

**LETTER OF INDEMNITY AND BANK GUARANTEE**  
(Undertaking for delivery of cargo without surrender of Original Bills of Lading)

In favor of Hapag-Lloyd AG, Hamburg, Germany  
The Carrier  
c/o Hapag-Lloyd  
[insert address of local HL office]

[insert date]

Dear Sirs,

Vessel: [insert name of vessel]  
Shipper: [insert name of shipper]  
Consignee: [insert name of consignee]  
Voyage: [insert voyage no. and load and discharge ports as stated in the Bill of Lading]  
Cargo: [insert description of Cargo]  
Bill of Lading: [insert identification numbers, date and place of issue]  
CIF Invoice Value of Goods: [insert CIF Invoice Value of Goods]

We represent and warrant that we are entitled to the possession of the Cargo and delivery thereof and no other person, firm or cooperation is so entitled.

The above Cargo was shipped on the above Vessel by [insert name of shipper] and consigned to [insert name of consignee or party to whose order the Bill of Lading is made out, as appropriate] for delivery at the port of [insert name of discharge port stated in the Bill of Lading], but the Bill of Lading has not arrived and we, [insert name of party requesting delivery], hereby request you to deliver the said Cargo to [X [insert name of the specific party] or to such party as you believe to be or to represent X or to be acting on behalf of X], at [insert place where delivery is to be made] without production of the Original Bill of Lading.

In consideration of your complying with our above request, we hereby agree to the following indemnity (hereinafter referred to as "Indemnity"):

1. To indemnify you, your servants, agents, the Vessel, her owner or (bareboat-) charterer, operator and the master, and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of delivering the Cargo in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the delivery of the Cargo as aforesaid, to provide you or them promptly on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the Cargo as aforesaid, the Vessel, or any other vessel or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the vessel's registry or otherwise howsoever), to provide promptly on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such vessel or property or to remove such interference and to indemnify you, your servants, agents, the Vessel, her owner or (bareboat-) charterer, operator and the master, in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. As soon as all Original Bills of Lading for the above Cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all Original Bills of Lading to be delivered to you.
5. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
6. The liability of the undersigned bank hereunder covers 200 percent of the above inserted CIF INVOICE VALUE for a period of 30 months beyond date of issue of the underlying Bill of Lading.
7. In addition to all the obligations under this Letter of Indemnity we herewith confirm and accept to be bound by the terms and conditions of the Bill of Lading issued. This Letter of Indemnity shall be governed by and construed in accordance with German law and we submit to the jurisdiction of the Hamburg courts which is exclusive safe for Hapag-Lloyd deciding in its sole discretion to instigate proceedings against us before another court which is competent pursuant to the laws applicable before such court.

Yours faithfully  
For and on behalf of the Requestor (shipper or consignee)  
[insert name of shipper or consignee]

Company Stamp of the Requestor

.....  
Signature  
[Print Name of duly authorized representative signing for the Requestor]

### BANK GUARANTEE

Vessel: [insert name of vessel]  
 Shipper: [insert name of shipper]  
 Consignee: [insert name of consignee]  
 Voyage: [insert voyage no. and load and discharge ports as stated in the bill of lading]  
 Cargo: [insert description of cargo]  
 Bill of Lading: [insert identification numbers, date and place of issue]  
 CIF Invoice Value of Goods: [insert CIF Invoice Value of Goods]

We, [insert name of the Bank], hereby agree to join in this Indemnity providing always that the Bank's liability:-

1. shall be restricted to payment of specified sums of money demanded in relation to the Indemnity (and shall not extend to the provision of bail or other security)
2. shall be to make payment to you forthwith promptly and unconditionally on your first written demand in the form of a signed letter certifying that the amount demanded is a sum due to be paid to you under the terms of the Indemnity and has not been paid to you by the Requestor or is a sum which represents monetary compensation due to you in respect of the failure by the Requestor to fulfil its obligations to you under the Indemnity. For the avoidance of doubt the Bank hereby confirms that:-
  - a) such compensation shall include, but not be limited to, payment of any amount up to the amount stated in proviso 3 below in order to enable you to arrange the provision of security to release the Vessel (or any other vessel in the same or associated ownership, management or control) from arrest or to prevent any such arrest or to prevent any interference in the use or trading of the Vessel, or other vessel as aforesaid, and
  - (b) in the event that the amount of compensation so paid is less than the amount stated in proviso 3 below, the liability of the Bank hereunder shall continue but shall be reduced by the amount of compensation paid.
3. shall be limited to 200 percent of the CIF Invoice Value of the Goods.
4. subject to proviso 5 below, shall terminate 30 months beyond the date of issue of the underlying Bill of Lading (the 'Termination Date'), except in respect of any demands for payment received by the Bank hereunder at the address indicated below on or before that date.
5. shall be extended at your request from time to time for a period of two calendar years at a time provided that:-
  - a) the Bank shall receive a written notice signed by you and stating that the Indemnity is required by you to remain in force for a further period of two years, and
  - b) such notice is received by the Bank at the address indicated below on or before the then current Termination Date.

Any such extension shall be for a period of two years from the then current Termination Date and, should the Bank for any reason be unwilling to extend the Termination Date, the Bank shall discharge its liability by the payment to you of the maximum sum payable hereunder (or such lesser sum as you may require).

However, in the event of the Bank receiving a written notice signed by you, on or before the then current Termination Date, stating that legal proceedings have been commenced against you as a result of your having delivered the said Cargo as specified in the Indemnity, the Bank agrees that its liability hereunder will not terminate until receipt by the Bank of your signed written notice stating that all legal proceedings have been concluded and that any sum or sums payable to you by the Requestor and/or the Bank in connection therewith have been paid and received in full and final settlement of all liabilities arising under the Indemnity.
6. shall be governed by and construed in accordance with the law governing the Indemnity and the Bank agrees to submit to the jurisdiction of the court stated within the Indemnity.

It should be understood that, where appropriate, the Bank will only produce and deliver to you all Original Bills of Lading should the same come into the Bank's possession, but the Bank agrees that, in that event, it shall do so.

The Bank agrees to promptly notify you in the event of any change in the full details of the office to which any demand or notice is to be addressed and which is stated below and it is agreed that you shall also promptly notify the Bank in the event of any change in your address as stated above.

Yours faithfully  
 For and on behalf of  
 [insert name of bank]  
 [insert full details of the office to which any demand or notice is to be addressed]

.....  
 Signature