

Dated 20 November 2020

THE REPUBLIC OF SERBIA
(represented by the Government of the Republic of Serbia,
Acting by and through the Ministry of Finance)

DEED OF COVENANT

relating to the Republic of Serbia's Global Medium Term Note Programme

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This Deed of Covenant (the "Deed") is made on 20 November 2020 by:

- (1) **THE REPUBLIC OF SERBIA** (the "Issuer"), represented by the Government of the Republic of Serbia, acting by and through its Ministry of Finance;

In favour of:

- (2) **THE ACCOUNTHOLDERS** (as defined below); and
- (3) **THE PERSONS** for the time being and from time to time registered as holders of the Notes or the Global Notes referred to below (the "holders" and, together with the Accountholders, the "Beneficiaries").

Whereas:

- (A) The Issuer wishes to establish a Global Medium Term Note Programme (the "Programme") for the issuance of notes ("Notes"). In connection with the Programme, the Issuer has entered into a fiscal agency agreement dated 20 November 2020 (as may be amended or supplemented from time to time, the "Fiscal Agency Agreement") between the Issuer, Deutsche Bank Luxembourg S.A. as the European registrar (the "European Registrar" which expression includes any successor European registrar appointed from time to time in connection with the Notes), Deutsche Bank Trust Company Americas as the United States registrar (the "US Registrar" which expression includes any successor United States registrar appointed from time to time in connection with the Notes, and together with the European Registrar, the "Registrars" and each a "Registrar"), Deutsche Bank AG, London Branch as fiscal agent (the "Fiscal Agent" which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the transfer agents, paying agents and other agents named therein.
- (B) Each Series shall initially be represented upon issue by one or more global notes evidencing the Notes registered in the name of nominees for the applicable Clearing System for credit to such securities clearance (or any other) account or accounts with any Clearing System as may be determined by the terms and conditions and operating procedures or management regulations of the relevant Clearing System with its respective participants. Each Series will be evidenced by (i) in respect of Restricted Notes settled in DTC, a "Restricted Global Note", deposited with Deutsche Bank Trust Company Americas as custodian for, and registered in the name of Cede & Co., as nominee for DTC, (ii) in respect of Restricted Notes settled in Euroclear and Clearstream, Luxembourg, also a "Restricted Global Note", Deutsche Bank AG, London Branch as common depositary for, and registered in the name of BT Globenet Nominees Limited as nominee of, Euroclear and Clearstream, Luxembourg and (iii) in respect of Unrestricted Notes, an "Unrestricted Global Note", deposited with Deutsche Bank AG, London Branch as common depositary for, and registered in the name of BT Globenet Nominees Limited as nominee of, Euroclear and Clearstream, Luxembourg. Restricted Global Notes and Unrestricted Global Notes are hereinafter referred to as "Global Notes" and each a "Global Note". The Global Notes may be exchanged for definitive note certificates ("Definitive Note Certificates") only in the limited circumstances set out in the Fiscal Agency Agreement.
- (C) The Issuer wishes to constitute the Notes by deed poll and to make arrangements for the protection of the interests of Accountholders if a Global Note becomes void in accordance with its terms.

This Deed witnesses as follows:

1 Interpretation

- 1.1** All terms and expressions which have defined meanings in the Fiscal Agency Agreement shall have the same meanings in this Deed except where the context requires otherwise or unless otherwise stated. In addition, in this Deed the following expressions have the following meanings:

"Accountholder" means any accountholder or participant with a Clearing System which at the Determination Date has credited to its securities account with such Clearing System one or more Entries in respect of a Global Note except for any Clearing System in its capacity as an accountholder of the other Clearing System;

"Clearing System" means each of DTC, Euroclear, Clearstream, Luxembourg and any other clearing system specified in the relevant Final Terms;

"Clearstream, Luxembourg" means Clearstream Banking S.A.;

"Determination Date" means, in relation to any Global Note, the date on which such Global Note becomes void in accordance with its terms;

"DTC" means The Depository Trust Company;

"Entry" means, in relation to a Global Note, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by such Global Note;

"Euroclear" means Euroclear Bank SA/NV;

"Principal Amount" means, in respect of any Entry, the aggregate principal amount of the Notes to which such Entry relates; and

"Terms and Conditions" has the meaning given in the Fiscal Agency Agreement.

- 1.2** Terms defined in the Terms and Conditions have the same meanings in this Deed.
- 1.3** Any reference in this Deed to a Clause or sub-clause is, unless otherwise stated, to a clause or sub-clause hereof.
- 1.4** Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed.

2 The Registered and Global Registered Notes

The Issuer hereby constitutes the Notes and covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Notes and in the Terms and Conditions (and for this purpose any reference in the Terms and Conditions to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

3 Deposit of Deed of Covenant

An original of this Deed shall be deposited with and held by each of the Fiscal Agent and each of the Registrars until the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under this Deed) have been discharged in full. The Issuer hereby acknowledges the right of every Beneficiary to the production of this Deed.

4 Direct Rights

4.1 If any Global Note representing all or a part of a Tranche becomes void in accordance with its terms, each Accountholder shall have against the Issuer all rights (the "Direct Rights") which such Accountholder would have had in respect of the Notes if immediately before the Determination Date in relation to that Global Note, it had been the holder of a Definitive Note Certificate, duly completed, executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Accountholder's Entries relating to such Global Note including (without limitation) the right to receive all payments due at any time in respect of the Notes represented by such Definitive Note Certificate as if such Definitive Note Certificate had (where required by the Terms and Conditions) been duly presented and (where required by the Terms and Conditions) surrendered on the due date in accordance with the Terms and Conditions and as if an appropriate entry had been made in the register kept by the relevant Registrar recording the entitlement of such Accountholder in an amount equivalent to such Accountholder's Entries.

4.2 No further action shall be required on the part of the Issuer or any other person:

4.2.1 for the Accountholders to enjoy the Direct Rights; and

4.2.2 for each Accountholder to have the benefit of the Terms and Conditions as if they had been incorporated *mutatis mutandis* into this Deed,

provided, however, that nothing herein shall entitle any Accountholder to receive any payment which has already been made in accordance with the terms of the relevant Global Note.

5 Evidence

5.1 The records of the Clearing Systems shall be conclusive as to the identity of the Accountholders and the respective amounts of Notes credited to their securities accounts and a statement issued by a Clearing System setting out:

5.1.1 the name of the Accountholder in respect of which it is issued; and

5.1.2 the Principal Amount of any Entry credited to the securities account of such Accountholder with such Clearing System on any date,

shall, absent manifest error, be conclusive evidence for all purposes of this Deed.

5.2 If a Clearing System determines the Determination Date, such determination shall be binding on the Issuer and all Accountholders with such Clearing System.

6 Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of any Beneficiary, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

7 Stamp Duties

The Issuer will pay any stamp duty, issue, registration, documentary or other taxes and duties, including interest and penalties payable in the Republic of Serbia, the United Kingdom, the

United States, the Kingdom of Belgium and/or the Grand Duchy of Luxembourg on or in connection with the execution and delivery of this Deed, and shall to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

8 Benefit of Deed of Covenant

- 8.1** This Deed shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.
- 8.2** This Deed shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns each of which shall be entitled severally to enforce this Deed against the Issuer.
- 8.3** The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

9 Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

10 Notices

- 10.1** All notices and other communications to the Issuer hereunder shall be made in writing (by letter, fax or email) and shall be sent to the Issuer at:

The Republic of Serbia
(represented by the Government of the Republic of Serbia, acting by and through the Ministry of Finance)
20 Kneza Milosa Street
11 000 Belgrade
Republic of Serbia

Attention: Minister of Finance

and

Public Debt Administration
Pop Lukina 7-9
11 000 Belgrade
Republic of Serbia

Fax: +381 11 2629 055

Email: kabinet@javnidug.gov.rs

or to such other address, email address or fax number or for the attention of such other person or department as the Issuer has notified to the Beneficiaries in the manner prescribed for the giving of notices in connection with the Notes.

10.2 Every notice or other communication sent in accordance with this Clause 10 (*Notices*) shall be effective if sent by letter, email or fax, upon receipt by the Issuer provided, however, that any such notice or other communication which would otherwise take effect after 4.00 p.m., on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Issuer.

11 Governing Law and Jurisdiction

11.1 Governing Law

This Deed and all matters (including any non-contractual obligations arising out of or in connection with this Deed) shall be governed by, and construed in accordance with, English law.

11.2 Jurisdiction

The Issuer agrees, for the benefit of the Beneficiaries, that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings arising out of or in connection with this Deed (the "Proceedings") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

11.3 Appropriate Forum

For the purposes of Clause 11.2 (*Jurisdiction*), the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and agrees not to claim that any such court is not a convenient or appropriate forum.

11.4 Service of Process

The Issuer agrees that the process by which any Proceedings are commenced in England pursuant to Clause 11.2 (*Jurisdiction*) may be served on it by being delivered to the Ambassador of the Republic of Serbia to the Court of St. James's at 28 Belgrave Square, London SW1X 8QB. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall appoint a further person in England to accept service of process on its behalf. Nothing in this paragraph shall affect the right of the Beneficiary to serve process in any other manner permitted by law.

11.5 Enforcement of Judgments; Waiver of Immunity

The Issuer agrees that any final judgment in any Proceedings commenced in a court to the jurisdiction of which the Issuer is or may be subject may be enforced in that or any other such court by appropriate proceedings and if and to the extent that the Issuer may in respect of any Proceedings be entitled to claim for itself or its assets immunity from jurisdiction, suit, enforcement, execution, attachment (whether in aid of execution of a judgment, before judgment or award or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Issuer irrevocably consents to the enforcement of any judgment or award and agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of the jurisdiction, subject to the provisions of Clause 11.6 (Waiver of Immunity – Exclusions). Notwithstanding the foregoing, the Issuer reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of or in, the United States of America under any United States federal or state securities law.

11.6 Waiver of Immunity – Exclusions

Notwithstanding any of the provisions of Clause 11.5 (*Enforcement of Judgments; Waiver of Immunity*), the Issuer 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) movable or immovable assets that are used by the authorities of the Republic of Serbia for conducting their competencies, (xi) 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 (xii) other assets exempt from enforcement by law or international treaties.

12 Currency Indemnity

An amount received or recovered in a currency other than that in which the relevant payment is expressed to be due (the "**Contractual Currency**") (whether as a result of, or of the enforcement of a judgment or order of a court or award of any tribunal of any jurisdiction) by any of the Beneficiaries in respect of any sum expressed to be due to it from the Issuer, will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicably to make that purchase on that date, on the first date on which it is practicable to do so).

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the Beneficiary under this Deed, the Issuer shall indemnify and hold harmless such Beneficiary on an after-tax basis against any loss sustained by it as a result on the written demand of such Beneficiary addressed and delivered to the Issuer. In any event the Issuer will indemnify the recipient against the cost of making any such purchase.

13 Modification

The Fiscal Agency Agreement contains provisions for convening meetings of holders to consider matters relating to the Notes, including the modification of the Terms and Conditions and any provision of this Deed. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries. Notwithstanding anything in the Terms and Conditions to the contrary, the Issuer may amend or supplement this Deed without the consent of the holders of the Notes of any Series insofar as such amendment or supplement does not apply to any outstanding Notes.

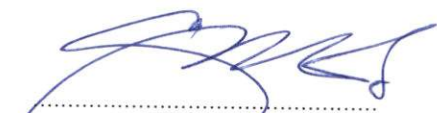
14 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect the right or remedy of a third party which exists or is available apart from that Act.

In witness whereof this Deed has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

Executed as a deed

**THE REPUBLIC OF SERBIA, REPRESENTED BY
THE GOVERNMENT OF THE REPUBLIC OF
SERBIA, ACTING BY AND THROUGH THE
MINISTRY OF FINANCE**


By

