

BANK GUARANTEE FOR THE APPLICATION

Beneficiary:

GOVERNMENT OF MONTENEGRO
Address: Karadjordjeva bb, 81000 Podgorica

We, [name and address of the bank issuing the Bank Guarantee for the Application], understand that [name of Applicant] (hereinafter: „**Investor**“), with the head-office in _____, submitted Application for participation in the process of awarding financial incentives for encouraging direct investment (hereinafter: „**Application**“), on _____, with reference to the Public Notice of participation in the process of awarding financial incentives for encouraging direct investment (hereinafter: „**Public Notice**“), published on _____ 2016, by the Secretariat for Development Projects (hereinafter: „**Secretariat**“), and that the Investor is required to present a bank guarantee for the Application (hereinafter: „**Application Guarantee**“), payable at first call, for € 5,000 (in words: five thousand euros), in accordance with the terms and conditions of the Public Notice.

*We also understand that the incentive beneficiary, according to the Application, will be the company _____, with the head-office in _____, TIN _____, which is majority owned by the Investor (hereinafter: **Incentive Beneficiary**) and which will sign the direct investment incentive agreement based on the decision on the Government of Montenegro.¹*

In consideration of the above, we HEREBY irrevocably and unconditionally undertake to pay to you as the Guarantee Beneficiary the amount of € 5,000 (in words: five thousand euros), on your first written demand (hereinafter: „**Payment Demand**“), regardless of the validity and legal effects of the underlying transaction and waiving the right to exception or objection in that respect, if your written demand includes your explicit note that an **Event triggering the payment of the Bank Guarantee for Application** has occurred (as defined below).

For the purposes of this Application Guarantee, „**Event triggering the payment of the Bank Guarantee for Application**“ shall be your statement indicated in the Payment Demand that one of the following events has occurred:

- The Investor/Incentive Beneficiary has not signed the Direct Investment Incentive Agreement (hereinafter: „**Agreement**“),
- After signing the Agreement, the Investor/Incentive Beneficiary has failed to provide the Performance Guarantee in accordance with the terms of the

¹ This paragraph will be included in the bank guarantee in the case that the Investor intends to carry out the investment project via a business entity that is majority owned by the Investor, in accordance with the Decree.

Form

Agreement,

- After signing the Agreement, the Investor/Incentive Beneficiary has failed to deliver two signed promissory notes with the related authorization signed as referred to in Article 6.3 of the Agreement.

This Guarantee shall remain valid until _____, when it shall fully and automatically expire, regardless of whether returned to us or not, unless we receive a Payment Demand before such date, and unless it has been extended upon the request of the Secretariat.

We hereby guarantee that the Payment Demand will be settled within 3 working days after the receipt thereof, by paying € 5,000 (in words: five thousand euros) to the Government of Montenegro – Secretariat for Development Project Account No. 832-2093-29 – for payments in Montenegro² or another account as indicated in the Payment Demand.

We acknowledge and accept that you do not have to inform us of the reason for the collection of the Application Guarantee, other than the reasons stated above, nor to deliver any proof of your right to collect the Application Guarantee.

Your Payment Demand should be delivered to us at the address below:

(Name of bank)
(Address)
(To the attention of) (.)
(Fax) (.)

Any disputes arising under this Application Guarantee shall be subject to the jurisdiction of the Commercial Court of Montenegro.

Signature/place/date

² Instructions for payments from abroad may be downloaded from the website www.srp.gov.me.