

ARTICLE II

(1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing the commercial international air services to be operated by virtue of the said Agreement on the routes specified in the appropriate section of the Schedule hereto (hereinafter called the "agreed services" and the "specified routes").

(2) Subject to the provisions of this Agreement, the airlines designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following privileges:—

(a) to fly without landing across the territory of the other Contracting Party only in cases where, while making a flight to the said territory, landing is not possible or where there is no traffic to be set down or picked up;

(b) to make stops in the said territory at the point or points specified for that route in the Schedule to this Agreement for the purpose of putting down and picking up international traffic in persons, goods and mails coming from or destined for other points so specified;

(c) on any flight in an agreed service, the privilege to carry into and out of the territory of the other Contracting Party on the same flight, international traffic originating in or destined for points in third countries not included on a specified route; and

(d) at the option of the designated airline or airlines intermediate points on any of the specified routes may be omitted on any or all flights.

(3) Nothing in paragraph (2) of this Article shall be deemed to confer on the airlines of one Contracting Party the privilege of picking up, in the territory of the other Contracting Party, persons, goods or mails carried for hire or reward and destined for another point in the territory of that other Contracting Party.

ARTICLE III

(1) Each Contracting Party, with respect to each route established in this Agreement which is specified in the Schedule hereto for operation by an airline of such Contracting Party, shall have the right to designate in writing to the other Contracting Party, one airline for the purpose of operating the agreed service on the said route.

(2) Each Contracting Party shall have the right by written notification to the other Contracting Party to withdraw the designation of an airline and to substitute the designation of another airline.

(3) On receipt of the designation of an airline of one Contracting Party the other Contracting Party shall, subject to the provisions of paragraphs (4) and (5) of this Article, without delay, grant to the airline designated the appropriate operating authorization.

(4) The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfill the conditions prescribed under the laws and regulations normally and reasonably applied by them in conformity with the provisions of the Convention to the operation of international commercial air services.

(5) Each Contracting Party shall have the right to refuse to accept the designation of an airline and to withhold or revoke the grant to an airline of the privileges specified in paragraph (2) of Article II of this Agreement