



CENTRAL BANK OF THE BAHAMAS

INTRADAY AND OVERNIGHT LIQUIDITY FACILITY

MASTER REPURCHASE AGREEMENT

BETWEEN

CENTRAL BANK OF THE BAHAMAS

AND

.....

Table of Contents

No.	Heading	Page No.
1.	APPLICABILITY	2
2.	INTERPRETATION	2
3.	INITIATION, CONFIRMATION, SALE, REPURCHASE.....	7
4.	INTRA-DAY TRANSACTIONS	8
5.	OVERNIGHT.....	8
6.	MARGIN MAINTENANCE	9
7.	INCOME PAYMENTS	10
8.	PAYMENTS AND TRANSFERS	10
9.	CONTRACTUAL CURRENCY	11
10.	SUBSTITUTION	11
11.	REPRESENTATIONS	11
12.	EVENTS OF DEFAULT	12
13.	SET-OFF.....	13
14.	INTEREST ON OVERDUE PAYMENTS.....	15
15.	SINGLE AGREEMENT	15
16.	NOTICES AND OTHER COMMUNICATIONS	15
17.	GENERAL.....	17
<u>17.1</u>	Governing Law and Jurisdiction	17
<u>17.2</u>	Operation of this document; Severability	17
<u>17.3</u>	Termination of Agreement	17
<u>17.4</u>	Non-assignability	18
<u>17.5</u>	Giving effect to this document	18
<u>17.6</u>	Waivers of rights; Amendment.....	18
<u>17.7</u>	Attorneys.....	18
<u>17.8</u>	Recording.....	19

THIS AGREEMENT is made on theday of.....20....

PARTIES:

The Central Bank of The Bahamas, a body corporate preserved and continuing under section 3 of the Central Bank of The Bahamas Act, 2020, with its principal place of business at Frederick and Market Streets, Nassau, Bahamas”

and

.....
..... (“Party A”)

Together “the Parties”.

1. APPLICABILITY

1.1 SCOPE

- (a) This Agreement governs each transaction that the Central Bank of The Bahamas and Party A may enter into after the date of this agreement, under which Party A ("Seller") agrees to sell to the Central Bank of The Bahamas ("Buyer") securities (being securities that the Central Bank of The Bahamas specifies as eligible for this Agreement in an official communication) ("Securities") on the Purchase Date in consideration for the payment of the Purchase Price by the Buyer to the Seller; and simultaneously, the Buyer agrees to sell to the Seller Equivalent Securities on the Repurchase Date in consideration for the payment of the Repurchase Price by the Seller to the Buyer, collectively, a “Transaction”.
- (b) Each such Transaction shall be governed by this Agreement, including any supplemental terms or conditions, unless otherwise agreed in writing.

2. INTERPRETATION

2.1 Definitions

“Act of Insolvency” shall occur as referred to in Part VII sections 187 and 188 of the Companies (Winding Up Amendment) Act, 2011, or with respect to any party hereto upon:

- (a) making a general assignment for the benefit of, or entering into a reorganisation, arrangement, or composition with, creditors.
- (b) a secured party taking possession of, or carrying out other enforcement measures in relation to, all or substantially all assets of such party, provided the relevant process is not dismissed, discharged, stayed, or restrained within 21 days.

- (c) becoming insolvent or becoming unable to pay its debts as they become due or failing or admitting in writing its inability generally to pay its debts as they become due.
- (d) seeking, consenting to, or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property.
- (e) presenting or filing of a petition in respect of it (other than by the other party to this Agreement in respect of any obligation under this Agreement) in any court or before any agency or the commencement of any proceeding by any Competent Authority alleging or for the bankruptcy, winding-up, or insolvency of such party (or any analogous proceeding) or seeking any reorganisation, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition not having been stayed or dismissed within 21 days of its filing (except in the case of a petition presented by a Competent Authority or for winding-up or any analogous proceeding, in respect of which no such 21 day period shall apply).
- (f) appointing of a receiver, administrator, liquidator, conservator, custodian, or trustee or analogous officer of such party or over all or any material part of such party's property.
- (g) convening of any meeting of its creditors for the purpose of considering a voluntary arrangement under Section 211(c) of The Companies (Winding Up Amendment) Act, 2011.

"Applicable Rate" means the Overnight Rate of the Central Bank of The Bahamas in force at the time.

"Business Day" means a day other than a Saturday, Sunday, or an official public holiday in The Bahamas, on which the Designated System is open to transact business.

"Buyer" is as defined in Paragraph 1.

"Cash Margin" a cash sum paid to buyer or seller in accordance with paragraph 6.

"Competent Authority" means a regulator, supervisor, or any similar official with primary insolvency, rehabilitative, or regulatory jurisdiction in The Bahamas.

"Confirmation" is as specified in paragraph 3.2.

"Contractual Currency" is as defined in Paragraph 9.

"BGSD" means the Bahamas Government Securities Depository of the Central Bank of The Bahamas.

“Default Notice” means a written notice served by the Non-Defaulting Party on the Defaulting Party under paragraph 12(b), designating a day as an Early Termination Date.

“Defaulting Party” means the party in respect of whom an Event of Default occurs, as set out in paragraph 12.

“Default Rate” means, in relation to any unpaid sums in any currency, the rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount, plus an applicable penal rate as agreed by the Parties.

“Default Spot Rate” means, where an amount in one currency is to be converted into a second currency as of any time on any date, the spot rate of exchange as of that time on that date for the sale of that second currency against a purchase of that first currency as determined by the Non-Defaulting Party.

“Designated System” means the Liquidity Facility of the Bahamas Government Securities Depository or another system specifically designated for this purpose by the Central Bank of The Bahamas in an official communication.

“Distribution(s)” means all interest payment or repayment of principal in respect of the relevant securities.

“Electronic Messaging System” means an electronic system for communication capable of reproducing communication in hard copy form, including SWIFT and email.

“Equivalent Securities” means, with respect to a Transaction, Securities equivalent to Purchased Securities under that Transaction. If and to the extent that such Purchased Securities have been redeemed, the expression shall mean a sum of money equivalent to the proceeds of the redemption.

Securities are **“equivalent to”** other Securities for the purposes of this Agreement if they are: (i) of the same issuer, (ii) part of the same issue, and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other Securities.

“Event of Default” has the meaning specified in paragraph 12.

“Haircut” means, with respect to any Transaction, a percentage that is to be applied to the Market Value of Purchased Securities in order to determine the corresponding Purchase Price, in accordance with a Table of Haircuts to be published by the Central Bank of The Bahamas in official communication from time to time.

“Income” means, with respect to any Security at any time, all interest or other distributions thereon, including Distribution(s).

“Income Payment” means a payment required to be made under paragraph 7(a) by the Buyer to the Seller.

“Income Payment Date” means, with respect to any Securities, the date on which Income is paid in respect of such Securities or, in the case of registered Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income.

“Margin Amount” means the amount obtained by application of a percentage agreed to by Buyer and Seller prior to entering into the Transaction to the Repurchase Price for such Transaction as of such date.

“Market Value” means the value of the Purchased Securities based on the most recent such formal reference price issued by the Central Bank of The Bahamas, plus the aggregate amount of Income which, as at such date, has accrued but not yet been paid in respect of the Securities to the extent not included in the formal reference price as of such date.

“Non-Defaulting Party” has the meaning specified in paragraph 12.

“Purchase Date” means, with respect to any Transaction, the date on which Purchased Securities are to be sold by Seller to Buyer in relation to that Transaction.

“Purchase Price” means, with respect to any Transaction, the price at which the Purchased Securities are sold or are to be sold by the Seller to the Buyer on the Purchase Date. It is calculated in accordance with the following formula:

$$PP = MV * (1 - H)$$

Where:

PP = Purchase Price

MV = Market Value of the Securities

H = Haircut agreed for the Transaction, if any, expressed as a percentage

*Example, where MV = 100, H = 10%; PP = 100 * (1-10%) = 100 * 0.9 = 90*

“Purchased Securities” means with respect to any Transaction, the Securities sold or to be sold by Seller to Buyer under that Transaction.

“Repo Rate” means the per annum percentage rate to be used in calculating the Repurchase Price. The Repo Rate will be specified by the Central Bank of The Bahamas in official communication.

“Repurchase Date” means, with respect to any Transaction, the date on which Buyer is to sell Equivalent Securities to Seller in relation to that Transaction, which, for Intraday Transactions, must be the same date as the Purchase Date and for Overnight repo transactions must be one Business Day after the Purchase Date.

“**Repurchase Price**” means, with respect to any Transaction and as of any date, the price at which the Equivalent Securities are sold or to be sold by the Buyer to the Seller on the Repurchase Date. It is calculated in accordance with the following formula:

$$RP = PP * [1 + (R * \frac{D}{365})]$$

Where:

RP = Repurchase Price

PP = Purchase Price

R = Repo Rate, expressed as a percentage

D = the term of the Transaction, the actual number of calendar days between (and including) the Purchase Date to (but not including) the Repurchase Date.

Note that for an Intra-Day Transaction, the term D will be treated as one calendar day/zero calendar days.

“**CBOB**” means the Central Bank of The Bahamas.

“**Securities**” has the meaning given in paragraph 1. Securities underlying a Transaction must meet any eligibility criteria specified in the Guidelines to be set out by the CBOB and must be deposited in the Bahamas Government Securities Depository of the Central Bank of The Bahamas.

“**Seller**” is as defined in paragraph 1(a).

“**Term**” means, with respect to any Transaction, the interval of time commencing with the Purchase Date and ending with the Repurchase Date.

“**Termination**” means, with respect to any Transaction, refers to the requirement with respect to such Transaction for Buyer to sell Equivalent Securities against payment by Seller of the Repurchase Price in accordance with paragraph 3 (3.5), and reference to a Transaction having a “fixed term” or being “terminable upon demand” shall be construed accordingly.

2.2 Rules for interpreting this document

Headings are for convenience only and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A Singular word includes the plural and vice versa.
- (b) A word that suggests one gender includes the other genders.
- (c) If a word is defined, another part of speech has a corresponding meaning.

- (d) Where the word “including” or “includes” means “including (or includes) without limitation”.
- (e) A reference to “written” communications and communications “in writing” include communications made through the SWIFT system or any other electronic system agreed between the parties that is capable of reproducing those communications in hard copy form.
- (f) A reference to “close of business” is to the time that the Central Bank of The Bahamas determines and communicates in writing to commercial banks generally to be close of business in relation to repurchase transactions for securities (and if more than one, to the most recently communicated time).
- (g) A reference to legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes subordinate legislation issued under it.

3. INITIATION, CONFIRMATION, SALE, REPURCHASE

3.1 Initiation

A Transaction may be requested by Party A using collateralized loan requests within the Designated System, but the Transaction is only executed at the time that the Designated System removes the Purchased Securities from the securities account of Party A in the Bahamas Government Securities Depository and a simultaneous payment of the Purchase Price by the Buyer.

3.2 Confirmation

The Designated System shall send to the Parties a confirmation of the terms of the Transaction before the close of business of the Transaction date (a "Confirmation").

3.3 Effect of Confirmation

The Confirmation relating to a Transaction, together with this agreement, are prima facie evidence of the terms agreed between the parties for that Transaction, unless objection is made with respect to the Confirmation promptly after it is received. If there is any conflict between the terms of a Confirmation and this Agreement, the Confirmation prevails in respect of that Transaction and those terms only.

3.4 Sale

On the Purchase Date for a Transaction, the Seller must transfer the Purchased Securities to the Buyer and the Buyer must pay the Purchase Price to the Seller.

3.5 Repurchase

On the Repurchase Date, the Buyer must transfer Equivalent Securities to the Seller and the Seller must pay the Repurchase Price to the Buyer.

4. INTRA-DAY TRANSACTIONS

Party A will be able to request an Intra-Day Repo Transaction through the CBOB Liquidity Facility of the Bahamas Government Securities Depository to fund its short-term liquidity needs. The request can be made at any time during any Business Day, in accordance with Guidelines to be set out by the CBOB. Approval will be at the CBOB's discretion.

The transfer of Purchased Securities to the CBOB by Party A and the payment of Purchase Price by the CBOB to Party A will take place after confirmation of the request by the CBOB.

Party A will pay the Repurchase Price before the close of the same Business Day, conditional upon which the CBOB will transfer the Purchased Securities back to Party A.

If Party A is unable to pay the Repurchase Price before the close of the Business Day, the Intra-Day Transaction will automatically be converted into an Overnight Transaction, with Repurchase Date set at the following Business Day and a new Repurchase Price calculated in accordance with the following formula:

$$NRP = RP * [1 + (O * \frac{D}{365})]$$

Where:

NRP = New Repurchase Price after extension

RP = Repurchase Price of the operation to be extended

O = CBOB Overnight Rate, expressed as a percentage

N = the number of calendar days by which the term of the Transaction has been extended.

The Overnight Repo Transaction will thereafter be governed by paragraph 5.

5. OVERNIGHT

Party A will be able to request an Overnight Repo Transaction and subject to any conditions or restrictions set out for this purpose by the CBOB in an official confirmation. Approval will be at the CBOB's discretion.

The transfer of Purchased Securities to the CBOB by Party A and the payment of Purchase Price by the CBOB to Party A will take place after confirmation of the request by the CBOB.

Party A will pay the Repurchase Price before the close of business on the Repurchase Date, conditional upon which the CBOB will transfer the Purchased Securities back to Party A.

If Party A is unable to pay the Repurchase Price before the close of business on the Repurchase Date, the Overnight Repo Transaction will automatically be extended for settlement the following Business Day, on the basis of a new Repurchase Price calculated in accordance with the following formula

$$NRP = RP * [1 + (O * \frac{D}{365})]$$

Where:

NRP = New Repurchase Price after extension

RP = Repurchase Price of the operation to be extended

O = CBOB Overnight Rate, expressed as a percentage

N = the number of calendar days by which the term of the Transaction has been extended to the next business day.

If Party A is unable to pay the new Repurchase Price on the extended Repurchase Date, this process will be repeated and the Term of the Transaction extended until the CBOB, at its own discretion, exercises its rights under Paragraph 12.

6. MARGIN MAINTENANCE

- (a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a party is a Buyer is less than the aggregate Buyer's Margin Amount for all such Transaction (a "Margin Deficit"), then Buyer may, by written notice, request Seller in respect of such Transactions at the Seller's option either to pay to the Buyer cash or transfer additional Securities equivalent to the Purchased Securities (hereinafter referred to as the "Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities (including any such Additional Purchased Securities) will thereupon be equal to or exceed such aggregate Buyer's Margin Amount.
- (b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party is a Seller (Seller having sold the Purchased Securities) exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), the Seller may, by notice to the Buyer, require the Buyer in such Transactions, at the Buyer's option, to pay cash or transfer Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount.
- (c) Notwithstanding the provisions of sub-clauses 6 (a) and (b), in any transaction the Buyer may determine the Margin Amount upfront.

- (d) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller (or both) under sub-clause 6 (a) and (b) of this Agreement may be exercised only where a Margin Deficit or Margin Excess exceeds a specified amount or specified percentage of the Repurchase Prices for such Transactions.
- (e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of the Buyer and the Seller under paragraphs 6 (a) and (b) of this Agreement to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess (calculated without regard to any other Transaction outstanding under this Agreement) exists with respect to any single Transaction hereunder.

7. INCOME PAYMENTS

- (a) Where:
 - (i) the Term of a particular Transaction extends over an Income Payment Date in respect of any Securities subject to that Transaction.
 - (ii) an Income Payment Date in respect of any such Securities occurs after the Repurchase Date but before Equivalent Securities have been delivered to Seller.

then the Buyer shall ensure that an amount equal to (and in the same currency as) the amount paid by the issuer is transferred to or credited to the account of Seller on the date such Income is paid by the issuer.

- (b) Unless otherwise agreed, all money payable by one party to the other in respect of any Transaction must be paid free and clear of, and without withholding or deduction for, any taxes or duties of any kind imposed, levied, collected, withheld, or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law.

In that event, unless otherwise agreed, the paying party must pay additional amounts so that the net amount received by the other party (after taking account of the withholding or deduction) equals the amount that would have been received by it if there had been no withholding or deduction. The parties acknowledge that, as at the date of this Agreement, no withholdings or deductions would apply to payments under a Transaction and, accordingly, this provision is included to deal with situations which may arise in the future (for example as a change of law or administrative policy).

8. PAYMENTS AND TRANSFERS

- (a) All money and Securities to be transferred under this Agreement shall be transferred through the Delivery versus Payment processes of the Designated System, under which the delivery of Purchased Securities by Seller is linked to

the corresponding payment of Purchase Price, by Buyer in such a way as to ensure that delivery occurs if, and only if, the corresponding payment occurs.

- (b) Transaction shall be settled no later than the time set out in the CBOB guidelines.

9. CONTRACTUAL CURRENCY

All the payments made in respect of the Purchase Price or the Repurchase Price of any Transaction shall be made in the Bahamian Dollar (the "Contractual Currency").

10. SUBSTITUTION

- (a) Seller may, subject to agreement with and acceptance by Buyer, substitute other securities for any Purchased Securities. Such substitution shall be made by transfer to Buyer of such other Securities and transfer to Seller of such Purchased securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.
- (b) In Transactions in which Seller retains custody of Purchased Securities, the parties expressly agree that Buyer shall be deemed, for purposes of subparagraph (a) of this Paragraph, to have agreed to and accepted in this Agreement substitution by Seller of other Securities for Purchased Securities, provided, however, that such other securities shall have a Market Value at least equal to the Market Value of the Purchased Securities for which they are substituted.

11. REPRESENTATIONS

Each party represents and warrants to the other that -

- (a) it is duly authorised to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and thereunder and has taken all necessary action to authorise such execution, delivery, and performance.
- (b) it will engage in this Agreement and the Transactions contemplated hereunder as principal.
- (c) the person signing this Agreement on its behalf is, and any person representing it in entering into a Transaction will be, duly authorized to do so on its behalf.
- (d) it has obtained all authorizations of any governmental or regulatory body required in connection with this Agreement and the Transactions contemplated hereunder and such authorizations are in full force and effect.
- (e) The execution, delivery, and performance of this Agreement and the Transactions contemplated hereunder will not violate any law, ordinance,

- charter, by-law, or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected.
- (f) it has satisfied itself and will continue to satisfy itself as to the tax implications of the Transactions contemplated hereunder.
 - (g) in connection with this Agreement and each Transaction -
 - (i) unless there is a written agreement with the other party to the contrary, it is not relying on any advice (whether written or oral) of the other party, other than the representations expressly set out in this Agreement.
 - (ii) it has made and will make its own decisions regarding the entering into of any Transaction based upon its own judgment and upon advice from such professional advisers as it has deemed it necessary to consult.
 - (iii) it understands the terms, conditions, and risks of each Transaction and is willing to assume (financially and otherwise) those risks.
 - (h) at the time of transfer to the other party of any Securities, it will have the full and unqualified right to make such transfer and that upon such transfer of Securities the other party will receive all right, title, and interest in and to those Securities free of any lien (other than a lien granted to the operator of the clearance system through which the Securities are transferred), claim, charge, or encumbrance.

On the date on which any Transaction is entered into pursuant hereto, and on each day on which Securities are to be transferred under any Transaction, Buyer, and Seller shall each be deemed to repeat all the foregoing representations. For the avoidance of doubt and notwithstanding any arrangements which Seller or Buyer may have with any third party, each party will be liable as a principal for its obligations under this Agreement and each Transaction.

12. EVENTS OF DEFAULT

- (a) The occurrence of one or more of the following events in relation to either party (the "Defaulting Party", the other party being the "Non-Defaulting Party") is an Event of Default
 - (i) Buyer fails to pay the Purchase Price upon the applicable Purchase Date or Seller fails to pay the Repurchase Price upon the applicable Repurchase Date.
 - (ii) Seller fails to deliver Purchased Securities on the Purchase Date or Buyer fails to deliver Equivalent Securities on the Repurchase Date, in either case within the standard settlement time for delivery of the Securities concerned.

- (iii) Seller or Buyer fails to pay when due any sum payable under subparagraph (c) (i) and (ii) below.
 - (iv) Seller or Buyer fails to comply with paragraph 7.
 - (v) an Act of Insolvency occurs with respect to Seller or Buyer as defined in Clause 2.1 of this Agreement.
 - (vi) any representations made by Seller or Buyer are incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated.
 - (vii) Seller or Buyer admits to the other that it is unable to, or intends not to, perform any of its obligations hereunder or in respect of any Transaction.
 - (viii) Seller or Buyer being declared in default or being suspended or expelled from membership of or participation in any securities exchange or suspended or prohibited from dealing in securities by any Competent Authority in each case on the grounds that it has failed to meet any requirements relating to financial resources or credit rating.
 - (ix) Seller or Buyer fails to perform any other of its obligations hereunder and does not remedy such failure within 30 days after notice is given by the Non-Defaulting Party requiring it to do so.
- (b) Following occurrence of an Event of Default, the Non-Defaulting Party may give written notice to the Defaulting Party that there has been an Event of Default under this Agreement. That notice shall include relevant details of the relevant Event of Default and shall specify which of the following are to be terminated under this paragraph of the Agreement:
- (i) the Transaction or Transactions affected by the Event of Default.
 - (ii) all outstanding Transactions.
 - (iii) the Agreement.
 - (iv) both (ii) and (iii).
- (c) Following Termination of a Transaction, this Agreement or both under paragraph 12(b):
- (i) The Seller will not pay the Repurchase Price to the Buyer and will have no further obligations to the Buyer.
 - (ii) The Buyer will remain in possession of the Purchased Securities (including any Additional Purchased Securities) and will have no further obligations to the Seller.

13. SET-OFF

13.1 Acceleration by Notice: If an Event of Default occurs and is continuing, the Non-Defaulting Party may, by notice in writing (subject to clause 16.b) to the Defaulting Party, accelerate the performance of all transfers, payments, and other obligations under this Agreement for all (but not some only) Repurchase Transactions then outstanding. The date of that notice is then deemed to be the Repurchase Date for all purposes for all (but not some only) Repurchase Transactions then outstanding.

13.2 Calculations: If, pursuant to clause 13.1, the Repurchase Date for all Repurchase Transactions is accelerated:

(a) **Default Market Value of Securities, etc:** the Non-Defaulting Party is to determine, for all Repurchase Transactions as at that date, the Default Market Values of the Equivalent Securities to be transferred and/or paid or other payments to be made, as the case may be, by each party.

(b) **Account to be Stated:** on the basis of the sums so established:

(i) an account shall be stated as at that date of what is due from each party to the other under this Agreement on the basis that: (a) each party's claim against the other in respect of the transfer to it of Equivalent Securities under this Agreement equals the Default Market Value of those Equivalent Securities and (b) Repurchase Prices are discounted to the present value at the pricing rate applicable for each Repurchase Transaction.

(ii) those sums shall be set off against each other and, no more than appears due on the balance of the account, shall be payable by the relevant party.

(iii) that balance of the account shall be due and payable on that date.

for the purposes of this calculation, all sums not denominated in the Bahamian Dollar are to be converted into the Bahamian Dollar on that date at the Default Spot Rate.

(c) **Interest:** to the extent permitted by applicable law, interest is to accrue on any sum payable by the Defaulting Party to the Non-Defaulting Party under clause 12.2(b)(ii) at the Default Rate on the basis of daily compounding as a separate debt on demand for the actual number of days during the period from and including that date, but excluding, to the date of payment in full.

13.3 Set Off of Other Amounts: In addition, any party by whom amounts are payable pursuant to clause 13.2(b)(ii) may further set off and deduct from any amounts payable by it pursuant to that clause, any amounts payable to it by the other party under any other transaction between the parties and:

(a) only the balance that results from any such further set off shall be payable.

- (b) the provisions of clause 13.2(c) shall only apply to any balance remaining after any such further set off.
- (c) for the purposes of any such further set off, all sums not denominated in the Bahamian Dollar are to be converted into the Bahamian Dollar on the relevant date at the Default Spot Rate.

14. INTEREST ON OVERDUE PAYMENTS

To the extent permitted by applicable law, if any sum of money payable hereunder or under any Transaction is not paid when due, interest shall accrue on such unpaid sum as a separate debt at the greater of the Repo Rate for the Transaction to which such sum relates (where such sum is referable to a Transaction) and the Applicable Rate on a 365-day basis (or as otherwise agreed by the parties), for the actual number of days during the period from and including the date on which payment was due, but excluding, to the date of payment.

15. SINGLE AGREEMENT

Each party acknowledges that, and has entered into this agreement and will enter into each Transaction, in consideration of and in reliance upon the fact that this Agreement and all Transactions constitute a single business and contractual relationship and are made in consideration of each other. Accordingly, each party agrees:

- (a) to perform all of its obligations in respect of each Transaction hereunder.
- (b) a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder.
- (c) that payments, deliveries, and other transfers made by either of them in respect of any Transaction are deemed to have been made in consideration of payments, deliveries, and other transfers in respect of any other Transactions hereunder.

16. NOTICES AND OTHER COMMUNICATIONS

- (a) Any notice or other communication to be given under this Agreement:
 - (i) shall be in the English language, and except where expressly otherwise provided in this Agreement, shall be in writing.
 - (ii) may be given in any manner described in subparagraphs (b) and (c) below.
 - (iii) shall be sent to the party to whom it is to be given at the address or number or in accordance with the electronic messaging details, set out in subparagraph (d) below.
- (b) Notice or other communication is effective-

- (i) if in writing and delivered in person or by courier, on the date when it is delivered.
- (ii) if in writing and delivered by e-mail, on the date when it is delivered.
- (iii) if sent by automated/electronic messaging system, at the time that electronic message is received.

except that any notice or communication that is received or delivery of which is attempted, after close of business on the date of receipt or attempted delivery or on a day which is not a Business Day is taken to be given at the opening of business on the next Business Day.

(c) If -

- (iv) there occurs in relation to either party an Event of Default.
- (v) the Non-Defaulting Party, having made all practicable efforts to do so, including having attempted to use at least two of the methods specified in sub-paragraph (b)(ii), (iii) or (iv) above, has been unable to serve a Default Notice by one of the methods specified in those sub-paragraphs (or such of those methods as are normally used by the Non-Defaulting Party when communicating with the Defaulting Party).

the Non-Defaulting Party may sign a written notice (a "Special Default Notice") which -

- (A) specifies the relevant event referred to in paragraph 10(a), which has occurred in relation to the Defaulting Party.
- (B) specifies the Early Termination Date designated in the Default Notice.
- (C) states that the Non-Defaulting Party, having made all practicable efforts to do so, including having attempted to use at least two of the methods specified in sub-paragraph (b)(ii), (iii), or (iv) above, has been unable to serve a Default Notice by one of the methods specified in those sub-paragraphs (or such of those methods as are normally used by the Non-Defaulting Party when communicating with the Defaulting Party).
- (D) specifies the date on which, and the time at which, the Special Default Notice is signed by the Non-Defaulting Party.

On the signature of a Special Default Notice, the Early Termination Date shall occur as designated in the Default Notice. A Special Default Notice shall be given to the Defaulting Party as soon as practicable after it is signed.

- (d) Either party may by notice to the other change the address, facsimile number, or electronic messaging system details at which notices or other communications are to be given to it. The first address details for the parties are:

Central Bank of The Bahamas
 Address: xx
 xx
 xx
 Attention: xx
 Telephone: xx
 Facsimile: xx
 Email: xx
 SWIFT details:

Party B name: xx
 Address: xx
 xx
 xx
 Attention: xx
 Telephone: xx
 Facsimile: xx
 Email: xx
 SWIFT details:

17. GENERAL

17.1 Governing Law and Jurisdiction

- (a) This Agreement and any non-contractual obligations arising out of or in connection with it, shall be governed by and interpreted in accordance with the laws of The Bahamas.
- (b) Each party irrevocably submits to the exclusive jurisdiction of the courts exercising jurisdiction in The Bahamas and waives any objection to the exercise of such jurisdiction.

17.2 Operation of this document; Severability

- (a) This Agreement supersedes any existing Agreements and arrangements between the parties regarding the subject matter of this Agreement and the general terms and conditions for Transactions.
- (b) Any right that a person may have under this Agreement is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Each provision and agreement herein shall be treated as separate from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

17.3 Termination of Agreement

Either party may terminate this Agreement by giving thirty (30) days written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.

17.4 Non-assignability

- (a) Subject to sub-paragraph (b) below, neither party may assign, charge, or otherwise deal with (including without limitation any dealing with any interest in or the creation of any interest in) its rights or obligations under this Agreement or under any Transaction without the prior written consent of the other party. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.
- (b) Sub-paragraph (a) above shall not preclude a party from assigning, charging, or otherwise dealing with all or any part of its interest in any sum payable to it under paragraph 12(c) or (g) above.
- (c) All remedies hereunder shall survive Termination in respect of the relevant Transaction and termination of this Agreement.

17.5 Giving effect to this document

Each party must do anything (including execute any document) and must ensure that its employees and agents do anything (including execute any document) that any other party may reasonably require to give full effect to this Agreement and any Transaction.

17.6 Waivers of rights; Amendment

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder.

No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such modification, waiver, or consent shall be in writing and duly executed by both of the parties hereto. This Agreement can only be amended, supplemented, replaced, or novated by another document signed by both parties.

A failure to give a notice or exercise a right pursuant to this Agreement, will not constitute a waiver of any right to do so at a later date, or of any other right.

17.7 Attorneys

Each person, who executes this document on behalf of a party under a power of attorney, declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

17.8 Recording

The parties agree that all telephone conversations between them may be electronically recorded. Where telephone conversations are to be electronically recorded, the recording party will notify the other of such recordings.

EXECUTED as an Agreement

Central Bank of The Bahamas

Party A
Name of Party A

Signature of Authorised Person:

Signature of Authorised Person:

Name of Authorised Person

Name of Authorised Person

Title

Title

Date

Date