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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 issue the following

DECREE

**ON PROMULGATION OF THE LAW ON GUARANTEE OF THE REPUBLIC OF
MACEDONIA UNDER THE LOAN AGREEMENT FOR FINANCING THE PROJECT
“SUPPLYING, ERECTION AND PUT INTO OPERATION OF LOT 3 – MAIN COAL
CONVEYOR BELT SYSTEM FROM BROD GNEOTINO TO SUVODOL”, TO BE
CONCLUDED BETWEEN DEUTSCHE BANK AKTIENGESELLSCHAFT, FRANKFURT
AM MAIN AND AD ELEM**

Law on Guarantee of the Republic of Macedonia under the Loan Agreement for financing the Project “Supplying, erection and put into operation of LOT 3 – Main coal conveyor belt system from Brod Gneotino to Suvodol”, to be concluded between Deutsche Bank Aktiengesellschaft, Frankfurt am Main and AD ELEM, adopted by the Parliament of the Republic of Macedonia at its session held on 10th February 2011 shall be promulgated.

No. 07-851/1
10th February 2011
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 “Supplying, erection and put into operation of LOT 3 – Main coal
conveyor belt system from Brod Gneotino to Suvodol”, to be concluded between
Deutsche Bank Aktiengesellschaft,
Frankfurt am Main and AD ELEM**

Article 1

Republic of Macedonia shall guarantee settlement of liabilities and adherence to the provisions from Loan Agreement for implementation of the Project “Supplying, erection and put into operation of LOT 3 – Main coal conveyor belt system from Brod Gneotino to Suvodol” to be concluded between Deutsche Bank Aktiengesellschaft, Frankfurt am Main

and AD ELEM, in the amount of EUR 16,000,000, within the deadlines and under the terms and conditions provided in the Loan Agreement, in case AD ELEM fails to realize and service 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 Deutsche Bank Aktiengesellschaft, Frankfurt am Main and AD ELEM for the Project "Supplying, erection and put into operation of LOT 3 – Main coal conveyor belt system from Brod Gneotino to Suvodol".

Article 3

All liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well servicing the loan, shall be settled by AD ELEM from its own revenues, within the deadline and the 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 17 equal semi-annual instalments. First repayment shall start six months following the commencement of the project activities, however not later than 27th February 2012.

Interest rate shall be variable interest rate EURIBOR plus 1.55% annually.

Article 5

Within 30 days from the date of concluding of the Loan Agreement referred to in Article 1 of this Law, up – front fee shall be paid to Deutsche Bank Aktiengesellschaft amounting to 0.625% of the loan amount.

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

Commitment fee referred to in paragraph 2 of this Article shall be paid quarterly from the date of concluding the Loan Agreement.

As regards liabilities related to repayment of the loan referred to in Article of this Law which shall not be paid when due, default interest shall be paid amounting to interest rate plus 2%p.a.

Settlement of loss amounting to interest rate plus 2%p.a. shall be paid for other liabilities related to the loan referred to in Article 1 of this Law which shall not be paid when due.

Article 6

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

Official Gazette of the Republic of Macedonia, no.18 dated 14th February 2011

Article 7

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