

The Headquarters Agreement shall include a provision that all Signatories acting in their capacity as such, except the Signatory designated by the Party in whose territory the Headquarters of EUTELSAT is located, shall be exempt from taxation on income earned from EUTELSAT in the territory of such Party. 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 XVIII

Withdrawal and Suspension

- (a) (i) Any Party or Signatory may withdraw voluntarily from EUTELSAT at any time.
- (ii) A Party shall give written notice to the Depositary of its decision to withdraw. When a Party withdraws from EUTELSAT, any Signatory which was designated by it under paragraph b) of Article II of the Convention shall be deemed to have withdrawn from the Operating Agreement with effect from the date on which the withdrawal of the Party takes effect.
- (iii) the decision of a Signatory to withdraw shall be notified in writing to the Director General by the Party which has designated that Signatory and the notification shall signify the acceptance by the Party of the decision of the Signatory to withdraw. When a Signatory withdraws from EUTELSAT, the Party which designated that Signatory shall, at the date of withdrawal, itself assume the capacity of a Signatory unless and until it designates a new Signatory or withdraws from EUTELSAT.
- (iv) A voluntary withdrawal from EUTELSAT under subparagraphs i), ii) and iii) of this paragraph shall take effect three months after the date of receipt of the notification by the Depositary or the Director General, as the case may be.
- (b) (i) 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made by the Party, may decide, if it finds that the failure to comply has occurred, that the Party be deemed to have withdrawn from EUTELSAT and, from the date of the decision, the Convention shall cease to be in force for that Party.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. When a Party is deemed to have withdrawn from EUTELSAT under this subparagraph, any Signatory which was designated by it under paragraph b) of Article II of the Convention shall be deemed to have withdrawn from the Operating Agreement with effect from the date on which the withdrawal of the Party takes effect.
- (ii) (A) If a Signatory, in its capacity as such, appears to have failed to comply with any obligation under the Convention or the Operating Agreement, other than an obligation under paragraph a) of Article 4 of the Operating Agreement, and the failure to comply is not remedied within three months after the Signatory has been notified in writing by the executive organ of a resolution of the Board of Signatories taking note of the failure to comply, the rights of the Signatory under the Convention and the Operating Agreement shall be automatically suspended at the end of such period of three months.
- During the period of suspension of the rights of a Signatory under this paragraph, the Signatory shall continue to have all the obligations and liabilities of a Signatory under the Convention and the Operating Agreement.
- (B) The Board of Signatories may decide, after considering any