

## **AGREEMENT FOR THE IMPLEMENTATION OF A SUCCESS-SHARING PLAN WITHIN THE EADS N.V. GROUP**

### **PREAMBLE**

The EADS Group has been applying a success-sharing system for the benefit of its employees since 2004. The Management and social partners have made various changes to the initial system over time with a view to enhancing the motivation of the beneficiary employees. The central Management of the EADS Group, the national trade unions' representatives and the European Works Council consider that it is necessary to continue along these lines by taking operational performances into account in the calculation rules used in the success-sharing system from now on. This development will establish a closer link between the daily activities of the Group's employees and the final success-sharing amount distributed and will by the same token enhance their motivation and commitment. Moreover, the signatories confirm their goal of applying a profit-sharing scheme in every company of the Group while taking into account the economic situation of the respective company and the national environment of the country in which it is located.

### **TITLE 1: Scope of application**

#### Article 1: Founding countries

This agreement is mandatory for all companies with 1,000 or more employees in which EADS holds more than 50% of the capital and which are located in one of the following four founding countries: France, Germany, Spain and the United Kingdom.

Companies controlled by EADS (more than 50% of capital) and located in one of the above countries but with fewer than 1,000 employees can apply the provisions of this Group agreement based on a decision at divisional level. With the agreement of the Division, the company in question can decide that its economic situation does not enable it to apply the provisions of the Group success-sharing agreement and will then enter into alternative negotiations with a view to concluding a profit-sharing agreement adapted to its own situation. In this situation, the social partners of the said company can take the initiative of requesting the local Management to launch such negotiations.

#### Article 2: Non-founding countries

With reference to companies controlled by EADS and located in a non-founding country, in Europe or elsewhere, EADS or the Division on the one hand and the company concerned on the other hand will jointly decide if the Group success-sharing agreement can be applied directly. If this approach is considered, it must be implemented in accordance with national legislation and, if necessary, a specific agreement must be signed with social partners in the company concerned.

Should this approach not be possible due to the economic or social context of the country in question, in accordance with EADS or the Division, the company concerned may take the initiative of proposing negotiations with local social partners with a view to defining an employee profit-sharing scheme adapted to the national environment. Local social partners may also take the initiative of proposing a specific negotiation according to the national legislation.

**TITLE 2: Calculation mechanism**

**Article 3: Principles**

The signatories hereby agree that the overall budget distributed under the “success-sharing plan” includes two envelopes:

- The first envelope is defined according to the economic performances of EADS N.V. on the one hand and the Division on the other. By way of an exception, companies with fewer than 1,000 employees may, with the agreement of the Division to which they are linked, take into account either the consolidated economic results of their Division or their own results.
- The second envelope is dependent on the fulfilment of one or more operational objectives defined by the Division. By way of an exception, companies with fewer than 1,000 employees may, with the agreement of the Division to which they are linked, establish their own operational objective.

**Article 4: Envelope defined in relation to economic performances**

4.1. The overall envelope distributed in relation to economic performances comprises a first share linked to the economic performances of EADS N.V. (70%) and a second share linked to the economic performances of the Division or the company (30%).

As an exception to the above-mentioned principle, in the case of the companies Premium Aerotec and Aerolia, the second share will be based on the economic performances of both the Division (Airbus) and the company (Premium Aerotec or Aerolia) for a transitional period of three years (2011-2013), according to the following breakdown:

- 2011	Airbus:	10%	Premium Aerotec or Aerolia:	20%
- 2012	Airbus:	5%	Premium Aerotec or Aerolia:	25%
- 2013	Airbus:	0%	Premium Aerotec or Aerolia:	30%

The calculation of the company part will be made according to the same rules as those applied to EADS N.V. and the Division.

4.2. The rules for calculating the envelope linked to economic performances described below apply to EADS N.V. on the one hand and to the Division or to the company on the other.

They are based on the following two economic parameters:

- EBIT, the definition of which is as follows: earnings before finance costs and tax, pre-goodwill impairment and exceptional items;
- The return on sales (ROS) resulting from the EBIT / revenue formula.

4.3. Rules for calculating the envelope linked to economic performances

The envelope linked to economic performances is calculated for each fiscal year for EADS N.V. on the one hand and for the Division / company on the other according to the ROS of EADS N.V. and the Division / company.

- ROS higher than or equal to 2%

If the ROS ratio is higher than or equal to 2%, the envelope amount shall be equal to the product of the EBIT of EADS N.V. on the one hand and the Division / company on the other hand by a rate which increases on a linear basis according to the observed level of ROS in EADS N.V. or in the Division / company. These rates are defined in order to maintain a constant ratio of 70% EADS N.V. and 30% Division / company for a given ROS level and are listed in the table below:

ROS EADS N.V. Division - company	Rate to apply to EBIT <sup>1</sup>		
	EADS NV	Division / company	Total
≥ 2% & < 4%	Linear calculation between 3.5% and 3.85%	Linear calculation between 1.5% and 1.65%	5% to 5.5%
≥ 4% & < 6%	Linear calculation between 3.85% and 4.2%	Linear calculation between 1.65% and 1.8%	5.5% to 6%
≥ 6% & < 8%	Linear calculation between 4.2% and 4.55%	Linear calculation between 1.8% and 1.95%	6% to 6.5%
≥ 8% & < 10%	Linear calculation between 4.55% and 4.9%	Linear calculation between 1.95% and 2.1%	6.5% to 7%
≥10%	4.9%	2.1%	7%

When the return on sales rate is higher than 15%, the operating income (EBIT) taken into account for the calculation is that corresponding to a return on sales of 15%.

- ROS between 0% and 2%

If the return on sales rate for EADS N.V. or the Division / company is higher than 0% but lower than 2%, the EADS share or the Division / company share is determined using the following formula:

$$\begin{aligned} & \text{EADS revenue} \times 2\% \times 5\% \times 70\% \\ & \text{Division / company revenue} \times 2\% \times 5\% \times 30\% \end{aligned}$$

- Negative ROS

If the return on sales rate for EADS N.V. or the Division / company is negative, no budget shall be allocated to the corresponding level.

## Article 5: Envelope dependent on the fulfilment of one or more operational objectives

### 5.1. Definition of the operational objective(s)

Every year, the Division Management defines either one sole operational objective relating to the Division as a whole or one operational objective per Business Unit within the Division. The operational objective must be defined precisely but may take the form of a range: it is considered to have been achieved when its fulfilment falls within the established range.

As an exception, Premium Aerotec and Aerolia will define their own operational objective.

<sup>1</sup> Rate to be applied to the EBIT of EADS N.V. =  $[0.175 \times \text{ROS (EADS N.V.)}] + 3.15\%$   
Rate to be applied to the EBIT of the Division / company =  $[0.075 \times \text{ROS (Division / company)}] + 1.35\%$

Subject to the agreement of the Division to which they are linked, companies with fewer than 1,000 employees may decide on an operational objective which concerns them directly. Due to their size, only one operational objective can be set in each of these small companies.

The staff representatives of the divisional European Committee or those of the company with fewer than 1,000 employees are consulted prior to the confirmation of the operational objective(s). On this occasion, they obtain from the Management all the information required in order to understand their content, analyse their relevance, ensure the transparency of their achievement and specify their calculation rules. They express their views on these different points. The confirmation of the operational objective(s) takes place according to the national legislation of each country at the latest by 30 April of the financial year concerned.

## 5.2. Characteristics of the operational objective

The objective must be realistic and credible but ambitious, i.e. its achievement must be uncertain.

If it stems from a division or a transnational company, it must be of a transnational nature, in other words it must concern at least two countries in which the division or company is established.

## 5.3. Determination of the operational envelope

Provided that the ROS of the Division or the company is greater than zero and the operational objective(s) is/are fulfilled, the operational envelope is determined as follows:

$$\text{Division or company revenue} \times 2\% \times 5\%$$

When the operational objective(s) chosen by the Division make(s) it possible, a proportional calculation is applied, the rules of which are presented and debated during the preliminary consultation meeting of the divisional European Committee stipulated in article 5.1.

The same rules apply when the Division has set several operational objectives relating to its Business Units.

With regard to the companies EADS France and EADS Deutschland (Headquarters, shared services, Innovation Works), the individual amount to be distributed to eligible employees for the operational envelope corresponds to the weighted average<sup>2</sup> of the individual amounts calculated in the four Divisions for the same envelope.

The social partners of EADS Deutschland and EADS France are informed of the operational objective(s) defined in each Division, in compliance with national legislation or practices.

## Article 6: Total budget to be distributed

The budget to be distributed to each eligible employee of the Division or the company is obtained by adding together the envelope defined for the economic performances of EADS N.V. and the Division / company and the envelope established for the fulfilment of the operational objective of the entity concerned according to the following formula:

$$\left[ \frac{\text{EADS N.V. economic performance envelope}}{\text{EADS N.V. employees}} + \frac{\text{Div. / company economic performance envelope}}{\text{Div. / company employees}} + \frac{\text{Div. / company operational* objective envelope}}{\text{Div. / company employees*}} \right]$$

\* Should a Division apply one operational objective per Business Unit, a separate calculation based on the said formula will be made for each Business Unit.

<sup>2</sup> 
$$\frac{[(\text{Division 1 indiv Op. amount}) \times (\text{Div. 1 headcount})] + \dots + [(\text{Division 4 indiv. Op. amount}) \times (\text{Div. 4 headcount})]}{\text{Division 1 headcount} + \dots + \text{Division 4 headcount}}$$

### **TITLE 3: “Success-sharing” distribution rules**

The “success-sharing” budget is allocated in a uniform manner to all eligible employees according to the legal rules in force in the country concerned.

The success-sharing budget for a given year, according to the above-mentioned rules, is paid during the following year after the publication of the annual results of the EADS Group and those of the Division or company concerned.

The calculation elements taken into account both within EADS N.V. and within the Division / company are communicated to the employee representatives before the success-sharing budget is allocated: EBIT, revenue, recorded achievement of the operational objective(s), beneficiary employees of EADS and the entity concerned.

### **TITLE 4: Miscellaneous**

The present agreement cancels and replaces the agreement of 16 June 2009.

It is concluded for an unlimited period but can be modified at any time on request of EADS Central Management or on request of the two-third majority of the European Negotiating Group’s signatory members under a notice period of six months. As an exception to this rule, the split between EADS (70 %) and the Division (30 %) for the calculation of the economic envelope and the principle of operational objective(s) setting are considered as fundamental elements of this agreement. Accordingly they cannot be amended within five years except in the event of an exceptional circumstance confirmed by a joint decision of EADS Central Management and the two-third majority of the European Negotiating Group’s signatory members.

Every year, on the occasion of the first plenary session of the EADS N.V. European Works Council, the Central Management presents the results of the Group success-sharing implementation and notably:

- the companies in which the provisions of the Group agreement have been applied and the success-sharing amounts distributed to their eligible employees;
- the companies which have concluded a specific profit-sharing agreement with the corresponding amounts paid to their eligible employees;
- any companies which have refused to enter into negotiations on profit-sharing and the reasons for such refusal.

Signed in Paris on:

For EADS N.V.

J. ITÄVUORI

For the European Negotiating Group

**France**

CFDT

CFE-CGC

CFTC

CGT

FO

**Germany**

IG METALL

KBR

**Spain**

CC.OO

UGT

**United Kingdom**

CSU

UNITE THE UNION

For the European Works Council of EADS NV

Chairman

Vice-Chairman