

3. *Material used for maintenance*

(Including, where applicable, spare parts and material for maintenance of buildings and appurtenances thereto, antenna towers and counterpoises, machinery and tools, storage tanks, communications equipment, cables, meteorological equipment, vehicles, boats, office and housing equipment, etc.)

4. *Miscellaneous additional necessary maintenance expenses*

(Including any new or renewed equipment totalling not more than Five Hundred United States dollars which it is not practicable to amortize, contractual repairs away from a Station and transportation connected therewith, etc.)

Part C—Indirect Expenses

1. *Miscellaneous Overhead including Administration.* For administration of the Services listed in Annex I, a charge of 10 per cent on the total direct expenses on items listed in Parts A and B of this Annex.

2. *Depreciation.* Depreciation shall be charged at the following rates, provided that it shall not be charged in respect of buildings and equipment which have been completely depreciated except when renewal of such buildings or equipment has been undertaken from provision for depreciation; in which case depreciation may be charged until the renewed building or equipment have also been depreciated.

2.1 Buildings and appurtenances thereto at Rjupnahaed, £ 6,943 in 1957. £ 7,714 in 1958, in 1959 and in 1960; £ 8,486 in 1961; £ 8,871 in 1962; £ 9,257 in 1963; and £ 10,029 in 1964 and 1965.

2.2 Buildings and appurtenances thereto at

	Rate
Gufunes	2%
Vik	2%
per annum of the value specified as the basis for depreciation in Annex II.	

2.3 All equipment at a rate of 10% per annum of the value specified as the basis for depreciation in Annex II, except

	Rate
Office and housing equipment	5%
Cables, armoured	
Vehicles	20%

3. *Interest on capital invested in buildings and appurtenances thereto at Rjupnahaed* is to be charged £ 3,564 in 1957; £ 3,225 in 1958; £ 2,858 in 1959; £ 2,492 in 1960; £ 2,116 in 1961; £ 1,713 in 1962; £ 1,282 in 1963; £ 834 in 1964; and £ 357 in 1965. In all other cases, interest on capital invested in buildings and equipment is not to be charged in excess of 6 per cent per annum of the value specified for depreciation in Annex II, as adjusted by annual depreciation and taking into account renewals of building and equipment met from provision for depreciation.

4. *Insurance*—The Government of Iceland shall insure buildings and equipment at the written down value set out in Annex II. Amounts charged for insurance are not to exceed prevailing commercial rates for underwriting comparable risks.