

## ARTICLE IX

### *Arbitration and Mediation Committee*

#### 1. *Jurisdiction*

In order to forward the settlements between individual debtors and their creditors, an Arbitration and Mediation Committee shall be established. The duty of this Committee shall be to mediate and arbitrate between the debtor and his creditors in the event that they are not able to agree between themselves as to the terms of the offer of settlement to be made. Either party shall have the right to refer a disputed point to the Committee.

The decision of the Committee shall be binding on both parties. The debtor shall be obliged to offer to his creditors the terms set forth in such decision. The creditor shall be obliged to accept such terms<sup>(1)</sup>, or, in the case of a bond issue where the bondholders are represented pursuant to the provisions of Article VIII of this Agreement, the creditors' representative shall be obliged to recommend acceptance of the offer by the bondholders.

Where a creditors' representative has been appointed pursuant to such Article VIII, the rights of the creditors under this Article shall be exercised by such representative.

#### 2. *Composition*

The Committee shall be composed of four members appointed by the creditors and four members appointed by the debtors. The Committee may elect a further member for any particular case upon request of a majority of its members. The chairman of the Committee shall be elected from among the creditor members. The first Chairman shall be the United States member. For each member an alternate may be designated. Each member of the Committee including the Chairman shall have one vote.

#### 3. *Appointment of Members*

The members of the Committee shall be appointed as follows:—

- (a) The creditor members shall be appointed by organisations designated by the respective Creditor Committees of the United States, United Kingdom, Switzerland and the Netherlands. At the request of the Creditor Committee of a country whose creditors are specially concerned in a particular case, a member appointed by the Creditor Committee in that country shall replace one of these members as his alternate.
- (b) The debtor members shall be appointed by the Head of the German Delegation on External Debts.

#### 4. *Procedure*

The Committee may set up sub-committees for any particular case and may appoint temporary members to sit on such sub-committees.

The manner of submitting disputes, the times and places of hearing, the manner of giving notice of hearings, and all other matters relating to the procedure or administration of the Committee or its sub-committees shall be determined by the Committee.

(<sup>1</sup>) See Sub-Annex.