



LEG/SGO/CCB/EZSHARE-2030403020-4700

Loan Contract No. 3907/OC-BH - Amendment No. 1
Loan Contract No. 4363/OC-BH - Amendment No. 1
Loan Contract No. 4549/OC-BH - Amendment No. 3
Loan Contract No. 4846/OC-BH - Amendment No. 1
Loan Contract No. 4978/OC-BH - Amendment No. 1
Loan Contract No. 5179/OC-BH - Amendment No. 1
Loan Contract No. 5296/OC-BH - Amendment No. 1

AMENDATORY CONTRACT

AMENDATORY CONTRACT entered into between THE COMMONWEALTH OF THE BAHAMAS (hereinafter referred to as the “Borrower”) and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter referred to as the “Bank”, and together with the Borrower, as the “Parties”).

WHEREAS

The Borrower has requested, through communication No. FIN.201.10 dated September 27, 2022, the activation of the Principal Payment Option in respect of the following loan contracts: (i) 3907/OC-BH, Airport Infrastructure Program, entered into by the Borrower and the Bank on June 14, 2018; (ii) 4363/OC-BH, Climate-Resilient Coastal Management and Infrastructure Program, entered into by the Borrower and the Bank on June 14, 2018; (iii) 4549/OC-BH, Government Digital Transformation to Strengthen Competitiveness, entered into by the Borrower and the Bank on April 8, 2019, and amended on June 26, 2019 and February 28, 2022; (iv) 4846/OC-BH, Credit Enhancement Program for Micro, Small and Medium Enterprises, entered into by the Borrower and the Bank on August 5, 2020; (v) 4978/OC-BH, Reconstruction with Resilience in the Energy Sector in The Bahamas, entered into by the Borrower and the Bank on August 5, 2020; (vi) 5179/OC-BH, Program to Support the Health Sector to Contain and Control Coronavirus and to Mitigate its Effect in Service Provision, entered into by the Borrower and the Bank on March 17, 2021; and (vii) 5296/OC-BH, Programme to Support the Health System Strengthening of The Bahamas, entered into by the Borrower and the Bank on September 15, 2021 (hereinafter, including all their respective modifications prior to this instrument, referred to as the “Loan Contracts”).

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Therefore, the Parties agree as follows:

ARTICLE ONE

The Parties agree to amend the Loan Contracts in the manner and to the extent set forth below:

1. A new sub-section (d) is added to Section 2.05 of the Special Conditions as follows:

“(d) **Principal Payment Option Activation.** The Borrower and the Bank agree on the activation of the Principal Payment Option applicable to this Loan in accordance with the terms and conditions established in Articles 3.03 to 3.06 of the General Conditions, excluding loan balances that have been subject to interest rate fixing as per the Conversion Notification Letter dated March 17th, 2022.”

2. The following definitions are added to Article 2.01 of the General Conditions, following alphabetical order and with the corresponding adjustments to the numbering of the definitions included therein:

“

“Contingent Credit Facility” means the Contingent Credit Facility for Natural Disaster Emergencies or the Contingent Credit Facility for Natural Disaster and Public Health Emergencies, as the case may be, approved by the Bank, and as may be amended from time to time.

“Eligible Natural Disaster” means (i) an earthquake; (ii) a tropical cyclone; and/or (iii) another natural disaster for which the Bank can offer the Principal Payment Option, subject to the Bank’s operational and risk management considerations, in either of the three cases of catastrophic proportions, that meets the parametric and non-parametric conditions established by the Bank in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions.

“Principal Payment Option” means the one-time principal payment option with respect to the Amortization Schedule, which may be offered to a Borrower which is a member country of the Bank pursuant to Articles 3.03 to 3.06 of these General Conditions.

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“Principal Payment Option Activation Notification Letter” means the communication by which the Bank responds to a Principal Payment Option Activation Request Letter.

“Principal Payment Option Activation Request Letter” means the communication from the Borrower to the Bank requesting that the Loan be eligible for the Principal Payment Option subject to the terms and conditions set forth in this Contract.

“Principal Payment Option Exercise Notification Letter” means the communication by which the Bank responds to a Principal Payment Option Exercise Request Letter and informs the Borrower of the adjusted Amortization Schedule resulting from the exercise of the Principal Payment Option.

“Principal Payment Option Exercise Request Letter” means the communication from the Borrower to the Bank requesting a modification to the Amortization Schedule under the Principal Payment Option pursuant to Article 3.06 of these General Conditions.

“Principal Payment Option Parametric and Non-Parametric Terms and Conditions” means the terms and conditions of the parametric and non-parametric conditions established by the Bank and applicable for the verification of the occurrence of an Eligible Natural Disaster.”

3. Article 3.01 of the General Conditions is amended to read as follows:

“ARTICLE 3.01. Dates of Payment of Amortization, Interest, Credit Fee, and Other Costs. The Loan will be amortized in accordance with the Amortization Schedule. Interest and amortization installments will be paid on the fifteenth (15th) day of the month, as set forth in the Special Conditions, in an Amortization Schedule Modification Notification Letter, in a Conversion Notification Letter, or in a Principal Payment Option Exercise Notification Letter, as the case may be. The dates for payment of an amortization payment, credit fee, and other costs shall always coincide with an interest payment date.”

4. Article 3.02(a) of the General Conditions is amended to read as follows:

“(a) The Borrower, with the prior consent of the Guarantor, if any, may request the modification of the Amortization Schedule at any time from the entry into effect of the Contract and up to sixty (60) days prior to the expiration of the Original Disbursement Period as set forth in this Article. The Borrower may also request the modification of the Amortization Schedule in the case of a Principal Payment Option,

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a Currency Conversion, or an Interest Rate Conversion, as set forth respectively in Articles 3.06, 5.03, and 5.04 of these General Conditions.”

5. Article 3.02(b) of the General Conditions is amended to read as follows:

“(b) For any modifications to the Amortization Schedule, except pursuant to the Principal Payment Option, a Currency Conversion, or an Interest Rate Conversion, the Borrower shall deliver to the Bank an Amortization Schedule Modification Request Letter, which shall: (i) state whether the proposed modification to the Amortization Schedule is applicable to all or part of the Loan; and (ii) indicate the new amortization schedule, including the first and last amortization dates, the frequency of payments, and the percentage that these payments represent of the total of the Loan or the Loan tranche for which the modification is requested.”

6. Article 3.02(c)(iii) of the General Conditions is amended to read as follows:

“(iii) the Loan tranche subject to the modification of the Amortization Schedule has not been subject to a prior modification, unless the new Amortization Schedule modification is the result of the exercise of the Principal Payment Option, a Currency Conversion, or an Interest Rate Conversion.”

7. New Articles 3.03 to 3.06 are added to the General Conditions as follows:

“ARTICLE 3.03. Principal Payment Option. (a) The Principal Payment Option may only be offered by the Bank to a borrower which is a member country of the Bank. For the purposes of the Principal Payment Option described in this Contract, the term “Borrower” should be understood as the member country of the Bank. The Borrower may request to the Bank, and the Bank may accept, that this Loan be eligible for the Principal Payment Option in accordance with the provisions set forth in this Contract. Upon acceptance by the Bank of the Borrower’s request, the Borrower may be allowed to exercise the Principal Payment Option during the amortization period of the Loan by requesting the modification of the Amortization Schedule following the occurrence of an Eligible Natural Disaster in accordance with Article 3.06 of these General Conditions.

(b) **Principal Payment Option Activation Request after the entry into effect of this Contract.** The Borrower may request to the Bank, and the Bank may accept, that this Loan be eligible for the Principal Payment Option after it has entered into effect and up to sixty (60) days prior to the expiration of the Original

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Disbursement Period. To this end, the Borrower shall deliver to the Bank a Principal Payment Option Activation Request Letter in form and substance satisfactory to the Bank, signed by a duly authorized representative of the Borrower. Once the Bank has received a Principal Payment Option Activation Request Letter, the Bank may accept the request by delivering to the Borrower a Principal Payment Option Activation Notification Letter.

(c) **Condition to Request the Activation of the Principal Payment Option.** A request from the Borrower to activate the Principal Payment Option will be eligible provided that, at the time of the request, there is a Contingent Credit Facility entered into between the Borrower and the Bank with a corresponding active natural disaster coverage for at least one Eligible Natural Disaster.

(d) **Expansion of Contingent Credit Facility Natural Disaster Coverage.** If the Borrower expands the natural disaster coverage of its Contingent Credit Facility with the Bank to include one or more natural disasters that said Contingent Credit Facility did not provide coverage for at the time of activation of the Principal Payment Option as set forth in paragraph (c) above, the Borrower may request that the Bank update the Principal Payment Option Parametric and Non-Parametric Terms and Conditions accordingly. If the Bank approves said request, the parametric and non-parametric terms and conditions applicable for the verification of the respective natural disaster will be established by the Bank, at its own discretion, in the updated Principal Payment Option Parametric and Non-Parametric Terms and Conditions, which shall be communicated by the Bank to the Borrower. Once the Bank has communicated the updated Principal Payment Option Parametric and Non-Parametric Terms and Conditions as set forth in this paragraph, the natural disaster will be considered an Eligible Natural Disaster for the purposes of the Principal Payment Option.

(e) **Cancellation.** The Principal Payment Option may be cancelled upon written request by the Borrower to the Bank, in which case the Principal Payment Option transaction fee shall continue to accrue until thirty (30) days after the receipt by the Bank of the Borrower's request for cancellation. The Parties agree that any amount paid by the Borrower in connection with the transaction fee of the Principal Payment Option between the date of receipt of the notice of cancellation by the Bank and the effective date of the cancellation will not be reimbursed by the Bank to the Borrower.

(f) **Ineligibility.** This Loan will not be eligible for the Principal Payment Option if the Amortization Schedule of the Loan contemplates either a

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bullet payment or principal payments in the last five (5) years of the amortization period of the Loan.

ARTICLE 3.04. Principal Payment Option Parametric and Non-Parametric Terms and Conditions. (a) The parametric and non-parametric conditions applicable for the verification of the Eligible Natural Disaster will be established by the Bank, at its own discretion, in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions, which shall be communicated by the Bank to the Borrower following the activation of the Principal Payment Option as set forth in Article 3.03 of these General Conditions. The Principal Payment Option Parametric and Non-Parametric Terms and Conditions shall be binding on the Borrower and may be amended by the Bank by written notification to the Borrower.

(b) The fulfillment of the parametric conditions established for the verification of an Eligible Natural Disaster as set forth in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions will be verified by the Bank using data provided by independent third-party entities determined by the Bank.

(c) The fulfillment of the non-parametric conditions established for the verification of an Eligible Natural Disaster as set forth in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions will be verified by the Bank and, to that end, the Bank may, at its own discretion, consult with any third parties.

ARTICLE 3.05. Transaction Fee Applicable to the Principal Payment Option. (a) The Borrower shall pay the Bank a transaction fee applicable to the Principal Payment Option, which will be determined by the Bank periodically. The Bank will notify the Borrower of the transaction fee to be paid for the Principal Payment Option. Such fee shall remain in effect until it ceases to accrue as established in paragraph (c) of this Article.

(b) The transaction fee applicable to the Principal Payment Option: (i) shall be expressed in the form of basis points per annum; (ii) shall begin to accrue from the expiration date of the Original Disbursement Period on the Outstanding Loan Balance; and (iii) shall be paid on each interest payment date as provided for in Article 3.01 of these General Conditions.

(c) The transaction fee applicable to the Principal Payment Option shall cease to accrue: (i) on the date the Borrower exercises the Principal Payment Option

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pursuant to Article 3.06 of these General Conditions; or (ii) five (5) years prior to the last amortization date as provided in the Amortization Schedule as set forth in paragraph (g) of Article 3.06 of these General Conditions, whichever occurs first.

ARTICLE 3.06. Exercise of the Principal Payment Option. (a) Following the occurrence of an Eligible Natural Disaster during the amortization period of the Loan, the Borrower may request to exercise the Principal Payment Option by delivering to the Bank a Principal Payment Option Exercise Request Letter, in form and substance satisfactory to the Bank, by which the Borrower shall:

- (i) notify the Bank of the occurrence of an Eligible Natural Disaster;
- (ii) submit to the Bank the supporting documentation related to the fulfillment of the parametric and non-parametric conditions applicable to the Eligible Natural Disaster;
- (iii) indicate the Loan number; and
- (iv) include the new amortization schedule, which shall reflect the redistribution of Loan amortization payments that would be due during the two-year period following the occurrence of an Eligible Natural Disaster in accordance with the provisions of paragraphs (b) and (d) of this Article.

(b) The Bank may accept the request referred to in paragraph (a) of this Article subject to the Bank's operational and risk management considerations and to the satisfaction of the following requirements:

- (i) the new amortization schedule of the Loan corresponds to an amortization schedule with semiannual principal payments;
- (ii) the last amortization date and the cumulative WAL of the modified Amortization Schedule does not exceed the Final Amortization Date nor the Original WAL; and
- (iii) there has been no delay in the payment of any sums owed by the Borrower to the Bank for principal, fees, interest, return of resources of the Loan used for ineligible expenditures, or for any other reason, under this Contract or any other

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contract entered into between the Bank and the Borrower, including any loan contract or Derivative Contract.

(c) The Bank will notify the Borrower of its decision in a Principal Payment Option Exercise Notification Letter. If the Bank accepts the Borrower's request, the Principal Payment Option Exercise Notification Letter will include: (i) the new Amortization Schedule for the Loan; and (ii) the effective date of the new Amortization Schedule.

(d) If the Principal Payment Option is exercised less than sixty (60) days in advance of the next principal payment due to the Bank as set forth in the Amortization Schedule, the modified Amortization Schedule shall not affect such next principal payment and, therefore, the two-year period of the Principal Payment Option would commence immediately after said principal payment.

(e) All interest, fees, premiums, and any other Loan charge, as well as any other payment for expenses or costs that may be imputed to this Contract, will continue to be due by the Borrower during the two-year period following the occurrence of an Eligible Natural Disaster in accordance with the provisions of this Contract.

(f) The Principal Payment Option may only be exercised by the Borrower regarding an Eligible Natural Disaster for which the Borrower had, at the time of activation of the Principal Payment Option, a corresponding active natural disaster coverage under a Contingent Credit Facility. If, following the activation of the Principal Payment Option, the Bank approves that the Borrower be eligible to exercise the Principal Payment Option for additional natural disasters pursuant to paragraph (d) of Article 3.03 of these General Conditions, the Borrower may also exercise the Principal Payment Option regarding said Eligible Natural Disaster.

(g) The Principal Payment Option may be exercised by the Borrower, subject to the Bank's operational and risk management considerations, up to five (5) years prior to the date of the last scheduled amortization payment to the Bank, as set forth in the Amortization Schedule. If the Principal Payment Option is not exercised within such period, it shall be deemed automatically cancelled, and the respective transaction fee shall cease to accrue upon the expiration of the said period.

(h) Once the Principal Payment Option has been exercised pursuant to this Article, the Borrower shall not be eligible to exercise such option again with respect to the Loan."

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8. The numbering of “**Article 3.03. Interest**” to “**Article 3.11. Place of Payments**” of Chapter III of the General Conditions is adjusted to encompass the new articles mentioned in Article 1, section 7 of this Amendatory Contract and shall read as “**Article 3.07. Interest**” to “**Article 3.15. Place of Payments**”.

ARTICLE TWO

The Parties agree that all other provisions of the Loan Contracts remain in full force and effect.

ARTICLE THREE

The Bank may disclose this Amendatory Contract and any information related thereto, in accordance with its access to information policy in effect at the time of such disclosure.

ARTICLE FOUR


The Parties agree that this Amendatory Contract shall enter into force from the date of signature by the representative of the Borrower.

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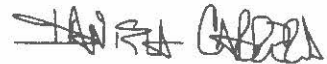
IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Contract in Nassau, The Bahamas.

THE COMMONWEALTH OF THE
BAHAMAS

INTER-AMERICAN DEVELOPMENT
BANK



The Hon. Philip Edward Davis
Prime Minister and Minister of Finance



Daniela Carrera Marquis
Representative of the Bank
in The Bahamas

Date: DECEMBER 14TH, 20 22

Date: November 7, 20 22

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