

of 90 days. Each Participating Country shall increase its actual level or emergency reserves to 90 days and shall endeavour to do so by the date so decided.

3. The term "emergency reserve commitment" means the emergency reserves equivalent to 60 days of net oil imports as set out in paragraph 1 and, from the date to be decided according to paragraph 2, to 90 days of net oil imports as set out in paragraph 2.

Article 3

1. The emergency reserve commitment set out in Article 2 may be satisfied by

- oil stocks
- fuel switching capacity
- stand-by oil production

in accordance with the provisions of the Annex which forms an integral part of this Agreement.

2. The Governing Board shall, acting by majority, not later than 1st July, 1975, decide the extent to which the emergency reserve commitment may be satisfied by the elements mentioned in paragraph 1.

Article 4

1. The Standing Group on Emergency Questions shall, on a continuing basis, review the effectiveness of the measures taken by each Participating Country to meet its emergency reserve commitment.

2. The Standing Group on Emergency Questions shall report to the Management Committee, which shall make proposals, as appropriate, to the Governing Board. The Governing Board may, acting by majority, adopt recommendations to Participating Countries.

CHAPTER II Demand restraint

Article 5

1. Each Participating Country shall at all times have ready a program of contingent oil demand restraint measures enabling it to reduce its rate of final consumption in accordance Chapter IV.

2. The Standing Group on Emergency Questions shall, on a continuing basis, review and assess

- each Participating Country's program of demand restraint measures,
- the effectiveness of measures actually taken by each Participating Country.

3. The Standing Group on Emergency Questions shall report to the Management Committee, which shall make proposals, as appropriate, to the Governing Board. The Governing Board may, acting by majority, adopt recommendations to Participating Countries.

CHAPTER III

Allocation

Article 6

1. Each Participating Country shall take the necessary measures in order that allocation of oil will be carried out pursuant to this Chapter and Chapter IV.

2. The Standing Group on Emergency Questions shall, on a continuing basis, review and assess:

- each Participating Country's measures in order that allocation of oil will be carried out pursuant to this Chapter and Chapter IV,
- the effectiveness of measures actually taken by each Participating Country.

3. The Standing Group on Emergency Questions shall report to the Management Committee, which shall make proposals, as appropriate, to the Governing Board. The Governing Board may, acting by majority, adopt recommendations to Participating Countries.

4. The Governing Board shall, acting by majority, decide promptly on the practical procedures for the allocation of oil and on the procedures and modalities for the participation of oil companies therein within the framework of this Agreement.

Article 7

1. When allocation of oil is carried out pursuant to Article 13, 14 or 15, each Participating Country shall have a supply right equal to its permissible consumption less its emergency reserve drawdown obligation.

2. A Participating Country whose supply right exceeds the sum of its normal domestic production and actual net imports available during an emergency shall have an alloca-