Dr. Bojan Hlaca  
Executive Director  
Port of Rijeka Authority  
Riva 1  
Rijeka 51000  
Republic of Croatia

Dear Dr. Hlaca:

Re: Loan for Rijeka Gateway Project (Loan No. 4715 HR)

Extension of Closing Date and Reallocation of Loan Proceeds

We refer to: (i) the Loan Agreement for the above-referenced Loan for Rijeka Gateway Project, dated July 12, 2003 (Loan 4715-HR), as amended, between the International Bank for Reconstruction and Development (the Bank) and the Port of Rijeka Authority (the Borrower) (the Loan Agreement), under a Guarantee Agreement of the same date between the Republic of Croatia (the Guarantor) and the Bank; and (ii) your written communication dated November 5, 2010 on behalf of the Borrower, requesting an extension of the closing date to the Loan Agreement to enable the Project to reach its development objectives more effectively, within the existing period of project implementation.

After due consideration, the Bank concurs with your request and agrees to extend the Closing Date set forth in Section 2.03 to the Loan Agreement, as amended, to August 31, 2011. The Bank notes that such extension is provided on an exceptional basis, and requests PRA to work actively with all its contractors to accelerate project implementation.

Moreover, we also refer to the above referred letter requesting the Bank to combine disbursement categories under the same Loan and your further exchanges on this matter with the project Team Leader concluding that it would be more appropriate to reallocate funds among categories. We are pleased to inform you that the Bank concurs with your request. Therefore, the Bank agrees to adjust the proceeds of the Loan as set out in the table in paragraph 1 of Schedule 1 to the Loan Agreement as follows:

a. USD 1.3 million from Category (2) Goods for Parts A, B.1 and B.2 to Category (1) Works.
Accordingly, the amounts now allocated to the different categories are as indicated in the Attachment to this letter.

Please confirm your agreement to the foregoing by countersigning both copies of this letter of amendment and returning one of the countersigned copies to us. This letter of amendment will become effective as of the date hereof upon receipt by the Bank of the copy of this letter of amendment countersigned by you.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Authorized Representative
By: /s/ Peter Harrold
Country Director
Central Europe and Baltic Countries
Europe and Central Asia Region

AGREED

PORT OF RIJEKA AUTHORITY

By: /s/ Bojan Hlaca

Authorized Representative

Name: Bojan Hlaca
Title: Executive Director
Date: December 10, 2010
**Republic of Croatia-Loan 4715-HR**  
**Rijeka Gateway Project**  
**Reallocation of Loan Proceeds**  
**Revised Schedule 1**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in Dollars)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>27,600,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods for Parts A, B.1 and B.2</td>
<td>8,900,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services and training for Parts A, B.1 and B.2 of the Project, including audit</td>
<td>10,484,896.63</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Severance Payments under Part A.6 of the Project</td>
<td>6,879,761.49</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Fee</td>
<td>551,000.00</td>
<td>Amount due under Section 2.04 of this Agreement</td>
</tr>
<tr>
<td>(6) Refunding of Project Preparation Advance</td>
<td>684,341.88</td>
<td>Amount due pursuant to Section 2.02 (c) of this Agreement</td>
</tr>
<tr>
<td>(7) Unallocated</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>55,100,000.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
Cc:

H.E. Ivan Suker  
Vice Prime Minister  
Minister of Finance  
Zagreb, Croatia  

H.E. Bozidar Kalmeta  
Minister of Sea, Transport and Infrastructure  
Zagreb, Croatia  

Mr. Mario Babic  
State Secretary  
Ministry of Sea, Transport and Infrastructure  
Zagreb, Croatia  

Mr. Zeljko Tufekcic  
State Secretary  
Ministry of Sea, Transport and Infrastructure  
Zagreb, Croatia  

Mr. Zdravko Maric  
State Secretary  
Ministry of Finance  
Zagreb, Croatia  

Ms. Vladimira Ivandic  
Director for European Integration and International Financial Relations  
Ministry of Finance  
Zagreb, Croatia  

Mr. Rudolf Jan Treffers  
Executive Director  
The World Bank
Cleared w/cc.: Propst (LEGEM); Ilic (LOAG);

Bcc.: Mmes./Messrs.: Ollivier, Gabric, Strand, Okafor, Skendrovic, Vetma, Huzjak, Marteau, (ECSSD); Bench (ETWTR), Alam, Marijanovic, Voina (ECSPS); Croatia DL; ECSSD Sector Staff; ECAVP Managers; ECACA Sector Staff; ECA Regional Fiduciary; loa-eca; ECSPS Sector Staff, IDA Regional Correspondence, FINCR ECA IRIS