ПРЕДЛОГ ЗАКОНА

О ПОТВРЂИВАЊУ УГОВОРA О КРЕДИТУ ИЗМЕЂУ РЕПУБЛИКЕ СРБИЈЕ (КАО КОРИСНИКА КРЕДИТА) И T.C. ZIRAAT BANKASI A.Ş. И DENIZBANK A.Ş. (КАО ДАВАЛАЦА КРЕДИТА)

Члан 1.

Потврђује се Уговор о кредиту између Републике Србије (као Корисника кредита) и T.C. Ziraat Bankasi A.Ş. и Denizbank A.Ş. (као Давалаца кредита), који је потписан у Београду 25. децембра 2019. године, у оригиналу на енглеском језику.

Члан 2.

Текст Уговорa о кредиту између Републике Србије (као Корисника кредита) и T.C. Ziraat Bankasi A.Ş. и Denizbank A.Ş. (као Давалаца кредита), у оригиналу на енглеском језику и у преводу на српски језик гласи:

|  |  |  |
| --- | --- | --- |
| DATE: 25 DECEMBER 2019 | | |
| LOAN AGREEMENT | | |
|  | | |
| Between  THE REPUBLIC OF SERBIA  (as Borrower)  and  T.C. ZİRAAT BANKASI A.Ş.  and  DENİZBANK A.Ş.  (as Lenders) | | |
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**THIS AGREEMENT** (the “**Agreement**”) is dated 25 December 2019 and made between:

* 1. **THE REPUBLIC OF SERBIA** represented by Mr. Siniša Mali, Minister of Finance, on behalf of the Government as the representative of the Republic of Serbia (the “**Borrower**”) having its office at 20 Kneza Milosa Street, 11000 Belgrade;
  2. **T.C. ZİRAAT BANKASI A.Ş.** (domestic and foreign branches including Bahrein Branch) with office for notices at Eskibüyükdere Cad. No:41 C Blok 34398 Sarıyer/ İstanbul, Turkey and **DENİZBANK A.Ş.** (domestic and foreign branches including Bahrein Branch) with office for notices at Büyükdere Caddesi No:141, Esentepe-Şişli/ Istanbul, Turkey as lenders (the “**Lenders**”);
  3. **T.C. ZİRAAT BANKASI A.Ş.** with office for notices at Eskibüyükdere Cad. No:41 C Blok 34398 Sarıyer/ İstanbul, Turkey as agent for the Lenders (the “**Agent**”).

**WHEREAS:**

1. The Borrower has stated that it desires to undertake the following projects through the Ministry of Construction, Transport and Infrastructure:

(a) the reconstruction of the State Road Novi Pazar - Tutin (“**Project 1**”), as further described in the Commercial Contract for Detailed Regulation Plan, Design and Execution of works for Reconstruction of the State Road of IIA Order, No. 203, Novi Pazar – Tutin, entered into between the Government of the Republic of Serbia, the Public Enterprise “Roads of Serbia” and TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. on 29 October 2018, as subsequently amended (the “**Commercial Contract 1**”); and

(b) the construction of Highway Sremska Raca - Kuzmin and Bridge over River Sava, including the feasibility study and preliminary design (“**Project 2**”) as further described in the Commercial Contract for the Preparation of Detailed Regulation Plan, Design and for the Execution of Works for Highway Sremska Raca – Kuzmin and Bridge over River Sava and for the Preparation of Design for Pozega – Kotroman Section, entered into between the Government of the Republic of Serbia, the Public Enterprise “Roads of Serbia” and TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. on 20 December 2018 (the “**Commercial Contract 2**”) (each of “**Commercial Contract 1**” and “**Commercial Contract 2**” being referred herein as a “**Commercial Contract**”).

1. To enable the Borrower to complete the financing required for Project 1 and Project 2 (the “**Projects**”), the Borrower requested the Lenders to establish in its favour the Loan Facilities (as defined below) up to the amount of EUR 219,200,000;
2. In response to the Borrower’s requests and relying, inter alia, on the facts and representations and undertakings of the Borrower contained in this Agreement, the Lenders have agreed to provide to the Borrower the loan facilities under the terms of this Agreement; and
3. The Lenders have appointed T.C. ZİRAAT BANKASI A.Ş. to act as agent of the Lenders in relation to the administration of the loan facilities under this Agreement.

**IT IS AGREED** as follows:

* 1. Definitions and Interpretation
     1. **Definitions**

Terms which appear in capital letters in this Agreement shall have the meaning assigned to them in the preamble above and/or in Part 1 of Schedule 1 (*Definitions and Interpretation*) of this Agreement.

* + 1. **Construction**

The principles of interpretation and construction set out in Part 2 of Schedule 1 (*Definitions and Interpretation*) of this Agreement shall apply to this Agreement.

* + 1. **Third party rights**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

* 1. The Loan Facilities
     1. **The Loan Facilities**

Subject to the terms of this Agreement, the Lenders (through any domestic or foreign branch) make available to the Borrower:

* + - 1. the Loan Facility 1 in the amount of EUR19,200,000 (the “**Loan Facility 1 Commitment**”); and
      2. the Loan Facility 2 in the amount of EUR200,000,000 (the “**Loan Facility 2 Commitment**”).
    1. **Independence of Borrower's Obligations**

This Agreement is legally independent of the Project Documents. The obligations of the Borrower under this Agreement are not under any circumstances and in no way conditional upon the performance of the Project Documents or any provision thereof by any party thereto and will not be affected or discharged by any matter affecting the Project Documents or any of the Projects, including, without limitation, non-performance, frustration or invalidity, increased project costs, or the destruction, non-completion, or non-functioning of any of the goods and/or services to be supplied under the Project Documents or any delay in achieving any completion dates or milestones under the Project Documents or the performance of or failure to complete any Project.

* 1. Purpose
     1. **Purpose**

The Borrower shall apply all amounts borrowed by it:

* + - 1. under the Loan Facility 1 towards financing of the Project 1; and
      2. under the Loan Facility 2 towards financing of the Project 2,

other than, in each case, towards financing any payment of value added tax on sales of goods and services and import of goods and services, costs of customs duties and other import duties, taxes and other impositions occurring in the execution of implementation of the relevant Project.

* + 1. **Monitoring**

The Lenders are not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

* 1. Conditions of Utilisation
     1. **Initial conditions precedent**
        1. The Borrower may not deliver a Utilisation Request unless:
           1. the Effective Date has occurred prior to the Long Stop Date; and
           2. the Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (*Conditions Precedent to Initial Utilisation*) in form and substance satisfactory to the Lenders. The Agent shall notify the Borrower in writing promptly upon the Lenders being so satisfied.
     2. **Further conditions precedent**

Each Lender will only be obliged to comply with Clause 5.8 (*Lenders’ participation*) if:

* + - 1. on the date of the Utilisation Request, the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent to Each Utilisation*) in form and substance satisfactory to the Lenders; and
      2. on the date of the Utilisation Request and on the proposed Utilisation Date:
         1. no Default is continuing or would result from the proposed Tranche being made available; and
         2. the Repeating Representations to be made by the Borrower are true.
  1. Utilisation
     1. **Availability Period**
        1. The Borrower may utilise each Loan Facility during its Availability Period. For the purposes of this Agreement, “**Availability Period**” means:
           1. in relation to the Loan Facility 1, the period starting from and including the Effective Date to and including the day falling 24 Months from the Effective Date; and
           2. in relation to the Loan Facility 2, the period from and including the Effective Date to and including the day falling 48 Months from the Effective Date,

and, in each case, any extension thereof which may have been agreed in accordance with paragraph (b) below.

* + - 1. The Availability Period may be extended, provided that an application for such extension is submitted by the Borrower to the Agent in writing thirty (30) days prior to the end of the Availability Period for the relevant Loan Facility and such application is approved by the Lenders (in their sole and absolute discretion). If an application for extension is not agreed, the Borrower and the Lenders (in their sole and absolute discretion) may agree to disburse each Lender’s Available Loan Facility Commitments at that time to a blocked account of TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. held with each Lender or an Affiliate of a Lender from which amounts will be applied in payments to TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. in accordance with the Project Documents.
    1. **Cancellation of Commitment**

Any Loan Facility Commitments undrawn or not disbursed pursuant to paragraph (b) of Clause 5.1 above at the end of the relevant Availability Period shall be automatically cancelled.

* + 1. **Delivery of a Utilisation Request**

The Borrower may utilise a Loan Facility by delivery to the Agent of a duly completed Utilisation Request not later than by 9:30am Istanbul time on the day which is three (3) Business Days prior to the proposed Utilisation Date.

* + 1. **Completion of a Utilisation Request**
       1. Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
          1. it specifies the Loan Facility to be utilised;
          2. the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Loan Facility;
          3. the currency and amount of the Tranche comply with Clause 5.5 (*Currency and amount*); and
          4. it states the number of the bank account of TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. held with each Lender or Affiliate of a Lender to which the disbursement of each Lender’s participation in the requested Tranche shall be made.
       2. Only one Tranche may be requested in each Utilisation Request.
       3. The Borrower shall deliver the originals of all copy documents enclosed to each Utilisation Request as set out in Part 2 of Schedule 2 (*Conditions Precedent to Each Utilisation*) promptly after the delivery of the Utilisation Request and in any event not later than ten (10) Business Days thereafter.
    2. **Currency, amount and maximum number of Tranches**
       1. The currency specified in a Utilisation Request must be euro.
       2. The amount of the proposed Tranche must be an amount which is not more than the Available Loan Facility and which is a minimum of EUR 1,000,000 (or, if the Available Loan Facility is less, the Available Loan Facility).
    3. **Irrevocable Instructions**

The Borrower irrevocably authorises the Agent to notify the Lenders to make payments in accordance with this Clause 5 and confirms and agrees that such instructions shall not be modified except with the prior written consent of the Lenders. The Borrower also agrees that each Tranche made under this Agreement and paid as set out in this Clause 5 is a Tranche made to the Borrower and the Borrower waives all right of protest it may have to the contrary.

* + 1. **Examination of Documents**

Neither the Lenders nor the Agent shall be obliged to enquire as to, or be responsible for, the validity and genuineness of any Utilisation Request and any other documents received with respect thereto or any of the statements set out therein. The Lenders and the Agent shall be fully entitled to rely on the accuracy of any statements contained in any Utilisation Request and any other documents received with respect thereto. Neither the Lenders nor the Agent shall be responsible to the Borrower for any delay in the disbursing of any Tranche caused by any request for evidence or documentation which it may require in connection with the funding of such Tranche or for any other reason other than by virtue of its gross negligence or wilful misconduct.

* + 1. **Lenders’ participation**
       1. If the conditions set out in this Agreement have been met, each Lender shall make available (through any domestic or foreign branch or office as it will notify the Agent) its participation in each Tranche by the Utilisation Date to the bank account of TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. held with such Lender or Affiliate of a Lender.
       2. The amount of each Lender's participation in each Tranche under a Loan Facility will be equal to the proportion borne by its Available Loan Facility Commitment to the Available Loan Facility immediately prior to making the Tranche.
       3. The Agent shall notify each Lender of the amount of each Tranche and the amount of each Lender’s participation in that Tranche by 3:00pm Istanbul time on the day which is three (3) Business Days prior to the proposed Utilisation Date.
    2. **Term Loan Facilities**

Each of Loan Facility 1 and Loan Facility 2 are term loan facilities and the Borrower may not reborrow any part of Loan Facility 1 or Loan Facility 2 which is repaid or prepaid.

* 1. Repayment
     1. **Repayment of Tranches under Loan Facility 1**
        1. The Borrower shall repay the aggregate Loan Facility 1 Tranches made to it in twenty one (21) equal instalments by repaying on each Payment Date set out in Column 1 of the table below the amount in EUR specified opposite that date in Column 2 of the table below:

| * 1. Column 1 Loan Facility 1 Repayment Date | * 1. Column 2 Repayment Instalment (EUR) |
| --- | --- |
| The last Payment Date falling before the date which is twenty four (24) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is thirty (30) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is thirty six (36) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is forty two (42) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is forty eight (48) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is fifty four (54) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is sixty (60) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is sixty six (66) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is seventy two (72) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is falling seventy eight (78) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is eighty four (84) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is ninety (90) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is ninety six (96) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is one hundred and two (102) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is one hundred and eight (108) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is one hundred and fourteen (114) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is one hundred and twenty (120) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is one hundred and twenty six (126) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is one hundred and thirty two (132) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The last Payment Date falling before the date which is one hundred and thirty eight (138) months from the date of the first Tranche under Loan Facility 1 | EUR 914,285.72 |
| The Termination Date for Loan Facility 1 | EUR 914,285.72 |

* + 1. **Repayment of Tranches under Loan Facility 2**
       1. The Borrower shall repay the aggregate Loan Facility 2 Tranches made to it in eighteen (18) equal instalments by repaying on each Payment Date set out in Column 1 of the table below the amount in EUR specified opposite that date in Column 2 of the table below:

| * 1. Column 1 Loan Facility 2 Repayment Date | * 1. Column 2 Repayment Instalment (EUR) |
| --- | --- |
| The last Payment Date falling before the date which is forty eight (48) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is fifty four (54) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is sixty (60) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is sixty six (66) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is seventy two (72) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is seventy eight (78) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is eighty four (84) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is ninety (90) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is ninety six (96) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and two (102) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and eight (108) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and fourteen (114) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and twenty (120) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and twenty six (126) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and thirty two (132) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and thirty eight (138) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The last Payment Date falling before the date which is one hundred and forty four (144) months from the date of the first Tranche under Loan Facility 2 | EUR 11,111,111.11 |
| The Termination Date for Loan Facility 2 | EUR 11,111,111.11 |

* 1. Prepayment
     1. **Illegality**

If:

* + - 1. in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Tranche; or
      2. funding or maintaining a Lender’s participation in any Tranche or the performance of any other obligations of a Lender under this Agreement or the use of the proceeds of any Tranche is not in compliance with any laws, regulations or measures of any Agency (as defined in paragraph (a)(ii) of Part 2 (*Interpretation*) of Schedule 1 to this Agreement),

then:

* + - * 1. that Lender shall promptly notify the Agent upon becoming aware of that event;
        2. upon the Agent notifying the Borrower, the part of the Available Loan Facility held by that Lender will be immediately cancelled; and
        3. the Borrower shall repay that Lender’s participation in the Tranches made to the Borrower on the last day of the Interest Period for each Tranche occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender’s portion of the Available Loan Facility shall be cancelled in the amount of the participations repaid.

In its notice to the Agent under paragraph (i) above, the Lender will provide a reasonable explanation regarding the relevant circumstances to the fullest extent possible subject to any applicable disclosure restrictions. That Lender and the Borrower may, but in no event shall be obliged to, agree on another repayment date or on repayment in instalments.

* + 1. **Voluntary prepayment of Tranches**
       1. The Borrower may, if it gives the Agent not less than 30 Business Days’ (or such shorter period as the Lenders may agree) prior notice, prepay the whole or any part of any Tranche (but, if in part, being an amount that reduces the amount of (i) a Loan Facility 1 Tranche by a minimum amount of EUR1,000,000 and (ii) of a Loan Facility 2 Tranche by a minimum amount of EUR5,000,000).
       2. A Tranche may only be prepaid after the last day of the Availability Period for that Loan Facility.
       3. Any prepayment under this Clause 7.2 shall satisfy the obligations under Clause 6.1 (*Repayment of Tranches under the Loan Facility 1*) and Clause 6.2 (*Repayment of Tranches under the Loan Facility 2*) in inverse chronological order.
       4. Any prepayment of a Tranche under this Clause 7.2 (*Voluntary Prepayment of Tranches*) shall be applied pro rata to each Lender’s participation in that Tranche.
    2. **Restrictions**
       1. Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
       2. Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs and any prepayment fees payable under this Agreement, without premium or penalty.
       3. The Borrower may not reborrow any part of any Loan Facility which is prepaid.
       4. The Borrower shall not repay or prepay all or any part of the Tranches except at the times and in the manner expressly provided for in this Agreement.
       5. No amount of any Loan Facility cancelled under this Agreement may be subsequently reinstated.
       6. If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Borrower or the Lenders, as appropriate.
       7. If all or part of any Lender’s participation in a Tranche is repaid or prepaid, that Lender’s Commitment in that Loan Facility shall be deemed to be reduced by an amount equal to the amount of the participation which is repaid or prepaid.
  1. Interest
     1. **Calculation of interest**

The rate of interest on each Tranche under each Loan Facility for each Interest Period is 2.50% per annum.

* + 1. **Payment of interest**

The Borrower shall pay accrued interest on the Tranches on each Payment Date.

* + 1. **Default interest**
       1. If the Borrower fails to pay any amount payable by it under or in connection with this Agreement on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 1 per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Tranche in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably).
       2. Any interest accruing under this Clause 8.3 shall be immediately payable by the Borrower on demand by the Agent.
       3. If any overdue amount consists of all or part of a Tranche which became due on a day which was not the last day of an Interest Period relating to that Tranche:
          1. the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Tranche; and
          2. the rate of interest applying to the overdue amount during that first Interest Period shall be 1 per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
  1. Interest Periods
     1. **Interest Periods**
        1. Subject to paragraph (c) below, the duration of each Interest Period shall be six (6) Months.
        2. An Interest Period for a Tranche shall not extend beyond the Termination Date.
        3. Each Interest Period for a Tranche shall start on a Payment Date and end on the next Payment Date, provided that the first Interest Period of each Tranche shall start on the Utilisation Date of that Tranche and end on the next Payment Date and the last Interest Period of each Tranche shall end on the Termination Date.
     2. **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

* + 1. **Consolidation of Tranches**

If two or more Interest Periods relate to Tranches under the same Loan Facility and end on the same Payment Date those Tranches will be consolidated into, and treated as, a single Tranche on the last day of the Interest Period.

* + 1. **Break Costs**
       1. The Borrower shall, within thirty (30) Business Days of demand by the Agent, pay to the Agent (for the relevant Lender) that Lender’s Break Costs attributable to all or any part of a Tranche or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Tranche or Unpaid Sum.
       2. Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.
  1. Fees
     1. **Commitment fee**
        1. The Borrower shall pay to each Lender a fee computed at the rate of 0.75 per cent. per annum on that Lender’s portion of the Available Loan Facility for the Availability Period.
        2. The accrued commitment fee is payable on the first Payment Date falling after the Effective Date, on each Payment Date thereafter which falls during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender’s Commitment at the time the cancellation is effective.
     2. **Arrangement fee**
        1. The Borrower shall pay to each Lender an arrangement fee in the amount of 2.50 per cent. flat of the aggregate amount of that Lender’s Loan Facility Commitment under each of Loan Facility 1 and Loan Facility 2.
        2. The arrangement fee is payable within 30 days from the Effective Date.
     3. **Agency fee**

The Borrower shall pay to the Agent (for its own account) on the first Payment Date of each year an annual agency fee in the amount of EUR 10,000.

* 1. Taxes and Changes in Circumstances
     1. **Tax gross-up**
        1. All payments to be made by the Borrower to any person under or in connection with this Agreement shall be made free and clear of and without deduction for or on account of Tax.
        2. If at any time any applicable law, regulation or regulatory requirement or any governmental authority, monetary agency or central banking authority in the country from which any payments under this Agreement are to be made for the account of a Lender (or the Agent on its behalf) requires any Tax to be applied on (or any deduction or withholding in respect of Taxes to be made from) any payment due under this Agreement for the account of a Lender (or the Agent on its behalf) or if the Borrower is required by law to make a payment to any person subject to the deduction or withholding of Tax, the sum payable by the Borrower in respect of which such Tax application, deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the application of Tax or the making of the required deduction or withholding, such person receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such Tax application, deduction or withholding been made or required to be made.
     2. **Notification of Requirement to Deduct Tax**

If, at any time, the Borrower is required by law to make any deduction or withholding from any sum payable by it under or in connection with this Agreement (or if thereafter there is any change in the rates at which or the manner in which such deductions or withholdings are calculated), the Borrower shall promptly notify the Agent.

* + 1. **Evidence of Payment of Tax**

If the Borrower makes any payment under or in connection with this Agreement in respect of which it is required to make any deduction or withholding, it shall pay the full amount required to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Agent for each Lender, within thirty (30) days after it has made such payment to the applicable authority, a certified copy of the original receipt issued by such authority evidencing the payment to such authority of all amounts so required to be deducted or withheld.

* + 1. **Stamp taxes**

As at the Effective Date under the laws of the Republic of Serbia it is not necessary that any stamp, registration or similar tax be paid on or in relation to this Agreement or the transactions contemplated by this Agreement. If any stamp, registration or similar Tax becomes payable in relation to this Agreement or the transactions contemplated by this Agreement, such Tax shall be paid by the Borrower.

* + 1. **VAT**

Under the laws of the Republic of Serbia the import of goods and supply of goods and services which is realized in the framework of this Agreement is not subject to the payment of customs duty and VAT. If VAT is or becomes chargeable on any supply made by a Lender and the Agent to any Party under this Agreement and such Lender or the Agent is required to account to the relevant tax authority for the VAT, that Party must pay to such Lender or the Agent (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Lender or the Agent must promptly provide an appropriate VAT invoice to that Party). For avoidance of doubt, all amounts expressed to be payable under or in connection with this Agreement by any Party to a Lender or the Agent which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is or becomes chargeable on that supply.

The Loan Facilities shall not be used for the payment of value added tax on sales of goods and services and import of goods and services, costs of customs duties and other import duties, taxes and other impositions occurring in the execution of implementation of the Project.

* + 1. **Changes in Circumstances**
       1. If, after the Effective Date, as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the Effective Date a Lender or Denizbank AG (a subsidiary of DenizBank A.Ş incorporated in Austria) incurs directly or indirectly an additional or increased cost, a loss or any amount due and payable under this Agreement is reduced as a result of that Lender or Denizbank AG (a subsidiary of DenizBank A.Ş incorporated in Austria) funding or maintaining any Tranche, any Loan Facility Commitment or the Loan Facilities (or any part thereof) under this Agreement; that Lender shall notify the Borrower of the event giving rise to such claim and the amount of the claim and the Borrower and that Lender shall consult (for a period of not more than thirty days) to determine the amount that would be paid by the Borrower.
       2. If a Lender claims a payment from the Borrower under Clause 11.6 (a) above and following the consultation period referred to in Clause 11.6(a) above and no agreement is reached in relation to the amount to be paid by the Borrower for the claim of that Lender or Denizbank AG (a subsidiary of DenizBank A.Ş incorporated in Austria), the Borrower shall, whilst the circumstance giving rise to the claim continues, give the Agent notice of cancellation of the Loan Facility Commitment(s) of that Lender and repayment of that Lender's participation in the Tranches and on receipt of such notice, the Loan Facility Commitment(s) of that Lender shall immediately be reduced to zero and the Borrower shall repay that Lender's participation in the Tranches together with all interest and other amounts accrued under this Agreement on the earlier of (i) the date falling thirty (30) days after the date of that notice and (ii) the next Payment Date falling after the date of that notice.
  1. Other Indemnities
     1. **Currency indemnity**
        1. If any sum due from the Borrower under this Agreement (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
           1. making or filing a claim or proof against the Borrower; or
           2. obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall as an independent obligation, within thirty (30) Business Days of demand, indemnify each Lender and the Agent against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

* + - 1. the Borrower waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.
    1. **Other indemnities**

The Borrower shall within thirty (30) Business Days of demand, indemnify each Lender and the Agent against any cost, loss or liability incurred by it as a result of:

* + - 1. the occurrence of any Event of Default;
      2. a failure by the Borrower to pay any amount due under this Agreement on its due date;
      3. funding, or making arrangements to fund, its participation in a Tranche requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Lender or the Agent itself); or
      4. a Tranche (or part of a Tranche) not being prepaid in accordance with a notice of prepayment given by the Borrower.
    1. **Indemnity to the Agent**

The Borrower shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent’s gross negligence or wilful misconduct) in acting as Agent under this Agreement as a result of any Default, action of or failure by the Borrower to comply with its obligations under this Agreement.

* 1. Mitigation by the Lenders
     1. **Mitigation**
        1. Each Lender and, if applicable, the Agent shall, in consultation with the Borrower (and at the Borrower’s expense), take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*) or Clause 11 (*Tax and Changes in Circumstances*).
        2. Paragraph (a) above does not in any way limit the obligations of the Borrower under this Agreement.
        3. Neither a Lender nor the Agent is obliged to take any steps under Clause 13.1 (*Mitigation*) if, in the opinion of that Lender or, as applicable, the Agent (acting reasonably), to do so might be prejudicial to it.
  2. Costs and Expenses
     1. **Transaction expenses**

The Borrower shall within 30 days of demand pay to the Lenders the amount of all costs and expenses (including legal fees and/or the stamp taxes, if any) reasonably incurred by any of them in connection with the entry into this Agreement.

* + 1. **Amendment or Preservation costs**

The Borrower shall, within 30 days of demand, pay to the Lenders and to the Agent the amount of all costs and expenses (including legal fees) incurred by the Lenders and the Agent in connection with the preservation of any rights under this Agreement or proceedings or investigations made necessary by actions of the Borrower or its failure by the Borrower to comply with this Agreement or dealing with any amendment, waiver or consent in relation to this Agreement.

* 1. Representations

The Borrower makes the representations and warranties set out in this Clause 15 to the Lenders on the Effective Date and acknowledges that the Lenders have entered into this Agreement in reliance on those representations and warranties.

* + 1. **Status**

The Borrower is a sovereign state with power to sue and be sued and to exercise its rights and perform its obligations under this Agreement and the Project Documents and all action required to authorise its execution of this Agreement and the Project Documents to which it is party and its performance of its obligations thereunder has been duly taken.

* + 1. **Binding obligations**

The obligations expressed to be assumed by it in this Agreement and/or the Project Documents to which it is a party are legal, valid, binding and enforceable obligations.

* + 1. **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Agreement and/or the Project Documents do not and will not conflict with:

* + - 1. any law, regulation, bond or other instrument or treaty applicable to it;
      2. its constitution; or
      3. any agreement or instrument binding upon it or any of its assets.
    1. **Power and authority**
       1. It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and/or the Project Documents and the transactions contemplated by this Agreement and/or Project Documents.
       2. No limit on the Borrower’s powers will be exceeded as a result of the borrowing contemplated by this Agreement.
    2. **Validity and admissibility in evidence**
       1. All Authorisations and any other acts, conditions or things required or desirable:
          1. to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement;
          2. to ensure that the obligations expressed to be assumed by it in this Agreement to which it is a party are legal, valid and binding; and
          3. to make this Agreement and Project Documents to which it is a party admissible in evidence in the Republic of Serbia,

have been obtained, effected, done, fulfilled or performed and are in full force and effect.

* + - 1. All Authorisations necessary to lawfully design, construct, operate and finance each of the Projects as and when necessary in accordance with the Project Documents have been obtained or effected and are in full force and effect or will be obtained when necessary in accordance with the Project Documents.
    1. **Governing law and enforcement**
       1. The choice of the law stated to be the governing law of this Agreement will be recognised and enforced in the Republic of Serbia.
       2. Any judgment obtained in relation to this Agreement in the jurisdiction of the stated governing law of this Agreement will be recognised and enforced in the Republic of Serbia.
       3. Any arbitral award obtained in relation to this Agreement in the seat of that arbitral tribunal as specified in this Agreement will be recognised and enforced in the Republic of Serbia.
    2. **Deduction of Tax**

It is not required to make any deduction for Tax from any payment it may make under this Agreement to a Lender.

* + 1. **No filing or stamp taxes**

Under the laws of the Republic of Serbia it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in the Republic of Serbia or that any stamp, registration or similar tax be paid on or in relation to this Agreement or the transactions contemplated by this Agreement.

* + 1. **No default**
       1. No Event of Default is continuing or might reasonably be expected to result from the making of any utilisation of any Loan Facility.
       2. No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its agencies or to which its assets are subject which might have a Material Adverse Effect.
       3. It has not defaulted under any payment obligations and it has not defaulted under any other obligation in respect of any other commitment whatsoever which would authorize the creditor of such obligation to accelerate the amounts due pursuant thereto.
    2. **No misleading information**

Any factual information provided by the Borrower (including its advisers) to the Lenders was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect and the Borrower is not aware of any material facts or circumstances that have not been disclosed to the Lenders and which might, if disclosed, adversely affect the decision of a person considering whether or not to provide financing to the Borrower.

* + 1. **Pari passu ranking**

Its payment obligations under this Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors.

* + 1. **No proceedings**
       1. No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have been started or threatened against any Project.
       2. No judgment or order of a court, arbitral body or agency which might reasonably be expected to have a Material Adverse Effect has been made against any Project.
    2. **No breach of laws**
       1. It has not breached any law or regulation in respect of this Agreement or the Projects which breach has or is reasonably likely to have a Material Adverse Effect.
       2. No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against the Borrower in relation to the Projects which have or are reasonably likely to have a Material Adverse Effect.
    3. **Environmental laws**
       1. Each Project is in compliance with Clause 17.5‎ (*Environmental compliance*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.
       2. No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against any Project where that claim has or is reasonably likely, if determined against that Project, to have a Material Adverse Effect.
    4. **Anti-Corruption Laws**
       1. The Borrower has conducted its affairs in compliance with anti-corruption laws and has instituted and maintains laws, policies and procedures designed to promote and achieve compliance with such laws.
       2. The Borrower has not (nor to the best of its knowledge and belief (having made due and careful enquiry) have any of its agents, employees or officers) made or received, or directed or authorised any other person to make or receive, any offer, payment or promise to pay, of any money, gift or other thing of value, directly or indirectly, to or for the use or benefit of any person, where this violates or would violate, or creates or would create liability for it or any other person under, any anti-corruption laws.
    5. **Sanctions**
       1. The Borrower is in compliance with Sanctions.
       2. The Borrower:
          1. is not a Sanctioned Territory, is not listed on a Sanctions List or otherwise subject to any Sanctions;
          2. does not engage directly in regular business with any Sanctions Restricted Person; and/or
          3. is not subject to or involved in any formal inquiry, claim, action, suit or proceeding against it with respect to any Sanctions by any Sanctions Authority.
    6. **Encumbrances**
       1. Save as permitted by Clause 17.3 (*Negative Pledge*), no Encumbrance exists over all or any of the present or future assets of the Borrower or any of its agencies.
       2. The execution of this Agreement and the Project Documents to which the Borrower is party and its exercise of its rights and performance of its obligations thereunder will not result in the existence of or oblige it or any of its agencies to create any Encumbrance over all or any of its present or future assets.
    7. **No adverse consequences**
       1. It is not necessary under the laws of the Republic of Serbia:
          1. in order to enable each Lender and the Agent to enforce its rights under this Agreement; or
          2. by reason of the execution of this Agreement or the performance by it of its obligations under this Agreement,

that any Lender should be licensed, qualified or otherwise entitled to carry on business in the Republic of Serbia.

* + - 1. A Lender is not or will not be deemed to be resident, domiciled or carrying on business in the Republic of Serbia by reason only of the execution, performance and/or enforcement of this Agreement.
    1. **Public procurement rules**

The public procurement and state aid rules in the Republic of Serbia are not applicable to its entry into and the exercise of its rights and performance of its obligations under this Agreement.

* + 1. **No immunity**

In any proceedings taken in the Republic of Serbia in relation to this Agreement to which it is a party, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process other than in relation to property which is (i) used by a diplomatic, consular or special mission and missions of international organizations or international conferences of the Republic of Serbia or (ii) of a military character and under the control of a military authority of the Republic of Serbia or (iii) other assets of the Republic of Serbia exempt from enforcement by law or international treaties.

* + 1. **Private and commercial acts**
       1. Its execution of this Agreement to which it is a party constitutes, and its exercise of its rights and performance of its obligations thereunder will constitute, private and commercial acts done and performed for private and commercial purposes rather than governmental or public acts and the Borrower does not, under the laws of the Republic of Serbia, enjoy any right of immunity from service of process, jurisdiction, suit, judgement, set-off, counterclaim or other legal process in respect of any of the obligations of the Borrower under this Agreement.
       2. Its obligations to repay the Tranches made under this Agreement and to make all other payments under this Agreement constitute un-subordinated indebtedness of the Republic of Serbia.
    2. **Allocations for Payments**

All necessary allocations in its annual budget, as approved by the annual budgetary law, for payments to be made from time to time by it under this Agreement have been made.

* + 1. **Sovereign Indebtedness**

The obligations of the Borrower to repay the Tranches made under this Agreement and to make all other payments under this Agreement constitute sovereign indebtedness of the Republic of Serbia ranking at least pari passu as to priority of payment with the claims of all other unsecured and unsubordinated creditors in respect of present or future External Indebtedness of the Borrower.

* + 1. **Repetition**

The Repeating Representations are deemed to be made by the Borrower by reference to the facts and circumstances then existing on the date of each Utilisation Request, on each Utilisation Date and the first day of each Interest Period.

* 1. Information Undertakings

The undertakings in this Clause 16 remain in force from the Effective Date for so long as any amount is outstanding under this Agreement or any Commitment is in force.

* + 1. **Financial Information**
       1. The Borrower shall, from time to time upon request of the Agent, furnish the Agent with such financial, statistical, economic and other information as any Lender (through the Agent) may reasonably require provided that, and without prejudice to any of the Borrower’s other obligations hereunder, the Borrower shall not be required to disclose or permit the furnishing of such part of such information if the same is confidential (and disclosure thereof to the Agent would cause the Borrower to be in breach of any obligation binding upon it) or if such disclosure is prohibited by reason of national security or public policy.
       2. Without prejudice to paragraph (a) above, the Borrower shall upon written request of the Agent, but no longer than 45 days from the expiration of the financial year to which such information relates, deliver to the Agent, unless it is published on the official website of the Ministry of Finance or National Bank of Serbia, the related edition of the economic indicators published by the Ministry of Finance, Public Debt Administration for such year.
    2. **Anti-corruption information**

Unless such disclosure would constitute a breach of any applicable law or regulation, the Borrower shall supply to the Agent:

* + - 1. promptly upon becoming aware of them, the details of any actual or potential violation by, or creation of liability for, any agent, director, employee or officer of the Borrower (or any counterparty of any such person in relation to any transaction contemplated by this Agreement) of or in relation to any anti-corruption laws, or of any investigation or proceedings relating to the same;
      2. copies of any correspondence delivered to, or received from, any regulatory authorities in relation to any matter referred to in paragraph (a) above at the same time as they are dispatched or promptly upon receipt (as the case may be); and
      3. promptly upon request by the Lenders (through the Agent), such further information relating to any matter referred to in paragraphs (a) and (b) above as the Lenders may reasonably require.
    1. **Information: miscellaneous**

The Borrower shall supply to the Agent:

* + - 1. all documents dispatched by the Borrower to its creditors of External Indebtedness at the same time as they are dispatched relating to the suspension of payments of any External Indebtedness or a moratorium of any External Indebtedness or the commencement of negotiations, by reason of actual or anticipated financial difficulties, with a view to rescheduling any of its External Indebtedness;
      2. immediately any information regarding any fact obliging it and any demand made to it ether to prepay by reason of default, in whole or in part, any loan made to it by a third party or to discharge by such reason ahead of its scheduled maturity any External Indebtedness;
      3. information regarding any intention on its part to grant any security over any of its assets in favour of a third party;
      4. generally information regarding any fact or event which might prevent the fulfilment of any obligation of the Borrower under this Agreement;
      5. promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower, and which might, if adversely determined, have a Material Adverse Effect;
      6. promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against the Borrower and which might have a Material Adverse Effect or which would involve a liability, or a potential or alleged liability, exceeding EUR 10,000,000 (or its equivalent in any other currency or currencies); and
      7. promptly such further information regarding the financial condition of the Borrower or regarding any of the Projects as any Lender (through the Agent) may reasonably request.
    1. **Notification of default**
       1. The Borrower shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
       2. Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by its authorised signatories on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).
  1. General Undertakings

The undertakings in this Clause 17 remain in force from the Effective Date for so long as any amount is outstanding under this Agreement or any Commitment is in force.

* + 1. **Authorisations**

The Borrower shall promptly:

* + - 1. obtain, comply with and do all that is necessary to maintain in full force and effect; and
      2. supply certified copies to the Agent of any Authorisation required under any law or regulation of the Republic of Serbia to:
         1. enable it to perform its obligations under this Agreement and/or the Project Documents;
         2. ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and/or the Project Document; or
         3. to carry out the Projects in accordance with the Project Documents.
    1. **Compliance with laws**

The Borrower shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under this Agreement.

* + 1. **Negative pledge**

The Borrower shall not and shall ensure that each of its agencies shall not, without the prior written consent of the Lenders, create or permit to subsist any Encumbrance over all or any of its present or future assets other than a Permitted Encumbrance.

* + 1. **Project Documents**
       1. The Borrower shall fund from own sources capital expenditures as described in the Investment Budget for each Project in the minimum amount of twenty (20) per cent. of each contract price as defined in the relevant Commercial Contract.
       2. The Borrower shall not, without the prior consent of the Lenders, permit or suffer to occur any alteration of or amendment to or departure from the terms of the Project Documents which would result in a change of the scope of any of the Projects or a change of the contractor under any Project Document.
    2. **Environmental compliance**

The Borrower shall:

* + - 1. comply with all Environmental Laws; and
      2. implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

in respect of the Projects where failure to do so has or is reasonably likely to have a Material Adverse Effect.

* + 1. **Anti-Corruption Laws**
       1. The Borrower shall not directly or indirectly use the proceeds of any Loan Facility for any purpose which would breach any anti-corruption laws.
       2. The Borrower shall:
          1. conduct its activity in compliance with any anti-corruption laws;
          2. maintain policies and procedures designed to promote and achieve compliance with such laws; and
          3. take all reasonable and prudent steps to ensure that each of its agents, directors, employees and officers comply with such laws.
    2. **Sanctions**

The Borrower shall not apply the proceeds of the Loan Facilities for any purpose which would breach Sanctions.

* + 1. **Pari passu ranking**

The Borrower undertakes to ensure that at all times the claims of the Lenders against the Borrower under this Agreement rank at least pari passu as to priority of payment with the claims of all other unsecured and unsubordinated creditors in respect of present or future External Indebtedness of the Borrower.

* + 1. **Inspection of Books and Records**

The Borrower shall permit representatives of the Lenders upon five (5) Business Days prior written notice to the Borrower during normal working hours to inspect and make extracts from and copies of its books and records in so far as it relates to the rights and remedies of the Agent or the Lenders under this Agreement or the obligations of the Borrower under any Project Document to which it is party provided thatthe Borrower shall not be required to permit such inspection and/or the making of such extracts if and to the extent the same is prohibited by reason of national security or public policy.

* 1. Events of Default

Each of the events or circumstances set out in Clause 18 is an Event of Default (save for Clause 18.15 (*Acceleration*)).

* + 1. **Non-payment**

The Borrower does not pay on the due date any amount payable under or in connection with this Agreement at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error or by a Disruption Event and in each case payment is made within one (1) Business Day of its due date.

* + 1. **Other obligations**
       1. The Borrower does not comply with any provision of this Agreement and/or any Project Document to which it is a party (other than those referred to in Clause 18.1 (*Non-payment*)).
       2. No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within five (5) Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower becoming aware of the failure to comply.
    2. **Misrepresentation**

Any representation or statement made or deemed to be made by the Borrower in this Agreement and/or in the Project Documents to which it is a party or any other document delivered by or on behalf the Borrower under or in connection with this Agreement and/or any Project Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

* + 1. **Cross default**

Any indebtedness of the Borrower, the National Bank of Serbia, or any of their respective agencies (i) is not paid when due, (ii) is declared to be or otherwise becomes due and payable prior to its specified maturity, or (iii) any creditor or creditors of the Borrower, the National Bank of Serbia, or any of their respective agencies become entitled to declare any indebtedness of the Borrower, the National Bank of Serbia, or any of their respective agencies due and payable prior to its specified maturity.

* + 1. **Project Documents**

Any default or any event of default (however defined) occurs under the Project Documents and/or the Borrower and/or any party to the Project Documents does not comply with any provision of the Project Documents.

* + 1. **Failure to comply with court judgment or arbitral award**

The Borrower fails to pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction in relation to its External Indebtedness.

* + 1. **Unlawfulness and invalidity**
       1. It is or becomes unlawful for the Borrower to perform any of its obligations under this Agreement and/or the Project Documents to which it is a party.
       2. Any obligation or obligations of the Borrower under this Agreement and/or the Project Documents to which it is a party are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under this Agreement.
       3. This Agreement ceases to be in full force and effect or is alleged by a party to it (other than the Lenders) to be ineffective.
    2. **Repudiation and rescission of agreements**

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate (or does or causes to be done any act or thing evidencing in writing that it unequivocally intends to do so) this Agreement and/or a Project Document or evidences an intention to rescind or repudiate this Agreement and/or a Project Document.

* + 1. **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigation, proceeding or dispute is commenced or threatened against the Borrower and/or the Government of the Republic of Serbia, or any judgment or order of a court, arbitral body or agency is made in relation to this Agreement and/or the Project Documents, or the transactions contemplated in this Agreement and/or the Project Documents which (in each case) is reasonably likely to be adversely determined and, if adversely determined, will have or is reasonably likely to have a Material Adverse Effect.

* + 1. **Convertibility/Transferability**

Any foreign exchange law is amended, enacted or introduced or is reasonably likely to be amended, enacted or introduced in the Republic of Serbia that (in the opinion of the Lenders):

* + - 1. has or is reasonably likely to have the effect of prohibiting, or restricting or delaying in any material respect any payment that the Borrower is required to make pursuant to the terms of this Agreement; or
      2. is materially prejudicial to the interests of the Lenders under or in connection with this Agreement.
    1. **Moratorium**
       1. A moratorium is called on payments in relation to or under guarantees of the External Indebtedness.
       2. The Borrower or any of its agencies is unable to pay its External Indebtedness as and when it falls due or commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its External Indebtedness.
    2. **Political and economic risk**

A deterioration occurs in the political or economic situation generally in the Republic of Serbia, or an act of war or hostilities, invasion, armed conflict or act of foreign enemy, revolution, insurrection, insurgency or threat thereof occurs in or involving the Republic of Serbia.

* + 1. **Material adverse change**

Any event or circumstance occurs which the Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

* + 1. **Force Majeure**

Any Force Majeure event occurs and continues for more than 1 Month.

* + 1. **Acceleration**

On and at any time after the occurrence of an Event of Default the Agent may, and shall if so directed by the Lenders (or in case of an Event of Default under Clause 18.1 (*Non-payment*) of this Agreement if so directed by any Lender), by notice to the Borrower:

* + - 1. cancel the amounts of the Loan Facility 1 Commitment and/or the Loan Facility 2 Commitment whereupon they shall immediately be cancelled;
      2. declare that all or part of the Tranches, together with accrued interest, and all other amounts accrued or outstanding under this Agreement be immediately due and payable, whereupon they shall become immediately due and payable; and/or
      3. declare that all or part of the Tranches be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Lenders.
  1. Changes to the Lenders
     1. **Assignments and transfers by the Lenders**

Subject to this Clause 19 and subject to the provision set out in Schedule 4 (*Conditions Relating to Assignment or Transfer*) of this Agreement, a Lender (the “**Existing Lender**”) may:

* + - 1. assign any of its rights; or
      2. transfer by novation any of its rights and obligations,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “**New Lender**”) without consent of the Borrower.

* + 1. **Conditions of assignment or transfer**
       1. An assignment will only be effective on:
          1. receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Lenders and the Agent as it would have been under if it had been an original Lender; and
          2. performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
       2. For avoidance of doubt, the terms and conditions of this Agreement shall continue to apply to the Borrower after an assignment or transfer.
       3. The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrower a copy of that Transfer Certificate or Assignment Agreement. The Borrower shall take all actions required to give effect to an assignment or transfer by an Existing Lender under this Clause 20.
       4. A transfer will only be effective if the procedure set out in Clause 1.3 of Schedule 4 (*Conditions relating to assignment or transfer*)is complied with.
       5. If:
          1. a Lender assigns or transfers any of its rights or obligations under this Agreement or changes its Facility Office; and
          2. as a result of circumstances existing at the date the assignment, transfer or change occurs, the Borrower would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 11 (*Taxes and Changes in Circumstances*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

* + - 1. Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.
  1. Assignments and transfer by the Borrower

The Borrower may not assign any of its rights or transfer any of its rights or obligations under this Agreement.

* 1. Role of the Agent
     1. **Appointment of the Agent**
        1. Each Lender appoints the Agent to act as its agent under and in connection with this Agreement.
        2. Each Lender authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with this Agreement together with any other incidental rights, powers, authorities and discretions.
     2. **Instructions**
        1. The Agent shall:
           1. unless a contrary indication appears in this Agreement, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Lenders; and
           2. not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
     3. **Duties of the Agent**
        1. The Agent’s duties under this Agreement are solely mechanical and administrative in nature.
        2. Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party. For the avoidance of doubt the Agent shall promptly forward to the Lenders any information or documents received by it in its capacity as Agent from the Borrower.
        3. Without prejudice to Clause 1.5 (*Copy of Transfer Certificate or Assignment Agreement*) of Schedule 4 (*Conditions relating to assignment or transfer*), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.
        4. Except where this Agreement specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
        5. If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Lenders.
        6. If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to the Lenders (other than the Agent) under this Agreement it shall promptly notify the Lenders.
        7. The Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement to which it is expressed to be a party (and no others shall be implied).
     4. **No fiduciary duties**
        1. Nothing in this Agreement constitutes the Agent as a trustee or fiduciary of any other person.
        2. The Agent shall not be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.
     5. **Rights and discretions**
        1. The Agent may:
           1. rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
           2. assume that:

any instructions received by it from the Lenders or any of them are duly given in accordance with the terms of this Agreement; and

unless it has received notice of revocation, that those instructions have not been revoked; and

* + - * 1. rely on a certificate from any person:

as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

* + - 1. The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
         1. no Default has occurred (unless it has actual knowledge of a Default arising under Clause 18.1 (*Non-payment*)); and
         2. any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised.
      2. The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts in connection with this Agreement.
      3. Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.
      4. The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
      5. The Agent may act in relation to this Agreement through its officers, employees and agents.
      6. Unless this Agreement expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
      7. Notwithstanding any other provision of this Agreement to the contrary, the Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
      8. Notwithstanding any provision of this Agreement to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
    1. **Exclusion of liability**
       1. Without limiting paragraph (b) below (and without prejudice to any other provision of this Agreement excluding or limiting the liability of the Agent), the Agent will not be liable for:
          1. any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with this Agreement, unless directly caused by its gross negligence or wilful misconduct;
          2. exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, this Agreement or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, this Agreement, other than by reason of its gross negligence or wilful misconduct; or
          3. without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of:

any act, event or circumstance not reasonably within its control; or

the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

* + - 1. No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Agreement and any officer, employee or agent of the Agent may rely on this paragraph (b) subject to Clause 1.3 (*Third party rights*) and the provisions of the Contracts (Rights of Third Parties) Act 1999 referred to therein.
      2. The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under this Agreement to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
      3. Nothing in this Agreement shall oblige the Agent to carry out:
         1. any “know your customer” or other checks in relation to any person; or
         2. any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

* + - 1. Without prejudice to any provision of this Agreement excluding or limiting the Agent’s liability, any liability of the Agent arising under or in connection with this Agreement shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.
    1. **Resignation of the Agent**
       1. The Agent may resign and appoint one of its Affiliates acting through an office in Turkey as successor by giving notice to the Lenders and the Borrower.
       2. Alternatively the Agent may resign by giving 30 days’ notice to the Lenders and the Borrower, in which case the Lenders (after consultation with the Borrower) may appoint a successor Agent.
       3. If the Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in Turkey).
       4. If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent and the Lenders amendments to this Clause 21 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees.
       5. The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under this Agreement.
       6. The Agent’s resignation notice shall only take effect upon the appointment of a successor.
       7. Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of this Agreement (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 12.3 (*Indemnity to the Agent*) and this Clause 21 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
       8. After consultation with the Borrower, the Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.
  1. Conduct of Business by the Lenders

No provision of this Agreement will:

* + - 1. interfere with the right of any Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
      2. oblige any Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
      3. oblige any Lender to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.
  1. Sharing Provisions
     1. **Payments to the Lenders**

If a Lender (a “**Recovering Lender**”) receives or recovers any amount from the Borrower other than in accordance with Clause 24 (*Payment mechanics*) (a “**Recovered Amount**”) and applies that amount to a payment due under this Agreement then:

* + - 1. the Recovering Lender shall, within three (3) Business Days, notify details of the receipt or recovery to the Agent;
      2. the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Lender would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 24 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
      3. the Recovering Lender shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Lender as its share of any payment to be made, in accordance with Clause 24.6 (*Partial payments*).
    1. **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the Borrower and distribute it between the Lenders (other than the Recovering Lender) (the “**Sharing Lenders**”) in accordance with Clause 24.6 (*Partial payments*) towards the obligations of the Borrower to the Sharing Lenders.

* + 1. **Recovering Lender’s rights**

On a distribution by the Agent under Clause 23.2 (*Redistribution of payments*) of a payment received by a Recovering Lender from the Borrower, as between the Borrower and the Recovering Lender, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by the Borrower.

* + 1. **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Lender becomes repayable and is repaid by that Recovering Lender, then:

* + - 1. each Sharing Lender shall, upon request of the Agent, pay to the Agent for the account of that Recovering Lender an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Lender for its proportion of any interest on the Sharing Payment which that Recovering Lender is required to pay) (the “**Redistributed Amount**”); and
      2. as between the Borrower and each relevant Sharing Lender, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by the Borrower.
    1. **Exceptions**
       1. This Clause 23 shall not apply to the extent that the Recovering Lender would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the Borrower.
       2. A Recovering Lender is not obliged to share with any Lender any amount which the Recovering Lender has received or recovered as a result of taking legal or arbitration proceedings, if:
          1. it notified that other Lender of the legal or arbitration proceedings; and
          2. that other Lender had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.
  1. Payment Mechanics
     1. **Payments to the Agent**
        1. Other than as provided for under Clause 5.8 (*Lenders Participation*), under Clause 10 (*Fees*) and other than as may be requested by the Lenders in accordance with Clause 24.2 (*Alternative Payment Arrangements*), on each date on which the Borrower or a Lender is required to make a payment under this Agreement, the Borrower or Lender (through any domestic or foreign branch) shall make the same available to the Agent (unless a contrary indication appears in this Agreement) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
        2. Subject to Clause 24.2 (*Alternative Payment Arrangements*), payment shall be made to such account in the principal financial centre in such Participating Member State or Turkey and with such bank as the Agent, in each case, specifies and the Agent shall notify the Borrower such information no later than 15 days prior to each Payment Date. Failure by the Agent to provide such information will not affect the Borrower’s obligation to make the relevant payments when due in accordance with the Agreement.
     2. **Alternative Payment Arrangements**

Without prejudice to Clause 23 (*Sharing Provisions*), if, at any time, the Lenders so notify the Borrower in relation to a payment the Borrower is required to make under this Agreement to the Agent in accordance with Clause 24.1 (*Payments to the Agent*) the Borrower shall instead pay that amount direct to the required recipient(s) on the due date for such payment under this Agreement.

* + 1. **Distributions by the Agent**

Each payment received by the Agent under this Agreement for a Lender or for the Borrower (a “**Party**”) shall, subject to Clause 24.4 (*Distributions to the Borrower*) and Clause 24.5 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to the relevant bank account referred to in the relevant Utilisation Request (as contemplated by Clause 5.4(a)(iv) (*Completion of a Utilisation Request*)) (if such payment is for the Borrower) or as that Party may notify to the Agent by not less than five (5) Business Days’ notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or Turkey, as specified by that Party).

* + 1. **Distributions to the Borrower**

The Agent may (with the consent of the Borrower or in accordance with Clause 25 (*Set-off*)) apply any amount received by it for the Borrower in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Borrower under this Agreement or in or towards purchase of any amount of any currency to be so applied.

* + 1. **Clawback and pre-funding**
       1. Where a sum is to be paid to the Agent under this Agreement for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
       2. If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
    2. **Partial payments**
       1. If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Agreement, the Agent shall apply that payment towards the obligations of the Borrower under this Agreement in the following order:
          1. **first**, in or towards payment pro rata of any agency fee owing to the Agent under Clause 10.3 (*Agency fee*) of this Agreement;
          2. **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
          3. **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
          4. **fourthly**, in or towards payment pro rata of any other sum due but unpaid under this Agreement.
       2. The Agent shall, if so directed by the Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.
       3. Paragraphs (a) and (b) above will override any appropriation made by the Borrower.
    3. **No set-off by the Borrower**

All payments to be made by the Borrower under this Agreement shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

* + 1. **Business Days**
       1. Any payment under this Agreement which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
       2. During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.
    2. **Currency of account**
       1. Subject to paragraphs (b) and (c) below, euro (EUR) is the currency of account and payment for any sum due from the Borrower under this Agreement.
       2. Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
       3. Any amount expressed to be payable in a currency other than euro shall be paid in that other currency.
    3. **Change of currency**
       1. Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
          1. any reference in this Agreement to, and any obligations arising under this Agreement in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
          2. any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
       2. If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the European interbank market and otherwise to reflect the change in currency.
    4. **Disruption to payment systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

* + - 1. the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Loan Facilities as the Agent may deem necessary in the circumstances;
      2. the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
      3. the Agent may consult with the Lenders in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
      4. any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of this Agreement notwithstanding the provisions of Clause 31 (*Amendments and waivers*);
      5. the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 24.11; and
      6. the Agent shall notify the Lenders of all changes agreed pursuant to paragraph (d) above.
  1. Set-Off

A Lender may set off any matured obligation due from the Borrower under this Agreement (to the extent beneficially owned by that Lender) against any matured obligation owed by that Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

* 1. Notices
     1. **Communications in writing**
        1. Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax, letter or by electronic mail or also by other electronic means (including, without limitation, by way of posting to a secure website) if the Parties notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means and notify each other of any change to their address or any other such information supplied by them by not less than five (5) Business Days’ notice.
        2. Any such electronic communication as specified in paragraph (a) above will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.
        3. Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
        4. Any reference in this Agreement to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 26.1.
     2. **Addresses**

The address, fax number and electronic mail address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

* + - 1. in the case of the Borrower, that identified with its signature below;
      2. in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
      3. in the case of the Agent, that identified with its signature below,

or any substitute address, fax number, electronic mail address or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days’ notice.

* + 1. **Delivery**
       1. Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:
          1. if by way of fax, when received in legible form; or
          2. if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,
          3. if by way of electronic mail, when actually received (or made available) in readable form;

and, if a particular department or officer is specified as part of its address details provided t under Clause 26.2 (*Addresses*), if addressed to that department or officer.

* + - 1. Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent’s signature below (or any substitute department or officer as the Agent shall specify for this purpose).
      2. All notices from or to the Borrower shall be sent through the Agent.
      3. Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to the Borrower.
      4. Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.
    1. **Notification of address, fax number and electronic mail address**

Promptly upon changing its address, fax number or electronic mail address, the Agent shall notify the other Parties.

* + 1. **English language**
       1. Any notice given under or in connection with this Agreement must be in English.
       2. All other documents provided under or in connection with this Agreement must be:
          1. in English; or
          2. if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.
  1. Calculations and Certificates
     1. **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by a Lender or the Agent are prima facie evidence of the matters to which they relate.

* + 1. **Certificates and determinations**

Any certification or determination by a Lender or the Agent of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

* + 1. **Day count convention**

Any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the European interbank market differs, in accordance with that market practice.

* 1. Lenders’ rights and obligations
     + 1. The obligations of each Lender under this Agreement are several. Failure by a Lender to perform its obligations under this Agreement does not affect the obligations of any other Party under this Agreement. No Lender is responsible for the obligations of any other Lender under this Agreement.
       2. The rights of each Lender under or in connection with this Agreement are separate and independent rights and any debt arising under this Agreement to a Lender from the Borrower is a separate and independent debt in respect of which a Lender shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Lender include any debt owing to that Lender under this Agreement and, for the avoidance of doubt, any part of any amount owed by the Borrower which relates to a Lender's participation in a Loan Facility or to the Agent’s role under this Agreement is a debt owing to that Lender or, in case of any such amount payable to the Agent on its behalf, the Agent by the Borrower.
       3. A Lender and the Agent may, except as specifically provided in this Agreement, separately enforce its rights under or in connection with this Agreement.
  2. Partial Invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

* 1. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of a Lender or the Agent, any right or remedy under this Agreement shall operate as a waiver of any such right or remedy or constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of any Lender shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

* 1. Amendments and Waivers
     1. **Required consents**
        1. Subject to Clause 31.2 (*Other exceptions*), any term of this Agreement may be amended or waived only with the consent of the Lenders and the Borrower and any such amendment or waiver will be binding on all Parties.
        2. The Agent may effect, on behalf of the Lenders, any amendment or waiver permitted by this Clause 31.
        3. Paragraph (c) of Clause 1.7 (*Pro rata interest settlement*) of Schedule 4 (*Conditions relating to assignment or transfer*) shall apply to this Clause 31.
     2. **Other exceptions**

An amendment or waiver which relates to the rights or obligations of the Agent (in its capacity as such) may not be effected without the consent of the Agent.

* 1. Confidential Information
     1. **Confidentiality**

Each Lender agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 32.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

* + 1. **Disclosure of Confidential Information**

Any Lender may disclose:

* + - 1. to any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Lender shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
      2. to any person:
         1. to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under this Agreement or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person’s Affiliates, Representatives and professional advisers;
         2. with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to this Agreement and/or the Borrower and to any of that person’s Affiliates, Representatives and professional advisers;
         3. appointed by any Lender or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to this Agreement on its behalf;
         4. who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
         5. to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
         6. to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
         7. to whom or for whose benefit that Lender charges, assigns or otherwise creates Encumbrance (or may do so) pursuant to Clause 1.6 (*Security over Lenders’ rights*) of Schedule 4 (*Conditions relating to assignment or transfer*);
         8. who is a Party; or
         9. with the consent of the Borrower;

in each case, such Confidential Information as that Lender shall consider appropriate if:

in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Lender, it is not practicable so to do in the circumstances; and

* + - 1. to any person appointed by that Lender or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of this Agreement including without limitation, in relation to the trading of participations in respect of this Agreement, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the Loan Market Association Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and that Lender; and
      2. to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to this Agreement and/or the Borrower if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.
    1. **Entire agreement**

This Clause 32 constitutes the entire agreement between the Parties in relation to the obligations of the Lenders under this Agreement regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

* + 1. **Notification of disclosure**

Each Lender agrees (to the extent permitted by law and regulation) to inform the Borrower:

* + - 1. of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 32.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
      2. upon becoming aware that Confidential Information has been disclosed in breach of this Clause 32.
    1. **Continuing obligations**

The obligations in this Clause 32 are continuing and, in particular, shall survive and remain binding on each Lender for a period of twelve months from the earlier of:

* + - 1. the date on which all amounts payable by the Borrower under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
      2. the date on which such Lender otherwise ceases to be a Lender.
  1. Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

* 1. Governing Language

Although this Agreement may be translated into Serbian, the Serbian language version of this Agreement is for information purposes only. In the event of any conflict or inconsistency between the English language version and the Serbian language version of this Agreement or any dispute regarding the interpretation of any provision in the English language version or the Serbian language version of this Agreement, the English language version of this Agreement shall prevail and questions of interpretation shall be addressed solely by reference to the English language version.

* 1. Governing Law

This Agreement is governed by English law.

* 1. Arbitration
     1. **Arbitration**

Subject to Clause 36.4 (*Agent’s option*), any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) (a “**Dispute**”) shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration (LCIA) (the “**Rules**”).

* + 1. **Formation of arbitral tribunal, seat and language of arbitration**
       1. The arbitral tribunal shall consist of three arbitrators. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as Chairman) shall be appointed by the arbitrators nominated by the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 10 days of the appointment of the second arbitrator, by the LCIA Court (as defined in the Rules).
       2. The seat of arbitration shall be London, England.
       3. The language of the arbitration shall be English.
    2. **Recourse to courts**

For the purposes of arbitration pursuant to this Clause 36 (*Arbitration*), the Parties waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 and 69 of the Arbitration Act 1996.

* + 1. **Agent’s option**

Before the Lenders have filed, as the case may be, a Request for Arbitration or Response (in each case, as defined in the Rules) the Agent may (and shall, if so instructed by the Lenders) by notice in writing to all other Parties require that all Disputes or a specific Dispute be heard by a court of law. If the Agent gives such notice, the Dispute to which such notice refers shall be determined in accordance with Clause 37 (*Jurisdiction of English courts*).

* 1. Jurisdiction of English Courts

If the Agent issues a notice pursuant to Clause 36.4 (*Agent’s option*), the provisions of this Clause 37 shall apply.

* + 1. **Jurisdiction**
       1. The courts of England have exclusive jurisdiction to settle any Dispute.
       2. The Parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly no Party will argue to the contrary.
       3. Notwithstanding paragraph (a) above, no Lender shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lenders may take concurrent proceedings in any number of jurisdictions.
    2. **Service of process**
       1. Without prejudice to any other mode of service allowed under any relevant law, the Borrower:
          1. irrevocably appoints the Embassy of the Republic of Serbia in London as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and
          2. agrees that failure by an agent for the service of process to notify the Borrower of the process will not invalidate the proceedings concerned.
       2. If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrower must immediately (and in any event within 30 days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose and notify the Borrower of the same.
  1. Waiver of Immunity
     1. **Waiver of immunity**
        1. The Borrower waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:
           1. the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
           2. the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.
        2. The Borrower agrees that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the English State Immunity Act 1978.
        3. Foregoing waiver of immunity shall not apply to property which is (i) used by a diplomatic, consular or special mission and missions of international organizations or international conferences of the Republic of Serbia or (ii) of a military character and under the control of a military authority of the Republic of Serbia or (iii) other assets of the Republic of Serbia exempt from enforcement by law or international treaties.
  2. Conditions to Effectiveness
     + 1. This Agreement shall become effective upon the satisfaction of the following conditions:
          1. this Agreement has been duly signed by the Lenders, the Agent and the Borrower; and
          2. the Agent has received in form and substance satisfactory to the Lenders and no later than 1 February 2020 (the “**Long Stop Date**”):

a copy of the Official Gazette of the Republic of Serbia publishing the law on ratification of this Agreement by the National Assembly of the Republic of Serbia; and

a notice from the Borrower informing that an Annex 1 of the Agreement between the Government of the Republic of Serbia and the Government of the Republic of Turkey on Cooperation in the Field of Infrastructure Projects dated 14 June 2019 has entered into force; and

a legal opinion of the Ministry of Justice of Serbia in relation to this Agreement.

* + - 1. The Agent shall notify the Borrower in writing promptly upon being satisfied that the conditions to the effectiveness set out in paragraph (a) above have been received on or prior to the Long Stop Date in form and substance satisfactory to the Lenders and the effective date of this Agreement (the “**Effective Date**”) shall be the date specified in the Agent’s notice to the Borrower.
      2. In the event that this Agreement fails to become effective prior to Long Stop Date, the Lenders shall have no obligations under this Agreement and the Lenders shall have the right (in their sole and absolute discretion) to re-evaluate the terms and conditions on which they would be prepared to offer to make available the Loan Facilities.

**This Agreement has been signed by the Parties on the date stated at the beginning of this Agreement.**

1. Definitions and interpretation
   1. Definitions

“**Affiliate**” means, in relation to any person, all persons directly or indirectly controlling, controlled by or under common control with such person, where control may be by either management authority, contract or equity interest.

1. “**Assignment Agreement**” means an agreement substantially in the form set out in Schedule 6 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee;
2. “**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;
3. “**Availability Period**” has the meaning given to such term in Clause 5.1(a) (*Availability Period*);
4. “**Available Loan Facility**” means, in relation to a Loan Facility, the aggregate for the time being of each Lender's Available Loan Facility Commitment in respect of that Loan Facility.
5. “**Available Loan Facility Commitment**” means in respect of each Loan Facility, a Lender’s Loan Facility Commitment minus:
   1. the amount of that Lender’s participation in any outstanding Tranches under that Loan Facility; and
   2. in relation to any proposed Utilisation, the amount of that Lender’s participation in any Tranches that are due to be made on or before the proposed Utilisation Date;
6. “**Break Costs**” means the amount (if any) by which:
   1. the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Tranche or Unpaid Sum to the last day of the current Interest Period in respect of that Tranche or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

* 1. the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period;

1. “**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Belgrade, Serbia, Vienna, Austria, Bahrain and Istanbul, Turkey and which is a TARGET Day;
2. “**Confidential Information**” means all information relating to the Borrower, this Agreement or the Loan Facilities of which a Lender becomes aware in its capacity as, or for the purpose of becoming, a Lender or which is received by the Lender or the Agent in relation to, or for the purpose of becoming a Lender or Agent under, this Agreement or the Loan Facilities from either:
   1. the Borrower or any of its advisers; or
   2. another Lender, if the information was obtained by that Lender directly or indirectly from the Borrower or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

* + 1. is or becomes public information other than as a direct or indirect result of any breach by a Lender of Clause 32 (*Confidential Information*); or
    2. is identified in writing at the time of delivery as non-confidential the Borrower or any of its advisers; or
    3. is known by that Lender before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Lender after that date, from a source which is, as far as that Lender is aware, in either case, as far as that Lender is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality;

1. “**Confidentiality Undertaking**” means a confidentiality undertaking substantially in a recommended form of the Loan Market Association or in any other form agreed between the Borrower and the Agent;
2. “**Default**” means an Event of Default or any event or circumstance specified in Clause 18 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under this Agreement or any combination of any of the foregoing) be an Event of Default;
3. “**Disruption Event**” means either or both of:
   1. a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Loan Facilities (or otherwise in order for the transactions contemplated by this Agreement to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
   2. the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
      1. from performing its payment obligations under this Agreement; or
      2. from communicating with other Parties in accordance with the terms of this Agreement,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted;

1. “**Effective Date**” has the meaning given to such term in paragraph (b) of Clause 39 (*Conditions to Effectiveness*).
2. “**Encumbrance**” means:
   1. a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person;
   2. any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set‑off or made subject to a combination of accounts so as to effect payment of sums owed or payable to any person; and/or
   3. any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;
3. “**Engineer of the Project**” means:
   1. in relation to the Project 1, a person appointed in accordance with Commercial Contract 1 to act as an engineer for the purposes the Commercial Contract 1, or any other person appointed to act as an engineer in accordance with the Commercial Contract 1; and
   2. in relation to the Project 2, a person appointed in accordance with Commercial Contract 2 to act as an engineer for the purposes the Commercial Contract 2, or any other person appointed to act as an engineer in accordance with the Commercial Contract 2.
4. “**Environment**” means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:
   1. air (including, without limitation, air within natural or man-made structures, whether above or below ground);
   2. water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
   3. land (including, without limitation, land under water);
5. “**Environmental Claim**” means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law;
6. “**Environmental Law**” means any applicable law or regulation which relates to:
   1. the pollution or protection of the Environment;
   2. the conditions of the workplace; or
   3. the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste;
7. “**Equity Contribution**” means the capital expenditures financed by the Borrower from its own sources and which are further described in the Investment Budget for each Project in the minimum amount of twenty (20) per cent. of each contract price as defined in the relevant Commercial Contract;
8. “**Event of Default**” means any event or circumstance specified as such in Clause 18 (*Events of Default*);
9. "**External Indebtedness**" means any indebtedness which is payable:
   1. in or by reference to a currency which is not the lawful currency for the time being of the Republic of Serbia; and/or
   2. to a non-Serbian entity.
10. “**€**”, “**EUR**” and “**euro**” denote the single currency of the Participating Member States.
11. “**Facility Office**” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement;
12. “**Force Majeure**” means exceptional events or circumstances including, however not limited to, the following:
    1. contamination by munitions of war, explosive materials, ionising radiation or radioactivity;
    2. acts of God and natural catastrophes (such as earthquakes, hurricanes, floods, typhoons or volcanic activity);
    3. war, hostilities (whether war has been declared or not), invasion, act of foreign enemies and material change in national defence requirements;
    4. acts or omission of a Serbian or supranational authority with binding authority;
    5. rebellion, terrorism, revolution, insurrection, military or usurped power and civil war; and/or
    6. riot, commotion, disorder, strike or lockout by persons other than the Borrower's personnel and sub-contractors,
13. so long as the following conditions are satisfied:
    1. it is beyond the Borrower’s control;
    2. the Borrower could not have reasonably provided against it before entering into this Agreement;
    3. once having arisen, the Borrower could not reasonably have avoided or overcome it; and
    4. it is not substantially attributable to the Lenders.
14. “**Interest Period**” means, in relation to a Tranche, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*);
15. “**Investment Budget**” means:
    1. in relation to the Project 1, EUR24,000,000; and
    2. in relation to the Project 2, EUR250,000,000,
16. in each case including a breakdown showing major components and the final investment schedule showing the critical milestones of each Project and schedule of progress payments;
17. “**Lender**” means:
    1. any original Lender (and any of its domestic or foreign branches); and
    2. any bank, financial institution, trust, fund or other entity which has become a Party as a “**Lender**” in accordance with Clause 19 (*Changes to the Lenders*),
18. which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement;
19. “**Loan Facility**” means each of the Loan Facility 1 and Loan Facility 2.
20. “**Loan Facility Commitment**” means any of the Loan Facility 1 Commitment and the Loan Facility 2 Commitment;
21. “**Loan Facility 1**” means the EUR term loan facility made available under this Agreement as described in Clause 2.1(a) of this Agreement;
22. “**Loan** **Facility** **1 Commitment**” has the meaning assigned to this term in Clause 2.1 (*The Loan Facilities*) and in relation to each Lender as at the date of this Agreement it means the amount expressed in EUR of such Lender’s participation in Loan Facility 1 as follows:

|  |  |
| --- | --- |
| 1. **Name of Lender** | 1. **Loan Facility 1 Commitment** |
| 1. Denizbank A.Ş. (domestic and foreign branches including Bahrein Branch) | 1. EUR9,600,000 |
| 1. T.C. Ziraat Bankasi A.Ş. (domestic and foreign branches including Bahrein Branch) | 1. EUR 9,600,000 |
| 1. **Total** | 1. EUR 19,200,000 |

1. and in relation to any other Lender, the amount in EUR of any Loan Facility 1 Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.
2. “**Loan Facility** **1 Tranche**” means a tranche made or to be made under the Loan Facility 1 or the principal amount outstanding for the time being of that tranche;
3. “**Loan Facility 2**” means the EUR term loan facility made available under this Agreement as described in Clause 2.1(b) of this Agreement;
4. “**Loan** **Facility 2 Commitment**” has the meaning assigned to this term in Clause 2.1 (*The Loan Facilities*) and in relation to each Lender as at the date of this Agreement it means the amount expressed in EUR of such Lender’s participation in Loan Facility 2 as follows:

|  |  |
| --- | --- |
| 1. **Name of Lender** | 1. **Loan Facility 2 Commitment** |
| 1. Denizbank A.Ş. (domestic and foreign branches including Bahrein Branch) | 1. EUR 100,000,000 |
| 1. T.C. Ziraat Bankasi A.Ş. (domestic and foreign branches including Bahrein Branch) | 1. EUR 100,000,000 |
| 1. **Total** | 1. EUR 200,000,000 |

1. and in relation to any other Lender, the amount in EUR of any Loan Facility 2 Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.
2. “**Loan Facility 2 Tranche**” means a tranche made or to be made under the Loan Facility 2 or the principal amount outstanding for the time being of that tranche;
3. “**Long Stop Date**” has the meaning given to such term in paragraph (a)(ii) of Clause 39 (*Conditions to Effectiveness*).
4. “**Material Adverse Effect**” means in the reasonable opinion of the Lenders:
   1. a material adverse effect on:
      1. the ability of the Borrower to perform its obligations under this Agreement; and/or
      2. the legality, validity or enforceability of this Agreement or the rights or remedies of the Lenders under this Agreement; or
   2. a material deterioration in the financial, political, economic, market or other similar conditions or prospects of the Borrower;
5. “**Ministry of Construction**” means the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia or any successor thereto;
6. “**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:
   1. (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
   2. if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
   3. if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end;

The above rules will only apply to the last Month of any period;

1. “**New Lender**” has the meaning given to that term in Clause 19 (*Changes to the Lenders*);
2. “**Participating Member State**” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;
3. “**Parties**” means the parties to this Agreement and the “**Party**” mean any of them;
4. “**Payment Date**” means 30 April and 31 October in each calendar year and each Termination Date of each Loan Facility. If, however, any such day is not a Business Day, the Payment Date will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
5. “**Permitted Encumbrance**” means:
   1. any Encumbrance which has been disclosed in writing to the Lenders prior to the execution of this Agreement and secures only indebtedness outstanding at the date of this Agreement; and/or
   2. any Encumbrance on any of the Borrower's assets as security for any External Indebtedness of the Borrower if the Borrower's obligations under this Agreement are previously (or within such time as the Lenders may allow) secured equally and rateably in a manner satisfactory to the Lenders by such encumbrance on the same assets or by some other security acceptable to the Lenders.
6. “**Project Documents**” means:
   1. The Memorandum of Understanding entered into between the Ministry of Construction and TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. on 6 May 2018;
   2. The Framework Agreement entered into between the Government of the Republic of Serbia and TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. in respect of Cooperation in the Field of Infrastructure Projects on 21 September 2018;
   3. the Commercial Contract 1;
   4. the Commercial Contract 2; and
   5. any documents amending, supplementing or replacing any of the above documents.
7. “**Repeating Representations**” means each of the representations set out in Clause 15 (*Representations*);
8. “**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;
9. “**Sanctioned Territory**” means a country, region or territory that is the subject of country-wide, region-wide or territory-wide Sanctions;
10. “**Sanctions**” means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures enacted, administered, implemented and/or enforced from time to time by any of the following (and including through any relevant Sanctions Authority):
    1. the United Nations;
    2. the European Union; and/or
    3. the Organisation for Security and Co-operation in Europe (OSCE).
11. “**Sanctions Authority**” means any agency or person which is duly appointed, empowered or authorised to enact, administer, implement and/or enforce Sanctions, including (without limitation):
    1. the United Nations Security Council;
    2. the European Union; and/or
    3. the Organisation for Security and Co-operation in Europe (OSCE).
12. “**Sanctions List**” means any of the lists of designated sanctions targets maintained by a Sanctions Authority from time to time, including (without limitation) as at the Effective Date, the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions;
13. “**Sanctions Restricted Person**” means a person that is:
    1. listed on a Sanctions List, or directly or indirectly owned, or otherwise controlled within the meaning and scope of the relevant Sanctions by any one or more persons listed on a Sanctions List;
    2. located or resident in, or incorporated or organised under the laws of, a Sanctioned Territory; or
    3. otherwise a subject of Sanctions;
14. “**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;
15. “**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro;
16. “**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);
17. “**Termination Date**” means:
    1. in relation to Loan Facility 1, the date falling one hundred and forty four (144) months from the Effective Date; and
    2. in relation to Loan Facility 2, the date falling one hundred and fifty (150) months from the Effective Date;
18. “**Tranches**” means together the Loan Facility 1 Tranches and the Loan Facility 2 Tranches and “**Tranche**” means any of them;
19. “**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower;
20. “**Transfer Date**” means, in relation to an assignment or a transfer, the later of:
    1. the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
    2. the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate;
21. “**Turkey**” means the Republic of Türkiye (*Türkiye Cumhuriyeti*);
22. “**Unpaid Sum**” means any sum due and payable but unpaid by the Borrower under this Agreement;
23. “**Utilisation**” means a utilisation of a Loan Facility;
24. “**Utilisation Date**” means the date of a Utilisation, being the date on which the relevant Tranche is to be made;
25. “**Utilisation Request**” means a notice substantially in the form set out in Schedule 3 (*Form of Utilisation Request*);
26. “**VAT**” means:
    1. any tax imposed in compliance with the Law on Value Added Tax (Official Gazette of the Republic of Serbia nos. 84/2004, 86/2004 - correction, 61/2005, 61/2007, 93/2012, 108/2013, 6/2014 - harmonized dinar amounts, 68/2014 - other law, 142/2014, 5/2015 - harmonized dinar amounts, 83/2015, 5/2016 - harmonized dinar amounts, 108/2016, 7/2017 - harmonized dinar amounts, 113/2017, 13/2018 - harmonized dinar amounts, 30/2018, 4/2019 - harmonized dinar amounts and 72/2019) as amended from time to time;
    2. any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
    3. any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or(b) above, or imposed elsewhere.
    4. Interpretation
       * 1. Unless a contrary indication appears, any reference in this Agreement to:
            1. the “**Agent**”, any “**Lender**” or any “**Party**” shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under this Agreement;
            2. an “**Agency**” shall be construed so as to include any governmental, intergovernmental or supranational agency, authority, body, central bank, commission, department, ministry, organisation, statutory corporation or tribunal (including any political sub-division, national, regional or municipal government and any administrative, fiscal, judicial, regulatory or self‑regulatory body or person);
            3. a document in “**agreed form**” is a document which is previously agreed in writing by or on behalf of the Borrower and the Agent or, if not so agreed, is in the form specified by the Agent;
            4. “**assets**” includes present and future properties, revenues and rights of every description;
            5. this “**Agreement**” is a reference to this Agreement as amended, novated, supplemented, extended or restated;
            6. a “**group of Lenders**” includes all the Lenders;
            7. “**guarantee**” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
            8. “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
            9. a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
            10. a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any agency;
            11. a provision of law is a reference to that provision as amended or re-enacted; and
            12. a time of day is a reference to Istanbul time.
         2. Section, Clause and Schedule headings are for ease of reference only.
         3. A Default (other than an Event of Default) is “**continuing**” if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been waived.
27. Conditions Precedent
    1. Conditions Precedent to Initial Utilisation
       * 1. Borrower
            1. A copy of a conclusion of the Government of the Republic of Serbia or any other instrument duly executed by the relevant authority of the Republic of Serbia that (A) expressly approves the borrowing by the Borrower under this Agreement, and (B) expressly authorizes the Minister of Finance of the Republic of Serbia or any other person to whom the Minister of Finance of the Republic of Serbia has properly delegated such authority, to execute this Agreement;
            2. Evidence of the enactment by the National Assembly of the Republic of Serbia of the law ratifying this Agreement (together with evidence of such law being promulgated by the President of the Republic of Serbia) and published in the Official Gazette of the Republic of Serbia;
            3. An excerpt from the Law on Ministries, as published in the Official Gazette of the Republic of Serbia, as subsequently amended and supplemented, concerning the organisation and functioning of the Ministry of Finance of the Republic of Serbia;
            4. If this Agreement is not executed personally by the Minister of Finance of the Republic of Serbia, a copy of the decision of the Government of the Republic of Serbia authorising another appointed person within the Ministry of Finance to execute this Agreement.
            5. A specimen of the signature of each person authorised by the instrument referred to in paragraph 1.1 above.
            6. Evidence that the person who has signed this Agreement or any other document required to be signed by the Borrower and referred to in this Part 1 *(Conditions Precedent to Each Utilisation*) of Schedule 2 (*Conditions Precedent*) has been duly authorised by the Borrower to do so in the form acceptable to the Agent.
            7. A certificate of the Borrower (signed by authorised signatory) confirming that (i) borrowing the total Loan Facility Commitments would not cause any borrowing, guaranteeing or similar limit binding on the Borrower to be exceeded, and (ii) that the public debt loan under this Agreement is within the limits set by the law governing the budget of the Republic of Serbia.
            8. A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in this Part 1 of Schedule 2 (*Conditions Precedent to Initial Utilisation*) is correct, complete and in full force and effect as at a date no earlier than the Effective Date.
         2. Project Documents
            1. A certified copy of each Commercial Contract duly executed by the parties thereto (and any amendments or variations thereto) including the final Investment Budget.
            2. Evidence that TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. has opened a bank account with each Lender (or with an Affiliate of a Lender).
         3. Legal opinions
            1. The following legal opinions, substantially in the form distributed to the Lenders and the Agent prior to signing this Agreement:

a legal opinion of CMS Cameron McKenna Nabarro Olswang LLP, legal advisers to the Lenders and the Agent as to English law, regarding validity and enforceability of this Agreement; and

a legal opinion of Petrikić & Partneri AOD in cooperation with CMS Reich-Rohrwig Hainz, legal advisers to the Lenders and the Agent as to Serbian law, regarding validity and enforceability of this Agreement and the Project Documents.

* + - 1. Other documents and evidence
         1. Evidence that the Equity Contribution has been provided for Project 1 in full in form acceptable to the Lenders.
         2. Evidence that any process agent referred to in Clause 37.2 (*Service of process*), has accepted its appointment.
         3. Evidence that each Project has been approved by the Government of the Republic of Serbia in form acceptable to the Lenders.
         4. Confirmation of the Ministry of Finance of the Republic of Serbia that this Agreement has been duly registered/evidenced therewith.
         5. Confirmation that this Agreement has been duly registered in the public debt records maintained by the National Bank of Serbia.
         6. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by this Agreement and/or any Project Document or for the validity and enforceability of this Agreement and/or any Project Document.
         7. Evidence that the fees, costs and expenses then due from the Borrower pursuant to Clause 10 (*Fees*) and Clause 14 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.
  1. Conditions Precedent to Each Utilisation
     + 1. Project Documents
          1. A copy of the confirmation from the Borrower that:

the requested Utilisation in relation to the Loan Facility 1 is in line with the investment schedule of the Commercial Contract 1; and/or

the requested Utilisation in relation to the Loan Facility 2 is in line with the investment schedule of the Commercial Contract 2.

including, however not limited to, in relation to the amount of such Utilisation and/or the timing of such Utilisation.

* + - * 1. In relation to a Utilisation of Loan Facility 2, evidence that the Borrower has financed from own resources at least twenty (20) per cent. of the costs set out in the Interim Payment Certificate (as defined in respective Commercial Contract) which is enclosed to the Utilisation Request.
        2. Evidence that the person who has signed the Utilisation Request and the confirmations referred to in this Part 2 (*Conditions Precedent to each Utilisation*) of Schedule 2 (*Conditions Precedent*) has been duly authorised by the Borrower to do so.
        3. A copy of the completed Interim Payment Certificate (as defined in respective Commercial Contract), verified and confirmed by the Engineer of the Project in accordance with the respective Commercial Contract, including all its annexes which has been agreed between the parties thereto and delivered to the respective Lender.
        4. A copy of the confirmation by the Borrower that works related to Interim Payment Certificate is in accordance with the respective Commercial Contract and that no costs have occurred (or are envisaged to occur) related to a rectification and/or replacement and/or reinstatement under the respective Commercial Contract.
        5. A copy of the confirmation by the Borrower that no failure of TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. has occurred (or is envisaged to occur) in terms of the outstanding works under the Commercial Contract, including, however not limited to, the works requested to be paid under the respective Interim Payment Certificate.
        6. A copy of the confirmation by the Borrower that all obligations of TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş. in terms of the respective Interim Payment Certificate have been properly fulfilled so that there is no need for any withholding and/or deduction due to any failure, negligence and/or misconduct of TAŞYAPI İnşaat Taahhüt Sanayi Ve Ticaret A.Ş.
        7. A copy of the Utilisation Request confirming the validity of all the points above, arranged and duly signed by the Borrower.

1. Form of Utilisation Request

From: [*Borrower*]

To: [*Agent*]

Dated:

Dear Sirs

Loan Agreement dated [●] (the “Agreement”)

* + - 1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
      2. We wish to borrow a Tranche on the following terms:

|  |  |
| --- | --- |
| 1. Facility: | [Loan Facility 1 / Loan Facility 2] |
| 1. Proposed Utilisation Date: | [●] (or, if that is not a Business Day, the next Business Day) |
| 1. Currency of Tranche: | EUR |
| 1. Amount: | [●] or, if less, the Available Loan Facility |

* + - 1. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) including, for the avoidance of doubt, conditions specified in Part 2 of Schedule 2 (*Conditions Precedent to Each Utilisation*) of the Agreement is satisfied on the date of this Utilisation Request.
      2. We attach a copy of the Interim Payment Certificate duly completed in accordance with the respective Commercial Contract and verified by the Engineer of the Project.
      3. The proceeds of this Tranche should be credited to the TAŞYAPI’sAccount (as defined in the Agreement), i.e. to the account No. [●].
      4. This Utilisation Request is irrevocable.

Yours faithfully

…………………………………

authorised signatory for

[*Borrower*]

1. Conditions relating to Assigment or transfer
   * + - 1. **Assignment or transfer fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of EUR1,000.

* + - * 1. **Limitation of responsibility of Existing Lenders**
      1. Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
         1. the legality, validity, effectiveness, adequacy or enforceability of this Agreement or any other documents;
         2. the financial condition of the Borrower;
         3. the performance and observance by the Borrower of its obligations under this Agreement or any other documents; or
         4. the accuracy of any statements (whether written or oral) made in or in connection with this Agreement or any other document,

and any representations or warranties implied by law are excluded.

* + - 1. Each New Lender confirms to the Existing Lender and the other Lenders that it:
         1. has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Borrower in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with this Agreement; and
         2. will continue to make its own independent appraisal of the creditworthiness of the Borrower whilst any amount is or may be outstanding under this Agreement or any Commitment is in force.
      2. Nothing in this Agreement obliges an Existing Lender to:
         1. accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under Clause 19; or
         2. support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Borrower of its obligations under this Agreement or otherwise.
         3. **Procedure for transfer**
      3. Subject to the conditions set out in this Schedule 4 (*Conditions relating to assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
      4. The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
      5. Subject to Clause 1.7 (*Pro rata interest settlement*) below, on the Transfer Date:
         1. to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under this Agreement the Borrower and the Existing Lender shall be released from further obligations towards one another under this Agreement and their respective rights against one another under this Agreement shall be cancelled (being the “**Discharged Rights and Obligations**”);
         2. the Borrower and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Borrower and the New Lender have assumed and/or acquired the same in place of the Borrower and the Existing Lender;
         3. the Agent, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent and the Existing Lender shall each be released from further obligations to each other under this Agreement; and
         4. the New Lender shall become a Party as a “**Lender**”.
         5. **Procedure for assignment**
      6. Subject to the conditions set out in this Schedule 4 (*Conditions relating to assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
      7. The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
      8. Subject to Clause 1.7 (*Pro rata interest settlement*) below, on the Transfer Date:
         1. the Existing Lender will assign absolutely to the New Lender its rights under this Agreement expressed to be the subject of the assignment in the Assignment Agreement;
         2. the Existing Lender will be released by the Borrower and the other Lenders from the obligations owed by it (the “**Relevant Obligations**”) and expressed to be the subject of the release in the Assignment Agreement; and
         3. the New Lender shall become a Party as a “**Lender**” and will be bound by obligations equivalent to the Relevant Obligations.
      9. Lenders may utilise procedures other than those set out in this Clause 1.4 of Schedule 4 to assign their rights under this Agreement (but not, without the consent of the Borrower or unless in accordance with Clause 1.3 (*Procedure for transfer*) of this Schedule 4 (*Conditions relating to assignment or transfer*), to obtain a release by the Borrower from the obligations owed to the Borrower by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in this Schedule 4 (*Conditions relating to assignment or transfer*).
         1. **Copy of Transfer Certificate and Assignment Agreement**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrower a copy of that Transfer Certificate or Assignment Agreement.

* + - * 1. **Security over Lenders’ rights**

In addition to the other rights provided to Lenders under this Schedule 4 (*Conditions relating to assignment or transfer*), each Lender may without consulting with or obtaining consent from the Borrower, at any time charge, assign or otherwise create any Encumbrance in or over (whether by way of collateral or otherwise) all or any of its rights under this Agreement to secure obligations of that Lender including, without limitation:

* + - 1. any charge, assignment or other Encumbrance to secure obligations to a federal reserve or central bank; and
      2. any charge, assignment or other Encumbrance granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Encumbrance shall:

* + - * 1. release a Lender from any of its obligations under this Agreement or substitute the beneficiary of the relevant charge, assignment or Encumbrance for the Lender as a party to this Agreement; or
        2. require any payments to be made by the Borrower other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under this Agreement.
        3. **Pro rata interest settlement**
      1. If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 1.3 (*Procedure for transfer*) of this Schedule 4 (*Conditions relating to assignment or transfer*)or any assignment pursuant to Clause 1.4 (*Procedure for assignment*) of this Schedule 4 (*Conditions relating to assignment or transfer*)the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):
         1. any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“**Accrued Amounts**”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period; and
         2. the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:

when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and

the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 1.7 (*Pro rata interest settlement*) of this Schedule 4 (*Conditions relating to assignment or transfer*), have been payable to it on that date, but after deduction of the Accrued Amounts.

* + - 1. In this Clause 1.7 (*Pro rata interest settlement*) of this Schedule 4 (*Conditions relating to assignment or transfer*) references to “**Interest Period**” shall be construed to include a reference to any other period for accrual of fees.
      2. An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 1.7 (*Pro rata interest settlement*) of this Schedule 4 (*Conditions relating to assignment or transfer*) but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under this Agreement.

1. Form of Transfer Certificate

To: [●] as Agent

From: [*the Existing Lender*] (the “**Existing Lender**”) and [*the New Lender*] (the “**New Lender**”)

Dated:

Loan Agreement dated [●] (the “Agreement”)

We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

* + - 1. We refer to Clause 1.3 (*Procedure for transfer*) of Schedule 4 (*Conditions relating to assignment or transfer*) of the Agreement:
         1. The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 1.3 (*Procedure for transfer*) of Schedule 4 (*Conditions relating to assignment or transfer*) of the Agreement, all of the Existing Lender’s rights and obligations under the Agreement which relate to that portion of the Existing Lender’s Commitment and participations in Tranches under the Agreement as specified in the Annex.
         2. The proposed Transfer Date is [●].
         3. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 26.2 (*Addresses*) of the Agreement are set out in the Schedule.
      2. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 1.2 (*Limitation of responsibility of Existing Lenders*) of Schedule 4 (*Conditions relating to assignment or transfer*) of the Agreement.
      3. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
      4. This Transfer Certificate is governed by English law.
      5. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

THE ANNEX  
Commitment/rights and obligations to be transferred

[*Insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments,*]

|  |  |
| --- | --- |
| [Existing Lender] | [New Lender] |
| By: | By: |

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [●].

[Agent]

By:

1. Form of Assignment Agreement

To: [●] as Agent and [●] as Borrower

From: [*the Existing Lender*] (the “**Existing Lender**”) and [*the New Lender*] (the “**New Lender**”)

Dated:

Loan Agreement dated [●] (the “Agreement”)

We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.

* + - 1. We refer to Clause 1.4 (*Procedure for assignment*) of Schedule 4 (*Conditions relating to assignment or transfer*) of the Agreement:
         1. The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement which relate to that portion of the Existing Lender’s Commitment and participations in Tranches under the Agreement as specified in the Annex.
         2. The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment and participations in Tranches under the Agreement specified in the Annex.
         3. The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
      2. The proposed Transfer Date is [●].
      3. On the Transfer Date the New Lender becomes Party to this Agreement as a Lender.
      4. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 26.2 (*Addresses*) of the Agreement are set out in the Schedule.
      5. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 1.2 (*Limitation of responsibility of Existing Lenders*) of Schedule 4 (*Conditions relating to assignment or transfer*) of the Agreement.
      6. This Assignment Agreement acts as notice to the Agent (on behalf of each Lender) and, upon delivery in accordance with Clause 1.5 (*Copy of Transfer Certificate or Assignment Agreement*) of Schedule 4 (*Conditions relating to assignment or transfer*) of the Agreement, to the Borrower of the assignment referred to in this Assignment Agreement.
      7. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.
      8. This Assignment Agreement is governed by English law.
      9. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

THE ANNEX  
Rights to be assigned and obligations to be released and undertaken

[*Insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

|  |  |
| --- | --- |
| [Existing Lender] | [New Lender] |
| By: | By: |

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [●].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of the Lenders.

[Agent]

By:

SIGNATURES

**THE BORROWER**

For and on behalf of:

**THE REPUBLIC OF SERBIA** represented by Mr. Siniša Mali, Minister of Finance, on behalf of the Government as the representative of the Republic of Serbia

|  |
| --- |
| By: |
| Address: Ministry of Finance of the Republic of Serbia, 20 Kneza Miloša Street, 11000 Belgrade, Serbia |
| Fax: +381 11 361 8961 |
| Email: [kabinet@mfin.gov.rs](mailto:kabinet@mfin.gov.rs) / uprava@javnidug.gov.rs |
| Attention: Public Debt Administration, Ms. Ana Tripović, Acting Director |

**THE LENDERS**

|  |  |
| --- | --- |
| Signed for and on behalf of **T.C. ZİRAAT BANKASI A.Ş.** | Signed for and on behalf of **T.C. ZİRAAT BANKASI A.Ş.** |
| By: | By: |
| Name: Utku Gündeş, Project Financing Manager | Name: Irem Gezmiş, Project Finance Officer |

|  |  |
| --- | --- |
| Signed for and on behalf of **DENIZBANK A.Ş** | Signed for and on behalf of **DENIZBANK A.Ş** |
| By: | By: |
| Name: Savaş Çıtak, SVP Project Finance | Name: Ayhan Barış Derbentli, Dep. Head/Project Finance |

**THE AGENT**

|  |  |
| --- | --- |
| Signed for and on behalf of **T.C. ZİRAAT BANKASI A.Ş.** | Signed for and on behalf of **T.C. ZİRAAT BANKASI A.Ş.** |
| By: | By: |
| Name: Utku Gündeş, Project Financing Manager | Name: Irem Gezmiş, Project Finance Officer |

Address: Eskibüyükdere Cad. No:41 C Blok 34398 Sarıyer/ İstanbul, Turkey

Fax: +90 216 577 70 56

Email: [ugundes@ziraatbank.com.tr](mailto:ugundes@ziraatbank.com.tr) / acoskuner@ziraatbank.com.tr

Attention: Utku Gündeş /Anıl Coşkuner