

REF. EXP/AID - 91/034

FINANCIAL CONVENTION

between

THE GOVERNMENT OF THE REPUBLIC OF GUATEMALA

and

THE ISTITUTO CENTRALE PER IL CREDITO A MEDIO TERMINE

- MEDIO CREDITO CENTRALE -

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FINANCIAL CONVENTION

pursuant to Article 6 of Law n. 49 of February 26th, 1987 of the Republic of Italy between:

- the Government of the Republic of Guatemala, acting through the Ministry of Public Finance (hereinafter referred to as the Borrower), represented by *Estuardo Méndez Herbruger*
(Viceministro de Finanzas Públicas, Encargado del Despacho)
on the one part,

and

- the Istituto centrale per il credito a medio termine - Mediocredito centrale - a public statutory institution, tax code n. 00594040586, with registered office in Rome, Italy at Via Piemonte 51, 00187 (hereinafter referred to as Mediocredito centrale), represented by *THE GENERAL MANAGER, MR. GIOVANNI PIERO ELIA*

on the other part.

Whereas

the Minister of the Treasury of the Government of the Republic of Italy, on the proposal of the Minister of Foreign Affairs, by decree n. 345195 dated the 22nd July 1991, has authorized Mediocredito centrale to grant a financial credit of US\$ 4.854.300 (four million eight hundred fifty four thousand three hundred), to the Republic of Guatemala on the following conditions:

- repayment: 20 (twenty) consecutive equal semi-annual principal instalments the first of which falling due 126 (one hundred twenty six) months from the date of effectiveness of the Financial Convention;

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- interest rate: nominal annual 1,50% (one point fifty percent) payable at the end of each period of 6 (six) months from the date of each drawdown;
- credit purpose: financing of the supply of equipments for the opening of rural tracks and for the maintenance of the hydric and drainage system;
- currency of disbursement: the financial credit will be disbursed in Italian lira at the rate of exchange equal to the arithmetical mean of the closing rates of Rome and Milan Stock Exchanges, as quoted two working days prior to the disbursement thereof. If on that day the market is closed, the average rate of exchange as quoted on the last two days on which the market was open will be provisionally applied, with adjustment to be made to the rate of exchange of the first day on which the market reopens officially.

Now therefore

the preamble being considered as an integral part of this Convention together with Annexes thereto, the Parties hereby agree as follows:

Article 1

Amount of financial credit

- 1.1 Mediocredito centrale grants to the Borrower, and the Borrower hereby accepts, a financial credit up to the maximum amount of US\$ 4.854.300 (four million eight hundred fifty four thousand three hundred).
 - 1.2 The said credit shall be used financing the supply of equipments for the project "Convoy Regionali".
 - 1.3 The final allocation to this credit of the supply contract referred to at point 1.2 above, will be communicated by Mediocredito centrale to the Borrower and to the Agent Bank once the fulfilments foreseen by the Italian regulation will have been accomplished. The said allocation will be performed within the period set forth in Article 4, item 4.2.
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- 1.4 The financial credit will be available and usable in accordance with the terms and conditions set forth in this Convention.

Article 2

Agent Bank

- 2.1 It is agreed that the Agent Bank for this credit will be the Rome branch of Banco di Roma (hereinafter referred to as Agent Bank).
- 2.2 The Agent Bank shall open a "Foreign Account" in the name of the Borrower.
- 2.3 The Agent Bank, according to the provisions in force in Italy, shall control that the payments to be made under this Convention are in compliance with the exchange control laws in force in Italy.
- 2.4 The Agent Bank shall make the payments due according to this Convention against delivery, by the Italian beneficiaries, of the contractual documents required by the supply contract and of a discharging receipt in two originals. The Agent Bank shall remit an original of the receipt and a copy of the contractual documents to Mediocredito centrale and shall transmit the second original of the receipt and the contractual documents to the Borrower.

Article 3

Effectiveness of the Financial Convention

- 3.1 This Convention shall become effective upon Mediocredito centrale having received from the Borrower the following documents:
- i) a certificate by the competent authority of the Government of Guatemala, to the effect that the signature affixed to this Convention is that of a duly empowered person under



the laws, regulations and administrative provisions in force in Guatemala, to undertake the obligations arising under the same Convention to the Borrower;

- ii) the written designation by the Borrower of the person or persons duly empowered to sign the Acknowledgement of Indebtedness referred to in Article 8 below and the other documents foreseen in this Convention, whose forms are enclosed to the same (Annexes A - B - C and E); such designation shall also specify the name and the office of said persons and contain as well the "specimen" of the signatures thereof; the Borrower shall transmit such designation and the "specimen" of the signatures and subsequent variations, if any, to the Agent Bank;
- iii) copy of the instructions, given to the Agent Bank, to open a "Foreign Account" in the name of the Borrower and to use the funds credited to this account for the exclusive purpose of making such payments as the Borrower shall direct and in accordance with the conditions specified by the same; the said instructions shall be in the form of Annex A), shall be expressly accepted by the Agent Bank and confirmed by the same Agent Bank to Mediocredito centrale in writing.

3.2 Mediocredito centrale shall, as soon as it will have received the aforementioned documents, notify the Borrower, by letter or telex to be subsequently confirmed by letter, and the Agent Bank, of the date on which this Convention shall have become effective.

Article 4

Currency and drawdown period of the financial credit

4.1 The financial credit shall be disbursed in Italian lira in

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accordance with the provisions of the preamble to this Convention.

- 4.2 The funds shall be credited, in one or more times, to the "Foreign Account" within 12 (twelve) months from the date of effectiveness of this Convention, unless an extension is agreed upon by the parties, subject to authorization, if necessary, of the Italian and Guatemalan authorities.
- 4.3 The financial credit shall be used after the date of effectiveness of this Convention, which date shall have been notified by Mediocredito Centrale to the Borrower and to the Agent Bank according to Article 3 above.

Article 5

Conditions for utilization of funds: request to credit funds

- 5.1 After this Convention shall have become effective, the Borrower shall transmit to Mediocredito centrale a letter of request to make available the funds necessary for the payments provided for in each supply contract, whose allocation to this credit has been duly authorized by the competent Italian authorities and notified to the Borrower in writing, in accordance with the provisions of Article 1, item 1.3. Such request shall be in the form of Annex B).
- 5.2 The Borrower shall also deliver to the Agent Bank a letter of instructions, in the form of Annex C), for each of the above mentioned contracts, which shall be expressly accepted by the Agent Bank by written communication to the same Borrower and to Mediocredito centrale.
- 5.3 Following the above mentioned instructions of the Borrower, the Agent Bank shall request Mediocredito centrale from time to time, to credit the Borrower's "Foreign Account" with the funds necessary to make the payments provided for in the supply contract relative thereto, according to the conditions set forth in Article 6 below. The Agent Bank shall draft the

requests for crediting according to Annex D) and shall transmit a copy to the Borrower.

Article 6

Conditions for utilization of funds: crediting of funds

- 6.1 The use of the financial credit shall be made in accordance with the conditions hereinafter set forth.
- 6.2 Upon receipt of the letter of request to make funds available referred to in Article 5, item 5.1, Mediocredito centrale shall implement the requests to credit funds which the Agent Bank shall make on behalf of the Borrower, according to the latter's instructions.
- 6.3 Each request for crediting shall indicate: the number and the date of the supply contract; the name of the Guatemalan importer and of the Italian exporter; the amount to be disbursed; an attestation by the Agent Bank on the regularity and conformity of the contractual documents to the supply contract they refer to. The original of such contractual documents shall be transmitted to the Borrower by the Agent Bank.
- 6.4 Each request for crediting shall be executed within 45 (forty five) days starting from the date of reception of the same by Mediocredito centrale.
- 6.5 Each request for crediting shall be presented whenever each payment is due according to the terms of contract.
- 6.6 Upon receipt of each of the above mentioned requests for crediting, Mediocredito centrale shall give the necessary instructions to the Agent Bank for the crediting of the funds to the "Foreign Account" opened with it in the name of the Borrower and shall confirm by telex to the said Borrower the total amount of the disbursement and the date of actual crediting.
- 6.7 At the same time when the funds are credited to the "Foreign

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Account", the Agent Bank shall make the payments due according to the supply contract in favour of the Italian Exporters and shall obtain from them a discharging receipt in two originals of which one shall be remitted to the Borrower together with the contractual documents issued for the same payments and the other to Mediocredito centrale together with a copy of such contractual documents.

- 6.8 After each crediting of funds to the "Foreign Account" and after the corresponding payments in favour of the above mentioned beneficiaries, Mediocredito centrale shall transmit by letter to the Borrower, with a copy thereof to the Agent Bank, the repayment schedule of the amount disbursed by indicating the due dates relative thereto. Such repayment schedule, completed in accordance with the conditions set forth in Article 7 hereafter, shall be accepted by the Borrower in writing.
- 6.9 If the Agent Bank is not able to make the payments in favour of the aforementioned beneficiaries on the day fixed for the crediting of the funds to the "Foreign Account", said Agent Bank shall not comply with Mediocredito centrale's crediting instructions and shall immediately inform the Borrower and Mediocredito centrale in writing.
- 6.10 Once the cause which has prevented the payments to the beneficiaries shall have been eliminated, the Agent Bank shall submit to Mediocredito centrale a further crediting request.
- 6.11 Mediocredito centrale reserves the right not to implement any request of crediting the "Foreign Account", in case of default vis à vis Mediocredito centrale under this financial credit or other financial credits granted by the said Mediocredito centrale to the Government or to the Central Bank or to State agencies of the Republic of Guatemala, pursuant to Article 6 of Law n. 38 of February 9th 1979 and Article 6 of Law n. 49 of February 26th 1987 of the Republic of Italy and following modifications.
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Article 7Repayment of the financial credit and payment of interest

- 7.1 Each amount credited to the "Foreign Account" shall be repaid according to a repayment schedule that Mediocredito centrale shall remit to the Borrower, with a copy thereof to the Agent Bank in accordance with Article 6, item 6.8.
- 7.2 Each amount credited to the "Foreign Account" shall be repaid in 20 (twenty) consecutive equal semi-annual instalments (principal instalments), the first of which falling due 126 (one hundred twenty six) months from the date of effectiveness of this Convention.
- 7.3 On the outstanding principal instalments relative to each crediting to the "Foreign Account", interest shall be calculated at a nominal annual rate of 1,50% (one point fifty percent) equal to 0,75% (zero point seventy five), semi-annually in arrears, from the date of crediting up to the date of reimbursement of the last principal instalment.
- 7.4 During the reimbursement period, interest shall be paid on the same due dates of the principal instalments. During the grace period, interest shall be paid every six months at the dates corresponding, in days and months, to the dates of repayment of the principal instalments. Consequently, the first interest instalment could be related to a period of less than six months. However, should this period be of less than 30 days, the corresponding interest instalment shall be paid together with the subsequent interest instalment. The first interest instalment, related to a period of more than six months or of less than six months, shall be calculated for the actual days running between the date of the crediting to the "Foreign Account" and the date of its payment, on the basis of a six months period of 180 days.
- 7.5 The payment of interest, related to each drawdown, shall be made on the due dates indicated in the repayment schedules set

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forth in Article 6, item 6.8, up to the date of delivery of the Acknowledgement of Indebtedness referred to in Article 8 hereafter; for the following period the repayment of principal and the payment of interest shall be made on the due dates indicated in the repayment schedule attached to the above mentioned Acknowledgement of Indebtedness.

Article 8

Delivery of the Acknowledgement of Indebtedness

- 8.1 Within 60 (sixty) days from the last financial credit drawdown expiry date set forth in Article 4, item 4.2, the Borrower shall deliver to Mediocredito centrale an Acknowledgement of Indebtedness duly initialled in each page and signed, in the form of Annex E), with the following requirements:
- a) principal amount: the Acknowledgement of Indebtedness shall be for the principal amount corresponding to the total amount of all drawdowns made;
 - b) interest: at the rate set forth in Article 7, item 7.3;
 - c) beneficiary: to the order of Mediocredito centrale;
 - d) place and date of issue: to be indicated at the time of signature;
 - e) domicile: all amounts indicated in the Acknowledgement of Indebtedness shall be payable by the Borrower to Mediocredito centrale at the respective due dates at the Agent Bank;
 - f) transferability: the Acknowledgement of Indebtedness not yet matured is freely transferable by Mediocredito centrale to a public or private Italian juridical person. The transfer to a foreign public or private juridical person is subject to the Borrower's prior consent. It is understood that the Borrower shall not be responsible or liable for any charge, fee or tax which may be due as a result of the transfer of the Acknowledgement of Indebtedness. Mediocredito centrale
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shall notify the Agent Bank of the transfer of the Acknowledgement of Indebtedness;

g) due dates and repayment schedule of the financial credit:
the repayment schedule set forth in the Acknowledgement of Indebtedness shall be completed by summing up all principal and interest instalments not yet matured at the date of delivery of the Acknowledgement of Indebtedness, resulting from each repayment schedule drawn up for each drawdown, in accordance with the provisions of Article 6, item 6.8.

8.2 Mediocredito centrale shall deposit the Acknowledgement of Indebtedness for record and administration thereof with the Agent Bank, after having endorsed said Acknowledgement of Indebtedness in favour of the Agent Bank.

8.3 The Agent Bank shall from time to time annotate on the Acknowledgement of Indebtedness any payments of principal and interest and, as soon as all payments envisaged in the Acknowledgement of Indebtedness shall have been made, the Agent Bank shall return the Acknowledgement of Indebtedness to the Borrower duly signed and receipted.

Article 9

Place and conditions of the payments. Borrower's commitment

9.1 All payments and repayments due under this Convention as well as under the Acknowledgement of Indebtedness related thereto, shall be credited by the Borrower at the Agent Bank, without delay, on the actual due date, for the corresponding amount in USA dollars, in favour of Mediocredito centrale or the person(s) entitled thereto. Said amounts shall be credited without deduction of any bank and/or exchange fee and without notice thereof by Mediocredito centrale or the persons entitled thereto being required.

9.2 The Borrower's commitment to pay the sums due under this Convention and the Acknowledgement of Indebtedness related

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thereto is independent, absolute, unconditional and irrevocable.

Article 10

Default interest

- 10.1 If the Agent Bank for any reason whatsoever, including reasons beyond the Borrower's control, does not receive the sums due for principal and interest within the due date, the Borrower shall be bound to pay at the Agent Bank, on said sums, default interest from the due date up to the date of actual crediting in favour of Mediocredito centrale or of the person(s) entitled thereto.
- 10.2 Such default interest shall be calculated at the rate of 1,50% (one point fifty percent) for the period of 35 (thirty five) days immediately subsequent to the original due date and, thereafter, at the rate of 5% (five percent) up to the date of actual crediting in favour of Mediocredito centrale.
- 10.3 For the 35 (thirty five) days immediately following the original due date, such default interest shall be calculated by applying the simple interest formula; afterwards, such default interest shall be calculated by applying the simple interest formula if this term is shorter than one year and by applying the compound interest formula if this term exceeds one year.

Article 11

Taxes

- 11.1 Any present or future tax which may be due in Guatemala for any reason whatsoever related to this Convention and to the Acknowledgement of Indebtedness, shall be exclusively borne by the Borrower.
- 11.2 Any tax which may be due in Italy shall not be borne by the Borrower.

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- 11.3 Mediocredito centrale declares that it will avail itself of the tax status provided for under the Decree of the President of the Republic n. 601 of September 29th, 1973 and Law n. 227 of May 24th, 1977 of the Republic of Italy and subsequent amendments thereto.

Article 12

Settlement of disputes

- 12.1 The parties hereto shall endeavour to settle amicably any dispute arising from the interpretation and/or execution of this Convention.
- 12.2 If these efforts should not lead to a settlement of the disputes within 90 (ninety) days, the same may be settled at a governmental level.
- 12.3 Should this effort also fail, all disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce, Paris, France, by an Arbitration Tribunal of three Arbitrators:
- one appointed by the Borrower;
 - one appointed by Mediocredito centrale;
 - one appointed by the above mentioned Arbitrators or, in case of their disagreement, by the Chairman of the International Chamber of Commerce, Paris.
- 12.4 If the Borrower or Mediocredito centrale do not appoint their Arbitrator within 30 days from the request of the other party, this Arbitrator shall be appointed by the Chairman of the International Chamber of Commerce, Paris.
- 12.5 The decision of the Arbitration Tribunal, who shall decide according to the law of the Republic of Italy, shall be final and unconditionally binding on both parties without any possibility of appeal.
- 12.6 No disagreement nor dispute which may arise between the parties hereto shall suspend the obligation of the Borrower to pay, on

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the agreed due dates, all the amounts due under this Convention and in particular all the amounts resulting from the repayment schedules set forth in Article 6, item 6.8, and from the Acknowledgement of Indebtedness relative thereto.

Article 13

Notices

13.1 Notices to be given pursuant to this Convention shall be addressed as follows:

- GOVERNMENT OF THE REPUBLIC OF GUATEMALA - Ministry of Public Finance - Zona 1 - Guatemala - GUATEMALA - n. telex 9207;
- MEDIOCREDITO CENTRALE - Via Piemonte 51, 00187 Rome - ITALY - n. telex 626496/626497;
- BANCO DI ROMA - Rome branch - Segreteria Estero - Via dell'Umiltà 43, 00187 Rome - ITALY - n. telex 616184.

Article 14

Original texts of the Financial Convention

14.1 This Convention is executed and signed in four originals in Italian and four originals in English. The Italian version shall prevail in case of discordance.

On behalf of Istituto centrale
per il credito a medio termine
- Mediocredito centrale -

On behalf of the Government
of the Republic of Guatemala
- Ministry of Public Finance -

ESTUARDO MENDEZ HERBRUGER
VICEMINISTRO DE FINANZAS PUBLICAS
ENCARGADO DEL DESPACHO

30 NOV. 1992

Signed in Rome on

Signed in Guatemala City on

(form of order to the Agent Bank)

Annex A)

from: Government of the Republic of Guatemala - Ministry of Public
Finance

to : Banco di Roma - Rome branch

to : Mediocredito centrale (copy)

Financial Convention of US\$ 4.854.300 (four million eight hundred
fifty four thousand three hundred) signed by us in Guatemala City on
..... and by Mediocredito centrale in Rome on

In relation to the above mentioned Convention we hereby
appoint you as our Agent Bank.

You shall therefore open with yourselves a "Foreign
Account" in our name to which you shall credit the funds from time
to time made available to ourselves by Mediocredito centrale.

The funds credited by Mediocredito centrale to this account
shall be simultaneously utilized exclusively financing the supply of
equipments for the project "Convoys Regionales", according to the
instructions that we shall give you under separate letter in the
form of Annex C) of the above mentioned Convention.

The payments that you shall make in favour of the
beneficiaries indicated by ourselves shall be subordinated to the
delivery, by the same, of the contractual documents required by the
supply contract and of a discharging receipt in two originals.

Moreover, as indicated in the above mentioned Convention,
you shall remit an original of the discharging receipt and a copy of
the contractual documents to Mediocredito centrale and you shall



transmit to ourselves the second original of the discharging receipt and the contractual documents.

Please confirm to us and to Mediocredito centrale, by letter or by telex, to be subsequently confirmed by letter, your acceptance of these instructions.

Yours faithfully,

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(form of the request to make funds available)

Annex B)

from: Government of the Republic of Guatemala - Ministry of Public
Finance

to : Mediocredito centrale

Financial Convention of US\$ 4.854.300 (four million eight hundred
fifty four thousand three hundred) signed by us in Guatemala City on
..... and by Mediocredito centrale in Rome on

Pursuant to Article 5 of the above mentioned Convention, we
hereby request you to make available to us, for subsequent
creditings to the "Foreign Account" opened in our name with the Rome
branch of Banco di Roma, the Italian lira equivalent of US\$
..... (.....) (contractual amount financed
under this credit).

Please be advised that this amount corresponds to the
payments due by us to in accordance with the
terms of the supply contract n. dated between
..... and in connection with (project),
(copy of which shall be remitted to you by the Italian beneficiary
enterprise).

For the purpose of effecting prompt payments to
we have instructed the Rome branch of Banco di Roma to make directly
to you, from time to time, the requests to credit to the "Foreign
Account" the funds necessary to make the payments provided for in
the above supply contract, according to the terms and conditions
specified therein.

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Annex B) contd.

We hereby unconditionally and irrevocably undertake to repay each amount credited by you to the "Foreign Account", in 20 (twenty) equal consecutive semi-annual instalments (principal instalments), the first of which falling due 126 (one hundred twenty six) months from the date of effectiveness of the above mentioned Financial Convention.

We also undertake to pay contractual interest at the nominal annual rate of 1,50% (one point fifty percent) equal to 0,75% (zero point seventy five percent) semi-annually in arrears, and to pay default interest, as may be due, according to the terms and conditions set forth in the above mentioned Financial Convention.

Within 60 (sixty) days from the last financial credit drawdown expiry date set forth in Article 4 of the above mentioned Financial Convention, we undertake to deliver to Mediocredito centrale an Acknowledgement of Indebtedness for the principal amount corresponding to the total amount of all drawdowns made under the said Convention.

This Acknowledgement of Indebtedness shall be in the form of Annex E) of the above mentioned Convention.

Yours faithfully,



(form of letter of instructions to the Agent Bank)

Annex C)

from: Government of the Republic of Guatemala - Ministry of Public
Finance

to : Banco di Roma - Rome branch

to : Mediocredito centrale (copy)

Financial Convention of US\$ 4.854.300 (four million eight hundred
fifty four thousand three hundred) signed by us in Guatemala City on
..... and by Mediocredito centrale in Rome on

Pursuant to the provisions of Article 5 of the above
mentioned Financial Convention, and further to our letter dated
..... appointing you as our Agent Bank, please find herewith
enclosed (the Italian beneficiary shall remit to you) a copy of the
supply contract n. dated between and
....., in connection with (project).

We hereby ask you, as our Agent Bank, to make all payments
provided for in the above mentioned supply contract, according to
the terms and conditions specified therein, in favour of
..... for up to the maximum amount of US\$
.....(.....) (contractual amount financed under
this financial credit).

For such purpose we hereby ask you to make directly to
Mediocredito centrale, from time to time, the requests to credit to
the "Foreign Account" the funds necessary for making the payments
provided for in the above supply contract, according to the terms
and conditions specified in said supply contract.

Said requests shall be executed within 45 (forty five) days
starting from the date of reception of the same by Mediocredito
centrale (copy of each request shall be transmitted by telex to us).

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Annex C) contd.

For such purpose we have asked Mediocredito centrale to credit the funds to our account, from time to time, as per your request, for payments to on our behalf.

Please confirm to us and to Mediocredito centrale, by letter or by telex, to be subsequently confirmed by letter, your acceptance of these instructions.

Yours faithfully,

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(form of request for crediting)

Annex D)

from: Banco di Roma - Rome branch
to : Mediocredito centrale
to : Government of the Republic of Guatemala - Ministry of Public Finance (copy)

Financial Convention of US\$ 4.854.300 (four million eight hundred fifty four thousand three hundred) between the Government of the Republic of Guatemala - Ministry of Public Finance and Mediocredito centrale, signed in Guatemala City on and in Rome on

In relation to the above mentioned Convention, to the order and to the instructions of the Government of the Republic of Guatemala, acting through the Ministry of Public Finance, we ask you to credit within 45 (forty five) days from the date of the reception of the request, US\$ (.....) to the "Foreign Account" opened with ourselves in the name of the Government of the Republic of Guatemala, acting through the Ministry of Public Finance.

This amount will be contemporaneously utilized for payments in favour of deriving from the following contractual documents related to the contract n. dated between and

.....
.....
.....

In this context, we certify that the above quoted contractual documents, copy of which will be transmitted to

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Annex D) contd.

yourselves together with an original of the discharging receipt, are regular and in conformity with the contract they refer to.

Moreover, we certify that the payments above mentioned are in compliance with the exchange control laws in force in Italy.

Best regards.

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(form of Acknowledgement of Indebtedness)

Annex E)

GOVERNMENT OF THE REPUBLIC OF GUATEMALA
- MINISTRY OF PUBLIC FINANCE -

N.
Place and date of issue:
.....

In pursuance of the Financial Convention between the Government of the Republic of Guatemala, acting through the Ministry of Public Finance and Mediocredito centrale, signed in Guatemala City on and in Rome on, the Government of the Republic of Guatemala declares to have received from Mediocredito centrale the following amounts:

- US\$ on
- US\$ on
-

Therefore, the Government of the Republic of Guatemala hereby unconditionally and irrevocably declares to be a debtor of the Istituto centrale per il credito a medio termine - Mediocredito centrale - with registered office in Rome (Italy), Via Piemonte 51, for the principal amount of US\$ (.....) which it undertakes to repay in 20 (twenty) equal consecutive semi-annual instalments, the first of which falling due on and the last on, according to the repayment schedule set forth hereinbelow.

On the outstanding principal amount of this Acknowledgement of Indebtedness, the Government of the Republic of Guatemala

.....
(Borrower's initials)

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Annex E) contd.

undertakes to pay interest referred to in the repayment schedule set forth hereinbelow, calculated in accordance with the provisions of the above mentioned Financial Convention.

The Government of the Republic of Guatemala shall repay the principal instalments and shall pay the interest envisaged in this Acknowledgement of Indebtedness, by crediting the relevant amounts in US\$, on the agreed due dates, in favour of Mediocredito Centrale, or of the persons entitled thereto, with the Rome branch of Banco di Roma, free of any bank and/or conversion fee.

If the Rome branch of Banco di Roma, for any reason whatsoever, including reasons beyond the Government of the Republic of Guatemala control, does not receive the amounts due for principal and interest according to this Acknowledgement of Indebtedness within the agreed due date, the Government of the Republic of Guatemala shall be bound to pay, on the said amounts, at the Rome branch of Banco di Roma a default interest from the due date up to the date of actual crediting in favour of Mediocredito centrale or of the person(s) entitled thereto.

Said default interest shall be calculated at the rate of 1,50% (one point fifty percent) for the period of 35 (thirty five) days immediately following the original due date and, then, at the rate of 5% (five percent) up to the date of actual crediting in favour of Mediocredito centrale.

For the 35 (thirty five) days immediately following the original due date, such default interest shall be calculated by applying the simple interest formula; afterwards, such default interest shall be calculated by applying the simple interest formula

.....
(Borrower's initials)

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Annex E) contd.

if this term is shorter than one year and by applying the compound interest formula if this term exceeds one year.

The Rome branch of Banco di Roma shall from time to time annotate on this Acknowledgement of Indebtedness any payments of principal and interest.

As soon as the payment of all instalments listed in the repayment schedule set forth hereinbelow will have been made, this Acknowledgement of Indebtedness shall be returned to the Government of the Republic of Guatemala.

This Acknowledgement of Indebtedness is issued pursuant to the financial credit of US\$ 4.854.300 (four million eight hundred fifty four thousand three hundred), granted in conformity with Article 6 of Law n. 49 of February 26th, 1987 of the Republic of Italy.

REPAYMENT SCHEDULE

Date of maturity	Principal instalments	Interest instalments	Total
a)
b)
c)
d)
e)
f)
g)
h)
i)

.....
(Borrower's initials)

fy

Annex E) contd.

- j)
- k)
- l)
- m)
- n)
- o)
- p)
- q)
- r)
- s)
- t)

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)
- 7)
- 8)
- 9)
- 10)
- 11)
- 12)
- 13)
- 14)
- 15)
- 16)

.....
(Borrower's initials)

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Annex E) contd.

17)
18)
19)
20)

GOVERNMENT OF THE REPUBLIC OF GUATEMALA
- MINISTRY OF PUBLIC FINANCE -

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