

punctually on maturity. The German Debtor in that case may apply to the Foreign Bankers' Committee concerned through the German Committee and if such Committees agree that the new bill does comply with the requirements of this sub-Clause, then the Foreign Bank Creditor shall be bound to accept the new bill.

(9) If a Foreign Bank Creditor has failed within three months of the announcement of any stated percentage to take advantage of the whole or part of his rights to arrange recommercialisation, such rights shall lapse (without however affecting such Foreign Bank Creditor's right to other recommercialisation pursuant to subsequent announcements of stated percentages).

(10) The Bank deutscher Laender will use its best efforts to arrange that a certain amount of eligible business shall be available for recommercialisation.

(11) A Foreign Bank Creditor who has opened a substituted line and the Debtor to whom such line is granted shall be subject to all the provisions of this Agreement in respect of such substituted line and forms of adherence in respect thereof shall be exchanged upon the Foreign Bank Creditor receiving repayment of the relative designated indebtedness.

(12) If in the opinion of the Bank deutscher Laender a substituted line is not being adequately availed of in the interests of the German economy, the Bank deutscher Laender may require the Foreign Bank Creditor to place so much of such line as is not then availed of at the disposition of some other bank, banking institution or commercial or industrial firm or company in the Federal Republic (being or capable of becoming a German Debtor) selected by the Foreign Bank Creditor and not disapproved by the Bank deutscher Laender. In such case the original substituted line shall be cancelled *pro tanto* and the new line of equivalent amount shall constitute a new substituted line, and the Foreign Bank Creditor and new German Debtor shall be subject to all the provisions of this Agreement in respect of the new substituted line and forms of adherence in respect thereof shall be exchanged. If the Foreign Bank Creditor shall fail to select a new German Debtor to the satisfaction of the Bank deutscher Laender the latter may propose a new German Debtor; and, if the Foreign Bank Creditor shall refuse to accept such proposed new German Debtor, the reasonableness of such refusal shall at the request of the Bank deutscher Laender be determined by agreement between the German Committee and the relative Foreign Bankers' Committee and, if such Committees are unable to agree, then by the Arbitration Committee.

6. Security

(1)—(a) Where

- (i) A German Bank Debtor holds from any of its clients any security, whether general or specific (including guarantees) as collateral for credit facilities held by the German Bank Debtor at the disposal of such client and
- (ii) the credit facilities granted to such client (whether secured or not) have arisen out of any short-term credit owed to one or more Foreign Bank Creditors by the German Bank Debtor

the whole of such security or a *pro rata* share thereof for the time being held by the German Bank Debtor shall be held by the German Bank Debtor in valid and effectual trust for such Foreign Bank Creditor or Foreign Bank Creditors, upon the same terms and conditions as those upon which it is held by the German Bank Debtor. The existence of such trust shall not interfere with the administration by German Bank Debtors in accordance with ordinary banking practice of any such security from time to time held by them.