

Final



## **INSIDER TRADING RULES**

**Concerning ownership of and transactions in securities of  
EUROPEAN AERONAUTIC DEFENCE AND SPACE COMPANY EADS N.V.**

## **Introductory message from the ITR Compliance Officer**

Dear Colleagues,

### **What are insider trading rules?**

The Dutch Autoriteit Financiële Markten ("AFM"), as well as other stock exchange authorities (the French Autorité des marchés financiers ("AMF"), German Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin"), and Spanish Comisión Nacional del Mercado de Valores ("CNMV") which regulate the markets on which EADS securities are listed, impose certain rules upon EADS and require it to enforce these rules internally.

The rules are imposed to ensure that the securities are traded based on their fair value. That fair value is in turn based, inter alia, on the transparency of the information available to all holders of securities. If some have inside information, their trading strategy will be biased and the market will suffer.

It is therefore imperative to avoid insider trading. This means that you must not buy or sell stock or other securities of any company while in possession of inside information about that company. You must also ensure that you do not disclose any inside information to any third party as this would enable that person to buy or sell stock or other securities of the company on the basis of the disclosed information.

### **What is inside information?**

Inside information is any non-public information that a reasonable investor is likely to consider important in making a decision to buy or sell stock or other securities. This includes any confidential information, whether technical, commercial, financial or otherwise, which could affect the price of EADS securities or those in any other company with which a member of the EADS group does business such as customers or suppliers. For example, inside information could include confidential information about a pending merger or acquisition, the award or termination of a substantial contract, a major lawsuit, a significant technology breakthrough or failure, the gain or loss of a major customer or supplier or the occurrence of insolvency event.

### **EADS Insider Trading Rules**

EADS encourages its employees to hold EADS securities. The guiding principle is that employees should freely perform any EADS securities transactions provided that they act in accordance with any relevant legislation and with the EADS group's policy which is set out in the EADS Insider Trading Rules.

Management and other employees within the EADS group have regular access to or benefit from inside information relating to EADS or other companies. In order to comply with the rules and regulations stipulated by relevant authorities, such persons are prohibited from directly or indirectly conducting securities transactions except during specific periods. During such periods those persons are permitted to deal in securities only to the extent that the relevant director or employee does not have inside information. More generally, any employee is prohibited from conducting securities transactions if in possession of inside information. All directors and employees are also prohibited from providing third parties (including friends and family) with inside information. Any breach of these legal duties may lead to criminal and civil penalties being imposed upon the EADS director or employee or any third party to whom he has provided inside information. These penalties can include fines and/or imprisonment.

In addition, and in accordance with the EADS Insider Trading Rules, any trading by management and certain employees in EADS securities is subject to the process of informing of the EADS ITR Compliance Officer. If you think that you may be in this category because you have access to inside information, you should check the EADS Insider Trading Rules to verify if this requirement applies to you.

The above-mentioned prohibitions also apply to securities issued and listed on a stock exchange by any other company, including customers and suppliers of the EADS group, should the EADS employee or director have inside information in connection with that company.

I would therefore invite you to carefully read the enclosed EADS Insider Trading Rules in order to familiarise yourselves with their content and the prohibitions which might apply to you. In order to simplify the reading, you will find in annex an overview of the EADS Insider Trading Rules. If you should have any questions, please do not hesitate to contact the EADS ITR Compliance Office by telephone on [+49 89 607 34200], by fax on [+49 89 607 34206] or by email on [hans-peter.ring@eads.net].

Yours faithfully,

**Hans Peter Ring**

EADS ITR Compliance Officer

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# Rules and regulations concerning ownership of and transactions in securities of EADS

## 1. GENERAL PROHIBITIONS

- 1.1 Employees and Assigned Persons are prohibited from conducting Transactions if such persons have Inside Information. All Employees and Assigned Persons are bound to comply with all applicable local insider trading laws and regulations.
- 1.2 Assigned Persons are prohibited from conducting Transactions during a period determined as No-Trading Period by the ITR Compliance Officer.
- 1.3 Employees and Assigned Persons will not give a third party Inside Information nor may such information form the basis for a recommendation to participate in any manner in Transactions. This prohibition will not apply if the provision of information complies with applicable laws and is required for the reasonable exercise of his function.
- 1.4 The prohibitions mentioned in articles 1.1, 1.2 and 1.3 also apply to Other Securities, should the Employees and the Assigned Persons have inside information in connection with those Other Securities.
- 1.5 When an individual portfolio of an Employee or an Assigned Person is managed by a third party, such third party is bound by the same conditions and restrictions in connection with transactions in Securities as the Employee or Assigned Person, unless such Employee or Assigned Person entered into a written agreement with the third party pursuant to which the third party manages his portfolio and the Employee or the Assigned Person is unable to influence in any way the activities of the third party portfolio manager.
- 1.6 The prohibitions, limitations and rules and regulations reflected in these Insider Trading Rules apply to all actions, conducted in any capacity, directly or indirectly, either for his own account or for the account of a third party.
- 1.7 If and when an Employee or an Assigned Person is not certain whether a prohibition applies to him, he must contact the ITR Compliance Officer in order for this matter to be clarified.

## 2. ASSIGNED PERSONS

- 2.1 For the application of these Insider Trading Rules, "**Assigned Persons**" means:
  - 2.1.1 members of the EADS Board of Directors ("**Board**"), members of the EADS Executive Committee ("**Executive Committee**") and their spouses, blood relatives, in-laws and relatives in the first degree by

marriage or registered partnership, other persons who conduct a common household with them and any entity directly or indirectly owned or controlled by such person or set up for the benefit of such person, or whose economic interests are substantially equivalent to those of such person ("**Associated Persons**") ("**Assigned Persons Category 1**");

2.1.2 EADS group's corporate vice-presidents (level 1 executives) and senior vice-presidents (level 2 executives) in EADS' corporate headquarters and their Associated Persons and members of the Airbus SAS Shareholder Committee and Executive Committee ("**Assigned Persons Category 2**");

2.1.3 DaimlerChrysler AG, Lagardère SCA, Société de Gestion de Participations Aéronautiques - SOGEPA and Sociedad Estatal de Participaciones Industriales - SEPI ("**Assigned Persons Category 3**");

2.1.4 Employees who are beneficiaries of Securities pursuant to the EADS' long term incentive plans (such as stock option plans and performance and restricted shares plans) (other than Assigned Persons Category 1 and Assigned Persons Category 2, "**Assigned Persons Category 4**").

2.2 The ITR Compliance Officer may from time to time designate any other Employees or other individuals who will be considered as Assigned Persons Category 1, Assigned Persons Category 2, Assigned Persons Category 3 or Assigned Persons Category 4 by written notice addressed to such individuals.

### 3. **REGULATIONS CONCERNING ASSIGNED PERSONS CATEGORY 1**

3.1 An Assigned Person Category 1 is prohibited from conducting Transactions:

3.1.1 during a No Trading Period specified in article 3.2, irrespective of whether or not the Assigned Person Category 1 has Inside Information; and

3.1.2 during the period of time, which is not a No Trading Period specified in article 3.2, when the Assigned Person Category 1 is prohibited from doing so by written notice from the ITR Compliance Officer communicated to him in a timely manner.

3.2 For all Assigned Persons Category 1, the No Trading Period will be all year except:

3.2.1 twenty-one (21) days after the publication of the quarterly figures, half-year figures or annual figures of EADS;

3.2.2 twenty-one (21) days after EADS' annual general meeting of shareholders; and

- 3.2.3 if an individual or general exemption is granted by the ITR Compliance Officer.
- 3.3 An Assigned Person Category 1 will not conduct any transactions in Other Securities issued by or relating to major suppliers or major customers of the EADS group.
- 3.4 Each member of the Board and each member of the Executive Committee should inform any of his Associated Persons of their obligations under these Insider Trading Rules and procure compliance therewith by such Associated Persons.
- 3.5 **Obligation to notify the ITR Compliance Officer**
- 3.5.1 Without prejudice to paragraph 3.6.2, any new member of the Board must notify the ITR Compliance Officer within five (5) business days of his appointment by EADS' general meeting of shareholders of the number of Securities he has at his disposal and of the number of votes he is entitled to cast which attach to shares in the issued share capital of EADS, in each case either directly or indirectly.
- 3.5.2 Without prejudice to paragraph 3.6.1, any member of the Board and any member of the Executive Committee must notify the ITR Compliance Officer of any imminent Transaction or other amendment to the number of Securities he or his Associated Person has at his disposal (directly or indirectly, for his own account or for the account of a third party) or to the number of votes he is entitled to cast which attach to shares in the issued share capital of EADS no later than three (3) business days before the contemplated Transaction.
- 3.5.3 Any notification described in paragraphs 3.5.1 and 3.5.2 is to be made by the submission of a completed and signed notification form to the ITR Compliance Officer as provided under the *Corporate Governance section / 'Insider Trading Rules'* on the EADS website.
- 3.6 **Obligation to notify the competent stock market authorities**
- 3.6.1 As and when required by applicable law or regulations, an Assigned Person Category 1 must complete, sign and submit to the competent stock market authorities (with a copy to the ITR Compliance Officer) the notification forms as provided under *Corporate Governance section / 'Insider Trading Rules'* on the EADS website within five (5) business days after any Transaction.
- 3.6.2 Furthermore, a member of the Board must complete, sign and submit to the competent stock market authority (with a copy to the ITR Compliance Officer) the notification form as provided under *Corporate Governance section / 'Insider Trading Rules'* on the EADS website within two (2) weeks of his appointment as a member of the Board by the EADS' general meeting of shareholders and on each date a

Transaction or other event affects the number of Securities held by him. Notifications referred to in paragraph 3.6.1 are not required to be made if the same Transaction has already been notified under this paragraph 3.6.2.

- 3.6.3 Certain information set out in a notification under paragraph 3.6.1 will be made available to the public on the competent stock market authorities' websites and on the EADS website.
- 3.6.4 Notifications referred to in paragraph 3.6.1 are not required to be made if all acquisitions and disposals of Securities by the relevant person and any Associated Person do not exceed an aggregate value of EUR 5,000 in a period of one calendar year.
- 3.7 Each person required to make a notification will at all times remain personally responsible for ensuring that, to the extent required under applicable law, any notification referred to in paragraphs 3.6.1 and 3.6.2 is submitted in a timely and correct manner to the competent stock market authorities.
- 3.8 The prohibitions and limitations set out in this article 3 will continue to apply to an Assigned Person Category 1 until six (6) months after such person has ceased to be an Assigned Person Category 1.

#### **4. REGULATIONS CONCERNING ASSIGNED PERSONS CATEGORY 2**

- 4.1 Assigned Persons Category 2 are prohibited from conducting Transactions:
  - 4.1.1 during a No Trading Period specified in article 4.2, irrespective of whether or not the Assigned Person Category 2 has Inside Information; and
  - 4.1.2 during the period of time, which is not a No Trading Period specified in article 4.2, when he is prohibited from doing so by written notice from the ITR Compliance Officer communicated in a timely manner.
- 4.2 For all Assigned Persons Category 2, the No Trading Period will be all year except:
  - 4.2.1 twenty-one (21) days after the publication of the quarterly figures, half-year figures or annual figures of EADS;
  - 4.2.2 twenty-one (21) days after EADS' general meeting of shareholders; and
  - 4.2.3 if an individual or general exemption is granted by the ITR Compliance Officer.
- 4.3 **Obligation to inform the ITR Compliance Officer**
  - 4.3.1 Each EADS group's corporate vice-president (level 1 executives) and senior vice-president (level 2 executives) in EADS' corporate

headquarters should inform any of his Associated Persons of their obligations under these Insider Trading Rules and procure compliance therewith by such Associated Person.

- 4.3.2 Each Assigned Person Category 2 must inform the ITR Compliance Officer of any imminent Transaction or other amendment to the number of Securities he has at his disposal (directly or indirectly, for his own account or for the account of a third party) or to the number of votes he is entitled to cast which attach to shares in the issued share capital of EADS no later than three (3) business days before the contemplated Transaction.
- 4.3.3 Any information referred to in article 4.3.2 must include the nature of the Transaction, the type and amount of Securities involved and the estimated proceeds from this Transaction.
- 4.4 The prohibitions and limitations set out in this article 4 will continue to apply to an Assigned Person Category 2 until six (6) months after such person has ceased to be an Assigned Person Category 2.

## **5. REGULATIONS CONCERNING ASSIGNED PERSONS CATEGORY 3 AND CATEGORY 4**

- 5.1 Assigned Persons Category 3 and Assigned Persons Category 4 are prohibited from conducting Transactions:
  - 5.1.1 during a No Trading Period specified in article 5.2, irrespective of whether or not the Assigned Persons Category 3 and Assigned Persons Category 4 has Inside Information; and
  - 5.1.2 during the period of time, which is not a No Trading Period specified in article 5.2, during which he is prohibited from doing so by written notice from the ITR Compliance Officer communicated in a timely manner.
- 5.2 For the Assigned Persons Category 3 and Assigned Persons Category 4, the No Trading Periods will be:
  - 5.2.1 the period of twenty-one (21) days prior to the publication of the quarterly figures, half-yearly figures or annual figures of EADS;
  - 5.2.2 the period of twenty-one (21) days prior to EADS' annual general meeting of shareholders.
- 5.3 The prohibitions and limitations set out in this article 5 will continue to apply to an Assigned Person Category 3 or Assigned Person Category 4 until six (6) months after such person has ceased to be an Assigned Person Category 3 or an Assigned Person Category 4.

## 6. THE ITR COMPLIANCE OFFICER

- 6.1 The Board will appoint an Insider Trading Rules compliance officer ("**ITR Compliance Officer**") and may dismiss the ITR Compliance Officer at any time. The ITR Compliance Officer will appoint an assistant compliance officer ("**Assistant Compliance Officer**").
- 6.2 The ITR Compliance Officer will have the duties and powers that are attributed to him in these Insider Trading Rules and he may delegate one or more of these duties and powers to the Assistant Compliance Officer. The Assistant Compliance Officer will fulfil the tasks of the ITR Compliance Officer when the ITR Compliance Officer has a conflict of interest. A conflict of interest will in any event be deemed to occur if the ITR Compliance Officer effects a Transaction for his own account or has a personal duty to submit a notification pursuant to article 3.
- 6.3 Without prejudice to additional duties and powers that the Board may attribute to the ITR Compliance Officer, the ITR Compliance Officer will:
- 6.3.1 designate Employees or others, or withdraw their designation as Assigned Persons and inform them of the designation or withdrawal of the designation as Assigned Persons;
  - 6.3.2 prohibit Assigned Persons from conducting a Transaction in Securities or Other Securities during a period determined by him and communicated to them;
  - 6.3.3 grant exemptions from prohibitions applicable to Assigned Persons at his own initiative or at the request of the Assigned Person to the extent permitted under applicable law;
  - 6.3.4 report Transactions and events to the competent stock market authorities;
  - 6.3.5 request from Assigned Persons any documents relating to the Securities or Transactions conducted by an Assigned Person and disclose a copy of such documents to any competent authority to the extent deemed reasonably necessary by the ITR Compliance Officer; and
  - 6.3.6 maintain an up-to-date list of Employees or other persons contracted by EADS or a Subsidiary who may possess, on a regular or incidental basis, Inside Information, such list to be made available to the competent stock market authorities upon request.

## 7. AMENDMENTS

The Board has designated the Chief Executive Officers ("**CEOs**") to amend or to supplement these Insider Trading Rules. Amendments and supplements will

become effective from the moment they are announced, unless at the time of the announcement, a later effective date is provided for.

## **8. INFRINGEMENT AND REDRESS FOR DAMAGE**

- 8.1 Employees and Assigned Persons must ensure that they are aware of the importance of complying with these Insider Trading Rules. Infringement hereof may lead to dismissal (without notice and effective immediately) or other measures and may also have other, far-reaching consequences.
- 8.2 Infringing these Insider Trading Rules may lead to EADS sustaining considerable damages. All damages which arise out of an infringement of these Insider Trading Rules will, in principle, be claimed by EADS from the Employee or the Assigned Person.

## **9. FURTHER STIPULATIONS**

- 9.1 These Insider Trading Rules become effective on January 1<sup>st</sup>, 2007.
- 9.2 These Insider Trading Rules apply to all Employees and Assigned Persons unless otherwise set out in these Insider Trading Rules.
- 9.3 Any capitalised terms not defined herein have the meaning given to them in article 10.
- 9.4 When gender is used in the present Insider Trading Rules, both genders are covered and referred to and where singular or plural forms are used, the vice-versa will also be deemed to have been included.
- 9.5 These Insider Trading Rules are governed by the laws of The Netherlands.

Approved by the CEOs on December 29th, 2006.

## 10. DEFINITIONS

The following definitions apply in these present Insider Trading Rules:

- Employee** : any person employed by EADS or by a Subsidiary of EADS, irrespective of the duration or the terms of employment;
- Inside Information** : the knowledge of information of a specific nature which has not been made public, concerning EADS or the trade in Securities, and which, if it were made public, would be likely to have a significant effect on the price of the Securities. The significant effect is likely if a prudent investor would consider the information important in making an investment decision;
- No Trading Period** : a period during which a category of Assigned Persons may not conduct Transactions in Securities. These periods will be published on the EADS website and the relevant Assigned Persons will be informed by post;
- Other Securities** : securities which are listed on a recognised securities exchange or securities which are expected to be shortly admitted to such exchange or securities, the price of which will be influenced by the securities described above;
- Securities** : shares in the capital of EADS and options to acquire such shares and any other securities of EADS as defined under applicable regulations;
- Subsidiary** : a subsidiary of EADS, including without limitation any legal entity which is (either alone or jointly with others) controlled by EADS; and
- Transaction** : directly or indirectly, for one's own account or the account of a third party, buying or selling Securities or Other Securities or carrying out another act or the lapse of a period to exercise any rights pertaining to the acquisition or disposal of Securities (including options) or, if any, Other Securities.

## 11. ANNEX: OVERVIEW OF EADS INSIDER TRADING RULES

EADS Insider Trading Rules apply to all EADS employees and others (whether under a contract of employment or otherwise).

In principle, any person may buy or sell shares or other securities throughout the year, free of constraints of any sort except those arising out of contractual obligations (e.g. ESOP), always provided that they are not in possession of inside information.

However, four categories of persons, named “Assigned Persons Categories”, must follow specific procedures to purchase or sell EADS shares. E.g., certain persons are only allowed to trade in EADS shares within very limited periods (“No Trading Periods”) and have specific information obligations to the Insider Trading Rules Compliance Officer.

If you fall into one of these categories you must keep yourself informed of your duties and follow the relevant procedure very carefully (Please refer to the chart below).

Categories	Specific Procedure
<p><b>Assigned Persons Category 1:</b></p> <p>→ Members of the EADS Board and the Executive Committee and any person closely associated with these members (relatives who have shared the same household on the date of the transaction and legal persons, companies and institutions controlled by such a member)</p>	<ul style="list-style-type: none"> <li>• May purchase or sell EADS shares only during the 21 days following official publication of the accounts and the company’s annual general meeting of shareholders.</li> <li>• May not conduct any transactions in securities relating to major suppliers or customers of the EADS group.</li> <li>• Specific notification duties toward the stock market authorities.</li> <li>• Should liaise with the EADS ITR compliance officer prior to any transaction.</li> </ul>
<p><b>Assigned Person Category 2:</b></p> <p>→ EADS Group Corporate Vice-Presidents and Senior Vice-Presidents in EADS Corporate Headquarters and any person closely associated,</p> <p>→ Members of the Airbus Shareholder Committee and Executive Committee.</p>	<ul style="list-style-type: none"> <li>• May purchase or sell EADS shares only during the 21 days following official publication of the accounts and the company’s annual general meeting of shareholders.</li> <li>• Should liaise with the EADS ITR compliance officer prior to any transaction.</li> </ul>

<p><b>Assigned Persons Category 3:</b></p> <p>→ Major shareholders of EADS.</p>	<ul style="list-style-type: none"> <li>• May trade throughout the year except during the 21 days preceding official publication of the accounts and the company's annual general meeting of shareholders.</li> </ul>
<p><b>Assigned Persons Category 4:</b></p> <p>→ Employees who are beneficiaries of securities pursuant to EADS' long term incentive plans (such as stock option plans and performance and restricted shares plans).</p>	<ul style="list-style-type: none"> <li>• May trade throughout the year except during the 21 days preceding official publication of the accounts and the company's annual general meeting of shareholders.</li> </ul>