**FIRST CREDIT SPECIFIC AGREEMENT N° CRS1025 01 D**

**FOR THE FINANCING OF THE SERBIA GREEN AGENDA PROGRAMMATIC DEVELOPMENT POLICY OPERATION**

**BETWEEN:**

**REPUBLIC OF SERBIA** represented by the Government of the Republic of Serbia, through Minister of Finance, Mr. Siniša Mali, duly authorised to sign this agreement,

(“**Republic of Serbia**” or the “**Borrower**”);

**AND**

**AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity governed by French law, with its registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Dominique Hautbergue, in his capacity as Head of Western Balkans regional office, duly authorised to sign this agreement,

(“**AFD**” or the “**Lender**”);

**WHEREAS**

* 1. The Lender and the Borrower entered into a framework agreement on 26 June 2023 (the “Framework Agreement”) for the purpose of financing the Program as defined in Schedule 1A (*Program Description*) of the Framework Agreement (the “**Program**”).
  2. In the context of the Program, the Borrower intends to implement the First Program Phase.
  3. Pursuant to resolution n° C20221267 of its *Conseil d’Administration* dated December 15, 2022, AFD has agreed to make available to the Borrower through the Framework Agreement, a first Credit of an aggregate amount of one hundred and thirty five millions euros (EUR 135,000,000) (the “First Credit”), under the general conditions set out in the Framework Agreement and the specific conditions set out in this First Credit Specific Agreement.

**THEREFORE, THE PARTIES HAVE AGREED** **AS FOLLOWS:**

1. Definitions and Construction

Capitalised words and expressions used in this First Credit Specific Agreement (including those appearing in the recitals above and in the Schedules) shall have the meaning given to them in the Framework Agreement, except as otherwise provided in this First Credit Specific Agreement.

Words and expressions used in this First Credit Specific Agreement shall be construed pursuant to the provisions of Schedule 2 (*Definitions & Construction*) of the Framework Agreement, unless a contrary indication appears.

1. Credit

Subject to the terms of the Finance Documents, the Lender makes available to the Borrower the First Credit in a maximum aggregate amount of one hundred and thirty five million euros (EUR 135,000,000) for the financing of the First Program Phase.

1. General Terms and Conditions - Framework Agreement

The terms and conditions set out in out the Framework Agreement constitute an integral part of this First Credit Specific Agreement.

Then, the terms and conditions applicable to the First Credit will be those set out in the Framework Agreement completed where applicable by those of this First Credit Specific Agreement.

1. Availability of the Credit and repayment

The Deadline for Drawdown applicable to the First Credit is February 15, 2024.

The Grace Period applicable to the First Credit is thirty-six (36) months starting from the Signing Date of the First Credit Specific Agreement.

The Payment Dates applicable to the First Credit are April 15 and October 15 of each year.

The number of equal semi-annual instalments in principal amount applicable to the First Credit is fourteen (14).

The first Payment Date on the principal amount of the First Credit is October 15, 2026.

The last Payment Date on the principal amount of the First Credit is April 15, 2033.

1. Financial terms

The financial terms of the First Credit are as follows:

Amount: one hundred and thirty five million euros (EUR 135,000,000)

Margin: zero point sixty per cent (0.60%) per annum.

Fixed Reference Rate: three point sixty-nine per cent (3.69%)

Signing Rate Setting Date:June 21, 2023

Index Rate as at the Signing Rate Setting Date: two point ninety-five per cent (2.95%).

Prepayment Compensatory Indemnity: the Prepayment Compensatory will be calculated by applying the following percentage to the amount of the Credit which is repaid in advance:

(a) if the repayment occurs between the Signing Date (included) and the 1st anniversary (excluded) of the Signing Date: two point five per cent (2.5%);

(b) if the repayment occurs between the 1st anniversary (included) and the 2nd anniversary (excluded) of the Signing Date: one point five per cent (1.5%);

(c) if the repayment occurs between the 2nd anniversary (included) and the 6th th anniversary (excluded) of the Signing Date: one per cent (1%);

(d) if the repayment occurs after the 6th anniversary (included) of the Signing Date: zero point five per cent (0.5%).

1. Effective Global Rate (*Taux Effectif Global*)

In order to comply with Articles L. 314-1 to L.314-5 and R.314-1 *et seq*. of the French Consumer Code and L. 313-4 of the French Monetary and Financial Code, the Lender informs the Borrower, which the Borrower recognizes and accepts, that the effective global rate (*taux effectif global*) applicable to the First Credit may be evaluated at an annual rate of three point eighty-two per cent (3.82%) on the basis of a three hundred and sixty-five (365) day year, and an Interest Period of six (6) months at a period rate of one point eighty-nine per cent (1.89%), subject to the following:

1. the above rates are given for information purposes only;
2. the above rates are calculated on the basis that:

drawdown of the First Credit in full at fixed rate on the Signing Date of the First Credit Specific Agreement;

the fixed rate for the duration of the facility should be equal to three point sixty-nine per cent (3.69%) per annum ;

1. the above rates take into account the fees and costs payable by the Borrower under this First Credit Specific Agreement, assuming that such fees and costs will remain fixed and will apply until the repayment in full of the Credit.
2. Representations

On the Signing Date of the First Credit Specific Agreement, the Borrower represents that the representations and warranties given pursuant to Clause 12 *(Representations and Warranties)* of the Framework Agreement are accurate.

1. Governing law, enforcement and election of domicile

Governing Law

This First Credit Specific Agreement is governed by French law.

Arbitration

Any dispute arising out of or in connection with the First Credit Specific Agreement shall be referred to and finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the date of commencement of arbitration proceedings, by one or more arbitrators to be appointed in accordance with such Rules.

The seat of arbitration shall be Paris and the language of arbitration shall be English.

This arbitration clause shall remain in full force and effect if the First Credit Specific Agreement is declared void or is terminated or cancelled and following expiry of the First Credit Specific Agreement. The Parties’ contractual obligations under the First Credit Specific Agreement are not suspended if a Party initiates legal proceedings against the other Party.

The Parties expressly agree that, by signing the First Credit Specific Agreement, the Borrower irrevocably waives all rights of immunity in respect of jurisdiction or performance on which it could otherwise rely.

For the avoidance of doubt, this waiver includes a waiver of immunity from:

1. Any suit or legal, judicial or arbitral process arising out of, in relation to or in connection with this First Credit Specific Agreement;
2. Giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues;
3. Any effort to confirm, recognize, enforce or execute any decision, settlement, award judgment, execution order or, in an action in rem, any effort for the arrest, for the arrest, detention or sale of any of its assets and revenues that result from any arbitration, or any legal, judicial or administrative proceedings.

The Borrower does not waive any immunity in respect of any present or future (i) “premises of the mission” as defined in the Vienna Convention on Diplomatic Relations signed in 1961, (ii) “consular premises” as defined in the Vienna Convention on Consular Relations signed in 1963, (iii) assets that cannot be in commerce, (iv) military property or military assets and buildings, weapons and equipment designated for defence, state and public security, (v) receivables the assignment of which is restricted by law, (vi) natural resources, common use items, grids in public ownership, river basin land and water facilities in public ownership, protected natural heritage in public ownership and cultural heritage in public ownership, (vii) real estate in public ownership which is, partly or entirely, used by the authorities of the Republic of Serbia, autonomous provinces or local self-government for the purpose of exercising their rights and duties; (viii) the state's, autonomous province’s or local government’s stocks and shares in companies and public enterprises, unless the relevant entity consented to the establishment of a pledge over such stocks or shares, (ix) movable or immovable assets of health institutions, unless a mortgage was established based on the government's decision, (x) monetary assets and financial instruments determined as financial collateral in accordance with the law regulating financial collateral including monetary assets and financial instruments which are pledged in accordance with such law or (xi) other assets exempt from enforcement by international law or international treaties.

Election of domicile

Without prejudice to any applicable law, for the purposes of serving judicial and extrajudicial documents in connection with any action or proceedings referred to above, the Borrower irrevocably elects domicile at the address set out in Clause 18.1 *(Communications in writing and addresses*) of the Framework Agreement for service of process, and AFD chooses the address “AFD SIEGE” set out in Clause 18.1 *(Communications in writing and addresses*) of the Framework Agreement for service of process.

1. Entry into Force

This First Credit Specific Agreement comes into force on the Effective Date, as defined in Framework Agreement and remains in full force and effect for as long as any amount is outstanding under the First Credit Specific Agreement.

Executed in three (3) originals, one (1) for the Lender and two (2) for the Borrower, in Belgrade, Republic of Serbia, on 26 June 2023.

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| **THE BORROWER** |
| **REPUBLIC OF SERBIA** |
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| Represented by: **Name: Siniša Mali**  **Capacity: Deputy Prime Minister and Minister of Finance** |
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| **THE LENDER** |
| **AGENCE FRANCAISE DE DEVELOPPEMENT** |
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| Represented by : **Name: Dominique Hautbergue Capacity: Head of Western Balkans regional office** |
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| **Co-signatory, His Excellency Mr. Pierre Cochard, Ambassador of France** |
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