

Audit Committee Charter

The Board of Directors (the “**Board**”) of European Aeronautic Defence and Space Company EADS N.V. (the “**Company**”) during its meeting held on 5 December 2003 resolved that the Audit Committee matters as set forth in Annex D of the Internal Rules of the Board of Directors shall be detailed in a charter.

As a consequence, the principles in this Audit Committee Charter (the “**Audit Committee Charter**”) are complementary to the rules and regulations from time to time applicable to the Audit Committee of the Board under applicable law and/or the Articles of Association of the Company and/or the Internal Rules of the Board. Where these principles are inconsistent with such rules and regulations, the latter shall prevail. The Audit Committee Charter has been updated on 10th March 2008.

The role and responsibilities of the Audit Committee are as follows:

- (a) **to make recommendations to the Board on the appointment of the EADS Group’s auditors and the determination of their remuneration;**
1. to supervise relations with each of the EADS Group's external auditors (each, an “**Auditor**” and together, the “**Auditors**”);
 2. at least annually, to obtain and review a report from each Auditor, in order to evaluate their respective qualifications, performance, remuneration and independence, including:
 - i. a description of each Auditor's internal quality-control procedures;
 - ii. a statement from each Auditor certifying its independence and the absence of any conflict of interest; and
 - iii. a thorough assessment of the functioning of each Auditor within the various EADS Group entities and in the different capacities in which the Auditor acts;
 3. to consider whether the Auditors should be changed periodically based on the assurance given by the Auditors on their compliance with all applicable legal requirements regarding independence, including the periodic rotation of the lead partners and other senior members of the Auditors;
 4. to present to the Board its conclusions regarding each of the Auditors as a result of the evaluations described in the preceding paragraphs (2) and (3), and make recommendations to the Board concerning the appointment of the Auditors and any question of resignation or dismissal of the Auditors;
 5. to make recommendations to the Board on the fees and terms of auditing services to be provided to the EADS Group by either one or both Auditors and to approve significant permitted non-audit services to be provided to the EADS Group by either one or both Auditors;

6. to ensure that clear hiring policies for employees or former employees of the Auditors are established and include without limitation a “cooling off” period which shall be in excess of at least a one year period following work performed for the EADS Group by an individual of an Auditor, during which such individual may not be hired by the EADS Group;

(b) to discuss with the Auditors their audit programme and the results of their audit of the accounts;

1. to review the Auditors’ proposed audit scope and approach;
2. to meet with the Auditors, regularly and as often as an Auditor or the Audit Committee considers necessary, in order to review problems and reservations arising from audits and any matters the Auditors may wish to discuss;
3. to obtain and review, at least annually, a report from each of the Auditors on any audit issues and EADS management’s response thereto, including:
 - i. all critical accounting policies and practices which the EADS Group uses or expects to use;
 - ii. all alternative treatment of material financial information within generally accepted accounting principles that have been discussed with EADS management, ramifications of the use of such alternative treatment and disclosures and the handling of such information preferred by the Auditors; and
 - iii. any restrictions on the scope of the Auditors’ activities or access to information and any disagreement with EADS management;
4. to act as the principal contact for each Auditor if an Auditor discovers irregularities in the content of the financial reports;

(c) to make recommendations to the Board regarding the approval of the annual financial statements and the interim accounts; and

1. to review the audited or reviewed financial statements and accounts on a quarterly, half-yearly and annual basis and without limitation to devote special attention to:
 - i. the choice of accounting policies and any changes in accounting policies and practices;
 - ii. compliance with statutory and legal requirements and regulations (in particular in the financial domain);
 - iii. off-balance items;
 - iv. fraud and defalcation;
 - v. significant financial exposures in the area of treasury (such as currency risks, interest rate risks and derivatives);
 - vi. information about the handling of estimated items in the financial statements and accounts; and
 - vii. forecasts;

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2. to report regularly to the Board as to the quality and integrity of the financial statements and accounts;
 3. to review the most significant items to be included in the important press releases to be issued by the Company on financial matters in relation to the financial statements and accounts together with financial information on the operation of EADS Group and results and guidance provided to analysts and rating agencies;
- (d) to monitor the adequacy of the EADS Group's internal controls, accounting policies and financial reporting**
1. to monitor the role, functioning and activities of the internal auditors and in particular:
 - i. discuss with the internal auditors their year-end report and report on internal control and advise the Board thereon; and
 - ii. review the plan and results of the activities of the internal audit department;
 2. to monitor compliance with material recommendations and observations of internal auditors and the Auditors;
 3. to monitor the operation of the internal risk management and control systems;
 4. to receive disclosures of:
 - i all significant identified deficiencies in the design or operation of internal controls which could adversely affect the EADS Group's ability to record, process, summarize and report financial data and identify any material weakness in internal controls, and
 - ii any fraud, whether or not material, that involves EADS management or other employees who have a significant role in the EADS Group's internal controls;
 5. to monitor the Company's policy on tax planning;
 6. to monitor the financing of the Company; and
 7. to monitor the applications of information and communication technology within the scope of the Audit Committee responsibility.