

ANNEX

SCHEDULE OF ROUTES

SECTION I

ROUTE 1

The following route may be operated by the airline(s) designated by the Government of the Republic of the Philippines:

<u>Points in Philippines</u>	<u>Intermediate Points</u>	<u>Points in Canada</u>	<u>Beyond Points</u>
Any point or points	Any point or points	Three points	Any point or points

Notes:

1. Points in Canada may be served separately or as co-terminals without stopover privileges between points in Canada. Points in Canada may be changed each IATA season, unless a shorter period is agreed by the aeronautical authorities of Canada.
2. Transit and stopover rights shall be available at the Intermediate Points, and at the Points in Canada for traffic to and from the Beyond Points.
3. The Intermediate Points and/or the Beyond Points may at the option of the designated airline(s) of the Philippines be omitted or any or all flights provided that all services originate or terminate in the Philippines. The selection of the Intermediate Points and Beyond Points may be changed on not less than ten (10) days' notification to the aeronautical authorities of Canada where only transit rights are exercised and each IATA season where fifth freedom rights are exercised, unless a shorter period is agreed by the aeronautical authorities of Canada.
4. Fifth freedom traffic rights shall be available between intermediate points in the USA and the Points in Canada (except between points in California and Toronto) and between the Points in Canada and beyond points in the USA. Fifth freedom rights may only be exercised on up to two (2) route sectors at any one time. The frequency for the exercise of fifth freedom rights on each route sector shall be restricted to a maximum of four (4) flights per week in each direction. Fifth freedom traffic carried on each route sector shall be restricted to no more than fifty percent (50%) of the aircraft capacity used on that route sector, calculated on an annual basis.
5. Subject only to normal regulatory requirements, the designated airline(s) of the Philippines shall have the right, while operating the agreed services, to enter into co-operative arrangements for the purpose of code sharing (selling transportation under its own code) on flights of the designated airline(s) of Canada. Subject to the approval of the