

LAW OF THE REPUBLIC OF AZERBAIJAN

**On Accession to the “Convention establishing the European
Telecommunications Satellite Organization “EUTELSAT” (with amendments)**

The National Assembly of the Republic of Azerbaijan **decides**:

- I. The Republic of Azerbaijan accedes to the “Convention establishing the European Telecommunications Satellite Organization “EUTELSAT” (with amendments) signed in Paris on 15th of July 1982.
- II. This Law comes into force on the day of its publication.

Heydar Aliyev
President of the Republic of Azerbaijan

Baku, 2nd of April 2002

№ 289-IIQ

**European Telecommunications
Satellite Organisation**

AMENDED CONVENTION

PREAMBLE

The States Parties to this Convention,

Underlining the importance of telecommunications by satellite for the development of relations between their peoples and their economies, and their desire to strengthen their co-operation in this field,

Noting that the Provisional European Telecommunications Satellite Organization «INTERIM EUTELSAT» was established for the purpose of operating space segments of European telecommunications satellite systems,

Considering the relevant provisions of the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies, done at London, Moscow and Washington on 27 January 1967,

Wishing to continue the establishment and operation of the EUTELSAT telecommunications satellite system as part of a trans-European telecommunications network for providing telecommunications services to all participating States, without prejudice to the rights and obligations of the States parties to the relevant European Union and other international agreements,

Recognizing the need to keep under review and, as necessary, to adapt to technical, economic, regulatory and political developments in Europe and globally, and, in particular, the will to transfer the operational activities and associated assets of EUTELSAT to a limited liability company to be established under a national jurisdiction, such company to operate on a sound economic and financial basis having regard to accepted commercial principles, and to the Arrangement,

Agree as follows:

ARTICLE I (Definitions)

For the purposes of this Convention:

- a) «Convention» means the Convention establishing the European Telecommunications Satellite Organization «EUTELSAT» including its Preamble and its Annexes, opened for signature by Governments at Paris on 15 July 1982 as subsequently amended;
- b) «Provisional Agreement» means the Agreement on the Constitution of a Provisional European Telecommunications Satellite Organization «INTERIM EUTELSAT», done at Paris on 13 May 1977 between Administrations or Recognized Private Operating Agencies and deposited with the French Administration;
- c) «ECS Agreement» means the Supplementary Agreement to the Provisional Agreement relating to the space segment of the Satellite Telecommunications System for Fixed Service (ECS), done at Paris on 10 March 1978;
- d) «Party» means a State for which the Convention has entered into force or has been provisionally applied;
- e) «The Director General of EUTELSAT» means the head of the executive organ of EUTELSAT;
- f) «The Executive Secretary of EUTELSAT» means the head of the Secretariat of EUTELSAT;
- g) «The Company Eutelsat S.A.» means a corporate entity established under the laws of one of the Parties; it will initially be located in France;

- h) «Space Segment» means a set of telecommunications satellites, and the tracking, telemetering, command, control, monitoring and related facilities and equipment for the operational support of those satellites;
- i) «Satellite system» means the unit formed by a space segment and the earth stations having access to that space segment;
- j) «Telecommunications» means any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence of any nature, by wire, radio, optical or other electromagnetic systems;
- k) «The Basic Principles» means the principles referred to in Article III a) of the Convention;
- l) «The Arrangement» means the Arrangement between EUTELSAT and the Company Eutelsat S.A. having as its purposes to define the relationship between EUTELSAT and the Company Eutelsat S.A. and their respective obligations and in particular to provide the framework that will enable EUTELSAT to oversee and ensure the observance by the Company Eutelsat S.A. of the Basic Principles.

ARTICLE II

(Establishment of EUTELSAT and the Company Eutelsat S.A.)

- a) The Parties hereby establish the European Telecommunications Satellite Organization, hereinafter referred to as EUTELSAT.
- b)
 - i) The Company Eutelsat S.A. will be established to operate a satellite system and to provide satellite services and for this purpose, EUTELSAT's assets and operational activities will be transferred to the Company Eutelsat S.A. ;
 - ii) The Company Eutelsat S.A. shall be governed by its constituent instruments and by the laws of the place of its incorporation ;
 - iii) Any Party in whose territory the Company Eutelsat S.A.'s headquarters are settled or in which assets are located and/or operated shall, in accordance with arrangements to be made between the Party and the Company Eutelsat S.A., take such measures as may be necessary to facilitate the establishment and operation of the Company Eutelsat S.A.
- c) The relationship between EUTELSAT and the Company Eutelsat S.A. shall be established in the Arrangement.
- d) The relevant provisions of Annex A to the Convention shall apply for the purpose of continuity between the activities of EUTELSAT and those of the Company Eutelsat S.A.

ARTICLE III

(Purposes of EUTELSAT)

- a) The primary purpose of EUTELSAT is to ensure that the Basic Principles set forth in this Article are observed by the Company Eutelsat S.A. namely :

- i) public service/universal service obligations: such obligations apply to space segment and to its use to provide services connected to the public switched telephone network; audiovisual services and future services will be provided in conformity with the relevant national regulations and international agreements, in particular the provisions of the European Convention on Transfrontier Television, taking account of those applying to the universal service concept and the information society;
 - ii) pan-European coverage by the satellite system: the Company Eutelsat S.A. shall, on an economic basis, seek through the pan-European coverage of its satellite system to serve all areas where there is a need for communications services in Member States;
 - iii) non discrimination: services shall be provided to users on an equitable basis subject to commercial flexibility and consistent with applicable laws;
 - iv) fair competition: the Company Eutelsat S.A. shall comply with all applicable laws and regulations relating to fair competition.
- b) EUTELSAT shall also have the purpose of ensuring continuity regarding rights and obligations under international law, in particular under the Radio Regulations for the use of frequencies deriving from the operation of the EUTELSAT space segment transferred to the Company Eutelsat S.A.

ARTICLE IV (Legal Personality)

- a) EUTELSAT shall have legal personality.
- b) EUTELSAT shall enjoy the full capacity necessary for the exercise of its functions and the achievement of its purposes, and may in particular :
 - i) enter into contracts;
 - ii) acquire, lease, hold and dispose of movable and immovable property;
 - iii) be a party to legal proceedings;
 - iv) conclude agreements with States or international organizations.

ARTICLE V (Costs)

- a) Arrangements shall be concluded between EUTELSAT and the Company Eutelsat S.A. to meet costs and expenses of EUTELSAT, according to the Arrangement.
- b) The costs incurred in establishing and operating the Secretariat, including, but not limited to rent and associated costs of maintaining office premises, salaries and emoluments of staff, costs of organizing and holding meetings of the Assembly of

Parties, the costs of consultations between EUTELSAT and the Parties and other organizations and costs of applying measures taken by EUTELSAT under Article III to ensure that the Basic Principles are observed by the Company Eutelsat S.A. shall be borne by the Company Eutelsat S.A. in accordance with paragraph a) of Article V, within the relevant ceilings set forth in the Arrangement.

ARTICLE VI (Structure EUTELSAT)

- a) EUTELSAT shall have the following organs:
 - i) the Assembly of Parties;
 - ii) the Secretariat, headed by the Executive Secretary.
- b) Each organ shall act within the limits of the powers that are conferred upon it by the Convention.

ARTICLE VII (Assembly of Parties - Composition and Meetings)

- a) The Assembly of Parties shall be composed of all the Parties.
- b) A Party may be represented by another Party in a meeting of the Assembly of Parties, but no Party may represent more than two other Parties.
- c) The first ordinary meeting of the Assembly of Parties shall be convened within one year after the date on which the Convention enters into force. Ordinary meetings shall thereafter be held every two years unless the Assembly of Parties decides at an ordinary meeting that the following meeting shall be held at a different interval.
- d) The Assembly of Parties may also hold extraordinary meetings at the request of one or more Parties supported by at least one-third of the Parties or at the request of the Company Eutelsat S.A.. Such a request shall state the purpose of the meeting.
- e) Each Party shall meet its own costs of representation at meetings of the Assembly of Parties.

ARTICLE VIII (Assembly of Parties - Procedure)

- a) Each Party shall have one vote in the Assembly of Parties. Parties abstaining from voting shall be considered as not voting.
- b) Decisions on matters of substance shall be taken by an affirmative vote cast by at least two-thirds of the Parties present or represented and voting. A Party which

represents one or two other Parties under paragraph b) of Article VII of the Convention may vote separately for each Party it represents.

- c) Decisions on procedural matters shall be taken by an affirmative vote cast by a simple majority of the Parties present and voting, each having one vote.
- d) A quorum for any meeting of the Assembly of Parties shall consist of representatives of a simple majority of all the Parties, provided that no less than one-third of all the Parties are present.
- e) The Assembly of Parties shall adopt its rules of procedure, which shall be consistent with the provisions of the Convention and which, in particular, shall include provisions for:
 - i) election of its Chairman and other officers;
 - ii) convening of meetings;
 - iii) representation and accreditation;
 - iv) voting procedures.

ARTICLE IX (Assembly of Parties - Functions)

The Assembly of Parties shall have the following functions:

- a) to consider and to review the activities of the Company Eutelsat S.A. which relate to the Basic Principles. The Company Eutelsat S.A. may make recommendations in this connection which will be considered by the Assembly of Parties;
- b) to ensure observance by the Company Eutelsat S.A. of the Basic Principles, in accordance with the Arrangement;
- c) to take decisions on proposed changes to the Arrangement, such changes being subject to mutual agreement of the parties to the Arrangement;
- d) to take the appropriate decisions in order to ensure continuity regarding rights and obligations under international law, in particular under the Radio Regulations for the use of frequencies deriving from the operation of EUTELSAT Space Segment transferred to the Company Eutelsat S.A.;
- e) to take decisions on formal relations between EUTELSAT and States, whether Parties or not, or international organizations, and in particular to negotiate the Headquarters Agreement mentioned in paragraph c) of Article XII of the Convention;
- f) to take decisions on any proposal to terminate the Convention pursuant to paragraph c) of Article XIV;
- g) to consider complaints submitted to it by Parties;

- h) to take decisions under Article XIII of the Convention about the withdrawal of a Party from EUTELSAT;
- i) to decide upon any proposal for amendment to the Convention under Article XIV of the Convention, and to submit to the Company Eutelsat S.A. any proposed amendment that is liable to affect the performance of its activities;
- j) to decide upon any request for accession made in accordance with paragraph e) of Article XVIII of the Convention;
- k) as required under Article X of the Convention, to decide upon the appointment and removal from office of the Executive Secretary, and, upon the recommendation of the Executive Secretary, to determine the number, status, and terms and conditions of employment of all staff of the Secretariat with due consideration to the Arrangement;
- l) to designate a senior officer of the Secretariat to serve as Acting Executive Secretary whenever the Executive Secretary is absent or is unable to discharge duties of the office of Executive Secretary, or if this office becomes vacant;
- m) to adopt an annual or biennial budget;
- n) to approve changes in the location of the Company Eutelsat S.A. in accordance with the Arrangement.

ARTICLE X (The Secretariat)

- a) The Secretariat shall be headed by the Executive Secretary appointed by the Assembly of Parties.
- b) The term of office of the Executive Secretary shall be four years, unless otherwise decided by the Assembly of Parties.
- c) The Assembly of Parties may remove the Executive Secretary for cause before the end of his term of office.
- d) The Executive Secretary shall be the legal representative of EUTELSAT. The Executive Secretary shall act under the direction of the Assembly of Parties and shall be directly responsible to it for the performance of all functions of the Secretariat.
- e) The Executive Secretary shall have the power to appoint all Secretariat staff subject to the approval of the Assembly under Article IX k).
- f) During any vacancy in the office of the Executive Secretary or when the Executive Secretary is absent or unable to discharge his duties, the Acting Executive Secretary, duly designated by the Assembly of Parties, shall have the capacity to exercise the powers of the Executive Secretary under the Convention.

- g) The Executive Secretary and the staff of the Secretariat shall refrain from any action incompatible with their responsibilities to EUTELSAT.

ARTICLE XI (Rights and Obligations)

- a) The Parties shall exercise their rights and meet their obligations under the Convention in a manner fully consistent with and in furtherance of the principles and provisions of the Convention.
- b) All Parties may attend and participate in all conferences and meetings in which they are entitled to be represented under any of the provisions of the Convention, and in any other meetings called by or held under the auspices of EUTELSAT in accordance with the arrangements made by it for such meetings, regardless of where they may take place.
- c) Before any such conference or meeting is held outside the country in which the Headquarters of EUTELSAT is established, the Executive Secretary shall ensure that arrangements with the host Party for each such conference or meeting include a provision for the admission to and residence in the host country during such conference or meeting of representatives of all Parties entitled to attend.

ARTICLE XII (EUTELSAT Headquarters, Privileges, Exemptions, Immunities)

- a) The Headquarters of EUTELSAT shall be in France;
- b) Within the scope of activities authorized by the Convention, EUTELSAT and its property shall be exempt in the territory of all Parties from income and direct property taxation and from customs duties.
- c) Each Party shall grant in accordance with the Protocol referred to in this paragraph the appropriate privileges, exemptions and immunities to EUTELSAT, to its officers, and to those categories of its employees specified in such Protocol, to Parties and representatives of Parties, and to persons participating in arbitration proceedings. In particular, each Party shall grant to these individuals immunity from legal process in respect of acts done or words written or spoken in the exercise of their functions and within the limits of their duties to the extent and in the cases to be provided for in the Protocol referred to in this paragraph. The Party in whose territory the Headquarters of EUTELSAT is located shall, as soon as possible, negotiate, or, as the case may be, re-negotiate with EUTELSAT a Headquarters Agreement covering privileges, exemptions and immunities. The other Parties shall also, as soon as possible, conclude a Protocol covering privileges, exemptions and immunities. The Headquarters Agreement and the Protocol shall each prescribe the conditions of its termination and shall be independent of the Convention.

ARTICLE XIII
(Withdrawal)

- a) Any Party may withdraw voluntarily from EUTELSAT at any time by written notice to the Depositary as defined in Article XXI. Such withdrawal shall take effect three months after the date of receipt of the notice by the Depositary.
- b) If a Party appears to have failed to comply with any obligation under the Convention, the Assembly of Parties, having received notice to that effect or acting on its own initiative, and having considered any representations made by the Party, may decide, if it finds that the failure to comply has occurred, that the Party be deemed to have withdrawn from EUTELSAT and, from the date of such decision, the Convention shall cease to be in force for that Party. An extraordinary meeting of the Assembly of Parties may be convened for this purpose.
- c) A Party which has withdrawn or is deemed to have withdrawn from EUTELSAT shall cease to have any right of representation in the Assembly of Parties and shall incur no obligations or responsibility after the effective date of withdrawal except for liabilities arising from acts or omissions before that date.
- d) Every notification of a withdrawal and every decision effecting a deemed withdrawal shall be communicated at once to all Parties by the Depositary.

ARTICLE XIV
(Amendments and Termination)

- a) Amendments to the Convention may be proposed by any Party and shall be communicated to the Executive Secretary who shall promptly circulate the proposals to all the Parties. The Assembly of Parties shall consider the proposed amendment not earlier than six months from its circulation, taking due account of any recommendation made by the Company Eutelsat S.A., whose views shall be solicited if the proposed amendment to the Convention is liable to affect the performance of its activities. This period may, in any particular case, be reduced by the Assembly of Parties by a decision taken in accordance with the procedure for a matter of substance.
- b) If adopted by the Assembly of Parties, the amendment shall enter into force one hundred and twenty days after the Depositary has received notices of acceptance from two-thirds of those States which, at the time of adoption by the Assembly of Parties, were Parties. Upon its entry into force, the amendment shall become binding upon all Parties.
- c) The Parties may bring EUTELSAT to an end by termination of the Convention by a two-thirds majority of all Parties.
- d) The termination of the Convention shall not affect the continued existence of the Company Eutelsat S.A.
- e) Unless otherwise agreed with the Company Eutelsat S.A., no decision to terminate EUTELSAT under paragraph c) of this article shall be taken as long as the

international rights and obligations mentioned in paragraph b) of Article III have not been entirely extinguished.

ARTICLE XV
(Settlement of Disputes)

- a) All disputes arising between Parties or between EUTELSAT and a Party or Parties in connection with the interpretation or application of the Convention shall be submitted to arbitration in accordance with Annex B to the Convention, if not otherwise settled within one year of the time a party to the dispute has notified the other party of its intention to settle such a dispute amicably.
- b) All disputes arising in connection with the interpretation and application of the Convention between a Party and a State which has ceased to be a Party, or between EUTELSAT and a State which has ceased to be a Party, and which arise after the State has ceased to be a Party, shall be submitted to arbitration in accordance with the provisions of Annex B to the Convention, if not otherwise settled within one year of the time a party to the dispute has notified the other party of its intention to settle such a dispute amicably, provided that the State which has ceased to be a Party so agrees. If a State ceases to be a Party after a dispute to which it is a disputant has been submitted to arbitration under paragraph a) of this Article, the arbitration shall be continued and concluded.

ARTICLE XVI
(Signature - Reservations)

- a) Any State whose telecommunications Administration or Recognized Private Operating Agency is, or has the right to become, a Signatory Party to the Provisional Agreement may become a Party to the Convention by:
 - i) signature not subject to ratification, acceptance or approval, or
 - ii) signature subject to ratification, acceptance or approval, followed by ratification, acceptance or approval, or
 - iii) accession.
- b) The Convention shall be open for signature at Paris from 15 July 1982 until it enters into force and thereafter remain open for accession.
- c) No reservation may be made to the Convention.

ARTICLE XVII
(Entry into Force)

- a) The Convention shall enter into force sixty days after the date on which it has been signed, in accordance with subparagraph i) of paragraph a) of Article XVI of the Convention, or has been ratified, accepted or approved, by two-thirds of the States which, at the date on which it is opened for signature, have jurisdiction over Signatory Parties to the Provisional Agreement provided that those Signatory Parties, or their

designated Signatories to the ECS Agreement, hold at least two-thirds of the financial shares under the ECS Agreement.

- b) The Convention shall not enter into force less than eight months after the date on which it is opened for signature. The Convention shall not enter into force if it has not been signed, ratified, accepted or approved under paragraph a) of this Article, within thirty six months of the date on which it is opened for signature.
- c) For a State whose instrument of ratification, acceptance, approval or accession is deposited after the date on which the Convention enters into force, the Convention shall enter into force on the date of such deposit.
- d) Upon entry into force, the Convention will be applied provisionally for any State which has signed it subject to ratification, acceptance or approval and has so requested at the time of signature or at any later time before entry into force. Provisional application shall end:
 - i) upon deposit of an instrument of ratification, acceptance or approval by that State, or
 - ii) at the end of two years from the date on which the Convention enters into force without having been ratified, accepted or approved by that State, or
 - iii) upon notification by that State, before the end of the period mentioned in subparagraph ii) of this paragraph, of its decision not to ratify, accept or approve the Convention.

When provisional application ends under subparagraph ii) or iii) of this paragraph, paragraph c) of Article XIII of the Convention shall govern the rights and obligations of the Party.

- e) Upon entry into force, the Convention shall replace and terminate the Provisional Agreement. However, nothing in the Convention shall affect any right or obligation of a Party acquired in its former capacity as a Signatory Party to the Provisional Agreement.

ARTICLE XVIII (Accession)

- a) Any State whose telecommunications Administration or Recognized Private Operating Agency was, or had the right to become, a Signatory Party to the Provisional Agreement at the date on which the Convention is opened for signature, may accede to the Convention from the date on which it ceases to be open for signature, until two years after its entry into force.
- b) The provisions of paragraphs c) to e) of this Article shall apply to requests for accession by the following States:

- i) a State whose telecommunications Administration or Recognized Private Operating Agency was, or had the right to become, a Signatory Party to the Provisional Agreement at the date on which the Convention was opened for signature, which has not become a Party to the Convention in accordance with subparagraphs i) or ii) of paragraph a) of Article XVI of the Convention, or paragraph a) of this Article;
 - ii) any other European State which is a member of the International Telecommunication Union wishing to accede to the Convention after its entry into force.
- c) Any State that wishes to accede to the Convention in the circumstances mentioned in paragraph a) of this Article ("the Applicant State") shall so notify the Executive Secretary in writing and shall supply the latter with all information relevant to the application.
- d) The Executive Secretary shall receive the application of the Applicant State and shall submit the same to the Assembly of Parties.
- e) The Assembly of Parties shall take a decision on the Applicant State's request within six months following the date on which the Executive Secretary decides that he or she is in possession of all the information required under paragraph c) of this Article. The decision of the Executive Secretary shall be promptly notified to the Assembly of Parties. The decision of the Assembly of Parties shall be taken by secret vote and in accordance with the procedure for decisions on matters of substance. An extraordinary meeting of the Assembly of Parties may be convened for this purpose.
- f) The Executive Secretary shall notify the Applicant State of the conditions for accession established by the Assembly of Parties, which shall be the subject of a protocol annexed to the instrument of accession to be deposited by the said State with the Depositary.

ARTICLE XIX (Liability)

No Party shall be individually liable for the acts and obligations of EUTELSAT, except where such liability results from a treaty to which that Party and a State claiming compensation are parties. In that case, EUTELSAT shall indemnify the Party concerned in respect of any such liability, unless the latter has expressly undertaken to assume exclusively such liability.

ARTICLE XX (Miscellaneous Provisions)

- a) The official and working languages of EUTELSAT shall be English and French.
- b) EUTELSAT shall, having regard to the general views of the Assembly of Parties, cooperate on matters of common interest with the United Nations and its specialized agencies, in particular the International Telecommunication Union, and other international organizations.

- c) To comply with Resolution 1721 (XVI) of the General Assembly of the United Nations, EUTELSAT shall send to the Secretary General of the United Nations, and to the specialized agencies concerned, for their information, an annual report on its activities. The annual report shall also be sent to the Company Eutelsat S.A.

ARTICLE XXI
(Depositary)

- a) The Government of the French Republic shall be the Depositary for the Convention, with which shall be deposited instruments of ratification, acceptance, approval or accession, requests for provisional application and notifications of ratification, acceptance or approval of amendments, and of decisions to withdraw from EUTELSAT or of termination of the provisional application of the Convention.
- b) The Convention shall be deposited in the archives of the Depositary. The Depositary shall send certified copies of the text of the Convention to all States that have signed it or deposited instruments of accession to it, and to the International Telecommunication Union.
- c) The Depositary shall promptly inform all States which have signed or acceded to the Convention and, if necessary, the International Telecommunication Union of:
- i) all signatures of the Convention;
 - ii) the deposit of all instruments of ratification, acceptance, approval or accession;
 - iii) the start of the sixty-day period referred to in paragraph a) of Article XVII of the Convention;
 - iv) the entry into force of the Convention;
 - v) all requests for provisional application under paragraph d) of Article XVII of the Convention;
 - vi) the appointment of the Executive Secretary under paragraph a) of Article X of the Convention;
 - vii) the adoption and entry into force of all amendments to the Convention;
 - viii) all notifications of withdrawal;
 - ix) all decisions by the Assembly of Parties under paragraph b) of Article XIII of the Convention that a Party is deemed to have withdrawn from EUTELSAT;
 - x) all other notifications and communications about the Convention.
- d) Upon entry into force of the Convention, the Depositary shall send to the Secretariat of the United Nations, for registration and publication in accordance with Article 102 of the Charter of the United Nations, confirmed certified copies of the Convention.

IN WITNESS WHEREOF the undersigned duly authorized by their respective Governments, have signed this Convention.

Opened for signature at Paris this fifteenth day of July one thousand nine hundred and eighty-two in the English and French languages, both texts being equally authentic, in a single original.

ANNEX A (Transitional Provisions)

1. *Continuity of Activities*

- a) Any agreement entered into by EUTELSAT and which is in effect at the time the Company Eutelsat S.A. is established shall remain in effect, unless and until modified or terminated in accordance with the provisions of that agreement. Any decision taken by EUTELSAT and which is in effect at the time the Company Eutelsat S.A. is established shall remain in effect unless and until that decision is modified or terminated.
- b) If, at the time the Company Eutelsat S.A. is established, any organ of EUTELSAT has embarked on, but not completed, any action which it is authorized or required to take, the Executive Secretary or the first Chief Executive Officer of the Company Eutelsat S.A. within their respective powers, and in accordance with arrangements made between EUTELSAT and the Company Eutelsat S.A., shall stand in the place of that organ for the purpose of completing such action.

2. *Method of transfer*

- a) EUTELSAT shall enter into a transfer agreement (the "Transfer Agreement") with the Company Eutelsat S.A. to transfer any or all of its assets and liabilities relating to its activity (as more fully set out in the Transfer Agreement) to the Company Eutelsat S.A. (the "Transfer").
- b) The Transfer will result in a universal transfer of all right, title, interest and benefit to, and all obligations and liabilities attaching to, the assets and liabilities so transferred and the assets and liabilities so transferred shall constitute a complete and autonomous branch of activity. Such Transfer shall have the same effects as a spin off ("scission") transfer of activity provided under Article 382 et seq. Of the French law N°66-537 of 24 July 1966 relating to commercial companies, except that none of the obligations and formalities normally binding upon the transferor (*société apporteuse*) under such law shall be applicable to EUTELSAT.
- c) In particular, and without prejudice to the foregoing, the Transfer shall take effect *erga omnes* as of the date specified in the Transfer Agreement without requiring the notification to, or the consent or approval of, any person, including any person to whom any such obligations and liabilities are owed. The Transfer shall take effect in the same manner with respect to any person with whom EUTELSAT has entered into any agreement of an *intuitu personae* nature.

3. *Management*

- a) with respect to 2c) above, all personnel of the Executive Organ of EUTELSAT shall have the right to be transferred to the Company Eutelsat S.A. and persons exercising this right shall as at the date of their transfer enjoy terms and conditions of

employment that are, so far as consistent with French law, at least equivalent to those which they enjoyed immediately prior to the date of their transfer.

- b) With respect to persons who, at the date of the Transfer, are in receipt of benefits under the Rules of the EUTELSAT Pension Scheme, such benefits shall continue to be paid in accordance with all of the relevant provisions of those Rules which were in force as at the date of Transfer.
- c) With respect to persons who, at the date of the Transfer, have acquired rights to receive benefits under the Rules of the EUTELSAT Pension Scheme, appropriate arrangements shall be made in order to preserve those rights.
- d) In accordance with paragraph 1 of this Annex, the conditions of employment of personnel in force shall continue to apply until new conditions of employment are drawn up by the Company Eutelsat S.A.
- e) Until the first Chairman of the Directorate of the Company Eutelsat S.A. and the first Executive Secretary assume office their respective functions shall be performed by the Director General of EUTELSAT.

4. Transfer to the Company Eutelsat S.A. and to the Executive Secretary of the functions of EUTELSAT

- a) On the date of establishment of the Company Eutelsat S.A. and of the Secretariat the Director General of EUTELSAT shall inform all concerned.
- b) The Director General of EUTELSAT shall take all measures for a timely transfer to the Company Eutelsat S.A. and the Executive Secretary of all rights and obligations acquired by EUTELSAT, in its capacity as legal representative of EUTELSAT.

ANNEX B (Arbitration Procedure)

- 1. For the purposes of adjudicating upon any dispute referred to in Article XV of the Convention, an Arbitration Tribunal shall be established in accordance with the following paragraphs.
- 2. Any Party to the Convention may join either party to the dispute in the arbitration.
- 3. The Arbitration Tribunal shall consist of three members. Each party to the dispute shall nominate one arbitrator within a period of two months reckoned from the date of receipt of the request by one party to refer the dispute to arbitration. Where Article XV of the Convention requires the agreement of the disputants to refer the dispute to arbitration, the period of two months shall be reckoned from the date of that agreement. The first two arbitrators shall, within a period of two months reckoned from the nomination of the second arbitrator, nominate the third arbitrator, who shall be the Chairman of the Arbitration Tribunal. If one of the two arbitrators has not been nominated within the required period, he shall, at the request of either party, be nominated by the President of the International Court of Justice or, if there is no agreement between the parties, the Secretary General of the Permanent Arbitration Court. The same procedure shall apply if the Chairman of the Arbitration Tribunal has not been nominated within the required period.
- 4. The Arbitration Tribunal shall determine its seat and establish its own rules of procedure.
- 5. Each party shall bear the cost relating to the arbitrator for whose nomination it is responsible, as well as the costs of being represented before the Tribunal. The

expenditure relating to the Chairman of the Arbitration Tribunal shall be shared equally by the parties to the dispute.

6. The award of the Arbitration Tribunal shall be made by a majority of its members, who may not abstain from voting. This award shall be final and binding on all parties to the dispute and no appeal shall lie against it. The parties shall comply with the award without delay. In the event of a dispute as to its meaning or scope, the Arbitration Tribunal shall interpret it at the request of any party to the dispute.