

the maximum extent practicable with due regard to cost and consistent with competence, effectiveness and efficiency. Such entities may be of various nationalities or may be an international corporation owned and controlled by INTELSAT. Such contracts shall be negotiated, executed and administered by the Director General.

- (d) (i) The Board of Governors shall designate a senior officer of the executive organ to serve as the Acting Director General whenever the Director General is absent or is unable to discharge his duties, or if the office of Director General should become vacant. The Acting Director General shall have the capacity to exercise all the powers of the Director General pursuant to this Agreement and the Operating Agreement. In the event of a vacancy, the Acting Director General shall serve in that capacity until the assumption of office by a Director General appointed and confirmed, as expeditiously as possible, in accordance with subparagraph (b) (iii) of this Article.
- (ii) The Director General may delegate such of his powers to other officers in the executive organ as may be necessary to meet appropriate requirements.

ARTICLE XII

Transitional Management and Secretary General

(a) As a matter of priority after entry into force of this Agreement, the Board of Governors shall:

- (i) appoint the Secretary General and authorities the necessary support staff;
- (ii) arrange the management services contract in accordance with paragraph (e) of this Article; and
- (iii) initiate the study concerning permanent management arrangements in accordance with paragraph (f) of this Article.

(b) The Secretary General shall be the legal representative of INTELSAT until the first Director General shall have assumed office. In accordance with the policies and directives of the Board of Governors, the Secretary General shall be responsible for the performance of all management services other than those which are to be provided under the terms of the management services contract concluded pursuant to paragraph (e) of this Article including those specified in Annex A to this Agreement. The Secretary General shall keep the Board of Governors fully and currently informed on the performance of the management services contractor under its contract. To the extent practicable, the Secretary General shall be present at or represented at and observe, but not participate in, major contract negotiations conducted by the management services contractor on behalf of INTELSAT. For this purpose the Board of Governors may authorize the appointment to the executive organ of a small number of technically qualified personnel to assist the Secretary General. The Secretary General shall not be interposed between the Board of Governors and the management services contractor nor shall he exercise a supervisory role over the said contractor.

(c) The paramount consideration in the appointment of the Secretary General and in selection of other personnel of the executive organ shall be the necessity of ensuring the highest standards of integrity, competency and efficiency. The Secretary General and the personnel of the executive organ shall