PARLIAMENT OF THE REPUBLIC OF MACEDONIA

Pursuant to Article 75, paragraphs 1 and 2 of the Constitution of the Republic of Macedonia, President of the Republic of Macedonia and President of the Parliament of the Republic of Macedonia shall issue the following

DECREE
ON PROMULGATION OF THE LAW ON GUARANTEE OF THE REPUBLIC OF MACEDONIA UNDER THE LOAN AGREEMENT FOR FINANCING THE PROJECT "MODERNIZATION OF UNIT 1 OF BOILERS IN TPP BITOLA", TO BE CONCLUDED BETWEEN DEUTSCHE BANK AND AD ELEM

Law on Guarantee of the Republic of Macedonia under the Loan Agreement for financing the Project "Modernization of Unit 1 of Boilers in TPP Bitola", adopted by the Parliament of the Republic of Macedonia, at its session held on 4th November 2013, shall be promulgated.

No. 07-4232/1
4th November 2013
Skopje

President
of the Republic of Macedonia
Gorge Ivanov, in his own hand

President
of the Parliament of the Republic
of Macedonia
Trajko Veljanoski, in his own hand

Law on Guarantee of the Republic of Macedonia under the Loan Agreement for financing the Project "Modernization of Unit 1 of Boilers in TPP Bitola", to be concluded between Deutsche Bank and AD ELEM

Article 1

Republic of Macedonia shall guarantee settlement of liabilities and adherence to the provisions under the Loan Agreement for the Project "Modernization of Unit 1 of Boilers in TPP Bitola", to be concluded between Deutsche Bank and AD ELEM, in the amount of EUR 24,328,674.21 in case AD ELEM fails to realize and settle the liabilities under the Loan Agreement.

Article 2

Terms and conditions and manner of using the loan referred to in Article 1 of this Law shall be determined in the Loan Agreement, to be concluded between Deutsche Bank and AD ELEM for the Project "Modernization of Unit 1 of Boilers in TPP Bitola".

Article 3

All liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well the loan shall be settled by AD ELEM from the revenues it generates, within deadlines and terms and conditions provided in the Loan Agreement.

Article 4

Loan under the Agreement referred to in Article 1 of this Law shall be repaid in 24 equal semi-annual instalments. Repayment shall start six months after the date of readiness for operations of the modernized Unit, not later than 20th June 2015.

Interest rate shall be variable interest rate, i.e. six-month EURIBOR plus margin of 1.295% annually.

Article 5

Within 30 days from the date of concluding the Loan Agreement referred to in Article 1 of this Law, up–front fee shall be paid to Deutsche Bank amounting to 0.575% of the loan amount.

Within 30 days from the date of concluding the Loan Agreement referred to in Article 1 of this Law and on the same date every next year, agency fee shall be paid to Deutsche Bank annually, amounting to EUR 4,750, until the loan is fully repaid.

Commitment fee shall be paid to Deutsche Bank annually, amounting to 0.625% of the loan amount.

Commitment fee referred to in paragraph 3 of this Article shall be paid quarterly from the date of concluding the Loan Agreement.

As regards liabilities related to the repayment of the loan referred to in Article 1 of this Law, which shall not be paid within the envisaged deadlines, overdue default interest at a rate exceeding by 2 percentage points the interest rate shall be paid per year.

Lump sum indemnification at a rate exceeding by 2 percentage points the interest rate shall be paid per year for other liabilities related to the loan referred to in Article 1 of this Law, which shall not be paid within the envisaged deadlines.

Article 6

To the end of regulating the rights and obligations arising from the Loan Agreement and the Guarantee Agreement, Ministry of Finance and AD ELEM shall conclude separate agreement.

Article 7

This Law shall enter into force on the day it is published in the "Official Gazette of the Republic of Macedonia".