

the Organization and in this capacity shall represent it in relations with the competent authorities of the Members of the Organization in all matters relating to its activities, as well as in relations with states whose governments are not Members of the Organization and with international organizations with which the Board finds it necessary to co-operate.

3. The Director-General shall be responsible to the Board and shall act within the scope of the authority conferred on him by this Agreement and the decisions of the Board.

4. The Director-General shall perform the following functions:

1) ensures the implementation of the Board's decisions;

2) negotiates with the communications authorities, design agencies and industrial enterprises of the Members of the Organization on the questions of designing the entire system and of designing, manufacturing and delivering the satellite-borne equipment elements and units for the Organization's communications satellites;

3) negotiates on the questions of launching communications satellites for the Organization;

4) concludes on behalf of the Board and within the authority determined by the Board international and other agreements;

5) draws up the budget estimates for the forthcoming fiscal year, submits them to the Board for approval and reports to the Board on the execution of the budget for the past financial year;

6) prepares for submission to the Board the report on the Directorate's activities for the past year;

7) draws up plans for the Organization's activities as well as for the development and improvement of the communications system and submits them to the Board for approval;

8) ensures the preparation, convocation and holding of the sessions of the Board.

5. The Director-General and his deputy shall be elected from among the nationals of the states whose governments are Members of the Organization for a period of four years. The Deputy Director-General may be elected, as a rule, for one term only. The Director-General and his deputy shall not be citizens of the same state.

6. The staff of the Directorate shall be composed of nationals of the states whose governments are Members of the Organization with due regard for their professional qualifications and the equitable geographical representation.

Article 14

1. The Auditing Commission shall consist of three members elected for a period of three years from among the nationals of different states whose governments are Members of the Organization. The chairman and a member of the Auditing Commission shall not hold any office in the Organization.

2. The Director-General shall make available to the Auditing Commission all material and documents required for auditing.

3. The report of the Auditing Commission shall be submitted to the Board of the Organization.

Article 15

1. A statutory fund (fixed and current assets) shall be established to finance the activities of the Organization. The decision on the establishment and the size of the statutory fund shall be taken by the Contracting Parties on the basis of the recommendation of the Board and shall be formalized by a special protocol. The amount of the proportional contributions of the Members of the Organization to the statutory fund shall be fixed in proportion to the extent to which they use the communications channels.

2. If in the process of the improvement of the communications system a necessity to increase the statutory fund is revealed, the sum of additional contributions shall be apportioned among the Members of the Organization who have given their consent to such an increase.

3. The contributions of the Members of the Organization to the statutory fund shall be used to meet following expenses of the Organization:

1) for research, design and experimental work relating to space segment and the earth stations;

2) for design, construction, acquisition or lease of the space segment;

3) for launching and putting into orbit communications satellites of the Organization;

4) for other purposes in connection with the activities of the Organization.

4. Prior to the establishment of the statutory fund the Organization shall conduct its activities on the basis of a special budget drawn up for each calendar year. The expenses envisaged in the budget for the maintenance of the staff of the Directorate, the holding of the Board's sessions and other administrative activities shall be met by the Members of the Organization in proportions fixed by the Contracting Parties on the recommendation of the Board and formalized by a special protocol.

5. Upon the admission of new Members to the Organization or in the case of the withdrawal from the Organization, the share of contributions of each remaining Member shall be changed accordingly.

6. The currency in which contributions are paid to the statutory fund and the Organization budget shall be determined by the Contracting Parties on the recommendation of the Board.

7. The Organization shall charge 3 per cent annually for sums which Members have failed to pay by the date fixed.

8. If a Member of the Organization fails to meet its financial obligations within one year the Board will decide on a partial or complete suspension of its rights arising from membership in the Organization.

9. The profits derived from the operation of the communications system shall be shared by the Members of the Organization in proportion to the amount of their contributions. The Members may decide to use the profits to increase the statutory fund or to set up some special funds.

10. The expenses for the maintenance of participants in conferences and meetings convened in connection with the implementation of the goals of the Organiza-