

2. The Organization shall not be liable with respect to the obligations of the Contracting Parties, nor the Contracting Parties shall be liable with respect to the obligations of the Organization.

#### Article 11

1. The following bodies shall be established to govern the activities of the Organization:

— the Board — a governing body;

— the Directorate — a permanent executive and administrative body — headed by the Director-General.

The time for the establishment of the Directorate and the beginning of its activities shall be determined by the Board.

2. Prior to the beginning of the Directorate's activities the functions of the Director-General in representing the Organization set forth in paragraph 2 of Article 13 shall be performed by the Chairman of the Board.

3. The Auditing Commission shall be established to supervise the financial activities of the Organization.

4. The Board may also set up auxiliary bodies required for the attainment of the goals of this Agreement.

#### Article 12

1. The Board shall be composed of one representative from each Member of the Organization.

2. Each Member of the Organization shall have one vote in the Board.

3. The Board shall hold its regular sessions at least once a year. An extraordinary session may be held at the request of any Member of the Organization or the Director-General if no less than one third of the Members of the Organization favour its convocation.

4. The sessions of the Board shall be held, as a rule, at the seat of the Organization. The Board may decide to hold sessions in the territories of other states whose governments are Members of the Organization at the invitation of these Members.

Prior to the beginning of the Directorate's activities the Board shall meet in succession in the states whose governments are Members of the Organization in the alphabetic order of their names in the Russian language. In this case the costs of holding such sessions are borne by the host Members of the Organization.

5. Chairmanship at the sessions of the Board shall be rotated among the Members of the Organization in the alphabetic order of their names in the Russian language. The representative of the Member next in the alphabet shall be deputy chairman. The chairman and his deputy shall remain in office until the next regular session of the Board.

6. The Board shall be competent to deal with matters covered by this Agreement. The Board shall:

1) examine and approve measures for establishing, acquiring or leasing and operating the space segment;

2) approve plans for the development and improvement of the Organization's communications system;

3) determine specifications for the Organization's communications satellites;

4) examine and approve the programme of putting into orbit the Organization's communications satellites;

5) approve the plan for the distribution of the communications channels among the Members of the Organization as well as the procedure and conditions for the utilization of the communications channels by other users;

6) determine specifications for the earth stations;

7) determine whether the earth stations offered for inclusion into the communications system of the Organization meet the specifications;

8) elect the Director-General and his deputy and supervise the activities of the Directorate;

9) elect the chairman and members of the Auditing Commission and approve the procedure for the work of the Commission;

10) approve the structure and staff of the Directorate as well as the Directorate's Staff Regulations;

11) approve the plan of the activities of the Organization for the coming calendar year;

12) examine and approve the budget of the Organization and the report on its execution as well as the Organization's balance sheet and distribution of profit;

13) examine and approve annual reports of the Director-General on the activities of the Directorate;

14) approve the report of the Auditing Commission;

15) take note of the official statements of the governments wishing to accede to the Agreement;

16) determine the procedure and the dates for the payment of proportional contributions as well as readjust the contribution shares in accordance with paragraph 5 of Article 15;

17) set the rates for transmitting a unit of information or the lease cost of the Organization's satellite communications channel;

18) consider proposals for amendments to this Agreement and submit them to the Contracting Parties for approval as provided for in Article 24;

19) adopt its own rules of procedure;

20) examine and decide on other matters arising from this Agreement.

7. The Board should seek unanimity in adopting its decisions. If this is not achieved, the decisions of the Board shall be considered adopted if no less than two thirds of all Members of the Board vote for them. The decisions of the Board will not be binding on those members who did not favour their adoption and submitted their reservations in writing; however, such Members may later associate themselves with the decisions.

8. In performing its functions set forth in paragraph 6 of this Article the Board shall act within the resources determined by the Contracting Parties.

9. The first session of the Board shall be convened by the government of the state where the seat of the Organization is situated not later than three months after the entry into force of this Agreement.

#### Article 13

1. The Directorate shall consist of the Director-General, his deputy and the required staff.

2. The Director-General who acts on the principles of undivided authority shall be the chief executive of