

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE KINGDOM OF DENMARK,
THE KINGDOM OF NORWAY,
THE KINGDOM OF SWEDEN
AND
MONGOLIA
ON
THE CO-OPERATION BETWEEN THE SCANDINAVIAN COUNTRIES
REGARDING SCANDINAVIAN AIRLINES SYSTEM (SAS)
AND
THE DESIGNATION OF MIAT-MONGOLIAN AIRLINES**

With reference to Article 3 of the three Air Services Agreements signed on 19 June 1997 (the Agreements) between the Government of Mongolia and the Governments of Denmark, Norway and Sweden regarding the designation of airlines, the Contracting Parties have agreed to the following understanding:

1. The Governments of Denmark, Norway and Sweden designate the three parent companies of Scandinavian Airlines System (SAS), SAS Danmark A/S, SAS Norge ASA and SAS Sverige AB to operate the agreed services.
2. Notwithstanding the provisions of Articles 3 and 4 of the Agreements, the three parent companies SAS Danmark A/S, SAS Norge ASA and SAS Sverige AB, co-operating under the style of Scandinavian Airlines System (SAS), may operate services under the Agreements with aircraft, crew and equipment of any or all of the three airlines. While services are operated under the style of SAS, services may not be operated by SAS Danmark A/S, SAS Norge ASA or SAS Sverige AB as individual companies.
3. In so far as any of the parent companies employs aircraft, crew and equipment of the other airlines participating in Scandinavian Airlines System (SAS), the provisions of the Agreements will apply to such aircraft, crew and equipment, as though they were the aircraft, crew and equipment of SAS Danmark A/S, SAS Norge ASA or SAS Sverige AB respectively. In this event the competent Danish, Norwegian or Swedish authorities and the respective parent company will accept full responsibility under the Agreements for such aircraft, crew and equipment.
4. The Government of Mongolia designates MIAT-Mongolian Airlines to operate the agreed services.
5. With regard to leasing, the following principles shall apply:
 - In order to meet temporary needs or otherwise in exceptional circumstances, a designated airline may use aircraft which are operated under the Air Operators Certificate of the lessor.
 - The use of leased aircraft has to meet the requirements normally applied to the approval of lease arrangements, including the safety requirements of the Aeronautical Authorities of each Contracting Party.

Done at Beijing on 10 January 2001 in quadruple in the English language.

For the Government of the Kingdom of Denmark:

[Signature]

For the Government of Mongolia:

[Signature]

For the Government of the Kingdom of Norway:

[Signature]

For the Government of the Kingdom of Sweden:

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