



Belize Water Services

PROSPECTUS NEW ISSUE

MAY 2023





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A copy of this Prospectus has been filed with the Financial Services Commission. For further information, please do not hesitate to contact:

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PROSPECTUS NEW ISSUE

MAY 2023



BELIZE WATER SERVICES LIMITED (BWSL)

Incorporated under the Companies Act, Chapter 250, of the Laws of Belize
#7 Central American Boulevard, Belize City, Belize C.A.
(501) 222-4757 | customercare@bws.com.bz
<http://www.bws.bz/>

\$40,000,000.00

4.50% Series 2 - Debentures due 2033

40,000 Debenture Certificates

MINIMUM SUBSCRIPTION OF \$1,000

This is an offering (the "Offering") of up to \$40,000,000.00 Debentures by way of subscription (individually and collectively, the "Debentures") of Belize Water Service Limited ("BWSL" or the "Issuer").

The Belize Securities Commission has not expressed any opinion about the merits of these securities or determined that this prospectus is accurate or complete. It is illegal for anyone to tell you otherwise.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.


No underwriter has been involved in the preparation of the prospectus or performed any review of the contents of the prospectus.

There are certain risks associated with an investment in these Debentures. See "Risk Factors" herein for further information on the same. This Prospectus does not constitute investment advice. Neither BWSL, nor any of its respective representatives (including the Advisor) are making any representation to any recipient or Eligible Investor regarding legal, tax, business, financial or related considerations concerning any subscription for Debentures in BWSL, the subject of this Offering, and recipients should not consider this Prospectus as a recommendation by BWSL or the Advisor that any recipient should subscribe for or purchase any Debentures. Each recipient should consult with their own professional advisors as to the legal, tax, business, financial and other considerations relating to a subscription for Debentures in BWSL, the subject of this Offering.

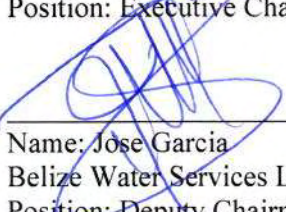
CERTIFICATE

The foregoing constitutes full, true and plain disclosure of all material information relating to Belize Water Services Limited and the securities distributed by this prospectus and contains no misrepresentation that is likely to affect the value or the market price of the securities being offered.


Signatures:



Name: Cornelio Acosta
Belize Water Services Limited
Position: Executive Chairman of the Board



Name: Jose Garcia
Belize Water Services Limited
Position: Deputy Chairman



Name: Rashida Williams Castillo
Belize Water Services Limited
Position: Chief Financial Officer

DISCLAIMER

This Prospectus has been prepared solely in respect of the Company's Series 2 Debenture Issue. No shares or other securities of the Company are being offered for subscription or sale in any jurisdiction pursuant to the Prospectus. The Prospectus is being made publicly available for information purposes only and does not require any action to be taken by shareholders of the Company. The Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase shares or any other securities in the Company. The Company has not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. The Company is not making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus is accurate as of any date other than the date of the document containing the information or such other date as may be specified therein. The Company's business, financial condition, results of operations and prospects may have changed since those respective dates.

IMPORTANT NOTICE

This Prospectus has been prepared solely for, and is being furnished to investors the purpose of evaluating a potential investment in the Debentures. Investment in the Debentures is only suitable for investors who understand the risks involved in investing in the Debentures, including the risk of loss of all capital invested. The information contained herein is, to the best of BWSL's knowledge, reliable, but BWSL does not warrant its accuracy or completeness. The information and statements herein are presented as at the date of this Prospectus and are subject to change without notice. This Prospectus is not intended as a comprehensive description of BWSL or the Debentures. In making an investment decision, investors must rely on their own examinations of BWSL and the terms of the Offering, including the merits and risks involved. If you are in any doubt about the contents of this Prospectus or whether an investment in the Debentures is suitable for you, you should consult your lawyer, accountant, relationship manager or other professional adviser.

The Directors of the Company, whose names appear in the section "Directors and Senior Officers" are the persons responsible for the information contained in this document. To the best knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained herein is accurate in all material respects and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

In considering an investment in the Company, investors should also take account of the following:

- certain information contained in this Prospectus, the documents referred to herein and any brochures issued by the Company as substitute offering documents constitutes forward-looking statements, which can be identified by the use of forward-looking terminology such as “seek”, “may”, “should”, “expect”, “anticipate”, “estimate”, “intend”, “continue”, “target” or “believe” or the negatives thereof or other variations thereof or comparable terminology and includes projected or targeted returns on investments to be made by the Company. Such forward-looking statements are inherently subject to significant economic, market and other risks and uncertainties and accordingly actual events or results or the actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements; and
- nothing in this Prospectus should be taken as legal, tax, regulatory, financial, accounting or investment advice.

An application / decision to subscribe for Debentures should be made on the basis of the information contained in this Prospectus which is issued by the Company and in the most recent annual and (if later) interim report and accounts of the Company which are available at the registered office of the Company. Information updating this Prospectus may, if appropriate, appear in the report and accounts. This Prospectus, and the Indenture, should each be read in their entirety before making an application for Debentures.

Statements made in this Prospectus are based on and shall be governed by and construed in accordance with the Laws of Belize in force at the date hereof and are subject to changes therein. Neither the delivery of this Prospectus nor the issue of Debentures will, in any circumstances, imply that there has been no change in the circumstances affecting any of the matters contained in this Prospectus since the date hereof.

» **IMPORTANT NOTICES**

MARKET FOR SECURITIES

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See Risk Factors.

UNDERWRITER(S)

No underwriter has been involved in the preparation of the prospectus or performed any review of the contents of the prospectus.

RESPONSIBILITY STATEMENT

Belize Water Services Limited, with its registered offices at 7 Central American Boulevard, Belize City, Belize is responsible for this Prospectus. The Issuer declares that having taken all reasonable care to ensure that such is the case; the information contained in this Prospectus is to the best of the Issuer's knowledge in accordance with the facts and contains no material omissions likely to affect its import.

INDENTURE

The Indenture dated September 25, 2020, providing for the issue of up to \$200,000,000.00 Debentures by and between the Belize Water Services Limited, the Government of Belize, and the Central Bank of Belize constitutes an integral part of this prospectus. You should consult the Indenture Agreement and Supplemental Indenture for details.

STATEMENT OF INVESTOR RIGHTS

The Belize Securities Industry Act 2021, and the Regulations made under the Act, provide a purchaser with remedies for rescission and repayment of the purchase price or for damages if the prospectus or any amendment contains a misrepresentation. The purchaser should refer to the Securities Industry Act, 2021 and the regulations made under that Act, for the particulars of these rights or consult with a legal adviser.

FORWARD-LOOKING STATEMENTS

Save for the historical information contained in this Prospectus, certain matters discussed in this Prospectus contain forward-looking statements including but not limited to statements of expectations, future plans or future prospects, and pro-forma financial information and/or financial projections. Forward-looking statements are statements that are not about historical facts and speak only as at

the date they are made, considering any assumptions set out in this Prospectus for that purpose. Although the Directors believe that in making any such statements their expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Applicants are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results. Some of the statements in the Prospectus include forward-looking statements which reflect the Company's and/or the Directors' current views with respect to financial performance, business strategy and future plans, with respect to the sectors and industries in which the Company operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include, without limitation, the following: economic, social and other conditions prevailing both within and outside of Belize, including actual rates of growth of the Belizean and other regional economies, instability and volatility in domestic interest rates and regional and international exchange rates; adverse climatic events and natural disasters; changes in any legislation or policy adversely affecting the recognition of revenues or expenses or profit available for distribution by the Issuer; any other factor negatively impacting on the realization of the assumptions on which the Issuer's pro-forma financial statements or management financial projections are based; other factors identified in this Prospectus which should be read in conjunction with the other cautionary statements that are included in the Prospectus; and factors as yet unknown to the Issuer. Any forward-looking statements in the Prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date of the Prospectus. Subject to any obligations under the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in the Prospectus which could cause actual results to differ before making an investment decision. No statement in the Prospectus is intended as a profit forecast and no statement

in the Prospectus should be interpreted to mean that the earnings of the Company and/or the earnings per share for the current or future years would necessarily match or exceed the historical published earnings of the Company and/or earnings per share. You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not occur or be achieved. Although the Issuer believes that the expectations reflected in the forward-looking statements are reasonable, the Issuer cannot guarantee future results, levels of activity, performance, or achievements.

NO-MARKET AND NON-LISTED

The Debentures are a new issue of securities with no established trading market. The Company does not intend to nor does it make any representation that it will apply to list the Debentures on any exchange. For the avoidance of doubt, these debentures are not registered with the Financial Services Commission (the “Commission”) and nothing herein shall be construed to mean that the debentures are registered or will be registered.

NON-ENDORSEMENT

Pursuant to Section 79 of the SIA, nothing contained herein should be construed as an approval, validation or endorsement, by the Commission, of the financial standing, fitness, conduct, or merits of the Company. In making an investment decision, investors must rely on their own examinations of BWSL and the terms of this Offering, including the merits and risks involved.

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth in the Glossary. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision. The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the FSC SIA Regulations, the Companies Act, Chapter 250, and the rules and regulations notified thereunder.

CERTAIN CONVENTIONS

- All references to the “Government” or the “GOB” are to the Government of Belize.
- Reference to dollar and \$ indicate Belize dollars, unless otherwise stated.
- Use of an en dash (-) between dates representing years (e.g. 2015-2018) signifies the full period involved, including the initial and final years.
- To reflect the closest estimate for data, decimals and percentages are rounded off. Numbers in money are rounded to the nearest cent, unless otherwise stated.
- Decimals and percentages in this document may not necessarily add to totals because of rounding.



» SUMMARY OF PROSPECTUS

This Information Summary highlights key information contained in the Prospectus and may not contain all the information that may be important to prospective investors. Readers are advised to read the entire Prospectus prior to deciding whether or not to invest in the Debentures Offered.

Company Overview

Belize Water Services Limited (BWSL) is the national water and sewerage utility that was vested with the Assets and Liabilities of the Water and Sewerage Authority (WASA) in March 2001. The Company has issued share capital of forty million (40,000,000) shares with the Government of Belize (GOB), the majority shareholder, owning 83% of the total shares; the Social Security Board (SSB) holds 10% and minority shareholders, the remainder. BWSL is a regulated utility - the regulatory controls include a statutory regulator, the Public Utilities Commission, the Water Industry Act (2001), an operating license issued by the PUC and a Codes of Practice which is agreed upon by the Regulator and BWSL and updated periodically.

Belize Water Services Limited operates in licensed service areas, with headquarters in Belize City and eleven other administrative offices countrywide. BWSL serves all the municipalities of the country as well as some 45 villages. As at March 2022, BWSL serves over 64,500 connections or approximately 290,000 consumers, with a total average water demand of approximately 230 million US gallons per month. Over 60% of the water supplied is produced using conventional water treatment processes with rivers as the extraction sources. Satellite water wells are used for the majority of the other water systems; however, on the islands of Ambergris Caye and Caye Caulker, BWSL distributes water which has been treated by Reverse Osmosis, an engineered process for converting seawater to drinking water.

To achieve its mission BWSL engages in:

- Investing to improve the quality of the water treatment and distribution system;
- Investing in climate resilience;
- Ensuring the Company meets and exceeds its water quality and environmental compliance requirements;
- Working toward a strong partnership with employees (evidenced by recently updated Collective Bargaining Agreement FY 2018/19 as well as contributions to staff wellbeing activities);
- Investing in employee training and development;
- Investing time and effort in corporate social responsibility through partnerships and collaboration with educational institutions, municipal bodies and charitable organizations;
- Investing in information technology as a catalyst for productivity and efficiency;
- Ensuring that staff have appropriate personal protective equipment (PPE) and adequate training to safely serve our customers; and
- Ensuring adherence to rigorous governance standards.

Directors and Senior Officers

BWSL is governed by an eleven-member Board of Directors, headed by Chairman Mr. Cornelio Acosta and Deputy Chairman Mr. Jose Garcia. The Board is responsible for guiding and monitoring the performance of the Company and ensuring compliance with regulatory requirements. There are a total of nine (9) directors as follows:

- Mr. Eljio Briceño, Chairperson of the Procurement Committee
- Mr. Crescencio Sosa, Jr., Chairperson of the Audit Committee
- Dr. Victor Rosado, Chairperson of the Strategy and Investment Committee
- Ms. Carmelita Blanco, Chairperson of the Project Planning Committee
- Mr. Ashton Longworth
- Mr. Ivar Medina
- Mr. Allan Pollard
- Mr. Keith Mira
- Mr. Clifford Martinez

Management of BWS's activities is carried out by a team of ten executive managers. The executive team includes Chief Financial Officer Mrs. Rashida Williams-Castillo, Chief Operations Officer Mr. Sanjay Keshwani, Human Resource and Public Relations Manager Mr Haydon Brown, Customer Service Manager Ms. Vonetta Thompson, Information Technology/Strategy Manager Mrs. Sonia Burns, Technical Services Manager Mr. Raul Briceno, Internal Audit Manager Ms Dawn Smith, Resident Consulting Engineer Mr Ervin Flores, Water and Wastewater Quality Compliance Manager Mr. Hugo Rancharan, Water and Wastewater System Manager for North and West Mr Gerardo Castaneda, and Water and Wastewater System Manager for South and Cayes Mrs. Reina Gonzales. These managers oversee the activities of the company countrywide, ensuring that adequate services are provided, that quality standards are maintained, that approved plans and other Board directives are implemented, and that regular reports are provided to the Board, regulators and other stakeholders.

Disclosure on Security Holdings by Directors and Senior Officers

The table below discloses aggregate security holdings by the Directors and Senior Officers of the Company (see Section 8.0 for further information).

Table 1: Security holdings by Company Directors and Senior Officers

Position	Stock	Securities
Directors	NIL	NIL
Senior Officers	\$8,250	\$135,000

» DETAILS OF THE DISTRIBUTION

The following items describe the particular terms and conditions of the Debentures and should be read in conjunction with the full text of this Prospectus. You are advised to read the entire Prospectus carefully before making an investment decision to participate in the Offering.

Below is an overview of the key terms and details of the Debentures. The full terms and conditions are provided in the Indenture and the Supplemental Indenture for the Debentures that are included in Annexes 3 and 4 to this Prospectus.

Issuer	Belize Water Service Limited (“BWS” or the “Issuer”)
Title of the Debentures	BZ\$ 4.50% Series 2 Debentures due 2033
Principal Amount	Up to \$40,000,000.00
Certificates	40,000
Denomination	\$1,000.00
Interest Rate	4.50% per annum
Debenture Issue Price	100% of the principal amount
Basis of Price	The Debentures are being sold at par value.
Net Proceeds	Net proceeds available from the issue after deducting expenses incurred in issuing. \$39,430 MN.
Use of Proceeds	The net proceeds from the issue of the Debentures shall be used, inter alia, for the following purposes: i. Finance capital projects designed to facilitate system expansion and improve service quality.
Principal Purposes	The funds are to be used principally for capital expenditure see details in Section 1.4.2.
Expenses	These are expenses incurred in issuing. \$570,000.
Debenture Issue Date	1 June 2023
Closing Date	30 June 2023
Stated Maturity	31 August 2033
Currency	BZD

Interest Payment Dates	Interest on the Debentures will be payable semi-annually in arrears on August 31st and February 28th of each year commencing on August 31, 2023
Day Count Basis	360-day year consisting of twelve 30-day months
Advisor	PPF Financial Services Limited
Fiscal Agent	Central Bank of Belize
Paying Agent	Central Bank of Belize
Rights	Subscription does not offer investors any rights including, without limitation, voting, dividends, liquidation or any special rights
Status and Ranking	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.
Security	<p>The Debentures are unsecured and rank pari passu with the Company's other long-term indebtedness. However, the creation of charge against Company assets and the creation of additional indebtedness are limited by:</p> <ul style="list-style-type: none"> i. A negative pledge preventing lien on any of the Issuer's property or assets outlined in the Indenture S.5.3 ii. Covenants linking additional indebtedness to profitability and capital S.5.1
Sinking Fund	Yes, managed by the Fiscal Agent, Central Bank of Belize
Underwriter	None
Repayment	The Issuer will well, duly and punctually pay or cause to be paid to every Debenture Holder, 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 Monies, and in the manner specified herein and in the Debentures.
Negative Covenants	Customary for transactions of this nature.

Information Covenants

The Company shall furnish to the Fiscal Agent, and upon receipt of a Written Request, to any Debenture Holder:

- 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 or operations of the Company during such Fiscal Year, certified correct by the Chief Financial Officer of the Company, together with an Officers' Certificate:
 - a. 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
 - b. 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

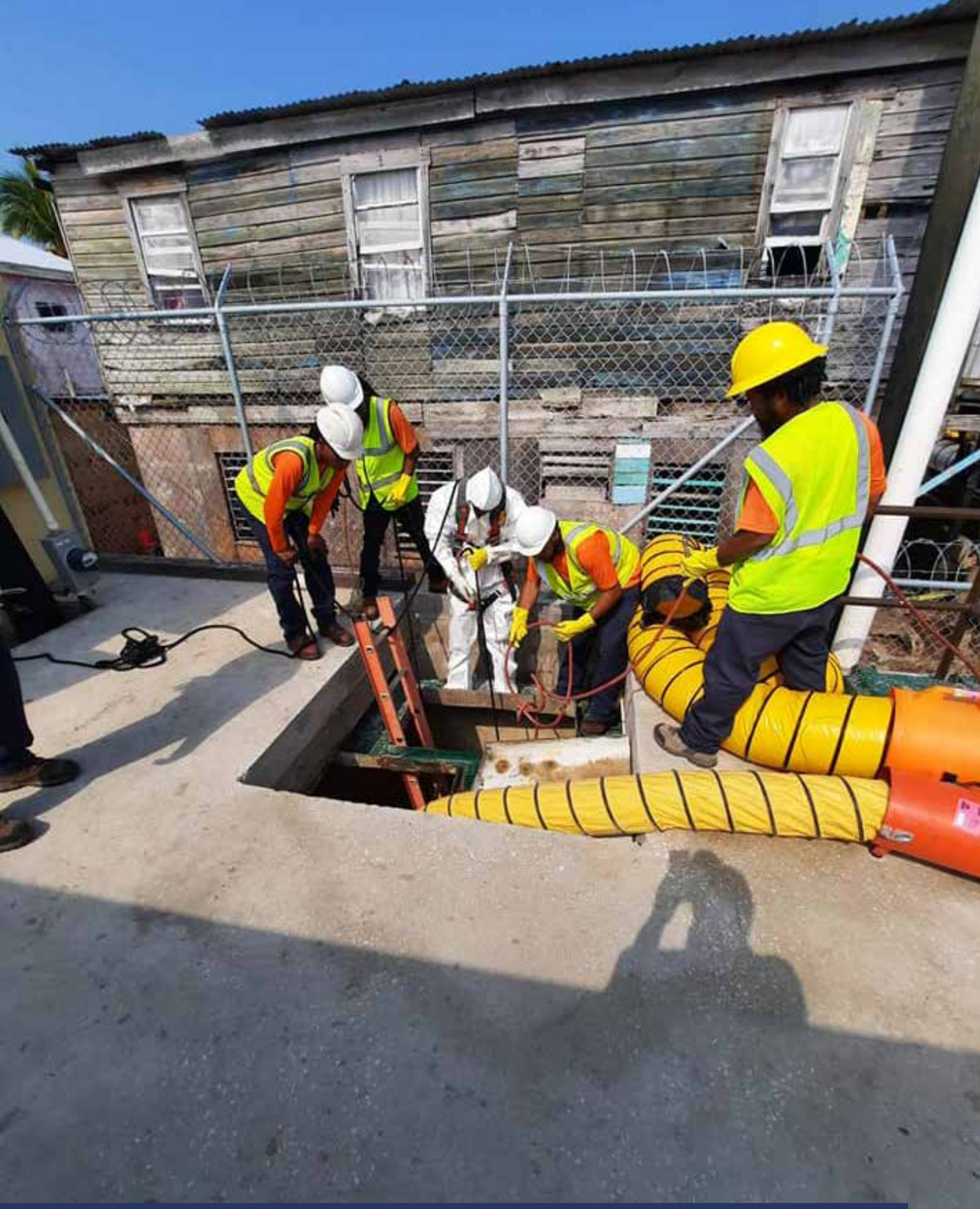
	<p>aggregate unpaid principal amount of each series of Debentures issued hereunder at the end of the first six months of each Fiscal Year of the Company;</p> <p>C. with reasonable promptness, such other information regarding the operations and financial condition of the Company as the Fiscal Agent may, from time to time, reasonably request;</p> <p>D. within 75 days after the end of the first three quarters of each Fiscal Year, an Officer's Certificate stating that no Default or Event of Default (including without limitation the Event 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 thereof; and</p> <p>E. within 120 days after the end of each Fiscal Year, a Chartered Accountant's Certificate which will include:</p> <ol style="list-style-type: none"> a. a statement that the Chartered Accountant has reviewed this Indenture and the obligations of the Company hereunder; b. 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 c. the appropriate calculations with respect to the financial covenants of the Company hereunder.
Undertakings	Customary for transactions of this nature (greater detail provided in Indenture S.5).

**Events of Default
(a complete listing
of default events
is provided in the
Indenture S.8)**

- if the Company fails beyond any period of grace with respect thereto, to make payment of any interest on any of the Debentures when the same shall respectively become due;
- at the time interest payments become due, a grace period of up to 14 days is allowed prior to the occurrence of an event of default;
- if the Company fails beyond any period of grace with respect thereto, 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;
- 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;
- 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 or

- proceedings or if the Company shall make a proposal to its creditors under a bankruptcy or insolvency legislation;
 - 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;
 - 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;
 - if any statement contained in an Officers' Certificate delivered hereunto 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
 - 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 honor 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 honored 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
- 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 canceled.

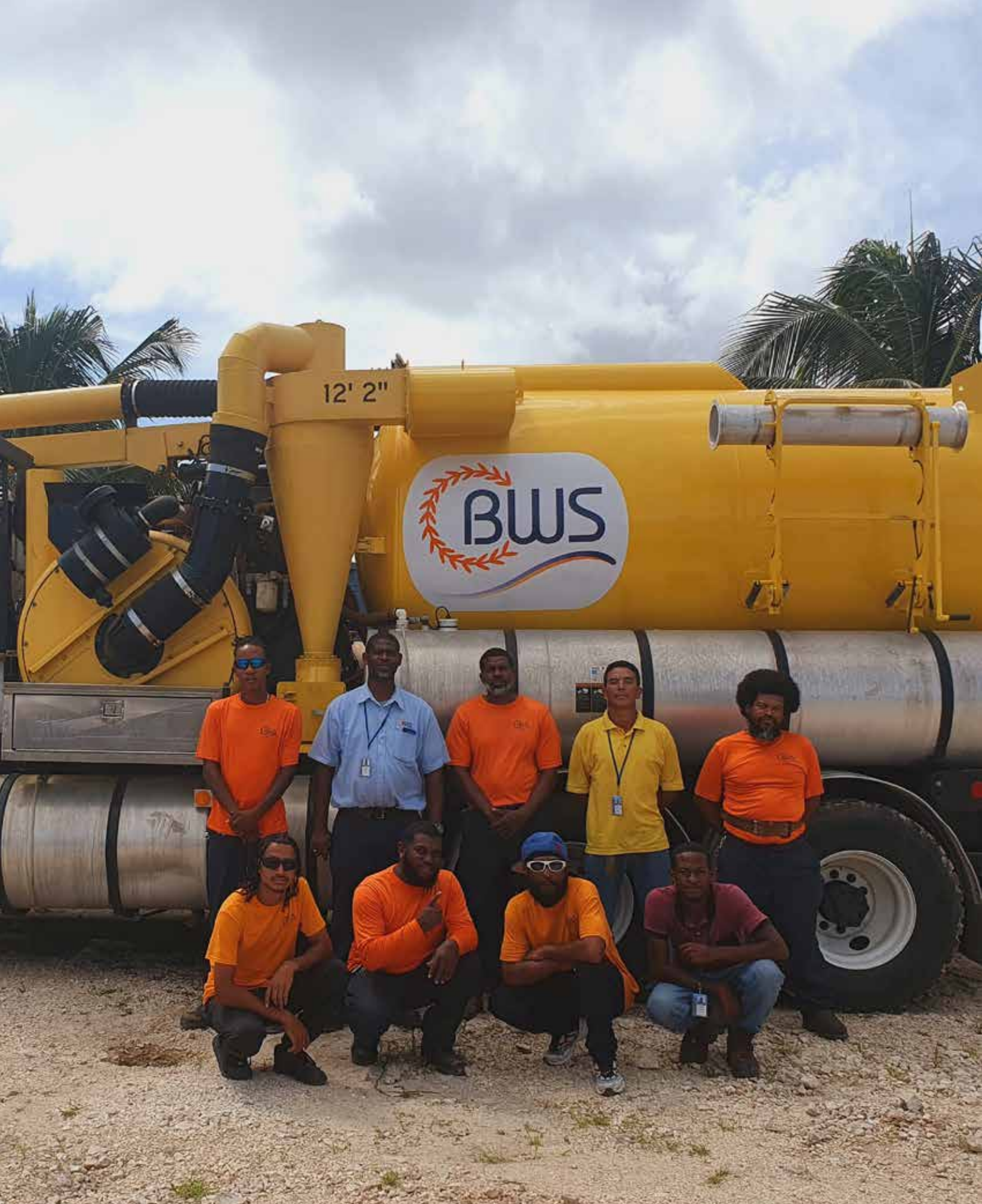
Redemption/Call (by the Company)	The Series 2 Debentures may be redeemed by the Company at its option, at any time after August 31st, 2027, in whole or in part, upon payment of an amount thereof equal to the sum of the principal amount thereof to be redeemed together in either case with accrued and unpaid interest to, but excluding the Redemption Date. For details on possible redemption, see Supplemental Indenture S.4.1 - S.4.12
Put Option (by Debentureholders)	On or at any time after August 31st, 2029, a Debenture Holder 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. 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 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 Debenture Holder and each Debenture Holder hereby appoints the Company as attorney-in-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 the Supplemental Indenture S.4.4.
Governing Law	The Debentures will be governed by and construed in accordance with the Laws of Belize.
Tax Status	The tax status of the Issuer and the Offering are addressed in 6.1 and 6.2 of the Supplemental Indenture.
Transfer Restrictions	The Debentures are freely transferable subject to prior notification of the Fiscal Agent (see Indenture S.2.7)
Debenture Holder's Meeting	Terms and conditions of Debenture Holder meetings are provided S.12.1 of the Indenture.



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» GLOSSARY

Company / Issuer / BWSL	Belize Water Services Limited, a company with limited liability incorporated under the provisions of the Companies Act, Chapter 250, having its registered office at No. 7 Central American Boulevard, Belize City, Belize C.A.
We / us / our	Unless the context otherwise requires, BWSL for the relevant financial year/period as applicable

» COMPANY RELATED TERMS

AoA / Articles / Articles of Association	Articles of Association of the Company, as amended
Audited Financial Statements	Audited Financial Statements of the Company
Board / Board of Directors / BoD	The Board of Directors of the Company and includes any Committee thereof
Corporate Office	No. 7 Central American Boulevard, Belize City, Belize C.A.
Indenture	Indenture dated 25 September, 2020 by and between BWSL, the Government of Belize, and the Central Bank of Belize providing for the issue of \$200,000,000 in Debentures
Supplemental Indenture	Supplemental Indenture dated 28 April, 2023 by and between BWSL, the Government of Belize, and the Central Bank of Belize providing for the additional issue of \$40,000,000 in Debentures
Shareholders	The shareholders of the Company

» ISSUE RELATED TERMS

Central Bank of Belize	A body corporate duly established under Section 4 of the Central Bank of Belize Act (Chapter 262) of the Laws of Belize, 2011
Debenture Certificate Holder / Certificate Holder	Any debenture holder who holds the Debentures issued in this Issue and whose name appears on the beneficial owners list provided by the Depositories
Fiscal Agent	The bank or company acting as the financial agent of a corporation or its duly appointed successor which has been appointed to make disbursements on behalf of the company
Indenture	Indenture dated September 25, 2020 by and between the Government of Belize, Belize Water Services Limited and the Central Bank of Belize providing for the issue of up to \$200,000,000.00 in Debentures
Interest Rate / Coupon Rate	The aggregate rate of interest payable in connection with the Debentures in accordance with this prospectus. For further details, see "Term Sheet" on Page 73.
Interest Payment Date / Coupon Payment Date	The dates on which interest/coupon on the Debentures shall fall due for payment which will be specified in this Prospectus. Please see the section titled "Term Sheet – Interest and Payment of Interest" on Page 73.
Issue / Issue Size	Public issue by our Company of Debentures aggregating up to \$40,000,000 on the terms and in the manner set forth therein
Legal Opinion	Opinion issued by an attorney able to practice law in Belize indicating that BWSL is in compliance with all the terms and conditions of the Indenture and the conditions under which it is able to issue the Series II Debentures.

Paying Agent	Central Bank of Belize
Subscription Amount	The aggregate value of Debentures applied for, as indicated in the Subscription/ Application Form for the Issue
Subscription/ Application Form	Form in terms of which an Applicant shall make an offer to subscribe to Debentures in terms of this Prospectus
Tenor	Tenor shall mean the time from issuance to maturity of the Debentures

» BUSINESS/INDUSTRY RELATED TERMS

ATR	Annual Tariff Review
Capital - Additional Tier I Capital	<p>As per Schedule 3 of the SIA Regulations 2022 - Additional Tier I Capital means the sum of the following:</p> <ol style="list-style-type: none"> a. capital instruments issued directly by the registered company where the instruments: - <ol style="list-style-type: none"> i. are fully paid up; ii. are not owned by the registered company or its affiliates; iii. rank below Tier 2 instruments in the event of the registered company's insolvency; iv. are neither secured nor subject to a guarantee that enhances the seniority of claims made by the registered company or any affiliated entity; v. are not subject to any contractual or other arrangement that enhances the seniority of the claim under the instruments in insolvency or liquidation; vi. the instruments are perpetual and their governing provisions include no incentive for the institution to redeem them; vii. any early redemption options are exercisable only at the sole discretion of the issuer and may only be exercised five or more years after the issuance date, with the prior approval of the Commission; viii. distributions are cancellable without triggering a default event and are not amended on the basis of the credit standing of the registered company or its parent; ix. the provisions governing the instruments require that, upon the occurrence of a trigger event, the principal amount of the instruments be written down on a permanent or temporary basis or the instruments be converted to Common Equity Tier 1 instruments; and b. share premium accounts related to the instruments referred to in point (a).

Capital - Core Tier I Capital	<p>As per Schedule 3 of the SIA Regulations 2022 - Core Tier I Capital means the sum of the following:</p> <ul style="list-style-type: none"> i. issued and fully paid-up capital in the form of ordinary shares; ii. issued and fully paid-up capital in the form of perpetual non-cumulative preference shares; iii. capital paid in excess of par value of qualifying ordinary and perpetual non-cumulative preference shares (share premium); iv. capital raised by the licensee from an issue of its shares to a Government agency or undertaking pursuant to an arrangement for the provision of financial assistance to the licensee for the purpose of its restructuring; v. eligible reserves, as approved by the Commission. <p>LESS the sum of:</p> <ul style="list-style-type: none"> i. losses for the current year ii. accumulated losses for previous years; and iii. any goodwill, start-up expenses and other intangible assets.
Capital - Tier II Capital	<p>As per Schedule 3 of the SIA Regulations 2022 - Tier 2 Capital means:</p> <ul style="list-style-type: none"> i. qualifying paid-up capital in the form of perpetual cumulative preference shares; ii. qualifying paid-up capital in the form of term preference shares with an original term to maturity of five years or more; iii. capital paid in excess of par value of qualifying perpetual cumulative and term preference shares (share premium); iv. remaining balances on subordinated debt; v. subordinated debt issued to the Government of Belize or an agency of the Government of Belize for the purpose of effecting financial assistance; vi. other reserves as approved by the Commission.
FFBP	<p>Full Five-Year Business Plan</p>

FTP	Full Tariff Period
NRW	Non-Revenue Water
PUC	Public Utilities Commission
RAV	Regulated Asset Value
Series 1	Public issue of unsecured pari-passu debentures of face value \$1,000 each aggregating to \$50,000,000 pursuant to the prospectus dated October, 2020
TBR	Tariff Basket Revenue
USG	United States Gallon
WNE	Water Network Expansion

» CONVENTIONAL AND GENERAL TERMS AND ABBREVIATIONS

AGM	Annual General Meeting
AML	Anti-Money Laundering
BWSL	Belize Water Services Limited
BZD	Belizean Dollars
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditures
CCAP	Climate Change Adaptation Plan
COGS	Cost of Goods Sold
DA	Definitive Agreement
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EFT	Electronic Funds Transfer
EPS	Earnings Per Share
FDI	Foreign Direct Investment
Financial Year/ FY	Financial Year ending starting each year April 1 and ending March 31
FSC	Financial Services Commission
FTP	Full Tariff Period
FY	Fiscal Year
GDP	Gross Domestic Product

GOB	Government of Belize
GST	General Sales Tax
IFRS	International Financial Reporting Standards
IFT	Instant Funds Transfer
IT	Information Technology
MoU	Memorandum of Understanding
MUSG	Millions of United States Gallons
O&M	Operations and Maintenance
OPEX	Operational Expenses
ROA	Return on Assets
SGA	Selling and General Administrative Expenses
SI	Statutory Instrument
SIA	Securities Industries Act
SSB	Social Security Board
US	United States
USD	United States Dollars
WASA	Water and Sewerage Authority

» 1.0 BUSINESS OF THE ISSUER

1.1 Business Overview

Belize Water Services Limited (the Issuer) was incorporated by the Government of Belize on 22 January 2001 as the successor Group to the Water and Sewerage Authority (WASA). Belize Water Services Limited was vested with the assets and liabilities of WASA on March 23, 2001. The Company is majority owned by the Government of Belize. The registered office is at 7 Central American Boulevard, Belize City, Belize. The company has issued share capital of forty million (40,000,000) shares with the Government of Belize (GOB), the majority shareholder, owning approximately 83% of the total shares; the Social Security Board holds 10% and the remaining 7% is held by some 1,400 minority shareholders. BWSL is a regulated utility - the regulatory controls include a statutory regulator, the Public Utilities Commission, the Water Industry Act (2001) and related Statutory Instruments, an operating license issued by the PUC and a Codes of Practice which is agreed by the Regulator and BWSL and updated periodically.

Fundamental to meeting the company's vision, both in the short and long term, has been the initiation of a holistic strategic approach towards improving the Company's performance. This broad-based strategy, utilizing a structured approach to balance and align initiatives and metrics, provides the Company with a firm platform which builds on achievements and aims to achieve further objectives in the coming years. As part of this strategic push, a significant investment program has been pursued with total investments in new assets totalling \$17.046 million in the 2021/22 financial year.

Since its inception, BWSL has continuously invested in the improvement of assets, and implementation of improved procedures and controls to increase its efficiency. In implementing all the various investment projects, most of which are expansions of or improvements to water systems, BWSL focuses on the requirements of our stakeholders, including our Customers, Employees and Shareholders. Fundamental to meeting the company's vision, both in the short and long term, has been the initiation of a holistic strategic approach towards improving the Company's performance. This broad-based strategy, utilizing a structured approach to balance and align initiatives, provides the Company with a firm platform, which builds on achievements and aims to continue to achieve further objectives in the coming years.

The Company, with the objectives of expanding the water network and improving service quality, is now seeking to raise \$40 million through this debenture offering to fund capital projects.

1.1.1 The Water and Sewer System

Belize Water Services Limited mainly supplies potable water, operating in licensed service areas, and serving all the municipalities of the country as well as some 45 villages. As of March 2022, BWSL serves over 64,500 connections or approximately 290,000 consumers, with a total average water demand of approximately 230 million US gallons per month. In addition to treating and supplying potable water in communities countrywide, BWSL operates sewerage systems for wastewater treatment in Belmopan, Belize City, and San Pedro established in 1970, 1980 and 1996, respectively. None of these sewerage systems offers one hundred per cent coverage in the municipalities they serve.

BWSL utilizes three main sources for the water it supplies: surface water from rivers, well water and sea water. Over 60% of the water BWSL supplies is sourced from rivers (Belize City, Belmopan and Dangriga). San Pedro and Caye Caulker are provided with sea water which is treated by reverse osmosis. Well water, used in most of the other communities, is relatively pure due to natural filtration and requires very little treatment (disinfection with chlorine) for human consumption. Surface water offers the most serious challenge and its treatment involves the removal of solids, chemicals and microbes.

The wastewater treatment systems operated in the municipalities being served, utilize conventional gravity sewers which serve geographical zones. Treatment plants vary but essentially effluent collected is conveyed to treatment ponds. Treatment is done using standardized and monitored procedures and the treated effluent (clarified water) is released into the sea and for Belmopan, into the Belize river. As at March 31, 2022, the Company serviced 11,647 sewer connections across Belize City, Belmopan and San Pedro.

Table 3: Financial Highlights

Unit	Description of KPI	2017/18	2018/19	2019/20	2020/21	2021/22
	PROFITABILITY					
\$'000	Operating Revenue	46,277	47,880	50,928	44,704	48,724
\$'000	Gross Revenue	46,584	48,074	51,076	44,838	48,792
\$'000	Operations and Maintenance	29,166	29,797	31,898	29,626	30,290
\$'000	EBITDA	17,418	18,277	19,178	15,212	18,502
\$'000	EBIT	11,304	11,729	11,206	6,722	10,128
\$'000	Net Profit (Loss)	8,509	8,983	8,034	3,256	5,736
%	EBITDA/Net Turnover	37.0%	38.0%	38.0%	34.0%	38.0%
\$	Earnings Per Share	0.21	0.23	0.20	0.09	0.14
\$	Dividends Per Share	0.02	0.02	0.02	0.01	0.01
\$'000	Retained Earnings (Deficit)	48,774	56,999	64,272	67,021	72,249
	LIABILITIES & EQUITY					
\$'000	Long Term Liabilities	54,551	98,382	98,195	115,497	113,366
\$'000	Long Term Debt	43,046	52,889	50,354	23,680	21,099
\$'000	Current Liabilities	12,442	11,672	14,851	11,614	13,084
\$'000	Total Equity	167,102	175,327	204,923	207,562	212,791
	LIQUIDITY					
\$'000	Leverage Ratio	25.8%	30.2%	24.6%	11.4%	9.9%
	ASSETS					
\$'000	Current Assets	32,650	28,860	21,950	37,728	34,786
\$'000	Total Net Assets	234,096	252,778	317,969	334,674	339,240
\$'000	Additions to Assets	19,353	23,289	26,258	9,620	14,965
	BALANCE SHEET STRUCTURE					
No.	Current Assets/ Current Liabilities	2.62	2.47	1.48	3.25	2.66
%	Gearing (LT Liabilities/ Equity)	33.0%	38.0%	48.0%	56.0%	53.0%
No.	Total Assets/Total Equity	1.4	1.44	1.55	1.61	1.59
No.	Total Assets/Share Capital	3.9	4.21	5.3	5.58	5.65
%	Return on Assets(EBIT/ Avg. Assets)	5.0%	4.8%	3.7%	2.1%	3.0%

Table 4: Operating Highlights

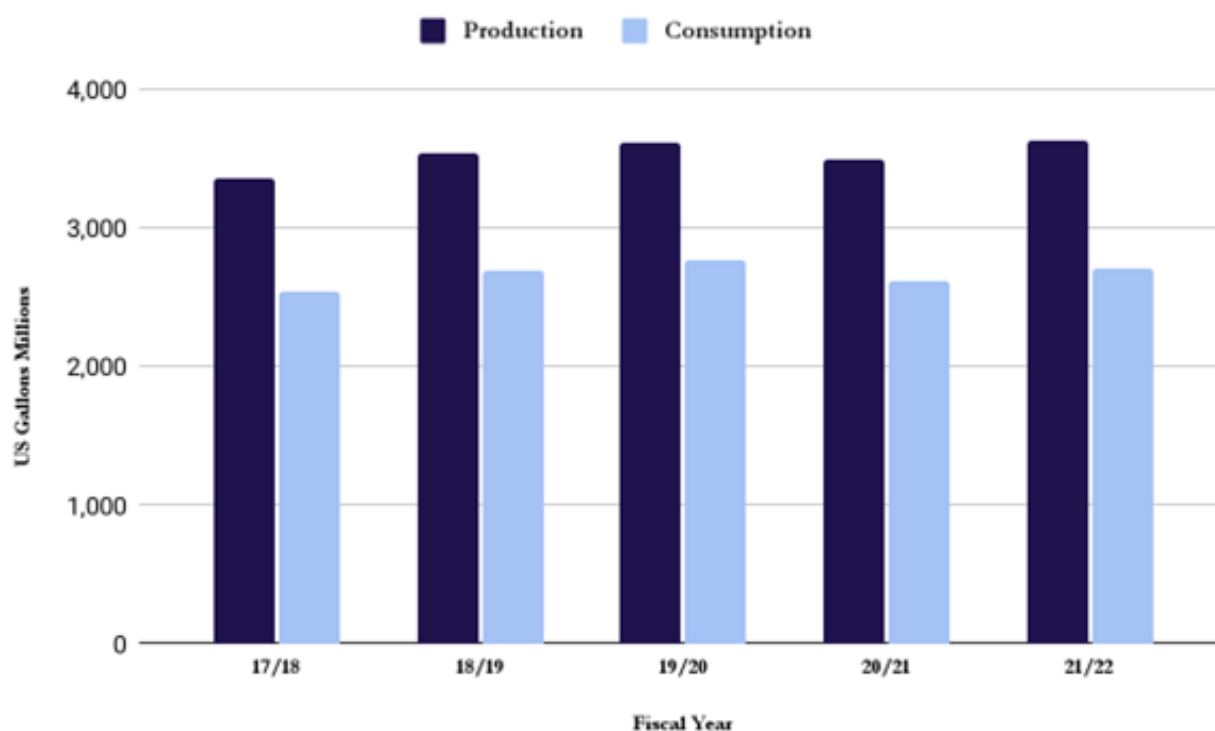
Unit	Description of KPI	2017/18	2018/19	2019/20	2020/21	2021/22
	WATER VOLUMES					
MUSG	Water Production	3,350.90	3,534.50	3,613.70	3,495.70	3,625.90
MUSG	Water Sales	2,543.00	2,695.40	2,770.50	2,606.80	2,705.50
MUSG	Non-Revenue Water Volume	812.4	839.1	843.2	888.9	920.4
%	Non-Revenue Water %	24.1%	23.7%	23.3%	25.4%	25.4%
m3	Non-Revenue Water (m3/Conn/Day)	0.15	0.14	0.14	0.15	0.15
m3	Non-Revenue Water (m3/Km/Day)	5.69	5.78	5.66	5.94	6.09
	CONNECTIONS					
No.	Beginning Connections	57,234	58,822	60,391	62,104	63,415
No.	New Connections Added	4,614	4,769	4,917	4,364	5,099
No.	Requested Disconnections	2,111	2,075	2,134	2,857	2,780
No.	Disconnections - Non-payment	8,807	9,941	11,444	1,486	3,681
No.	Total Disconnections	10,918	12,016	13,578	4,343	6,461
No.	Reconnections	7,892	8,816	10,374	1,290	2,541
No.	Ending Connections	58,822	60,391	62,104	63,415	64,594
No.	Ending Sewer Connections**	10,972	11,382	11,594	11,587	11,647
	BILLING					
No.	Avg. Number of Connections	57,943	60,595	61,248	62,760	64,005
\$'000	Water Sales Revenue	44,979	46,546	49,387	44,350	47,514
Gal	Avg. Usage per Connection Monthly	3,649	3,710	3,767	3,469	3,523
\$	Avg. Sales per Connection Monthly	64.73	65.32	67.44	58.88	61.71
\$	Avg. Tariff per 1000 Gallons	17.74	17.82	17.9	16.96	17.56

OPERATIONAL EFFICIENCY						
No.	Avg. No. of Staff (Permanent)	294	293	298	285	296
No.	Staff Per 1000 Connections	5.1	4.8	4.9	4.5	4.6
\$'000	Total Staff Costs	11,376	12,501	13,586	12,953	13,204
\$	Staff Costs/Emp.	3,869	4,267	4,559	4,545	4,461
\$	Revenue/Emp.	158,449	164,075	171,395	157,326	164,839
COLLECTION EFFICIENCY						
%	Overdue Debtors/Trade Debtors	16.6%	11.0%	15.6%	29.3%	25.6%
%	Bad Debts Write Off/Net Turnover	0.2%	0.2%	0.2%	4.6%	80.0%
%	Collection Efficiency	98.3%	98.8%	98.6%	92.7%	93.4%
WATER INFRASTRUCTURE						
mi	Total Length of Mains	919.7	935.8	956.9	963.7	973.8
km	Total Length of Mains	1,480	1,506	1,540	1,551	1,567
ft	Length of Mains/Connection	82.6	81.8	81.4	80.2	79.6

1.2 Industry Overview

While the pandemic again dampened overall consumption and income for the fiscal year 2021/22, there were increases in sales volume and sales revenue when compared to the previous fiscal year. The last quarter of the fiscal year showed increased growth due to increases in commercial customers' usage volumes. Water production volume for the year totaled 3,625.9 million US gallons (MUSG), a 3.7% increase from the previous year's 3,495.7 MUSG. The 2,705.5 MUSG of potable water was consumed during this year, which was a 3.8% increase from the previous year's 2,606.8 MUSG. The chart below highlights the movement in water production and consumption volumes for the past five (5) years:

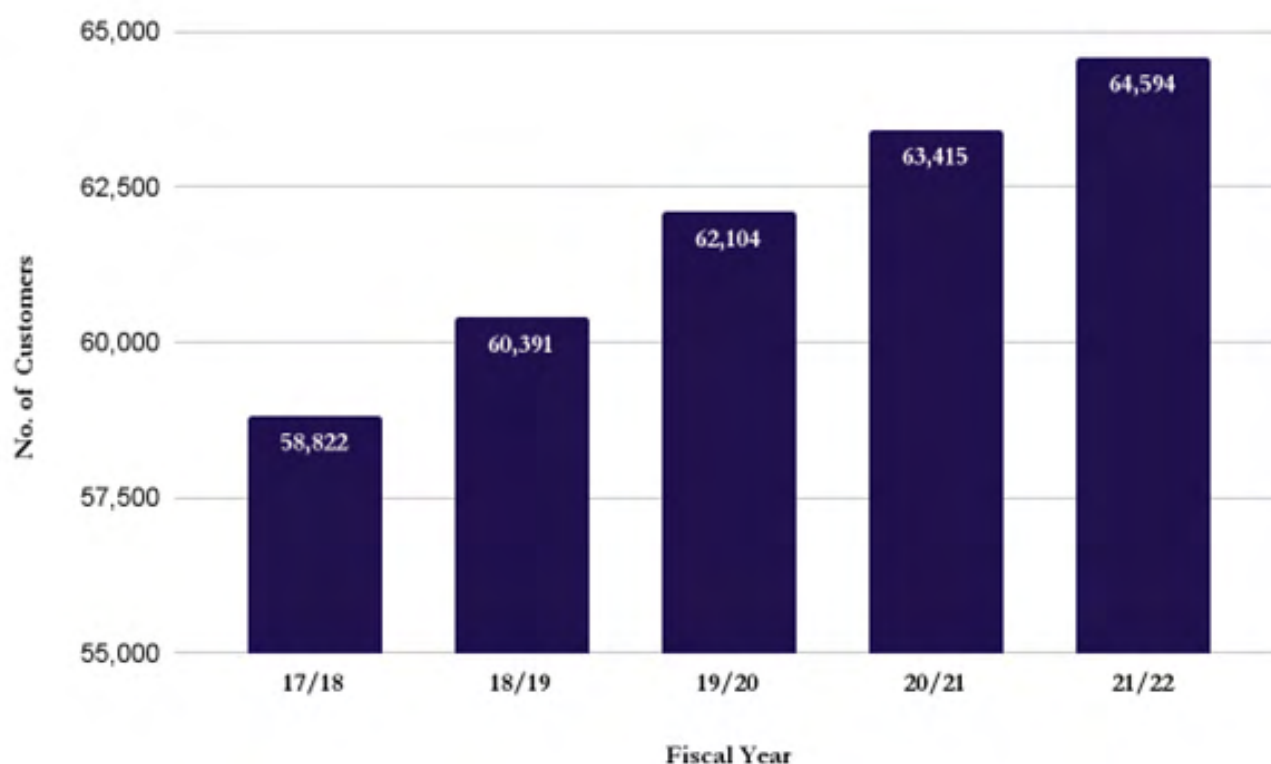
**Figure 1: Production and Consumption Volumes
(FY2018-FY2022)**



The company added 1,179 new customers, increasing the customer count from 63,415 in FY 2020/21 to 64,594 at the end of FY 2021/22, a growth rate of 2%. Water sales volume for FY 2021/22 totaled 2,705.5 MUSG, a 3.8% increase from the previous year's volume of 2,606.7 MUSG. This increase in sales volume is reflective of the economic upturn in the tourism sector, as hotels and resorts are normally the highest consumption customers. It is expected that this sector will return to

pre-pandemic levels during FY 2022/23. In 2021/22, the gross water sales revenue was \$47.515M, a 7.1% increase from the previous year's \$44.350M. The average monthly sales volume per connection recorded a 1% rise from 3,469 the previous year to 3,514 US gallons. The average tariff per 1,000 gallons increased by 3.4% from \$16.96 to \$17.56. The average monthly revenue per connection increased by 4.5% from \$58.88 to \$61.71. The increase in our customer base was primarily due to an increase in residential connections which represents 91% of the connections recorded in the fiscal year.

Figure 2: Customer connections (FY2018-FY2022)



NOTABLE DEVELOPMENTS:

1. On January 3, 2023, BWSL submitted a request to initiate an Annual Tariff Review Proceeding relating to Year 4 of the Full Tariff Period 2020-2025 to the Public Utilities Commission. As of the date of this prospectus, the PUC has not responded to the Company's request.
2. This January 2023 request follows an application for a tariff review on the basis of Exceptional Circumstances to the PUC dated May 3, 2022, for proposed

adjustments to tariffs to effect a 5% increase in revenue yields for the period between August 1, 2022, to March 31, 2025. In its application, BWSL recognized that the economic effect of COVID-19 significantly reduced revenues and led to a sharp increase in the costs of materials and equipment during the first two years of the Full Tariff Period. Specifically, BWSL reported the following: Revenue shortfalls of \$6.8 million in the first two years of the FTP, when compared to the PUC's Full Tariff Review Proceeding 2020 Final Decision Forecast; A sharp decline in cash collections over the past two years from an annual average of 99% to 59%; Double digit price increases in the cost of materials and equipment required for both operations and capital investments. On June 2, 2022, the PUC rendered its initial decision, accepting the condition of Exceptional Circumstances but denying the proposed tariff adjustments, confirming that the Tariffs, Fees and Charges levied by BWSL would remain unchanged for the period April 1, 2022, to March 31, 2025. The PUC confirmed its initial decision on June 30, 2022.

3. In its initial and final decisions related to BWSL's application for proposed tariff adjustments, the PUC maintained that the Water Industry Act requires amendments to require BWSL to make annual rate review submissions in order to align the interests of the Licensee (BWSL) with that of its ratepayers and enhance the Company's ability to attract financing for relevant investments.

1.3 Ongoing Projects

1.3.1 FEASIBILITY STUDY OF BIOGAS GENERATION FROM SEWAGE LAGOONS

The Caribbean Development Bank (CDB) is undertaking a feasibility study to determine the biogas potential of sewage lagoons in Belize with the ultimate goal of power generation and sustainability. The results of this study will act as a template for other similar projects in the Caribbean region. BWSL has been collaborating with the CDB in the selection of a firm to provide the consultancy which is scheduled to commence in the new financial year.

1.3.2 THIRD WATER (SOUTH AMBERGRIS CAYE WATER & SEWERAGE EXPANSION) PROJECT

BWSL received funding from CDB towards special priority projects in San Pedro (South Ambergris Caye). Whilst the primary project component was to acquire Consolidated Water Belize Limited (CWBL), it also included two consultancies geared toward institutional strengthening. Contract signing for the Gender Policy and Operational Strategy for Human Resources Management and Improving Communication and Stakeholder Engagement consultancies was executed in January and March of 2022, respectively. These consultancies are ongoing and are scheduled to be completed by the end of the new financial year. BWSL is also engaging CDB to utilize the undisbursed funds from this loan operation to fund additional works in the project area.

1.4 Future Plans, Strategies And Prospects

1.4.1 DETAILED DESIGN OF WASTEWATER TREATMENT SYSTEM FOR SOUTH CAYE CAULKER

The IDB approved a Non-Reimbursable Technical Cooperation (TC) agreement of US\$0.25 million to GOB to fund consultancy services for a Detailed Design of a Wastewater Treatment System for South Caye Caulker. As the Executing Agency, BWSL has committed up to US\$50,000 towards project management for this consultancy. The procurement process for the selection of a consultant to execute the detailed designs is currently in the final stages. The consultancy is scheduled to officially commence by mid-2023 and is expected to last 12 months.

1.4.2 Capital Projects

The Company expects to invest \$45.185 million between 2023 and 2028. Approximately \$11,890,000 will be spent on Water Network Expansion (WNE) across the country, helping connect previously underserved areas.

Table 5: Summary of Key Capital Projects

Usage Area	CapEx Description	Estimated Amount ('000s)
Placencia	WNE ¹ to Placencia Peninsula North - Seine Bight to Maya Beach	\$2,200
Placencia	New 500K Gal Storage Tank + Backfill + Sight Lightings + Fence, Seine Bight	\$3,700
Placencia	New Transmission Line from Independence to SB	\$6,950
San Ignacio	San Ignacio Phase #2 - Pump room at Main pumping station with full M & E)	\$1,700
San Ignacio	New Water Treatment Plant San Ignacio Phase 3 (Aerator, Filters, Clarifier	\$3,000
San Ignacio	New River Gallery	\$2,400
San Ignacio - Santa Elena	WNE to Bullet Tree	\$4,000
San Ignacio - Santa Elena	Generator For Cahal Pech	\$100
San Ignacio - Santa Elena	New tank for Cahal Pech	\$500
Caye Caulker	New Tank and Plant Building for CC to house new RO Plant	\$1,500
Caye Caulker	Supply and install 200K R O Plant for South CC	\$2,000
Caye Caulker	Caye Caulker Split Crossing	\$1,000
Corozal	WNE to Corozal Freezone	\$5,000
Belmopan	WNE to Harmony Ville	\$690
San Pedro	Improvements to SP WWTP and System - Phase 1	\$900
Belize City	Improvements to BZ WWTP and System - Phase 1	\$900
All	Two Sewer Vacuum Flusher mounted on pickup Trucks	\$500
All	Well Rig Equipment	\$3,000
Total		\$40,040

1 Water Network Expansion

» 2.0 RISK FACTORS

Prior to any decision to invest in the Issuer's securities, potential investors should carefully read and assess the following specific risks and the other information contained in this Prospectus. If these risks materialize, individually or together with other circumstances, they may substantially impair the business of the Issuer and have material adverse effects on the Issuer's business prospects, financial condition or results of operations and the price of the Issuer's securities may decline, causing investors to lose all or part of their invested capital. The order in which the individual risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of the severity or significance of individual risks. An investment in the Issuer is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

2.1 Business factors that may adversely affect the issuer's operations

2.1.1 PRICE RISKS

BWSL generates the majority of its revenue from the sale of potable water to commercial and residential customers. The rate at which BWSL charges customers for water consumed is reviewed and approved by the Public Utilities Commission (PUC). While the PUC seeks to ensure rates cover approved operating expenditure, value added of delivery and an appropriate rate of return, adjustments to the approved tariff may not necessarily accommodate for shocks which could increase costs. While tariffs are generally reviewed and approved for a five-year period, there is scope for the Company to request adjustments during annual reviews.

2.1.2 REGULATION

BWSL is regulated by the PUC under the authority of the Water Industry Act, Chapter 222 and the associated regulations. The PUC, guided by the Act and associated regulations, seeks to address inter alia the water sector, potable water, wastewater, current and future public health as well as agricultural and environmental issues. The PUC is also responsible for the review and approval of tariffs and fees. The PUC's regulatory process includes a five-year review period referred to as a Full Tariff Period (FTP). The first FTP under the current PUC license was for the period

ending March 31, 2010. This initial period is referred to as the “First FTP” period. The Second FTP includes the period between April 1, 2010 and March 31, 2015. The Third FTP includes the period between April 1, 2015, and March 31, 2020, and the Fourth FTP spans from April 1, 2020, through March 31, 2025 (FFBP).

Other laws and regulations affecting the Issuer’s business and services include, inter alia laws, and regulations relating to;

- Protection of the environment;
- Quality, health and safety;
- Employment and workers’ rights; and
- Taxation.

BWSL invests financial and managerial resources to comply with all applicable laws and regulations. The Issuer cannot predict the future costs of complying with these laws and regulations, and any new laws or regulations could materially increase the Issuer’s expenditures in the future. Existing laws or regulations or the adoption of new laws or regulations could adversely affect the Issuer by increasing its operating costs.

2.1.3 OPERATING RISKS

BWSL has purchased and will maintain adequate insurance coverage relevant for its operations. However, in all situations, it may not provide sufficient funds to protect the Issuer from all liabilities that could result from its operations. The amount of the Issuer’s insurance coverage may be less than the related impact on enterprise value after a loss. Policy limits may result in the retention of the risk for any losses in excess of coverage limits. Any such lack of reimbursement may cause the Issuer to incur substantial costs. In addition, the Issuer could decide to retain substantially more risk through self-insurance in the future. Moreover, no assurance can be made that the Issuer has, or will be able to maintain in the future, adequate insurance against certain risks. If a significant accident or other event occurs and is not fully covered by the Issuer’s insurance or any enforceable or recoverable indemnity from a client, it could adversely affect the Issuer’s consolidated statement of financial position, results of operations or cash flows.

2.1.4 ENVIRONMENTAL AND CLIMATE RISKS

BWSL recognizes the importance of environmental and climate risk management/mitigation to its current and future operations. This section will consider general environmental and climate risk and will also look specifically at environmental issues related to water quality.

General environmental and climate risks: BWSL must regularly anticipate and plan for include droughts and floods and other forms of severe weather, as well as the possible impact of storms and hurricanes. These events have been increasing in recent years. The main impacts for floods are damages at water intake areas leading to supply interruptions. Severe droughts lead to water shortages. Hurricanes can cause damage to BWSL's buildings and other physical infrastructure. BWSL ensures that it has insurance in place to cover physical damages. Emergency supplies and well-trained technical staff are on hand to address issues requiring quick remedial action and restoration of supply. BWSL regularly reviews and upgrades its coping strategies in the interest of being better prepared. A recent study was undertaken in this regard and preparation of a Climate Change Adaptation Plan (CCAP) was completed in April 2020. The outcome is expected to lead to adaptation of BWSL's assets and services in Belize City, Benque Viejo del Carmen and the Cayes. Even with these measures in place the Issuer recognizes that such episodes can be potentially costly to the company and can affect returns.

Issues related to water quality: The water which BWSL processes and provides to its customers is sourced from surface water (rivers, lakes and other surface areas draining into them), wells, and for San Pedro and Caye Caulker, from the sea. Well water used by BWSL is relatively pure and needs only minimal treatment. Sea water is desalinated by standardized reverse osmosis treatment. Surface water, however, is potentially subject to contamination from a wide range of sources and will usually contain debris, other solid waste as well as microbial and chemical contaminants. Surface water collected must therefore undergo thorough processing at BWSL's water treatment plants. BWSL maintains proper laboratories, with testing and monitoring done regularly to ensure that water quality standards for drinking water are maintained at all times. Water is subject to pollution. The waterways are open, in some cases originating in neighboring countries, and they are subject to pollution. Rivers pass through farming areas where water may collect fertilizers and other agrochemicals from surface runoff, for example.

Issues related to sewage effluent quality: BWSL also operates sewage treatment plants which release treated effluent (outgoing water) into the rivers and sea. BWSL monitors these operations closely to ensure that the water being released meets the required standards. Laws and regulations protecting the environment have become more stringent in recent years, and may in some cases impose strict liability, rendering offenders liable for environmental damage. Regulations are in place for controlling the discharge of materials into the environment, requiring removal and clean-up of materials that may harm the environment. Enforcement of such legislation is challenging and the related laws only apply within Belize's borders. The Issuer therefore anticipates the possibility of episodes of high levels of contamination. High levels of surface water contamination may increase purification costs for the Issuer and thereby affect profitability.

2.1.5 WARS AND TERRORIST ATTACKS

War, military tension and terrorist attacks have, among other things, caused instability in the world's financial and commercial markets. This has in turn significantly increased political and economic instability in some of the geographic markets which may affect the Issuer. Future instability may cause disruption to financial and commercial markets and contribute to even higher levels of volatility in prices. In addition, acts of terrorism, piracy, sabotage, and threats of armed conflicts could limit or disrupt the Issuer's operations, including disruptions from the evacuation of personnel, cancellation of contracts or the loss of personnel or assets. Armed conflicts, terrorism, piracy, sabotage and their effects on the Issuer or markets in which the Issuer operates may significantly affect the Issuer's business, financial condition, prospects and results of operations in the future.

2.1.6 DEPENDENCE ON EXECUTIVE MANAGEMENT AND OTHER KEY PERSONNEL

The Issuer's continued development and prospects are dependent upon the continued services and performance of its executive management team and other key personnel. The management structure is built with a level of resilience and succession planning is factored in allowing the organization to be able to withstand some adversity, nonetheless, the loss of the services of any key individual still has the potential to adversely impact the Issuer. In addition to the executive management, the Issuer depends on highly skilled professional and operational personnel. An inability to attract and retain such professional and operational personnel, or the unavailability of such skilled crews, could have an adverse impact on the Issuer.

2.1.7 LIQUIDITY RISK

The Issuer is dependent upon having access to long-term funding. There can be no assurance that the Issuer may not experience net cash flow shortfalls exceeding the Issuer's available funding sources nor can there be any assurance that the Issuer will be able to raise new equity, or arrange new borrowing facilities, on favorable terms and in amounts necessary to conduct its ongoing and future operations, should this be required. The Issuer may not be able to secure new sources of liquidity or funding, should projected or actual liquidity fall below levels the Issuer requires. The factors giving rise to the Issuer's liquidity needs could also constrain the ability to replenish the liquidity of the Issuer. The Issuer may not have access to funding from banks and other lenders in the amounts or on the terms it may be seeking. These same factors could also impact the ability of the Issuer's shareholders to provide it with liquidity, and there can be no assurance that the Issuer could obtain additional shareholder funding. Failure to access necessary liquidity could require the Issuer to scale back its operations, postpone or cancel plans to acquire equipment or could have other materially adverse consequences for its business and its ability to meet its obligations.

2.1.8 BORROWING AND LEVERAGE

BWSL may incur additional indebtedness in the future as its operations grow. The level of debt could have important consequences which could include:

- Inability to obtain additional financing for working capital, capital expenditures, or other purposes;
- Increased borrowing costs; and
- BWSL may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders.
- Total indebtedness is capped at seventy-five percent of total capital as per S.5.1(ii) of the indenture.

BWSL's ability to service its debt will depend upon, inter alia, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If BWSL's operating income is not sufficient to service its current or future indebtedness, BWSL will be forced to take action such as reducing or

delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. BWSL may not be able to effect any of these remedies on satisfactory terms, or at all.

2.1.9 COVENANTS COMPLIANCE

The Indenture, as well as any future financing agreements, may impose financial and other restrictions on BWSL. If the Issuer is unable to comply with the restrictions and covenants in the agreements governing its indebtedness or in future debt financing agreements, there could be a default under the terms of those agreements. The Issuer's ability to comply with these restrictions and covenants, including meeting financial ratios and measures, is dependent on its future performance and may be affected by events beyond its control. If a default occurs under these agreements, investors and/ or lenders could terminate their commitments to lend or accelerate the outstanding loans and declare all amounts borrowed due and payable. Borrowings under debt arrangements that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, the Issuer cannot guarantee that the Issuer's assets will be sufficient to repay in full all of its outstanding indebtedness, and the Issuer may be unable to find alternative financing. Even if the Issuer could obtain alternative financing, that financing might not be on terms that are favorable or acceptable.

2.1.10 CURRENCY FLUCTUATIONS

Belize operates a fixed exchange rate (BZ\$2: US\$1) and the Central Bank of Belize uses capital controls to protect the peg. This significantly helps to mitigate the volatility associated with exchange rates. However, if the exchange rate of the BZD should be revalued against the USD or should Belize switch from a fixed to a floating exchange rate, or if BZD is devalued vis-a-vis the USD, BWSL's profitability and operations could be adversely affected by movements in exchange rates.

2.1.11 OPERATING COSTS

Operating Costs at BWSL are strictly managed by use of standardized operating procedures as far as possible. The PUC approves an annual operational expenditure (OPEX) budget and the Company seeks as much as is practicable to keep expenditure aligned with this target. As part of the Issuer's commitment to governance, operations are also monitored by the Internal Audit Department which reports to an Audit Committee, the Chairperson of which is a member of

the Board of Directors. Furthermore, BWSL is audited by external auditors that verify and report on all revenue and expenditure. In spite of these precautionary and controlling measures the Issuer is still vulnerable to price shocks that could adversely affect operating costs and net earnings.

2.1.12 TAX RISKS

Under the Indenture, the Government covenants to maintain business tax levied on the Issuer to 1.75% of gross earnings until the end of the fiscal year ending March 2025. In addition, the principal and interest of the Series 2 debentures are exempt from all tax, duty, withholding and the transfer is exempt from stamp duties (see Supplemental Indenture S.6.1 and S.6.2).

2.1.13 DISPUTES

The operating hazards inherent in BWSL's business expose the Issuer to litigation, including personal injury litigation, environmental litigation, contractual litigation with clients, and tax or securities litigation. BWSL is currently not involved in any litigation that, in the Issuer's view, may have a significant effect on the Issuer's financial position or profitability. Furthermore, workers at BWSL are unionized and BWSL operates in accordance with its Collective Bargaining Agreement with the Belize Water Services Union, which enshrines worker protection. However, the Issuer anticipates the possibility of future involvement in litigation matters from time to time. The Issuer cannot predict with certainty the outcome or effect of any claim or other litigation matters. Any future litigation may have an adverse effect on the Issuer's business, financial position, results of operations and the Issuer's ability to pay dividends, because of potential negative outcomes, the costs associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters.

2.1.14 CYBER SECURITY RISK

Failures or breaches of the electronic systems of the Company, the Company's advisor, suppliers and other service providers have the ability to cause disruptions and negatively impact the Company's business operations, potentially resulting in financial losses to the Company and its shareholders. While the Company has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Company cannot control the cyber security plans and systems of the Company's advisor, suppliers or service providers.



2.2 Risks factors relating to the Debentures

2.2.1 GENERAL RISKS ASSOCIATED WITH INTEREST-BEARING SECURITIES

All investments in interest-bearing securities, such as the Debentures have risks associated with it, such as risks related to the general volatility in the market for such securities, varying liquidity in a single debenture issue as well as company-specific risk factors. There are three main risk factors that sum up the investor's total risk exposure when investing in interest-bearing securities: liquidity risk, interest rate risk and market risk (both in general and issuer-specific) as described in sections 2.2.2, 2.2.3 and 2.2.4 respectively. Certain other risks related to the Debentures are described in section 2.2.5.

2.2.2 LIQUIDITY RISK

There can be no assurance that there will be a liquid market for the Debentures. While in limited amounts the Issuer may attempt to match sellers with prospective buyers, investors may not be able to sell their debentures easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Furthermore, the Issuer does not commit to acting as a Market Maker. Illiquidity may have a severely adverse effect on the market value of the Debentures.

2.2.3 INTEREST RATE RISK

The Debentures carry interest at a fixed rate of 4.50 per cent per annum. The price of debentures with fixed interest rates is exposed to changes in the market rates. If the market rates increase, the price of the debentures can be expected to decrease.

2.2.4 MARKET RISK

The price of a single debenture may fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular debenture issue, and the liquidity of these debentures in the market. The interest rates can, and may, experience substantial fluctuations caused by a number of factors including but not necessarily limited to developments in the local and international economy and are dependent on the Issuer's operations.

2.2.5 ENFORCEMENT OF SECURITY

The debentures are secured by a negative pledge that prohibits BWSL from creating encumbrances or liens on the assets of the Company without the consent of debentureholders. However, there can be no assurance that the security (Company assets) will be sufficient to cover the Issuer's payment obligations under the Debentures in a case of a default. The Indenture also allows the Issuer to, on certain terms, raise additional debt financing that may be secured by the existing security, for example, the Issuer may raise funds via a subsequent issue of Debentures. However, these Series 2 Debentures will rank at least pari passu with any future additional debentures or any other permitted indebtedness of the Company. The risk of inadequacy of security coverage is mitigated by certain limitations on indebtedness contained within the Indenture. The right to take on additional indebtedness (borrowing) is limited by the Indenture section 5.1 which provides inter alia that indebtedness cannot exceed 75% of BWSL's total capitalization (total equity stood at BZ\$212.79MN as at March 31, 2022).

» 3.0 FINANCIAL INFORMATION



3.1 Annual Financial Statements

BWSL has proven to be a committed and efficient organization in being able to provide safe water to the Belizean population while also generating positive inflows of income. At the end of the 2022 financial year, the Company's assets totaled BZ\$339.2MN while total equity amounted to BZ\$212.8MN. The Company has been able to generate revenue to adequately service debts as its leverage ratio averaged 20.3%² for the five-year period April 2018 - March 2022.

² Long-term Debt Ratio

Table 6: Income Statement (\$BZ '000s)

	2018	2019	2020	2021	2022
Operating Revenue	46,277	47,880	50,928	44,704	48,724
Other Income	307	194	148	134	68
Gross Revenue	46,584	48,074	51,076	44,838	48,792
Materials and Other External Costs	(9,726)	(9,592)	(8,034)	(5,387)	(6,002)
Staff Costs	(11,376)	(12,501)	(13,586)	(12,953)	(13,204)
Other Operating Charges	(7,927)	(7,614)	(10,178)	(9,129)	(10,758)
Bad Debt Expense	(176)	(115)	(102)	(2,077)	(391)
Depreciation & Amortization	(6,114)	(6,548)	(7,971)	(8,490)	(8,374)
Loss/Gain on Disposal of Asset	39	25	2	(81)	65
Operating Expenses	(35,280)	(36,345)	(39,870)	(38,116)	(38,664)
EBITDA	11,304	11,729	11,206	6,722	10,128
Finance Costs	(1,982)	(1,897)	(2,280)	(2,688)	(3,539)
Profit Before Tax	9,322	9,832	8,926	4,034	6,589
Business Tax	(813)	(849)	(892)	(778)	(853)
Other Costs	0	0	0	0	0
Profit for the Year	8,509	8,983	8,034	3,256	5,736
Revaluation Gain/Loss	0	0	22,323	(109)	0
Total Comprehensive Income/Loss	8,509	8,983	30,357	3,147	5,736

**Table 7: Income Statement Highlights and Projection FY 2022/23
(‘000s)***

	2018/19	2019/20	2020/21	2021/22	2022/23
Water Production (MUSG)	3,534.5	3,613.7	3,495.7	3,625.9	3,736.9
Sales (MUSG)	2,695.4	2,770.5	2,606.8	2,705.5	2,840.0
Operating Revenue	\$47,880	\$50,928	\$44,704	\$48,724	\$51,226
Total Revenue	\$48,074	\$51,076	\$44,838	\$48,792	\$51,630
Total Revenue (% change)	3.1%	5.9%	-13.9%	8.1%	5.8%
Operating Expense	\$36,345	\$39,870	\$38,116	\$38,664	\$45,037
Operating Expense (% of Revenue)	75.6%	78.1%	85.0%	79.2%	87.2%
EBITDA	\$11,729	\$11,206	\$6,722	\$10,128	\$16,493
Net Income	\$8,983	\$30,357	\$3,147	\$5,736	\$2,517

*FY 2022/23 is based on management projections

Table 8: Balance Sheet (\$BZ '000s)

	2018	2019	2020	2021	2022
Non-Current Assets					
Property Plant & Equipment	201,445.505	249,007.349	289,578.973	290,966.554	297,859.307
Intangible Assets	0.000	7,513.719	6,440.331	5,979.319	4,844.695
Investment (Sinking Fund)	0.000	0.000	0.000	0.000	1,750.000
Total Non-Current Assets	201,445.505	256,521.068	296,019.304	296,945.873	304,454.002
Current Assets					
Materials and Supplies	8,102.706	7,552.186	8,266.659	7,565.286	8,583.174
Trade and Other Receivables	5,525.505	7,625.980	7,856.048	7,690.962	9,782.511
Total Cash	19,022.025	13,681.866	5,827.445	22,471.703	16,420.489
Current Assets	32,650.236	28,860.032	21,950.152	37,727.951	34,786.174
Total Assets	234,095.741	285,381.100	317,969.456	334,673.824	339,240.176
Non-Current Liabilities					
Capital Contributions	0.000	32,603.300	33,541.843	36,464.701	37,059.051
Borrowings	39,362.596	49,473.108	47,251.062	20,858.565	18,277.204
Debentures	0.000	0.000	0.000	40,569.000	40,569.000
Deferred Income	15,188.675	16,305.825	17,402.061	17,604.685	17,460.452
Total Non-current Liabilities	54,551.271	98,382.233	98,194.966	115,496.951	113,365.707
Current Liabilities					
Current Portion - Borrowings	3,683.472	3,416.268	3,102.800	2,821.803	2,821.803
Trade and Other Payables	8,758.860	8,255.637	11,748.564	8,792.578	10,262.082
Total Current Liabilities	12,442.332	11,671.905	14,851.364	11,614.381	13,083.885
Total Liabilities	66,993.603	110,054.138	113,046.330	127,111.332	126,449.592
Equity					
Share Capital	60,000.001	60,000.001	60,000.001	60,000.001	60,000.001
Contributed Capital Reserve - GOB	11,714.282	11,714.282	11,714.282	11,714.282	11,714.282
Capital Reserve on Vesting	15,276.362	15,276.362	15,276.362	15,276.362	15,276.362
Revaluation Reserve	31,337.802	31,337.801	53,660.651	53,551.306	53,551.307
Retained Earnings	48,773.691	56,998.516	64,271.830	67,020.541	72,248.633
Total Equity	167,102.138	175,326.962	204,923.126	207,562.492	212,790.585
Total Liabilities & Equity	234,095.741	285,381.100	317,969.456	334,673.824	339,240.177

Table 9: Cash Flow Statement ('000s)

	2018	2019	2020	2021	2022
Cash Flows from Operating Activities					
Profit for the Year	8,509.39	8,982.89	8,034.30	3,256.31	5,736.14
Adjustments for Non-Cash Items:					
Depreciation	6,114.15	6,547.86	7,971.38	8,489.75	8,374.32
Loss/(gain) on Asset Disposal of PP&E	(39.09)	(25.18)	(1.78)	80.56	(64.90)
Impairment Allowance	15.00	16.00	129.84	1,950.00	165.00
Valuation Reserve Disposal	0.00	0.00	0.00	(109.35)	0.00
Intangible Asset	0.00	0.00	0.00	(612.37)	0.00
Interest Paid	(1,650.58)	(1,673.44)	(1,914.04)		
Finance Cost	1,981.63	1,896.89	2,279.73		
Government Grants	(2,416.12)	(2,357.12)	(1,919.44)		
Cash Flows before Working Capital Changes	12,514.38	13,387.90	14,579.99	13,054.91	14,210.56
Changes in Working Capital Components:					
Trade and Other Receivables	(730.97)	(891.32)	(332.03)	(1,784.92)	(2,256.55)
Prepayments	0.00	0.00	0.00	0.00	0.00
Material and Supplies	480.62	1,547.78	(742.35)	701.37	(1,017.89)
Trade and Other Payables	685.27	1,873.78	3,400.26	(2,955.99)	1,469.50
Cash Flow Provided by Operating Activities	12,949.31	15,918.13	16,905.87	9,015.38	12,405.63
Cash Flow from Investing Activities					
Purchase of Property, Plant and Equipment	(19,352.98)	(23,289.17)	(25,435.00)	(9,620.12)	(14,964.93)
Acquisition of Subsidiary	0.00	(14,501.49)	0.00	3,547.86	0.00
Contributions to Fixed Assets	974.83	4,071.66	1,532.76	0.00	1,262.24
Proceeds from Sale of PP&E	62.35	165.64	519.00	110.61	229.49
Investments	0.00	0.00	0.00	0.00	(1,750.00)
Net Cash Used in Investing Activities	(18,315.80)	(33,553.35)	(23,383.24)	(5,961.65)	(15,223.20)
Cash Flow Available for Financing Activities	(5,366.49)	(17,635.23)	(6,477.37)	3,053.73	(2,817.57)

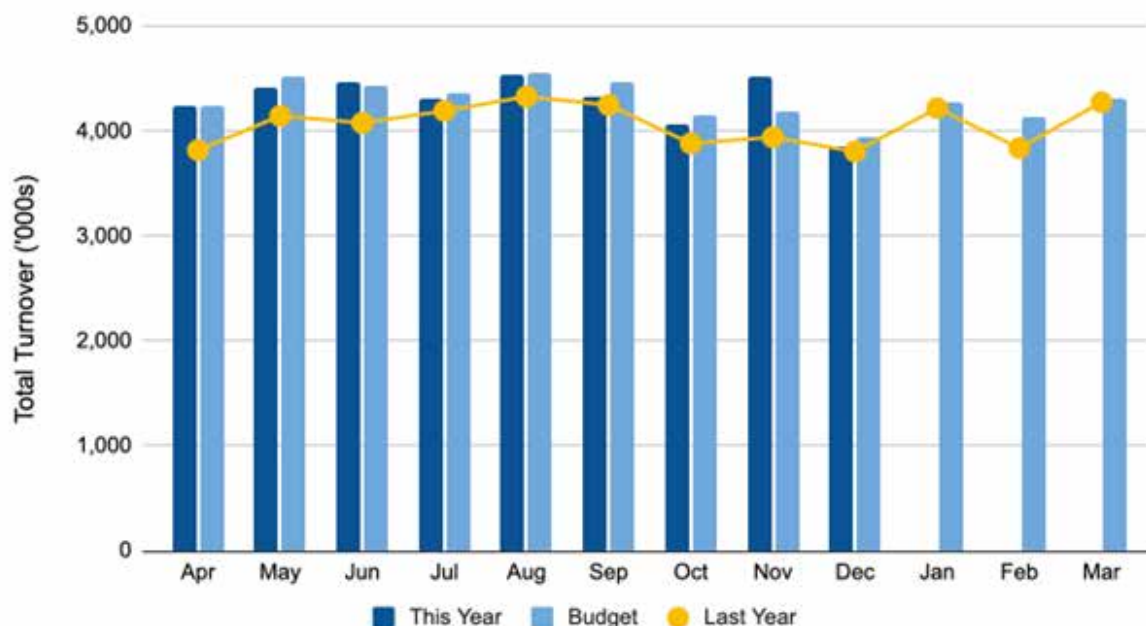
Cash Flows from Financing Activities					
Dividends Paid	(708.63)	(758.06)	(760.98)	(507.60)	(508.05)
Proceeds from Borrowings	4,707.03	13,573.71	1,042.81		0
Repayment of Borrowings	(1,196.38)	(1,637.73)	(3,578.33)	(26,673.49)	(2,581.36)
Increase/Decrease in Deferred Income	1,836.56	1,117.15	1,919.44	202.62	(144.23)
Issuance of Debentures	0.00	0.00	0.00	40,569.00	0.00
Net Cash (Used in)/Provided by Financing Activities	4,638.58	12,295.07	(1,377.05)	13,590.53	(3,233.64)
Net Change in Cash and Equivalents	(727.91)	(5,340.16)	(7,854.42)	16,644.26	(6,051.21)
Cash and Equivalents at the Beginning of the Year	19,749.94	19,022.03	13,681.87	5,827.45	22,471.70
Cash and Equivalents at the End of the Year	19,022.03	13,681.87	5,827.45	22,471.70	16,420.49

3.2 Discussion of Financial Results (MD&A)

Sales and Income - Collection challenges continue with arrears over 60 and 90 days old. The credit control unit is actively progressing disconnections and seeking out customers for payment agreements to assist with reducing long outstanding arrears derived from the economic downturn caused by COVID. Total revenue year to date increased by 6% or \$2.266M from \$36.436 million to \$38.702 million. This was driven by a 2.7% boost in total water consumption. However, total expenses increased by 9.6% or \$3.131 million. Contributing to this increase were increased global inflationary costs for chemicals, materials, freight & delivery cost plus interest charges. Total expenses year to date were \$35.688 million compared to last year's same period of \$32.556 million.

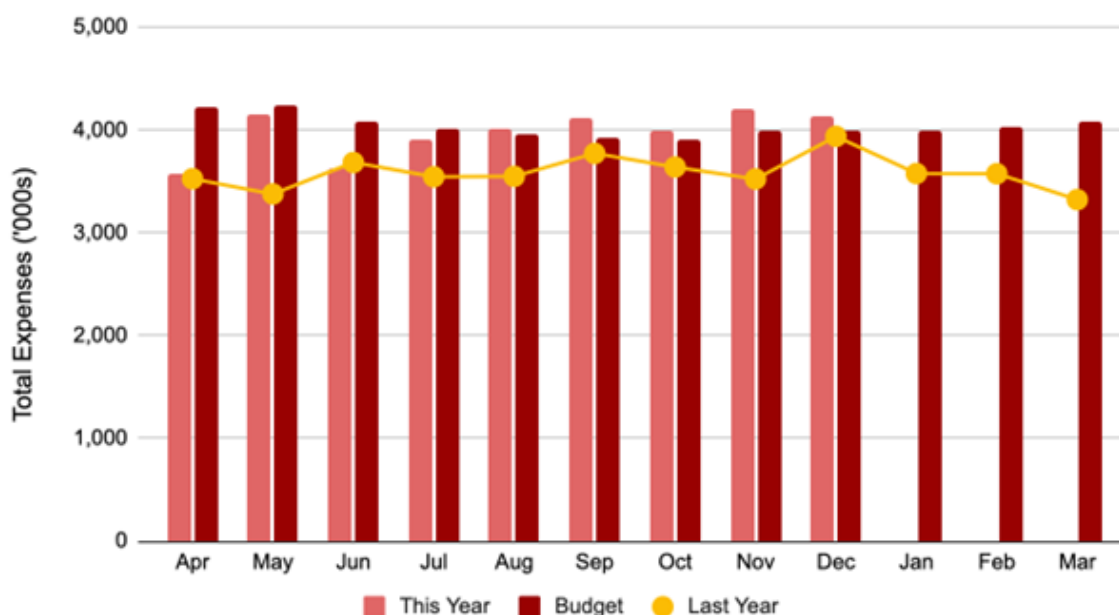
The Graph below shows this year's monthly comparison of Total Revenues Vs Budget and Last Year Same Period.

Figure 3: BWS Total Turnover by Month ('000s)



The Graph below shows this year's monthly comparison of Total Expenses relative to the Budget and Last Year Same Period.

Figure 4: Total Expenses by Month ('000s)



The company's Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) fell by 4.9% to \$12.878 million compared to \$13.550 million from the same period previous year. This was as a direct result of the huge increases in inflationary cost of materials. Debtors Subsidiary Balances and Bad Debt Provision - Over the past nine months, the Company has reduced arrears by 9.6% and remains committed to reducing arrears and strengthening its collections strategies.

Table 10: Receivables Aging ('000s)

DEBTORS A/R AGING	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Less than 30 days	\$2,548	\$2,717	\$2,766	\$2,653	\$2,535	\$2,615	\$2,337	\$2,693	\$2,302
31 - 60 days	\$848	\$847	\$1,054	\$1,098	\$784	\$772	\$696	\$698	\$819
61 -90 days	\$427	\$399	\$384	\$390	\$373	\$330	\$302	\$317	\$380
Less than 90	\$3,823	\$3,963	\$4,204	\$4,141	\$3,692	\$3,717	\$3,335	\$3,708	\$3,501
90 days & over	\$2,034	\$1,902	\$1,780	\$1,787	\$1,735	\$1,758	\$1,741	\$1,788	\$1,794
Total Accounts Receivable	\$5,857	\$5,865	\$5,984	\$5,928	\$5,427	\$5,475	\$5,076	\$5,496	\$5,295
Bad Debt Provision	\$2,215	\$2,071	\$1,948	\$1,960	\$1,897	\$1,879	\$1,839	\$1,894	\$1,957
YTD Water Related Sales	\$4,233	\$8,645	\$13,110	\$17,410	\$26,942	\$26,265	\$30,325	\$34,848	\$38,702
Provision as a % of A/R	37.8%	35.3%	32.6%	33.1%	35.0%	34.3%	36.2%	34.5%	37.0%
Provision as a % of YTD Sales	52.3%	24.0%	14.9%	14.9%	8.7%	7.2%	6.1%	5.4%	5.1%

Dividends - The cash payment of dividends that were accrued at March 31, 2022 for \$508,049.40 were made only to the minority shareholders who receive the equivalent of \$0.075 (seven and a half cents) per share compared to previous year's \$0.1125 (eleven and a quarter cents). Payment was made in August 2022.

Major Costs and Expenses - The table below provides a breakdown of costs for the period April to December 2022 as compared to the previous financial year. Staff Costs, Interest, Depreciation and Electricity remain the major costs for the company. The main direct costs continued to be Staff Costs, Water Production Expenses including Chemicals Costs and Electricity Expenses. The major indirect costs are Depreciation & Amortization, Loan Interest Expense, and Taxes.

Table 11: Major Costs and Expenses

Cost Summary	Apr - Dec 2021		Apr - Dec 2022	
	Total (BZ\$'000)	Percent of Total	Total (BZ\$'000)	Percent of Total
*Water Production Cost	\$2,607	6.3%	\$2,871	6.7%
*Electricity	\$2,779	6.7%	\$3,130	7.3%
*Staff costs	\$12,953	31.2%	\$13,204	30.7%
Other Direct & Operating Costs	\$11,096	26.7%	\$10,910	25.3%
Total Direct & Operating Costs	\$29,435	70.8%	\$30,115	69.9%
*Depreciation & Amortization	\$8,490	20.4%	\$8,374	19.4%
*Interest Expense	\$2,656	6.4%	\$3,471	8.1%
Taxes & Fees	\$1,001	2.4%	\$1,096	2.5%
Total Other Expenses	\$12,147	29.2%	\$12,941	30.1%
Total Costs and Expenses	\$41,582	100.0%	\$43,056	100.0%
*Total Major Costs	\$29,485	70.9%	\$31,050	72.1%

Loans, Grants and Debt Servicing - The majority shareholder, the GOB, continues to assist by covering debt repayments to the Caribbean Development Bank for loans #5 and #10 which totalled \$0.504M in principal and interest payments for April to December of this year. At the beginning of the 2022/23 financial year, BWSL had outstanding debt of \$61.668 million. There were no loan drawdowns, however, principal repayments totalled \$2.150million as of December 31, 2022. Total outstanding debt on 31 December 2022, stood at \$59.518 million. The table below summarizes the loan balances and debt servicing cash requirements over the last two financial years..

Table 12: Loan Movement and Debt Servicing ('000s)

Loan Movement and Debt Servicing		
<i>Net Loan Movement</i>	2022/23	2021/22
Beginning Balance	\$64,249	\$64,249
Draw downs/increases	-	-
Principal Repaid	\$2,150	\$2,581
Principal Balance	\$62,099	\$61,668
<i>Debt Servicing</i>		
Principal Repaid	\$2,150	\$2,581
Interest Charges	\$3,014	\$3,194
Total Debt Service	\$5,164	\$5,775

Asset Expansion and Improvement - Year to date investments in new assets and capital projects in progress totaling \$14.720 million were undertaken. Major capital works in progress include San Ignacio Intake Gallery at the Water Treatment Plant, Independence New Transmission Line, New Customer Information and Billing System, New 500 US Gallon Water Tank at Double Run Water Treatment Plant. It is forecasted that by year-end, BWSL would have invested approximately \$3.0 million in water network expansions and service connections countrywide. The overall investment in assets inclusive of new assets, capital works in progress and maintenance year to date \$18.701 million.

Government Contributions - As of December 2022, GOB has contributed both directly and indirectly \$4.021M, made up as shown in the table below.

Table 13: Government Contributions ('000s)

Government Contributions	2021/22	*2022/23
Debt Repayments	\$610	\$597
Expansion Projects	-	-
GST Savings - Zero Rated Status	\$2,249	\$3,424
Total Contributions	\$2,859	\$4,021

3.3 Consolidated Capitalization

The table below provides the Consolidated Capitalization of the Company as of March 31, 2022.

Table 14: Consolidated Capitalization ('000s)

	2022	2023 - PF
Long-term Borrowings	\$21,099.01	\$21,099.01
Debentures	\$40,569.00	\$80,569.00
Consolidated Total Debt	\$61,668.01	\$101,668.01
Total Shareholders' Equity	212,790.585	212,790.585
Mandatorily Redeemable Preferred Shares	0	0
Consolidated Adjusted Net Worth	212,790.585	212,790.585
Consolidated Capitalization	274,458.592	314,458.592

Report on examination of forecasts included in prospectus issued by Belize Water Services Limited

In accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information, we have examined the forecasts included in the accompanying prospectus issued by Belize Water Services Limited on 3 April 2023 to raise Bz\$40 million. The forecasts consist of balance sheets as of 31 March 2024 through 31 March 2028 and of statements of income and of cash flows for the years then ended.

Management is responsible for these forecasts including the accompanying assumptions on which they are based.

Based on our examination of the evidence supporting the accompanying assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the forecasts of financial position as of 31 March 2024 through 31 March 2028 and of income and of cash flows for the years then ended. Further, in our opinion the forecasts are properly prepared based on the assumptions and are presented in accordance with International Financial Reporting Standards relevant to the preparation of prospective financial information.

Actual results are likely to be different from the forecasts since anticipated events frequently do not occur as expected and the variations may be material.


Crowe Belize LLP

3 April 2023

3.4 Financial Forecast

The Company expects to continue performing strongly in the next five years, with revenues projected to grow by an average of 5.1% between FY 2023/24 and FY 2027/28. Management continues to prioritize efforts to control receivables through increased contact with customers and increased collection efforts and repayment plans. Management estimates that the Company will continue to generate profits and will be able to service the additional indebtedness associated with the Offering.

Table 15: Projected Income Statement Highlights ('000s)*

	2023/24	2024/25	2025/26	2026/27	2027/28
Water Production (MUSG)	3,800.5	3,917.5	4,035.1	4,153.1	4,271.7
Sales (MUSG)	2,888.3	2,977.3	3,066.6	3,156.4	3,246.5
Operating Revenue	\$53,729	\$55,538	\$57,357	\$63,517	\$65,493
Total Revenue	\$54,132	\$55,931	\$57,765	\$63,940	\$65,933
Total Revenue (% change)	4.8%	3.3%	3.3%	10.7%	3.1%
Operating Expense	\$33,736	\$36,026	\$37,343	\$38,253	\$38,371
Operating Expense (% of Revenue)	62.3%	64.4%	64.6%	59.8%	58.2%
EBITDA	\$20,272	\$19,815	\$20,331	\$25,382	\$27,464
Net Income	\$4,012	\$2,926	\$3,094	\$8,752	\$10,418

*Table based on management projections

Table 16: Income Statement Assumptions³

	23/24	24/25	25/26	26/27	27/28
Revenue					
Operating Revenue (% change)	4.9	3.4	3.3	10.7	3.1
Other Income (% change)	-0.2	-2.5	3.8	3.8	3.8
Non-Revenue Water %	24.0	24.0	24.0	24.0	24.0
Costs					
Material Costs (% of OpRev)	10.6	12.1	13.0	12.3	12.3
Staff Costs (% of OpRev)	28.5	29.5	28.9	26.5	25.4
Other Costs (% of OpRev)	24.4	23.7	23.4	21.6	15.0
Tax					
Business Tax (% of Gross Revenue)	1.75	1.75	1.75	1.75	1.75

³ Note: Financial Forecast assumes a successful tariff increase of 7.5% in FY 2026-2027, approved by the PUC.

Table 17: Projected Income Statement Summary ('000s)^{4*}

IS	23/24	24/25	25/26	26/27	27/28
Gross Revenue	\$54,132	\$55,931	\$57,765	\$63,940	\$65,933
Materials and Other External Costs	-\$5,715	-\$6,715	-\$7,467	-\$7,833	-\$8,053
Staff Costs	-\$15,338	-\$16,373	-\$16,587	-\$16,818	-\$16,662
Other Operating Charges	-\$12,807	-\$13,027	-\$13,380	-\$13,907	-\$13,753
EBITDA	\$20,272	\$19,815	\$20,331	\$25,382	\$27,464
Depreciation & Amortization	-\$10,493	-\$10,983	-\$11,389	-\$10,766	-\$11,235
Profit before Interest and Tax	\$9,780	\$8,833	\$8,942	\$14,616	\$16,229
Finance Costs	-\$4,827	-\$4,935	-\$4,844	-\$4,752	-\$4,665
Profit before Tax	\$4,953	\$3,898	\$4,098	\$9,863	\$11,564
Business Tax	-\$940	-\$972	-\$1,004	-\$1,112	-\$1,146
Profit for the Year	\$4,012	\$2,926	\$3,094	\$8,752	\$10,418
Other Income not allocated to Profits	\$64	\$113	\$172	\$242	\$327
Total Comprehensive Income	\$4,076	\$3,039	\$3,266	\$8,993	\$10,745

*Table based on management projections

4 Note: A more detailed Income Statement projection is provided in Annex 1

Table 18: Balance Sheet Projection (“000s) ^{5*}

	2023/24	2024/25	2025/26	2026/27	2027/28
Assets					
Non-Current Assets	\$317,436	\$322,201	\$323,758	\$327,407	\$331,221
Sinking Funds	\$9,108	\$14,514	\$20,919	\$28,325	\$37,938
Materials and Supplies	\$8,780	\$9,377	\$9,720	\$9,956	\$9,987
Trade and Other Receivables	\$9,683	\$10,124	\$10,470	\$11,284	\$11,528
Total Cash	\$36,383	\$26,959	\$20,013	\$15,300	\$10,469
Total Assets	\$381,391	\$383,175	\$384,879	\$392,272	\$401,143
Liabilities and Equity					
Capital Contributions	\$38,343	\$39,061	\$39,825	\$40,743	\$41,711
Long Term Borrowings	\$13,006	\$10,456	\$7,905	\$5,354	\$3,312
Debentures	\$80,569	\$80,569	\$80,569	\$80,569	\$80,569
Deferred Income	\$17,460	\$17,460	\$17,460	\$17,460	\$17,460
Total Non-Current Liabilities	\$149,379	\$147,546	\$145,760	\$144,127	\$143,052
Current Portion - Borrowings	\$2,551	\$2,551	\$2,551	\$2,551	\$2,042
Trade Payables	\$10,167	\$10,857	\$11,254	\$11,528	\$11,564
Total Current Liabilities	\$12,718	\$13,408	\$13,805	\$14,079	\$13,606
Total Shareholder Equity	\$219,294	\$222,220	\$225,315	\$234,067	\$244,484
Total Liabilities and Equity	\$381,391	\$383,175	\$384,879	\$392,272	\$401,143

* Table based on management projections

Balance Sheet Assumptions:

The asset useful life estimates used in the forecast are as follows:

1. Freehold and leasehold property: 25 years
2. Plant and equipment: 15 years
3. Infrastructure: 50 years

⁵ Note: A more detailed Balance Sheet projection is provided in Annex 1.

Table 19: Cash Flow Projection ('000s)^{6*}

	2023/24	2024/25	2025/26	2026/27	2027/28
Cash Flows from Operating Activities	\$18,012	\$18,529	\$19,128	\$23,655	\$26,325
Cash Flows used in Investing Activities	-\$20,610	-\$20,547	-\$18,760	-\$21,144	-\$24,021
Net Cash (used in) / from Financing Activities	\$33,233	-\$7,405	-\$7,315	-\$7,223	-\$7,135
Cash and Cash Equivalents at the Beginning of the Year	\$5,747	\$36,383	\$26,959	\$20,013	\$15,300
Cash and Cash Equivalents at the End of the Year	\$36,383	\$26,959	\$20,013	\$15,300	\$10,469

* Table based on management projections with the assumption that there will be no dividend payouts during forecast period

6 Note: A more detailed Cash Flow Statement is provided in Annex 1.

Table 20: Debt Service Projection ('000s)

	2023/24	2024/25	2025/26	2026/27	2027/28
EBITDA	\$20,272	\$19,815	\$20,331	\$25,382	\$27,464
A. Coupon Payments	\$3,436	\$4,336	\$4,336	\$4,336	\$4,336
B. Sinking Fund Payments	\$4,405	\$5,405	\$6,405	\$7,405	\$9,614
C. Loan Interest Payments	\$612	\$519	\$428	\$337	\$249
D. Loan Principal Payments	\$2,551	\$2,551	\$2,551	\$2,551	\$2,042
Total Debt Service (A+B+C+D)	\$11,003	\$12,811	\$13,720	\$14,629	\$16,240
Debt Service Coverage Ratio (EBITDA/Total Debt Service)	1.8x	1.5x	1.5x	1.7x	1.7x

Debt Service Projections:

The key assumptions underlying debt service are outlined (below):

1. The company will maintain a minimum Debt Service Coverage Ratio (DSCR) of 1.5x within the forecast period (2022/23-2026/27)
2. Capital Projects to be funded from debenture proceeds and revenue from operations
3. Interest earned on the sinking fund is estimated at 1.0% per annum
4. The Series 2 Sinking Fund will be capitalized as follows:
 - a. Year 1 - Four (4) quarterly payments of \$0.25 million (total of \$1 million),
 - b. Year 2 - Four (4) quarterly payments of \$0.50 million (total of \$2 million)
 - c. Year 3 - Four (4) quarterly payments of \$0.75 million (total of \$3 million)
 - d. Year 4 onwards - Quarterly payments of \$1,358,655.98 (total of \$5,434,623.93 annually)

The preceding forecast is only a forecast based on Management's best estimates of likely Company performance. Actual results may differ materially from the forecast and the assumptions upon which the forecast is based.

» 4.0 DESCRIPTION OF SECURITIES BEING OFFERED

Principal Amount	Up to BZ\$40,000,000.00
Denomination	\$1,000.00
Interest Rate	4.50% per annum
Stated Maturity	31 August 2033
Interest Payment Dates	Interest on the Debentures will be payable semi-annually in arrears on August 31st and February 28th of each year commencing on August 31, 2023
Status and Ranking	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.
Security	<p>The Debentures are unsecured and rank pari passu with the Company's other long-term indebtedness. However, additional indebtedness is limited by:</p> <p>i. A negative pledge preventing lien on any of the Issuer's property or assets outlined in the Indenture S.5.3</p>

Sinking Fund	<p>Yes, managed by the Fiscal Agent, Central Bank of Belize, to be capitalized as follows:</p> <ul style="list-style-type: none"> • Four (4) quarterly transfers of \$250,000 commencing in April 2024 (Total: \$1 million) • Four (4) quarterly transfers of \$500,000 commencing in April 2025 (Total: \$2 million) • Four (4) quarterly transfers of \$750,000 commencing in April 2026 (Total: \$3 million) • Thereafter, quarterly transfers of \$1,302,041.19 commencing in April 2027 (Total: \$32,551,029.80) <p>Sinking Fund balances will earn interest at the rate of 1% per annum for a total interest income of \$1,448,970.20 and total accumulation of \$40,000,000 by maturity date of August 31, 2033.</p> <p>Summary Total Sinking Fund Transfers: \$38,551,029.80 Total Interest Earned: \$1,448,970.20 Sinking Fund Balance at Maturity: \$40,000,000</p>
Repayment	<p>The Issuer will well, duly and punctually pay or cause to be paid to every Debenture Holder, 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 Monies, and in the manner specified herein and in the Debentures.</p>
Redemption/Call (by the Company)	<p>The Series 2 Debentures may be redeemed by the Company at its option, at any time after August 31st, 2027, in whole or in part, upon payment of an amount thereof 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. For details on possible redemption, see Supplemental Indenture S.4.1 - S.4.2.</p>

**Put Option (by
Debentureholders)**

On or at any time after August 31st, 2029, a Debenture Holder 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. 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 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 Debenture Holder and each Debenture Holder hereby appoints the Company as attorney-in-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 the Supplemental Indenture S.4.4.

**Earnings
Coverage Ratio**

The Company's interest requirements, after giving effect to the issue of the debentures, is projected to amount to \$2,502,358.87 for the 12 months ending December 31, 2023. BWSL's earnings before interest and income tax for the 12 months then ending is projected to be \$6,398,555.91, which is 2.55 times BWSL's interest requirements for this period.

» 5.0 DIRECTORS & SENIOR OFFICERS

DIRECTORS

Strategic oversight is provided by the Board of Directors consisting of 11 Directors. There are four Board Committees: Audit Committee, Procurement Committee, Project Planning Committee, and the Strategy and Investment Committee.

Table 21: Board of Directors

Name	Position	Occupation
Cornelio Acosta	Executive Chairman	Executive Chairman
Jose Garcia	Deputy Chairman	Civil Engineer
Ashton Longsworth	Director	Vehicle Care Manager - Mof/GoB
Crescencio Sosa Jr.	Director & Chair - Audit Committee	Chief Executive Officer
Elijio Briceno	Director & Chair - Procurement Committee	Businessman
Keith Mira	Director	Civil Engineer
Ivar Medina	Director	Businessman
Carmelita Blanco	Director & Chair - Project Planning Committee	Consultant/Data Management Officer
Dr. Victor Rosado	Director & Chair - Strategy & Investment Committee	Medical Doctor
Allan Pollard Jr.	Director	City Councillor
Clifford Martinez	Director	Businessman

AUDIT COMMITTEE

The Audit Committee is chaired by Mr. Crescencio Sosa, Jr. and includes Cornelio Acosta and Allan Pollard, Jr.

SENIOR OFFICERS

There are 11 senior officers on staff as listed below. The average years of experience is over nine years. Total securities holdings for senior officers is \$141,450.00.

Table 22: Senior Management

Name	Position	Experience (Yrs)	Level Of Qualification	Securities Holdings
Cornelio Acosta	Executive Chairman	2	Master's Degree	-
Dawn Smith	Internal Audit Manager	9	Bachelor's Degree	\$1,200.00
Ervin Flores	Residential Consultant	2	Bachelor's Degree	\$150.00
Haydon Brown	Human Resources Manager	20	Bachelor's Degree	\$1,950.00
Rashida Williams Castillo	Chief Financial Officer	18	Master's Degree	\$26,950.00
Raul Briceno	Technical Services Manager	2	Master's Degree	-
Reina Gonzalez	Water & Wastewater Manager	4	Bachelor's Degree	-
Sanjay Keshwani	Chief Operations Officer	15	Master's Degree	\$100,750.00
Sonia Burns	IT/Strategy Manager	12	Bachelor's Degree	\$10,450.00
Vonetta Thompson	Customer Services Manager	0.4	Bachelor's Degree	-
Total				\$141,450.00

COMPENSATION

Total compensation for Directors and Senior Officers in 2022 was \$415,486 and \$1,580,017, respectively.

Table 23: Compensation of Directors and Senior Management

Position	2020	2021	2022
Directors	\$260,200	\$435,385	\$415,486
Senior Officers	\$1,567,026	\$1,485,635	\$1,580,017
Total	\$1,827,226	\$1,921,020	\$1,995,503

LARGE SECURITY HOLDERS

Almost 93% of the Company is owned by the Government of Belize and the Belize Social Security Board. The Holy Redeemer Credit Union and Sagicor Life Inc. own a combined total of 20,000 Series 1 Debentures - roughly 49.3% of the Series 1 Issue.

Table 24: Large BWSL Security Holders

Security Holder	Jurisdiction	Ordinary Shares	Series 1 Debentures
Government of Belize City of Belmopan, Belize C.A.	Belize C.A.	49,554,000 (82.59%)	
Belize Social Security Board Bliss Parade City of Belmopan Belize C.A.	Belize C.A.	6,000,000 (10%)	
Holy Redeemer Credit Union 1 Hydes Lane Belize City, Belize C.A.	Belize C.A.		10,000 (24.65%)
Sagicor Life Inc. Coney Drive Business Plaza 4998 Coney Drive Belize City, Belize C.A.	Belize C.A.		10,000 (24.65%)

» 6.0 REPORT OF THE DIRECTORS

DIRECTOR'S CERTIFICATE

We, the undersigned Directors of Belize Water Services Limited, do hereby certify that:

After due inquiry by the Board, in relation to the interval between March 31, 2022 and March 31, 2023, that:

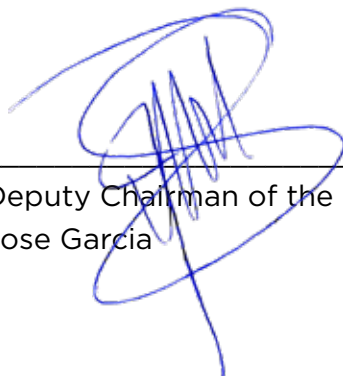
- The business of BWSL has been satisfactorily maintained;
- There have not arisen any circumstances which have adversely affected the trading or the value of the assets of BWSL;
- The current assets of BWSL appear in the books at values which are believed to be realizable in the ordinary course of business;
- There are no contingent liabilities by reason of any guarantees or indemnities given by BWSL; and
- There have not been any changes in the published reserves or any unusual factors affecting the financial position of BWSL.

IN WITNESS WHEREOF, we have hereunto signed this certificate
this 26th day of April, 2023.

SIGNATURES:



Chairman of the Board
Cornelio Acosta



Deputy Chairman of the Board
Jose Garcia

» 7.0 LEGAL & OTHER INFORMATION

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Threshold (as defined hereinafter below), each involving our Company, Directors or Advisor.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Advisor or Group Companies shall, unless otherwise decided by our Board of Directors including committee thereof, not be considered as litigation until such time that our Company or Directors or Advisor or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, except as stated in this section, there are no: (i) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Advisor during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by such Ministry or Department or statutory authority; (ii) pending litigation involving our Company, our Advisor, our Directors, or any other person, whose outcome could have material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offenses; (iv) default and nonpayment of statutory dues, etc; (v) inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act or any previous companies law in the three years immediately preceding the year of this Prospectus; (vi) prosecutions filed (whether pending or completed), fines imposed or compounding of offenses done in the three years immediately preceding the year of this Prospectus; and (vii) material frauds committed against our Company in the last three years.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

7.1 Litigations involving the Company

Table 25: Litigations against the Company

Tax proceedings	NIL
Criminal cases	NIL
Material civil cases	NIL

Table 26: Litigations by our Company

Criminal cases	NIL
Material civil cases	NIL

7.2 Litigations involving our Directors

Table 27: Litigation against our Directors

Tax proceedings	NIL
Criminal cases	NIL
Material civil cases	NIL

Table 28: Litigation by our Directors

Criminal cases	NIL
Material civil cases	NIL

BELIZE WATER SERVICES LIMITED
 (“the Company”)

Officer’s Certificate for Issuance of Series 2 Debentures
Under Principal Indenture of 25th September 2020 &
Supplemental Indenture No. 1 of 2023

We, the undersigned, render this certificate in pursuance of Section 3.4 (d) of the Principal Indenture dated 25th September 2020 among Belize Water Services Limited (“BWSL”), Government of Belize (“GOB”) and Central Bank of Belize (the “Fiscal Agent”). This certificate is based on the following:

- (a) Knowledge of the relevant history and affairs of BWSL and an examination of its balance sheets, financial reports and statements and other financial records pertaining to BWSL, material contracts and other documents relating to obligations and commitments of BWSL;
- (b) Examination of the Principal Indenture and Supplemental Indenture No. 1;
- (c) Examination of the Resolution passed by the Board of BWSL on the 29th day of March, 2023;
- (d) Examination of the Memorandum and Articles of Incorporation of BWSL; and
- (e) Discussion with, reports and forecasts prepared by managerial personnel of BWSL.


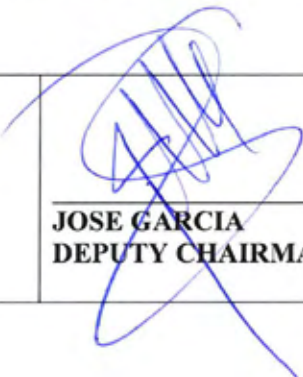
We certify that we have read and are familiar with the provisions of the Principal Indenture relating to the conditions precedent in respect of which compliance is required for the purposes of this certificate.

We do verily believe and have conducted the necessary examinations and investigations to enable us to render the opinion herein. Our Opinion follows:

- (f) It is our opinion that all conditions precedent contained in the Principal Indenture relating to the issuance of this Officer’s Certificate have been complied with;
- (g) All requirements imposed by the terms of the Principal Indenture for issuance delivery or certification of the Series 2 Debenture applied for in the written request of 26th day of April, 2023, have been fulfilled in accordance with the terms thereof;
- (h) To the best of our knowledge and having made due inquiry pursuant to Section 13.8 of the Principal Indenture, no Event of Default has occurred and is continuing or will result from the issuance of the Series 2 Debentures applied in the said written request of 26th day of April 2023.

- (i) The Company is in compliance with the covenants provided at Section 51, of the Principal Indenture pertaining to the limitations to the creation of additional indebtedness, namely:
- i. The amount of available earnings for any 12 consecutive calendar months of 23 calendar months immediately preceding the proposed creation or assumption of indebtedness would be at least 1.5 times the amount of the total interest expense for 12 consecutive months after giving effect to the proposed creation or assumption of indebtedness: As at December 31, 2022, available earnings to total interest expense for 12 consecutive months after giving effect to the new issue is 3.19 (EBITDA= \$12,898,201; Interest Expense = \$4,047,070).
 - ii. All indebtedness would not be greater than 75% of the total capitalization of BWSL after giving effect to the proposed creation or assumption of the indebtedness and the application of the proceedings therefrom: As at December 31, 2022, all indebtedness, after giving effect to the proposed creation of the new issue, amounts to 32.6% of the total capitalization of BWSL (Total Capitalization = \$320,294,8101; Total Indebtedness= \$104,489,810)
 - iii. In the case of issuance of additional debenture, the average weighted life of the additional debenture would be longer than the remaining average weighted life of each other series of debentures then outstanding: The average weighted life of the proposed new issue is 10 years. The remaining average weighted life of the Series 1 issue is eight (8) years.

DATED 26th day of April, 2023

 CORNELIO ACOSTA EXECUTIVE CHAIRMAN	 JOSE GARCIA DEPUTY CHAIRMAN
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» Annexes

ANNEX 1: DETAILED FORECAST/PROJECTIONS

Projected Income Statement ('000s)*

IS	31-Mar-2022	31-Mar-2023	31-Mar-2024	31-Mar-2025	31-Mar-2026	31-Mar-2027
Operating Revenue	48,724	51,226	53,729	55,538	57,357	63,517
Other Income	68	404	403	393	408	423
Gross Revenue	48,792	51,630	54,132	55,931	57,765	63,940
Materials and Other External Costs	(6,002)	(6,842)	(5,715)	(6,715)	(7,467)	(7,833)
Staff Costs	(13,204)	(15,217)	(15,338)	(16,373)	(16,587)	(16,818)
Other Operating Charges	(11,148)	(13,078)	(12,807)	(13,027)	(13,380)	(13,907)
Depreciation & Amortization	(8,374)	(9,901)	(10,493)	(10,983)	(11,389)	(10,766)
Profit / (Loss) on Disposal of Asset	65	0				
Profit before Interest and Tax	10,128	6,592	9,780	8,833	8,942	14,616
Finance Costs	(3,539)	(3,205)	(4,827)	(4,935)	(4,844)	(4,752)
Profit before Tax	6,589	3,388	4,953	3,898	4,098	9,863
Business Tax	(853)	(896)	(940)	(972)	(1,004)	(1,112)
Profit for the Year	5,736	2,491	4,012	2,926	3,094	8,752
Other Income not Allocated to Profits	0	25	64	113	172	242
Total Comprehensive Income	5,736	2,517	4,076	3,039	3,266	8,993

*year ending March 2022 is based on management projections

Projected Financial Position (‘000s)

BS	31-Mar-2022	31-Mar-2023	31-Mar-2024	31-Mar-2025	31-Mar-2026	31-Mar-2027
Assets						
Non-current Assets						
Property, Plant and Equipment	297,859	306,706	314,231	320,200	322,962	326,742
Intangible Assets	4,845	3,710	3,205	2,001	796	665
Investments (Sinking Funds)	1,750	4,703	9,108	14,514	20,919	28,325
Current Assets						
Materials and Supplies	8,583	9,407	8,780	9,377	9,720	9,956
Contract Balances and Other Receivables	9,783	9,507	9,683	10,124	10,470	11,284
Cash and Cash Equivalents	16,420	5,747	36,383	26,959	20,013	15,300
Total Assets	339,240	339,780	381,391	383,175	384,879	392,272
Equity						
Issued Ordinary Share Capital	60,000	60,000	60,000	60,000	60,000	60,000
Contributed Capital Reserve (GOB)	11,714	11,714	11,714	11,714	11,714	11,714
Capital Reserve on Vesting	15,276	15,276	15,276	15,276	15,276	15,276
Revaluation Surplus Reserve	53,551	53,551	53,551	53,551	53,551	53,551
Retained Earnings	72,249	74,740	78,752	81,678	84,773	93,525
Total	212,791	215,282	219,294	222,220	225,315	234,067
Liabilities						
Non-current Liabilities						
Capital Contributions	37,059	37,670	38,343	39,061	39,825	40,743
Long Term Borrowings	18,277	15,557	13,006	10,456	7,905	5,354
Debentures	40,569	40,569	80,569	80,569	80,569	80,569
Deferred Income	17,460	17,460	17,460	17,460	17,460	17,460
Current Liabilities						
Debentures Payable		0	0	0	0	0
Current Portion - Borrowings	2,822	2,720	2,551	2,551	2,551	2,551
Trade Payables	10,262	10,521	10,167	10,857	11,254	11,528
Total Liabilities	126,450	124,498	162,096	160,954	159,565	158,206
Total Liabilities and Equity	339,240	339,780	381,391	383,175	384,879	392,272

Projected Cash Flow (‘000s)

CF	31-Mar-2022	31-Mar-2023	31-Mar-2024	31-Mar-2025	31-Mar-2026	31-Mar-2027
Profit for the Year	5,736	2,517	4,076	3,039	3,266	8,993
Adjustments for:						
Depreciation and Amortization	8,374	9,901	10,493	10,983	11,389	10,766
Finance Costs		3,205	4,047	4,855	4,764	4,672
Loss on Disposal of PP&E	(65)	0	0	0	0	0
Impairment Allowance	165	225	124	90	90	305
	14,211	15,847	18,740	18,966	19,510	24,737
Changes in Working Capital						
(Increase) Decrease in Contract Balances and Other Receivables	(2,257)	51	(300)	(531)	(436)	(1,119)
(Increase) Decrease Materials and Supplies	(1,018)	(824)	627	(596)	(343)	(237)
Increase (Decrease) Trade and Other Payables	1,470	259	(354)	690	397	274
	(1,805)	(514)	(28)	(437)	(381)	(1,082)
Net Cash (used in) Operating Activities	12,406	15,333	18,712	18,529	19,128	23,655
Purchase of PP&E	(14,965)	(18,283)	(17,483)	(16,417)	(13,617)	(15,085)
Contributions to Fixed Assets	1,262	1,281	1,343	1,388	1,434	1,588
Interest Income (Sinking Fund)		(25)	(64)	(113)	(172)	(242)
Proceeds from Sale of PP&E	229	0	0	0	0	0
Debenture Interest Expenses	(1,750)	(2,953)	(4,405)	(5,405)	(6,405)	(7,405)
Net Cash (used in) Investing Activities	(15,223)	(19,980)	(20,610)	(20,547)	(18,760)	(21,144)
Cash Available for Financing Activities	(2,818)	(4,647)	(1,897)	(2,018)	368	2,510
Dividends	(508)	0	0	0	0	0
Proceeds from borrowings	0	0	0	0	0	0
Repayment of Debentures		0	0	0	0	0
Repayment of Borrowings	(2,581)	(2,822)	(2,720)	(2,551)	(2,551)	(2,551)

Bank Loan Interest Expense	0	(669)	(612)	(519)	(428)	(337)
Proceeds from Debenture Issue		0	40,000	0	0	0
Debenture Interest Expense	0	(2,536)	(3,436)	(4,336)	(4,336)	(4,336)
Net Cash (used in) Financing Activities	(3,234)	(6,026)	33,233	(7,405)	(7,315)	(7,223)
Net (Decrease) / Increase in Cash (A+B+C)	(6,051)	(10,673)	31,335	(9,423)	(6,946)	(4,713)
Cash, beginning of period	22,472	16,420	5,747	37,083	27,659	20,713
Cash, end of period	16,420	5,747	37,083	27,659	20,713	16,000

ANNEX 2: SUBSCRIBER INFORMATION

NAME	
ADDRESS (STREET)	
CITY, TOWN, VILLAGE	
DISTRICT	
MAILING ADDRESS (IF DIFFERENT FROM ABOVE)	
ADDRESS (STREET)	
CITY, TOWN, VILLAGE	
DISTRICT	
TELEPHONE NUMBER	
EMAIL ADDRESS	
ANY ADDITIONAL INFORMATION	
SUBSCRIPTION AMOUNT (BZ\$)	

BANK/ PAYMENT INFORMATION

Interest and principal payments will be deposited directly to the debenture holder's bank or financial institution account. Payments will only be made to duly licensed banks and financial institutions in Belize. Please provide the following:

NAME OF BANK OR FINANCIAL INSTITUTION	
ACCOUNT IN THE NAME OF (EXACT NAME)	
ACCOUNT NO.	
TRANSIT NO. (IF APPLICABLE)	
ANY ADDITIONAL INFORMATION	

DEBENTURE SUBSCRIPTION AGREEMENT

This form (the “**Subscription Form**”) is for the exclusive use of applicants (the “**Subscriber**”) subscribing for the Bonds offered by (the “**Issuer**”).

BELIZE WATER SERVICES LTD.

(incorporated in Belize under the Companies Act, Chapter 250)

40,000 Debenture Certificates for a total offer of:

BZ\$40,000,000.00

At 4.50% Interest/Coupon Rate

Maturing August 2033

This is an offering (the “**Offering**”) of up to BZ\$40,000,000.00 Debentures by way of subscription (individually and collectively, the “**Debentures**”) of Belize Water Service Limited (“**BWS**” or the “**Issuer**”).

***MINIMUM SUBSCRIPTION BZ\$1,000.00**

DATE: _____ **NOMINAL AMOUNT OF DEBENTURE(\$):** _____

INVESTMENT INFORMATION

This subscription is subject to the provisions set out in the most recent offering memorandum of the Issuer (the “**Prospectus**”), the Terms and Conditions as attached to this Subscription Form (the “**Conditions**”) and applicable laws and regulations. Save where the context requires otherwise, terms defined in the Prospectus and the Conditions bear the same meaning when used in this Subscription Form. The Issuer reserves the rights to withdraw any offer in full prior to the acceptance of any subscription and reserves the right to reject in full or in part any subscription.

Principal and interest are payable on the Debentures represented by this Agreement in accordance with the Conditions endorsed hereon.

I (the “**Subscriber**”) hereby subscribe for and agree to purchase the debentures of the Issuer set out to be issued for the collective consideration set out below, upon and subject to the terms and conditions set out in the attached “**Terms and Conditions of Subscription**”. This page plus the Terms and Conditions are collectively referred to as the “**Subscription Agreement**”.

By signing below, I make the following declarations:

- I acknowledge that I have read, understood and agree with the contents of this subscription form and that I have had the opportunity to read and understand the Private Placement Memorandum and declare that the subscription for Bonds is on the basis of and subject to the Private Placement Memorandum.
- I acknowledge having received sufficient information that allows me to make a careful decision and evaluate the merits and risks associated with investments in bonds.
- I declare that the money representing the purchase costs of the Bonds is not derived from the proceeds of crime and I understand and acknowledge that additional documentation may be required in order to ensure compliance with anti-money laundering laws, rules and regulations.
- I confirm that where this subscription has been signed on behalf of a company/ entity, the person signing is a duly authorized person in this regard.
- I offer to subscribe for the Bonds specified above (or such lesser number for which the subscription is accepted) on the terms of and subject to the Private Placement Memorandum (Conditions).
- I agree that upon acceptance of this subscription by the Issuer, the subscription shall become binding and irrevocable.

I hereby subscribe to _____ Bonds with a subscription price of _____
dated on this _____ day of _____, 2023.

NAME OF SUBSCRIBER: _____
(Please print)

SIGNATURE OF SUBSCRIBER: _____

ADDRESS OF SUBSCRIBER: _____
(Street Address)

(City/ Town)

EMAIL ADDRESS: _____

CONTACT NUMBER: _____

NOTE: This Certificate must be surrendered before any transfer of the whole or any portion of the Bond to which it relates can be registered or a new Certificate issued in exchange. No fraction of the Bonds can be transferred.

Subscription opens May 15, 2023 and will Close June 15, 2023

NB: Subscription forms should be sent to PPF Financial Services Ltd. via email or direct delivery.

For copies of the prospectus or more information
on the debenture offering contact:



PPF Financial Services Ltd.
1296 Marbee Cone Ave,
Belize City
info@ppf.financial
<https://ppf.financial/>



Belize Water Services Ltd.
invest@bwsb.com.bz
<http://www.bwsb.bz/>

ANNEX 3: BOARD RESOLUTION

BELIZE WATER SERVICES LIMITED

BOARD OF DIRECTORS' MEETING

Resolution Passed on the [29th] of [March] 2023

Approval of Series 2 Debenture Offer

RESOLVED THAT:

1. The Series 2 Debenture Offer Issue, substantially on terms and conditions as presented and filed with the records thereof, be and is hereby approved and the Company is authorized and directed to effect the debenture issue.
2. The Company is authorized to enter into an Agreement by Indenture among the Company of the First Part, The Government of Belize of the Second Part and The Central Bank of Belize as Fiscal Agent (hereinafter called “the Supplemental Indenture #1”) mainly for the purpose of enabling the Company to invest in continued asset expansion and improvement, by way of inviting subscriptions for debentures and issuing such debentures from time to time under the terms and in accordance with the Supplemental Indenture #1 up to an aggregate amount of Forty Million Belize Dollars (BZ\$40,000,000.00) the said aggregate maximum being inclusive of the principal amount of debentures issued by way of replacement or transfer.
3. The terms and conditions embodied in the draft Supplemental Indenture #1 Instrument produced to the Board substantially as submitted in draft and filed with the records thereof, is hereby approved and from the date of the due execution of the Supplemental Indenture #1 by all parties thereto the Company shall be bound by the terms thereof.
4. The Company is authorized to execute the said Supplemental Indenture #1 by the affixation thereto of the Company’s Common Seal in the presence of the Executive Chairman of the Board and the Secretary or in the presence of two Directors including the Executive

Chairman PROVIDED that the Executive Chairman of the Company shall have authority before the execution of the Supplemental Indenture #1 to make or cause to be made such minor amendments to the Draft annexed hereto as may be necessary or advisable in finalizing and engrossing the said Indenture.

5. The Company is authorized to take all such steps, legal, administrative or otherwise, as may be necessary to immediately invite subscriptions for and to issue the series of Debentures under the Supplemental Indenture #1 (hereinafter called "Series 2 Debentures") covering an aggregate maximum principal amount of Forty Million Belize Dollars (BZ\$40,000,000.00) and the Debentures may be issued in denominations of One Thousand Belize Dollars (BZ\$1,000.00) such Debentures becoming due by way of maturity on the 31st August 2033 with interest payable at the rate of four point five percent (4.5%) per annum and generally subject to the terms of the Supplemental Indenture #1 and the Debenture Form annexed thereto.
6. (1) The Company is authorized to execute all requisite documents for the invitation for subscription for and the issuance of the Series 2 Debentures including where necessary the affixation of the Company's Common Seal provided nonetheless that the Debentures may be signed either manually or by electronic signature by at least one Director and the Secretary or by any two Directors.


(2) The Board resolves that upon the redemption of the Debentures issued under the Supplemental Indenture #1 the Company is authorized and directed to pay to the Debenture Holders the principal amount of the Debentures and the accrued interest thereon in accordance with the Supplemental Indenture #1.
7. The Prospectus for the Forty Million Belize Dollars (BZ\$40,000,000.00) four point five percent (4.5%) per annum ,Series 2 Fixed ten years Debenture Offer, dated [3rd] of [April] 20[23] substantially as submitted to the Board in draft, be and is hereby approved and the Company is authorized to execute the Prospectus in the presence of the Executive

Chairman of the Board and the Secretary or in the presence of two Directors including the Executive Chairman.

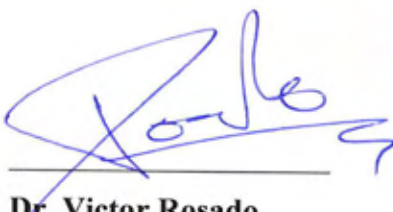
8. The Board authorizes and undertakes to ratify where necessary steps taken by the Executive Chairman for the carrying out of the resolutions set out above.

Dated the [29th] day of [March] 2023

Certified:



Jose Garcia
Deputy Chairman



Dr. Victor Rosado
Director



ANNEX 4: SUPPLEMENTAL INDENTURE

BELIZE WATER SERVICES LIMITED

-and-

THE GOVERNMENT OF BELIZE

-and-

THE CENTRAL BANK OF BELIZE

SUPPLEMENTAL INDENTURE No. 1

made as of [28] [April] 2023

Providing for the issue
Of up to BZD \$40,000,000.00
Debentures

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THIS SUPPLEMENTAL INDENTURE No. 1 is made on the [] day of []
2023 **BETWEEN**

BELIZE WATER SERVICES LIMITED a company with limited liability incorporated under the laws of Belize with registered office situate at No. 7 Central American Boulevard, Belize City, Belize District, Belize (hereinafter called the "Company")

OF THE FIRST PART

-and-

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

OF THE SECOND PART

-and-

THE CENTRAL BANK OF BELIZE, a body corporate duly established under section 4 of the Central Bank of Belize Act (chapter 262) of the laws of Belize, 2020 (hereinafter called the "Fiscal Agent")

OF THE THIRD PART

WITNESSES THAT:

WHEREAS by an Indenture dated 25th of September 2020 between the Company, the Government of Belize and the Central Bank of Belize as Fiscal Agent (hereinafter called the "Principal Indenture") the Company duly authorized the issuance in one or more series of Debentures up to an aggregate principal maximum of Two Hundred Million Dollars Currency of Belize upon the terms and conditions therein stated,

AND WHEREAS the Principal Indenture provides for the issuance in series of further Debentures which shall bear such dates and mature on such date or dates and bear interest at such rate or rates, to 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, 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 the Principal Indenture, as may be determined by the Company at or prior to the time of issue thereof and expressed in an indenture supplemental thereto providing for the issuance of the Debentures of such series,

AND WHEREAS the Company is desirous of issuing Debentures to be described as "Series 2 Debentures" for a maximum aggregate principal amount of Forty Million Belize Dollars (BZ \$40,000,000.00) upon the terms and conditions of the Principal Indenture,

AND WHEREAS the Company has duly authorized the execution and delivery of this Supplemental Indenture No. 1 and done all things necessary to make this a valid agreement of the Company in accordance with its terms,

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 AND THIS DEED WITNESSETH AS FOLLOWS:

ARTICLE 1

INTERPRETATION

Section 1.1 Definitions

In this Indenture, unless otherwise defined herein or there is something in the subject matter or context inconsistent therewith the words phrases and expressions herein shall have the same meanings as set out in the Principal Indenture.

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 include 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 Supplemental Indenture No.1.

Section 1.4 Governing Law

This Supplemental Indenture No. 1 and the Debentures shall be construed in accordance with the laws of Belize.

Section 1.5 Amounts of Money Expressed in Lawful Money of Belize

Unless specifically otherwise provided herein, 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 Supplemental Indenture No.1 or the Series 2 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.

ARTICLE 2

INDENTURE SUPPLEMENTAL

This Indenture is supplemental to the Principal Indenture, and this Supplemental Indenture No. 1 shall be read together with the said Principal Indenture and the parties hereto hereby mutually acknowledge and agree that save and except where the contents hereof are inconsistent with the Principal Indenture or the particular matter is dealt with expressly herein, the provisions of the said Principal Indenture including the covenants and representations therein shall apply to the Series 2 Debentures.

ARTICLE 3

SERIES 2 DEBENTURES

Section 3.1 Issue of Series 2 Debentures

The Series 2 Debentures issued under this section shall consist of and, exclusive of Series 2 Debentures issued upon any transfer or exchange or substitution for or by way of replacement of any such Debentures previously issued, be limited to Debentures in the aggregate maximum principal amount of Forty Million Dollars (\$40,000,000.00) to be designated as Four Point

Five Percent (4.5%) Series 2 Debentures due 31st August, 2033 (hereinafter called the "Maturity Date").

The Series 2 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 of the Principal Indenture, shall be dated the date of issue. The principal amount of Series 2 Debentures shall bear interest from the date of allotment at the rate of Four Point Five Percent (4.5%) per annum calculated semi-annually in arrears on, August 31st and February 28th of each year commencing on August 31st 2023 and shall mature on the Maturity Date. Interest on any amount in default shall be at the same rate plus [2] % per annum, in like money and semi-annually on the same dates. The prescribed interest rates shall apply after as well as before maturity, default and judgment. Any interest payable to a debenture holder pursuant to this article shall be paid in Belize Dollars.

The Series 2 Debentures shall be issued as fully registered Debentures in denominations of One Thousand Dollars (\$1,000.00) 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 Series 2 Debentures, or the due date of payment of any part of the principal amount of any such 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 Supplemental Indenture No. 1 and the Principal Indenture.

Section 3.3 Form of Debentures

The Series 2 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 Supplemental Indenture No. 1 or the Principal Indenture and as may be approved by the Fiscal Agent.

Section 3.4 Payment

Each Applicant shall in the Subscription Form and with sufficient information designate a Bank Account for payment of interest and principal accruing or to become due in respect of the Series 2 Debentures. The Bank account may be changed from time to time by written notarized notice served by the registered debenture holder upon the Company and such change shall take effect seven (7) days after the service thereof.

Payments by the Company for Series 2 Debentures in respect of principal or interest amounts owing shall be made in this manner only save and except that in the event of impossibility of

payment by the said method in respect of any debenture holder then payment shall be made by the Company in such manner as the Fiscal Agent in its discretion shall determine and authorize.

At least four days prior to each date on which principal and interest on such Debentures become due, forward or case to be made to the holder for the time being, or, in the case of joint holders, to one of such joint holders, all principal or interest or any other payment to be made (less any tax required to be deducted or withheld) by electronic funds transfer to the order of such holder or holders stipulated bank account. The forwarding of such electronic funds transfer 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 electronic funds transfer is not made. In the event of the non-receipt, and an indemnity satisfactory to it, acting reasonably, shall make good such payment 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 the principal or interest thereon, as the case may be, is improperly withheld or refused.

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 or in part from time to time prior to maturity Series 2 Debentures issued hereunder at any time after August 31st, 2027, 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 4.2 Partial Redemption of Debentures

In case less than all of the outstanding Series 2 Debentures are to be redeemed, the Company shall in each 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 the Debentures to be redeemed. The Debentures to be redeemed shall be selected on a pro rata basis (to the nearest multiple of One thousand Dollars (\$1,000.00) in accordance with the principal amount of the Series 2 Debentures registered in the name of each holder. In the case of partial redemption, Debentures may be redeemed only in denominations of One Thousand Dollars (\$1,000.00) 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 4.6 of the Principal Indenture, shall be entitled to receive, without expense to such holder, one or more new Series 2 Debentures 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 outstanding. In the alternative, payment of the applicable Redemption Price of any portion of any Series 2 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 Series 2 Debenture which in accordance with the foregoing provisions has become subject to redemption.

Section 4.3 Notice of Redemption

Notice of intention to redeem any Debentures prior to the 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 of the Principal Indenture. Every notice of redemption shall, unless all of the Debentures then outstanding are to be redeemed, state the designating numbers of the Series 2 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 Debenture holder has further inquiries.

Section 4.4 Put Right by Debenture Holders

On or at any time after August 31, 2029, a holder of any Series 2 Debenture or Debentures shall be entitled to require the redemption of a Series 2 Debenture or Debentures by the Company by written notice to the Company and presentation of the Debenture(s) to be redeemed. 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 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 Debenture Holder agree otherwise in writing to that effect. In the event a Debenture holder 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 Debentures on behalf of the redeeming Debenture holder and each Debenture holder hereby appoints the Company as attorney-in-fact for this purpose. Upon 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 of the Principal Indenture.

ARTICLE 5

CERTAIN COVENANTS

Section 5.1 Application of Covenants

The Company hereby acknowledges that the representations, warranties and covenants on its part contained in Section 5 of the Principal Indenture apply and continue in relation to the Series 2 Debentures and Debenture holders.

Section 5.2 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 therefore from the Fiscal Agent, true copies of the Principal Indenture and this Supplemental Indenture No. 1.

Section 5.3 Concerning Officers' Certificates

The statements made in all Officers' Certificates which may be executed and filed pursuant to the provisions of the Principal 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 5.4 Auditors

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

ARTICLE 6

COVENANTS OF THE GOVERNMENT

Section 6.1 Exemption from 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 Series 2 Debentures issued in connection with the Series 2 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.

Section 6.2 Waiver to Stamp Duties

The Government covenants and undertakes to provide that no stamp duty or similar duty will be imposed upon the issue of the Series 2 Debenture or upon or in consequence of any

transfer of any Debentures or upon the exercise of any right to subscribe for any such or the redemption of any Series 2 Debenture pursuant to the terms of the Series 2 Debentures.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

Company Representations and Warranties

The Company represents and warrants to the Fiscal Agent and each Debenture holder 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 exercise and has taken all necessary action to authorize the entry into and performance, exercise and delivery of the Series 2 Debentures and this Supplemental Indenture No. 1 and rights, duties, and obligations of the Company contemplated by the Series 2 Debentures and this Supplemental Indenture No. 1.
- (c) **Legal Validity.** The issue of the Series 2 Debentures and the execution of this Supplemental Indenture No. 1 have been duly authorized by the Company and each Series 2 Debenture and the Principal Indenture and this Supplemental Indenture No. 1 constitute or when completely executed in accordance with its terms will constitute, the legal, valid and binding obligations of the Company enforceable in accordance with their terms.
- (d) **Non-Conflict.** The entry into of the Series 2 Debentures and this Supplemental Indenture No. 1 and performance and exercise by the Company of its rights, duties and obligations contemplated by the Series 2 Debentures, the Principal Indenture and this Supplemental Indenture No. 1 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 and 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 fulfilment of any 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 Series 2 Debentures and the entry into, performance, exercise, validity and enforceability of, the rights, duties, and obligations of the Company contemplated by the Series 2 Debentures, the Principal Indenture and this Supplemental Indenture No. 1 have been obtained or effected (as appropriate) and are in full force and effect.
- (g) **Accounts.** The audited accounts of the Belize Water Services Limited of each of the financial years ended March 31st 2021 and March 31st 2022 and March 31st 2023
 - (i) have been prepared in accordance with general accepted accounting standards, consistently applied; and
 - (ii) fairly present the financial position of the Company as at the date to which they were drawn up to;and there has been no material adverse change in the financial position of the Company since March 31, 2023.
- (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 the Principal Indenture and this Supplemental Indenture No.1.
- (i) **Prospectus.** The draft prospectus produced to the Fiscal Agent prior hereto prepared by the Company (the "Prospectus" which term includes the prospectus if 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 Series 2 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 from that shown in the Prospectus as most recently updated or revised, and all reasonable inquiries have been made to ascertain such facts and to verify the accuracy of all such statements.

ARTICLE 8

EXECUTION AND RECEIPT

Section 8.1 General

This Supplemental Indenture No. 1 may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute the one and the same instrument and notwithstanding the date of execution of any of such counterparts, each shall be deemed to bear date as of the [] [] [].

Section 8.2 Receipt

The Company hereby acknowledges receipt of a copy of this Supplemental Indenture No. 1.

IN WITNESS WHEREOF the parties hereby have executed this Indenture under their respective corporate seals and the hands of their proper officers duly authorized in that behalf.

THE COMMON SEAL OF

BELIZE WATER SERVICES

[SEAL]

LIMITED was hereunto

Affixed and this instrument

Was dully delivered in the

Presence of



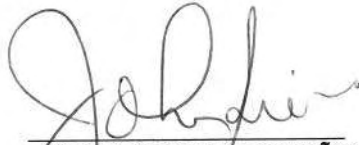
CORNELIO ACOSTA
EXECUTIVE CHAIRMAN



JOSE GARCIA
DEPUTY CHAIRMAN



SIGNED, SEALED and
DELIVERED by THE MINISTER
OF FINANCE for and on behalf
Of the Government of Belize


HON JOHN BRICEÑO
MINISTER OF FINANCE

In the presence of


JOSEPH WAIGHT
FINANCIAL SECRETARY

THE COMMON SEAL OF
THE CENTRAL BANK OF

[SEAL]

BELIZE was hereunto

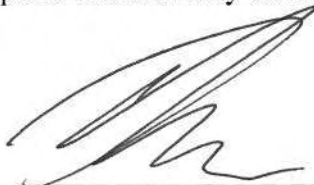
Affixed and this instrument

Was dully delivered in the

Presence of


KAREEM MICHAEL
GOVERNOR OF CENTRAL BANK
NAME: Hollis Parham
DIRECTOR

We, **Marine Parade Chambers LLP** of Volta Building, Cor. Sr. Caritas Lawrence St. and Marine Parade Blvd., Belize City, Belize, Attorneys-at-Law hereby certify that the above-written document was prepared and drawn by us in our office as Attorneys -at-law for one of the parties concerned.


Marine Parade Chambers LLP

SCHEDULE "A"

FORM OF SERIES 2 DEBENTURE

No:
BELIZE WATER SERVICES LIMITED
(Incorporated under the laws of Belize)

4.5%

SERIES 2 DEBENTURES, DUE [31st August], [2033]

BELIZE WATER SERVICES LIMITED (hereinafter called the "Company") for value received acknowledges itself indebted and hereby promises to pay the principal sum of [BZ\$] on the basis hereinafter set forth to the registered holder hereof on [31st] August, [2033] (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 4.5% per annum calculated semi-annually not in advance and payable semi-annually on August 31st and February 28th of each year commencing on 31st August 2023 or such quarterly date as may be applicable having regard to the date of allotment 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 semi-annually on the same dates. The interest rate payable under the Debenture shall be payable after as well as before maturity, default and judgment.

The Company shall 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 made, at least four days prior to each date on which such payment becomes due, and paid by electronic funds transfer to the holder for the time being, or, in the case of joint holders, to one of such joint holders. The payment by electronic funds transfer shall satisfy and discharge the liability for such payment upon this Debenture to the extent of the sums represented thereby provided that in the event of the non-receipt of such electronic funds transfer by the holder, the Company or the Fiscal Agent upon being furnished with evidence of such non-receipt and indemnity satisfactory to it, acting reasonably, shall make good such payment 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 the Series 2 Debentures 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 the Series 2 Debentures 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 2 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 2 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 2 Debenture for payment on the last day of such period of 30 days. "Relevant Date" is defined in the Principal Indenture, in respect of payment of a Series 2 Debenture, to mean the later of (a) the date on which the payment in respect of such Series 2 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 2 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 2 Debentures 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 2 Debenture 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 2 Debenture then due.

This Debenture is one of a series designated 4.5% Series 2 Debentures due 31st August 2033 (Series 2 Debentures") issued and to be issued under the Indenture made as of 25th September 2020 between the Company, the Government of Belize and the Central Bank of Belize as Fiscal Agent, (the "Principal Indenture") .

This Debenture and all other Debentures now or hereafter certified and issued under the Principal Indenture rank *pari passu* and are secured equally and rateably by the Principal

Indenture without discrimination or preference, save only as to sinking fund provisions applicable to different series, or parts thereof.

A copy of the Principal Indenture may be inspected at the principal office of the Company in Belize City, Belize. Reference is hereby made to the Principal Indenture and all instruments ancillary 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 Principal Indenture is \$200,000,000. Debentures in the aggregate principal amount of \$40,000,000 in lawful money of Belize have been authorized for issue as 4.50% Series 2 Debentures, due 31st August, 2033 of which this is one. Under the Principal Indenture, Additional Debentures may be issued from time to time but only upon the terms and subject to the restrictions set forth in the Principal Indenture.

The Company has the right to redeem the Series 2 Debentures at any time after 31 August 2027, in whole or in part, upon providing not more than 60 days' nor less than 30 days' notice and 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 Supplemental Indenture No. 1.

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 Principal Indenture providing for notation hereon by the registered holder hereof of payment of the redemption price payable on such partial redemption the Principal 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 Principal Indenture contains provisions for the holding of meetings of Debenture holders, for giving notices to Debenture holders, 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 Principal Indenture.

NO TRANSFER OF THIS DEBENTURE SHALL BE VALID UNLESS MADE IN COMPLIANCE WITH THE CONDITIONS PRESCRIBED IN THE PRINCIPAL 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 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 Debenture holder 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 \$1,000.00 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 October 31, 2027, 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 Debenture holder 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 Principal Indenture and Supplemental Indenture No.1 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 Principal Indenture and the Supplemental Indenture No.1.

IN WITNESS WHEREOF BELIZE WATER SERVICES 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: The [] day of [] [20]

BELIZE WATER SERVICES LIMITED

By:

Name:

Title:

By:

Name:

Title:

Note: The Debenture must be produced before any transfer thereof can be registered. There may be a fee charged on registering any transfer.

FORM OF FISCAL AGENT'S CERTIFICATE

This Debenture is one of the 4.50%, Series 2 Debentures due 31st August 2033 referred to in the Principal Indenture and Supplemental Indenture No.1 within mentioned.

CENTRAL BANK OF BELIZE

Per:

Authorized Officer

ANNEX 5: LEGAL OPINION



Marine Parade
chambers LLP
attorneys-at-law

Godfrey P. Smith, S.C.
Hector D. Guerra

8th May 2023

Mr. Kareem Michael
Governor
Central Bank Of Belize
PO Box 852
Gabourel Lane
Belize City, Belize

Dear Governor,

Re: Legal opinion required by section 3.4 of the Series-1 Debenture, Principal Indenture Dated 25th September 2020 Among Belize Water Services Limited, Government of Belize and Central Bank of Belize For Issuance of Further Series of Debentures

Request for Advice

1. We have been asked by Belize Water Services Limited ("BWSL") to provide this legal opinion in compliance with section 3.4 of the Principal Indenture dated 25th September 2020 among BWSL, Government of Belize and Central Bank of Belize, respectively. Section 3.4 requires an opinion from an Attorney-at-Law regularly retained by BWSL and acceptable to the Central Bank of Belize addressing:
 - a. Whether all condition precedents provided for in the Principal Indenture relating to the authorization, execution, certification, and delivery of the Series 2 Debentures have been complied with; and
 - b. Whether the Series 2 Debentures applied for have been validly authorized and executed by the Company and that, upon certification and delivery thereof by the Fiscal Agent or the Company, the Series 2 Debentures will be valid and legally binding obligations of the Company entitled to the benefits thereof.

Background

2. In or about the 25th September 2020, BWSL, the Government of Belize and Central Bank of Belize entered into an indenture for the issuance of debentures.
3. The first series of debentures valued at a total of Fifty Million Dollars (\$50,000,000.00) were issued in denominations of One Thousand Dollars (\$1,000.00) and in integral multiples thereof. Each debenture in this first series was made redeemable by BWSL at any time after June 30th 2025 by payment of the principal amount together with any unpaid interest thereon.



Volta Building
Cor. Sr. Caritas Lawrence St. & Marine Parade Blvd.
P. O. Box 1861
Belize City Belize



501.223.3045



info@marineparadechambers.com

4. BWSL now seeks to issue a second series of debentures in the aggregate sum of Forty Million Dollars (\$40,000,000.00) in denominations of One Thousand Dollars (\$1,000.00) and in integral multiples thereof.

Documents Reviewed

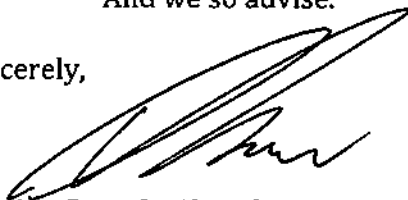
5. In preparing this advice we have reviewed:
 - a. Principal Indenture dated 25th September 2020 among BWSL, the Government of Belize and Central Bank of Belize.
 - b. BWSL resolution dated 29th day of March 2023 authorizing the entry into an Agreement by Indenture between BWSL of the First Part, The Government of Belize of the Second Part and The Central Bank of Belize as Fiscal Agent (hereinafter called "the Supplemental Indenture No. 1") and issuing such debentures from time to time under the terms and in accordance with the Supplemental Indenture No. 1 up to an aggregate amount of Forty Million Belize Dollars (BZ\$40,000,000.00) the said aggregate maximum being inclusive of the principal amount of debentures issued by way of replacement or transfer;
 - c. Supplemental Indenture No. 1 dated 28th day of April 2023;
 - d. Officer's Certificate dated 26th day of April 2023;
 - e. BWSL's Certificate of Incorporation as well as its Memorandum and Articles of Association;
 - f. The Companies Act of Belize, and all other relevant laws of Belize.

Advice

6. Based on the documents reviewed, we are of the opinion that:
 - a. All condition precedents provided for in the Principal Indenture relating to the authorization, execution, certification, and delivery of the Series 2 Debentures have been complied with.
 - b. The Series 2 Debentures applied for have been validly authorized and executed by BWSL and that upon certification and delivery thereof by the Fiscal Agent or BWSL, the Series 2 Debentures will be valid and legally binding obligations of the Company entitled to the benefits thereto.

And we so advise.

Sincerely,



Marine Parade Chambers LLP
Per: Hector D. Guerra

Cc. Client

ANNEX 6: INDENTURE

BELIZE WATER SERVICES LIMITED

- and -

THE GOVERNMENT OF BELIZE

- and -

THE CENTRAL BANK OF BELIZE

INDENTURE

Made as of [25] [September], [2020]

Providing for the issue
of up to \$200,000,000.00
Debentures

Execution Version


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SCHEDULE "A" - FORM OF SERIES 1 DEBENTURES

My
DB

THIS INDENTURE made as of the [25] day of [September], 2020

BETWEEN:

BELIZE WATER SERVICES LIMITED, a company with limited liability incorporated under the laws of Belize with registered office situate at No. 7 Central American Boulevard, Belize City, Belize District of Belize (hereinafter called the "Company").

OF THE FIRST PART

- and -

THE GOVERNMENT OF BELIZE

(hereinafter called the "Government")

OF THE SECOND PART

- and -

THE CENTRAL BANK OF BELIZE, a body corporate duly established under Section 4 of the Central Bank of Belize Act (Chapter 262) of the laws of Belize, 2011 (hereinafter called the "Fiscal Agent")

OF THE THIRD PART

WITNESSES THAT:

WHEREAS the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures to be issued in one or more series;

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) **"Business"** shall have the meaning attributed to such term in Section 5.6 (ii);
- (h) **"Business Day"** means a day other than a Saturday, Sunday or a day on which banks are authorized or obligated to close in Belize;
- (i) **"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;
- (j) **"Certified Resolution"** means a copy of a resolution of the directors of the Company certified by the Secretary or an Assistant 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;
- (k) **"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;
- (l) **"Chartered Accountant's Certificate"** means a certificate conforming to the requirements of Section 13.8, signed by a Chartered Accountant;
- (m) **"Company"** means Belize Water Services Limited, and includes any successor corporation under Article 9;
- (n) **"Counsel"** means any attorney-at-law or firm of attorneys-at-law 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;
- (o) **"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;
- (p) **"Debentures"** means debentures of the Company issued or to be issued hereunder, from time to time, and includes the Series 1 Debentures and the Additional Debentures;
- (q) **"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;

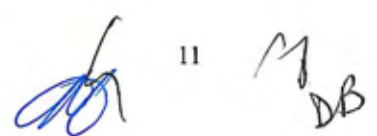
- (r) **"Directors"** means the board of directors of the Company, or whenever duly empowered, the executive committee (if any) of the board of directors of the Company, and reference without more to action by the directors or by the board of directors shall mean action by the directors as a board or by the executive committee as such;
- (s) **"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;
- (t) **"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;
- (u) **"Extraordinary Resolution"** shall have the meaning ascribed thereto by Section 12.3;
- (v) **"Fiscal Agent"** means the Central Bank of Belize or any successor Fiscal Agent appointed under Article 10;
- (w) **"Fiscal Year"** means each consecutive period of days commencing on April 1st in each year and ending on the 31st day of March next following, provided that the commencement date and expiry date of a Fiscal Year may be changed by the Company from time to time;
- (x) **"Government"** means the Government of Belize;
- (y) **"IFRS"** means international financial reporting standards;
- (z) **"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;

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- (aa) **"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;
- (bb) **"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);
- (cc) **"Maturity Date"** for any Series 1 Debenture means **December 31st, 2030**, and for any Additional Debentures means the Maturity Date applicable thereto specified in the indenture supplemental hereto creating such Additional Debentures;
- (dd) **"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;
- (ee) **"Offer to Redeem"** means a written offer (the "Offer") sent by the Company by first class mail, postage prepaid 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 [\$1,000.00] aggregate 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 of [\$1,000.00] 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 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 pro rata basis (with such adjustments as may be deemed appropriate so that only Debentures in denomination of [\$1,000.00] 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 any



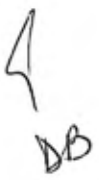
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authorized denomination as requested by such Debentureholder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the Debentures so tendered. Any Offer to Redeem shall be governed by and effected in accordance with the Offer for such Offer to Redeem;

- (ff) **“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 or the Treasurer, together with any one of the Secretary, the Finance Manager, an Assistant Secretary or an Assistant Treasurer, and conforming *mutatis mutandis* to Section 13.8 of this Indenture;
- (gg) **“Opinion of Counsel”** means an opinion or opinions in writing, conforming to the requirements of Section 13.8 signed by Counsel;
- (hh) **“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;
- (ii) **“Permitted Encumbrances”** means as of any particular time any of the following encumbrances on the undertaking, assets or property of the Company:
 - (1) 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;
 - (2) Liens in favour of a wholly-owned Subsidiary of the Company;
 - (3) Liens to secure Non-Recourse Indebtedness;
 - (4) 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;
 - (5) Liens on property existing at the time of acquisition thereof (including acquisition through merger or consolidation);
 - (6) Liens arising by operation of law; and
 - (7) 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 (1) through (6) 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;

- (jj) **"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;
- (kk) **"Person"** means an individual, partnership, corporation, trust or unincorporated organization, and includes a government or agency or political subdivision thereof;
- (ll) **"Potable Water and Sewer Facility"** means a producer and operator of potable water and sewer facility or related facilities, and its' or their related distribution, supply and transportation facilities, together with its' or their related water and sewer supply, 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;
- (mm) **"Redemption Date"** means, in respect of any redemption or 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;
- (nn) **"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;
- (oo) **"Relevant Date"** has the meaning ascribed to such term in Section 3.7 (3);
- (pp) **"Series 1 Debentures"** means the Series 1 Debentures referred to in Article 3;
- (qq) **"This Indenture", "herein", "hereof", "hereby", "hereunder",** and similar expressions referred 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;



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- (rr) **“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;
- (ss) **“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;
- (tt) **“Trustee”** means the trustee appointed under this Indenture by or for the benefit of Debentureholders under Article 7 and includes any successor-in-title or new Trustee; and
- (uu) **“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 or the Treasurer together with any one of the Secretary, the Finance Manager, an Assistant Treasurer, or an Assistant 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 of 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; and
 - (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 Corporation of Belize (including the Central Bank of Belize), Belize

Electricity Limited, Belize Telemedia Limited 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 **Two Hundred Million Dollars (\$200,000,000)**. Debentures may be issued hereunder only on the terms and subject to the conditions herein provided.

Section 2.2 Issuance in Series and Form

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 facsimile or by electronic signature) by at least one Director and the Secretary or by any two Directors. In the event of the Fiscal Agent receiving a request for

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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. A facsimile or 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 facsimile or electronic signature is reproduced and notwithstanding that any such person whose signature, either manual or in facsimile or electronic form, 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 Finance Manager, the Secretary, an Assistant Treasurer or an Assistant Secretary, 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 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 City, 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 denomination of [\$1,000.00] 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.

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 or 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, at least four days prior to each date on which principal and interest on such Debentures become due, forward or cause to be made to the holder for the time being, or, in the case of joint holders, to one of such joint holders, all principal or interest or any other payment to be made (less any tax required to be deducted or withheld) by electronic funds transfer to the order of such holder or holders stipulated bank account. The forwarding of such electronic funds transfer 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 electronic funds transfer is not made. In the event of the non-receipt of any such electronic funds transfer by the holder, the Company, upon being furnished with evidence of such non-receipt, and an indemnity satisfactory to it, acting reasonably, shall make good such payment 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 monies, interest and premium (if any) thereon, free from all equities or rights of set-off or counterclaims 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 monies and premium (if any) and interest from time to time payable in respect thereof, may be paid by electronic funds transfer 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 monies 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

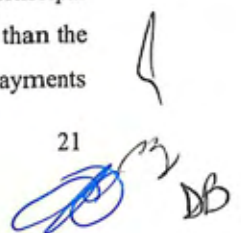
Subject to Section 4.9, all Debentures redeemed or otherwise acquired by the Company or by any other Person on its behalf shall be forthwith delivered to the Company and cancelled and shall not be re-issued and may not be used as a credit against sinking fund obligations of the Company except to the 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

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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. 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, Fifty Million Dollars (\$50,000,000.00) to be designated as 6.25% Debentures, Series 1 due **December 31st, 2030** (herein called the "Series 1 Debentures").

The Series 1 Debentures shall be dated the date, if originally issued hereunder, or 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 6.25% per annum calculated semi-annually, not in advance and payable semi-annually on June 30th and December 31st in each year, commencing on December 31st, 2020 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 1 Debentures shall be initially issued as fully registered Debentures in denomination of **[\$1,000.00]** and integral multiples hereof.

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 Officer's 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 1 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 Officer's 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

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.

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.

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 monies 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 monies have been so received by the Fiscal Agent.

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 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 1 Debentures

The Series 1 Debentures may be redeemed by the Company at its option, at any time **after June 30th, 2025**, 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 [\$1,000.00]) in accordance with the principal amount of Debentures registered in the name of each holder. In this case of a partial redemption, Debentures may be redeemed only in denominations of [\$1,000.00] 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 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 Monies 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 Monies

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 City, 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 monies so deposited of the applicable Redemption Price of such Debenture.

Any monies 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 monies and thereafter the holders of the Debentures in respect of which such monies were so paid to the Company shall have no rights in respect thereof except to obtain payment of the monies 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

When 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

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.

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.

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Section 4.13 Put Right by Debentureholders

On or at any time after June 30th, 2026, 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. 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 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 Debentureholder and each Debentureholder hereby appoints the Company as attorney-in-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) the amount of Available Earnings for any 12 consecutive calendar months of the 23 calendar months immediately preceding the proposed creation or assumption of the Indebtedness would be at least one and one-half (1.5) times the amount of the Total Interest Expense for such 12 consecutive months after giving effect to the proposed creation or assumption of the Indebtedness and the application of the proceeds therefrom and after giving effect to the creation or assumption of any Indebtedness created or assumed after the commencement of such 12 consecutive calendar months and the application of the proceeds therefrom but on or before the date of the proposed creation or assumption of the Indebtedness;

- (ii) 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
- (iii) 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:

- (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 Persons 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 Potable Water & Sewer 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.

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 ratably 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 Monies, 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 is 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 dealing in potable water & sewer services, generation, distribution, transmission, purchase and current sale carried on including, without limitation, the acquisition, manufacture, construction, maintenance, operation, use or management of all such works, structures, appliances, materials, supplies, plant and machinery as are or may be used, in any way, in connection with the business of dealing in potable water & sewer services, generation, distribution, transmission, purchase and sale 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 obligations of such Subsidiary; and (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 monies which shall have been paid by the Fiscal Agent for premiums of insurance, repairs, renewals, taxes, legal expenses or charges on an attorney-at-law 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 monies 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

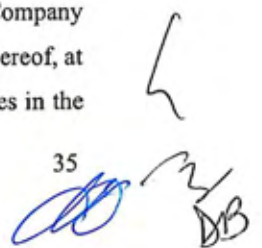
The Company shall furnish to the Fiscal Agent, and upon receipt of a Written Request, to any Debentureholder:

- (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 or 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;
- (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 Officer's Certificate stating that no Default or Event of Default (including without limitation the Event 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 thereof; 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, hurricane and flood as is customary with companies in the

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same or a similar business, and such insurance as may be required by the 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.

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 and Business 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 and the business 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 250) of the Laws of Belize; and (ii) the rate set out below opposite each such year for corporate tax and business tax, as the case may be:

Year ending March	Corporate Tax Rate per annum %	Business Tax Rate per month %
2021	25	1.75
2022	25	1.75
2023	25	1.75
2024	25	1.75
2025	25	1.75

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 Series 1 Debentures issued in connection with the Series 1 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.

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 Series 1 Debenture 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 Series 1 Debenture pursuant to the terms of the Series 1 Debentures.

ARTICLE 7

APPOINTMENT OF TRUSTEE

Section 7.1 Appointment

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.

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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 beyond any period of grace with respect thereto, to make payment of any interest on any of the Debentures when the same shall respectively become due;
- (b) if the Company fails beyond any period of grace with respect thereto, 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 or insolvency 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 hereunto 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 Section 8.1 (a) and (b) and the Holder 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), declared 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 monies 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 monies 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 the 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, with 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.

Section 8.5 Enforcement by 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 identified to its satisfaction, the Trustee shall exercise or take such one or more of such remedies as 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 Monies

Except as otherwise provided herein, any monies 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 monies 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; and
- (c) third, the surplus (if any) of such Monies 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 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 Monies

Payment 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 monies in its hands, after reserving therefrom such amount as the Trustee may think necessary to provide for the payments mentioned in Section 8.7 (a),

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 monies remain due under this Indenture or on the Debentures, or to see to the application of any monies 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, Directions 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 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

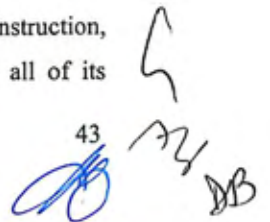
In the case of any judicial or other proceedings to obtain judgement for the principal of or interest on the Debentures, judgement may be rendered against the Company in favour of a Debentureholder or in favour of the Trustee, as Trustee for the Debentureholders, for any amount which may remain due in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

- (i) such other Person or continuing corporation is a corporation (the "Successor Corporation") incorporated under the laws of Belize;
- (ii) 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 Monies 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 Company under this Indenture;
- (iii) 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
- (iv) 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 or 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:

- (i) 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
- (ii) 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 registration 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 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.

ARTICLE 11

NOTICES

Section 11.1 Notice to Company

Any notice to the Company under the provisions hereof shall be given by delivery or by telecopy or by email or by registered letter addressed to the Company at:

No. 7 Central American Boulevard
P. O. Box 150
Belize City, Belize

Telecopier No.: (501) 227-4759
Email: customercare@bws1.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, if so telecopied, shall be deemed to have been given on the first business day following such telecopy transmission and if so emailed, shall be deemed to have been given three (3) hours after the time of transmission. The Company may, from time to time, notify the Fiscal Agent of a change in address or telecopier number or of email 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 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.

Section 11.3 Notice to the Fiscal Agent

Any notice to the Fiscal Agent under the provisions hereof shall be given by delivery or by telecopy or by email or by registered letter addressed to the Fiscal Agent as follows:

- (a) if mailed or delivered, at:

Central Bank of Belize
Gabourel Lane
P. O. Box 852
Belize City, Belize
Attn: Manager
Financial Services Division

Telecopier No.: (501) 223-6226
Email: info@centralbank.org.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, if so telecopied, shall be deemed to have been given on the first business day following such telecopy and if so emailed, shall be deemed to have been given three (3) hours after the time of transmission. The Fiscal Agent may, from time to time, notify the Company of a change of address in accordance with Section 11.1 or telecopier number or email address, as the case may be.

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 telecopy and or email) 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 circumstance 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 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 the 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 or Debentureholders; and
- (g) **Declaration by Chairman of Result of Vote:** At any meeting of the Debentureholders, in case 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 or 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 meetings"; 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 or such series represented at such meeting.

If in the Opinion of Counsel, any business to be transacted at the 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 the 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, including its legal representatives, successors and assigns, 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, including its legal representatives, successors and assigns, to see 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, including its legal representatives, successors and assigns, 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; and
- (d) The Fiscal Agent, including its legal representatives, successors and assigns, shall not be bound to give notice to any Person or Persons of the execution hereof.
- (e) The Fiscal Agent, including its legal representatives, successors and assigns, shall not be liable for any consequential loss (including loss of business, goodwill, opportunity or profit) or any special or punitive damages of any kind, whether or not the loss was foreseeable.

Section 13.3 Indemnity

The Company and its successors shall, at all times, indemnify the Fiscal Agent, including its legal representatives, successors and assigns, and save it harmless against all (direct and indirect or consequential) actions, proceedings, liability, claims, damages, cost and expenses (including legal costs on an attorney-at-law and his own client basis) brought against or incurred by the Fiscal Agent in relation to or arising out of the performance of its function as Fiscal Agent or any breach of the Company.

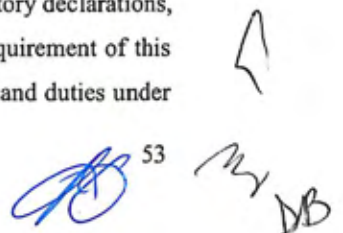
This indemnity is a continuing indemnity and shall survive payment of all the Debentures, the termination of this Agreement/Indenture and related agreements or the resignation, assignment or removal of the Fiscal Agent.

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

Handwritten signatures and initials in blue ink, including a large signature and the initials 'DB'.

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, 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 has 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-at-law, 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 an 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 statement 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;
- (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;
- (e) 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;
- (f) 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 or the Treasurer, together with any one of the Secretary, the Finance Manager, an Assistant Treasurer or an Assistant 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;
- (g) 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;
- (h) 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;
- (i) 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 the same were erroneous;

- (j) 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;
- (k) 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;
- (l) 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; and
- (m) 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, either eliminate the same or resign its office hereunder.

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; and

- (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, 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 Water Services Limited of each of the three financial years ended March 31st, 2018, 2019 and 2020:
- (i) have been prepared in accordance with IFRS, consistently applied; and
 - (ii) fairly present the financial position of the Company as at the date to which they were drawn up to;
- and there has been no material adverse change in the financial position of the Company since March 31st, 2020;
- (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; and
- (i) **Prospectus:** The prospectus dated [1] [October], 2020 prepared by the Company (the "Prospectus", which term includes the prospectus if 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 from that shown in the Prospectus as most recently updated or

revised, and all reasonable enquires 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 to 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 the Indenture and, the issue and sale of the Debentures; and
- (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 thereof (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 monies 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 monies 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 monies and/or the interest payable on or represented by each Debenture in respect whereof such monies 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 monies 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.

15.3 Repayment of Unclaimed Monies

Any monies 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 monies and thereafter, the Holders in respect of which such monies were so repaid to the Company, shall have no rights in respect thereof except to obtain payment of such monies without interest from the Company.

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.

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ARTICLE 16
EXECUTION AND RECEIPT

Section 16.1 General

This Indenture may be executed in several counterparts, each of which so executed, shall be deemed to be an original, and such counterparts together shall constitute the one and the same instrument and notwithstanding the date of execution or any of such counterparts, each shall be deemed to bear date as of the [25] day of [September], 2020.

Section 16.2 Receipt

The Company hereby acknowledges receipt of a copy of this Indenture.

IN WITNESS WHEREOF the parties hereby have executed this Indenture under their respective corporate seals and the hands of their proper officers duly authorized in that behalf.

THE COMMON SEAL of)
BELIZE WATER SERVICES)
LIMITED was hereunto affixed)
and this instrument was duly)
delivered in the presence of)



ALBERTO AUGUST
CHAIRMAN



ALVAN HAYNES
SECRETARY

SIGNED, SEALED and)
DELIVERED by the Minister)
of Finance for and on behalf)
of the Government of Belize)
in the presence of)



JOSEPH WAIGHT



RT. HON. DEAN O. BARROW

THE COMMON SEAL OF)
THE CENTRAL BANK OF)
BELIZE was hereunto affixed)
and this instrument was duly)
delivered in the presence of)


GOVERNOR


DIRECTOR

We, BARROW & WILLIAMS LLP of Equity House, No. 84 Albert Street, Belize City, Belize, as Attorneys-at-law hereby certify that the above-written document was prepared and drawn by us in our office as Attorneys-at-Law for one of the parties concerned therein.

SCHEDULE "A"

FORM OF SERIES 1 DEBENTURE

No:

BELIZE WATER SERVICES LIMITED

(Incorporated under the laws of Belize)

6.25%

SERIES 1 DEBENTURES, DUE DECEMBER 31st, 2030

BELIZE WATER SERVICES 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 31st, 2030 (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 6.25% per annum calculated semi-annually, not in advance, and payable semi-annually on June 30th and December 31st in each year commencing on December 31st, 2020; 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 semi-annually on the same dates. The interest rate payable under 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 made, at least four days prior to each date on which such payment becomes due, and paid by electronic funds transfer to the holder for the time being, or, in the case of joint holders, to one of such joint holders. The payment by electronic funds transfer shall satisfy and discharge the liability for such payment upon this Debenture to the extent of the sums represented thereby provided that in the event of the non-receipt of such electronic funds transfer by the holder, the Company or the Fiscal Agent upon being furnished with evidence of such non-receipt and indemnity satisfactory to it, acting reasonably, shall make good such payment 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 monies payable on such date has been received on or prior to such date either by the holder thereof or by Fiscal Agent, the date on which notice is duly given to the holders of the Series 1 Debenture that such monies have been so received by the Fiscal Agent.

If the Company satisfied 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 Debenture 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 in which the Company would be obligated to pay Additional Amounts were a payment in respect of the Series 1 Debenture then due.

This Debenture is one of a series designated 6.25% Series 1 Debentures due December 31st, 2030 ("Series 1 Debentures") issued and to be issued under Indenture made as of [25] [September], 2020 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 ratably 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 Fifty Million Dollars (\$50,000,000.00) in lawful money of Belize have been authorized for immediate issue as 6.25%, Series 1 Debentures, due December 31st, 2030, 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 for in the Indenture.

The Company has the right to redeem the Series 1 Debentures at any time after June 30th, 2025 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 THE 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 as 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 denomination of (\$1,000.00 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 30th, 2026 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 be 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.

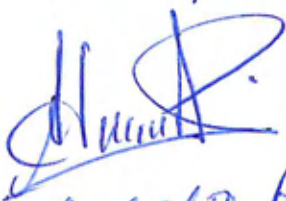
IN WITNESS WHEREOF, Belize Water Services Limited has caused its corporate seal to be affixed hereunto and this Debenture to be executed and delivered as of the date set forth below.

DATED: The [] day of [], [2020]

BELIZE WATER SERVICES LIMITED

By: 
Name: ALVAN HAYNES

Title: SECRETARY

c/s
By: 
Name: ALBERTO AUGUST

Title: CHAIRMAN

Note: The Debenture must be produced before any transfer thereof can be registered. There may be a fee charged on registering any transfer.

FORMS OF FISCAL AGENT'S CERTIFICATE

This Debenture is one of the 6.25%, Series 1 Debentures due December 31st, 2030 referred to in the Indenture within mentioned.

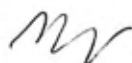

CENTRAL BANK OF BELIZE

Per: 

Authorized Officer

RRAW/asv/20-0109

Execution Version



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