

ARTICLE II

Definitions

Wherever used in this Agreement, the following terms shall, unless the context requires otherwise, have the meanings indicated below:—

Original contract—the contract entered into at the time the loan was first made.

Existing contract—the original contract, except in the case of a contract which has been the subject of an effective conversion or conversions, in which case the existing contract is the contract resulting from the last effective conversion.

Effective conversion—a change made in the terms of a loan contract before 9th June, 1933, or made on or after that date on account of the insolvency or threatened insolvency of the debtor or as a result of free negotiation; provided that

- (a) in any dispute as to whether or not a change was freely negotiated it shall be presumed that any arrangement made where the German Custodian of Enemy Property represented the creditor, or which resulted from the mere acceptance by the creditor of a unilateral offer made by the debtor, was not freely negotiated;
- (b) in any disputed case the burden shall be on the debtor to prove that the conversion was an effective conversion;
- (c) in the case of Church loans, any conversion shall be considered effective.

Creditor—includes any creditors' representative designated pursuant to the provisions of Article VIII of this Agreement.

Germany—all territory within the German Reich on 1st January, 1937.

Resident in—having ordinary residence (mit gewöhnlichem Aufenthalt oder Sitz) in; a juridical person shall be deemed to have its ordinary residence in the Federal Republic of Germany or Berlin (West) if it is entered in the Commercial Register in that territory.

ARTICLE III

Debts Covered

1. The present Agreement applies to every bonded loan and to every non-bonded loan issued or raised outside Germany, if—

- (a) the loan was made prior to 8th May, 1945; and
- (b) under the original contract the loan was to run for a period of five years or more; and
- (c) the debtor is a corporation, company, association, firm, partnership, bank, church, welfare institution, or other non-governmental institution; and
- (d) the debtor is, on 1st January, 1953, or on any later date when his creditors request an offer of settlement, resident in the German Federal Republic or in Berlin (West); and
- (e) the loan is denominated in non-German currency, or is denominated in German currency and contains a non-German currency or gold clause.