

5. (a) Each of the States shall normally pay its assessment in its own currency to the Council. However, any of the States in its discretion may pay directly to Denmark that proportion of its assessment due to Denmark. Any payment made by a State to Denmark shall be made in its own currency unless Denmark agrees otherwise.
- (b) The rates of exchange which shall be used in making payments to Denmark under this Arrangement shall be established by the Council in agreement with Denmark after consultation with the International Monetary Fund.
3. (a) The Council shall carry out an annual audit of expenditures by Denmark in connection with the Agreement, and shall submit a report on each audit to the States and to Denmark.
- (b) Payments made to Denmark for any year on the basis of estimates of expenditure shall subsequently be adjusted on the basis of expenditure incurred by Denmark, and approved by the Council, for that year.
- (c) If the approved expenditure for any year exceeds the estimates of expenditure for that year, the balance shall be paid to Denmark by the Council from the funds at its disposal for this purpose. If the approved expenditure is less than the estimates of expenditure, the adjustment shall be made as the Council shall decide.
7. The Council shall make suitable arrangements to ensure that any charges imposed by Denmark with the consent of the Council, for the use of the LORAN Services shall, as to 95 per cent thereof, be offset against the assessments to the States in respect of the LORAN Services under this Arrangement, and for the use of the Greenland Services shall, as to 90 per cent thereof, be offset against the assessments to States in respect of the Greenland Services under this Arrangement.
8. The Council shall reimburse to the Organization, from the amounts received by it, extraordinary expenditures incidental to this Arrangement.
9. The Council shall supervise and, from time to time, inspect the operation of the Services and shall submit technical reports thereon periodically to the States.
10. The Council shall maintain accounts of all receipts and disbursements under this Arrangement and account to the State therefor. The said accounts shall be closed at the end of each calendar year and any surplus remaining shall be applied in reduction of the assessments for the succeeding calendar year.
11. (a) Each of the States shall give its consent to its initial assessment under this Arrangement, both in respect of the LORAN Services and in respect of the Greenland Services, to the Council in writing as soon as possible.
- (b) The consent of a State to its initial assessment, either in respect of the LORAN Services or in respect of the Greenland Services, shall not