Guarantee Agreement

(Sustainable Croatian Railways in Europe Project)

between

REPUBLIC OF CROATIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

for financing the Sustainable Croatian Railways in Europe Project for the company

HZ CARGO D.O.O.

Dated May 5, 2015
GUARANTEE AGREEMENT

AGREEMENT, dated 1\(\frac{4}{2}\), 2015, entered into between REPUBLIC OF CROATIA ("Guarantor") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") ("Guarantee Agreement") in connection with the Loan Agreement of same date for the Sustainable Croatian Railways in Europe Project between the Bank and HŽ CARGO D.O.O. ("Borrower") ("Loan Agreement"). The Guarantor and the Bank hereby agree as follows:

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Loan Agreement.

ARTICLE II - GUARANTEE

2.01. The Guarantor declares its commitment to the objective of the Project. To this end, without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of all Loan Payments payable by the Borrower pursuant to the Loan Agreement.

ARTICLE III - REPRESENTATIVE; ADDRESSES

3.01. The Guarantor’s Representative is its Minister of Finance.

3.02. The Guarantor’s Address is:

Ministry of Finance
Katančićeva 5
10000 Zagreb
Republic of Croatia

Telex: 862-21215
Facsimile: (385-1) 4922-598
862-21833
3.03. The Bank’s Address is:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (202) 477-6391

AGREED at Zagreb, Republic of Croatia as of the day and year first above written.

REPUBLIC OF CROATIA

By

Authorized Representative

Name: Boris Lazovac
Title: Minister of Finance

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Carlos Pimentel
Title: Country Manager