

Hon. Dean Barrow  
Prime Minister and Minister of Finance  
Office of the Prime Minister  
3rd Floor,  
Sir Edney Cain Building,  
Belmopan,  
Cayo District  
Belize

July 30, 2020

Dear Prime Minister

**Re: Port of Belize (“POB”)**

I am writing to you with specific reference to your comments at the Government of Belize press conference yesterday with respect to the possible nationalisation of POB.

Waterloo Investment Holdings Limited (“WIHL”) is a listed company on the Bermuda Stock Exchange and the owner of both British Caribbean Bank Limited and Private Investment Limited, the primary debt holders and creditors in the receivership of Port of Belize Limited; the licensed port operator and owner of the POB assets.

In the recent nationalisation of Belize Telemedia Limited (“BTL”) the people of Belize ended up having to pay compensation to the former owners and debt holders of in excess of BZ\$580 million; as well as legal costs associated with more than 9 years of international litigation. The Universal Healthcare Services debt to the Belize Bank which has to-date involved more than 13 years of international litigation and associated legal costs, has resulted in the original liability of BZ\$20 million growing to in excess of BZ\$90 million. The nationalisation of the IBC and Shipping Registries and the recent Judgment in favour of the former managers of the Registries, BISL, will also likely result in a significant damages award against the Government. Moreover, the Judgment highlighted the overarching requirement that the Government of Belize afford investors fair and equitable treatment with respect to any nationalisation and for the handling of such to be in accordance with the standards demanded by the Rule of Law.

In the circumstances, it would therefore seem prudent before a further investor dispute crystalizes, which would invariably result in millions of dollars of wasted public money, that if the Government wishes to nationalise POB for a public purpose, then the parties should sit down together and try to agree a plan for the orderly transfer and handing over of the Port to the Government.

WIHL would even be prepared to assist with the process of framing the nationalisation legislation, so that it is not necessary, as was the case with BTL, for the National Assembly to engage in repeated attempts of enacting suitable legislation to achieve the desired effect. This approach would also hopefully avoid the need for the Government to engage in illegal tactics, such as when the Belize Defence Force forcibly took control of BTL in the dead of night after the initial nationalisation legislation was found by the courts to be unconstitutional and unlawful.

WIHL has been advised that the nationalisation of POB would give rise to a claim under the UK-Belize Bilateral Investment Treaty. However, rather than draw out the process of valuation and the possibility of hefty accrued interest charges, the parties could simply agree to the arbitration of the claim under the Treaty with each party appointing its own expert. The claim is presently estimated to be in excess of US\$85 million with interest accruing thereon from the date of nationalisation until full settlement of the claim.

The nationalisation would clearly need to be for a public purpose and not for political purposes as otherwise the nationalisation would fail for being unconstitutional and for not being in accordance with the Rule of Law requirements set out in the BISL Judgment. Nevertheless, it is highly unlikely that any foreign investor would invest in the Port until after the legal claim was settled.

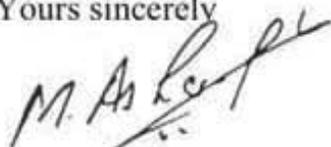
The nationalisation would mean however, that the US\$200 million port expansion development project planned for Port Loyola would no longer take place; which is a devastating loss not only for those who live on the southside of Belize City but the entire country of Belize. WIHL has spent millions of dollars of development costs advancing the project to the launch stage and procured valuable external funding for the entire project.

The Port has also undergone a transformation over the last few years with significant capital investment being made in the Port's operations and infrastructure; including more recently a new Terminal Operating System and the impending introduction of a new Maintenance Operating System. POB has also entered into a BZ\$9 million contract with an international contractor to pave the container yard in accordance with international port standards.

It is also regretful, that despite the requirements of the Essential Services Act and applicable labour laws, the stevedores have been allowed by the Ministry of Labour to continue with their illegal strike action resulting in significant consequential loss to the Port's bottom line as well as serious damage to the port infrastructure during these strike actions. The stevedores have also been allowed as a result of the Minister of Labour's failure to enforce compliance with the law, to hold the entire country to ransom with the shutdown of the port. In the midst of a serious pandemic, it is incredible that the Minister of Labour has failed to ensure that the Stevedores, as essential service providers, remained working so as to ensure that valuable food and medical supplies are allowed to enter the country.

I have copied this letter to the Hon. Patrick Faber and the Hon. John Briceno, the Leaders of the UDP and PUP, one of whom will be Belize's next Prime Minister; so that they are fully apprised of the situation. The Members of the Board of WIHL and myself, would be happy to meet in person with yourself and/or with any other members of the Government, in order to address any desired nationalisation of the Port in a fair and equitable manner, and with the country's best interests at heart.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Ashcroft', written over a horizontal line.

The Rt. Hon. Lord Ashcroft KCMG PC

Hon. Patrick Faber, The Leader of the United Democratic Party  
Hon. John Briceno, The Leader of the Peoples United Party