

ANNEX

TRANSITION PROVISIONS

1) *Obligations of Signatories*

Each Signatory to this Operating Agreement which was, or whose designating Party was, a party to the Interim Agreement shall pay, or shall be entitled to receive, the net amount of any sums due pursuant to the Special Agreement as of the date of entry into force of the Agreement, from or to such party, in its capacity as a signatory to the Special Agreement, or from or to its designated signatory to the Special Agreement.

2) *Establishment of the Board of Governors*

(a) On the date of commencement of the sixty-day period referred to in paragraph (a) of Article XX of the Agreement, and thereafter at weekly intervals, the Communications Satellite Corporation shall notify all signatories to the Special Agreement and States or telecommunications entities designated by States for whom this Operating Agreement will come into force, or will be applied provisionally, on the date of entry into force of the Agreement, of the estimated initial investment share of each such State or telecommunications entity pursuant to the provisions of this Operating Agreement.

(b) During the said sixty-day period, the Communications Satellite Corporation shall make the necessary administrative preparations for the convening of the first meeting of the Board of Governors.

(c) Within three days after the date of entry into force of the Agreement, the Communications Satellite Corporation, acting pursuant to paragraph 2 of Annex D to the Agreement, shall:

- (i) inform all Signatories for whom this Operating Agreement has come into force or has been applied provisionally of their initial investment shares determined pursuant to Article 6 of this Operating Agreement; and
- (ii) inform all such Signatories of the arrangements made for the first meeting of the Board of Governors, which shall be convened not more than thirty days after the date of entry into force of the Agreement.

3) *Settlement of Disputes*

Any legal dispute which may arise between INTELSAT and the Communications Satellite Corporation in connection with the rendering of services by the Corporation to INTELSAT, between the date of entry into force of this Operating Agreement and the effective date of the contract arranged pursuant to subparagraph (a) (ii) of Article XII of the Agreement, if not otherwise settled within a reasonable time, shall be submitted to arbitration in accordance with the provisions of Annex C to the Agreement.