



EADS OFFSET PROVISIONS

to be acknowledged and observed by all Suppliers of EADS Group companies in connection with all orders issued under EADS General Purchasing Conditions (see section 6.7 thereof)

PREAMBLE

EADS is currently in the process of implementing a global Sourcing Strategy for the entire EADS Group, whereby Offset and Sales Support is one of the elements of that Strategy. EADS customers all over the world, in particular public customers, are increasingly demanding from EADS offset benefits or reciprocal trade to compensate their (national) outflows generated due to procurement of EADS products and services. It is EADS understanding that the entire supply chain benefits from the sale of products and the performance of services by EADS to its end customers and that its Suppliers thus should support EADS in fulfilling the offset obligations towards their end customers.

Article 1 - DEFINITIONS

"EADS Group" means European Aeronautic Defence and Space Company EADS N.V. and its associated or affiliated companies in the meaning of section 15 German Stock Corporation Act (§ 15 AktG).

"Offset" means the reciprocal trade in connection with the sale of goods and provision of services.

"Offset transaction" means transaction to be carried out in Offset countries by EADS Group or Supplier to obtain Offset credits including but not limited to Placement of orders or conclude contracts or the purchase or procurement of goods or services, or to make investments, or transfer of technology or any business transaction accepted by the Offset authorities

"Offset Credits" means the value of an Offset transaction carried out by EADS Group or Supplier in Offset Countries and officially recognized by the relevant offset authorities in respect of EADS Group Offset Obligations.

"Offset Countries" means those countries to which EADS Group's Offset Obligations are related or in which EADS Group has to fulfill its Offset Obligations.

"Offset Obligations" means the obligations of EADS Group Business Units to carry out Offset transactions in Offset Countries in order to fulfill the corresponding requirements resulting from contracts with customers in Offset Countries.

Article 2 - OFFSET SUPPORT OF THE SUPPLIER

The Supplier is willing and prepared to support EADS in fulfilling its present and future Offset Obligations requested by EADS Group customers. Such support from the Supplier may include but shall not be limited to following activities:

- Identification of the purchase of goods or the provision of services from Offset Countries which should be notified and offered to EADS for the fulfillment of its Offset Obligations.
- Identification of any works including R&D work to be performed in Offset Countries and being eligible for Offset Credits.
- Information of EADS about any plans of investment or other offset transaction in Offset Countries, which could be of interest for any present or future Offset Obligations of EADS.
- Inclusion of offset clauses in favor of EADS Group in e.g. Supplier procurement contracts, Supplier investment contracts, etc.

Article 3 - COLLABORATION BETWEEN THE PARTIES

3.1. The Supplier shall respond to an EADS request of information relating to the support mentioned in Article 2 and notify its point of contact.

3.2 The Supplier shall support EADS in its attempt to obtain the offset credits recognition by the offset authorities in respect of the Supplier's business activities in Offset Countries.

3.3 Upon request, the Supplier shall provide EADS in due time with the documentation necessary for the acknowledgement of its activities by the competent national authorities as Offset Credits.

3.4 The Supplier shall bear its own costs with regard to its support.

Article 4 – OFFSET CLAUSE

The Supplier is willing and prepared to accept the implementation of dedicated Offset Clauses for specific contract / purchase orders with EADS. Such Offset Clauses are set to further specify the individual terms and conditions as applicable for Offset Obligations and/or the specific customer countries concerned and cover the offset support related to an adequate portion of the value of the contract / purchase order.

Article 5 - CONFIDENTIALITY

EADS will treat and keep any information received by the Supplier in connection with the above mentioned support activities strictly confidential, not disclose it to any third party except the competent Offset authorities or its designated Offset agent in Offset Countries, and use it solely for the fulfillment of its Offset Obligations unless otherwise agreed between the Supplier and EADS.

Article 6 - EADS OFFSET MANAGER

The Supplier is requested to contact the below mentioned Offset Manager in case of any questions concerning the provisions stipulated herein and/or the EADS Offset Policy:

Ms. Silvia Bergmann
EADS HQ
Corporate Sourcing/Offset Management
81663 Munich – Germany
Phone: +49 (0) 89 607-34757
fax: +49 (0) 89 607 -34764
mail: silvia.bergmann@eads.net

Article 7 - EADS OFFSET COUNTRIES

EADS Offset Countries are regularly updated by EADS and are made available to the Supplier upon request or in connection with a specific EADS request for offset support.