

ARTICLE X

1. The payments received by the Organization from the Contracting Governments pursuant to the provisions of Article VII shall, to the extent that they are not from time to time needed for making current payments to the Government of Iceland pursuant to this Agreement, constitute a Reserve Fund to be used by the Organization for the purposes of this Agreement.

2. The Secretary General may arrange for short-term investment of the Reserve Fund. The Organization shall apply the interest derived therefrom to cover the extraordinary expenses of the Organization incidental to this Agreement. If such interest is insufficient to cover such expenses, the difference remaining shall be considered as an additional part of the actual costs of the Services and shall be reimbursed to the Organization from payments made by the Contracting Governments.

ARTICLE XI

1. The annual assessments of Contracting Governments shall be expressed in Icelandic kronur.

2. Each of the Contracting Governments may, at its discretion, make payments to the Organization pursuant to the provisions of Article VII either in United States dollars or in sterling or, provided the Government of Iceland consents thereto, in Icelandic kronur.

3. The Secretary General shall, subject to the Organization being reimbursed in United States dollars for its extraordinary expenses, make payments to the Government of Iceland pursuant to the provisions of Article IX and XII in the currencies in which Contracting Governments have made their payments to the Organization and which remain available.

4. All payments made in United States dollars or sterling pursuant to paragraphs 2 and 3 of this Article shall be effected at the par value of exchange with Icelandic kronur accepted by the International Monetary Fund and prevailing on the dates on which such payments are respectively due; provided that, if no such par value exists or if there are legal exchange rates for the currency of payment differing by more than one per cent from the par value of exchange, the rate of exchange at which that currency will be accepted for payments pursuant to the provisions of Article VII, IX and XII shall be fixed by agreement between the Government of Iceland and the Government making the payment or the Organization, as the case may be.

ARTICLE XII

1. The obligation of the Secretary General to make payments to the Government of Iceland under this Agreement shall be limited to amounts actually received by the Organization and available in accordance with the terms of this Agreement.

2. The Secretary General may, nevertheless, pending receipt of payments from Contracting Governments and in accordance with the Financial Regulations of the Organization, advance payments which are due to the Government of Iceland in cases where he considers such advances essential for the inauguration or uninterrupted continuance of the Services.

3. No Contracting Government shall have a claim against the Organization because of failure of any other Contracting Government to make any payment under this Agreement.