

- (b) On the entry into force of the Operating Agreement, a valuation of the assets of EUTELSAT shall be made, as follows:
- (i) take the original cost of all assets as recorded in INTERIM EUTELSAT accounts at the date of entry into force of the Operating Agreement, including any capitalized return or capitalized expenses;
 - (ii) first deduct from that amount the accumulated amortization as recorded in INTERIM EUTELSAT accounts at the date of entry into force of the Operating Agreement;
 - (iii) then deduct the amount of any loans and other accounts payable by INTERIM EUTELSAT at the date of entry into force of the Operating Agreement.
- (c) On the entry into force of the Operating Agreement, financial adjustments shall be made between Signatories, through EUTELSAT, on the basis of the valuation made under subparagraph b) of this paragraph. The amounts of such financial adjustments shall be determined for each Signatory by applying to such valuation:
- (i) for each Signatory which was a signatory to the ECS Agreement, the difference, if any, between its initial investment share determined under Article 6 and Annex B of the Operating Agreement and the final financial share that Signatory held in its capacity as a signatory to the ECS Agreement;
 - (ii) for each Signatory which was not a signatory to the ECS Agreement, its initial investment share determined under Article 6 and Annex B of the Operating Agreement.
- (4) *Buy-out*
- (a) As soon as practicable after the entry into force of the Operating Agreement, the Board of Signatories shall decide how to compensate those, signatories to the ECS Agreement for which the Operating Agreement has neither entered into force nor been applied provisionally.
 - (b) The compensation for such signatory to the ECS Agreement shall be decided by the Board of Signatories and shall not exceed the amount determined as follows:
 - (i) multiply the amount established from the valuation made under subparagraph b) of paragraph 3 of this Annex by the financial share that signatory to the ECS Agreement held on the entry into force of the Operating Agreement;
 - (ii) from the resulting product deduct any amounts due from that signatory at the date of entry into force of the Operating Agreement.
- (c) No provision of this paragraph shall:
- (i) relieve a signatory to the ECS Agreement described in subparagraph a) of this paragraph of its share of any obligations incurred by or on behalf of the signatories to the ECS Agreement collectively as the result of acts or omissions in the implementation of the Provisional Agreement or the ECS Agreement before the date of entry into force of the Operating Agreement;
 - (ii) deprive such signatory to the ECS Agreement of any rights acquired by it, in its capacity as such, which would otherwise continue after the termination of the ECS Agreement and for which the signatory has not already been compensated under this paragraph.
- (5) *Compensation due to Signatories of countries not suitably covered by the Satellite Multiservices Systems*
- As soon as possible after the entry into force of the Operating Agreement, the Board of Signatories shall decide how to continue to apply the principles adopted by INTERIM EUTELSAT for compensation related to the first generation of Satellite Multiservices Systems.

Annex B

Initial Investment Shares

- (1) The initial investment share of a Signatory of one of the States listed below shall be equivalent to the financial share that the signatory to the ECS Agreement which was under the jurisdiction of that