

5. Subject only to normal regulatory requirements, the designated airline(s) of Canada 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 the flights of the designated airline(s) of the Philippines. Subject to the approval of the aeronautical authorities of the Philippines, the designated airline(s) of Canada may also operate code sharing services between the Points in the Philippines and Beyond Points on the flights of any third country airline licensed by the Philippines which is operating scheduled air services on the route sector. Each route sector used for code sharing on the flights of a third country airline shall reduce by one (1) the number of route sectors in Note 4 specified as available for the exercise of fifth freedom rights. No fifth freedom rights shall be exercised in conjunction with code sharing on the flights of third country airline.

6. For the purposes of Article XI (Capacity), the Government of the Canada shall be entitled to allocate amount its designated airlines up to maximum of four (4) flights per week in each direction for own aircraft flights.

SECTION II

ROUTE 2

The following all-cargo route may be operated by an airline designated by the Government of Canada:

<u>Points in Canada</u>	<u>Intermediate Points</u>	<u>Points in the Philippines</u>	<u>Beyond Points</u>
Any point or points	To be agreed	Any point or points	To be agreed

Notes:

1. Points in the Philippines may be served separately or as co-terminals. Points in the Philippines may be changed each IATA season, unless a shorter period is agreed by the aeronautical authorities of the Philippines.
2. Transit rights shall be available at the Intermediate Points and at the Points in the Philippines.
3. The Intermediate Point and/or the Beyond Points may at the option of the designated airline of Canada be omitted on any or all flights provided that all services originate or terminate in Canada. 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 the Philippines where only transit rights are exercised.
4. Capacity shall be agreed between the Contracting Parties.