Subject: Loan No. 4823-MK (Legal and Judicial Implementation and Institutional Support Project)
Amendment to Loan Agreement

Excellency,

We refer to the Loan Agreement (Legal and Judicial Implementation and Institutional Support Project) between the former Yugoslav Republic of Macedonia (the Borrower) and the International Bank for Reconstruction and Development (the Bank) dated June 14, 2006, for the above-referenced Project (Loan Agreement). We also refer to your request on behalf of the Borrower contained in your letter dated July 26, 2010 to amend provisions of the Loan Agreement.

We are pleased to inform you that, after careful consideration, the Bank has acceded to the aforementioned request. Accordingly, the Bank proposes to amend the Loan Agreement as follows:

The table in paragraph 2 of Section V.A. of Schedule 2 to the Loan Agreement shall be replaced with the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works, Consultants’ Services, Training and Operating Costs</td>
<td>9,605,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Consultants’ Services and Training under Part III.A.3 of the Project</td>
<td>370,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>25,000</td>
<td>Amount payable pursuant to Section 2.04 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>10,000,000</td>
<td></td>
</tr>
</tbody>
</table>

H.E. Zoran Stavreski
Deputy Prime Minister and Minister of Finance
Ministry of Finance
Mito Hadzivasilev Jasmin bb
Skopje

November 22, 2010
Defined terms used in this letter and not defined herein shall have the meanings given to them in the Loan Agreement.

All other terms of the Loan Agreement shall remain the same.

Please confirm your agreement with the foregoing, on behalf of the Borrower by signing, dating and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of a countersigned copy of this letter, the amendment will become effective as of the date of the countersignature.

Sincerely,

By /s/ Jane Armitage
Country Director and Regional Coordinator
for South East Europe
Europe and Central Asia Region

CONFIRMED AND AGREED:

BORROWER

By /s/ Zoran Stavreski
Name: Zoran Stavreski
Title : Vice Prime Minister and
Minister of Finance of Republic of Macedonia
Date : December 15, 2010