

(g) Each Party hereto waives any right to challenge any arbitral award issued in an Arbitration commenced hereunder except on the grounds expressly provided in Article V of the New York Convention.

(h) Each Party agrees that service of process, summons, notice, or other document by registered or certified mail (or any substantially similar form of mail) at its address set forth in Article 11 (Notices) shall be effective service of process for any suit, action, or other proceeding brought against either of them in accordance with this Section 13.5.

(i) Barbados hereby irrevocably waives, to the extent permitted by applicable law and international conventions, (a) any immunity from jurisdiction it may have in any dispute in the courts of New York or in any other jurisdiction, and (b) except as provided below, any immunity from attachment or execution to which its assets or property might otherwise be entitled in any dispute in the courts of New York, and agrees that it will not claim any such immunity in any such dispute.

(j) Notwithstanding the foregoing, the above waiver shall not constitute a waiver of immunity from attachment or execution with respect to:

- (i) any property of the Central Bank of Barbados,
- (ii) any property of Barbados located in the territory of Barbados,
- (iii) any property located in or outside the territory of Barbados that provides an essential public service,
- (iv) any property entitled to the privileges and immunities of the Vienna Convention on Diplomatic Relations of 1961 and the Vienna Convention on Consular Relations of 1963, including, but not limited to, property, premises and bank accounts used by the missions of Barbados,
- (v) any property of a diplomatic, governmental or consular mission of Barbados,
- (vi) taxes, duties, levies, assessments, royalties or any other governmental charges imposed by Barbados, including the right of Barbados to collect any such charges,
- (vii) any property of a military character or under the control of a military authority or defence agency of Barbados,
- (viii) property forming part of the cultural heritage of Barbados, or
- (ix) property of Barbados outside Barbados not used for a commercial purpose.

For the purposes of this Section 13.5, "property" includes, without limitation, assets, accounts, bank deposits, cash, revenues, securities and rights, including rights against third parties.

(k) The foregoing constitutes a limited and specific waiver by Barbados solely for the purposes of this Agreement and under no circumstance shall it be construed as a general waiver by Barbados or a waiver with respect to proceedings unrelated to this Agreement.

### 13.6 Obligation to Make Payments in Dollars.

Any payment on account of an amount that is payable hereunder in Dollars which is made to or for the account of a Relevant Party in lawful currency of any other jurisdiction (the “**Other Currency**”), whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of assets belonging to Barbados, shall constitute a discharge of Barbados’s obligation under this Agreement only to the extent of the amount of Dollars which such Relevant Party could purchase in the New York foreign exchange markets with the amount of the Other Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first day (other than a Saturday) on which banks in New York are generally open for business following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to a Relevant

Party, Barbados shall indemnify and save harmless such Relevant Party from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Relevant Party from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order. For the avoidance of doubt, in no event shall Barbados be required to pay more Dollars at the rate of exchange when payment is made than the amount of Dollars stated to be due hereunder, so that in any event Barbados's obligations hereunder will be effectively maintained as Dollar obligations.

### 13.7 English Language.

All notices provided for in this Agreement or made in accordance with this Agreement and all documents delivered under the terms of this Agreement shall either be in English or shall be accompanied by a certified translation into English.

This Agreement has been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in Barbados or any other jurisdiction in respect hereof or thereof.

### 13.8 Taxes.

(a) All payments by Barbados under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, fees, assessments, charges, deductions or withholdings, including any interest, penalties or additions to tax imposed with respect thereto or with respect to the making of payments in Dollars or Barbadian Dollars, such as financial transactions taxes or currency taxes, in each case, imposed by or for a government or other authority having power to tax (hereinafter, "**Tax**") unless any withholding or deduction for or on account of Tax is required by applicable law.

(b) If Barbados shall be obligated by law to make any such withholding or deduction for any Tax imposed, levied, collected, assessed or withheld by or within Barbados or any political subdivision or taxing authority thereof or therein, by any jurisdiction in which Barbados carries on business or by any other country or jurisdiction (or any taxing authority thereof or therein) (each, a "**Taxing Jurisdiction**"), then Barbados will (i) timely pay to the relevant Taxing Jurisdiction the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any Additional Payment required to be made pursuant to clause (ii) hereof) in accordance with applicable law and (ii) pay to each Person entitled under this Agreement to receive the payment from which the amount referred to in clause (i) has been so deducted or withheld, such additional amount as is necessary in order that the amount received by such Person after any required deduction or withholding (including any required deduction or



withholding on or with respect to such additional amount) shall equal the amount such Person would have received had no such deduction or withholding been made (the “**Additional Payment**”).

(c) Notwithstanding the provisions of this Section 13.8, no such Additional Payments shall be payable for or on account of any Connection Income Taxes or any Tax that is attributable to any Relevant Party’s failure to make a declaration of non-residence or other similar claim, or comply with any reporting requirement (as notified to such Relevant Party in writing by or on behalf of Barbados giving such Relevant Party sufficient time to satisfy such requirements), as is required (i) by statute, treaty or regulation of Barbados existing on the date hereof, or which are not substantially more onerous than those existing on the date hereof and which do not impose an unreasonable burden (in time, resources or otherwise) on such Relevant Party or materially prejudice such Relevant Party’s legal or commercial position, or (ii) by statute, treaty or regulation in any other relevant Taxing Jurisdiction to the extent the requirements thereof are not substantially more onerous than those of Barbados existing on the date hereof and which do not impose an unreasonable burden (in time, resources or otherwise) on such Relevant Party or materially prejudice such Relevant Party’s legal or commercial position as a precondition to exemption from or reduction of all or part of such Tax.

(d) Barbados shall timely pay to the relevant Taxing Jurisdiction in accordance with applicable law, or at the option of a Relevant Party timely reimburse such Relevant Party for the payment of, any Stamp Taxes, except any Stamp Taxes imposed with respect to a voluntary assignment or transfer.

(e) As soon as practicable after any payment of Taxes by Barbados to a Taxing Jurisdiction pursuant to this Section 13.8, Barbados shall deliver to the Relevant Parties the original or a certified copy of a receipt issued by such Taxing Jurisdiction evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to TNC.

(f) Barbados shall indemnify each recipient of a payment under this Agreement, within thirty (30) days after demand therefor, for the full amount of any Taxes imposed on or with respect to any payment made by Barbados under this Agreement (including such Taxes imposed or asserted on or attributable to amounts payable under this Section 13.8) and any Stamp Taxes payable or paid by such recipient or required to be withheld or deducted from a payment to such recipient and any reasonable out of pocket expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Taxing Jurisdiction. A certificate as to the amount of such payment or liability delivered to Barbados by a Relevant Party shall be conclusive absent manifest error. The indemnity in this Section 13.8(f) shall not apply in relation to (i) Taxes already covered by Section 13.8(b) above or that would be so covered but for the application of Section 13.8(c) above, or (ii) Stamp Taxes already covered by Section 13.8(d) above or that would be so covered but for the application of the exception in Section 13.8(d) above.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 13.8 (including by the payment of additional amounts pursuant to this Section 13.8), it shall pay to Barbados an amount equal to such refund (but only to the extent of indemnity payments made under this Section 13.8 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Taxing Jurisdiction with respect to such refund). Barbados, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant Taxing Jurisdiction) in the event that such indemnified party is required to repay such refund to such Taxing Jurisdiction. Notwithstanding anything to the contrary in this paragraph, in no event will the indemnified party be required to pay any amount Barbados pursuant to this Section 13.8(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed, and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 13.8 shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to Barbados or any other Person.

(h) Each Party's obligations under this Section 13.8 shall survive any assignment of rights by each Relevant Party, the enforcement, amendment or waiver of any provision of this Agreement and the termination of this Agreement.

### 13.9 Indemnification.

(a) Barbados shall indemnify and hold harmless TNC and EndowCo and each of their respective directors, officers, employees, agents and advisors (each, an "**Indemnified Party**"), to the fullest extent lawful, from and against any and all losses, claims, penalties, damages, expenses or liabilities whatsoever (including, without limitation, reasonable documented fees and disbursements of counsel), incurred by or asserted or awarded against any Indemnified Party (including, without limitation, in connection with any pending or prospective investigation, litigation or proceeding or the preparation of any defense or appearing as a third-party witness in connection therewith) arising out of or relating to Barbados's breach of any of the terms of, or any of the representations or warranties given by Barbados pursuant to, this Agreement, except to the extent that such losses, claims, penalties, damages, liabilities or expenses (or proceedings in respect thereof) (a) are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the fraud, gross negligence, bad faith or willful misconduct of such Indemnified Party or (b) result from a dispute or claim between Indemnified Parties; provided that, in any case, Barbados shall not be held liable for any settlement of any such proceedings unless the Indemnified Party has previously notified and consulted with Barbados in respect thereof, and Barbados has provided its consent in respect of any settlement.

(b) In addition to but without duplication of the foregoing and the obligations of Barbados pursuant to Section 13.8, Barbados shall indemnify and hold harmless the Indemnified Parties from and against any and all Taxes imposed by a Taxing Jurisdiction in Barbados on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes or any other taxes or similar charges imposed on the Indemnified Parties in Barbados in each case, solely as a result of or otherwise in connection with the execution, delivery and performance of this Agreement (including but not limited to TNC's or EndowCo's registration as a business under Barbados law, TNC's or EndowCo's actions with respect to any parametric or political risk insurance policy, and any monitoring of the transactions contemplated in this Agreement), or the receipt of any payment under this Agreement. The indemnity in this Section 13.9(b) shall not apply in relation to (i) Taxes already covered by Section 13.8(b) above or that would be so covered but for the application of Section 13.8(c) above, or (ii) Stamp Taxes already covered by Section 13.8(d) above or that would be so covered but for the application of the exception in Section 13.8(d) above.

(c) No Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to Barbados or any of its Agencies or other affiliates, security holders or creditors for or in connection with the services or transactions contemplated hereby, except to the extent such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's fraud, gross negligence, bad faith or willful misconduct. In no event, however, shall any Indemnified Party be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings), and Barbados hereby releases and holds harmless (for itself and any person claiming through it) each Indemnified Party from all such liability. No Indemnified Party shall be liable for any damages arising from the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons, except to the extent such interception is due to the gross negligence, bad faith or willful misconduct of such Indemnified Party.

(d) The indemnity and reimbursement obligations of Barbados hereunder shall be in addition to any other liability Barbados may otherwise have to an Indemnified Party, shall be binding upon and inure to the benefit of any successors and assigns, of Barbados and any Indemnified Party and shall survive the enforcement, amendment or waiver of any provision of this Agreement and the termination of this Agreement.

#### 13.10 Right of Setoff.

If a Termination Event shall have occurred and be continuing, TNC is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by TNC to or for the credit or the account of Barbados against any and all of the obligations of Barbados now or hereafter existing under this Agreement to TNC, irrespective of whether or not TNC shall have made any demand under this Agreement and although such obligations of

Barbados may be contingent or unmatured or are owed to a branch or office of TNC different from the branch or office holding such deposit or obligated on such indebtedness. The rights of TNC under this Section 13.10 are in addition to other rights and remedies (including other rights of setoff) that TNC may have. TNC agrees to notify Barbados promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

13.11 Effectiveness and Termination.

(a) This Agreement shall become effective on the date (the “**Effective Date**”) that this Agreement shall have been duly executed by Barbados, TNC, EndowCo and BESF, and shall not be terminated prior to the End Date without the consent of the Parties, other than as a result of TNC’s exercise of any of its rights or remedies under Section 6.2 following a Termination Event under this Agreement.

(b) Except as otherwise specified in ARTICLE 8, this Agreement shall terminate and all of the obligations of the Parties shall be of no further force or effect, (i) upon the later of the End Date and the date on which Barbados pays all amounts due and owing under this Agreement or (ii) upon termination of this Agreement pursuant to Section 6.2(a).

13.12 Specific Performance.

Each Party hereby irrevocably waives, to the extent that it may do so under applicable law, any defense based on the adequacy of a remedy at law which may be asserted as a bar to the remedy of specific performance in any action brought against such Party for specific performance. Notwithstanding anything in this Agreement to the contrary, each Party may obtain relief against the other Party or any third-party by injunction, specific performance and other appropriate equitable relief.

*[Signature Pages Follow]*


**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

**THE GOVERNMENT OF BARBADOS**

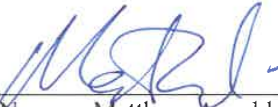
By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

**THE GOVERNMENT OF BARBADOS**


By:   
Name: RYAN STRAUGHN  
Title: ACTING MINISTER OF FINANCE  
ECONOMIC AFFAIRS AND INVESTMENT

**THE NATURE CONSERVANCY**

By:   
Name: Matthew Arnold  
Title: Global Head, Impact Finance  
and Markets, The Nature  
Conservancy

*[Signature Page to the Conservation Funding Agreement]*


**BARBADOS BLUE CONSERVATION  
TRUST**  
**By: THE NATURE CONSERVANCY,  
as Administrator**

By:   
Name: Matthew Arnold  
Title: Global Head, Impact Finance  
and Markets, The Nature  
Conservancy



**BARBADOS ENVIRONMENTAL  
SUSTAINABILITY FUND INC.**

By:   
Name: Gregory Hinkson  
Title: Chair

  
By: \_\_\_\_\_  
Name: Janice Cumberbatch  
Title: Vice Chair

## EXHIBIT A

### CONSERVATION FUND TERMS

Defined terms used but not defined in this Exhibit A shall have the meanings assigned to them in the Conservation Funding Agreement and the Conservation and Sustainability Commitments Agreement, as applicable.

From and after the Effective Date, the Conservation Fund shall:

1	Be an entity devoted to supporting conservation and environmental sustainability activities in Barbados.
2	Be designed to accommodate a blended finance approach for its capitalization, including deriving funding from sustainable financing sources for conservation transactions, such as a debt conversion and other financing instruments, and actively sourcing public and private grants from national and international sources.
3	Be an entity that is legally independent from Barbados and TNC, notwithstanding that Barbados and TNC may have a role in the senior governance functions of the Conservation Fund.
4	Have a board of directors (or equivalent) that is appointed by appointing members (or equivalent) and that at all times is non-government according to the majority of number and voting rights.
5	Have a board of directors (or equivalent) that has broad representation from key stakeholder groups involved in conservation and environmental sustainability activities in Barbados.
6	Have a staff team that is physically located in Barbados that includes, at a minimum, a senior leader such as an executive director or chief executive officer.
7	Establish and maintain a consistent track record of: (i) supporting conservation and environmental sustainability activities effectively, and (ii) implementing robust governance practices in alignment with its governing legal documents.
8	Maintain at all times organizational documents that require that the Conservation Fund comply with all of the requirements in this Exhibit A.
9	For the duration of the Term, provide to TNC and Barbados an annual impact report within one hundred and twenty (120) days of the end of the fiscal year of the Conservation Fund covering relevant matters to that prior fiscal year.
10	Operate a competitive grant award program that:  a) Is fully documented in an appropriately detailed grant awards program manual approved by the board of directors (or equivalent) of the Conservation Fund and reviewed by the board of directors (or equivalent) on a regular basis; b) Operates regularly; c) Is open to applications for funding from both government and non-government actors; and d) Has as its focus funding projects, partners and activities that support the achievement of conservation and environmental sustainability activities in Barbados including those identified as priorities of Barbados that are aligned with national plans and policies.

	Barbados is eligible to apply for the award grant programs grants beyond the allocation defined in section 12 below, subject to this allocation being used as a supplement to other funds allocated by Barbados in its budget for similar conservation activities for that year.
11	<p>Following receipt of any payment made pursuant to the Conservation Funding Agreement on each Payment Date, the Conservation Fund shall apply all such amounts in the following order of priority: (a) <u>first</u>, the Conservation Fund shall set aside an amount necessary to fund fifty percent (50%) of the general, administrative and operation expenses of the Conservation Fund for that year, subject to the annual limit set forth in section 13 below; (b) <u>second</u>, for each Payment Date that occurs in the first seven (7) years from the Effective Date, the Conservation Fund shall retain an amount that is 50% of the amount set forth in section 12 below for that year (under the heading “Schedule of minimum allocation of funds”), to be applied by the Conservation Fund towards grants for Barbados in the context of the development of the MSP in the manner set forth in section 12 below; and (c) <u>third</u>, after setting aside the amounts set forth in clauses (a) and (b) above received by the Conservation Fund as of such Payment Date, commit any remaining amounts of such payment as grants to third parties in accordance with the requirements of this Exhibit A. The Conservation Fund shall ensure that any funds set aside pursuant to clause (c) above are applied towards grants to third parties no later than the first anniversary of the Conservation Fund’s receipt of such amounts.</p> <p>No changes to the payment waterfall set forth in this section 11 shall be permitted without the unanimous approval of the board of the Conservation Fund.</p> <p>The full amount defined above may not be fully committed to grants to third parties if a Special Majority Vote of the board of the Conservation Fund (as that term is defined in the Conservation Fund’s governing legal documents)<sup>1</sup> determines in the circumstances that it is not reasonable to do so (and in such an instance the Conservation Fund shall inform Barbados in writing that this determination has been made within five (5) days of that determination being made).</p>
12	<p>In any calendar year, the Conservation Fund shall disburse an amount equal to at least the amounts defined in the schedule below to technical assistance programs and activities dedicated to: (1) supporting Barbados in developing and implementing the MSP during years 1 to 5; (2) supporting the development of the MPA management plans and the implementation of the institutional framework of MPAs during years 6 and 7; and (3) supporting the implementation and enforcement of MPAs thereafter; <u>provided</u> that the requirement by the Conservation Fund to so disburse such funds shall apply in respect of such calendar year to the extent that (i) Barbados has submitted to the Conservation Fund’s requests for such funding in writing on or before the date falling three (3) months prior to the date on which the applicable payment of such funds are expected to be made by the Conservation Fund (or such other shorter period that the Conservation Fund shall reasonably agree upon written request by Barbados) and (ii) such requests are accompanied by supporting information with reasonably sufficient detail providing reasonable assurances to</p>

<sup>1</sup> In the BESF bylaws, “Special Majority Vote” means the affirmative vote of each of the disinterested Founder Member Directors and, including such Founder Member Directors affirmative votes, at least two-thirds (2/3) of the disinterested Directors, provided, that such disinterested Directors constitute a Director Quorum. In the event of a Founder Member Director with a Director Interest, the interested Founder Member Director shall abstain from voting, and in addition to the requirements set forth above, a Special Majority Vote shall require the affirmative vote of at least two-thirds (2/3) of the relevant Class.

	<p>the Conservation Fund that the allocated funds will be used directly to support Barbados in implementing the Conservation Commitments.</p> <p>For the avoidance of doubt, the Conservation Fund shall act independently and reasonably to assess whether the requirements set forth in the proviso of the foregoing sentence have been satisfied. To the extent that (a) the Conservation Fund is reasonably satisfied that the requirements have been met, the Conservation Fund proceeds to award the allocation as contemplated herein, or (b) the Conservation Fund is not satisfied that the requirements have been met, the Conservation Fund shall provide its written reasons for such decision to Barbados and shall coordinate with and assist Barbados to the extent reasonably practicable so that the requirements are satisfied to the Conservation Fund’s reasonable satisfaction, after which the Conservation Fund shall proceed to award the allocation to the grant award program.</p> <p>Schedule of minimum allocation of funds:</p> <ul style="list-style-type: none"> <li>- Year 1: US\$850,000</li> <li>- Year 2: US\$1,000,000</li> <li>- Year 3: US\$1,000,000</li> <li>- Year 4: US\$800,000</li> <li>- Year 5: US\$450,000</li> <li>- Year 6: US\$450,000</li> <li>- Year 7: US\$400,000</li> <li>- Year 8-15: US\$200,000 per year</li> </ul>
13	<p>Not retain and use in excess of twenty (20) percent of aggregate funding received pursuant to the terms of the Conservation Funding Agreement in any fiscal year of the Conservation Fund for general and administrative expenses, unless a Special Majority Vote of the board of the Conservation Fund (as that term is defined in the Conservation Fund’s governing legal documents) has approved in writing a higher amount for general and administrative expenses of the Conservation Fund for such fiscal year.</p>

## EXHIBIT B

### Exhibit B.1 – Schedule of CF Conservation Payment

Figures in USD, Payable in BBD

Payment Date	CF Conservation Payment
9/20/2022	
3/20/2023	US\$ 821,918
9/20/2023	US\$ 834,563
3/20/2024	US\$ 847,208
9/20/2024	US\$ 859,853
3/20/2025	US\$ 872,498
9/20/2025	US\$ 885,142
3/20/2026	US\$ 897,787
9/20/2026	US\$ 910,432
3/20/2027	US\$ 923,077
9/20/2027	US\$ 935,722
3/20/2028	US\$ 596,665
9/20/2028	US\$ 596,665
3/20/2029	US\$ 617,132
9/20/2029	US\$ 617,132
3/20/2030	US\$ 638,417
9/20/2030	US\$ 638,417
3/20/2031	US\$ 660,554
9/20/2031	US\$ 660,554
3/20/2032	US\$ 683,576
9/20/2032	US\$ 683,576
3/20/2033	US\$ 707,519
9/20/2033	US\$ 707,519
3/20/2034	US\$ 732,420
9/20/2034	US\$ 732,420
3/20/2035	US\$ 758,317
9/20/2035	US\$ 758,317
3/20/2036	US\$ 785,249
9/20/2036	US\$ 785,249
3/20/2037	US\$ 813,259
9/20/2037	US\$ 813,259
<b>TOTAL</b>	<b>US\$ 22,774,417</b>

## Exhibit B.2 – Schedule of EndowCo Conservation Payment

Figures in USD, Payable in USD

Payment Date	EndowCo Conservation Payment
9/20/2022	
3/20/2023	US\$ 442,571
9/20/2023	US\$ 429,926
3/20/2024	US\$ 417,281
9/20/2024	US\$ 404,637
3/20/2025	US\$ 391,992
9/20/2025	US\$ 379,347
3/20/2026	US\$ 366,702
9/20/2026	US\$ 354,057
3/20/2027	US\$ 341,412
9/20/2027	US\$ 328,767
3/20/2028	US\$ 667,824
9/20/2028	US\$ 667,824
3/20/2029	US\$ 647,357
9/20/2029	US\$ 647,357
3/20/2030	US\$ 626,072
9/20/2030	US\$ 626,072
3/20/2031	US\$ 603,935
9/20/2031	US\$ 603,935
3/20/2032	US\$ 580,913
9/20/2032	US\$ 580,913
3/20/2033	US\$ 556,970
9/20/2033	US\$ 556,970
3/20/2034	US\$ 532,069
9/20/2034	US\$ 532,069
3/20/2035	US\$ 506,173
9/20/2035	US\$ 506,173
3/20/2036	US\$ 479,240
9/20/2036	US\$ 479,240
3/20/2037	US\$ 451,230
9/20/2037	US\$ 451,230
<b>TOTAL</b>	<b>US\$ 15,160,261</b>