



LETTER OF UNDERTAKING (SLG)

Attachment to the application for a Shopping Line Guarantee

Complete name and address of the company giving the undertaking

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 for or has already been granted a Buyer Credit Guarantee of the Federal Government to secure a credit facility (shopping line loan) provided to

xxx

- hereinafter: Foreign Debtor.

The purpose of the loan is, among other things, to finance our transaction concerning the delivery of goods and/or the provision of services with the Foreign Debtor for the supply of the following goods/services:

xxx

xxx

xxx

Financing these supplies/services and their inclusion in the shopping line cover of the Federal Republic of Germany is also in our interest.

In the event that the Federal Government approves the inclusion of our export transaction in the shopping line cover, 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 related to our share in the credit line for supplies and/or services (e.g. origin of goods, subcontracted foreign supplies) which may have a bearing on the assumption of the Shopping Line Guarantee to the Bank.
- b) We will, at any time, inform the Federal Government or its agent about the details of our contract with the Foreign Debtor 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 (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 include our supplies and/or services in the Shopping Line 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 inform, upon request, the Federal Government about all circumstances which may be relevant to the Federal Government (item 1. b), we will indemnify the Federal Government for its obligation to pay a claim, 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. If the Foreign Debtor refuses to meet his obligations under the loan agreement citing warranty claims he has under the delivery/service contract concluded with us, we will indemnify the Federal Government for its obligation to pay a claim from the Bank under the Shopping Line Guarantee. We are not liable to indemnify if the facts on which the warranty claim is based cannot be attributed to our deliveries and/or services or if we are not or no longer under any warranty obligations vis-à-vis the Foreign Debtor.
6. **Maximum amount of liability**
Our obligation to indemnify the Federal Government pursuant to items 2, 4 and 5 shall be limited to the amount of our payment claim against the Foreign Debtor under our delivery/service contract.
7. We will comply with our obligation to indemnify the Federal Government on first written demand.

XXX

Place and date

Signature/company stamp

Explanations and FAQs regarding the Letter of Undertaking are available at agaportal.de/en → Downloads → Category "[Letters of undertaking](#)"