AGREED MINUTES

1. A delegation representing the Aeronautical Authorities of the Government of the Republic of Turkey and a delegation representing jointly the Governments of the Kingdoms of Norway, Denmark and Sweden met in Oslo on 5-6 November 2009 to discuss bilateral air services relations between their respective countries.

Lists of the delegations are attached as Appendix I and II.

The discussions were held in a very friendly and cordial atmosphere.

- 2. The Scandinavian delegation presented a draft text for new liberal Air Services Agreements including an open route list between the Parties replacing the present ones. The Turkish delegation stated that Turkey for the time being was not prepared to accept such an agreement. However, Turkey was in favour of a step by step approach and was prepared to discuss such an agreement at a later stage.
- 3. The Scandinavian delegation referred to its legal obligations with respect to European Community law and EEA law and specifically to Regulation EC 847/2004 and the obligation to align the Air Services Agreements with the relevant EU and EEA legislation as a matter of urgency.
- 4. The Turkish delegation stated that Turkey is determined to continue its EU accession process without delay and to consider aligning its relevant aviation regulations and bilateral air services agreements with the EU acquis in this field, and that an evaluation and consultation process has already been started with a view to exploring possible options which could also pave the way to negotiate and conclude a *Horizontal Agreement* with the European Commission.

In this context, the Turkish delegation also informed about talks with the EU, in which it stated that certain political, commercial and legal concerns which are well known to the EU remain to be eliminated and underlined the requirement to address these concerns with the aim of finding satisfactory solutions on the basis of common interest and mutual understanding.

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- 5. The delegations agreed upon and initialled a Memorandum of Understanding (MOU) regarding amendments to the three present Air Services Agreements and their Annexes between the respective Parties. The MOU is attached as Appendix III.
- 6. Recognizing that the formalization for the entry into force of the MOU may require some time, the delegations agreed that they will give immediate practical effect to the MOU to the extent possible under the applicable laws in their respective countries.

Done in Oslo on 6 November 2009.

For the Scandinavian delegation

For the Government of the Republic of Turkey

Danista Dinastan Cana

Deputy Director General

Mr. Bahri Kesici

Deputy Director General

THE SCANDINAVIAN DELEGATION

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THE TURKISH DELEGATION

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International Relations Turkish Airlines Inc.

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MEMORANDUM OF UNDERSTANDING BETWEEN THE KINGDOM OF DENMARK, THE KINGDOM OF NORWAY, THE KINGDOM OF SWEDEN AND THE REPUBLIC OF TURKEY

With reference to Article 12 of the Air Services Agreement between the Government of the Republic of Turkey and the Government of the Kingdom of Denmark, that was signed at Ankara on 13 November 1970, the Air Services Agreement between the Government of the Republic of Turkey and the Government of the Kingdom of Norway that was signed at Ankara on 13 November 1970, and the Air Services Agreement between the Government of the Republic of Turkey and the Government of the Kingdom of Sweden that was signed at Ankara on 13 April 1970, the Contracting Parties have reached the following understanding to modify the Agreements and their Annexes as follows:

Routes To Be Operated (ATA-Annex I)

The delegations agreed that in addition to the provisions in the existing route schedules and other arrangements;

- airlines designated by Turkey shall be entitled to operate from all points in Turkey to two other points in Denmark to be specified by the Turkish Aeronautical Authority.
- airlines designated by Denmark shall be entitled to operate from all points in Denmark to Antalya and one other point in Turkey to be specified by the Danish Aeronautical Authority.
- airlines designated by Turkey shall be entitled to operate from all points in Turkey to two other points in Norway to be specified by the Turkish Aeronautical Authority.
- airlines designated by Norway shall be entitled to operate from all points in Norway to Antalya and Izmir.

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- airlines designated by Turkey shall be entitled to operate from all points in Turkey to Gothenburg and one other point in Sweden to be specified by the Turkish Aeronautical Authority.
- airlines designated by Sweden shall be entitled to operate from all points in Sweden to Antalya and one other point in Turkey to be specified by the Swedish Aeronautical Authority.

The choice of specified points mentioned above including changes to be made later should be notified through diplomatic channels to the other Party and after confirmation it will be in force. However, if the diplomatic note has not been confirmed within one month from the date of submission, the specified point shall be deemed as confirmed.

Cargo Services

The delegations agreed that the designated airlines of each side shall be entitled to operate all-cargo scheduled services between any point in Turkey and any point in Denmark, Norway and Sweden, respectively, without restrictions on frequency, capacity and type of aircraft, subject to capacity availability at the airports and on the basis of fair and equal opportunities.

Code Sharing

The delegations agreed on provisions regarding code sharing as shown in Attachment I to this MOU.

Safety and Security

The delegations agreed to include articles regarding Safety and Security as shown in Attachment II and III to this MOU.

Tariffs

The delegations agreed on a new wording of Article 9 (Tariffs) in the present Agreements as shown in Attachment IV to this MOU.

Approval of Flight Schedules

The delegations agreed on a new wording of Annex II of the present Agreements as shown in Attachment V.

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Code Sharing

The designated airline(s) of either Contracting Party may enter into marketing arrangements such as blocked space, code sharing or other commercial arrangements with:

- a) an airline or airlines of the same Contracting Party;
- b) an airline or airlines of other Contracting Party;
- c) an airline or airlines of a third country

provided that all airlines in the above arrangements hold the appropriate route and traffic rights ,and, in respect of each ticket sold, the purchaser is informed at the point of sale which airline will operate each sector of the service.

For third party code share arrangements all airlines in such arrangements are subject to the approval of the aeronautical authorities of both Contracting Parties. The approval may be given expressly. However, if the Aeronautical Authority of a Contracting Party has not given in writing to the airline concerned notice of disapproval within fifteen (15) working days from the date of submission, the arrangement shall be considered as approved.

Should such a third party not authorize or allow comparable arrangements between the airlines of the other Contracting Party and other airlines on services to, from and via such third country, the aeronautical authorities of the concerned Contracting Party have the right not to accept such arrangements.

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It is the common understanding of both Contracting Parties that code-share services are not counted against the frequency entitlement of the marketing airline.

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Aviation Safety

- 1. Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrew, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within thirty (30) days of that request.
- 2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in any such area that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and that other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within fifteen (15) days or such longer period as may be agreed shall be grounds for the application of Article 4 of this Agreement.
- 3. Notwithstanding the obligations mentioned in Article 33 of the Convention, it is agreed that any aircraft operated by the airline or airlines of one Contracting Party on services to or from the territory of the other Contracting Party, may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorized representatives of the other Contracting Party, on board and around the aircraft to check both the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment (in this Article called "ramp inspection"), provided this does not lead to unreasonable delay.

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- 4. If any such ramp inspection or series of ramp inspections gives rise to:
- (a) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention, or
- (b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention,

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificate or licenses in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid, or that the requirements under which that aircraft is operated, are not equal to or above the minimum standards established pursuant to the Convention.

- 5. In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the airline or airlines of one Contracting Party in accordance with paragraph 3 above is denied by the representative of that airline or airlines, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph 4 above arise and draw the conclusions referred in that paragraph.
- Each Contracting Party reserves the right to suspend or vary the operating authorization of an airline or airlines of the other Contracting Party immediately in the event the first Contracting Party concludes,

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whether as a result of a ramp inspection, consultation or otherwise, that immediate action is essential to the safety of an airline operation.

7. Any action by one Contracting Party in accordance with paragraphs 2 or 6 above shall be discontinued once the basis for the taking of that action ceases to exist.

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Aviation Security

- 1. Each Contracting Party reaffirms that its obligation to the other Contracting Party to protect the security of civil aviation against unlawful interference forms an integral part of this Agreement. Each Contracting Party shall in particular act in conformity with the aviation security provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, and Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 23 September 1971, signed at Montreal on 24 February 1988, and any other multilateral agreement governing civil aviation security binding upon both Contracting Parties.
- 2. Each Contracting Party shall be provided at its request with all necessary assistance by the other Contracting Party to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.
- 3. The Contracting Parties shall, in their mutual relations, act in conformity with the applicable aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention. Each Contracting Party shall require that operators of aircraft of its registry or operators of aircraft having their principal place of

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business or permanent residence in its territory and the operators of airports in its territory act in conformity with such aviation security provisions.

- 4. Each Contracting Party agrees that its operators of aircraft shall be required to observe, for entry into, departure from or while within the territory of the other Contracting Party, aviation security provisions in conformity with the law in force in that country. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo, mail and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
- 5. If an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airport or air navigation facilities occurs, each Contracting Party shall assist the other Contracting Party by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

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Article 9

Tariffs

- 1. Tariffs for international air transport operated pursuant to this Agreement shall not be required to be filed with the aeronautical authorities of either Contracting Party.
- 2. Without limiting the application of general competition and consumer law in each Contracting Party, intervention by the Contracting Parties may be initiated to:
- a) prevent unreasonably discriminatory tariffs or practices;
- b) protect consumers from tariffs that are unreasonably high or unreasonably restrictive due either to the abuse of a dominant position or to concerted practices among air carriers; and
- c) protect airlines from tariffs that are artificially low because of direct or indirect governmental subsidy or support.

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ANNEX II

APPROVAL OF FLIGHT SCHEDULES

- 1. Each Contracting Party may require that the designated airlines of either Contracting Party shall submit its flight schedules, including the type of equipment, for approval to the Aeronautical Authority of that Contracting Party on each schedule period (summer and winter) not later than thirty (30) days prior to the effective date of schedule. In special cases this time may be reduced subject to the consent of the said authority.
- 2. The Aeronautical Authority receiving such flight schedules shall normally approve the schedules or suggest modifications thereto. The designated airlines shall not commence their services before the schedules requested by the Aeronautical Authority are approved by the said Aeronautical Authority.
- 3. However, if the Aeronautical Authority of a Contracting Party has not given in writing to the airline concerned notice of disapproval within twentyone (21) working days from the date of submission, the schedules shall be considered as approved.
- 4. These provisions shall likewise apply to later changes.

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