

ANNEX II

[Note: The text reproduced hereunder is the text of Appendix 4 to the Report of the Conference on German External Debts with such changes as were required to achieve uniformity in the three languages. Supplementary understandings reached by the parties with respect to this Annex after the close of the Conference are attached hereto as a Sub-Annex.]

Agreed Recommendations for the Settlement of Medium and Long-Term German Debts Resulting from Private Capital Transactions

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ARTICLE I

Introductory

This Agreement establishes terms and procedures which are to govern the settlement of the debts described in Article III below. The Agreement does not in itself modify the terms of the debts to which it applies. Rather, it is contemplated that new contracts will be entered into between each debtor and his creditors pursuant to the provisions of this Agreement. The new contracts shall retain the terms of the existing contracts unless modified by arrangements between creditor and debtor within the framework of this Agreement.