

ANNEX II

Explanatory Notes

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 10.09 (Non-Conforming Measures) and 11.08 (Non-Conforming Measures), the specific sectors, subsectors, or activities for which that Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Articles 10.03 (National Treatment) or 11.03 (National Treatment);
- (b) Articles 10.04 (Most-Favored-Nation Treatment) or 11.04 (Most-Favored-Nation Treatment);
- (c) Article 10.07 (Performance Requirements);
- (d) Article 10.08 (Senior Management and Boards of Directors);
- (e) Article 11.05 (Local Presence);or
- (f) Article 11.06 (Market Access).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 10.09 (Non-Conforming Measures) and 11.08 (Non-Conforming Measures), do not apply to the sectors, subsectors, or activities listed in the entry; and
- (c) **Description** sets out the scope of the sectors, subsectors, or activities covered by the entry.

3. In accordance with Article 10.09 (Non-Conforming Measures) and 11.08 (Non-Conforming Measures), the articles of this Agreement specified in the Obligations Concerned element of an entry do not apply to the sectors, subsectors, and activities identified in the Description element of that entry.