

CONFORMED COPY

LOAN NUMBER 4506 TU

Guarantee Agreement

(Export Finance Intermediation Project)

between

REPUBLIC OF TURKEY

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated August 2, 1999

LOAN NUMBER 4506 TU

GUARANTEE AGREEMENT

AGREEMENT, dated August 2, 1999, between the REPUBLIC OF TURKEY (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Guarantor and the Turkiye Ihracat Kredi Bankasi A.S. (the Borrower), having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to the Loan Agreement, have requested the Bank to assist in the financing of the Project; and

(B) by the Loan Agreement of even date herewith between the Bank and the Borrower, the Bank has agreed to extend to the Borrower a loan in an amount equal to two hundred fifty two million five hundred thirty thousand Dollars (\$252,530,000) on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as provided in this Agreement; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements for Single Currency Loans" of the Bank, dated May 30, 1995, as amended through December 2, 1997, (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

## ARTICLE II

### Guarantee; Provision of Funds

Section 2.01. The Guarantor declares its commitment to the objectives of the Project set forth in Schedule 2 to the Loan Agreement, and 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 the principal of, and interest and other charges on, the Loan, and the premium, if any, on the prepayment of the Loan, all as set forth in the Loan Agreement.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor shall take, and cause the Borrower to take, all such action as shall be necessary to enable the Borrower to maintain and ensure full compliance with the Borrower's undertakings pursuant to Section 4.03 of the Loan Agreement, relating to the overall financial performance and financial management practices of the Borrower.

## ARTICLE III

### Representative of the Guarantor; Addresses

Section 3.01. The Undersecretary of Treasury of the Guarantor is designated as representative of the Guarantor for the purposes of Section 11.03 of the General Conditions.

Section 3.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Guarantor:

Basbakanlik  
Hazine Mustesarligi  
Inonu Bulvari  
Emek-Ankara  
Republic of Turkey

Cable address:

MALIYE  
Hazine, Ankara

Telex:

821-42285  
(MLYE-TR) or  
821-42689  
(ANK-TR)

For the Bank:

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

Cable address:

INTBAFRAD  
Washington, D.C.

Telex:

248423 (MCI)  
64145 (MCI)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in Ankara, Turkey, as of the day and year first above written.

REPUBLIC OF TURKEY

By /s/ Aydin Karaoz

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Ajay Chhibber

Acting Regional Vice President  
Europe and Central Asia

