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PARLIAMENT OF THE REPUBLIC OF MACEDONIA

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

DECREE ON PROMULGATION OF THE LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA UPON THE LOAN AGREEMENT FOR FINANCING THE ROAD UPGRADING AND DEVELOPMENT PROJECT TO BE CONCLUDED BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT - WORLD BANK AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Law on Guarantee by the Republic of Macedonia upon the Loan Agreement for Financing the **Road Upgrading And Development Project** to be concluded between the International Bank for Reconstruction and Development - World Bank and the Public Enterprise for State Roads, which the Parliament of the Republic of Macedonia adopted on its session held on 29th July 2015, is promulgated.

No. 08-3399/1

29th July 2015

Skopje

President

of the Republic of Macedonia,

Gjorge Ivanov, Ph.D., in his own hand

President of the Parliament
of the Republic of Macedonia,

Trajkov Veljanovski,

in his own hand

LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA UPON THE LOAN AGREEMENT FOR FINANCING THE ROAD UPGRADING AND DEVELOPMENT PROJECT TO BE CONCLUDED BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT - WORLD BANK AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Article 1

Republic of Macedonia shall guarantee the settlement of liabilities and fulfillment of the provisions in the Loan Agreement for Financing the Road Upgrading And Development Project to be concluded between the International Bank for Reconstruction and Development - World Bank and the Public Enterprise for State Roads, in the amount of EUR 83,000,000, within the deadlines and under the terms and

conditions set in the Loan Agreement, should the Public Enterprise for State Roads fail to meet 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 Loan Agreement to be concluded between the International Bank for Reconstruction and Development - World Bank and the Public Enterprise for State Roads for financing the Road Upgrading And Development Project.

Article 3

All liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well as the loan servicing, shall be carried out by the Public Enterprise for State Roads from the revenues it generates, within the deadlines and under the terms and conditions determined in the Loan Agreement.

Article 4

The repayment period of the Loan referred to in Article 1 of this Law shall be 28 years, including 8-year grace period.

Interest rate shall be six-month EURIBOR plus variable spread.

On the disbursement date, Public Enterprise for State Roads shall pay the International Bank for Reconstruction and Development - World Bank front-end fee in the amount of 0.25% of the Loan amount.

Public Enterprise for State Roads shall pay the International Bank for Reconstruction and Development - World Bank commitment charge in the amount of 0.25% annually. Commitment charge shall be paid on semi-annual basis on each payment date.

The Loan shall be repaid twice a year, each 15th May and 15th November in the year.

Article 5

To the end of regulating the mutual rights and obligations arising from the Loan Agreement and the Guarantee Agreement, Ministry of Finance and Public Enterprise for State Roads shall conclude separate agreement.

Article 6

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