

**BELIZE ELECTRICITY LIMITED**

and

**THE GOVERNMENT OF BELIZE**

and

**HERITAGE FINANCIAL SERVICES LIMITED**

**AMENDED AND RESTATED INDENTURE**

Made as of 5<sup>th</sup>, December 2023

Providing for the issue of up to \$400,000,000 Debentures

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**SCHEDULE "A" - FORM OF SERIES 1 DEBENTURES**

THIS AMENDED AND RESTATED INDENTURE made as of the 5<sup>th</sup> day of December, 2023

BETWEEN:

**BELIZE ELECTRICITY LIMITED**, a company with limited liability incorporated under the laws of

Belize (hereinafter called the "Company")

OF THE FIRST PART

- and -

**THE GOVERNMENT OF BELIZE** (hereinafter called the "Government")

OF THE SECOND PART

-and-

**HERITAGE FINANCIAL SERVICES LIMITED** (hereinafter called the "Fiscal Agent")

OF THE THIRD PART



WITNESSES THAT:

WHEREAS the Company, the Government and the Central Bank as the Fiscal Agent entered into an Indenture ("the Original Indenture") dated the 30th March, 1998 to provide for the issuance from time to time of unsecured debentures to be issued in one or more series subject to the terms and conditions as therein provided;

AND WHEREAS the Central Bank subsequently resigned as the Fiscal Agent and Heritage Financial Services Limited was appointed as the Fiscal Agent.

AND WHEREAS the Company, the Government and Heritage Financial Services Limited have agreed to incorporate certain amendments to the Original Indenture and in this context desire to amend and restate the Original Indenture in its entirety;

AND WHEREAS the Company has duly authorized the execution and delivery of this Amended and Restated Indenture;;

AND WHEREAS all things necessary to make this a valid agreement of the Company, in accordance with its terms, have been done;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Company and not by the Fiscal Agent;

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

ARTICLE 1.

INTERPRETATION


Section 1.1 Definitions

In this Indenture, unless there is something in the subject matter or context inconsistent therewith:

- (a) "Additional Amounts" has the meaning attributed to such term in Section 3.7;
- (b) "Additional Debentures" means any Debentures issued under this Indenture in addition to the Series 1 Debentures;
- (c) "Affiliate" of a Person means another Person: (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with such first-mentioned Person; (ii) which beneficially owns or holds, directly or indirectly, more than 10% of the voting shares of such first-mentioned Person or, in the case of a corporation which controls such first-mentioned Person, any corporation of which such corporation beneficially owns or holds, directly

or indirectly, more than 10% of the voting shares, and shall also include any additional Person that is in a like relationship to any Affiliate as determined pursuant to this clause (ii); or (iii) which is a director or senior officer of any corporation which is a Person referred to in (i) or (ii);

- (d) **"Arms Length"** means being devoid of any affiliate (as that term is defined herein) relationship and being on such a basis that will assure that all revenues, costs and expenses relating thereto will not be higher or lower as the case may be than would result from a transaction negotiated and conducted on a competitive basis with third parties
- (e) **"Available Earnings"** of the Company for any period means the net income of the Company for such period before extraordinary items and before deducting interest, taxes, amortization and other non-cash deductions deducted in calculating net income and after deducting depreciation, earnings of the Company, if any, accounted for on an equity basis and after allowing for minority interests, all as determined in accordance with IFRS,
- (f) **"Belize Dollars"** or **"\$"** means lawful money of Belize;
- (g) **"Board of Directors"** or **"Board"** means the board of Directors of the Company;
- (h) **"Business"** shall have the meaning attributed to such term in Section 5.6(ii);
- (i) **"Business Day"** means a day other than a Saturday, Sunday or a day on which banks are authorized or obligated to close in Belize;
- (j) **"Capital Lease Obligations"** means the obligations of or relating to the Company to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real or personal property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of the Company under IFRS and, for purposes of this Indenture, the amount of such obligations shall in each case be the capitalized amount thereof, determined in accordance with IFRS;
- (k) **"Certified Resolution"** means a copy of a resolution of the Directors of the Company certified by the Company Secretary or an Assistant Company Secretary of the Company, under its corporate seal, to have been duly passed by the directors of the Company and to be in full force and effect on the date of such certification;
- (l) **"Chartered Accountant"** means any Arm's Length Chartered Accountant or firm of Chartered Accountants (whether or not such accountant or firm of accountants regularly acts for the Company), selected by the Company, and of internationally recognized standing and reputation;
- (m) **"Chartered Accountant's Certificate"** means a certificate conforming to the requirements of Section 13.8, signed by a Chartered Accountant;
- (n) **"Company"** means Belize Electricity Limited; and includes any successor corporation under Article 9;
- (o) **"Counsel"** means any attorney-at-law or firm of attorneys retained by the Fiscal Agent or retained by the Company and acceptable to the Fiscal Agent from time to time, acting reasonably, and may be a person regularly retained by the Company;

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- (p) **"Debentureholders" or "Holders"** means those Persons from time to time entered in the register or registers hereinafter mentioned as holders of any of the Debentures;
- (q) **"Debentures"** means debentures of the Company issued or to be issued hereunder from time to time and includes the Series I Debentures and the Additional Debentures;
- (r) **"Director"** means a member of the Board of Directors of the Company;
- (s) **"Default"** means an event or condition, the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default;
- (r) **"Directors"** means the board of directors of the Company, or whenever duly empowered, the executive committee (if any) of the board of directors of the Company, and reference without more to action by the directors or by the board of directors shall mean action by the directors as a board or by the executive committee as such;
- (t) **"Distribution"** means any (i) distribution of any amount from or out of the capital account of the Company including without limitation, a dividend or distribution in cash or specie; a purchase, redemption, reduction, return or any other payment of capital; or payment on account of management fees or similar types of fees; or any repayment or reduction of shareholders' loans; and ii) any distribution to any Person of any amount from or out of the Company, either directly or indirectly, whether from the capital account or otherwise, to or for the benefit of a shareholder or an Affiliate, including without limitation, a dividend or distribution in cash or specie; an advance, loan or any other payment of capital to such a Person; a purchase of securities, goods or services from such a Person; or a payment to or for the benefit of such a Person on account of management fees or similar types of fees; any repayment or reduction of any Indebtedness owing to such a Person, or any payment for or on behalf of such a Person, whether by way of guarantee or otherwise;
- (u) **"Event of Default"** means an Event of Default as defined in Section 8.1 and shall include an Event of Default as defined in and created by an indenture supplemental hereto;
- (v) **"Extraordinary Resolution"** shall have the meaning ascribed thereto by Section 12.3;
- (w) **"Fiscal Agent"** - means the Heritage Financial Services Limited or any successor Fiscal Agent appointed under Article 10.
- (x) **"Fiscal Year"** means each consecutive period of days commencing on January 1st and ending on the 31st day of December in each year, provided that the commencement date and expiry date of a Fiscal Year may be changed by the Company from time to time;
- (y) **"Government"** means the Government of Belize;
- (z) **"IFRS"** means International Financial Reporting Standards;
- (aa) **"Indebtedness"** of any Person means (i) any indebtedness for money borrowed or raised and any interest thereon, (ii) any liability under any debenture, note or other security or under any acceptance credit facility, (iii) any liability in respect of the acquisition cost of any asset or service to the extent payable after the time of acquisition, possession or performance thereof, (iv) non-current accounts payable, (v) any liability in respect of any lease or agreement to lease categorized

as a capital lease in accordance with IFRS and (vi) any liability by way of guarantee or other assurance against financial loss in respect of any such money borrowed or raised, interest or liability referred to in (i) through (v) above;

- (bb) **"Independent Engineers' Certificate"** means a certificate of a duly licensed and Qualified engineer selected by the Company, which engineer shall not be a director, officer or employee of the Company or any of the Company's Affiliates and shall be at Arm's Length with the Company;
- (cc) **"Lien"** means, with respect to any property or assets, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing);
- (dd) **"Maturity Date"** for any Series I Debenture means December 31, 2012, and for any Additional Debentures means the Maturity Date applicable thereto specified in the indenture supplemental hereto creating such Additional Debentures;
- (ee) **"Non-Recourse"** as applied to any Indebtedness means any financing that is or was incurred with respect to a particular asset of the Company, provided that such financing is without recourse to the Company and provided, further that such financing may be secured by a Lien on only (i) the asset (ii) the income from and proceeds of such asset (iii) the share capital of any Subsidiary that owns an interest in such asset or any interest that any such Subsidiary holds of any Person owning any interest in such asset and (iv) the contracts pertaining to such asset;
- (ff) **"Offer to Redeem"** means a written offer (the "Offer") sent by the Company by mail postage prepaid or by electronic, digitally signed mail, to each Debentureholder at his address appearing in the register on the date of the Offer offering to redeem up to the principal amount of Debentures specified in such Offer at the redemption price specified in such Offer (as determined pursuant to this Indenture). The Offer shall specify an expiration date (the "Offer Expiration Date") of the Offer to Redeem which shall be not less than 30 days or more than 60 days after the date of such Offer and a settlement date (the "Redemption Date") for redemption of Debentures within five Business Days after the Offer Expiration Date. The Company shall notify the Fiscal Agent at least 15 Business Days (or such shorter period as is acceptable to the Fiscal Agent) prior to the mailing of the Offer of the Company's obligation to make an Offer to Redeem, and the Offer shall be mailed by the Company or, at the Company's request by the Fiscal Agent in the name and at the expense of the Company. The Offer shall contain information concerning the business of the Company and its subsidiaries which the Company in good faith believes will enable such Debentureholders to make an informed decision with respect to the Offer to Redeem (which at a minimum will include (i) the most recent annual and quarterly financial statements (which requirements may be satisfied by delivery of such documents together with the Offer), (ii) a description of material developments in the Company's business subsequent to the date of the latest of such financial statements referred to in clause (i) (including a description of the events requiring the Company to make the Offer to Redeem), and (iii) if applicable, appropriate pro forma financial information concerning the Offer to Redeem and the events requiring the Company to

make the Offer to Redeem. The Offer shall contain all instructions and materials necessary to enable such Debentureholders to tender Debentures pursuant to the Offer to Redeem. The Offer shall also state:

- (1) The Section of this Indenture pursuant to which the Offer to Redeem is being made;
- (2) The Offer Expiration Date and the Redemption Date;
- (3) The aggregate principal amount of the Debentures offered to be purchased by the Company pursuant to the Offer to Redeem (including, if less than 100%, the manner by which such amount has been determined) (the "Redemption Amount");
- (4) The redemption price to be paid by the Company for the principal amount of Debentures accepted for payment ("Redemption Price");
- (5) that a Debentureholder may tender all or any portion of a Debenture registered in the name of that Debentureholder and that any portion of a Debenture tendered must be tendered in an integral multiple of \$100 principal amount;
- (6) The place or places where Debentures are to be surrendered for tender pursuant to the Offer to Redeem;
- (7) That interest on any Debenture not tendered or tendered but not redeemed by the Company pursuant to the Offer to Redeem will continue to accrue;
- (8) That on the Redemption Date, the Redemption Price will become due and payable upon each Debenture being accepted for payment pursuant to the Offer to Redeem and that the interest thereon shall cease to accrue on and after the Redemption Date;
- (9) That each Debentureholder electing to tender a Debenture pursuant to the Offer to Redeem will be required to surrender such Debenture at the place or places specified in the Offer prior to the close of business on the Offer Expiration Date (such Debenture being, if the Company or the Fiscal Agent so requires, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Fiscal Agent, duly executed by the Debentureholder thereof or his attorney duly authorized in writing);
- (10) That (a) if Debentures in an aggregate principal amount less than or equal to the Redemption Amount are duly tendered pursuant to the Offer to Redeem, the Company shall redeem all such Debentures and (b) if Debentures in an aggregate principal amount in excess of the Redemption Amount are tendered pursuant to the Offer to Redeem, the Company shall redeem Debentures having an aggregate principal amount equal to the Redemption Amount on a pro rata basis (with such adjustments as may be deemed appropriate so that only Debentures in denominations as originally issued or integral multiples thereof shall be redeemed); and
- (11) That in the case of any Debentureholder whose Debentures are redeemed only in part, the Company shall execute, and the Fiscal Agent shall authenticate and deliver to the Holder of such Debentures without service charge, a new Debenture or Debentures, of

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any authorized denomination as requested by such Debentureholder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the Debentures so tendered.

Any Offer to Redeem shall be governed by and effected in accordance with the Offer for such Offer to Redeem;

- (gg) **"Officers' Certificate"** means a certificate in writing signed by any one of the Chairman of the Board, the Chief Executive Officer, the President, a Director, a Vice-President, the Treasurer or an Officer authorized by the Board to do so, together with any one of the Company Secretary, the Chief Financial Officer, an Assistant Company Secretary or an Assistant Treasurer, and conforming mutatis mutandis to Section 13.8 of this Indenture;
- (hh) **"Opinion of Counsel"** means an opinion or opinions in writing, conforming to the requirements of Section 13.8, signed by Counsel;
- (ii) **"pari passu"** when used with respect to the ranking of any Indebtedness of any Person in relation to other Indebtedness of such Person, means that each such Indebtedness (a) either (i) is not subordinated in right of payment to the same Indebtedness of such Person or (ii) is subordinate in right of payment to the same Indebtedness of such Person as is the other and is so subordinate to the same extent and (b) is not subordinate in right of payment to the other or to any Indebtedness of such Person as to which the other is not so subordinate;
- (jj) **"Permitted Encumbrances"** means as of any particular time any of the following encumbrances on the undertaking, assets or property of the Company:
  - (i) Liens on any property or assets of any Person existing at the time such Person becomes a Subsidiary of the Company, or arising thereafter pursuant to contractual commitments entered into prior to and not in contemplation of such Person becoming a Subsidiary of the Company;
  - (ii) Liens in favour of a wholly-owned Subsidiary of the Company;
  - (iii) Liens to secure Non-Recourse Indebtedness;
  - (iv) Liens to secure Indebtedness secured for the purpose of financing all or part of the purchase price or the cost of construction or improvement of the equipment or other property subject to such Liens provided such Liens are limited to such property or assets and to improvements on such property;
  - (v) Liens on property existing at the time of acquisition thereof (including acquisition through merger or consolidation);
  - (vi) Liens arising by operation of law; and
  - (vii) any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any of the Liens referred to in paragraphs (i) through (vi) above or any indebtedness secured thereby; provided that such extension, renewal, substitution or replacement Lien shall be limited to all or any part of substantially the same property or assets that secured the Lien extended,

renewed, substituted or replaced (plus improvements on such property) and the principal amount of Indebtedness secured by such Lien at such time is not increased;

- (kk) **"Permitted Interest Rate or Currency Protection Agreement"** of any Person means any interest rate or currency protection agreement entered into with one or more financial institutions in the ordinary course of business that is designed to protect such Person against fluctuations in interest rates or currency exchange rates with respect to indebtedness incurred and which shall have a notional amount no greater than the payments due with respect to the Indebtedness being hedged thereby, or, or in the case of currency protection agreements, that is designed to protect the revenues and dividend payments expected to be received by such Person following the date of such currency protection agreement against currency fluctuations;
- (ll) **"Person"** means an individual, partnership, corporation, trust or unincorporated organization, and includes a government or agency or political subdivision thereof;
- (mm) **"Power Generation Facility"** means a diesel, hydroelectric or other electric power or thermal energy generation or cogeneration facility or related facilities, and its or their related electric power transmission, fuel supply and fuel transportation facilities, together with its or their related power supply, thermal energy and fuel contracts and other facilities, services or goods that are ancillary, incidental, necessary or reasonably related to the marketing, development, construction, management, servicing, ownership or operation of the foregoing, owned by a utility or otherwise, as well as other contractual arrangements with customers, suppliers and contractors;
- (nn) **"Redemption Date"** means, in respect of any redemption of Debentures, the date (which shall be a business day) specified in the notice of such redemption as the date on which such Debentures shall be redeemed;
- (oo) **"Redemption Price"** means for the Series 1 Debentures, a price in Belize Dollars calculated in accordance with Section 4.2 and for any Additional Debentures, means the redemption price or prices applicable thereto specified in the indenture supplemental hereto creating such Additional Debentures;
- (pp) **"Relevant Date"** has the meaning ascribed to such term in Section 3.7(3);
- (qq) **"Series 1 Debentures"** means the Series 1 Debentures referred to in Article 3;
- (rr) **"this Indenture", "herein", "hereof", "hereby", "hereunder",** and similar expressions refer to this indenture and not to any particular Article, Section or other portion hereof and include any and every instrument or Indenture supplemental or ancillary hereto or in implementation hereof; and references to a particular Schedule, Article or Section mean such Schedule, Article or Section hereof;
- (ss) **"Total Capitalization of the Company"** means all Indebtedness of the Company at the time outstanding plus the total capital represented by the capital account of the Company at the time outstanding, based upon the value stated on the books of the Company, plus the total amount of (or less the amount of any net deficits in) retained earnings accounts and deferred taxes (whether or not available for the payment of dividends under the provisions of any indentures or other

agreements providing for the issuance of Indebtedness) of the Company, in accordance with IFRS, and less the amount, if any, by which the capital account and the retained earnings account of the Company have, after the date hereof, been increased as a result of a restatement of the amount at which any assets of the Company are recorded on the books of the Company;

(tt) **"Total Interest Expense"** of the Company for any period means the aggregate amount of:

(i) interest; and

(ii) all but the principal component of rentals in respect of Capital Lease Obligations;

accrued, whether paid or not, by the Company during such period, determined in accordance with IFRS. For the purpose of this definition, amounts payable under or receivable pursuant to interest rate hedging arrangements (including interest swap arrangements) in respect of which no default has occurred and is continuing shall, without duplication, be taken into account in calculating Total Interest Expense;

(uu) **"Trustee"** means the trustee appointed under this Indenture by or for the benefit of Debenture holders under Article 7 and includes any successor-in-title or new Trustee.

(vv) **"Written Order"**, **"Written Request"** and **"Written Consent"** of the Company shall mean a written order, request or consent signed in the name of the Company by any of the Chairman of the Board, the Chief Executive Officer, the President, a Vice-President, the Treasurer or an Officer so authorized by the Board, together with any one of the Company Secretary, the Chief Financial Officer, an Assistant Treasurer, or an Assistant Company Secretary of the Company, or by any two Directors of the Company;

## **Section 1.2 Interpretation**

Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations, and vice versa. References to any statute herein includes such statute as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto, and includes any regulations promulgated thereunder from time to time.

## **Section 1.3 Headings and Table of Contents**

The headings of all the Articles and Sections hereof and the Table of Contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

## **Section 1.4 Governing Law**

This Indenture and the Debentures shall be construed in accordance with the laws of Belize and shall be treated in all respects as a Belize contract.

### **Section 1.5 Amounts of Money Expressed in Lawful Money of Belize**

Unless specifically otherwise provided herein or in any indenture supplemental hereto, all references to dollar amounts herein or other money amounts herein are expressed in terms of lawful money of Belize.

### **Section 1.6 Invalidity of Provisions**

Each of the provisions contained in this Indenture or the Debentures is distinct and severable and a declaration of invalidity or unenforceability of any such provision, charge or security interest by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof.

### **Section 1.7 Meaning of "outstanding" for Certain Purposes**

Every Debenture certified and delivered by the Fiscal Agent hereunder shall be deemed to be outstanding until it shall be canceled or delivered to the Fiscal Agent for cancellation, or a new Debenture shall be issued in substitution therefor under Section 2.10 provided that:

- (a) where a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and
- (b) for the purpose of any provision of this Indenture entitling Debentureholders to vote, sign consents, requests or other instruments or take any other action under this Indenture:
  - (i) Debentures owned directly or indirectly, legally or equitably, by the Company or any Affiliate shall be disregarded provided that:
    - (a) the Fiscal Agent shall obtain written confirmation from Debentureholders that they are not an Affiliate of the Company prior to relying on any such vote, consent, request or other instrument or other action; and
    - (b) Debentures so owned which have been pledged in good faith other than to the Company or an Affiliate shall not be so disregarded if the pledgee establishes, to the satisfaction of the Fiscal Agent, the pledgee's right to vote such Debentures in his discretion free from the control of the Company or an Affiliate.

- (ii) Debentures owned directly or indirectly by the Government representing in excess of 50% of all outstanding Debentures (or series of Debentures in the event of any vote, consent or request by series) shall be disregarded and for the purposes of this provision, Debentures held by the Social Security Board of Belize, any Public Statutory Cooperation of Belize (including the Central Bank of Belize) and any Person acting as nominee for, controlled by, or acting in accordance with the instructions, directly or indirectly, of the Government, shall be deemed to be owned by the Government.

#### **Section 1.8 Currency Conversion**

Wherever it shall be necessary or appropriate for the purpose of making any determination or calculation hereunder to notionally convert into Belize Dollars an amount in another currency, such conversion shall be made on the basis of the noon buying rate for such currency with Belize Dollars as reported by the Central Bank of Belize on the date as of which such conversion is to be made; provided, however, that if the purpose of such conversion is to determine compliance by the Company with any covenant or limitation contained herein, such conversion shall take into account (if, and to the extent, permitted in accordance with IFRS) any hedge contract to which the Company is a party at the date as of which such conversion is to be made and which applies to the obligation to be converted.

#### **Section 1.9 Calculation of Certain Amounts**

The amount of any interest expense, indebtedness or other obligation of the Company shall be calculated for the purposes of this Indenture without regard to any third party guarantees or commitments relating to such interest expense, indebtedness or other obligation.

### **ARTICLE 2.**

#### **THE DEBENTURES**

##### **Section 2.1 Limitation on Outstanding Debentures**

The aggregate principal amount of Debentures authorized to be outstanding under this Indenture is limited to Four Hundred Million Dollars (\$400,000,000). Debentures may be issued hereunder only on the terms and subject to the conditions herein provided.

## Section 2.2 Issuance in Series and Form

Any reference to the Original Indenture in Debentures issued and outstanding as at the date of this Amended and Restated Indenture and in any related Prospectus or Supplemental Indenture shall be construed as a reference to this Amended and Restated Indenture. The Debentures may be issued in one or more series, subject to compliance with the provisions and conditions hereinafter set forth. The Debentures of each such series (except the Series 1 Debentures, which shall have the attributes and be subject to the provisions set out in this Indenture) shall bear such date or dates and mature on such date or dates, shall bear interest at such rate or rates, may be issued in such denominations, may be redeemable before maturity in such manner and subject to payment of such premium or without premium, may be payable in lawful money of Belize or such other currencies, may provide for such sinking fund or funds (if any), may contain such provisions for the exchange or transfer of Debentures of differing denominations and forms and may contain such other provisions, not inconsistent with the provisions of this Indenture, as may be determined by the Company at or prior to the time of issue thereof and expressed in an indenture supplemental hereto providing for the issuance of the Debentures of such series and (to such extent as the Company may deem appropriate) in the Debentures of such series. At the option of the Company the maximum principal amount of Debentures of any series may be limited as may be expressed herein or in an indenture supplemental hereto providing for the issuance of the Debentures of such series and in the Debentures of such series.

The Debentures of any series may be of different denominations and forms and may contain such variations of tenor and effect as are incidental to such differences of denomination and form including variations in the provisions for the exchange of Debentures of different denominations or forms and in the provisions for the registration or transfer of Debentures and any series of Debentures may consist of Debentures having different dates of issue, different dates of maturity, different rates of interest, different redemption prices (if any), different sinking fund provisions (if any) and may consist partly of Debentures carrying the benefit of a sinking fund or funds and partly of Debentures with no sinking fund or funds.

Subject to the foregoing provisions, any of the Debentures may be issued as part of any series of Debentures previously issued, in which case they shall bear the same designation and designating letters as have been applied to such similar prior issue and shall be numbered consecutively upwards in respect of each denomination of Debentures in like manner and following the numbers of the Debentures of such prior issue.

## Section 2.3 Form of Debentures

The Series 1 Debentures and the certificate of the Fiscal Agent endorsed thereon shall be substantially in

the respective forms set forth in Schedule "A" with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Indenture and as may be approved by the Fiscal Agent.

Any further series of Debentures which may at any time be issued hereunder, the coupons (if any) appertaining thereto and the certificate of the Fiscal Agent endorsed on such Debentures may be in such form or forms as the Company shall determine at the time of the first issue of any series or part of any series of such Debentures and as shall be approved by the Fiscal Agent.

The Debentures of any series may be typewritten, engraved, lithographed, printed or photocopied or partly in one form and partly in another as the Company may determine.


#### **Section 2.4 Signature**

Except as otherwise permitted or required with respect to any Additional Debentures by the indenture supplemental hereto creating such Additional Debentures, all Debentures shall be under the corporate seal of the Company, or a facsimile reproduction thereof which shall be deemed to be the corporate seal of the Company, and shall be signed (either manually or by electronic signature) by at least one Director and the Company Secretary or by any two Directors. In the event of the Fiscal Agent receiving a request for issue of a new Debenture pursuant to Section 2.7, Section 2.10 or Section 4.9, if the Fiscal Agent shall have requested signature by the Company of such new Debenture and the Company shall not have signed and sealed such new Debenture and delivered the same to the Fiscal Agent for certification within 10 days of a request by the Fiscal Agent therefor, the Fiscal Agent shall be entitled (but not obligated) to sign the same by its duly authorized officers on behalf of the Company and to seal the same as attorney for the Company, the Company hereby irrevocably appointing the Fiscal Agent its attorney for such purposes. An electronic signature upon any of the Debentures shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be and to have been signed at the time such electronic signature is reproduced and notwithstanding that any such person whose signature, either manual or electronic, may appear on the Debentures is not, at the date of this Indenture or at the date of the Debentures or at the date of the certifying and delivery thereof, the Chairman of the Board, the Chief Executive Officer, the President, A Vice-President, a Director, the Treasurer, the Chief Executive Officer, the Company Secretary, an Assistant Treasurer, or an Assistant Company Secretary, or an Officer of the Company so authorized by the Board as the case may be, of the Company, such Debentures shall be valid and binding upon the Company and entitled to the benefits of this Indenture.

#### **Section 2.5 Certification**

No Debenture shall be issued until it has been certified by or on behalf of the Fiscal Agent in a form referred to in Section 2.3. Such certificate shall be conclusive evidence that such Debenture is duly issued

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and the Debentureholder is entitled to the benefits hereof. The certificate of the Fiscal Agent on any Debenture shall not be construed as a representation or warranty by the Fiscal Agent as to the validity of this Indenture or of such Debenture. The certificate of the Fiscal Agent on any Debenture shall; however, be a representation and warranty by the Fiscal Agent that such Debenture has been duly certified by or on behalf of the Fiscal Agent pursuant to the provisions of this Indenture.

#### **Section 2.6 Debentures to Rank Pari Passu**

Subject to the provisions of this Indenture, all Debentures as soon as issued and certified in accordance with this Indenture shall rank *pari passu* (except as to sinking funds pertaining exclusively to any particular series or part thereof) as if all of the Debentures had been issued and certified simultaneously.

#### **Section 2.7 Registration; Transfer; Exchange**

The Company shall cause to be kept at its principal office in Belize and at such other place or places or by such other registrar or registrars as the Company may designate or appoint, with the approval of the Fiscal Agent, registers in which shall be alphabetically entered the names and addresses, including the street and number (if any), of the holders of all Debentures and of all transfers of Debentures.

The holder of a Debenture may at any time and from time to time have such Debenture exchanged for Debentures of any other authorized denominations in an equivalent aggregate principal amount, in accordance with such reasonable regulations as the Fiscal Agent may prescribe. Any transfer of Debentures shall be in accordance with such reasonable regulations which the Fiscal Agent and the Company may prescribe including, without limitation, the execution by the registered holder ( or his executors or administrators or legal representatives or by his or their attorney appointed under a Power of Attorney) and by the transferee of a transfer instrument in such form as the Fiscal Agent may approve and the delivery of the same along with the Debenture to be transferred to the Company or the Fiscal Agent. Provided that the Fiscal Agent is satisfied that the transfer is in order, the Fiscal Agent shall certify the same and enter the transfer on the register. No transfer shall be completed or be valid until such registration. The Fiscal Agent shall deliver the Debenture to the transferee or his agent at the Fiscal Agent's office or the Company's office, or at the request of the transferee ( and at his risk), by prepaid post to the address of the transferee listed on the register. In the case of a partial transfer, the Company shall issue to the transferring Debentureholder a debenture certificate in the amount equal to the portion of the Debenture not transferred and shall issue to the transferee a certificate in the amount equal to the portion of the Debenture transferred.

Any partial transfer of a Debenture shall be in denominations as originally issued or any multiple thereof. Without limiting the foregoing, any transfer of a Debenture must be made in accordance with any

applicable legislation. The Company may act and rely on a opinion of counsel of the transferor that a transfer of a Debenture is in accordance with such legislation.

Neither the Company nor the Fiscal Agent nor any registrar shall be required:

- (a) to make transfers or exchanges of any Debentures for a period of 10 business days next preceding any scheduled repayment of principal or interest payment date pertaining to such Debentures;
- (b) to make exchanges of any Debentures on the day of any selection by the Fiscal Agent of such Debentures to be redeemed or during the 10 preceding Business Days; or
- (c) to make exchanges of any Debentures which have been selected or called for redemption, unless upon due presentation thereof for redemption such Debentures shall not be redeemed.

The Company, when requested to do so by the Fiscal Agent, shall furnish the Fiscal Agent with a list of the names alphabetically arranged and the last known address of each Person who is or has been a holder of Debentures, the outstanding principal amount of such Debentures held by each holder and the date and particulars of the issue and transfer of each Debenture. Such registers shall at all reasonable times be open for inspection by the Fiscal Agent, any Debentureholder and any other Person entitled thereto by law.

Neither the Fiscal Agent nor any registrar for any of the Debentures nor the Company shall be charged with notice of or be bound to see the execution of any trust, express, implied or constructive, in respect of any Debenture and may transfer the same on the direction of the holder thereof, whether named as Fiscal Agent or otherwise, as though that Person were the beneficial owner thereof.

Except as herein otherwise provided, in every case of exchange of Debentures or any transfer of Debentures, the Company or other registrar may, subject to applicable law, make a sufficient charge to reimburse it for any stamp tax or other governmental charge required to be paid, and in addition a reasonable charge for its services for every Debenture issued upon such exchange or transfer, and payment of the said charges shall be made by the party requesting such exchange or transfer as a condition precedent thereto.



## Section 2.8 Payment

The person in whose name any Debenture shall be registered shall be deemed the owner thereof for all purposes of this Indenture. Payment of or on account of the principal, interest and premium (if any) of and on such Debenture shall be made only to such registered holder thereof and such payment shall be good and sufficient discharge of the liability of the Company for the amounts paid.

Unless otherwise provided with respect to any particular series of Debentures in the supplemental indenture authorizing the creation and issue of such series of Debentures, as the principal and interest on such Debentures becomes payable (except principal and interest payable at maturity or on redemption which shall be paid upon presentation and surrender of such Debentures for payment) the Company or the Fiscal Agent shall forward or cause to be forwarded by prepaid post to the holder for the time being, or, in the case of joint holders, to one of such joint holders, at his address appearing on the appropriate register hereinbefore mentioned one or more cheques drawn on or Electronic Fund Transfer (EFT) made to a Belize chartered bank for such principal or interest (less any tax required to be deducted or withheld) payable to the order of such holder or holders and negotiable at par at each of the places at which interest on the Debentures is payable. Payments by cheque shall be forwarded at least four days prior to each date on which principal and interest on such Debentures becomes due, and EFT's shall be made at least twenty-four hours before such due date. The forwarding of such cheque/ cheques or the receipt of an EFT shall satisfy and discharge the liability for such payment to the extent of the sums represented thereby (plus the amount of any tax deducted or withheld as aforesaid) unless such cheque is not paid on presentation or is lost or destroyed. In the event of the non-receipt of any such cheque or EFT by the holder, or the loss or destruction of the cheque the Company, upon being furnished with evidence of such non-receipt, loss or destruction and indemnity satisfactory to it, acting reasonably, shall issue or cause to be issued to such holder a replacement cheque or EFT for the same amount. Interest in respect of the principal amount of the Debentures will cease to accrue from the due date thereof unless payment of principal or interest thereon, as the case may be, is improperly withheld or refused.

Subject to Section 2.11, payment of principal at maturity of the Debentures and premium (if any) on the Debentures shall be made only upon presentation of the Debenture to the Company for cancellation.

The registered holder for the time being of any Debenture shall be entitled to the outstanding balance of the principal moneys, interest and premium (if any) thereon, free from all equities or rights of set-off or counter-claims between the Company and the original or any intermediate holder thereof and all Persons may act accordingly, and a transferee of a Debenture shall, after the appropriate form of transfer is lodged with the registrar and upon compliance with all other conditions in that behalf required by this Indenture or by any conditions endorsed on the Debenture or by law, be entitled to be entered on any one of the registers as the owner of such Debenture free from all equities or rights of set-off or counterclaims

between the Company and his transferor or any previous holder thereof, save in respect of equities of which the Company is required to take notice by statute or by order of a court of competent jurisdiction.

Where Debentures are registered in more than one name, the principal moneys and premium (if any) and interest from time to time payable in respect thereof may be paid by cheque or EFT payable to all such holders failing written instructions from them to the contrary and the receipt of any one of such holders thereof shall be a valid discharge to the Company and any other paying agent. In the case of death of one or more joint holders, the principal moneys and premium (if any) and interest on the Debentures may be paid to the survivor or survivors of such holders whose receipt therefor shall constitute a valid discharge to the Company or other paying agent.

### **Section 2.9 Cancellation**

Subject to Section 4.9, all Debentures redeemed or otherwise acquired by the Company or by any other Person on its behalf shall be forthwith delivered to the Company and cancelled and shall not be re-issued and may not be used as a credit against sinking fund obligations of the Company except to the extent otherwise provided in the sinking fund or redemption provisions of this Indenture or of any supplemental indenture pertaining to any particular series of Debentures. All Debentures which have been delivered to and cancelled by the Company shall be destroyed by the Company and, if required by the Fiscal Agent the Company shall furnish to the Fiscal Agent a destruction certificate setting forth the number and denomination of the Debentures so destroyed.

### **Section 2.10 Mutilation, Loss or Destruction**

If any Debentures issued hereunder shall become mutilated or be lost, destroyed or wrongfully taken, provided the Company or the Fiscal Agent has no notice that the Debenture has been acquired by a bona fide purchaser, the Company in its discretion may issue, and thereupon the Fiscal Agent shall certify and deliver, a new Debenture of like date and tenor, with a notation as to the unpaid principal amount outstanding thereunder on the registration panel thereof, upon surrender and cancellation of the mutilated Debenture or, in the case of a lost or destroyed or wrongfully taken Debenture, in lieu of and in substitution for the same. The substituted Debenture shall be in a form approved by the Fiscal Agent and shall be entitled to the benefits of this Indenture equally with all other Debentures issued or to be issued hereunder of like tenor. In case of loss or destruction or wrongful taking, the applicant for a substituted Debenture shall furnish to the Company evidence satisfactory to the Company of such loss or destruction or wrongful taking and (in their reasonable discretion) an indemnity satisfactory to it and shall pay all expenses incidental to the issue of such substituted Debenture and shall satisfy any other reasonable requirements imposed by the Company.

### **Section 2.11 Home Office Payment Agreement**

Notwithstanding anything to the contrary contained in this Indenture or in any Debenture, the Company may enter into an agreement with the registered holder of any Debenture providing for the payment of principal of and premium (if any) and interest on any of the Debentures at a place and in the manner other than the place or in the manner of payment specified herein or in such Debenture or for the making of all payments with respect to such Debentures to such Debentureholder, without presentation or surrender of such Debenture so long as such Holder will, upon the payment of any principal outstanding hereunder or redemption of such Debenture in part only, make notations on such Debenture of the part thereof so repaid or redeemed and that as promptly as practicable after the payment or prepayment in whole of any Debenture, the holder will surrender such Debenture to the Company for cancellation. Payment of principal of and premium (if any) and interest on any Debenture in accordance with this Section 2.11 shall absolutely satisfy and discharge the liability of the Company with respect to such payment under such Debenture unless, in the case of payment by cheque, a cheque for payment thereof is not paid on presentation or is lost or destroyed. From time to time the Company shall furnish to the Fiscal Agent an Officer's Certificate as to the Persons with whom the Company has entered into such an agreement.

## **ARTICLE 3.**

### **ISSUE OF DEBENTURES**

#### **Section 3.1 Issue of Series 1 Debentures**

The initial Debentures issued under this Section 3.1 shall consist of and, exclusive of Debentures issued upon any transfer of or any exchange or substitution for or by way of replacement of any such Debentures previously issued, be limited to Debentures in the aggregate principal amount not in excess of Twenty Seven Million Dollars (\$27,000,000) to be designated as 12% Debentures, Series 1 due December 31, 2012 (herein called the "Series I Debentures").

The Series 1 Debentures shall be dated the date, if originally issued hereunder, of certification thereof, or if issued in substitution for or upon exchange or transfer of any such Debentures, as provided in Sections 2.7 or 2.10, shall be dated the date of issue. The principal amount of the Series 1 Debentures shall bear interest from the date of issue at the rate of 12% per annum calculated quarterly not in advance and payable quarterly on March 31, June 30, September 30 and December 31 in each year, commencing on June 30, 1998 and shall mature on the Maturity Date. Interest in any amount in default shall be at the same rate plus 2% per annum. The prescribed interest rates shall apply after as well as before maturity, default and judgement.

The Series I Debentures shall be initially issued as fully registered Debentures in denominations of \$100 or \$76 and integral multiples thereof.

### Section 3.2 Interest Not to Accrue

From and after the date of maturity, redemption, exchange or purchase by the Company, as applicable, of any Debentures, or the due date of payment of any part of the principal amount of any Debentures, no further interest shall accrue on such Debentures or principal amount, as the case may be, unless payment of the amount then payable shall not have been made in accordance with the applicable terms of this Indenture.

### Section 3.3 Requirements for Issue of the Series 1 Debentures

The Series 1 Debentures may be executed by the Company and delivered to the Fiscal Agent, and shall be certified by the Fiscal Agent and delivered (provided that all of the Series 1 Debentures shall be initially delivered on the same date) to or upon the Written Order of the Company (without the Fiscal Agent receiving any consideration therefor) but only if the Company shall furnish to the Fiscal Agent:

- (a) a Written Order for the certification and delivery of the Series 1 Debentures specifying the aggregate principal amount of the Series 1 Debentures to be certified and delivered;
- (b) a Certified Resolution authorizing the creation, issue, execution and delivery of the Series 1 Debentures;
- (c) an Officers' Certificate to the Effect that all requirements imposed by the terms of this Indenture for issuance, delivery or certification of the Series 1 Debentures have been fulfilled in accordance with the terms hereof and that so far as is known to the signers, after having made due enquiry pursuant to Section 13.8, no Event of Default has occurred and is continuing or will result from the issuance of the Series 1 Debentures; and
- (d) an Opinion of Counsel to the effect that:
  - (i) all conditions precedent provided for herein relating to the authorization, execution, certification and delivery of the Series 1 Debentures applied for have been complied with; and

- (ii) the Series I Debentures applied for have been validly authorized and executed by the Company and, upon certification thereof by the Fiscal Agent and delivery thereof by the Fiscal Agent or the Company, will be valid and legally binding obligations of the Company entitled to the benefits hereof.

#### **Section 3.4 Additional Debentures**

Additional Debentures may at any time and from time to time (provided no Event of Default shall have occurred and be continuing at such time) be created, issued and executed by the Company and delivered to the Fiscal Agent and shall be certified by the Fiscal Agent and delivered to or upon the Written Order of the Company (without the Fiscal Agent receiving any consideration therefor) but only if the Company has complied with the provisions of this Section 3.4, and the Company has furnished to the Fiscal Agent:

- (a) a Written Order for the certification and delivery of Additional Debentures and specifying the aggregate amount of Additional Debentures to be certified and delivered;
- (b) a Certified Resolution authorizing the creation, issue and execution of Additional Debentures of the principal amount applied for and determining the series and attributes and the forms thereof in accordance with this Indenture;
- (c) an indenture supplemental hereto, in form and substance satisfactory to Counsel, creating such series of Additional Debentures duly executed by each of the parties thereto;
- (d) an Officers' Certificate:
  - (i) stating that all conditions provided for in this Indenture relating to the issue, certification and delivery of the Additional Debentures applied for have been complied with in accordance with the terms of this Indenture;
  - (ii) stating that so far as is known to the signers, after having made due enquiry pursuant to Section 13.8, no Default or Event of Default has occurred and is continuing or will result from the making or granting of such Written Order;

- (iii) providing reasonable particulars demonstrating compliance by the Company with the covenants in Section 5.1 (on a pro forma basis after giving effect to the issue of such Additional Debentures and the application of the proceeds thereof);
- (e) an Opinion of Counsel dated the date of such Written Order to the same effect, mutatis mutandis, as the Opinion of Counsel referred to in paragraph 3.3(d); and
- (f) such other materials and documents as the Fiscal Agent or Counsel may reasonably require and as may be provided for in the supplemental indenture creating such issue of Additional Debentures.

### **Section 3.5 No Additional Debentures to be Issued During Default**

No Additional Debentures shall be certified or delivered if at that time to the knowledge of the Fiscal Agent a Default or an Event of Default shall have occurred and be continuing. Any certification and delivery of any Additional Debentures by the Fiscal Agent shall be conclusive evidence of the absence of knowledge on the part of the Fiscal Agent of any such Default or Event of default at the time of such certification and delivery.

### **Section 3.6 Concerning Opinions and Certificates**

The Fiscal Agent, prior to the certification and delivery of any Debentures under any of the provisions of this Article 3, shall not be bound to make any enquiry or investigation as to the correctness of the matters set forth in any of the opinions, certificates or other documents required by the provisions of this Article 3, but shall be entitled to accept and act upon the said opinions, certificates and other documents. The Fiscal Agent may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

### **Section 3.7 Indemnity in Respect of the Withholding or Reduction of Belize Taxes**

- (1) The Company shall make all payments of principal, interest (including interest on amounts in default) and premium (if any) on the Debentures without withholding of or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the Government of Belize or any province, territory or other political subdivision thereof or any authority or agency therein or thereof having lawful power to tax unless such

taxes, duties, assessments or governmental charges are required to be withheld or deducted by the Company by law or by the interpretation or administration thereof.

(2) If the Company is required by law or by the interpretation or administration thereof to withhold or deduct any amount from any payment of principal, interest (including interest on amounts in default) or premium on the Debentures for or on account of any present or future taxes, duties, assessments or governmental charges mentioned in this Section 3.7, the Company shall, subject to its right of redemption in Section 4.12, pay such additional amounts ("Additional Amounts") as will result in the holders of the Debentures receiving, after such withholding or deduction, the amount which would otherwise have been received by them in respect of such Debentures if no such taxes, duties, assessments or governmental charges had been withheld or deducted; provided, however, that no Additional Amounts shall be payable with respect to any Debenture:

- (a) to a holder who is liable to tax thereon by reason of his being connected with Belize otherwise than merely by the holding or use outside Belize, or ownership as a non-resident of Belize, of such Debenture;
- (b) to a holder with whom the Company is not dealing at Arm's Length; or
- (c) which is presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

(3) When used in this Indenture, "Relevant Date" means, in respect of any payment on a Debenture, the later of:

- (a) the date on which such payment first becomes due and payable; and
- (b) if the full amount of the moneys payable on such date has not been received on or prior to such date either by the holder or by the Fiscal Agent, the date on which notice is duly given to the holders of Debentures that such moneys have been so received by the Fiscal Agent.

(4) Any reference herein to principal, interest or premium on the Debentures shall be deemed to include Additional Amounts to the extent that Additional Amounts are payable in respect thereof

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pursuant to the provisions of this Section 3.7 and express mention of the payment of Additional Amounts, if applicable, in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made.

#### ARTICLE 4.

#### REDEMPTION AND EXCHANGE OF DEBENTURES

##### Section 4.1 General

The Company shall have the right, at its option, to redeem either in whole at any time or in part from time to time prior to maturity Debentures issued hereunder of any series which by their terms are made so redeemable (subject, however, to any applicable restriction on the redemption of Debentures of such series) at such rates of premium (if any), at such date or dates, upon such notice, upon such terms respecting payment and otherwise in the manner that shall have been determined at the time of the issue of such Debentures and as shall be expressed in this Indenture or in the supplemental indenture authorizing or providing for the issue of such Debentures or in such Debentures.

##### Section 4.2 Redemption of Series I Debentures

The Series 1 Debentures may be redeemed by the Company at its option, at any time after June 30, 2003, in whole or in part, upon payment of an amount therefor equal to the sum of the principal amount thereof to be redeemed together in either case with accrued and unpaid interest to but excluding the Redemption Date.

##### Section 4.3 Partial Redemption of Debentures

In case less than all of the outstanding Debentures of any series are to be redeemed, the Company shall in each such case, at least 15 business days before the notice of redemption is required to be given, notify the Fiscal Agent in writing of its intention to redeem Debentures and of the aggregate principal amount of Debentures to be redeemed. The Debentures to be redeemed shall be selected on a pro rata basis (to the nearest integral multiple of the denomination in which the Debentures were originally issued) in accordance with the principal amount of Debentures registered in the name of each holder. In the case of a partial redemption, Debentures may be redeemed only in denominations as originally issued or any whole multiple thereof. The holder of any Debenture called for redemption in part only, upon surrender of such Debenture for payment as required by Section 4.7, shall be entitled to receive, without expense to such holder, one or more new Debentures of the same series and tenor for the unredeemed part

of the Debenture surrendered, and the Fiscal Agent shall certify and deliver such new Debenture or Debentures upon receipt of the Debentures so surrendered; or, at the option of such Holder, the Company shall return the Debenture to the holder after making notation thereon of the portion of the principal amount thereof so redeemed and the balance of the principal amount outstanding. In the alternative, payment of the applicable Redemption Price of any portion of any Debenture may be made to the registered holder thereof without presentation or surrender thereof to the Fiscal Agent and such registered holder may be requested to make the notation thereon if there shall have been an agreement between the Company and such registered holder, (or the owner whose nominee the registered holder is) to the effect thereof.

Unless the context otherwise requires, the word "Debenture" or "Debentures" as used in this Article 4 shall be deemed to mean and include any part of the principal amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

#### **Section 4.4 Notice of Redemption**

Except as otherwise required or permitted with respect to any Additional Debentures by the indenture supplemental hereto creating such Additional Debentures, notice of intention to redeem any Debentures prior to their respective maturity date shall be given by or on behalf of the Company to the holders of the Debentures which are to be redeemed, not more than 60 days nor less than 30 days prior to the Redemption Date in the manner provided in Section 11.2. Every notice of redemption shall, unless all of the Debentures then outstanding are to be redeemed, state the designating numbers of the Debentures called for redemption and, in case a Debenture is to be redeemed in part only, that part of the principal amount thereof to be redeemed. Any notice of intention to redeem shall specify the Redemption Date, the redemption price and the place of payment and shall state that all interest thereon shall cease from and after such Redemption Date and shall include the name and telephone number of a representative of the Company who can be contacted if a Debentureholder has further inquiries.

#### **Section 4.5 Debentures Due on Redemption Dates**

Upon notice having been given as aforesaid, all the Debentures called for redemption shall thereupon be due and payable at the Redemption Price, on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the respective maturity date of such Debentures, anything in the Debentures or herein to the contrary notwithstanding, and from and after such Redemption Date, if the moneys necessary to redeem such Debentures shall have been deposited as hereinafter provided and affidavits or other proof satisfactory to the Fiscal Agent as to the mailing of such notices shall have been lodged with it, such Debentures shall not be considered as outstanding hereunder and interest upon such Debentures shall cease. In case any question shall arise as to whether any notice has been given as above provided and any such deposit made, such question shall be decided by the Fiscal Agent whose decision shall be final and binding upon all parties in interest.

#### **Section 4.6 Deposit of Redemption Moneys**

Upon Debentures having been called for redemption as provided in this Indenture, the Company shall deposit with the Fiscal Agent or with any paying agent to the order of the Fiscal Agent, on or before the Redemption Date fixed in the notice of redemption thereof, such sums as may be sufficient to pay the Redemption Price of the Debentures to be redeemed. From the sums so deposited, the Fiscal Agent shall pay or cause to be paid to the holders of such Debentures called for redemption, upon surrender of such Debentures at the principal office of the Fiscal Agent in Belize and such other places (if any) as may be specified in the notice of redemption, the Redemption Price.

#### **Section 4.7 Failure to Surrender Debentures Called for Redemption**

In case the holder of any Debenture so called for redemption in whole or in part shall fail within 30 days after the date fixed for redemption so to surrender his Debenture or shall not within such time accept payment of the applicable Redemption Price payable in respect thereof or give such receipt therefor (if any) as the Company or the Fiscal Agent may require, the Company shall be entitled to pay such applicable Redemption Price to the Fiscal Agent and direct the Fiscal Agent to set it aside in trust for such Holder, either in the deposit department of the Fiscal Agent or in a Belize chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside, and to that extent the said Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except (upon surrender and delivery up of his Debenture) to receive payment out of the moneys so deposited of the applicable Redemption Price of such Debenture.

Any moneys so set aside and interest thereon (if any) not claimed by or paid to the Holder of the Debentures entitled thereto within 6 years after the date of such setting aside shall be repaid to the Company by the Fiscal Agent on demand and thereupon the Fiscal Agent shall be released from all further liability with respect to such moneys and thereafter the holders of the Debentures in respect of which such moneys were so paid to the Company shall have no rights in respect thereof except to obtain payment of the moneys due thereon from the Company subject to any defence the Company may have and to the provisions of this Indenture.

#### **Section 4.8 Redemption of Debentures by Agreement or Tender**

With respect to any particular series of Debentures, unless otherwise provided herein or in the supplemental indenture authorizing the creation and issue of such series of Debentures, at any time and from time to time, the Company may redeem Debentures by consent of Debentureholders as follows:

- (a) by private agreement provided that the prices at which such Debentures may be redeemed by private agreement shall not exceed par plus accrued interest thereon; or
- (b) pursuant to a call for tenders given to all holders of the Debentures or the series of Debentures to be redeemed by notice given in accordance with Section 11.2, which notice shall specify the redemption date (which shall not be earlier than 15 days after the giving of such notice), the redemption amount and the place of payment thereof. In the event that an aggregate principal amount of the Debentures, or the Debentures of the series to be so redeemed, is tendered which is greater than that offered to be redeemed, such tendered Debentures shall be redeemed on a pro rata basis in the proportion, as nearly as practicable, which the principal amount of Debentures tendered by each Holder bears to the principal amount of Debentures or series of Debentures offered to be redeemed by the Company.

#### **Section 4.9 Power to keep redeemed Debentures alive**

Where the Company has redeemed any Debentures previously issued, (including any redemption in pursuance of Section 4.12) the Company may, unless the conditions of issue otherwise provide, or unless the Debentures have been redeemed in pursuance of any obligation on the company to do so (not being an obligation enforceable only by the person to whom the redeemed Debentures were issued or his assigns), keep the Debentures alive for the purpose of re-issue, and the company may cause the Debentures to be re-issued either by re-issuance of the same Debentures or by issuance of other Debentures in their place and upon such re-issue or issuance the person entitled to the Debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the Debentures had not been redeemed. In the event that the Company intends to keep redeemed Debentures alive as provided herein the Company shall serve written notice of such intent upon the Fiscal Agent at least 10 days before the redemption date and upon redemption of the Debentures the Fiscal Agent shall hold the surrendered Debentures for re-issuance or for cancellation of the Debentures and issuance of the replacement Debentures as the case may be.

#### **Section 4.10 Cancellation of Debentures**

Save and except for Debentures in respect of which the Company exercises its rights to keep them alive under Section 4.9 above, all Debentures redeemed under this Article 4 or under any Indenture supplemental hereto with respect to any Additional Debentures shall be forthwith delivered to the Company and shall be cancelled by the Company.

#### **Section 4.11 Application to Subsequent Series**

The provisions of Sections 4.2 to 4.7, inclusive, shall apply to Debentures of subsequent series if by their terms they are redeemable unless otherwise provided in instruments supplemental or ancillary hereto establishing the terms of the Debentures of such series.

#### **Section 4.12 Redemption for Taxation Purposes**

- (1) If the Company at any time satisfies the Fiscal Agent that the Company has been, or on the occasion of the next payment due in respect of any series of Debentures, would be obliged to pay any Additional Amounts as a result of any change in the laws of Belize or any province, territory or other political subdivision thereof or the interpretation or administration of any such laws, and if such obligation cannot be avoided by the Company taking reasonable measures available to it, the Company shall have the right at any time thereafter, at its option, in the manner provided in this Article 4, to redeem the whole (but not less than the whole) of the principal amount of the Debentures in respect of which such Additional Amount is payable upon payment of the principal amount thereof together with unpaid interest accrued thereon to the date fixed for redemption and Additional Amounts, if applicable, but without any premium, the whole constituting the redemption price, provided that the notice of redemption referred to in Section 4.4 is given not more than 90 days nor less than 30 days prior to the earliest date on which the Company would be obliged to pay Additional Amounts were a payment in respect of the Debentures of such series then due.
- (2) Whether the Company would be obliged to pay any Additional Amounts shall be determined on the basis of such relevant evidence as shall be in the possession of the Company and on the basis of laws or treaties or administrative practices in effect on the date of such determination or, if the Company so elects, those to become effective on or before the next succeeding interest payment date. The Company shall deliver to the Fiscal Agent, at least 10 days prior to the date notice of redemption as provided in Section 4.4 is given, an Officers' Certificate stating that the Company is entitled to effect such redemption and setting forth in reasonable detail a statement of the facts upon which such conclusion is based and an Opinion of Counsel with respect thereto.

#### **Section 4.13 Put Right by Debenture Holders**

A Debentureholder shall be entitled to require the redemption of a Debenture by the Company by written notice to the Company and presentation of the Debenture to be redeemed on or at any time after the date specified in governing Supplemental Indenture. Upon such presentation the Debenture so presented shall become due for redemption (together with accrued interest up to the date of payment) on the date

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*[Signature]*

falling one year after the date upon which the relevant Debentures were so presented. Any demand for redemption under this paragraph shall be irrevocable unless the Company and the relevant Debentureholder agree otherwise and notify the Company in writing to that effect. In the event a Debentureholder exercises his rights under this paragraph, at any time prior to the date of redemption, the Company shall be entitled directly or through its agents to find a third party purchaser for the Debenture presented for redemption and to sell such Debenture on behalf of the redeeming shareholder and each Debentureholder hereby appoints the Company as attorney-at-fact for this purpose. Upon any such sale, the previously delivered notice of redemption shall be of no force and effect. In the event that the Debentures are not sold before the redemption date, the Company may nonetheless keep the Debentures alive in exercise of its rights under Section 4.9.

## ARTICLE 5

### CERTAIN COVENANTS

The Company hereby represents, warrants, covenants and agrees with the Fiscal Agent that it will carry out or cause to be carried out each and every covenant to be performed by the Company as hereinafter set forth:

#### Section 5.1 Limitations on Creation of Additional Indebtedness

The Company covenants that it will not create or assume or attempt to create or assume any Indebtedness including, without limitation, Additional Debentures, unless:

- (i) all Indebtedness would not be greater than 75% of the Total Capitalization of the Company after giving effect to the proposed creation or assumption of the Indebtedness and the application of the proceeds therefrom; and
- (ii) in the case of the issuance of Additional Debentures, the average weighted life of the Additional Debentures would be longer than the remaining average weighted life of each other series of Debentures then outstanding.

#### Section 5.2 Exceptions

The provisions of Section 5.1 shall not apply to the creation or assumption of:

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- (a) Indebtedness issued and held by a wholly-owned Subsidiary of the Company (provided that such Indebtedness is at all times held by the wholly-owned Subsidiary of the Company);
- (b) Indebtedness issued by a Person prior to the time (a) such Person became a Subsidiary of the Company or, (b) such Person merges into or consolidated with the Company or a Subsidiary of the Company, which Indebtedness was not incurred or issued in anticipation of such transaction and was outstanding prior to such transaction;
- (c) Non-Recourse Indebtedness incurred after the date hereof by the Company to finance the development, acquisition, construction or operation of a Power Generation Facility in which the Company has a direct or indirect interest and any renewal, extension, refinancing or refunding thereof which is also Non-Recourse;
- (d) Indebtedness consisting of Permitted Interest Rate and Currency Protection Agreements; and
- (e) Indebtedness which is exchanged for, or the proceeds of which are used to refinance or refund, any Indebtedness permitted to be outstanding pursuant to clauses (a) to (d) hereof (or any extension or renewal thereof), in an aggregate principal amount, not to exceed the principal amount of the Indebtedness so exchanged, refinanced or refunded plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Indebtedness so exchanged, refinanced or refunded or the amount of any premium reasonably determined by the Company as necessary to accomplish such refinancing by means of a tender offer or privately negotiated repurchase, plus the amount of expenses of the Company incurred in connection with such refinancing, provided, however, that such refinancing or refunding by its terms, (x) does not provide for payments of principal at the stated maturity of such Indebtedness by way of a sinking fund applicable Indebtedness or by way of any mandatory redemption, defeasance, retirement or repurchase of such Indebtedness by the Company in each case prior to the stated maturity of the Indebtedness being refinanced or refunded and (y) redemption or other retirement (including pursuant to an offer to purchase made by the Company of such Indebtedness at the option of the holder thereof prior to the stated maturity of the Indebtedness being refinanced, refunded or exchanged other than a redemption or other retirement at the option of the holder of such Indebtedness (including pursuant to an offer to purchase made by the Company or a Subsidiary of the Company) which is conditioned upon the change of control of the Company pursuant to provisions substantially similar to those contained herein.

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### **Section 5.3 Negative Pledge**

The Company covenants that it will not create any Lien on any of its property or assets now owned or hereinafter acquired or any part thereof to secure any Indebtedness for borrowed money except for Permitted Encumbrances without making effective provision for securing the Debentures equally and rateably with such Indebtedness as to such property or assets for so long as such Indebtedness will be so secured or in the event such Indebtedness is Indebtedness which is subordinated in right of payment to the Debentures, prior to such Indebtedness as to such property or assets for so long as such Indebtedness will be so secured.

### **Section 5.4 To Pay Principal, Premium, Interest and Additional Amount**

The Company will well, duly and punctually pay or cause to be paid to every Debentureholder the principal of and interest accrued on the Debentures of which it is the holder, and premium (if any) on such Debentures, together with any applicable Additional Amounts, on the dates, at the places, in the moneys, and in the manner specified herein and in the Debentures.

### **Section 5.5 To Pay Taxes, Rents, Etc.**

The Company will from time to time pay or cause to be paid (i) all rents, taxes, rates, levies, duties and assessments, general and special, ordinary or extraordinary, of every nature and kind whatsoever, including local improvement taxes, which shall be levied, assessed or imposed upon the income, profits or property of the Company and (ii) all lawful claims for labour, materials and supplies which, if unpaid, might by law become a Lien on the property of the Company provided, however, that the Company shall, not be required to pay or cause to be paid any such rent, tax, rate, levy, duty or assessment whose amount, applicability or validity to being contested in good faith by appropriate proceedings, save and except if the same are and remain Permitted Encumbrances.

### **Section 5.6 Operation of Business**

#### **(i) Maintain Existence; Conduct Business**

The Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights, licenses and franchises where needed or necessary to the operation of the Business and comply with all laws applicable to the Business unless contested in good faith; continue to

conduct and operate the Business; at all times maintain, preserve and protect its assets in good repair, working order and condition, and from time to time make, or cause to be made, all necessary and proper repairs, renewals, replacements, betterments and improvements thereto, so that the Business may be properly and advantageously conducted at all times.

**(ii) Business**

The Company shall remain primarily in the business of energy generation, distribution, transmission, purchase and supply including, without limitation, the acquisition, manufacture, construction, maintenance, operation, use or management of all such works, structures, appliances, materials, supplies and machinery as are or may be used in any way in connection with the business of energy generation, distribution, transmission, purchase and supply and including all matters ancillary or related thereto (the "Business").

**(iii) Exception for Operations of Subsidiaries**

Nothing contained in this Section 5.6 shall prevent the Company from operating a business other than the Business through a Subsidiary provided that: (i) the Company does not guarantee or otherwise become liable for the obligation of such Subsidiary; (ii) the financing of any such Subsidiary by the Company conforms with the provisions of Section 5.9.

**Section 5.7 To Pay Fiscal Agent's Remuneration**

The Company will pay the Fiscal Agent reasonable remuneration for its services as Fiscal Agent hereunder and will repay to the Fiscal Agent all moneys which shall have been paid by the Fiscal Agent for premiums of insurance, repairs, renewals, taxes, legal expenses or charges on a attorney and his own client basis, or any other expenditures whatever which the Fiscal Agent may reasonably make in and about the performance of the duties hereunder (including all costs incurred by the Fiscal Agent in complying with any laws applicable to it as a result of its duties as Fiscal Agent hereunder) with interest at the rate per annum that is charged to the Fiscal Agent by its bankers in respect of such advance from time to time, from the date of expenditure until repayment, and such moneys and the interest thereon, including the Fiscal Agent's remuneration, until paid by the Company, shall be secured hereby in priority to the principal (including sinking fund payments), premium (if any) and interest of and on the Debentures.

### Section 5.8 Limitation on Certain Asset Dispositions

The Company may not make any disposition of assets in one or more related transactions in which the aggregate consideration exceeds within a twelve-month calendar period 10% of the Total Capitalization of the Company unless

- (a) the Company receives consideration for such disposition at least equal to fair market value of the assets sold or disposed of as determined by the Board of Directors in good faith and evidenced by a resolution of the Board of Directors filed with the Fiscal Agent and
- (b) all net available proceeds, less any amounts invested within one year of such disposition in assets related to the Business of the Company or in securities of Affiliates (such amount being the "Excess Proceeds"), are applied within one year of such disposition
  - (i) first, at the option of the Company, to the repayment or reduction of Indebtedness ranking pari passu with the Debentures,
  - (ii) second, to the extent of remaining Excess Proceeds, after giving effect to payments made pursuant to clause (i), if any, to make an Offer to Redeem outstanding Debentures on a pro rata basis at a redemption price equal to 100% of the principal amount of Debentures, plus accrued interest (if any) to the date of redemption, and
  - (iii) third, to the extent of any remaining Excess Proceeds following the completion of such Offer to Redeem, to any other use as determined by the Company which is not otherwise prohibited by this Indenture.

Notwithstanding the foregoing, the Company shall not be required to make an Offer to Redeem any Debentures if (i) the amount of the Excess Proceeds, or such lesser amount as determined in accordance with the preceding sentence, is less than \$5 million, or (ii) such redemption or repayment is prohibited under applicable law.

### Section 5.9 Limitation on Distributions

The Company covenants that it will not declare or make any Distribution if a Default or Event of Default

has occurred and is continuing, or if after giving effect to such Distribution all Indebtedness of the Company would be in excess of 66% of the Total Capitalization of the Company.

#### Section 5.10 Financial Statements

(1) The Company shall furnish to the Fiscal Agent, and upon receipt of a written request, to any Debentureholder,


- (a) within one hundred and twenty (120) days after the end of each Fiscal Year of the Company audited financial statements, comprising a balance sheet and statements of income and retained earnings, in each case on a comparative basis with the preceding Fiscal Year, showing the financial condition of the Company as of the close of such Fiscal Year and the results of operations of the Company during such Fiscal Year, certified correct by the Chief Financial Officer of the Company, together with an Officers' Certificate
  - (i) certifying that no Default or Event of Default has occurred hereunder or, if any Default or Event of Default has occurred, specifying the relevant particulars and the period of existence thereof and the action taken or proposed to be taken by the Company with respect thereto; and
  - (ii) describing the aggregate principal repayments and redemptions (whether pursuant to sinking fund obligations or otherwise) of each series of Debentures in such Fiscal Year, the date on which such repayments and redemptions occurred and the aggregate unpaid principal amount of each series of Debentures issued hereunder at the end of such Fiscal Year;
- (b) within seventy-five (75) days after the end of the first six months of each Fiscal Year of the Company unaudited financial statements comprising a balance sheet and statements of income and retained earnings, showing the financial condition of the Company as of the end of each such six-month period and the results of operations of the Company for the then elapsed portion of such Fiscal Year, certified correct by the Chief Financial Officer of the Company, together with an Officers' Certificate describing the aggregate principal repayments and redemptions (whether pursuant to sinking fund obligations or otherwise) of each series of Debentures in the first six months of each Fiscal Year of the Company, the dates on which such repayments and redemptions occurred and the aggregate unpaid principal amount of each series of Debentures issued hereunder at the end of the first six months of each Fiscal Year of the Company;

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- (c) with reasonable promptness such other information regarding the operations and financial condition of the Company as the Fiscal Agent may from time to time reasonably request.
- (d) within 75 days after the end of the first three quarters of each Fiscal Year, an Officers' Certificate stating that no Default or Event of Default (including without limitation the Events of Default specified in any indenture supplemental hereto) has occurred or is continuing or, if any Default or Event of Default has occurred or is continuing, specifying the relevant particulars and the period of existence thereof and the action taken or proposed to be taken by the Company in respect thereto; and
- (e) within 120 days after the end of each Fiscal Year, a Chartered Accountant's Certificate which will include:
  - (i) a statement that the Chartered Accountant has reviewed this Indenture and the obligations of the Company hereunder;
  - (ii) a statement that, to the best of the Chartered Accountant's knowledge, no Default or Event of Default has occurred or is continuing or, if any Default or Event of Default has occurred or is continuing, specifying the relevant particulars thereof and the period of existence thereof; and
  - (iii) the appropriate calculations with respect to the financial covenants of the Company hereunder.

#### Section 5.11 Insurance

To the extent that the same is available on commercially reasonable terms and it is prudent for the company to do so, the Company shall keep its assets insured, in amounts not less than the replacement cost thereof, at all times and against such risks, including fire, as is customary with companies in the same or a similar business, and such insurance as may be required by law. The Company shall be entitled to change insurers provided that the replacement insurer is one that would be acceptable to prudent companies in the same or similar business.

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**Section 5.12 Copies**

The Company will deliver to the Fiscal Agent from time to time, or to such other Person as the Fiscal Agent may direct, within three business days of receipt of a written request therefor from the Fiscal Agent, a true copy of this Indenture and any instrument supplemental or ancillary thereto.

**Section 5.13 Concerning Officers' Certificates**

The statements made in all Officers' Certificates which may be executed and filed pursuant to the provisions of this Indenture shall be true and correct in all material respects and the Company will duly perform any undertaking set forth on behalf of the Company in any such Officers' Certificates.

**Section 5.14 Auditors**

The auditors of the Company shall be a firm of Chartered Accountants.

**ARTICLE 6.****COVENANTS OF THE GOVERNMENT**

The Government hereby represents, warrants, covenants and agrees with the Fiscal Agent that it will carry out or cause to be carried out each and every covenant to be performed by the Government as hereinafter set forth:

**6.1 Limitation on Corporate Tax**

The Government covenants and undertakes to provide that in respect of each financial year of the Company set out below the corporate tax rate applicable to the Company shall be not higher than the lower of: (i) the rate applicable to companies incorporated under the Companies Act Chapter 206 of the Laws of Belize; and (ii) the rate set out below opposite each such year:

Year ending March	Rate per annum %
1998	20
1999	25
2000	30

2001

35

## 6.2 Limitation on Withholding Taxes

The Government covenants and undertakes to provide that all amounts (whether of principal, interest, dividend or other distribution, or otherwise) payable to any Person (whether a licensed financial institution in Belize or otherwise) under the Debentures issued in connection with the Debentures will be exempt from all or any tax, duty, withholding, penalty or fine in the same or a similar manner to interest paid on savings; and

## 6.3 Waiver to Stamp Duties

The Government covenants and undertakes to provide that no stamp duty or similar duty will be imposed upon the issue the Debentures of or upon or in consequence of any transfer of any Debenture(s) or upon the exercise of any right to subscribe for any such or the redemption of any Debenture pursuant to the terms of such Debentures.

## ARTICLE 7

### APPOINTMENT OF TRUSTEE

#### Section 7.1

The Debentureholders may at any time and from time to time appoint a Trustee corporation qualified and authorized to perform trust services in Belize, as Trustee to represent all of the Debentureholders and to act and make decisions for and on behalf of the Debentureholders upon such terms and conditions as the Debentureholders may from time to time determine. All reasonable costs and expenses incurred in connection with the appointment of such Trustee and by the Trustee in the exercise of its duties and functions shall be paid by the Company. Any such appointment and the approval of any agreement or other arrangement relating to such appointment shall require the prior approval of an Extraordinary Resolution of the Debentureholders.

#### Section 7.2 Supplemental Deed

The Trustee shall be obliged as a condition of his appointment, to execute a supplemental Deed by virtue of which it agrees to be bound by the provisions of this Indenture which relate to its duties rights and obligations herein.

**ARTICLE 8****EVENTS OF DEFAULT AND REMEDIES****Section 8.1 Events of Default**

The following shall for the purposes of this Indenture and the Debentures constitute an event of default herein sometimes called "Events of Default":

- (a) if the Company fails to make payment of any interest on any of the Debentures when the same shall respectively become due;
- (b) if the Company fails to pay any principal or premium when due in respect of any of the Debentures, or if the time for payment of any series of Debentures is accelerated (and such acceleration has not been rescinded) pursuant to this Indenture or any supplemental indenture hereto;
- (c) if the Company shall make default in observing or performing any other covenant or condition of this Indenture on its part to be observed or performed and if such Default shall continue for a period of 60 days after a notice in writing has been given by the Fiscal Agent to the Company, specifying such Default and requiring the Company to rectify the same unless the Fiscal Agent (having regard to the subject matter of the default) shall have agreed to a longer period, and in such event, for the period agreed to by the Fiscal Agent and such notice may be given by the Fiscal Agent on its own initiative and shall be given when required to do so by the holders of not less than 50% in principal amount of the Debentures then outstanding; and provided that in the case of a Default which cannot be remedied simply by payment of money such Default shall be deemed for a period of one year following the occurrence thereof not to have occurred if, and so long as, the Company shall have within such 60 day period commenced to remedy such Default and continues to diligently pursue the remedying thereof;
- (d) if an order shall be made or an effective resolution passed for the winding-up of the Company or if the Company shall make an assignment for the benefit of its creditors or if a liquidator or a Trustee in bankruptcy of the Company shall be appointed or if a receiver or receiver and manager of the Company shall be appointed by a court of competent jurisdiction in proceedings where the Company has had prior notice of such proceedings or if the Company shall make a proposal to its creditors under a bankruptcy legislation;

- (e) if a receiver or receiver and manager of the Company shall be appointed by a Person other than by a court of competent jurisdiction or in proceedings where the Company has not had prior notice of such proceedings; and such appointment shall continue unstayed, undischarged and in effect for a period of 60 days after notice of it has been served on the Company;
- (f) if a decree or order of a court having jurisdiction in the premises is entered adjudging the Company bankrupt or insolvent under any bankruptcy, insolvency or analogous laws or appointing a receiver of, or of any substantial part of, the property of the Company, or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 30 days;
- (g) if any statement contained in an Officers' Certificate delivered hereunder constitutes, at the time the same is made, an intentional, material and adverse misstatement; provided that the Fiscal Agent and the holders shall be deemed to have waived such Event of Default if the Fiscal Agent has not declared the principal, premium (if any) and interest hereunder due and payable as contemplated by Section 8.2 by the 180th day after the Fiscal Agent becomes aware of such misstatement; and
- (h) if the Company makes default beyond any period of grace with respect thereto in the payment of the principal, interest or premium of any other indebtedness for borrowed money or in the performance or observance of any term, agreement or condition in respect of such indebtedness which causes such indebtedness to be declared due prior to the date of its stated maturity, or if the Company fails to honour a guarantee of any indebtedness for borrowed money and the aggregate of all such indebtedness not paid, declared due or in respect of which a guarantee is not honoured is in excess of 25% of the Total Capitalization of the Company, provided that if any such default shall be cured by the Company, as the case may be, or waived by the holders of the indebtedness concerned and any such acceleration of the maturity thereof shall be rescinded by such holders, then the default hereunder shall be deemed likewise to be cured or waived and any declaration that the Debentures are due and payable shall likewise be deemed to be cancelled.

## **Section 8.2 Default - Principal and Interest May Become Due**

Subject to the provisions of Section 8.3, the proviso contained in Section 8.1 and as set out hereafter, and subject to the terms of any indenture supplemental hereto in the case of any Event of Default as defined in and created by such supplemental indenture for the benefit of the holders of any particular series of Additional Debentures, in case an Event of Default shall occur and be continuing, the Fiscal Agent shall

upon the request in writing of the Holders of not less than 25% of the principal amount of the Debentures then outstanding in the case of an Event of Default as described in Sections 8.1 (a) and (b) and the Holders of not less than 50% of the principal amount of the Debentures then outstanding in the case of an Event of Default as described in Sections 8.1 (c), (d), (e), (f), (g) and (h), declare the principal of and premium (if any) and interest on the Debentures to be due and payable and the same shall forthwith become immediately due and payable to the Fiscal Agent on demand, anything therein or herein contained to the contrary notwithstanding, and the Company will pay forthwith to the Fiscal Agent on demand for the benefit of the Holders of the Debentures the amount of the principal of, premium (if any) and interest then accrued on all the Debentures together with interest at the respective rates of interest borne by the Debentures on such principal, premium (if any) and interest, and interest at the same rate per annum on such other moneys from the date of the said declaration until payment is received by the Fiscal Agent, and such payment when made shall be deemed to have been made on the Debentures and any moneys so received by the Fiscal Agent shall be applied in the manner set out in Section 8.7.

### **Section 8.3 Waiver of Default**

Subject to the terms of any indenture supplemental hereto in the case of any Event of Default as defined in and created by such supplemental indenture for the benefit of the holders of any particular series of Additional Debentures, in the event that an Event of Default shall have occurred, the Debentureholders shall have power by Extraordinary Resolution, to waive the Event of Default or to annul any declaration made by the Fiscal Agent pursuant to Section 8.2, and the Fiscal Agent shall thereupon waive the Event of Default or annul such declaration upon such terms and conditions as such holders shall prescribe; provided always that no act or omission either of the Fiscal Agent or of the Debentureholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

### **Section 8.4 Notice of Default**

The Company shall give to the Fiscal Agent, within a reasonable time but not exceeding five business days after the Company becomes aware of the occurrence thereof, notice of every Default or Event of Default arising out of this Indenture and continuing at such time as such notice is given. The Fiscal Agent shall give to each Debentureholder, within the earlier of five business days after the Fiscal Agent receives such notice from the Company and 30 days after the Fiscal Agent otherwise becomes aware of the occurrence thereof, notice of every Default or Event of Default arising under this Indenture and continuing at the time such notice is given.

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### Section 8.5 Enforcement by the Trustee

If an Event of Default shall have occurred, but subject to Section 8.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders as hereinafter provided:

- (a) the Trustee appointed under Article 7 above may in its discretion proceed to enforce the rights of the Debentureholders by any action, suit, remedy or proceeding authorized or permitted by this Indenture or by law or equity; and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Debentureholders filed in any bankruptcy, insolvency, winding-up or other judicial proceedings relating to the Company;
- (b) no such remedy for the enforcement of the rights of the Debentureholders shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination;
- (c) all rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof at the trial or other proceedings relating thereto; and
- (d) upon the receipt of a Debentureholders' Request and upon being indemnified to its satisfaction, the Trustee shall exercise or take such one or more of such remedies as the Debentureholders' Request may direct or, if the Debentureholders' Request contains no direction, as the Trustee may consider expedient, provided that any such Debentureholders' Request directs the Trustee to take such proceedings available in law.

### Section 8.6 Limitation on Debentureholders' Ability to Sue

No Holder of any Debenture shall have the right to institute any action, suit or proceedings or to exercise any other remedy authorized or permitted by this Indenture or by law or by equity for the purpose of enforcing payment of principal or interest owing on any Debenture or for the execution of any power hereunder unless such Holder shall previously have given to the Fiscal Agent written notice of the occurrence of an Event of Default and all of the following have occurred: -

- (i) the Debentureholders, by Extraordinary Resolution, shall have made a request to the Trustee appointed under Article 7 to take action hereunder or the Debentureholders' Request shall have been delivered to the Trustee, and the Trustee shall have been offered

a reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose;

- (ii) the Debentureholders or any of them shall have furnished to the Trustee, when requested by the Trustee, sufficient funds and an indemnity; and
- (iii) the Trustee shall have failed to act within a reasonable time thereafter.

In such event, but not otherwise, any Debentureholder, acting on behalf of himself and all other Debentureholders, shall be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken under Section 8.5, but in no event shall any Debentureholder or combination of Debentureholders have any right to take any other remedy or proceedings out of court; it is being understood and intended that no one or more Holders of Debentures shall have any right in any manner whatsoever to enforce any right hereunder or under any Debenture except subject to the conditions and in the manner herein provided, and that all powers and trusts hereunder shall be exercised and all proceedings at law shall be instituted, had and maintained by the Trustee, except only as herein provided, and in any event for the equal benefit of all Holders of outstanding Debentures.

#### **Section 8.7 Application of Moneys**

Except as otherwise provided herein, any moneys arising from any enforcement hereof, whether by the Trustee or any Holder of a Debenture, shall be held by the Trustee and applied by it, together with any moneys then or thereafter in the hands of the Trustee available for the purpose, as follows:

- (a) first, in payment or reimbursement to the Trustee of the remuneration, expenses, disbursements and advances of the Trustee earned, incurred or made in the performance of his duties hereunder or otherwise in relation to this Indenture or the agreement by which the Trustee is appointed;
- (b) second, (but subject to Section 4.2) in or towards payment of the principal of all the Debentures then outstanding and thereafter in or towards payment of the accrued and unpaid interest and interest on overdue interest on such Debentures;
- (c) third, the surplus (if any) of such moneys shall be paid to the Company or as it may direct;

provided, however that no payments shall be made in respect of the principal or interest of any Debenture held, directly or indirectly, by or for the benefit of the Company, any Subsidiary or any Affiliate (other than any Debenture pledged for value and in good faith to a Person other than the Company, a Subsidiary or an Affiliate, but only to the extent of such Person's interest therein) except subject to the prior payment in full of the principal, premium (if any) of and interest on all Debentures which are not so held.

#### **Section 8.8 Distribution of Moneys**

Payments to Holders of Debentures pursuant to Section 8.7 shall be made as follows:

- (a) at least 21 days' notice of every such payment shall be given in the manner provided in Article 11 specifying the date and time when and the place or places where such payments are to be made and the amount of the payment and the application thereof as between principal and interest;
- (b) payment of any Debenture shall be made upon presentation thereof at any one of the places specified in such notice and any such Debenture thereby paid in full shall be surrendered, otherwise a notation of such payment shall be endorsed thereon; but the Trustee may in its discretion dispense with presentation and surrender or endorsement in any special case upon receipt by it of such indemnity as it shall consider sufficient;
- (c) from and after the date of payment specified in the notice, interest shall accrue only on the amount owing on each Debenture after giving credit for the amount of the payment specified in such notice unless the Debenture in respect of which such amount is owing is duly presented on or after the date so specified and payment of such amount is not made; and
- (d) the Trustee shall not be required to make any partial or interim payment to Debentureholders unless the moneys in its hands, after reserving therefrom such amount as the Trustee may think necessary to provide for the payments mentioned in Section 8.7a, shall be sufficient for such purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth.

#### **Section 8.9 Persons Dealing with Fiscal Agent**

No Person dealing with the Fiscal Agent or any of its agents shall be concerned to enquire whether an Event of Default has occurred, or whether the powers which the Fiscal Agent or Trustee is purporting to exercise have become exercisable, or whether any moneys remain due under this Indenture or on the

Debentures, or to see to the application of any moneys paid to the Fiscal Agent; and in the absence of fraud on the part of such Person, such dealing shall be deemed to be within the powers hereby conferred and to be valid and effective accordingly.

#### **Section 8.10 Remedies Cumulative**

No remedy herein conferred upon or reserved to the Trustee or the Holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy, shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing by law or by statute.

#### **Section 8.11 Immunity of Shareholders, Directors, Officers and Others**

The Debentureholders and the Fiscal Agent waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholders, Director or officer of the Company or of any Successor Corporation for the payment of the principal, interest or premium, if any, on any of the Debentures or on any covenant, agreement, representation or warranty by the Company contained herein or in the Debentures.

#### **Section 8.12 Judgement Against the Company**

In the case of any judicial or other proceedings to obtain judgement for the principal of or interest on the Debentures, judgement may be rendered against the Company in favour of a Debentureholder or in favour of the Trustee, as Trustee for the Debentureholders, for any amount which may remain due in respect of the relevant Debenture or Debentures.

### **ARTICLE 9**

#### **SUCCESSOR CORPORATIONS**

#### **Section 9.1 Certain Requirements in Respect of Merger, etc.**

The Company shall not enter into any transaction, whether by way of amalgamation, merger, reconstruction, reorganization, consolidation, transfer, sale, lease or otherwise, whereby all or substantially all of its undertaking, property and assets would become the property of any other Person or, in the case of any such amalgamation, of the continuing corporation resulting therefrom, unless:

- 9.1.1 such other Person or continuing corporation is a corporation (the "Successor Corporation") incorporated under the laws of Belize;
- 9.1.2 The Successor Corporation shall execute, prior to or contemporaneously with the completion of such transaction, such indenture supplemental hereto and other instruments (if any) as are satisfactory to the Fiscal Agent and in the Opinion of Counsel are necessary or advisable to evidence the assumption by the Successor Corporation and of the liability for the due and punctual payment of all the Debentures and the interest thereon and all other moneys payable hereunder and the covenant of such Successor Corporation to pay the same and its agreement to observe and perform all the covenants and obligations of the Corporation under this Indenture;
- 9.1.3 such transaction shall, to the satisfaction of the Fiscal Agent and in the opinion of Counsel, be upon such terms as substantially to preserve and not to impair any of the rights and powers of the Fiscal Agent or of the Debentureholders hereunder and upon such terms as are not in any way prejudicial to the interests of the Debentureholders; and
- 9.1.4 no condition or event shall exist in respect of the Company or the Successor Corporation, either at the time of such transaction or immediately thereafter after giving full effect thereto, which constitutes or would, after the giving of notice of the lapse of time or both, constitute an Event of Default hereunder.

## **Section 9.2 Vesting of Powers in Successor**

Whenever the conditions of Section 9.1 have been duly observed and performed, the Fiscal Agent shall execute and deliver the supplemental indenture and thereupon:

- 9.2.1 the Successor Corporation shall possess and from time to time may exercise each and every right and power of the Company under this Indenture in the name of the Company or otherwise, and any act or proceeding by any provision of this Indenture required to be done or performed by any directors or officers of the Company may be done and performed with like force and effect by the like directors and officers of such Successor Corporation; and
- 9.2.2 the Company shall be released and discharged from liability under this Indenture and the Fiscal Agent may execute any documents which it may be advised are necessary or advisable for effecting and evidencing such release and discharge.

**ARTICLE 10.****APPOINTMENT OF NEW FISCAL AGENT****Section 10.1 General**

The Fiscal Agent may resign as Fiscal Agent after giving 90 days' notice in writing to the Company and shall resign in the event that a material conflict of interest arises in its role as a Fiscal Agent under this Indenture and is not eliminated within 90 days after ascertaining that it has such a material conflict of interest and in either case the Fiscal Agent shall be discharged from all further duties and liabilities hereunder.

In case of the resignation of the Fiscal Agent or its removal from office or incapacity to act, its successor shall be at once appointed by the Company, provided that there shall not exist a material conflict of interest in its role under this Indenture. On any new appointment, the new Fiscal Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Fiscal Agent, without any further assurance, conveyance, act or deed, but there shall be immediately executed, at the expense of the Company, all such instruments (if any) as the new Fiscal Agent may be advised by Counsel are necessary or advisable.

Any such new or successor Fiscal Agent shall, forthwith upon appointment, become vested with all the estates, properties, rights and powers of its predecessor created hereunder, with like effect as if originally named as Fiscal Agent herein; but nevertheless, upon the written request of the successor Fiscal Agent or of the Company, the Fiscal Agent ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Fiscal Agent, the rights and powers of the Fiscal Agent so ceasing to act, and shall duly assign, transfer and deliver all property (including its records and registers) and money held by such Fiscal Agent to the successor Fiscal Agent so appointed in its place. Should any deed, conveyance or instrument in writing from the Company be required by any new Fiscal Agent for more fully and certainly vesting in and confirming to it such estates, properties, rights and powers, then any and all such deeds, conveyances and instruments in writing shall, on request of said new Fiscal Agent, be made, executed, acknowledged and delivered by the Company.

Any company into which the Fiscal Agent may be merged or with which it may be consolidated or amalgamated, or any company resulting from any merger, consolidation or amalgamation to which the Fiscal Agent shall be a party, shall be the successor Fiscal Agent under this Indenture without the execution of any instrument or any further act unless in the Opinion of Counsel such action would be prudent.

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**ARTICLE 11.****NOTICES****Section 11.1 Notice to Company**

Any notice to the Company under the provisions hereof shall be given by physical or electronic delivery or by registered letter addressed to the Company at the Company's official corporate headquarters:

Attn: Mr. Sean Fuller, General Manager, Finance & Business Support and Chief Financial Officer

Email: [sean.fuller@bel.com.bz](mailto:sean.fuller@bel.com.bz)

and if so delivered, shall be deemed to have been given on the first business day following the date of delivery, if so mailed shall, subject to Section 11.4, be deemed to have been given on the fifth business day following such mailing and if so e-mailed shall be deemed to have been given on the first business day following such e-mail transmission. The Company may from time to time notify the Fiscal Agent of a change in address as the case may be in accordance with Section 11.3.

**Section 11.2 Notice to Debentureholders**

Any notice to the Holder of any Debenture under the provisions hereof shall be given by delivery or by first class letter addressed to such holder at its post office address appearing in the register of Debentureholders or by electronic mail to the holder's e-mail address registered with the Company and if so delivered, shall be deemed to have been given on the first business day following the date of delivery and if so mailed, subject to Section 11.4, shall be deemed to have been given on the fifth business day following such mailing and if e-mailed shall be deemed to have been given on the first business day following such e-mail.

**Section 11.3 Notice to the Fiscal Agent**

Any notice to the Fiscal Agent under the provisions hereof shall be given by physical or electronic delivery or by registered letter addressed to the Fiscal Agent at the Fiscal Agent's official business address

Handwritten signature and initials in the bottom right corner of the page.

Attn: [            ]

E-mail: [                            ]

and if so delivered shall be deemed to have been given on the first business day following the date of delivery, if so mailed shall, subject to Section 11.4, be deemed to have been given on the fifth business day following such mailing and if e-mailed shall be deemed to have been given on the first business day following such e-mail transmission. The Fiscal Agent may from time to time notify the Company of a change of address in accordance with Section 11.1.

#### **Section 11.4    Postal Interruption**

Notwithstanding the foregoing provisions of this Article 11, a notice shall not be sent by first-class or registered mail but shall be delivered by hand (or, if applicable, sent by e-mail) if a strike or lockout of postal employees then in effect or generally known to be pending would delay or would be reasonably likely to delay the receipt of such notice by the party to which it is addressed and any such communication sent by registered mail in such circumstances shall be deemed not to have been given

### **ARTICLE 12.**

#### **DEBENTUREHOLDERS' MEETINGS**

##### **Section 12.1    Conduct of Meetings**

Meetings of Debentureholders shall be convened, held and conducted in the following manner:

- (a)    Calling of Meetings: At any time and from time to time the Fiscal Agent or the Company may, and the Fiscal Agent shall on being served with a requisition signed by Debentureholders representing at least 25% of the aggregate principal amount of the Debentures then outstanding, convene a meeting of the Debentureholders. In the event of the Fiscal Agent failing to convene a meeting after being required to do so by the Debentureholders, such Debentureholders representing the 25% of Debentures then outstanding may themselves convene such meeting and the notice calling such meeting may be signed by such Person as such Debentureholders may specify. Every such meeting shall be held at the Belize City or at such other place as the Fiscal Agent may in any case determine or approve. A meeting of Debentureholders may be held by means of such telephone, electronic or other communication facilities as permit all Persons participating in the

meeting to communicate with each other simultaneously and instantaneously, and each Debentureholder shall be permitted, if it so notifies the Fiscal Agent, it complies with the requirements of Section 1.7 and provided that such Debentureholder provides sufficient proof to the Fiscal Agent that it is a holder of Debentures or a duly appointed proxy therefor, to participate in any meeting of Debentureholders by any of the foregoing means as it shall elect.

- (b) **Notice of Meeting:** At least 21 days' notice of such meeting shall be given to the Debentureholders and such notice shall state the time when, and the place where and means by which, said meeting is to be held and shall specify in general terms the nature of the business to be transacted thereat, but it shall not be necessary to specify in the notice the text of the resolutions to be passed.
- (c) **Quorum:** At any meeting of the Debentureholders, subject as herein provided, a quorum shall consist of two or more Persons present or represented by proxy holding either personally or as proxies for holders not less than 25% in principal amount of the Debentures then outstanding. In the event of a quorum not being present on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting shall be adjourned to be held at a place and upon a date and at an hour to be fixed by the Fiscal Agent who shall give not less than 7 days' notice of the date and time to which such meeting is adjourned and of the place where such adjourned meeting is to be held and at such adjourned meeting a quorum shall consist of the Debentureholders there present or represented by proxy.
- (d) **Chairman:** Some person, who need not be a Debentureholder, nominated in writing by the Fiscal Agent, shall be Chairman of the meeting but, if no person is so nominated or if the person so nominated is not present within 25 minutes after the time fixed for the holding of the meeting, the Debentureholders present or represented by proxy shall choose some person present to be Chairman.
- (e) **Voting:** Subject to the provisions of Section 12.5, every question submitted to a meeting, except an Extraordinary Resolution, shall be decided in the first place by a majority of the votes given on a show of hands or, if any of the Debentureholders are present by telephone, electronic or other acceptable communication facilities, by any other means by which the vote of such holder may be registered, and shall be binding on all Debentureholders. Upon the request of any Debentureholder present at a meeting in person or by proxy, a question shall be determined by a poll. A poll shall be taken on every Extraordinary Resolution. On a poll each Debentureholder shall have one vote for every \$1 of principal amount of Debentures of which he shall be the holder. Votes may be given in person or by proxy and a proxy need not be a Debentureholder.
- (f) **Regulations:** The Fiscal Agent may make and from time to time vary such regulations as it shall think fit providing for and governing the conduct at meetings of Debentureholders.

- (g) Declaration by Chairman of Result of Vote: At any meeting of the Debentureholders, in cases where no poll is required or requested, a declaration made by the Chairman that a resolution has been carried, or carried by a particular majority, or lost, shall be conclusive evidence thereof.

#### **Section 12.2 Meetings May Be Called by Trustee**

The Trustee corporation appointed under Section 7 above may or shall as the case may be convene meetings of Debentureholders and the provisions of Section 12.1 relating to the calling of conduct or such Meetings of Debentureholders and Section 12.3 relating to Extraordinary Resolution shall apply Mutatis Mutandis to meetings convened by the Trustee.

#### **Section 12.3 Extraordinary Resolution**

An Extraordinary Resolution, adopted in accordance with the provisions hereof, shall be binding upon all the Debentureholders and the Fiscal Agent (or Trustee as the case may be) shall be bound to give effect thereto accordingly.

The term "Extraordinary Resolution" when used in this Indenture, means (subject to the provisions of Section 12.6 and as hereinafter provided) a resolution adopted at a meeting of the holders of the Debentures then outstanding, duly convened and held in accordance with the provisions herein contained, upon the affirmative vote of not less than 66 2/3% of Debentures represented at the meeting; provided that no Extraordinary Resolution may be adopted, without the consent or affirmative vote of 75% of the votes of the holders of the Debentures affected thereby and represented at the meeting, which purports to waive a default in the payment of the principal of or interest on any Debenture, or change the stated maturity of the principal of or any installment of interest on any Debenture, or reduce the principal amount thereof or the rate of interest thereon, or change the coin or currency in which any Debenture or the interest thereon is payable, or the Redemption Price of any Debentures.

Save as herein expressly otherwise provided, no action shall be taken at a meeting of the Debentureholders which changes any provision of this Indenture or changes or prejudices the exercise of any right of any Debentureholder except by Extraordinary Resolution as hereinbefore provided or by resolution or written instrument as hereinafter provided.

**Section 12.4 Powers Exercisable by Extraordinary Resolution**

A meeting of the Debentureholders shall, in addition to any powers hereinbefore given, have the following powers which shall be exercisable from time to time by Extraordinary Resolution only (except where otherwise provided herein):

- (a) power to approve any change whatsoever in any of the provisions of this Indenture and any modification, waiver, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders against the Company or against its undertaking, property and assets or any part thereof, whether such rights shall arise under this Indenture or the Debentures or otherwise and to authorize the Trustee or Fiscal Agent to concur in and execute any indenture supplemental to this Indenture embodying any such change, modification, waiver, abrogation, alteration, compromise or arrangement;
- (b) power to approve any scheme for the reorganization or recapitalization of the Company into or with any other corporation, or for the transferring, selling or leasing of or for the consolidation, amortization or merger of the Company, its undertaking, property and assets or any part thereof, where the consent of the holders of Debentures may be required thereto;
- (c) power to approve the exchange of the Debentures for, or the conversion of the Debentures into, shares, bonds, other debentures or any other securities of the Company or any other corporation formed or to be formed;
- (d) power to agree to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or securities of the Company;
- (e) power to instruct the Fiscal Agent or Trustee to waive any Event of Default or other Default hereunder or cancel any declaration made pursuant to Section 8.2 either unconditionally or on such terms as are specified in the Extraordinary Resolution;
- (f) power to restrain any holder of any Debenture from taking or instituting any suit, action or other proceeding for the purpose of enforcing payment of principal or interest or premium, if any, on any Debenture for the execution of any power hereunder or for any other remedy hereunder in contravention of the terms of this Indenture and to require such holder of any Debenture to waive any Default or Defaults by the Company on which any action or proceeding is founded; and, in case any action or other proceeding shall have been brought by any holder or holders of any



- Debentures in accordance with Article 8 above, power to direct such holder or holders and the Trustee or Fiscal Agent to waive the Default in respect of which such action or other proceeding shall have been brought, upon payment of the costs, charges and expenses incurred in connection therewith, and to stay or discontinue or otherwise deal with any such action or other proceeding;
- (g) power to require the Fiscal Agent or Trustee to exercise or refrain from exercising any of the powers, rights, remedies or authority conferred under or by virtue of this Indenture;
  - (h) power to remove the Fiscal Agent and to appoint a new Fiscal Agent to take the place of the Fiscal Agent so removed;
  - (i) power to remove the Trustee and to appoint a new Trustee to take the place of the Trustee so removed;
  - (j) power to approve any sale, transfer or encumbrance of all or any part of the undertaking, assets or property of the Company and any purchaser thereof, where the consent of the holders of Debentures may be required thereto;
  - (k) power to consent to a release by the Fiscal Agent of the Company hereunder, where the consent of the holders of Debentures may be required thereto; and
  - (l) power from time to time to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise on behalf of the Debentureholders such of the powers of the Debentureholders exercisable by Extraordinary Resolution or other resolution as shall be included in such appointment. The resolution making such appointment may provide for payment of the expenses and disbursements of and remuneration to such committee. Such committee shall consist of such number of persons as may be prescribed in the resolution appointing it, and the members need not be themselves holders of Debentures. Every such committee may elect its chairman, and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number, and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by written resolutions signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders and the Company and the Fiscal Agent and Trustee shall be entitled to rely on actions taken by such committee. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith.

The foregoing powers shall be deemed to be several and cumulative and not dependent on each other and the exercise of any one or more of such powers, or any combination of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise such power or powers, or combination of powers, thereafter from time to time. No powers exercisable by Extraordinary Resolution pursuant to this Section shall derogate in any way from any rights of the Company under or pursuant to this Indenture.

### **Section 12.5 Serial Meetings**

If any business to be transacted at a meeting of Debentureholders especially affects the rights of the holders of Debentures of one or more series (and for the purposes of this Article 12, the word "series" shall be deemed, unless the context otherwise requires, to mean any series and also any part of a series) in a manner or to an extent substantially differing from that in or to which it affects the rights of the holders of Debentures of any other series (as to which an Opinion of Counsel shall be binding on all Debentureholders, the Fiscal Agent, the Trustee and the Company for all purposes hereof) then:

- (a) reference to such fact, indicating each series so especially affected, shall be made in the notice of such meeting and the meeting shall be and is herein called a "serial meeting"; and
- (b) the holders of Debentures of a series so especially affected shall not be bound by any action taken at a serial meeting unless in addition to compliance with the other provisions of this Article 12 at such meeting:
  - (i) there are present in person or by proxy holders of at least 25% in principal amount of the outstanding Debentures of such series; and
  - (ii) the resolution is passed by votes of more than 50% (or in the case of an Extraordinary Resolution not less than 66 2/3%) of the Debentures of such series represented at such meeting.

If in the Opinion of Counsel any business to be transacted at any meeting of Debentureholders does not affect the rights of the holders of Debentures of one or more series, the provisions of this Article 12 shall apply with respect to such business as if the Debentures of such series were not outstanding and no notice need be given to the holders of Debentures of such series.

**Section 12.6 Signed Instrument**

Any resolution or instrument signed in one or more counterparts by the holders of a given percentage of the aggregate principal amount of the Debentures or any series of Debentures if especially affected, as the case may be, then outstanding shall have the same force and effect as a resolution duly passed at a meeting of the Debentureholders by the affirmative vote of such percentage of the votes given upon a poll, subject to the same conditions and requirements, as hereinbefore provided, for a meeting of the Debentureholders.

**ARTICLE 13.****THE FISCAL AGENT****Section 13.1 Duty of Fiscal Agent**

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Fiscal Agent shall act honestly and in good faith with a view to the best interests of the Debentureholders and exercise that degree of care, diligence and skill that a reasonably prudent Fiscal Agent would exercise in comparable circumstances.

**Section 13.2 Protection of the Fiscal Agent**

By way of supplement to the provisions of any law for the time being relating to the Fiscal Agent, it is expressly declared and agreed as follows:

- (a) The Fiscal Agent, its officers and employees shall not incur any liability or responsibility whatsoever or in any way be responsible for the consequence of any breach on the part of the Company of any covenants herein contained or of any acts of the agents of the Company;
- (b) Nothing contained herein shall impose any obligation on the Fiscal Agent, its officers or employees to see to or to require evidence of registration or filing (or renewal thereof) of this Indenture or any instrument auxiliary or supplemental hereto;



- (c) The Fiscal Agent, its officers and employees shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Debentures or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Company;
- (d) The Fiscal Agent, its officers and employees shall not be bound to give notice to any Person or Persons of the execution hereof.

### **Section 13.3 Indemnity**

The Company shall at all times indemnify the Fiscal Agent and save it harmless against all actions, proceedings, liability, claims, damages, reasonable costs and expenses (including legal costs on an attorney and his own client basis) brought against or incurred by the Fiscal Agent in relation to or arising out of any such breach by the Company.

### **Section 13.4 Employ Agents**


The Fiscal Agent may employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it in the discharge of the duties hereof. All costs incurred therein shall be payable by the Company on demand.

### **Section 13.5 Reliance on Evidence of Compliance**

In the exercise of its rights, duties and obligations, the Fiscal Agent may, if it is acting in good faith, rely, as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or other requirement of this Indenture or required by the Fiscal Agent to be furnished to it in the exercise of its rights and duties under this Indenture where such statutory declarations, opinions, reports or certificates comply with the requirements of this Indenture and the Fiscal Agent examines such evidence and determines that such evidence indicates compliance with the applicable requirements of this Indenture.

### **Section 13.6 Provision of Evidence of Compliance to Fiscal Agent**

In addition to any other provisions of this Indenture, the Company shall furnish to the Fiscal Agent

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evidence of compliance with the conditions precedent provided for in this Indenture relating to:

- (a) the certification and delivery of Debentures applied for under this Indenture;
- (b) the satisfaction and discharge of this Indenture; and
- (c) the taking of any other action or step to be taken by the Fiscal Agent at the request of or on the application of the Company.

### **Section 13.7 Contents of Evidence of Compliance**

Evidence of compliance required by Section 13.6 shall consist of:

- (a) an Officers' Certificate (unless otherwise specifically provided) stating that such conditions precedent have been complied with in accordance with the terms of this Indenture;
- (b) in the case of conditions precedent compliance with which are, by this Indenture, made subject to review or examination by an attorney, an Opinion of Counsel that such conditions precedent have been complied with in accordance with the terms of this Indenture: and
- (c) in the case of conditions precedent compliance with which are subject to the review or examination by auditors or accountants, an opinion or report of a Chartered Accountant that such conditions precedent have been complied with in accordance with the terms of this Indenture.

### **Section 13.8 General Provisions as to Certificates, Opinions, etc.**

Each Officers' Certificate, each Opinion of Counsel and each Chartered Accountant's Certificate required under this Indenture or furnished in connection with any application, Written Order, Written Request or Written Consent made to the Fiscal Agent or any Debentureholder pursuant to any provisions of this Indenture shall specify the Section under which such application, Written Order, Written Request or Written Consent is being made and shall include a statement that the person signing such certificate or giving such opinion has read and is familiar with those provisions of this Indenture relating to the





conditions precedent with respect to compliance with which such evidence is being given. Each such certificate and opinion will, in addition, include:

- (a) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in the evidence are based;
- (b) a statement that, in the belief of the person giving the evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein;
- (c) a statement whether in the opinion of such person the conditions precedent, if any, with respect to compliance with which such evidence is being given have been complied with or satisfied; provided that a Certificate of a Chartered Accountant need not include such a statement; and
- (d) a statement that (unless the context otherwise requires) in the case of an Officers' Certificate, so far as known to the signers after having made due enquiry pursuant to this Section 13.8, no Default or Event of Default has occurred and is continuing, or if a Default or an Event of Default has occurred and is continuing, specifying the same.

Whenever the delivery of a certificate, opinion or report is a condition precedent to the taking of any action by the Fiscal Agent or Trustee hereunder, the truth and accuracy of the facts and opinions stated in such certificate, opinion or report shall in each case be conditions precedent to the right of the Company to have such action taken.

Any application, written demand, statement, request, notice, designation, direction, nomination or other instrument to be made by the Company under any of the provisions hereof shall, unless otherwise provided, be deemed sufficiently made and executed if executed by any of the Chairman of the Board, the Chief Executive Officer, the President, a Vice-President, the Treasurer or any Officer of the Company so authorized by the Board, together with any one of the Company Secretary, the Chief Financial Officer, an Assistant Treasurer or an Assistant Company Secretary, or any two Directors, of the Company. The Fiscal Agent shall accept a certificate signed by the Secretary or an Assistant Secretary of the Company as sufficient evidence of the passage of any resolution of the Directors or of the shareholders of the Company.

'Whenever any Officers' Certificate or other certificate is required to state that the Company is not in Default hereunder or to state any such Default, the signers of such certificate may make such statement upon the basis of their best knowledge and belief after reasonable inquiry.

Any Chartered Accountant's Certificate may be based upon such examination of the accounting procedures and records of the Company as such Chartered Accountant considers appropriate in the circumstances and which shall be in accordance with generally accepted accounting principles.

Any certificate or Opinion of Counsel may be based, insofar as it relates to factual matters or information with respect to which is in possession of the Company or another corporation, upon the certificate or opinion of or representations by an officer or officers of the Company or such other corporation, unless such Counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

The Fiscal Agent may, where it is reasonable in the circumstances so to do, request an opinion of counsel of its own choosing and such opinion shall be an Opinion of Counsel hereunder.

Counsel in giving any opinion hereunder may rely in whole or in part upon the opinion of other counsel provided that Counsel shall consider such other counsel as one upon whom he may properly rely.

Counsel in giving any opinion hereunder, as to matters of interpretation and fact not within the professional competence of Counsel, may rely upon other experts' certificates.

Any certificate of any expert, insofar as it relates to matters outside of such expert's competence or responsibility, may be based upon a certificate or opinion of or upon representations by Counsel or some other qualified expert, unless such first-mentioned expert knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

#### **Section 13.9. Conflict of Interest**

The Fiscal Agent represents to the Company that at the time of the execution and delivery hereof no material conflict of interest exists in the Fiscal Agent's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest of that nature arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, immediately notify the Company of such conflict of interest and either eliminate the same or resign its office hereunder.

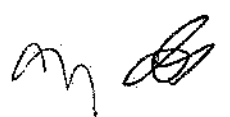
Two handwritten signatures in dark ink, located at the bottom right of the page. The first signature is a stylized 'M' or 'W' shape, and the second is a more complex, cursive signature.

**ARTICLE 14.****REPRESENTATIONS AND WARRANTIES****14.1 Company Representations and Warranties**

The Company represents and warrants to the Fiscal Agent and each Debentureholder as follows:

- (a) **Status.** The Company is a limited liability company, duly incorporated and validly existing under the laws of Belize and has the power to own its assets and carry on its business as it is being conducted.
- (b) **Power and Authority.** The Company has the power to enter into and perform and exercise, and has taken all necessary action to authorize the entry into and performance, exercise and delivery of the Debentures and the Indenture and rights, duties and obligations of the Company contemplated by the Debenture and the Indenture.
- (c) **Legal Validity.** The issue of the Debentures and the execution of this Indenture have been duly authorized by the Company and each Debenture and the Indenture constitutes, or when executed in accordance with its terms will constitute, the legal, valid and binding obligation of the Company enforceable in accordance with its terms.
- (d) **Non-Conflict.** The entry into of the Debentures and the Indenture and performance and exercise by the Company of its rights, duties and obligations contemplated by the Debentures and the Indenture do not and will not:
  - i. conflict with any law; or
  - ii. conflict with its constitutional documents; or
  - iii. conflict with any document which is binding upon it or any of its assets;

which, individually or in aggregate, is material to the Company or to the assets of the Company taken as a whole or will materially adversely affect the conduct of the business of the Company.



- (e) **No Default.** No event is outstanding which constitutes (or, with the giving of notice, lapse of time, determination of materiality or the fulfillment of any other applicable condition or any combination of the foregoing, might constitute) a default under any document which is binding on it or any of its assets and which is material to it or to its assets taken as a whole.
  
- (f) **Authorizations.** All authorizations which are material to the Company or to its assets taken as a whole (including without limitation, governmental consents) and are required in connection with the issue of the Debentures and the entry into, performance, exercise, validity and enforceability of, the rights, duties and obligations of the Company contemplated by the Debentures, and the Indenture have been obtained or effected (as appropriate) and are in full force and effect.
  
- (g) **Accounts.** The audited accounts of the Belize Electricity Limited of each of the three financial years ending on the 31st December that precedes any issue of Debentures:
  - (i) have been prepared in accordance with International Accounting standards, consistently applied; and
  - (ii) fairly represent the financial position of the Company as at the date up to which they were drawn;
  
- (h) **Litigation.** No litigation, arbitration or administrative proceedings are current or, to the Company's knowledge, pending or threatened, which might, if adversely determined, have a material adverse effect on the financial condition of the Company or upon its assets taken as a whole or on the Company's ability to perform its obligations under the Debentures and the Indenture.
  
- (i) **Prospectus.** The prospectus prepared by the Company (the "Prospectus", which term includes any prospectus subsequently issued, updated or revised) is true and accurate in all material respects and does not omit to state any fact which is material in the context of the issue and sale of the Debentures of the Company, or the omission of which makes any statement contained therein misleading in any material respect, and there has been no material adverse change in the business or financial condition of the Company's from that shown in the Prospectus as most recently issued, updated or revised, and all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements.

## 14.2 Government's Representations and Warranties

The Government represents and warrants to the Fiscal Agent and each Debentureholder as Follows:

- (a) **Legal validity.** The execution of this Indenture has been duly authorized by the Government and the Indenture constitutes, or when executed in accordance with its terms will constitute, the legal, valid and binding obligations of the Government enforceable in accordance with its terms. For the avoidance of doubt, the obligations of the Government under the Indenture do not constitute a guarantee of the obligations of the Company thereunder or under the Debentures.
- (b) **Non-conflict.** The entry into of the Indenture and performance by the Government of its obligations contemplated by the Debentures and the Indenture do not and will not:
  - (i) conflict with any law which is material in the context of the entry into of the Indenture and the issue and sale of the Debentures; or
  - (ii) conflict with any document which is binding upon it or any of its assets which is material in the context of the entry into of the Indenture and, the issue and sale of the Debentures.
- (c) **Authorizations.** All authorizations which are material in the context of the entry into of the Indenture and, the issue and sale of the Debentures and are required in connection with the entry into, performance, validity and enforceability of its rights, duties and obligations contemplated by the Debentures or the Indenture have been obtained or effected (as appropriate) and are in, full force and effect.

## ARTICLE 15.

### SATISFACTION AND DISCHARGE

#### Section 15.1 Cancellation and Destruction

All matured Debentures shall forthwith after payment thereof be delivered to the Company and cancelled by it. All Debentures which are cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Company and, if required by the Fiscal Agent, the Company shall furnish to it a destruction certificate setting out the designating numbers and denominations of the Debentures so destroyed.

**Section 15.2 Non-Presentation of Debentures**

If the Holder of any Debenture shall fail to present the same for payment on the date on which the principal thereof and/or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor (if any) as the Fiscal Agent may require:

- (a) the Company shall be entitled to pay to the Fiscal Agent and direct it to set aside; or
- (b) in respect of moneys in the hands of the Fiscal Agent which may or should be applied to the payment of the Debentures, the Company shall be entitled to direct the Fiscal Agent to set aside; the principal moneys and/or interest, as the case may be, in trust to be paid to the Holder of such Debenture upon due presentation and surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal moneys and/or the interest payable on or represented by each Debenture in respect whereof such moneys have been set aside shall be deemed to have been paid and thereafter such Debentures shall not be considered as outstanding hereunder and the Holders thereof shall thereafter have no right in respect thereof except that of receiving payment of the moneys so set aside by the Fiscal Agent (without interest thereon) upon due presentation and surrender thereof, subject always to the provisions of Section 15.3.

**Section 15.3 Repayment of Unclaimed Moneys**

Any moneys set aside under Section 15.2 and not claimed by and paid to Holders of Debentures within six years after the date of such setting aside shall be repaid to the Company by the Fiscal Agent on demand and thereupon the Fiscal Agent shall be released from all further liability with respect to such moneys and thereafter the Holders in respect of which such moneys were so repaid to the Company shall have no rights in respect thereof except to obtain payment of such moneys without interest from the Company.

**Section 15.4 Discharge**

Upon proof being given to the reasonable satisfaction of the Fiscal Agent that all the Debentures and interest (including interest on amounts in default) thereon have been paid or satisfied or that, all the outstanding Debentures having matured, such payment has been duly provided for by payment to the Fiscal Agent or otherwise, and upon payment of all costs, charges and expenses properly incurred by the Fiscal Agent in relation to this Indenture and all interest thereon and the remuneration of the Fiscal Agent,



or upon provision satisfactory to the Fiscal Agent being made therefor, the Fiscal Agent shall, at the request and at the expense of the Company, execute and deliver to the Company such deeds or other instruments as shall be necessary to evidence the satisfaction and discharge of this Indenture and to release the Company from its covenants contained herein except those relating to the indemnification of the Fiscal Agent.

## ARTICLE 16.

### EXECUTION AND RECEIPT

#### Section 16.1 General

This Amended and Restated Indenture represents the agreement between the parties in relation to the subject matter thereof and supersedes the Original Indenture which shall be deemed null and void, and of no further force or effect following the date hereof.

This Amended and Restated Indenture shall be deemed effective as of the date first above written upon the execution and delivery hereof by all the parties hereto.

#### Section 16.2 Receipt

The Company hereby acknowledges receipt of a copy of this Amended and Restated Indenture.

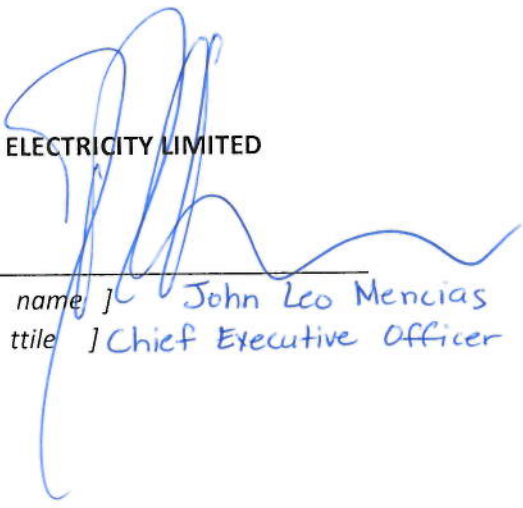
SIGNATURE PAGE FOLLOWS.

A handwritten signature in black ink, consisting of a stylized 'M' followed by a flourish.

SIGNED AND DELIVERED  
in the presence of

  
Witness

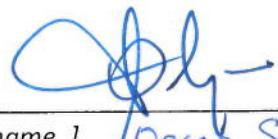
)  
) BELIZE ELECTRICITY LIMITED  
)  
)  
)

  
[ name ] John Leo Mencias  
[ title ] Chief Executive Officer

SIGNED AND DELIVERED  
in the presence of

  
Witness

)  
) HERITAGE FINANCIAL SERVICES LIMITED  
)  
)  
)

  
[ name ] Oscar Salazar  
[ title ] Customer Relation Director

SIGNED AND DELIVERED

in the presence of

  
Witness

) MINISTER OF FINANCE ON BEHALF OF

) GOVERNMENT OF BELIZE  
)  
)  
)

  
[ name ] Honorable John Briceño  
[ title ] Prime Minister

## **SCHEDULE "A"**

### **FORM OF SERIES 1 DEBENTURE**

**No.**

#### **BELIZE ELECTRICITY LIMITED**

(Incorporated under the laws of Belize)

**12%**

**SERIES 1 DEBENTURES, DUE DECEMBER 31, 2012**

BELIZE ELECTRICITY LIMITED (hereinafter called the "Company") for value received acknowledges itself indebted and hereby promises to pay the principal sum of \$     on     the basis hereinafter set forth to the registered holder hereof on December 31, 2012 (the "Maturity Date") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture (as hereinafter defined).

The principal amount due on maturity shall be paid upon presentation and surrender of this Debenture at the principal office in Belize City, Belize of the Company.

The Company also hereby promises to pay interest on the principal sum from time to time outstanding hereunder at the rate of 12% per annum calculated quarterly not in advance and payable quarterly on March 31, June 30, September 30 and December 31 in each year commencing on June 30, 1998; and should the Company at any time make default in the payment of any principal or interest, interest on the amount in default shall be payable at the same rate plus 2% per annum, in like money and quarterly on the same dates. The interest rate payable under the Debenture shall be payable after as well as before maturity, default and judgement.

The Company shall, unless otherwise instructed in writing by the holder, make or cause to be made payment of principal and interest becoming due on this Debenture (other than principal and interest due on maturity or on redemption) by forwarding or causing to be forwarded by prepaid post, at least four days prior to each date on which such payment becomes due, or by delivering or causing to be delivered on or before such date, a cheque drawn on or an EFT

made to a Belize chartered bank and negotiable at par for the amount of such payment to, and payable to, the holder for the time being, or, in the case of joint holders, to one of such joint holders, at his registered address. The forwarding of such cheque or the execution of an EFT shall satisfy and discharge the liability for such payment upon this Debenture to the extent of the sums represented thereby unless such cheque is not paid on presentation or is lost or destroyed, provided that in the event of the non-receipt of such cheque by the holder, or the loss or destruction thereof, the Company or the Fiscal Agent upon being furnished with evidence of such non-receipt, loss or destruction and indemnity satisfactory to it, acting reasonably, shall issue to such holder a replacement cheque for the same amount.

If the Company is required by law or by the interpretation or administration thereof to withhold or deduct any amount from any payment of principal, interest (including interest on amounts in default) or premium (if any) on this Series 1 Debenture for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the Government of Belize or any province, territory or other political subdivision thereof or any authority or agency therein or thereof having lawful power to tax, then the Company shall, subject to its right of redemption referred to below, pay to the holder hereof such additional amounts ("Additional Amounts") as will result in the holder hereof receiving, after such withholding or deduction, the amount which such holder would otherwise have received in respect of this Series 1 Debenture if no such taxes, duties, assessments or governmental charges had been withheld or deducted, except that no Additional Amounts shall be payable with respect to this Series 1 Debenture (a) to a holder who is liable to tax thereon by reason of his being connected with Belize otherwise than merely by the holding or use outside Belize, or ownership as a non-resident of Belize, of this Series 1 Debenture, (b) to a holder with whom the Company is not dealing at arm's length within the meaning described in the Indenture, or (c) which is presented for payment more than 30 days after the Relevant Date (as hereinafter defined), except to the extent that such holder would have been entitled to Additional Amounts on presenting this Series 1 Debenture for payment on the last day of such period of 30 days. "Relevant Date" is defined in the Indenture, in respect of payment of a Series 1 Debenture, to mean the later of (a) the date on which the payment in respect of such Series 1 Debenture first becomes due and payable, and (b) if the full amount of the moneys payable on such date has not been received on or prior to such date either by

the holder thereof or by the Fiscal Agent, the date on which notice is duly given to the holders of the Series 1 Debenture that such moneys have been so received by the Fiscal Agent.

If the Company satisfies the Fiscal Agent that the Company has been, or on the occasion of the next payment due in respect of the Series 1 Debenture would be, obliged to pay Additional Amounts as a result of any change in the laws of Belize or any province, territory or other political subdivision thereof or the interpretation or administration of any such laws, and if such obligation cannot be avoided by the Company taking reasonable measures available to it, this Series 1 Debentures may be redeemed at the option of the Company at a price equal to the principal amount hereof together with unpaid interest accrued thereon to the date fixed for redemption and Additional Amounts, if applicable, but without any premium, provided that the notice of such redemption is given not more than 90 days, prior to the earliest date on which the Company would be obliged to pay Additional Amounts were a payment in respect of the Series 1 Debenture then due.

This Debenture is one of a series designated 12% Series 1 Debentures due December 31, 2012 ("Series 1 Debentures") issued and to be issued under Indenture made as of 30th March, 1998 between the Company, the Government of Belize and the Central Bank of Belize as Fiscal Agent, (the "Indenture"). This Debenture and all other Debentures now or hereafter certified and issued under the Indenture rank pari passu and are secured equally and rateably by the Indenture without discrimination or preference, save only as to sinking fund provisions applicable to different series, or parts thereof.

A copy of the Indenture may be inspected at the principal office of the Company in Belize City, Belize. Reference is hereby made to the Indenture and all instruments supplemental thereto or in implementation thereof for a description of terms and conditions upon which the Debentures are or are to be issued and held, and remedies of the holders of the Debentures and of the Company and the Fiscal Agent, the liability of the Company for payment of Debentures of any particular series, the terms and conditions upon which the Debentures are issued or may be issued, to all of which provisions the holder of this Debenture by acceptance hereof assents.

The aggregate principal amount of Debentures which may be issued under the Indenture is \$200,000,000. Debentures in the aggregate principal amount of \$27,000,000 in lawful money

of Belize have been authorized for immediate issue as 12%, Series 1 Debentures, due December 31, 2012, of which this is one. Under the Indenture, Additional Debentures may be issued from time to time but only upon the terms and subject to the restrictions set forth in the Indenture.

The Company has the right to redeem the Series 1 Debentures at any time after June 30, 2003, in whole or in part, upon payment of a redemption price equal to the principal amount thereof.

If this Debenture is called for redemption and payment hereof duly provided for, interest shall cease to accrue hereon from the date specified for redemption as provided in the Indenture.

In the event of a partial redemption of this Debenture and provided the registered holder hereof and the Company have entered into an agreement pursuant to Section 2.11 of the Indenture providing for notation hereon by the registered holder hereof of payment of the redemption price payable on such partial redemption the Indenture contains provisions permitting payment of the redemption price payable on such partial redemption of this Debenture without the surrender hereof or the notation hereon by the Company of the part hereof so redeemed. Also, payment of principal hereunder prior to maturity may be made without the surrender hereof or the notation hereon by the Company of the principal amount paid. Accordingly, the principal amount from time to time outstanding on this Debenture may be less than the Principal amount hereinbefore stipulated.

The Indenture contains provisions for the holding of meetings of Debentureholders', for giving notices to Debentureholders, and rendering resolutions passed at such meetings and instruments in writing signed by the holders of a specified principal amount of the Debentures outstanding binding upon all holders of Debentures, subject to the provisions of the Indenture.

NO TRANSFER OF THIS DEBENTURE SHALL BE VALID UNLESS MADE IN COMPLIANCE WITH THE CONDITIONS PRESCRIBED IN THE INDENTURE and the reasonable regulations which the Fiscal Agent and the Company may prescribe, including, without limitation the execution by the registered holder (or his executors or administrators or legal representatives or by his or their attorney appointed under a Power of Attorney) and by the transferee or a transfer instrument in such form as the Fiscal Agent may approve and the delivery of the same along with the Debenture to be transferred to the Company or the Fiscal Agent. Provided that the Fiscal Agent

is satisfied that the transfer is in order, the Fiscal Agent shall certify the same and enter the transfer on the register. No transfer shall be completed or be valid until such registration. The Fiscal Agent shall deliver the Debenture to the transferee or his agent at the Fiscal Agent's office or the Company's office, or at the request of the transferee (and at his risk), by prepaid post to the address of the transferee listed on the register. In the case of a partial transfer, the Company shall issue to the transferring Debentureholder a debenture certificate in the amount equal to the portion of the Debenture not transferred and shall issue to the transferee a certificate in the amount equal to the portion of the Debenture transferred. Any partial transfer of a Debenture shall be in denominations of (\$76 or \$100 as the case may be) or any multiple thereof. Without limiting the foregoing, any transfer of a Debenture must be made in accordance with any applicable legislation. The Company may act and rely on an opinion of counsel of the transferor that a transfer of a Debenture is in accordance with such legislation. The holder of this Debenture has the right to cause the Company to redeem the Debenture at any time after June 30, 2002 upon written demand therefor and presentation of the Debenture to be redeemed to the Company and the date of redemption shall be one year following the date of such delivery. Where the Company has redeemed any Debentures and such redemption is not in consequence of an obligation to redeem enforced other than by the Debentureholder or his assigns, the Company may keep the Debentures alive for the purposes of re-issue and may cause the Debentures to be re-issued either by re-issuance of the same Debentures or by issuance of other Debentures in their place and upon such re-issuance or issuance the person entitled to the Debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the Debentures had not been redeemed. The person in whose name this Debenture shall be registered shall be deemed to be the owner hereof for all purposes of the Indenture and payment of or on account of the principal of and interest hereon shall be made only to such registered holder and such payment shall be a good and sufficient discharge of the liability of the Company and the Fiscal Agent for the amounts so paid.

This Debenture shall not become valid or become obligatory for any purpose until it shall have been certified by or on behalf of the Fiscal Agent for the time being under the Indenture.

IN WITNESS WHEREOF Belize Electricity Limited has caused its corporate seal to be affixed hereto and this Debenture to be executed and delivered as of the date set forth below.

DATED:

BELIZE ELECTRICITY LIMITED

By:

Name:

Title:

c/s

By:

Name:

Title:

FORM OF FISCAL AGENT'S CERTIFICATE

This Debenture is one of the 12%, Series I Debentures due December 31, 2012 referred to in the Indenture within mentioned.

HERITAGE FINANCIAL SERVICES LIMITED

Per:

Authorized Officer: