

**Spanish Government Loan
Flight Simulator for Air China**

Contract No. 05ES01GTE1IWC0005

Signed between

China International Tendering Company

Together with

Air China Limited

And

Indra Sistemas, S.A.

Signing Date: March 2005

Signing Place: Beijing, P.R.China





LL
J.L. Pérez
Presidente
Vicario
Director

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Contract

Contract No.: 05ES01GTE11WC0005

Date of Signature:

Place of Signature:

The Contract is made and entered into through friendly negotiation by and between China International Tendering Company, a corporation organized and existing under the laws of the People's Republic of China (hereinafter referred to as "the Buyer"), together with Air Chinas Limited (hereinafter referred to as the End-user) as one party, and Indra Sistemas S.A. a corporation organized and existing under the laws of Spain (hereinafter referred to as "the Seller"), as the other party, under the following terms and conditions:

CLAUSE 1 DEFINITIONS

For the purposes of this Contract, the following terms shall have the meanings defined below:

1.1 "Acceptance Test Manual (ATM)" means the documents provided by the Seller, which will be used by the Seller and the Buyer to verify that the Equipment is in accordance with the Specification and Approved Data.

1.2 "Aircraft" means the A320 aircraft Airbus Standard 1.3.2. when referred to FFS and the A320 aircraft Airbus Standard 1.3.1 plus ISIS, as well as the Boeing 737 when referred to FTD.

1.3 "Aircraft Data" means those drawings, data and other technical information which are relevant to the aircraft and which are necessary to the Seller in the performance of this Contract and which drawings, data and technical information are provided by the Aircraft Manufacturer(s) and/or their suppliers (Vendor Data). For purposes of clarification and without limiting the generality of the above, Aircraft Data includes data for the systems controller, data for the avionics and data for the instruments and engines.

1.4 "Aircraft Manufacturer" means the manufacturer of the Aircraft. The Aircraft Manufacturer is identified as Airbus or Boeing.

1.5 "Aircraft Parts" means those parts, including instruments and avionics derived from Approved Data, which are necessary to the Seller in the performance of this Contract and shall include, but not be limited to, those parts which are manufactured by the Aircraft Manufacturer and the Aircraft Manufacturer's suppliers. Notwithstanding the foregoing, simulated and modified equipment used in lieu of the foregoing shall be deemed to be Aircraft Parts.

1.6 "Approved Data" means Aircraft Data which is delivered to the Seller on or before the applicable Freeze Dates, along with any other such drawings, data and technical

information delivered to the Seller after the applicable Freeze Dates and which are incorporated in the Equipment after the execution of a Change Order pursuant to the provisions of this Contract.

1.7 **"Associated Items"** mean those associated items and services specified in Exhibit "C" which is attached hereto and made a part hereof.

1.8 **"the Seller's Plant"** means the facilities where the Equipment is tested, such facilities being located in San Fernando de Henares (Spain).

1.9 **"Deficiencies" or "Defects"** mean those areas (configuration or performance) of the Equipment (excluding the Buyer Furnished Material) that fail to meet identified sections of the Acceptance Test Manual and/or Specification.

1.10 **"Effective Date"** means means the date determined in accordance with Clause 28.

1.11 **"Equipment"** means one A320 Full Flight Simulator (FFS), one A320 Flight Training Device (FTD), one Boeing 737 FTD, all more fully described in Exhibits A, attached hereto, excluding any spare parts and intellectual property and software rights.

1.12 **"Excusable Delay"** where the term is used in this Contract means those causes of delay specifically identified in Clause 7 hereof (Excusable Delay).

1.13 **"Freeze Dates"** mean those critical event dates identified in Exhibit "B" hereof which is attached hereto and made a part hereof.

1.14 **"Plant Acceptance"** means the interim acceptance tests of the Equipment carried out by the Buyer at the Seller's Plant in accordance with the procedures set forth in Clause 6 (Delivery and Acceptance).

1.15 **"Proprietary Software and Information"** means all software as well as all information, publications, documentation and intellectual property rights related thereto, proprietary to the Seller and including any information, publications, documentation and intellectual property rights related thereto received by the Seller under licence with a third party, and whether or not any portion is copyrighted, patented or trademarked.

1.16 **"Buyer's Furnished Material"** means any equipment, components, information, data (including Aircraft Data Packages) or materials furnished to the Seller by, on behalf of, or at the direction of the Buyer for use under this Contract.

1.17 **"End User's Training Facility"** means Air China Limited Beijing and Air China Southwest company Chengdu People's Republic of China.

1.18 **"Qualification Test Guide" or "QTG"** means the guide provided by the Seller to the End User, which guide is then presented by the Buyer to the regulatory authority to

verify the Equipment's compliance with the requirements stated in Clause 2.5 of this Contract.

1.19 **"Receipt Dates"** means those dates by which the Seller must receive Aircraft Parts and other items of equipment. Receipt Dates are identified in Exhibit "B" hereto.

1.20 **"RFT" or "Ready for Training"** refers, for the purpose of this Contract, to the earlier of the date Buyer starts using the Equipment for training or the completion of the Site Acceptance.

1.21 **"Services"** means the technical or engineering services provided by the Seller at Buyer's Training Facility after delivery of the Equipment and identified in Exhibit "C" attached hereto.

1.22 **"Site Acceptance"** means the final acceptance of the Equipment carried out by the Buyer at the Buyer's Training Facility in accordance with the with the procedures set forth in the Clause 6 (Delivery and Acceptance).

1.23 **"Specification"** means the document identified in Exhibit "A" hereto which Specification is by this reference made a part hereof.

CLAUSE 2 SUBJECT MATTER OF SALE

2.1 The Seller shall sell to the Buyer and the Buyer shall purchase from the Seller the Equipment together with the Associated Items.

2.2 The Equipment and Associated Items shall be in accordance with this Contract and the Specification.

2.3 The Buyer shall at its own cost provide the Buyer Furnished Material listed in Exhibit E.

2.4 The Equipment shall simulate the configuration, handling characteristics and performance of the Aircraft as defined by this Contract, the Specification and Approved Data.

2.5 The Equipment shall have the capability to perform in accordance with the simulator performance standards of Airplane Flight Simulator Qualification Procedures GB 15024-94 and Standards GB/T 15025-94 dated 22 March 1994, Part 121 Appendix H (Level D), 30 June 1980, in accordance with FAA Advisory Circular AC 120-40C, dated July 1, 1995, or the International Qualification Test Guide (IQTG) Level 2 as defined by the International Civil Aviation Organization Manual of Criteria for the Qualification of Flight Simulators (Doc 9625-AN/938), first edition, 1995, or Joint Aviation Authorities Requirements for Aeroplanes simulators Level D, as defined in JAR-STD 1A, Amendment 3, issues March 2003 to the extent that such standards are

covered by the Specification and Approved Data and subject to the availability of all necessary drawings, data and other technical information.

2.6 The Seller shall purchase to its account in a timely manner the Aircraft Parts and shall be responsible for ensuring the delivery thereof to the Seller's Plant.

2.7 All the Buyer's Furnished Material (BFM) shall be furnished to the Seller, at no charge to the Seller, on or before the applicable Freeze Dates and/or Receipt Dates therefore, as identified in Exhibit "B" hereto.

2.8 Should any BFM be found, subsequent to receipt thereof by the Seller, to be defective or incomplete in any way, unless caused by the Seller's wilful misconduct or gross negligence, the Buyer shall be responsible for the prompt correction or replacement thereof at no cost to the Seller. The Seller shall, in such cases, be reimbursed for all costs associated with work performed in conjunction with defective or incomplete BFM to the extent that such work will be repeated after receipt by the Seller of the corrected or replaced BFM.

2.9 The Seller will prepare and submit to the Buyer three draft copies of the Acceptance Test Manual not later than 30 days after performance schedule commencement (To + 30 days) The Schedule for review and approval of the Acceptance Test Manual is contained in Exhibit "B" hereto. The Buyer shall have 30 days to review and approve it. Should the 30-day period elapsed without a decision from the Buyer, then the submitted ATM shall be deemed approved.

2.10 In the event there is any conflict between the provisions of this Contract proper and those of the Exhibits hereto, the provisions of the Contract proper shall govern. In the event of any conflict between the Acceptance Test Manual and the Specification or Approved Data, the Specification and Approved Data shall govern.

2.11 The Seller shall undertake the design work with respect to the Contract Equipment, details of which are specified in Exhibit A.

2.12 The Seller shall submit to the Buyer the Technical Documentation as specified in Exhibit A.

2.13 The Seller shall train the Buyer's technical personnel at the Seller's Plant or any other locations to be mutually agreed, details of which are specified in Exhibit F.

2.14 The Seller shall, at the Buyer's request, provide the Buyer with spare parts for normal operation of the Contract Equipment at favorable prices within 15 (fifteen) years after the Acceptance of the Contract Equipment. A separate agreement will be signed between the two Parties at that time.

CLAUSE 3 PRICE & TERMS OF PAYMENT

3.1 Subject to all other provisions of this Contract, the total Contract price of the Equipment and Associated items delivered D.D.U. to Enduser's Training Facilities (Chengdu and Beijing) (Per Incoterms 2000 Edition) (hereinafter "Delivered" or "Delivery") shall be €20,650,000.00 (Say Twenty Million Six Hundred Fifty Thousand Euro Only). The breakdown price for the Contract Equipment is as follows:

- | | |
|-----------------------------|----------------|
| a) Price for Equipment: | €19,630,000.00 |
| b) Price for Commissioning: | €150,000.00 |
| c) Price for Inspection: | €70,000.00 |
| d) Price for Spare Parts: | €800,000.00 |

FFS	12590000
UIS	1314891
AJZUPTJ	2672149
Rep	870000

The total Contract Price is a fixed and firm price. The itemized price list of the Contract Equipment is specified in EXHIBIT C

3.2 The Total Contract Price indicated in Clause 3 above excludes all applicable taxes duties and assessments, if any. The Buyer is responsible for any such taxes, duties and assessments as more fully provided in Clause 9 (Taxes and Duties) herein.

3.3 All payments to be made under the present Contract shall be made in the Contract Currency in accordance with the Sino-Spanish Loan Agreement, signed between the Chinese and the Spanish Governments.

3.4 The Spanish Government Loan shall cover 100% of the total Contract value and shall be drawn under the Implementation Agreement to be signed between the Chinese Administration's appointed representative and Spanish relevant authorities.

3.5 The total Contract Price will be paid by T/T according to the instalments and percentage and upon the presentation of the documents specified hereunder.

3.5.1 Fifteen percent (15%) of the price as specified in Clause 3.1, i.e. 3,097,500.00€ (Say Three Million Ninety Seven Thousand Five Hundred Euros Only) shall be paid by the Buyer to the Seller within thirty (30) days after the following documents have been received and found in order:

- One (1) original and two (2) copies of the valid export license issued by relevant authorities of the Seller's and/or manufacturer's country or a statement of relevant authorities/agency certifying that no export license is required;
- One (1) original and one (1) copy of the Irrevocable Letter of Guarantee for advance payment issued by the Seller's Bank in favor of the Buyer covering fifteen percent (15%) of the Contract price, specimen of which is specified in Exhibit H.

c) Five (5) copies of pro-forma invoice covering the Contract Price;

d) Five (5) copies of manually signed commercial invoice indicating the amount to be paid;

3.5.2 Twenty percent (20%) of the price as specified in Clause 3.1 i.e. 4,130,000.00€ (Say Four Million One Hundred Thirty Thousand Euros Only) shall be paid by the Buyer to the Seller within thirty (30) days after the following documents have been received and found in order:

a) One (1) original and three (3) copies of the Certificate signed by the Enduser and the Seller stating that the Progress Review has been done.

b) Five (5) copies of manually signed commercial invoice indicating the amount to be paid.

c) One (1) original and one (1) copy of the Irrevocable Letter of Guarantee for advance payment Issued by the Seller's Bank in favor of the Buyer covering twenty percent (20%) of the Contract price, specimen of which is specified in Exhibit H.

3.5.3 Twenty percent (20%) of the price for Contract Equipment as specified in Clause 3.1 a), i.e. €3,926,000.00 (Say Three Million Nine Hundred Twenty Six Thousand Euros Only) shall be paid by the Buyer to the Seller pro rata upon each equipment or group of equipment submitted for Factory acceptance, i.e.:

i.	At Submittal of A320 FFS to factory Acceptance:	€2,518,000.00
ii.	At Submittal of A320FTD to Factory Acceptance:	€ 536,421.80
iii.	At Submittal of B737 FTD to Factory Acceptance:	€ 608,600.00
iv.	At Submittal of the Visual System to Factory Acc:	€ 262,978.20

} 114,502.1

After the following documents have been received and found in order:

a) One (1) original and three (3) copies of the Certificate signed by the Enduser and the Seller stating that the equipment or group of equipment submitted to Factory acceptance has been accepted in the Seller's factory.

b) Five (5) copies of manually signed commercial invoice indicating the amount to be paid.

c) One (1) original and one (1) copy of the Irrevocable Letter of Guarantee for advance payment issued by the Seller's Bank in favor of the Buyer covering twenty percent (20%) of the Contract price, specimen of which is specified in Exhibit H.

3.5.4 Forty percent (40%) of the price for Contract Equipment as specified in Clause

3.1 a) i.e. 7,852,000.00€ (Say Seven Million Eight Hundred Fifty Two Thousand Euros Only) shall be paid by the Buyer to the Seller pro rata upon each shipment i.e:

- * At Shipment of A320 FFS: € 5,036,000.00
- * At Shipment of A320 FTD: € 1,072,843.60
- * At Shipment of B737 FTD: € 1,217,200.00
- * At Shipment of Visual System € 525,956.40

and within thirty (30) days after the following documents have been received and found in order:

- a) Three (3) originals and three (3) copies of clean on board ocean Bill of Lading made out to order, blank endorsed, notifying both the Buyer and the End User and marked "FREIGHT PREPAID";
- b) Two (2) originals and two (2) copies of ocean transportation insurance policy or certificate for 110% of the invoice value of Contract Equipment showing claims payable in China in Contract Currency and covering all risks, war risk and on deck risk if applicable;
- c) Five (5) Copies of manually signed commercial invoice indicating the amount to be paid and the itemized price;
- d) One (1) original and five (5) copies of detailed packing list indicating the shipping weight, number and the date of the corresponding invoice;
- e) One (1) original and five (5) copies of ex-works quality certificate issued by the manufacturer;
- f) One (1) original and five (5) copies of certificate of origin issued by relevant authorities or agency of the manufacturer's country;
- g) One (1) copy of the Buyer's fax showing that the Buyer has approved the carrying vessel;
- h) One (1) copy of fax advising the Buyer of the shipment within 48 hours after it is made.
- i) One (1) original and five (5) copies of Equipment quarantine certificate issued by the competent government quarantine authority proving that heat treatment or fumigation treatment has been carried out on the wooden case package; or One (1) original and five (5) copies of written statement proving that non-wooden material were used.

3.5.5 Sixty percent (60%) of the price for Spares as specified in Clause 3.1 d) i.e.

€480,000.00 (Say Four Hundred Eighty Thousand Euros Only) shall be paid by the Buyer to the Seller pro rata upon Spares shipment and within thirty (30) days after the following documents have been received and found in order:

- a) Three (3) originals and three (3) copies of clean on board ocean Bill of Lading made out to order, blank endorsed, notifying both the Buyer and the End User and marked "FREIGHT PREPAID";
- b) Two (2) originals and two (2) copies of ocean transportation insurance policy or certificate for 110% of the invoice value of Contract Equipment showing claims payable in China in Contract Currency and covering all risks, war risk and on deck risk if applicable;
- c) Five (5) Copies of manually signed commercial invoice indicating the amount to be paid and the itemized price;
- d) One (1) original and five (5) copies of detailed packing list indicating the shipping weight, number and the date of the corresponding invoice;
- e) One (1) original and five (5) copies of ex-works quality certificate issued by the manufacturer;
- f) One (1) original and five (5) copies of certificate of origin issued by relevant authorities or agency of the manufacturer's country;
- g) One (1) copy of the Buyer's fax showing that the Buyer has approved the carrying vessel;
- h) One (1) copy of fax advising the Buyer of the shipment within 48 hours after it is made.
- i) One (1) original and five (5) copies of Equipment quarantine certificate issued by the competent government quarantine authority proving that heat treatment or fumigation treatment has been carried out on the wooden case package; or One (1) original and five (5) copies of written statement proving that non-wooden material were used.

3.5.6 Sixty (60%) of the services price as specified in Clause 3.1 b) and c) i.e. **€132,000.00 (Say One Hundred Thirty Two Thousand Euros Only)** shall be paid by the Buyer to the Seller pro rata upon Site Acceptance of each device within thirty (30) days after the following documents have been received and found in order:

- a) One (1) copy of the Acceptance Certificate of each piece of the Contract Equipment signed by the Site Representatives of two Parties;
- b) Five (5) copies of the manually signed commercial invoice indicating the

amount to be paid.

3.5.7 Five percent (5%) of the price as specified in Clause 3.1 i.e. 1,032,500.00€ (Say One Million Thirty Two Thousand Five Hundred Euro Only) shall be paid by the Buyer to the Seller pro rata upon Site Acceptance of each device within thirty (30) days after the following documents have been received and found in order:

- a) One (1) copy of the Acceptance Certificate of each piece of the Contract Equipment signed by the Site Representatives of two Parties;
- b) Five (5) copies of the manually signed commercial invoice indicating the amount to be paid and the portion related to license of patent and/or know-how;
- c) One (1) original and one (1) copy of the Irrevocable Letter of Guarantee for warranty period issued by the Seller's Bank in favor of the Buyer covering five percent (5%) of the Contract price, specimen of which is specified in Exhibit I

3.6 If the Seller fails to submit the documents specified in Article 3.5.3 in due time, all the costs thus incurred at the Port of Unloading including but not limited to storage expenses and overdue fine shall be borne by the Seller as documentary justified by the Buyer.

3.7 In case the Seller is liable for paying the withholding taxes, liquidated damage and/or compensation under the Contract, the Buyer has the right to deduct such amount from any payment due.

3.8 All the banking charges incurred in the Buyer's Bank shall be borne by the Buyer while those incurred outside the Buyer's Bank shall be borne by the Seller.

CLAUSE 4 PACKING MARKING & INSURANCE

4.1 Unless otherwise specified in the Contract, the Contract Equipment shall be packed by the Seller in new and strong wooden cases and necessary measures shall be taken to protect the Contract Equipment from moisture, rain, rust, corrosion, shock and damages so as to make the Contract Equipment withstand numerous handling, loading and unloading as well as long distance ocean and inland transportation.

4.2 The loose accessories in package or bundle shall be labeled by the Seller, indicating Contract No., name of main equipment, name of accessories and their position number and accessory number marked on assembling drawings. Spare parts and tools shall be marked with the words "SPARE PARTS" or "TOOLS" besides the above-mentioned particulars.

4.3 The Seller shall, on four (4) adjacent sides of each package, mark conspicuously the following items in English with indelible paint:

- a) Contract No.
- b) Shipping Mark
- c) Destination
- d) Consignee
- e) Name of Contract Equipment and Item No.
- f) Case No./Bale No.
- g) Gross/Net weight
- h) Measurement

In accordance with the requirements in loading, unloading and shipping Contract Equipment, the package shall be conspicuously marked in English with "HANDLE WITH CARE", "RIGHT SIDE UP", "KEEP DRY" and other terms appropriate in international transportation. Should the Contract Equipment weigh two (2) or over two (2) metric tons, the weight, gravity center and hoisting position thereof shall be marked.

4.4 The following documents shall be enclosed in each package of the Contract Equipment:

- a) Two (2) duplicate copies of detailed packing list;
- b) Two (2) duplicate copies of quality certificate;
- c) One (1) copy of Technical Documentation for relevant Contract Equipment;
- d) Two (2) copies of systematic assembling drawings for the machines and parts to be assembled.

4.5 In case of container transportation, the Seller shall examine the conditions of the containers so that only those in good conditions shall be used for delivery of the Contract Equipment. Sufficient shores or chocks shall be provided in order to prevent the Contract Equipment from moving inside the containers. The Seller shall be liable for any damage to the Contract Equipment thus incurred due to the negligence of the Seller.

4.6 If any of the Contract Equipment is damaged or lost due to improper packing and/or inadequate protective measures, the Seller shall be responsible for repair, replacement and/or compensation in accordance with the Contract. If the Contract Equipment are mis-transported due to mistake or ambiguity in package and/or shipping marks, the Seller shall bear additional expenses thus incurred.

4.7 The Seller shall use wooden package free from any insect infestation. Should insect infestation be found in quarantine inspection, the Seller shall bear the cost incurred in fumigation or replacement of package at the Port of Unloading.

4.8 The Seller shall affect insurance against all risks, war risk and on deck risk if applicable, with a first class insurance company covering 110 % of the invoice value of the Contract Equipment with the Buyer as the beneficiary. The insurance has to be

covered in the Contract Currency showing claims payable in China and with no deductible clause.

In case the Contract Equipment are lost and/or damaged in the ocean transportation, the Seller shall assist the Buyer to apply to the insurance company for compensation or lodge claims against the insurance company on behalf of the Buyer and effect, upon the Buyer's request and a funded Purchase Order for the amount reimbursed by the insurance, supplementary supply of the same at original Contract Price, and provided the Buyer's request is submitted to the Seller within three months of the notification by the Seller to the Buyer of the affected accident in transportation.

CLAUSE 5 TECHNICAL DOCUMENTATION

5.1 The contents of the Technical Documentation are specified in Exhibit A. The Technical Documentation shall be drafted in metric system and be stated and explained in English, unless otherwise provided.

5.2 The Technical Documentation provided by the Seller shall be properly packed to make them withstand numerous handling, long-distance transportation and to be protected against damages from moisture and rain. The surface of each package shall be painted with the following items:

- a) Contract No.
- b) Consignee
- c) Destination
- d) Shipping mark
- e) Gross weight
- f) Case No./Bale No.

Two (2) copies of list indicating series No., code, title and pages of documentation shall be enclosed in each parcel of the Technical Documentation.

5.3 The Technical Documentation provided by the Seller shall be delivered DDU the Destination Airport in 2 (two) lots within 4 (four) months after the Effective Date of the Contract.

5.4 Within forty-eight (48) hours after dispatching the Technical Documentation, the Seller shall notify the Buyer by fax of the dispatching date, number of parcels, flight No. and approximate gross weight, and submit to the Buyer the following documents:

- a) Two (2) copies of airway bill (marked with the Contract No. and the consignee)
- b) Two (2) copies of detailed list of Technical Documentation

In case of any shortage, loss or damage in respect of the Technical Documentation during transportation to the port of entry in the PRC due to causes attributable to the Seller, the Seller shall effect promptly supplementary delivery of any omitted, lost or damaged part without any charge upon receipt of the Buyer's notification.

5.5 The date stamped on the airway bill or on the corresponding document by the Customs Authorities shall be deemed as the actual delivery date of the Technical Documentation.

5.6 The Seller shall deliver the Technical Documentation in accordance with the schedule specified in Exhibit F. Should the Seller fail to deliver any lot of the Technical Documentation or any part thereof in due time, the Seller shall pay the liquidated damages for late delivery at the following rates:

- a) For the first week, zero point five percent (0.5%) of the value of the Technical Documentation per week,
- b) From the second to the fourth week, one percent (1%) of the value of the Technical Documentation per week,
- c) From the fifth week, one point five percent (1.5%) of the value of the Technical Documentation per week. Odd days less than one (1) week shall be counted as one week for calculating the liquidated damage. The aggregated value of the Technical Documentation specified in Clause 3.1 including the license fee and design fee shall be taken as the basis for calculating the liquidated damage, despite any portion of Technical Documentation is involved in late delivery. The total amount of liquidated damages paid by the Seller for late delivery of Technical Documentation shall not exceed five percent (5%) of the Contract Price. The payment of liquidated damages by the Seller shall not release the Seller from its obligation to deliver the delayed Technical Documentation.

CLAUSE 6 DELIVERY AND ACCEPTANCE

6.1 The Seller shall complete the delivery of Contract Equipment in 3 (Three) lots. And FTD shall be Ready For Training within 14 (fourteen) months after the Contract coming into force, while FFS shall be ready for Training within 21 Months after the Contract coming into force. Details are as per the Exhibit B to the Contract.

6.2 Port of Shipment: Main European Seaport

6.3 Port of Unloading: Shanghai and Xingang Port China

6.4 The Seller shall submit the Acceptance Test Manuals (ATM) to the Buyer in accordance with Exhibit B and the Buyer shall have thirty(30) days to approve such ATM. If such approval is unreasonably not provided within the said period the ATM shall be deemed to be approved.

6.5 The Seller shall give the Buyer at least twenty-eight (28) days preliminary notice in writing and at least seven (7) days firm notice in writing of the date on which the Seller proposes to offer the Equipment to the Buyer for Plant Acceptance. The Buyer shall have five (5) working days per week during 2(two) consecutive week period, being a total of 10 (ten) working days, after said offer for Plant Acceptance within which to

accomplish the tests laid down in the Acceptance Test Manual.

6.6 In the event that Deficiencies in the Equipment become evident, such Deficiencies shall be corrected by the Seller either during the two (2) days per week during which the Buyer will not be testing or during the testing provided the corrective action does not impede or restrict the Buyer in carrying out said tests. After correction, the Buyer shall be afforded such additional time as may be agreed to repeat any unsuccessful tests together with any other tests, within the ATM, necessary to confirm that said Deficiencies have been cleared and that previous successful tests have not been affected.

6.7 Upon successful completion of the tests the Buyer shall sign a Acceptance Certificate evidencing such completion and listing any agreed Deficiencies to be corrected by the Seller within such period as may be agreed with the Buyer.

6.8 After the signing of the Acceptance Certificate by the Buyer, the Seller shall dismantle and pack the Equipment for surface shipment to the Buyer's Training Facility.

6.9 Shipping arrangements between the Seller's plant and the Buyer's Training Facility will be made without undue delay by, or to the direction of, the Seller who will be responsible for all costs of surface shipment and transportation and "All Risks" and "War Risk" transit insurance of the Equipment and deliverable Associated Items.

6.10 All shipments made under this Contract shall have the following shipping mark conspicuously shown on the outside of all packing:

AIR CHINA SOUTHWEST COMPANY
CHENG DU AIRPORT, PRC
(For Delivery to Chengdu)

OR

AIR CHINA LIMITED
BEIJING AIRPORT, PRC
(For Delivery to Beijing)

6.11 Prior to arrival of the Equipment at the Buyer's Training Facility, The Enduser shall be responsible for all The Enduser's site preparation including, but not limited to, water, electrical and air supplies, with suitable terminations as required for installation and operation of the Equipment in accordance with the building prerequisites included in the technical specification and in accordance with Exhibit "D".

6.12 Following arrival of the Equipment at the Buyer's Training Facility, the Seller shall provide the necessary technical personnel to calibrate the Equipment and shall be

responsible for the calibration of the Equipment.

6.13 The following shall be the responsibility of the Buyer during the installation and calibration of the Equipment at the Buyer's site:

- a) The work of off-loading and movement of each item of Equipment under the direction and supervision of the Seller's personnel. The risk of damage during off-loading and movement shall be borne by the Seller, provided the Buyer's personnel have strictly followed the Seller's instructions.
- b) The provision of the necessary material-handling equipment with operators, for the off-loading, movement and positioning of the Equipment.
- c) The supply of plumbing personnel to connect plumbing for the hydraulic power pack and the air conditioning unit.
- d) The supply of electrician personnel to complete electrical wiring from the site distribution boxes to the Equipment.
- e) The provision of other casual labour, if required.
- f) The provision of adequate workshop, office and secured storage facilities.
- g) The provision of any spare parts and special tools or test equipment for the Equipment in the possession of the Buyer on the condition that the Seller shall replace, at no cost to the Buyer, any spare parts provided by the Buyer under this sub-paragraph without undue delay.

6.14 During the calibration of the Equipment, the Seller shall have access to the Equipment on a twenty-four (24) hour per day basis and the Buyer shall ensure the availability of the necessary utility services such as electrical power, water and air. In addition, the Seller shall be afforded, free of charge, use of the instrument and electronics repair facilities of the Buyer, and the services of the Buyer's personnel, during installation, calibration and Site Acceptance of the Equipment.

6.15 After said installation and calibration, the Seller shall offer the Equipment to the Buyer for Site Acceptance.

6.16 The Buyer shall check to ensure that the Equipment will still accomplish the tests completed during the Plant Acceptance. Site Acceptance Tests duration shall be in accordance with the specific periods stated in the Acceptance Test Manuals.

6.17 The Seller shall, as soon as practicable after the said verification, and during said verification to the extent that the Buyer is not impeded or restricted in carrying out

verification, correct any Deficiencies of which the Buyer shall have notified the the Seller supervisor. After correction, the Buyer shall be afforded such additional time as may be agreed to repeat any unsuccessful tests together with any other tests (from those included in the ATM) necessary to confirm that said Deficiencies have been cleared and that previous successful checking has not been affected.

6.18 Upon completion of said verification the Buyer shall immediately sign a Site Acceptance Certificate evidencing such completion and listing any agreed Deficiencies to be corrected by the Seller within such a period as may be mutually agreed upon.

6.19 Such Site Acceptance shall take place within the period indicated in the Master Schedule as such period may be extended pursuant to Clause 7 hereof (Excusable Delay). In the event the Buyer shall use the Equipment for training, Site Acceptance shall be deemed to have occurred and the Site Acceptance Certificate shall be signed forthwith and shall be effective the date on which the Buyer first used the Equipment for training.

6.20 In the event that the Seller is required, under the terms of this Contract, to support the Buyer in achieving approval or qualification by a regulatory body, such support shall consist of the supplying of the equipment and services described in the Specifications. The Buyer shall offer the Equipment for such approval or qualification within two days of completion of Site Acceptance. The Buyer shall notify the relevant Certifying Authorities with the necessary advanced period of time in such a way that the certification of the equipment can be commenced within two days from RFT. Should the Certifying authorities not be present at site within one week after RFT, then the Seller shall be entitled to full payment of the milestone corresponding to Site Acceptance, and the Seller shall be entitled to send back its personnel to its country; however, whenever the Certifying Authorities are available for the qualifying process, the Seller shall provide again its assigned personnel subject to the Buyer paying for the corresponding Airfares (two ways) from the country of origin.

CLAUSE 7 EXCUSABLE DELAY

7.1 The Seller shall not be in breach of any of its obligations under this Contract when failure to perform or delay in performing any obligation is due wholly or in part to force majeure, such as war, serious fire, typhoon, earthquake, floods and other cases which could not be controlled, avoided and overcome, or other major action that both parties agree as being force majeure or other any circumstance beyond the control of the parties. Such causes of failure to perform or delay in performing any obligation shall be verified by an independent third party. In the event of such failure or delay, the time fixed for the performance by the prevented party of any obligation whatsoever imposed in the Contract shall be extended for a period not longer than the period and their effects thereof persist. However, the prevented party shall use all reasonable efforts to minimize the effects of any Excusable Delay hereunder.

7.2 Without limiting the generality of the provisions of the foregoing paragraph, the following causes shall be deemed to be causes of Excusable Delay:

- a) If the Seller shall not have received the necessary drawings, data and other technical information on or before the applicable Freeze Dates, provided however, that any such cause of delay is beyond the Seller's reasonable control and not occasioned by the fault or negligence of the Seller.
- b) If all the Aircraft Parts and other items of equipment shall not have been received by the Seller prior to the respective Receipt Dates, provided however, that any such cause of delay is reasonably beyond the Seller's practical control and not occasioned by the fault or negligence of the Seller.
- c) Any delay resulting from an event occurring during the period comprised between the entry in Customs of the Equipment and its arrival to the final site shall considered as an Excusable Delay and shall entitle the Seller to an extension of the RTF date for a period of time equivalent to the duration of the delay

7.3 The prevented party shall advise the other party promptly of any anticipated or actual delay affecting Delivery or Site Acceptance together with any relevant detailed information and the anticipated extent of any such delay.

7.4 Where the period of Excusable Delay is at least one hundred and twenty (120) days, the Parties undertake to consult with each other and use all reasonable efforts to mitigate any damages or losses suffered as a result of such Excusable Delay. Should the Parties be unable to agree upon a revised basis to proceed, either Party may thereupon by written notice terminate this Contract. The parties shall determine between themselves a fair and equitable treatment of the termination in light of the circumstances, failing which the impact of the termination upon the Parties shall be conclusively dealt with in accordance with Clause 24 (Arbitration).

CLAUSE 8 CHANGES

8.1 All amendments, supplements and alterations to the terms and conditions of the present contract shall be made in written form and signed by the authorized representatives of all parties upon agreement reached between all parties through consultation. They shall form integral parts of the present contract and have the same force as the contract itself.

8.2 Every Change Order shall be in writing and signed by both parties and shall set forth in detail the effect of the alteration on the Specification, Total Purchase Price, performance, design, acceptance dates and inter-changeability of spare parts whether delivered or to be delivered or any other matter substantive to this Contract.

8.3 The Seller may without the Buyer's approval, make such minor changes and corrections in the Specification as it may deem appropriate to correct errors or improve the Equipment; provided that such changes shall not adversely affect the Total Purchase Price, functional characteristics, performance, inter-changeability of spare parts, or diminish the exactness of simulation of the Aircraft as such simulation is required under this Contract. Notification of such changes shall be given to the buyer upon request.

CLAUSE 9 TAXES AND DUTIES

9.1 All taxes and duties in connection with and in the performance of the Contract levied by Chinese government on the Buyer in accordance with the tax laws of PRC shall be borne by the Buyer.

9.2 All taxes and duties levied by Chinese government on the Seller, in connection with and in the performance of the Contract, according to Chinese tax laws and the agreement between the government of the People's Republic of China and the government of the Seller's country for the reciprocal avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, shall be borne by the Seller.

The Buyer is legally obliged to withhold, as required by Chinese tax laws, certain amount of taxes pro rata each taxable payment under this Contract and pay them to the relevant Chinese tax authorities. Upon receipt of the tax receipts issued by the relevant Chinese tax authorities for the aforesaid withholding taxes, the Buyer shall forward to the Seller without undue delay.

9.3 All taxes and duties arising outside PRC in connection with and in performance of the Contract shall be borne by the Seller.

CLAUSE 10 SPARE PARTS

10.1 The Seller agrees to make available simulator spare parts to the Buyer for a period of fifteen (15) years from the date of Site Acceptance.

10.2 The Total Purchase Price includes the amount €800,000.00 for spare parts. No later than seven (7) months prior to the expected shipping date of the Equipment, the Seller shall submit an initial recommended spare parts schedule of long lead items individually priced. No later than five months after the Effective Date, the Seller shall submit a priced list of recommended simulator spare components parts. Both lists shall represent the Seller's recommendations of spare parts to support the first two years of operation and maintenance of the Equipment. For long lead items, the Buyer shall place orders within thirty (30) days of receipt of the Seller's recommendation for any such spare parts required by the Buyer to be delivered to the Buyer with the Equipment. In order to support the Seller's recommendations for spare parts, the Seller shall, upon

request of the Buyer, review with the Buyer the basis for each spare part recommendation in relation to equipment design, construction and past spare parts experience.

10.3 Subject to the warranty provisions in Clause 13 (Warranty), the Buyer has the right to purchase standard commercial parts from third parties without violation of any of the terms of this Contract.

CLAUSE 11 PATENT INFRINGEMENT

11.1 Subject to the conditions hereinafter set forth, the Seller will indemnify and protect the Buyer against any action, damage or loss addressed to the Buyer resulting from any infringement or claim of any infringement of any intellectual property by the Contract Equipment.

11.2 The Seller shall only indemnify the Buyer in respect of the infringement, or claim of any infringement, of patent by the accessories, equipment and parts not manufactured exclusively to the Seller's detailed design, but incorporated into the Equipment, in the same manner, to the same extent and with the same limitations as the respective vendors and suppliers of such accessories, equipment and parts indemnify the Seller therefore and provided, in each case, that the indemnity obtained by the Seller from such vendors and suppliers shall be assignable to the Buyer. The Seller shall use all reasonable efforts to obtain from its vendors and suppliers the most favourable patent indemnity protection for the Buyer hereunder. The Seller shall agree to provide the Buyer, upon request copies of patent infringement clauses for special vendors, if any, as contained in the Seller's agreements with those vendors.

11.3 The Seller shall not be liable with respect to any actual or alleged infringement unless:

- a) Suit is commenced against the Buyer for infringement or the Buyer receives a written claim alleging infringement, and the Buyer gives notice in writing to the Seller within ten (10) days after commencement of such suit or the receipt by the Buyer of such written claim as the case may be; and
- b) the Buyer shall assist the Seller and shall use all diligent efforts, in full cooperation with the Seller, to reduce (otherwise than by non-use of the article in respect of which the infringement is claimed) royalties, claims, damages and expenses involved and promptly furnishes to the Seller copies of all data, papers, records and other documents within the Buyer's possession, material to resistance or defence against such claim or suit, and the Buyer refrains from making any payment and from assuming any obligations, expenses, damages, costs or royalties for which the Seller may be asked to respond.
- c) the Seller shall be enabled and entitled to conduct negotiations concerning,

or defend any action in respect of, any claim or allegation and may choose to negotiate and defend either in its own name or that of the Buyer.

11.4 The provisions of this Clause 11 shall survive the expiration or termination of this Contract and shall continue in full force and effect notwithstanding such expiration or termination.

CLAUSE 12 INDEMNIFICATION

12.1 The employees of the Buyer and the Seller will remain employees of their respective companies for all purposes during the carrying out of activities under this Contract. Each party will carry Workman's Compensation and Employers Liability Insurance with respect to their employees only.

12.2 The Buyer will indemnify and hold the Seller, its officers, agents, servants and employees harmless from any and all loss, damage, liability, cost or expense which may be suffered or incurred by the Buyer or the officers, agents, servants or employees of the Buyer, arising out of the activities carried out by the Seller under this Contract, or the furnishing of services by the Seller for the Equipment, unless caused by the wilful misconduct or gross negligence of the Seller, its officers, agents, servants or employees.

12.3 The Seller will indemnify and hold the Buyer, its officers, agents, servants and employees harmless from any and all loss, damage, liability, cost or expense which may be suffered or incurred by the Seller or the officers, agents, servants or employees of the Seller, arising out of the activities carried out by the Buyer under this Contract, or the furnishing of services by the Buyer for the Equipment unless caused by the wilful misconduct or gross negligence of the Buyer, its officers, agents, servants or employees.

12.4 In connection with the performance of this Contract, each party shall be responsible for direct damages caused by his fault to third parties whether by positive act, imprudence, neglect or want of skill.

CLAUSE 13 WARRANTY

13.1 In accordance with the provisions of this Clause, the Seller warrants that the Equipment (excluding the Buyer's Furnished Material) will be free of Defects in material and workmanship and from Defects or faults in design, in so far as the Equipment fails to meet the requirements of the Specification.

13.2 With respect to defects in Equipment parts, the Seller's liability is limited to making good by replacement, or at the Seller's option by repair, Defects which under proper use appear therein, within a period of two (2) year after the date of signing the Site Acceptance Certificate, except that with respect to Aircraft Parts, Approved Data and

expendable and consumable parts, the warranties provided shall be restricted to that provided hereafter in this Clause.

13.3 With respect to Aircraft Parts and Approved Data and expendable and consumable parts, the Seller shall assign any warranties obtained from its suppliers to the Buyer to the extent that such warranties shall be assignable to the Buyer.

13.4 For purposes of clarification, the projector cathode ray tubes are consumable parts. However the Seller agrees to provide the Buyer with the warranty indicated hereunder, and this only on those cathode ray tubes initially installed on the Equipment delivered to the Buyer. Should the specified brightness of any projector cathode ray tube, as indicated in The Specifications, not be achievable, then the tube will be replaced at the prorated price below:

Number of days from RFT	% of selling price, indicated in the then applicable Price List
0 to 60 days	0%
61 to 120 days	33%
121 to 220 days	50%
221 to 365 days	75%
From 366 days	100%

13.5 With respect to Defect caused by any software or Approved Data, the Seller's responsibility under warranty shall be limited to correcting the deficiencies that may have been raised by Buyer in the Plant or Site Acceptance certificate that affect the training on the Equipment.

The above warranties shall not apply to Defects in the Equipment arising from repair, alterations, misuse or abuse by the Buyer's personnel or from the Buyer's failure to operate and maintain the Equipment in accordance with the handbook of maintenance and operating instructions furnished to the Buyer. The Buyer Furnished Material is not warranted hereunder.

13.6 The Buyer shall return Equipment parts, which are alleged to be defective to a location designated by the Seller. The repaired or new Equipment parts will be delivered to the End User 's Training Facilities if the Equipment part returned was warranted hereunder. All the expenses shall be born by the Seller.

13.7 Exclusion of warranties: The foregoing warranties provided in this Clause 13, and the patent indemnity provided under Clause 11 hereof (Patent Infringement) are personal to the Buyer and non transferable. Furthermore such warranties given by the Seller are given: (1) in lieu of all indemnities arising in law or otherwise and (2) in lieu of and exclude any other warranty, express or implied, including without limitation, any implied warranty of merchantability or fitness for a particular purpose, arising in law or otherwise.

CLAUSE 14 LIMITATION OF LIABILITY

14.1 Notwithstanding anything contained in this Contract to the contrary, the Seller shall not be liable under any circumstances for, and the Buyer shall indemnify and hold Seller harmless from, any special, consequential or incidental damages including but not limited to any loss of revenue or profits, or any other costs, or damages incurred by the Buyer or any third party as a result of or arising out of any lack, or loss of use of the equipment.

14.2 Notwithstanding anything contained in this agreement to the contrary, Seller shall in no event have any liability for indirect, consequential, incidental, punitive, exemplary or special damages (in tort, contract or otherwise) under or in respect of this agreement. More particularly, in no event shall Seller have any liability for any delay or loss of use (including, without limitation, lost revenues or lost profits) arising out of, resulting from, or in any way related to the equipment or any components, or the service being effected on same, or for any loss, damage, or expense directly or indirectly arising from the use of the equipment or any components or any inability to use them either separately or in combination with other equipment or materials, or from any other cause, even if Seller had been advised, knew or should have known of the possibility thereof.

14.3 Seller's maximum amount of liability under this Contract, including the indemnities provided hereunder, for any reason whatsoever, shall be limited to a maximum amount equal to, and SELLER shall in no event or circumstances be liable in excess of one hundred percent of the Total Purchase Price plus interest at the same rate as the Spanish Government Loan paid by the Buyer.

14.4 The provisions of this Clause 14 shall survive the expiration or termination of this Agreement and shall continue in full force and effect notwithstanding such expiration or termination.

CLAUSE 15 LICENSE TO USE PROPRIETARY SOFTWARE

15.1 Notwithstanding the supply of Proprietary Software and Information to the Buyer, the Buyer acknowledges that all rights in the Proprietary Software and Information remain with the Seller. However, the Seller hereby grants to the Buyer, subject to the restrictions set out in this Clause, a personal, non-exclusive, non-transferable license for as long as the Buyer operates the Equipment and complies with the terms herein, to use the Proprietary Software and Information solely for the execution of the Buyer's obligations under this Contract for the operation and maintenance of the Equipment, the consideration of such license being included in the Total Purchase Price.

15.2 The Buyer shall use all reasonable efforts to ensure to ensure that the Proprietary Software and Information relating thereto shall not be made available or otherwise disclosed to any third party without the prior written consent of the Seller.

15.3 The Buyer shall be able at all times to account for all copies of the Proprietary Software and Information which are required to be made to permit its efficient use in the operation and maintenance of the Equipment.

15.4 In the event of a breach of the Provisions of this licence, The Seller shall give written notice to the buyer and the Buyer shall have fifteen (15) days to cure the breach. If the breach is not made to permit its efficient use in the operation and maintenance of the Equipment.

15.5 With respect to third party proprietary software, provided under or in furtherance of third's Contract, the Buyer shall hold and use proprietary software, subject to the limitations required by any stamp(s), legend(s) or proprietary statements contained therein.

15.6 The provisions of this Clause 15 shall survive the expiration or termination of this Contract and shall continue in full force and effect notwithstanding such expiration or termination.

CLAUSE 16 PUBLICATIONS

16.1 Unless the Seller's consent in writing is first obtained, none of the publications, documentation, manuals or data the ownership of which vests in the Seller and which are provided under or in furtherance of this Contract shall be reproduced by the Buyer and no such publications, documentation, manuals or data nor any copies or duplicates thereof, shall be used by the Buyer or released out of the Buyer's possession, nor shall the contents thereof be divulged by the Buyer to any other person, firm or corporation, except:

- i) For the use of enabling the Buyer to operate and maintain the Equipment; or
- ii) To a Buyer, lessee or transferee of the Equipment provided, however, that such Buyer, lessee or transferee shall hold and use such publications, documentation, manuals and data subject to the same limitations as those imposed upon the Buyer by this Clause; and shall have executed an express written Contract in favour of the Seller so to do.

16.2 It is expressly understood and agreed that all rights to copyright of the aforementioned publications, documentation, manuals and data are reserved unto the Seller or that third Party as the case may be, and that all such publications, documentation, manuals and data in whatever form supplied hereunder by the Seller to the Buyer shall not be transmitted, disclosed or used by the Buyer except as herein expressly permitted.

16.3 Except as herein provided, it is further expressly understood and agreed that the provision of publications, documentation, manuals or data does not permit, nor provide a license to, manufacture or to have manufactured any part, component, system or element

of the Equipment.

16.4 With respect to third party proprietary publications, documentation, manuals or data provided under or in furtherance of this Contract, the Buyer shall hold and use such proprietary publications, documentation, manuals or data subject to the limitations required by any stamp(s), legend(s) or proprietary statements contained thereon.

16.5 The provisions of this Clause 16 shall survive the expiration or termination of this Contract and shall continue in full force and effect notwithstanding such expiration or termination.

CLAUSE 17 KEEP CURRENT

17.1 For a period of fifteen (15) years following the delivery of the Equipment, the Seller shall maintain a technical consulting service available to analyze the effect of changes in the Aircraft on the fidelity of simulation, whether the changes are initiated by the Aircraft Manufacturer or by the Buyer. The Seller shall, on receipt of a separate Purchase Order from the Buyer, make the necessary computations and recommendations in accordance with the Seller's exclusive design to keep the Equipment current in its fidelity of simulation, as the same may be altered by the said changes. The Seller's charge, if any, for this service shall be at reasonable rates, not in excess of those imposed by the Seller for similar types of engineering and computation service.

CLAUSE 18 CONFIDENTIAL NATURE OF CONTRACT

18.1 Both parties, their servants, agents, representatives or advisors will treat as confidential this Contract and any Contract supplemental thereto and all its terms and conditions and shall not at any time unless required by law disclose the same or any part thereof to any other person or body without the consent of the other Party.

18.2 Each Party shall protect the confidentiality of all information in whatever form provided by the other Party, or to which the receiving Party obtains access by virtue of its performance under this Contract, that either has been identified as confidential by the disclosing Party or by its nature warrants confidential treatment. The receiving Party shall use such information only as it may be required for the purposes of this Contract and shall not disclose it to anyone except its employees, consultants or advisors who have a need to know the information and who have signed confidentiality Contracts containing undertakings at least as stringent as those contained herein. These nondisclosure obligations shall not apply to information that is or becomes public through no breach of this Contract, is received from a third party free to disclose it, is independently developed by the receiving Party or is required by law to be disclosed. Confidential information shall be returned to the disclosing Party upon its request.

CLAUSE 19 TECHNICAL TRAINING AND TREATMENT FOR THE BUYER'S PERSONNEL

19.1 The detailed content and description of the courses and training documents are stated in Exhibits A, C and F.

19.2 In the course of the Technical Training, the Seller shall designate its skilled and qualified technical personnel to render technical instructions to the Buyer's technical personnel and explain all the technical issues the Buyer's technical personnel may confront in performance of the Contract.

19.3 The Seller shall submit the preliminary training program to the Buyer for confirmation three (3) months before the training starts. One (1) month before the training, the Buyer shall inform the Seller of the trainees' names, sex, birth date, nationality, occupation and specialty. The final training program shall be fixed by both Parties through consultations according to the actual need of the Buyer's technical personnel.

19.4 The Seller shall ensure the Buyer's technical personnel be trained at different posts in the above mentioned plants to enable them to understand the technology, operation and maintenance of the Equipment. Before the training starts, the Seller shall explain in detail to the trainees the operating regulations and precautions for work. Details for training shall be as set forth in Exhibit F

19.5 The Seller shall provide the Buyer's technical personnel free of charge with test instruments, tools, technical documentation, drawings, reference data, working clothes, safety wear and other necessities as well as suitable office rooms during their training period.

19.6 The Seller shall assist the Buyer's technical personnel in dealing with all formalities of obtaining visas for entry and exit as well as their stay in the Seller's country.

CLAUSE 20 PROGRESS REPORT

20.1 Commencing one (1) month after the Effective Date and continuing until the Equipment is offered for Plant Acceptance, the Seller shall issue monthly progress reports to the Buyer providing information on the current status of the Equipment.

20.2 If requested by the Buyer, progress review shall be held at location and time to be agreed upon by the Parties.

CLAUSE 21 ASSIGNMENT

21.1 No assignment of any right or obligation under the Contract shall be made by either party to a third party without the previous written consent of the other party.

CLAUSE 22 WAIVER OF DEFAULT

22.1 The failure by either Party to enforce at any time any of the provisions of this Contract, or to require at any time the performance by the other Party of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way, affect the validity of this Contract or any part thereof, or the right of the said Party thereafter to enforce each and every such provision.

CLAUSE 23 TERMINATION OF CONTRACT OR OF CERTAIN OBLIGATIONS

23.1 The Buyer may, without prejudice to any other remedy for the Seller's following material breach of Contract, by written notice of default sent to the Seller, terminate the Contract in whole or in part, if the Seller, after a period of thirty (30) days does not cure such breach after the written notice.

- a) fails to deliver the Contract Equipment and/or Technical Documentation within 10 (ten) months after the scheduled delivery time, discounting the periods covered by Force Majeure; or
- b) fails to make the Contract Equipment reach the minimum level of the technical performance and guarantee indices specified in Appendix 10; or
- c) fails to perform any other obligations under the Contract except minor parts thereof, and does not remedy its failure within a period of 60 (sixty) days upon receipt of the default notice from the Buyer.

23.2 Either party may at any time terminate the Contract, by giving written notice to the other party in case the other party becomes bankrupt or insolvent. Such termination shall not prejudice or affect any other available remedy.

23.3 In the event the Buyer terminates the Contract in whole or in part, the Buyer may procure, upon appropriate terms, the equipment, documents and/or the service similar to those undelivered and/or unperformed, and the Seller shall be liable for any reasonable excess costs. Nevertheless, the Seller shall continue performance of the Contract to the extent not terminated.

CLAUSE 24 ARBITRATION

24.1 Any dispute on the interpretation, the application, or the existence of this Contract and which cannot be amicably settled between the Parties, shall be finally settled by arbitration in accordance with the Rules of Arbitration and Conciliation of the International Chamber of Commerce. The arbitration court shall sit in Stockholm and the applicable law shall be the Swedish Law.

24.2 Notwithstanding any reference to arbitration, both Parties shall continue to perform their respective obligations under the Contract unless otherwise agreed.

CLAUSE 25 "TITLE AND RISK"

25.1 Seller shall retain title and all interest (including all applicable security interest) in the Equipment and Associated Items until payment in full of the Total Purchase Price of the Equipment. The Buyer agrees to cooperate with Seller and sign any document requested by Seller that may be reasonably necessary to show the actual owner. Notwithstanding the foregoing, risk of loss of or damage to the Equipment and deliverable Associated Items shall pass to the Buyer at the time the Equipment and deliverable Associated Items are delivered D.D.U (Per Incoterms 2000) Buyer's Training Facility.

25.2 The Buyer hereby agrees to hold Seller harmless, subsequent to Delivery, from any direct damage to the Equipment, unless caused by the negligence of Seller. With respect to any "All Risks" or other direct damage insurance obtained by the Buyer on the Equipment, the Buyer hereby agrees to include Seller as an additional insured in any such insurance policy with respect to work to be performed hereunder, and the Buyer shall cause the insurer to waive all rights of subrogation by the insurer against Seller, its officers, agents, servants and employees, unless caused by the negligence of Seller. The Buyer shall, if requested by Seller, provide to Seller a certificate of insurance with respect to insurance issued in accordance with the foregoing.

25.3 Upon Site Acceptance and payment in full of the Total Purchase Price, Seller shall issue Buyer a bill of sale evidencing the transfer of title to Buyer (excluding those items provided under License) and payment in full by Buyer.

CLAUSE 26 MISCELLANEOUS

26.1 This Contract constitutes the entire agreement between the Parties and supersedes and cancels all prior representations, negotiations, letters, acceptances, Contracts, understandings and contracts whether verbal or written, between the Parties hereto or their agents, with respect to or in connection with any of the matters or things to which this Contract applies or refers.

26.2 The titles to the Clauses in this Contract and in the said Exhibits are for convenience of reference only, are not part of this Contract, and shall not in any way affect the interpretation thereof.

26.3 Neither Party shall have the right to set off the amount of any claim against the other Party arising out of any transaction or occurrence not connected with the performance or breach of this Contract, against any liability or payment due or arising under this Contract.

26.4 Each Party represents and warrants to the other Party that:

- i) It is a corporation duly incorporated and validly existing under the laws of the jurisdiction indicated in this Contract.
- ii) The entering into and performance by it of its obligations in this Contract are within its corporate powers and have been duly authorized by all necessary corporate action and are not in violation of any law and do not require the consent of or approval of, or registration or filing with, any governmental agency or authority other than those already obtained or effected.
- iii) The person executing this Contract on behalf of each of the Parties hereto certifies and warrants that he/she has been vested with the necessary authority and power to enter into this Contract on behalf of that Party.

26.5 The Seller shall be responsible to present to the appropriate institutions the required export permit applications and to make every effort reasonably possible to ensure that such documentation is processed diligently.

26.6 Both Parties agree to investigate the possible application of set-off trade arrangements in connection with this Contract.

CLAUSE 27 LIQUIDATED DAMAGES FOR INEXCUSABLE DELAY

27.1 In the event that Site Acceptance for the Equipment does not take place on or prior to the scheduled date, for any reason other than Excusable Delays (under Clause 7 hereof) and if after 30 days after receipt of written notice of default from the Buyer, the Seller, to cure such default, has not initiated remedial action within the applicable period mentioned hereunder, the Seller shall, subject to the provision of Clause 26.5, pay for said delay an amount of one half percent (0.5%) per month of the proportion of Total Purchase Price of the equipment so delayed to a maximum of five percent (5%) of the proportion of The Total Purchase Price for the Equipment so delayed. The Seller hereby promises to pay and the Buyer hereby agrees to accept such sums as liquidated damages, and not as a penalty in the event of such breach. The buyer shall have the right to deduct the resulting amount from the next payment due.

27.2 Should the period mentioned in Clause 26.1 go beyond ten (10) months from receipt of such notice and the Seller has not initiated remedial action, as such period may be extended for reasons of Excusable Delays, the Buyer may terminate this Contract with respect to the Equipment so delayed and shall have the right to cancel the Buyer thereof hereunder and recover from the Seller, who undertakes to reimburse the Buyer promptly on demand, all payments on the Equipment previously made by the Buyer against the Total Purchase Price. Upon such reimbursement, title to the Equipment, and Associate

Items shall remain with the Seller.

27.3 The sole right of the Buyer in respect of inexcusable delays in achieving Plant Acceptance shall be expressly limited to liquidated damages as provided for under this Clause.

27.4 This Clause is made expressly subject to the provisions of Clause 7 (Excusable Delay) and Clause 8 (Changes) hereof.

27.5 Buyer hereby grants the Seller a grace period of thirty (30) working days before requiring payment for liquidated damages.

CLAUSE 28 EFFECTIVENESS OF THE CONTRACT

28.1 After the Contract is signed by the authorized representatives of the two Parties, the two Parties shall apply to their respective authorities for the ratification. The later date of approval shall be taken as the Effective Date of the Contract. However, commencement Date (To) of the performance schedule cannot happen but at notification of final release of the Down Payment by the Buyer's Bank in accordance with all the formalities of the Banking Agreement between the Instituto de Credito Oficial (Spain) and the Buyer's Bank.

28.2 This Contract shall come into force subject to the following conditions:

- The coming into force of the Financial Agreement signed between the two Governments.
- The coming into force of the Credit and technical Agreements signed between the Seller's Bank and the Buyer's Bank.
- The coming into force of the On-Lending Agreement between the Buyer's Bank and the End user.
- The approval of the Contract by the Government Authorities in the country.
- The payment by the End user of the export credit insurance (CESCE) policy, if and as required.
- The Performance Bond covering 10% of the total Contract Price has been received by the Buyer from the Seller and found in order (Specimen as per Exhibit J)

28.3 Each party shall inform the other of effectiveness of the Contract by fax or email and confirm by registered letter.

The Buyer: China International Tendering Company

Address: Genertec Plaza, No. 90 Xisanhuan Zhonglu, Fengtai district, Beijing

Post Code: 100055

Fax: 0086-10-63348541, 63348542

Tel: 0086-10-63373573

Authorized Representative: _____
(signature)

Signing Date: _____

The Enduser: Air China Limited

Address: South Terminal Capital International Airport, Beijing China

Post Code: 100621

Fax: 0086-10-64599102

Tel: 0086-10-64599101

Authorized Representative: _____
(signature)

Signing Date: _____ Dec. 30

The Seller: Indra Sistemas S.A

Address: Calle Mar Egeo, 4.- Polígono Industrial nº1 28830 San Fernando de Henares,
Spain

Fax: 0034-91-626 9076

Tel: 0034 -91-626 8632

Authorized Representative: _____
(signature)

Signing Date: _____ 9 = 2005

EXHIBIT "A-1"

SPECIFICATION for A320 FFS



EXHIBIT A-2
SPECIFICATION FOR A320 FTD



T.ME/ALVISEP
T.ME/ALVISEPEREZ

EXHIBIT A-3

SPECIFICATION FOR B737 FTD

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EXHIBIT A-4
SPECIFICATION FOR VISUAL SYSTEM



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EXHIBIT "B"

FREEZE DATES AND RECEIPT DATES

1.0 DATA FREEZE DATES

1.1 Aircraft Configuration Data Freeze Date

The date by which all the Approved Data defining the configuration and location of all Aircraft Parts, Aircraft-vendor instruments, panels and equipment will be supplied to the Seller and considered frozen:

To

1.2 Aircraft Systems Design Data Freeze Date

The date by which all Approved Data defining the Aircraft operational characteristics will be supplied to the Seller and considered frozen:

To

1.3 Aircraft Systems Check-out Data Freeze Date

The date by which all Approved Data defining Aircraft systems operation will be supplied to the Seller and considered frozen:

To

1.4 Aircraft Performance Data Freeze Date

The date by which all Approved Data defining the Aircraft performance design characteristics will be supplied to the Seller and considered frozen:

To

1.5 Aircraft Performance Checkout Data Freeze Date

The date by which all Approved Data defining the Aircraft performance will be supplied to the Seller and considered frozen:

To

1.6 Aircraft Wiring Data Freeze Date

The date by which all Approved Data defining the Aircraft wiring will be supplied to the Seller and considered frozen:

To

1.7 Aircraft Avionics Data Freeze Date

The date by which all Approved Data defining the Aircraft avionics will be supplied to the Seller and considered frozen:

To

1.8 Radio Aids Station Data Freeze Date

The date by which the list of radio stations and their parameters required by the Seller for programming will be provided to the Seller by the Buyer and considered frozen:

To

1.9 Instructor Software/C.R.T. Page Content Freeze Date

The date by which final Contract shall be reached on the contents of all CRT display pages and functions, and considered frozen:

To

1.10 Simulator Site Data Freeze Date

The date by which all the Buyer's site layout drawings and data will be considered frozen. Layout drawings will be provided to the Buyer in advance for the Buyer's evaluation 9(nine) weeks after Effective Date, assuming receipt of the Buyer's applicable building drawings within 4 (four) weeks after Effective Date. The Seller shall also provide final information on floor-loading and power dissipation. The Buyer supplied information shall include existing floor-loading capability as applicable

16 weeks To

1.11 Colour Scheme Freeze Date

The date by which the Flight Compartment exterior colour scheme will be selected by the Buyer and supplied to the Seller and considered frozen:

8 weeks after To

1.12 Malfunction Definition

The date by which the definition of all malfunctions (hardware and software) shall be provided by the Buyer to the Seller and considered frozen:

To

1.13 Instructors' Station Configuration Freeze Date

The date by which the Buyer will approve the physical layout of the Instructors' Station and same shall be frozen. Proposed layout drawings for the instructor facility shall be provided by the Seller for the Buyer's evaluation. It is also the date by which the panel and control nomenclature shall be frozen. This shall include audio panel configuration and definition of operation:

To

1.14 Acceptance Test Manual Freeze Date

The schedule covering the activities leading to mutual Contract on the Acceptance Test Manual is as follows:

- (a) the Seller submits draft ATM to the Buyer To
- (b) the Buyer advises the Seller of comments 30 days after To
- (c) the Seller re-submits draft ATM to the Buyer 4 weeks after reception of Buyer comments
- (d) Mutual Contract reached on final ATM 4 weeks after Seller resubmit draft ATM

1.15 Approval Test Guide Freeze Date

The schedule covering the activities leading to mutual Contract on the Approval Test Guide is as follows:

- (a) The Seller submits draft ATG to the Buyer To
- (b) the Buyer advises the Seller of comments 30 days after To
- (c) the Seller re-submits draft ATG to the Buyer 4 weeks after reception of Buyer comments
- (d) Mutual Contract reached on final ATG 4 weeks after Seller resubmit draft ATM

1.16 Simulator Configuration Freeze Date

The date by which the interior hardware arrangement of the simulator cockpit, including physical arrangements of the instructor station and seat, observer seat and the physical layout of all components of the simulator system as installed in the cockpit, shall be frozen. Proposed layout drawings for each of the facilities shall be provided by the Seller for the Buyer's evaluation _____ weeks after Effective Date.

1.17 Training Freeze Date

The date by which a review of the training program shall be conducted and a Contract reached on training details.

Training options, if any, available to be exercised by the Buyer shall be selected on or before this date.

20 weeks after To

2.0 RECEIPT DATES

2.1 Aircraft Parts

Airbus Aircraft Kit 1.3.2

6 months after To

2.3 Instruments and avionics

7 months after To

ISIS Part Number C16221DB04 required upon arrival of the A320 XLR in China

of

EXHIBIT "C"

ASSOCIATED ITEMS

A) PRICE FOR A320 SIMULATION EQUIPMENT FFS and FTD

Serial No.	Name of Equipment	Model/ Specification	Quantity	Currency	TERMS	Total Price
1	A320 Full flight Simulation level D standard 1.3.2+2 * engine + IDS + ATSU + Fire Suppression options	Indra Specification, A320 FFS	1	EURO	DDU Chengdu	12,590,000 1336956
	Tropos Visual System	Indra Specification, VISUAL	1	EURO	DDU Chengdu	1,314,891 1314891
	A320 Flight Training Device, Level 5 including Visual + 2* engine + ISIS options and on the job training	Indra Specification, A320 FTD	1	EURO	DDU Chengdu	2,682,109 1905153
	Subtotal:			EURO	DDU Chengdu	16,587,000
2	Spare Parts	Indra Specification, Addendum 10	1	EURO	DDU Chengdu	800,000
3-1	Special Tools	Indra Specification, Addendum 11	1	EURO	DDU Chengdu	Free of charge
4	Commissioning	Indra Specification	1	EURO	DDU	100,000
5	Inspection	Indra Specification	1	EURO	DDU	45,000
6-1	Training: FFS Simulator Maintenance + Visual System Maintenances +DBMS training	Indra Specification Addendum 13	1	EURO	DDU	Free of charge
6-2	Additional training, second set of training courses	Indra Specification Addendum 13	1	EURO	DDU	Free of charge
7-1	Technical Services	Indra specification, Addendum 12	1	EURO	DDU	Free of charge

7-2	Field Service Engineer	Indra specification, Addendum 12	1	EURO	DDU	Free of charge
	Total Price (excluding Data Package and Aircraft Part kit)			EURO	DDU	17,532,060.00

(Note: Data Packages software and Aircraft part kit to be furnished by Buyer)

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B) PRICE FOR B737-800 SIMULATION EQUIPMENT

Seal No.	Name of Equipment	Model/ Specification	Quantity	Price Terms	Currency	Total Price
1	A320 Flight Training Device, Level 5 including Visual	Indra Specification, B737 FTD	1	DDU PEK Capital Airport	EURO	2,561,000
	UPS, Tail, BITE, B737 custom malfunctions (10), 4 engine rating, debrief station, VSIM and Aircraft seats	Indra Specification, B737 TD	1	DDU PEK Capital Airport	EURO	482,000
	Subtotal:				EURO	3,043,000
2	Special Tools	Indra Specification, Addendum 11	1	DDU PEK Capital Airport	EURO	Free of charge
3	Commissioning	Indra Specification	1	N/A	EURO	50,000
4	Inspection	Indra Specification	1	N/A	EURO	25,000
5	Training: FTD Simulator Maintenance	Indra Specification Addendum 13	1	N/A	EURO	Free of charge
6	Technical Services	Indra Specification, Addendum 12	1	N/A	EURO	Free of charge
	Total Price (not including Data Package Software)				EURO	3,118,000

Note: Data packages software to be furnished by Buyer

EXHIBIT "D"

BUILDING REQUISITES

Refer to paragraph 14 of the technical specification for A320 FFS

Refer to paragraph 10 of the technical specification for B737 FTD

Refer to paragraph 11 of the technical specification for A320 FTD




EXHIBIT "E"

BUYER'S FURNISHED MATERIAL

It will be Buyer's responsibility the acquisition of the following:

1. Data Package for a A320 FFS Level D, Standard 1.3.2 from Airbus, required at To
2. Data Package for A320 FFS Level D Supplementary engine required at To
3. Data Package for EFCS required at To
4. Data Package for FWC required at To
5. Generic Level 5 Data Package for A-320 Flight Training Device with one engine required at To
6. Generic Level 5 Data Package for A-320 Flight Training Device Supplementary Engine required at To
7. Generic Level 5 Data Package for B737NG Flight Training Device with one engine required at To
8. Airbus Aircraft Parts Kit, standard 1.3.2 as per the Table 1 to exhibit 6 required no later than 6 months after To
9. ISIS Part Number C16221DB04 required upon arrival of the A320 FFS in China

Seller will assist to the Buyer in the specification of the items in order to assure that the items will comply with the training requirements.

(1) annule et remplace le 'PARTS LIST A320 STD 1.3.1'

lot	ITEM	PART NUMBER	DESCRIPTION	QTY	MSN
	4	7118003005	VALVE (D000 30047 000)	1	
	5	7118003008	VALVE (D000 30047 001)	1	
	6	D212.10532.000.46	OUTLET ASSY LH	1	
	7	D212.10532.001.46	OUTLET ASSY RH	1	
	14	D251.10056.000.40	PLATE	1	
	15	D251.10073.005.00	BRACKET ASSY COMPASS	1	
	126	D270.10172.000.00	PEDESTAL 11 VU	1	
	96	D272.10013.200.00	BUSH	2	
	97	D272.10013.201.00	BUSH	2	
	98	D272.10014.200.00	BUSH	4	
	99	D272.10014.201.00	BUSH	3	
	100	D272.10014.203.00	BUSH	1	
	101	D272.10125.006.00	BEAM ASSY CAPT.	1	
	102	D272.10126.004.00	BEAM ASSY P/O	1	
	103	D274.10040.000.00	SHAFT ASSY LWR TRIM	1	
	104	D531.11230.002.00	HANDLE ASSY LH	1	
	105	D531.11230.003.00	HANDLE ASSY RH	1	
	106	D536.10194.000.00	FLOOR ASSY	1	
	107	D536.10194.001.00	FLOOR ASSY	1	
	108	D536.10194.002.00	FLOOR ASSY	1	
	109	D536.10194.003.00	FLOOR ASSY	1	
	115	D539.11598.200.00	SUPPORT REAR	4	
	113	D539.11599.200.00	SUPPORT FRONT	2	
	114	D539.11599.201.00	SUPPORT FRONT	2	
	116	D539.13031.200.00	PYLONE SUPPORT	4	
	117	D925.10712.008.00	STRUCT.CSL 1 VU	1	
	118	D925.10712.009.00	STRUCT.CSL 7 VU	1	
	121	D925.11921.000.00	STRUCT.CSL 702 VU REAR RH	1	
	123	D925.12791.002.00	STRUCT.ASSY 20 VU	1	

1	124	D925.12938.000.00	STRUCT.CSL 101 VU		1	
1	125	D925.12939.000.00	STRUCT.CSL 700 VU		1	
1	122	D925.14252.000.00	STRUCTURE ASSY PANEL 10 VU		1	
1	188	F925.10748.000.00	BLANKING PLATE (DCDU)		2	
2	187	7687006593	BLANKING PLATE 52 VU (F000 30418 018 00)		1	
2	1	7719005702	RAMP (D000 30034 000)		1	
2	2	7719005703	RAMP (D000 30034 001)		1	
2	3	D251.11771.000.00	MICRO SUPPORT		2	
2	168	A925.29216.002.60	STRUCTURE ASSY PANEL VU*	452	1	540
2	169	A925.29217.002.60	STRUCTURE ASSY PANEL VU*	453	1	540
2	8	D212.11391.000.00	STRUCTURE AIR OUTLET OVERHEAD		1	
2	12	D251.10053.000.40	SHEET METAL		1	
2	13	D251.10053.001.40	SHEET METAL		1	
2	16	D251.10087.000.00	STRIP FOAM WP N0705		2	
2	17	D251.10088.000.00	STRIP FOAM		1	
2	21	D251.10099.000.00	CROSS BEAM FOAM		1	
2	22	D251.10105.000.00	STRIP FOAM		1	
2	23	D251.10108.001.00	TEE PICK-UP ASSY		2	
2	24	D251.10109.000.00	TEE PICK-UP ASSY		2	
2	25	D251.10129.000.00	BRACKET LH		2	
2	26	D251.10129.001.00	BRACKET RH		2	
2	34	D251.10489.000.00	HANDLE		1	
2	35	D251.10489.001.00	HANDLE		1	
2	40	D251.10607.002.00	DUSTBIN		2	
2	45	D251.10659.000.00	FOAM SUPPORT ASSY		2	
2	46	D251.10675.000.00	BOX		1	
2	55	D251.10712.001.00	SMALL PLATE ASSY		2	
2	58	D251.12941.000.00	COVER ASSY CAP		1	
2	59	D251.12941.001.00	COVER ASSY F/O		1	
2	77	D251.11407.000.00	GRIP FOAM LH		1	
2	78	D251.11407.001.00	GRIP FOAM RH		1	
2	61	D251.11559.000.00	COVER ASSY LAT		1	
2	62	D251.11559.001.00	COVER ASSY LAT		1	



2	88	D251.11566.002.00	PLATE ASSY LH 19VU	1	
2	89	D251.11566.003.00	PLATE ASSY RH 18VU	1	
2	38	D251.11882.000.00	PANEL ASSY LH	1	
2	39	D251.11882.001.00	PANEL ASSY RH	1	
2	79	D251.11930.000.00	CARTER ASSY LH	1	
2	80	D251.11930.001.00	CARTER ASSY RH	1	
2	87	D251.11936.001.00	BAND ASSY	1	
2	81	D251.11937.001.00	BAND ASSY RH	1	
2	60	D251.12988.000.00	COVER ASSY CTR	1	
2	176	D251.12010.001.00	PARTITION ASSY.	1	
2	72	D251.12146.000.00	INSERT ASSY 101 VU	1	
2	47	D251.12159.000.00	DOCUMENT BOX	2	
2	49	D251.12160.000.00	HEADSET BOX LH	1	
2	50	D251.12160.001.00	HEADSET BOX RH	1	
2	76	D251.12161.000.00	INSERT ASSY 700 VU	1	
2	56	D251.12180.000.00	PANEL ASSY REAR RH	1	
2	74	D251.12185.000.00	FOAM INSERT ASSY 702 VU	1	
2	67	D251.12202.000.00	PANEL ASSY FRT LAT LH	1	
2	68	D251.12202.001.00	PANEL ASSY FRT LAT RH	1	
2	51	D251.12208.000.00	CLOSING PANEL LH	1	
2	52	D251.12208.001.00	CLOSING PANEL RH	1	
2	43	D251.12223.000.00	PANEL ASSY	1	
2	44	D251.12223.001.00	PANEL ASSY	1	
2	41	D251.12225.000.00	PANEL ASSY	1	
2	42	D251.12225.001.00	PANEL ASSY	1	
2	95	D251.12235.000.00	PANEL LH SIDE WDW	1	
2	94	D251.12238.000.00	PANEL RH SIDE WDW	1	
2	9	D251.12244.000.00	PANEL ASSY REAR LH	1	
2	85	D251.12246.000.00	PANEL ASSY FRONT LH	1	
2	86	D251.12246.001.00	PANEL ASSY FRONT RH	1	
2	10	D251.12252.000.00	PANEL ASSY RH SIDE	1	
2	90	D251.12258.000.00	FOOTREST ASSY	2	
2	83	D251.12276.000.00	FOAM STRIP ASSY RH	1	
2	82	D251.12283.000.00	FOAM STRIP ASSY FRT	1	
2	84	D251.12291.000.00	POST ASSY CENTER	1	

2	27	D251.12295.000.00	POST ASSY LH SIDE	1	
2	28	D251.12295.001.00	POST ASSY RH SIDE	1	
2	92	D251.12297.000.00	PANEL ASSY LH	1	
2	93	D251.12297.001.00	PANEL ASSY RH	1	
2	69	D251.12301.000.00	DOOR ASSY	1	
2	65	D251.12306.000.00	PANEL ASSY REAR LH	1	
2	18	D251.12308.000.00	PANEL ASSY LH	1	
2	19	D251.12308.001.00	PANEL ASSY RH	1	
2	29	D251.12310.000.00	PANEL ASSY GRIP LH	1	
2	30	D251.12310.001.00	PANEL ASSY GRIP RH	1	
2	20	D251.12312.000.00	PANEL ASSY	1	
2	66	D251.12314.000.00	PANEL ASSY REAR RH	1	
2	63	D251.12316.000.00	PANEL ASSY LH	1	
2	64	D251.12316.001.00	PANEL ASSY RH	1	
2	70	D251.12318.000.00	DOOR ASSY	1	
2	91	D251.12320.000.00	COVER ASSY FITTING	1	
2	36	D251.12325.000.00	PANEL ASSY LAT,RH	1	
2	37	D251.12329.000.00	PANEL ASSY LAT,RH	1	
2	53	D251.12335.000.00	COVER	1	
2	54	D251.12335.001.00	COVER	1	
2	11	D251.12342.000.00	COVER CONNECT PANEL	1	
2	71	D251.12367.000.00	PANEL ASSY LAT,RH	1	
2	73	D251.12418.000.00	PANEL ASSY LAT,LH	1	
2	48	D251.12701.000.00	LIBRARY	1	
2	75	D251.12704.000.00	MODULE 702 VU	1	
2	57	D251.12907.000.00	PANEL ASSY	1	
2	127	D273.10001.000.00	LAT STICK LH	1	
2	128	D273.10002.000.00	LAT STICK RH	1	
2	110	D539.12517.001.10	FITTING ASSY	1	
2	111	D539.12691.000.02	BRACKET	1	
2	112	D539.12691.001.02	BRACKET	1	
2	159	D925.10650.005.00	STRUCTURE 124 VU	1	
2	144a	D925.10657.000.00	RAMPE 49 VU	1	
2	131	D925.10659.000.60	STRUCTURE ASSY PANEL 5 VU*	1	540
2	154	D925.10904.000.60	STRUCTURE ASSY PANEL 115 VU*	1	540

2	148	D925.10947.000.60	STRUCTURE ASSY PANEL 60 VU*	1	540
2	149	D925.10948.000.60	STRUCTURE ASSY PANEL 61 VU*	1	540
2	150	D925.10949.000.60	STRUCTURE ASSY PANEL 62 VU*	1	540
2	163	D925.10955.000.60	STRUCTURE ASSY PANEL 301 VU*	1	540
2	170	D925.10957.000.60	STRUCTURE ASSY PANEL 500 VU*	1	540
2	152	D925.10974.000.60	STRUCTURE ASSY PANEL 111 VU*	1	540
2	153	D925.10979.000.60	STRUCTURE ASSY PANEL 312 VU*	1	165
2	138	D925.10987.001.60	STRUCTURE ASSY PANEL 28 VU*	1	540
2	160	D925.11078.004.00	STRUCTURE 125 VU	1	
2	137	D925.11206.001.60	STRUCTURE ASSY PANEL 23 VU*	1	540
2	147	D925.11222.000.60	STRUCTURE ASSY PANEL 54 VU*	1	540
2	147b	D925.11222.000.61	STRUCTURE ASSY PANEL 54 VU*	1	540
2	142	D925.11297.000.60	STRUCTURE ASSY PANEL 40 VU*	1	540
2	156	D925.11311.003.00	STRUCTURE 121 VU	1	
2	132	D925.11980.000.60	STRUCTURE ASSY PANEL 15 VU*	1	540
2	136	D925.12122.000.60	STRUCTURE ASSY PANEL 22 VU*	1	165
2	145	D925.12203.000.60	STRUCTURE ASSY PANEL 50 VU	1	540
2	144 b	D925.12278.000.00	PLATINE 49 VU	1	
2	143	D925.12279.000.60	STRUCTURE ASSY PANEL 48 VU*	1	540
2	151	D925.12431.000.60	STRUCTURE ASSY PANEL 110 VU*	1	540
2	129	D925.12766.000.60	STRUCTURE ASSY PANEL 2 VU*	1	540
2	130	D925.12767.000.60	STRUCTURE ASSY PANEL 6 VU*	1	540
2	155	D925.12888.000.60	STRUCTURE ASSY PANEL 117 VU*	1	540
2	140	D925.12979.000.60	STRUCTURE ASSY PANEL 30 VU*	1	540
2	139	D925.13122.000.60	STRUCTURE ASSY PANEL 25 VU*	1	749
2	167	D925.13782.000.60	STRUCTURE ASSY PANEL 403 VU*	1	685
2	155	D925.13825.000.60	STRUCTURE ASSY PANEL 21 VU*	1	749
2	166	D925.14113.001.60	STRUCTURE ASSY PANEL 402 VU*	1	1044
2	161	D925.14120.001.60	STRUCTURE ASSY PANEL 130 VU*	1	1044
2	162	D925.14121.001.60	STRUCTURE ASSY PANEL 131 VU*	1	1044
2	164	D925.14122.000.60	STRUCTURE ASSY PANEL 400 VU*	1	1044

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2	165	D925.14139.000.60	STRUCTURE ASSY PANEL 401 VU*	1	1125
2	158	D925.14384.002.00	STRUCTURE 123 VU	1	
2	157	D925.14553.002.00	STRUCTURE 122 VU	1	
2	120	D925.14717.000.00	PANEL ASSY LOWER	1	
2	119	D925.14720.000.00	PANEL ASSY SIDE	1	
2	133	D925.15182.000.60	STRUCTURE ASSY PANEL 16 VU*	1	1705
2	134	D925.15185.000.60	STRUCTURE ASSY PANEL 17 VU*	1	1705
2	141	D925.15374.000.60	STRUCTURE ASSY PANEL 35 VU*	1	1625
2	189	D925.15863.000.60	STRUCTURE ASSY PANAE L 119 VU*	1	1932
2	190	D925.15816.000.60	STRUCTURE ASSY PANAE L 27 VU*	1	1932

* VU "ASSY" WILL BE SUPPLIED FULLY EQUIPED (EXCEPTED LIGHTED PLATES) BUT NOT WIRED



EXHIBIT F

TECHNICAL TRAINING COURSES

A320 FFS AND VISUAL MAINTENANCE TRAINING COURSE

9 weeks of maintenance training course will be performed in SELLER facilities. The FFS maintenance training course will be performed as per the SELLER new training standard. Two sets of the mentioned course will be provided. There will be 8 people attending to each course. Interpreter provided by PURCHASER will be welcome to provide translation services.

4 weeks of visual training will be provided for 4 people.

A320 FTD TRAINING COURSE

On-the-Job training during 1 week will be provided to the end user on-site (Chengdu) during installation and acceptance phases.

B737 FTD TRAINING COURSE

B737 FTD Maintenance training course will be performed in SELLER facilities. The maintenance training course will be performed as per the SELLER new training standard. Two sets of the mentioned course will be provided. There will be 8 people per set attending to the course. Interpreter provided by PURCHASER will be welcome to provide translation services.

DATABASE MODELING COURSE

6 weeks database modeling course will be provided. The course is designed for two people because they will use a Database Modelling Station. Should more than two trainees be required, the quality of the course could be impacted. In any case, only one course to be provided. Course will be provided in SELLER facility.

SUMMARY

COURSE	DURATION	PEOPLE	WHERE	REMARKS
A320 FFS operation and Maintenance	9 weeks	2 sets of 8 people + translator	Seller's Facility	
A320 Flight Training	1 week during	As required	Chengdu	On-the-Job

Device	installation		
B737 FTD	5 weeks	2 sets of 8 people translator	Seller Facility
Visual	4 weeks	4 people+ translator	Seller Facility
Database Modelling	6 weeks	2 people maximum+ translator	Seller Facility

The Seller will provide the following services:

- Free local transportation card
- Free long-distance call card
- Free Internet facilities and cost
- Free coffee break and free lunch

df

T.ME/ALVISEPerez

T.ME/ALVISEPerez

EXHIBIT G

CONTRACTUAL SCHEDULE

T.ME/ALVISEPerez

T.ME/ALVISEPerez

T.ME/ALVISEPerez

T.ME/ALVISEPerez

T.ME/ALVISEPerez

T.ME/ALVISEPerez

T.ME/ALVISEPerez

T.ME/ALVISEPerez

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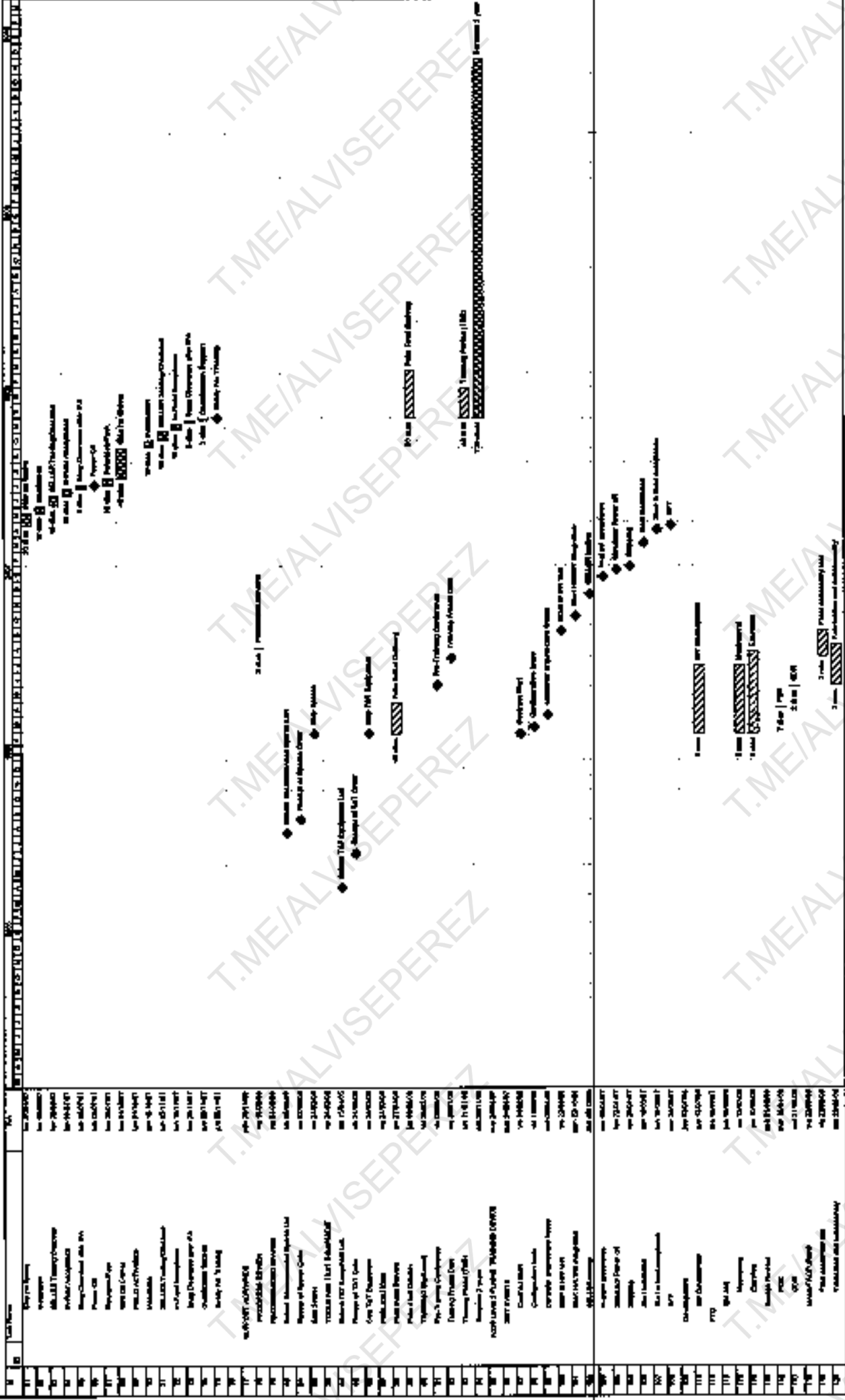
A321XLR Flight Simulator and Flight Training Device for All-India
PROPOSAL SCHEDULE



No.	Description	Unit	Quantity	Rate	Total
1	1.1	2	1	1	2
2	2.1	2	1	1	2
3	3.1	2	1	1	2
4	4.1	2	1	1	2
5	5.1	2	1	1	2
6	6.1	2	1	1	2
7	7.1	2	1	1	2
8	8.1	2	1	1	2
9	9.1	2	1	1	2
10	10.1	2	1	1	2
11	11.1	2	1	1	2
12	12.1	2	1	1	2
13	13.1	2	1	1	2
14	14.1	2	1	1	2
15	15.1	2	1	1	2
16	16.1	2	1	1	2
17	17.1	2	1	1	2
18	18.1	2	1	1	2
19	19.1	2	1	1	2
20	20.1	2	1	1	2
21	21.1	2	1	1	2
22	22.1	2	1	1	2
23	23.1	2	1	1	2
24	24.1	2	1	1	2
25	25.1	2	1	1	2
26	26.1	2	1	1	2
27	27.1	2	1	1	2
28	28.1	2	1	1	2
29	29.1	2	1	1	2
30	30.1	2	1	1	2
31	31.1	2	1	1	2
32	32.1	2	1	1	2
33	33.1	2	1	1	2
34	34.1	2	1	1	2
35	35.1	2	1	1	2
36	36.1	2	1	1	2
37	37.1	2	1	1	2
38	38.1	2	1	1	2
39	39.1	2	1	1	2
40	40.1	2	1	1	2
41	41.1	2	1	1	2
42	42.1	2	1	1	2
43	43.1	2	1	1	2
44	44.1	2	1	1	2
45	45.1	2	1	1	2
46	46.1	2	1	1	2
47	47.1	2	1	1	2
48	48.1	2	1	1	2
49	49.1	2	1	1	2
50	50.1	2	1	1	2

Total Amount: INR 1,00,00,00,000
 Date: 18/07/2024
 Page 1 of 1

A32 II Flight Simulator and Flight Training Device for Ab. HIMA
PROPOSAL SCHEDULE



ID	Task Name	Start	End	Type
1	Kick-off	2018-01-01	2018-01-01	Milestone
2	Requirements Definition	2018-01-01	2018-03-31	Task
3	System Architecture	2018-01-01	2018-06-30	Task
4	Software Development	2018-01-01	2018-12-31	Task
5	Hardware Development	2018-01-01	2018-12-31	Task
6	Integration	2018-01-01	2019-03-31	Task
7	Testing	2018-01-01	2019-06-30	Task
8	Evaluation and Acceptance	2018-01-01	2019-09-30	Task
9	Final Acceptance	2018-01-01	2019-12-31	Task

A32 JH Flight Simulator and Flight Training Device for Air Force
PROPOSAL SCHEDULE

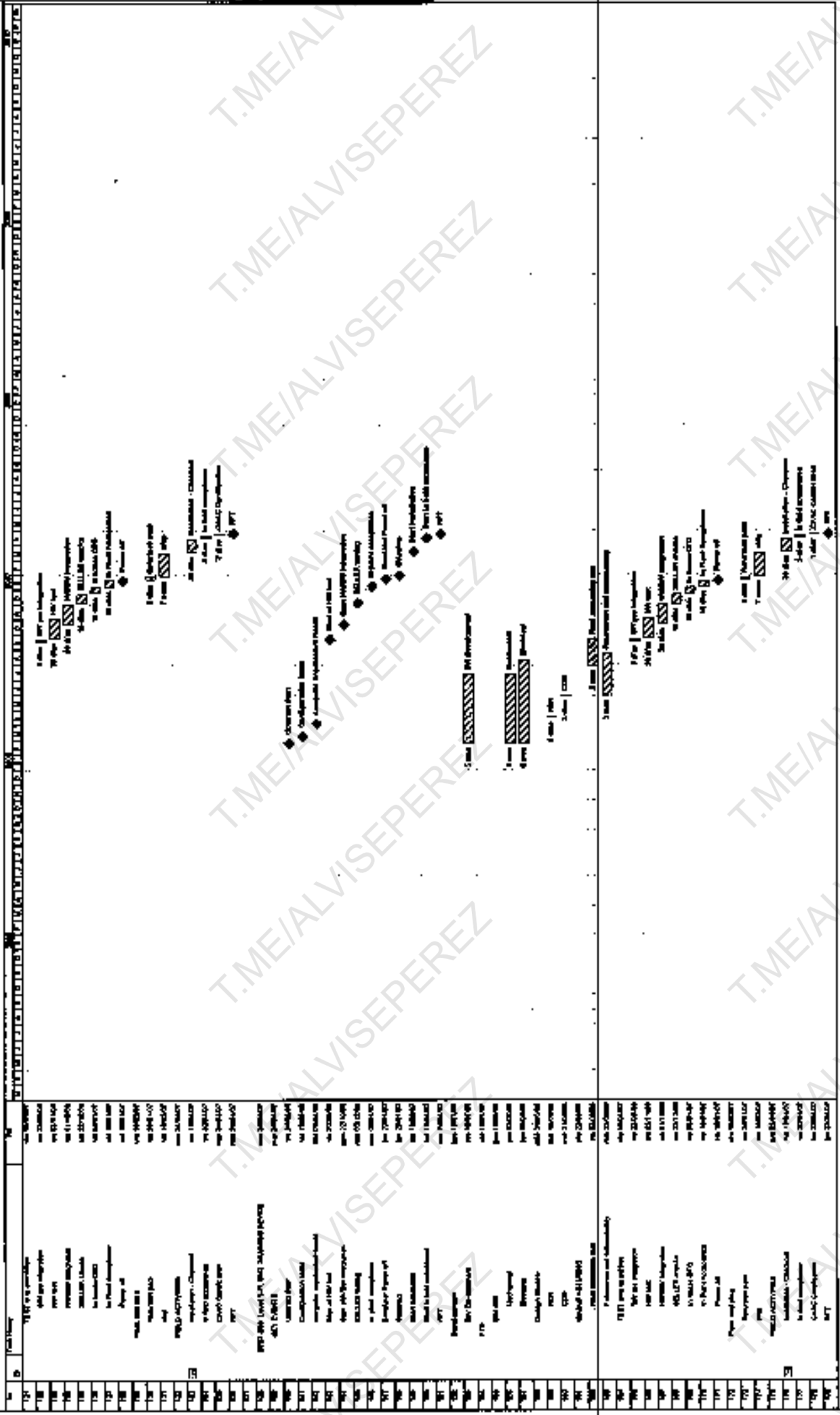


EXHIBIT H

The Specimen of Irrevocable Letter of Guarantee for Advance Payment

Beneficiary:

China International Tendering Company

Subject: Our Irrevocable Letter of Guarantee No. _____

With reference to the Contract No. _____ (Hereinafter referred to as "the Contract") signed between yourselves and _____ (hereinafter referred to as "the Seller") dated _____, covering the sale to you of _____ (Equipment or project name), with a total Contract price of (currency) _____ (say: _____ only), we, the Seller's Bank, at the request of the Seller, hereby open this Irrevocable Letter of Guarantee, in your favor to the extent of (currency) _____ (say: _____ only) covering % (_____ percent) of the total Contract price of the Contract as received by the Seller plus interest, we hereby undertake with you as follows:

In the event of your notification that the Seller fails to deliver the Goods and/or Technical Documentation under the Contract, partially or wholly, when the Buyer has already made the advance payment, we shall, within five (5) working days, after receipt of your first written notice and through the Buyer's Bank, notwithstanding any objection by the Seller repay to you unconditionally an amount up to _____, together with the interest at the rate of 5 (five)% per annum counting from the date of the Buyer's payment of the down-payment up to the actual date of our payment to you.

Our liability under this Letter of Guarantee shall be reduced automatically and proportionally according to the invoiced value of each delivery actually made by the Seller.

This Letter of Guarantee shall come into force on the date upon its issuing date and shall remain valid until ninety (90) days after the date of Bill of Lading of the last shipment. On this date, the present guarantee shall become automatically null and void, regardless of whether this Letter of Guarantee is returned to us or not.



EXHIBIT I

**The Specimen of Irrevocable Letter Of Guarantee For
Mechanical Guarantee Period Issued By the Seller's Bank**

Beneficiary:

China International Tendering Company

Subject: Our Irrevocable Letter of Guarantee No. _____

With reference to the Contract No. _____ (Hereinafter referred to as "the Contract") signed between yourselves and _____ (hereinafter referred to as "the Seller") dated _____, covering the sale to you of _____ (Equipment or project name), with a total Contract price of (currency) _____ (say: _____ only), we, the Seller's Bank, at the request of the Seller, hereby open this Irrevocable Letter of Guarantee, in your favor to the extent of (currency) _____ (say: _____ only) covering % (_____ percent) of the total Contract price of the Contract as received by the Seller plus interest, we hereby undertake with you as follows:

In the event of your notification that the Seller fails to fulfill his obligations in the Warranty Period under the Contract, we shall, within five (5) working days, after receipt of your first written notice and through the Buyer's Bank, notwithstanding any objection by the Seller repay to you unconditionally an amount up to _____, together with the interest at the rate of 5 (five) % per annum counting from the date of the Buyer's payment of the down-payment up to the actual date of our payment to you.

This Letter of Guarantee shall come into force on the date upon its issuing date and shall remain valid until thirty (30) days after expiration of the warranty period. On this date, the present guarantee shall become automatically null and void, regardless of whether this Letter of Guarantee is returned to us or not.



EXHIBIT J

The Specimen of Performance Bond Issued By the Seller's Bank

Beneficiary:

China International Tendering Company

In accordance with the provision of the Terms and Conditions of Contract, (name and address of the Supplier) (hereinafter called "the Supplier") shall deposit with the Buyer a bank guarantee to guarantee its proper and faithful performance under the said Clause of the Contract in an amount of (amount of guarantee in figures and words).

We, (name of bank) as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the Buyer on its first demand without whatsoever right of objection on our part and without its first claim to the Supplier, in the amount not exceeding (amount of guarantee in figures and words). We further agree that no change or addition to or other modification of the terms of the Contract to be performed hereunder or of any of the Contract Documents which may be made between the Buyer and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee expires 30 days after the last contractual delivery date.

