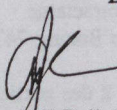
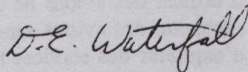


5. Any increase in the limitations set out above in paragraphs 1, 2 and 3 may be agreed between the airlines designated by the Government of Canada and the Government of India for Route 1 of Section I and Route 1 of Section II and Route 2 of Section 1 and Route 2 of Section II respectively. Such increase shall be subject to the approval of the two aeronautical authorities of the two countries. Such an agreed increase shall be notified to the aeronautical authorities for approval at least 30 (thirty) days before its intended implementation.
6. When fifth freedom rights are being exercised at European points on either Route 1 of Section I or Route 1 of Section II, any operation through two European points shall be assumed to be exercising fifth freedom rights at both those points.
7. The designated airline of each Contracting Party shall operate with aircraft not exceeding the capacity of a Boeing 747, but excluding supersonic aircraft.
8. The right to operate all-cargo services on Routes 1 and 2 of Section I and II shall be subject to determination of capacity entitlement in pursuance of Article XI of the Agreement. For this purpose, the airlines of the two Contracting Parties shall determine capacity needed and recommend to the two Governments for approval. A commercial arrangement shall cover carriage of cargo by the two designated airlines on all-cargo services.
9. This Memorandum shall constitute an integral part of the Agreement between Government of India and Government of Canada on Air Services signed at New Delhi on 20 July 1982 as amended. This Memorandum shall substitute for the Memorandum of Understanding of 10 February 1987.

Done at New Delhi on 04 December 1998



Mr. Anil Bajjal
Joint Secretary
For the Government of India



Mr. D.E. Waterfall
Deputy High Commissioner
For the Government of Canada