



Our Ref: CT/GD

PRIVATE & CONFIDENTIAL

Office of the Financial Secretary
Her Majesty's Government of Gibraltar
No.6 Convent Place
Gibraltar
GX11 1AA

Date 2nd April 2020

Dear Sirs

Revolving Credit Line for £150,000,000

Gibraltar International Bank Limited (the "Bank") is pleased to offer you (the "Client") a Revolving Credit Line (the "Credit Line Facility") as described below, subject to the following terms and conditions:

1. Details of the Amount and Term

Amount - GBP 150,000,000 (one hundred and fifty million pounds).

Term – The Credit Line Facility shall be repaid over a 12 month period (the "Term"). The Bank commits to review any requests for further extensions that is submitted by the Client during the Term.

2. Drawdown

Subject to paragraph 9, the Client may draw from the Credit Line Facility in tranche drawdowns as from the date of acknowledgment of this letter (the "Drawdown Date"). To do this, the Client shall complete a Drawdown Notice as specified in Schedule 3 and will provide the Bank at least 24 hours' prior notice of the date on which the Client will want to draw on the Credit Line Facility.

3. Purpose

The Client shall use the Loan towards the provision of liquidity as a consequence of the coronavirus 'COVID-19' crisis.

1

Gibraltar International Bank Limited PO BOX 1375, Level 2 – 310 Main Street, Ince's House, Gibraltar

t +350 20013900 e gibraltar@gibintbank.gi w www.gibintbank.gi

Gibraltar International Bank Limited is authorised and regulated by the FSC
Corporate Registration 109679

4. Interest

- 4.1 Interest shall accrue daily on the Credit Line Facility from the Drawdown Date at the rate of 0.15% above the Bank of England Base Rate which currently stands at 0.10%, giving an effective all-in-rate of 0.25%. As agreed, should the Bank of England Base Rate decrease further than 0.10%, the Bank shall maintain the all-in-rate at 0.25% until such time as the Bank of England Base Rate reverts back to levels higher than 0.10%, upon which the interest rate will consequently revert to 0.15% above the Bank of England Base Rate. The Client shall pay such interest monthly, in arrears, on the last business day of each month.

5. Arrangement fee

No arrangement fee will be charged.

6. Payment, Repayment and Prepayment

- 6.1 The Client undertakes to repay to the Bank the full amount of the Credit Line Facility without deduction or set off at the expiry of the Term, or at the expiry of any potential extensions to the Term, or early repayment whichever is the earliest. Interest shall be debited from the Client's Nominated Account.

Prepayments are permitted in full or in minimum amount(s) of £1,000 without a penalty fee.

- 6.2 All payments under this letter shall be in Sterling and made in immediately available cleared funds on the due date.
- 6.3 Time shall be of essence in making any payments, repayments and prepayments under this letter.

7. Representations and Warranties

The Client makes the representations and warranties set out in this paragraph 7 to the Bank on the date of this letter and on each date that interest is payable in accordance with paragraph 6.

- 7.1 The Client has the power to enter into, perform and deliver and has taken all necessary action to authorise its entry into, performance and delivery of this letter and the transactions contemplated by this letter.

8. Undertakings

- 8.1 The Client undertakes to the Bank that from the date of the acceptance of this letter and for as long as any amount remains unpaid hereunder, it shall notify the Bank forthwith if the Client becomes aware of the occurrence of any event of default under paragraph 10 or an event which, with the giving of notice and/or the lapse of time and/or the relevant determination, would constitute such an event and shall provide the Bank with full details of any steps which the Client is taking, or is considering in taking, in order to remedy or mitigate the effect of such event or otherwise in connection with it.
- 8.2 The Client undertakes to use the Credit Line Facility only for the purposes set out in this letter.
- 8.3 The Client undertakes to provide, promptly, any financial or other information which the Bank may reasonably request.
- 8.4 The Client undertakes and agrees that it is not entitled to any right of immunity on the grounds of sovereignty or otherwise with respect to such activities or in any legal action or proceeding arising out of or relating to this Credit Line Facility in respect of itself and its properties and revenues. Therefore the Client, expressly and irrevocably waives any such right of immunity which may now or hereafter exist (including any immunity from any legal process, from the jurisdiction of any court or from any attachment prior to judgment, attachment in aid of execution, execution or otherwise) or claim thereto which may now or hereafter exist, and agrees not to assert any such right or claim in any such action or proceeding, whether in Gibraltar, or any other jurisdiction.

9. Conditions precedent

This Credit Line Facility will be governed by those conditions' precedent specified in schedule 1.

10. Events of Default

If any event or situation (Event of Default) specified in schedule 2 occurs, which has not subsequently been remedied to the Bank's satisfaction, the Bank may give notice to the Client, stating that the Credit Line Facility (and all accrued interest and other amounts accrued or outstanding under this letter) is immediately due and payable. On receiving this notice, the Client shall immediately repay the Credit Line Facility, the accrued interest and all those other amounts.

11. Security

- 11.1 As continuing security for the Credit Line Facility and for all liabilities/obligations whether present and/or future that the Client may have to the Bank, the Bank will not be requiring any tangible items of security other than the Clients' full commitment to repay any outstanding amount by the Term agreed.

12. Costs

The Client shall pay, on demand and on a full indemnity basis, all reasonable costs and expenses that the Bank incurs in connection with the negotiation and preparation, amendment, extension, alteration, and enforcement of the Credit Line Facility and/or this letter.

13. Set-off

The Bank may apply any credit balance (whether or not it is then due) to which the Client is at any time beneficially entitled on any account at the Bank in (or towards) satisfaction of any unpaid sum then due and payable by the Client to the Bank under this letter. If such balances are in different currencies, the Bank may convert either balance at a market rate of exchange to set it off against another amount.

14. Calculations, Accounts and Certificates

- 14.1 Any interest, commission or fee under this letter shall accrue daily, calculated according to the number of days elapsed and a year of 365 days.
- 14.2 The Bank shall maintain accounts evidencing the amount the Client owes, in accordance with its usual practice. Entries in those accounts shall be prima facie evidence of the existence of the Client's obligations and amount the Client owes to the Bank (in the absence of manifest error).
- 14.3 If the Bank issues any certificate, determination or notification of a rate or any amount payable under this letter, it shall be conclusive evidence of the matter to which it relates (in the absence of manifest error). Each certificate, determination or notification shall contain reasonable details of the basis of determination.

15. Remedies, Waivers and Consents

- 15.1 Any waiver of any right or consent given under this letter is only effective if it is in writing and signed by the waiving or consenting party. It shall apply only in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the provision waived.
- 15.2 No delay or failure to exercise any right under this letter shall operate as a waiver of that right.
- 15.3 No single or partial exercise of any right under this letter shall prevent any further exercise of that right (or any other right under this letter).
- 15.4 Rights and remedies under this letter are cumulative and do not exclude any other rights or remedies provided by law or otherwise.

16. Bank's power to amend and to assign

- 16.1 The Bank shall only amend the terms and conditions contained in this letter with the prior written consent of the Client.
- 16.2 The Bank shall only assign or transfer all or any of its rights and benefits under the Credit Line Facility and any related security as required by the Bank from time to time with the prior written consent of the Client, which shall not be unreasonably withheld.

17. Demands and notices

Any demand or notice made under the Credit Line Facility served upon the Client shall be deemed to be received by the Client the first business day after posting the same if sent by post or if sent by hand, by confirmation of the delivery receipt.

18. Severance

The terms and conditions of the Facility shall be severable. If any provision of the Credit Line Facility were to be deemed invalid, illegal or unenforceable by a court of law, the remaining provisions shall remain in full force and effect.

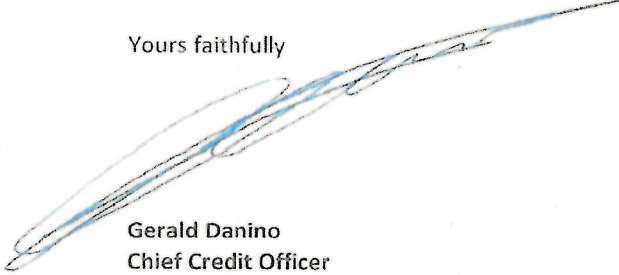
19. Governing Law and jurisdiction

This letter shall be governed by and construed in accordance with Gibraltar law. The Client shall submit to the exclusive jurisdiction of the Gibraltar courts. The Bank shall have a right of recourse to the courts of a jurisdiction outside of Gibraltar should it so choose.

20. Acceptance

This letter will take effect on the date the Bank receives this letter duly executed by all the parties. Your acceptance of this offer letter must be received by the Bank within one calendar month from the date of this letter, failing which it will lapse unless extended in writing by the Bank.

Yours faithfully



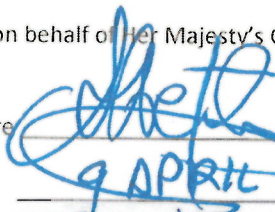
Gerald Danino
Chief Credit Officer

For and on behalf of Gibraltar International Bank Limited

Accepted for and on behalf of the Client on the terms and conditions contained in this Letter.

Signed on behalf of Her Majesty's Government of Gibraltar

Signature



Date

9 APRIL 2020

Capacity

FINANCIAL SECRETARY

Signature



Date



Capacity



SCHEDULE 1

Conditions Precedent

- 1 **CONDITIONS PRECEDENT**
 - 1.1 This letter duly executed by the Client.
 - 1.2 A certified copy of a letter sent by the Chief Minister of the Client to the Financial Secretary of the Client approving the entry into, and terms of, and transactions contemplated by, this letter, and acknowledging that the Financial Secretary is the person authorised to execute, give notices and take all other action in connection with this letter.
 - 1.3 Provision of all information required by the Bank to enable it to comply with all "know your customer" or similar identification procedures under all applicable laws and regulations.
 - 1.4 A certified copy of any other authorisation, document, opinion or assurance which the Bank considers necessary or desirable for entering into this letter, providing the Loan or to make this letter valid and enforceable. This includes any document and other evidence which the Bank needs in order to carry out and be satisfied that it has complied with all "know your customer" or other similar checks under all applicable laws and regulations relating to the transactions contemplated by this letter.
 - 1.5 Save for the purposes of refinancing the Financial Indebtedness under this letter, the Client shall not incur, create or permit to subsist or have outstanding any Financial Indebtedness or enter into any agreement or arrangement whereby it is entitled to incur, create or permit to subsist any Financial Indebtedness that would take the Client beyond the 40% threshold above Gibraltar's 2019 Gross Domestic Product (GDP), other than keeping with the provisions of the Public Finance (Borrowing Powers) Act, as amended from time to time.

SCHEDULE 2

Events of Default

1 NON-PAYMENT

The Client fails to pay any amount due under this letter on time, unless its failure to pay is only caused by an administrative error or technical problem, and payment is made within three business days of its due date.

2 NON-COMPLIANCE

The Client fails to comply with any provision of this letter (other than a failure to pay).

3 CROSS-DEFAULT

3.1.1 Any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint (Indebtedness) of the Client is not paid when due; or

3.1.2 any Indebtedness becomes due, or could be declared due, before its stated maturity because of default; or

3.1.3 any expropriation, attachment, sequestration, distress, execution or enforcement of security affects any of the Client's assets.

4 INSOLVENCY

4.1 The Client stops or suspends payment of any of its debts, or is unable to, (or admits its inability to), pay its debts as they fall due.

4.2 A moratorium is declared over any of the Client's Indebtedness.

4.3 Any action, proceedings, procedure or step is taken for the suspension of payments or dissolution of the Client.

SCHEDULE 3

Drawdown Notice

To: Gibraltar International Bank

From: Her Majesty's Government of Gibraltar

Date: <<Date of Request>>

Re: Credit Line Facility dated 2nd April 2020 between Gibraltar International Bank and Her Majesty's Government of Gibraltar for an amount of up to £150,000,000 (One hundred and fifty million pounds).

The terms defined in the Credit Line Facility dated 2nd April 2020 shall have their defined meanings when used in this Drawdown Notice.

We request to carry out a Tranche Drawdown on the Credit Line Facility as follows:

Amount: <<Insert Relevant Amount>>;

Drawdown Date: <<Insert Relevant Date>>;

Payment Instructions: <<Insert Relevant Account Details>>.

We represent and warrant that the warranties set out in the Credit Line Facility dated 2nd April 2020 are true and correct (in all material respects) as at the date of this Drawdown Notice and will be true and correct (in all material respects) immediately after the proposed Tranche Drawdown.

We confirm that no Event of Default or potential Event of Default has occurred as at the date of this Drawdown Notice or will result from the proposed Tranche Drawdown.

Signed on behalf of Her Majesty's Government of Gibraltar

Signature _____

Date _____

Capacity _____

Signature _____

Date _____

Capacity _____