

- (g) the terms "air service", "international air service", "airline" and "stop for non-traffic purposes", have the meanings respectively assigned to them in Article 96 of the Chicago Convention;
- (h) the term "capacity" in relation to an aircraft, shall mean the payload of that aircraft available between the point of origin and the point of destination of the service;
- (i) the term "capacity" in relation to a service, shall mean the capacity of the aircraft used on such service, multiplied by the frequency operated by such aircraft over a given period and route;
- (j) the term "change of gauge" means the operation of one of the agreed services by a designated airline in such a way that one section of the route is flown by an aircraft different in capacity from those used on another section;
- (k) the term "specified route" shall mean the route described in the Route Schedule to this Agreement on which a designated airline is authorized to operate;
- (l) the term "terminal" or "co-terminal" shall mean the point or points in the territory of each of the Contracting Parties at which a specified route starts or ends.

ARTICLE 2

Each Contracting Party grants to the other Contracting Party rights necessary for the operation of air services by the designated airlines, as follows:

- (1) The rights of transit, of stops for non-traffic purposes, to carry into and out of the territory of the other Contracting Party, on the same flight, intransit traffic originating in or destined for points in third countries, and of commercial entry and departure for international traffic in passengers, cargo, and mail at the points in its territory named on each of the routes specified in the appropriate paragraph of the annexed Route Schedule.
- (2) The fact that such rights may not be exercised immediately shall not preclude the subsequent inauguration of air services by the designated airlines of the Contracting Party to whom such rights are granted over the routes specified in the said Route Schedule.
- (3) Nothing in this Article shall be deemed to confer on the airlines of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, persons, goods, or mail carried for hire or reward and destined for another point in the territory of that other Contracting Party.

ARTICLE 3

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on each of the specified routes.

2. The air services on a specified route may be inaugurated immediately or at a later date at the option of the party to whom the rights are granted by an airline of such party at any time after that party has designated such airline for that route and the other party has given the appropriate operating authorization. Such other party shall, subject to Article 4, be bound to give this authorization without undue delay provided that the designated airline may be required to qualify before the competent aeronautical authorities of that party, under the laws and regulations normally applied by these authorities for the operation of international air services, before being permitted to engage in the operations contemplated in this Agreement.