

ANNEX III — FINANCIAL

SECTION I

1. Statements rendered by the Government of Iceland on the cost of operating and maintaining the services set forth in Annex I shall be based on the elements enumerated in Parts A, B and C of Section II of this Annex. These estimates and accounts shall be rendered in accordance with a format and breakdown to be agreed upon between the Secretary General and the Government of Iceland. The Government of Iceland shall also provide, in a form agreed upon with the Secretary General, an annual statement showing any capital investment undertaken by Iceland in respect of the Services, including renewal of buildings or equipment met from provision for depreciation.

2. The Government of Iceland shall not include, in the costs of the Services, customs or other duties on equipment or other materials imported for direct and exclusive application to the purposes of the Agreement.

3. If in the year 1957 or any later year the use by the Government of Iceland of the Services for commercial purposes changes, that change shall be reflected by an appropriate change in the accounts.

4. The number of regular personnel charged to the Services shall not exceed the following:

	Technical	Other	Total
<i>I. Air Traffic Services</i>			
Reykjavik	15	0	15
<i>II. Meteorological Services</i>			
Keflavik	23	0	23
Reykjavik	16*	0	16
<i>III. Aeronautical and Meteorological Communication Service</i>			
Reykjavik	staff included under I.1 & II-2 above		
Gufunes	48	0	48
Rjupnahaed	13	0	13
<i>IV. Radio Navigation Aids</i>			
Vik	10	0	10

5. The Government of Iceland may only charge, in respect of certain costs listed below which are not directly separable from the cost of that Government's own services, the following percentages of the total cost:

5.1. *Air Traffic Services at Reykjavik* — 100% of ATC salaries, 70% of all other direct costs, and depreciation on 70% of capital improvements of the Air Traffic Services;

* In addition there are the necessary part-time observers on Synoptic Observation Stations other than Reykjavik and Keflavik.