



SUBCONTRACTOR'S LETTER OF UNDERTAKING

Attachment to the application for a Buyer Credit Guarantee for credit confirmation risks

Complete style and address of the company giving the undertaking (the Declaring Company)

Company XXX

Contact person XXX

Street and house no XXX

P. O. Box XXX

Postcode and town XXX

We are aware that

XXX

- hereinafter: Bank -

has applied, or will apply, for a Buyer Credit Guarantee of the Federal Republic of Germany to secure risks arising from the confirmation/purchase of a letter of credit issued by

XXX

- hereinafter: Foreign Debtor -

The purpose of the confirmation of/purchase commitment for the letter of credit is to finance a transaction concerning the delivery of goods and/or the provision of services between

XXX

- hereinafter: Vendor -

and

XXX

- hereinafter: Buyer -

for the supply of the following goods/services

XXX

XXX

XXX

As subcontractor of the Vendor/a supplier of the Vendor^{*} we will supply the following goods and/or services, which are essential for the performance of the delivery/service contract:

XXX

^{*} Please delete as appropriate

Financing these supplies and/or services with a credit and cover for that credit under a Buyer Credit Guarantee is also in our interest.

In the event that the Federal Government assumes a Buyer Credit Guarantee in favour of the Bank, we hereby irrevocably commit ourselves vis-à-vis the Federal Government to the following:

1. a) We will completely and correctly describe in writing all material circumstances relating to our share in the supplies and/or services (e.g. origin of goods, subcontracted foreign supplies, etc.) which may have a bearing on the assumption of the Buyer Credit Guarantee to the Vendor and, if necessary, to the Bank and immediately amend the information provided if there are any subsequent changes or modifications regarding our involvement in the supplies and/or services.
- b) We will notify the Federal Government in writing of any risk-aggravating factors which may become known to us until the delivery/service transaction is completed.
- c) We will, at any time, inform the Federal Government or its agent about the details of our contract with the Vendor and the state of its implementation as well as any other circumstances which may be of importance for the Federal Government.
2. a) In the event that we fail to perform our duty to provide information and amend it (item 1. a), we will indemnify the Federal Government for its obligation to pay a claim from the Bank under the terms of the Buyer Credit Guarantee unless the incomplete or incorrect information constituting a breach of our duties had no influence on the Federal Government's decision to assume the Buyer Credit Guarantee. We are not liable to indemnify the Federal Government if we were not aware, or could not have been aware, that the information provided was incorrect or incomplete.
- b) If, due to a failure to exercise due care, we violate our duty to report any increases of risk (item 1. b) or to inform, upon request, the Federal Government about the state of implementation of our contract with the Vendor or any other circumstances which may be relevant to the Federal Government (item 1. c), we will indemnify the Federal Government for its obligation to pay a claim from the Bank, unless the breach of duty neither caused a loss nor is of such nature as to expect that it may result in a loss.
3. The Federal Government may limit our obligation to indemnify it pursuant to item 2 above according to the circumstances of the individual case, particularly taking into account the risk which has arisen and the seriousness of the breach of duties.
4. If any criminal offence, in particular bribery, was committed in connection with the conclusion of the delivery/supply contract, we will indemnify the Federal Government for its obligation to pay a claim unless we neither knew nor could be expected to know about such offences.
5. Our obligation to indemnify the Federal Government pursuant to items 2 and 4 shall be limited to the amount of our payment claim against the Vendor under the subcontract.
6. We will comply with our obligation to indemnify the Federal Government on first demand.
7. We are aware of the Vendor's Letter of Undertaking. If the Vendor is held liable under it and we are also liable to the Federal Government under our obligations to indemnify, we and the Vendor shall be jointly and severally liable to the Federal Government.

Place and date

Signature/company stamp