

10<sup>th</sup> March 2008

## **Remuneration and Nomination Committee Charter**

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

As a consequence, the principles in this Remuneration and Nomination Committee Charter (the “**Remuneration and Nomination Committee Charter**”) are complementary to the rules and regulations from time to time applicable to the Remuneration and Nomination 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 Remuneration and Nomination Committee Charter has been updated on 10<sup>th</sup> March 2008.

The role and responsibilities of the Remuneration and Nomination Committee are as follows:

- (a) **to recommend to the Board the appointment of the EADS corporate secretary, of members of the Airbus Shareholder Committee, and of the chairmen of the supervisory board (or similar organ) of other important EADS Group member companies and business units;**
  - 1. to supervise the policy on the selection criteria and appointment procedures;
  - 2. to assess the possible candidates for positions to fill any vacancies as and when they arise. In proposing a candidate for nomination, the Remuneration and Nomination Committee will evaluate and assess the skills, knowledge and experience of each candidate compared to the requirements of the position and business of the company;
  - 3. to make recommendations to the Board for appointments, reappointments and extension, or not of the mandates of any of the appointees;

**(b) to decide the service contracts and other contractual matters in relation to the members of the Board and the Executive Committee ;**

1. to prepare a policy for the remuneration of the individual members of the Board and Executive Committee, for final approval by the Board. Such proposal shall, in any event, deal with: (i) the remuneration structure and (ii) the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application;
2. to review the terms and conditions, including the duration of the contract, of any service agreement to be entered into with any member of the Board or the Executive Committee;
3. to consider early termination provisions on a case-by-case basis. The Remuneration and Nomination Committee shall in particular consider what compensation commitments, indemnities or pension provisions, if any, are included in the service contracts of the members of the Board or Executive Committee in the event of early termination;
4. to consider the total remuneration of the individuals and the consequences of the salary increases in pension contributions and other changes in the total cost of the remuneration;

**(c) to make recommendations to the Board regarding remuneration strategies and long-term remunerations plans; and**

1. to make a proposal to the Board for the remuneration policy to be pursued and make recommendations to the Board on remuneration policy for the members of the Board before submission to the General Meeting of Shareholders which shall, in particular, set out the principles for allocation of fixed and variable portions of remuneration, and the main criteria used for determining the variable parts. In its proposal, the Remuneration and Nomination Committee shall ensure that:
  - i. the rules for determining the variable portion are consistent with the annual performance and the long-term strategy;
  - ii. performance-related elements of remuneration form a significant proportion of the total remuneration package of the members of the Board and are designed to align their interests with those of stakeholders and to give them incentive to perform at the highest level; The variable part shall be linked to previously-determined, measurable targets which must be achieved partly in the short term and partly in the long term;

- iii. the amount and structure of the remuneration of the members of the Board shall be such that highly qualified and expert managers can be recruited and retained and the remuneration structure, including severance pay, shall be such that it promotes the Company's interests in the medium and long term;
  - iv. the level and structure of remuneration shall be determined in the light of, among other things, the results, the share price performance and other developments relevant to the Company;
2. to propose to the Board the terms and conditions and possible eligibility of the members of the Board or Executive Committee and other eligible employees for the share based long-term incentive schemes and any other employee share ownership plans. In this respect, the Remuneration and Nomination Committee shall consider, among other factors, Company and individual performance, the enhancement of the value of EADS Group and benchmarking of the remuneration policies of other companies operating in the global market;
  3. to prepare the remuneration report of the Board, which shall contain an account of the manner in which the remuneration policy has been implemented in the past financial year, as well as an overview of the remuneration policy planned by the Board for the next financial year and subsequent years;
- (d) **Once approved by the Chairman, to review proposals by the CEO for the appointment of members of the Executive Committee and of the Airbus CEO.**
1. to review and assess the skills, knowledge and experience of each candidate compared to the requirements of the position and business of the company; and
  2. to supervise the policy on the selection criteria and appointment procedures.