

APPLICATION BANK GUARANTEE

Beneficiary:

GOVERNMENT OF MONTENEGRO
Address: Karađorđeva bb, 81000 Podgorica

We, [name and address of the bank issuing the Application Bank Guarantee], understand that [name of the Applicant] (hereinafter referred to as the **Investor**), with its seat in _____, submitted an application for participation in the procedure of awarding funds for fostering direct investments (hereinafter referred to as the **Application**), dated _____, in relation to the Public Announcement for participation in the procedure of awarding funds for fostering direct investments (hereinafter referred to as the Public Announcement) published on _____ by the Secretariat for Development Projects (hereinafter referred to as the **Secretariat**), and that it is necessary that the Investor provides the Application Bank Guarantee (hereinafter referred to as the Application Guarantee), payable at first call, in the amount of EUR _____ (_____ euros), in accordance with the terms and conditions of the Public Announcement.

Taking into account the above, we shall hereby irrevocably and unconditionally undertake as first-binding to pay the amount of EUR _____ (_____ euros) on your first written request (hereinafter referred to as the Disbursement Request), regardless of validity and legal effect of the underlying transaction and waiving the right to exceptions or objections in this regard, if such a written request contains your explicit remark that the **Event of activation of the Application Bank Guarantee** occurred (as defined below). We imply that your statement will be accepted from our side as evidence that the amount claimed is due in accordance with the purposes of this Application Guarantee.

For the purposes of this Application Guarantee, it was agreed that the **Event of activation of the Application Bank Guarantee** implies your claim that one of the following events occurred:

- the Investor refuses to sign the Agreement on the utilization of funds for fostering direct investments (hereinafter referred to as the **Agreement**), or
- the Investor, after conclusion of the Agreement, fails or refuses to provide a performance bank guarantee in accordance with the terms of the Agreement.

This Guarantee shall remain in force until _____, whereby it automatically and fully expires at that moment, regardless of whether it was returned or not, unless the Request for disbursement was sent prior to the expiration date, and if the same was not extended upon request of the Secretariat. For the Investor invited to sign the Agreement, the Application Guarantee shall remain in force for 120 days after signing the Agreement.

Form

Each payment in connection with this Application Guarantee will reduce the obligation for our bank accordingly, but in any case such partial payment will not be considered its full execution or expiry. All such payments will not include any discounts, compensations or retentions by the bank or the Investor, and if not otherwise stated in writing, shall be disbursed to the account of the Government of Montenegro, at _____ Bank (account number: _____ - for payments from abroad, or account number: _____ - for payments in Montenegro).

We hereby guarantee that each Request for disbursement, which has been sent in accordance with the terms of this Application Guarantee, will be settled within 3 working days after receipt of such request.

We acknowledge and accept that there is no need to inform us about any reason for collecting the Application Guarantee, except for the reasons set out above, nor provide us with any evidence that you have the right to collect the Application Guarantee.

For the purpose of identification of the Request for disbursement, such notice shall be delivered to us through Your bank, with a statement confirming that the signatures registered by the Government of Montenegro are legally valid, to the address below:

(Bank name)
(Address)
(Attention) (.)
(Division) (.)

For any disputes arising under this Application Guarantee [insert competent court] shall be competent.

Signature/place/date