



HM Government
of Gibraltar

THE CHIEF MINISTER

Albert Mena
Financial Secretary
Financial Secretary's Office
No.6 Convent Place
Gibraltar

31st March 2021

Dear Financial Secretary

Approval of the renewal of the existing revolving credit line facility letter dated 2 April 2020 for £150,000,000 (one hundred and fifty million Pounds Sterling) from Gibraltar International Bank Limited, as lender, to Her Majesty's Government of Gibraltar, as borrower on the terms set out in an offer letter dated 26 March 2021 (the "Offer Letter")

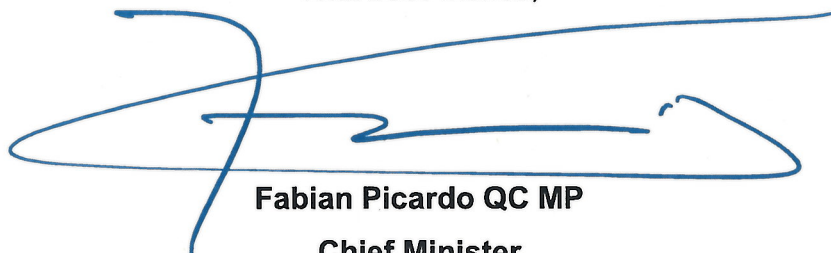
I hereby approve the entry into, and terms of, and transactions contemplated by, the Offer Letter, a copy of which is attached hereto for ease of reference.

I also hereby acknowledge that you as Financial Secretary are the person authorised to execute the Offer Letter in accordance with section 11 of the Public Finance (Borrowing Powers) Act 2008. I also acknowledge that you are empowered on behalf of Her Majesty's Government of Gibraltar to give all such notices and take all other action as you see necessary in connection with this Offer Letter.

As I reminder, I would politely point out that every loan agreement covering a sum of money to be borrowed by the Government from any person under the Act is required to be laid on the table of the Parliament at the next meeting of the Parliament commencing after the date of the facility letter. I would be grateful if we could make arrangements for such tabling in due course, notwithstanding that the Offer Letter is simply a renewal of the existing revolving credit line facility letter that has already been tabled.

I trust you will find the above in order.

With best wishes,



Fabian Picardo QC MP
Chief Minister



Our Ref: CT/GD

PRIVATE & CONFIDENTIAL

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

26th March 2021

Dear Sirs

We are pleased to confirm that Gibraltar International Bank Limited (the Bank) has agreed to renew the existing Revolving Credit Line (the Facility) in favour of HM Government of Gibraltar (the client), subject to the following terms and conditions:

1. Details of the Facility

The amount of the Facility shall continue to be for £150,000,000 (One hundred and fifty million pounds).

2. Purpose

The Facility will continue to be used for the provision of liquidity as a consequence of the coronavirus 'COVID-19' crisis.

3. Security

The Bank will continue not to rely on any tangible security for the Facility other than the ongoing commitment of the Client to repay the Facility upon expiry of the Term.

4. Payment, Repayment and Prepayment

The Facility shall be renewed for a further 12-month period from 14/04/21 expiring on the 14/04/22 (the Term).

The Client undertakes to repay to the Bank the full amount of the Facility without deduction or set off at the expiry of the Term or early repayment whichever is the earliest. Interest shall be payable monthly and will be debited from the Client's Nominated Account.

Prepayments are permitted in minimum amount(s) of £1,000 without a penalty fee. The amount at which interest will accrue because of the prepayment, will automatically adjust itself and will accrue relative to the remaining amount owed.

5. Fees

No renewal fee will be charged.

6. Interest

Interest will continue to be charged at 0.15% per annum above the Bank of England Base Rate which currently stands at 0.10% per annum giving an effective rate of 0.25% per annum.

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 to levels higher than 0.10%, upon which time 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.

The interest charging basis may be altered at any time as mutually agreed by the Bank and the Client.

7. Representations

The Client makes the representations and warranties set out in this clause to the Bank on the date of this Offer Letter:

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

8. Conditions Precedent

The Facility will be governed by those conditions precedent as specified in Schedule 1.

9. Undertakings

The Client hereby undertakes:

- To use the Facility only for the purpose set out in this Offer Letter;
- To provide, promptly, any financial or other information/documentation which the Bank may reasonably request;
- 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 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.

10. Events of Default

If any event or situation 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 Facility (and all accrued interest and other amounts accrued or outstanding under this Offer Letter) is immediately due and payable. On receiving this notice, the Client shall immediately repay the Facility, the accrued interest and all those other amounts.

11. 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 Facility and/or this Offer Letter.

12. 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 Offer 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.

13. Calculations, Accounts and Certificates

Any interest, commission or fee under this Offer Letter shall accrue daily, calculated according to the number of days elapsed and a year of 365 days.

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.

If the Bank issues any certificate, determination or notification of a rate or any amount payable under this Offer 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.

14. Remedies, Waivers and Consents

Any waiver of any right or consent given under this Offer 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.

No delay or failure to exercise any right under this Offer Letter shall operate as a waiver of that right.

No single or partial exercise of any right under this Offer Letter shall prevent any further exercise of that right (or any other right under this Offer Letter).

Rights and remedies under this Offer Letter are cumulative and do not exclude any other rights or remedies provided by law or otherwise.

15. Bank's Power to Amend or to Assign

The Bank shall only amend the terms and conditions contained in this Offer letter with the prior written consent of the Client.

The Bank shall only assign or transfer all or any of its rights and benefits under the Facility with the prior written consent of the Client, which shall not be unreasonably withheld.

16. Demands and Notices

Any demand or notice made under the 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.

17. Severance

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

18. Governing Law and Jurisdiction

The Facility 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.

19. Acceptance

Your acceptance of this Offer must be received by the Bank not later than one week before the current term expires, failing which it will lapse unless extended in writing by the Bank.

Yours faithfully



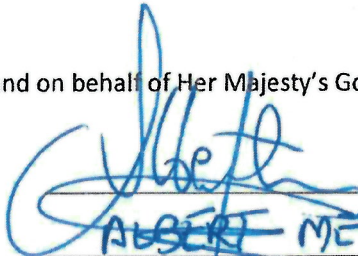
Gerald Danino
Chief Credit Officer

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 Offer Letter

Signed for and on behalf of Her Majesty's Government of Gibraltar

Signature



Name

ALBERT MENA

Capacity

FINANCIAL SECRETARY

Date

31 MARCH 2021

SCHEDULE 1

Conditions Precedent

1 CONDITIONS PRECEDENT

- 1.1 This Offer Letter duly executed by the Client.
- 1.2 A certified true copy of a letter signed by the Chief Minister to the Financial Secretary approving the entry into, and terms of, and transactions contemplated by, this Offer Letter, and acknowledging that the Financial Secretary is the person authorised to execute, give notices and take all other action in connection with this Offer Letter.
- 1.3 Provision of all information required by the Bank to enable it to comply with all "Know Your Client" 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 Offer Letter, providing the Facility or to make this Offer 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 Client" or other similar checks under all applicable laws and regulations relating to the transactions contemplated by this Offer 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 Offer 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 Offer Letter (other than a failure to pay).

3 CROSS-DEFAULT

- 3.1 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
- 3.2 any indebtedness becomes due, or could be declared due, before its stated maturity because of default; or
- 3.3 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 stop is taken for the suspension of payments or dissolution of the Client.

