

C.—General Provisions

8. Procedure for carrying out these proposals

- (a) The terms of the proposals may be enfaced on existing bonds or new bonds issued in exchange for existing bonds, and new bonds or fractional scrip issued for arrears of interest, depending upon the convenience and custom prevailing in the several markets in which the bonds were originally issued. Such enfaced bonds or new bonds will conform to prevailing market practice. The debtors at their own expense will employ suitable banking institutions for the purposes of carrying out the details of the proposal. The debtors at their own expense will meet all requirements of governmental authorities and securities markets in order to ensure maximum marketability.

Term of Offer

- (b) The offer will be made in the respective countries as may be agreed with Bondholders' Councils or analogous bodies and shall remain open for acceptance by the bondholders for at least five years. The debtors shall extend the offer for a further period for a reasonable cause.

Reservation of Rights

- (c) If any debtor fails to fulfil the obligation undertaken under the present Agreement the creditors shall be entitled to revert to their original contractual rights.

Paying Agents' and Trustees' Expenses

- (d) Paying Agents' commissions and expenses and Trustees' fees and expenses for the future will be paid and transferred.

Other Expenses

- (e) The creditors' representatives reserve the right to obtain payment from the respective debtors of all expenses incurred by them in connection with the London Conference, and the making of an offer hereunder shall be deemed an acceptance by the debtor of this Clause. Nothing herein contained shall preclude any creditors' representative from making and collecting such reasonable additional charge as it may deem appropriate from the bondholders or creditors in accordance with established practice or otherwise.

Validation

- (f) The Federal Government undertakes to do all in its power in order to establish, on the basis of the German Validation Law passed by its Parliament and about to be enacted, an appropriate procedure for the validation of German foreign currency bonds, which procedure shall be effective in the several creditor countries as soon as possible but not later than on 1st February, 1953.

Payment on bonds or coupons which require validation under the German validation procedure shall not be made until such bonds or coupons shall have been validated pursuant thereto.

9. The Bondholders' Councils concerned or analogous bodies will recommend these terms to the acceptance of their Bondholders.