

## 4.1 Management and Control

The corporate governance arrangements of the Company were substantially changed pursuant to the Multiparty Agreement, including changes in the composition of the Board of Directors and the rules governing its internal affairs (the “**Board Rules**”). These changes are intended to further normalise and simplify

the Company’s corporate governance, reflecting an emphasis on best corporate governance practices and the absence of a controlling shareholder group. Below is a summary description of such changes.

### 4.1.1 Corporate Governance Arrangements

#### 4.1.1.1 Board of Directors

##### a) Composition Rules and Principles

Under the Articles of Association, the Board of Directors consists of at most 12 Directors. Under the Board Rules, each Board Director shall retire at the close of the AGM held three years following his or her appointment, unless the said mandate is renewed. Under the Board Rules, at least a majority of the Members of the Board of Directors (*i.e.* 7/12) must be European Union (“EU”; any reference in the Board Rules to the EU includes the UK, notwithstanding a withdrawal of the UK from the EU) nationals (including the Chairman of the Board of Directors) and a majority of such majority (*i.e.* 4/7) must be both EU nationals and residents. No Director may be an active civil servant. The Board of Directors has one Executive Director and 11 Non-Executive Directors. While the Board of Directors appoints the Chief Executive Officer of the Company (the “**CEO**”), the CEO is required to be an Executive Director and must be an EU national and resident; therefore it is anticipated that the Board of Directors will appoint as CEO the person appointed by the shareholders as an Executive Director. At least nine of the Non-Executive Directors must be “Independent Directors” (including the Chairman of the Board of Directors).

Under the Board Rules, an “Independent Director” is a non-Executive Director who is independent within the meaning of the Dutch Corporate Governance Code (the “**Dutch Code**”) and meets additional independence standards. Specifically, where the Dutch Code would determine non-independence, in part, by reference to a Director’s relationships with shareholders who own at least 10% of the Company, the Board Rules determine such Director’s non-independence, in relevant part, by reference to such Director’s relationships with shareholders who own at least 5% of the Company. According to the criteria of the Dutch Code and the Board Rules, all non-Executive Directors (including the Chairman) presently qualify as an “Independent Director”.

The Remuneration, Nomination and Governance Committee of the Board of Directors (the “**RNGC**”) is charged with recommending to the Board of Directors the names of candidates to succeed active Board Members after consultation with the Chairman of the Board of Directors and the CEO.

The Board of Directors, deciding by simple majority vote, proposes individuals to the shareholders’ meeting of the Company for appointment as Directors by the shareholders’

meeting. No shareholder or group of shareholders, or any other entity, has the right to propose, nominate or appoint any Directors other than the rights available to all shareholders under Dutch law.

In addition to the membership and composition rules described above, the RNGC, in recommending candidates for the Board of Directors, and the Board of Directors in its resolutions proposed to the shareholders’ meeting regarding the renewal or appointment of Directors, are both required to apply the following principles:

- the preference for the best candidate for the position;
- the preference for gender diversity between equal profiles;
- the maintenance of appropriate skills mix and geographical experience;
- the maintenance, in respect of the number of Members of the Board of Directors, of the observed balance among the nationalities of the candidates in respect of the location of the main industrial centres of Airbus (in particular among the nationals of France, Germany, Spain and the United Kingdom, where these main industrial centres are located); and
- at least a majority of the Members of the Board of Directors (*i.e.* 7/12) shall be EU nationals (including the Chairman), and a majority of such majority (*i.e.* 4/7) shall be both EU nationals and residents (including the UK and its constituent countries, notwithstanding a withdrawal of the UK from the EU).

In accordance with these principles the Board of Directors shall continue to seek greater diversity with respect to gender, age, geography, education, profession and background.

In 2019, one new Member, Mr. Faury, joined the Board of Directors as new CEO replacing Mr. Enders. With his extensive operational knowledge, his global outlook and strong personal values, Mr. Faury has the right competencies, mind-set and personal skills to fulfil this position in line with the Board’s expectations and the evolution of the Company’s business.

At the end of 2019, the average age of the Members of the Board of Directors was 59. The proportion of female representatives is today at 25% compared to 0% seven years ago. The Board composition shows a balanced mix of experience with, for example, five Members having aerospace industry skills, seven having geopolitical or economics skills, five having information or data management skills and five having manufacturing and production skills. More details about the diversity of the Members of the Board of Directors are available in the table entitled *Airbus SE Board of Directors until AGM 2020*.

The Board of Directors is required to take into account, in the resolutions proposed in respect of the nomination of Directors presented to the shareholders' meeting, the undertakings of the Company to the French State pursuant to the amendment to the French State Security Agreement and to the German State pursuant to the German State Security Agreement, in each case as described more fully in "3.3.2.3 — Undertakings with Respect to Certain Interests of Certain Stakeholders". In practice, this means that at all times the Board of Directors needs to have (i) two Directors who should also be French Defence Outside Directors (as defined above) of the French Defence Holding Company (as defined above) who have been proposed by the Company and consented to by the French State and (ii) two Directors who should also be German Defence Outside Directors (as defined above) of the German Defence Holding Company (as defined above) who have been proposed by the Company and consented to by the German State.

The RNGC endeavours to avoid a complete replacement of outgoing Directors by new candidates and draws up an appointment and reappointment schedule for the Directors after consultation with the Chairman and the CEO. In drawing up such a schedule, the RNGC considers the continuity of company-specific knowledge and experience within the Board of Directors, also taking into account that a Director should at the time of his/her appointment or re-appointment not be older than 75 years and ensuring that at least one third of Directors' positions are either renewed or replaced every year for a term of three years. This is to avoid large block replacements of Directors at one single AGM, with the corresponding loss of experience and integration challenges, provided that exceptions to these rules may be agreed by the Board of Directors if specific circumstances provide an appropriate justification for such exceptions.

## b) Role of the Board of Directors

Most Board of Directors' decisions can be made by a simple majority of the votes cast by the Directors (a "**Simple Majority**"), but certain decisions must be made by a two-thirds majority (*i.e.* eight favourable votes) of votes cast by the Directors regardless of whether they are present or represented in respect of the decision (a "**Qualified Majority**"). In addition, amendments to certain provisions of the Board Rules require the unanimous approval of the Board of Directors, with no more than one Director not being present or represented (including provisions relating to nationality and residence requirements with respect to Members of the Board of Directors and the Executive Committee). However, no individual Director or class of Directors has a veto right with respect to any Board of Directors' decisions.

The Board Rules specify that in addition to the Board of Directors' responsibilities under applicable law and the Articles of Association, the Board of Directors is responsible for certain enumerated categories of decisions. Under the Articles of Association, the Board of Directors is responsible for the management of the Company. Under the Board Rules, the Board of Directors delegates the execution of the strategy as approved by the Board of Directors and the day-to-day management of the Company to the CEO, who, supported by the Executive Committee and its executive leadership team, makes decisions with respect to the management of the Company. However, the CEO should not enter into transactions that form part of the key responsibilities of the Board of Directors unless these transactions have been approved by the Board of Directors.

Matters that require Board of Directors' approval include among others, the following items (by Simple Majority unless otherwise noted):






- approving any change in the nature and scope of the business of the Company and Airbus;
- debating and approving the overall strategy and the strategic plan of Airbus;
- approving the operational business plan of Airbus (the "Business Plan") and the yearly budget of Airbus ("Yearly Budget"), including the plans for Investment, R&D, Employment, Finance and, as far as applicable, major programmes;
- nominating, suspending or revoking the Chairman of the Board of Directors and the CEO (Qualified Majority);
- approving of all of the Members of the Executive Committee as proposed by the CEO and their service contracts and other contractual matters in relation to the Executive Committee and deciding upon the appointment and removal of the Secretary to the Board of Directors on the basis of the recommendation of the RNGC;
- approving the relocation of the headquarters of the principal companies of Airbus and of the operational headquarters of the Company (Qualified Majority);
- approving decisions in connection with the location of new industrial sites material to Airbus as a whole or the change of the location of existing activities that are material to Airbus;
- approving decisions to invest and initiate programmes financed by Airbus, acquisition, divestment or sale decisions, in each case for an amount in excess of €300 million;
- approving decisions to invest and initiate programmes financed by Airbus, acquisition, divestment or sale decisions, in each case for an amount in excess of €800 million (Qualified Majority);
- approving decisions to enter into and terminate strategic alliances at the level of the Company or at the level of one of its principal subsidiaries (Qualified Majority);
- approving matters of shareholder policy, major actions or major announcements to the capital markets; and
- approving decisions in respect of other measures and business of fundamental significance for Airbus or which involves an abnormal level of risk.

The Board of Directors must have a certain number of Directors present or represented at a meeting to take action. This quorum requirement depends on the action to be taken. For the Board of Directors to make a decision on a Simple Majority matter, a majority of the Directors must be present or represented. For the Board of Directors to make a decision on a Qualified Majority matter, at least 10 of the Directors must be present or represented. If the Board of Directors cannot act on a Qualified Majority Matter because this quorum is not satisfied, the quorum would decrease to eight of the Directors at a new duly called meeting.

In addition, the Board Rules detail the rights and duties of the Members of the Board of Directors and sets out the core principles which each and every Member of the Board of Directors shall comply and shall be bound by, such as acting in the best interest of the Company and its stakeholders, devoting necessary time and attention to the carrying out of his/her duties and avoiding any and all conflicts of interest.

## c) The Board of Directors

### (i) Composition of the Board of Directors in 2019

Board member Age*, Gender, Nationality	Status	Since	Term expires	Primary occupation & Other mandates	Director expertise	Board attendance	Committee attendance		
							Audit	RNGC	ECC
 <b>Denis RANQUE</b> 68, M, French	Independent	2013, previous re-election in 2017	2020	Chairman of the Board of Directors of Airbus SE		 11/11			 6/6
 <b>Guillaume FAURY</b> 51, M, French	Executive	2019	2022	Chief Executive Officer of Airbus SE		8/8 (from AGM 2019)			
 <b>Victor CHU</b> 62, M, Chinese / British	Independent	2018	2021	Chairman and CEO of First Eastern Investment Group		11/11	5/7		
 <b>Jean-Pierre CLAMADIEU</b> 61, M, French	Independent	2018	2021	Chairman of the Board of Engie and member of the Board of AXA SA		10/11		6/7	3/4 (from AGM 2019)
 <b>Ralph D. CROSBY, Jr.**</b> 72, M, American	Independent	2013, previous re-election in 2017	2020	Member of the Board of Directors of American Electric Power Corp.		11/11	6/7		
 <b>Lord DRAYSON (Paul)**</b> 59, M, British	Independent	2017	2020	Founder and CEO of Sensyne Health plc and Co-Founder and Chairman of Drayson Technologies Group		10/11		6/7	5/6
 <b>Catherine GUILLOUARD</b> 55, F, French	Independent	2016, previous re-election in 2019	2022	Chairwoman and CEO of RATP Group and member of the Board of Systra		11/11	 7/7		5/6
 <b>Hermann-Josef LAMBERTI</b> 64, M, German	Independent	2007, previous re-election in 2017	2020	Member of the Supervisory Board of ING Group N.V.		8/11	6/7		4/6
 <b>Amparo MORALEDA</b> 55, F, Spanish	Independent	2015, previous re-election in 2018	2021	Member of the Board of Directors of Solvay SA, CaixaBank SA and Vodafone PLC		11/11		 7/7	6/6
 <b>Claudia NEMAT</b> 51, F, German	Independent	2016, previous re-election in 2019	2022	Member of the Board of Management of Deutsche Telekom AG		8/11		5/7	
 <b>René OBERMANN</b> 56, M, German	Independent	2018	2021	Managing Director of Warburg Pincus Deutschland GmbH		10/11	6/7		3/3 (from 30 July 2019)
 <b>Carlos TAVARES</b> 61, M, Portuguese	Independent	2016, previous re-election in 2019	2022	Chairman of the Managing Board of Peugeot SA and member of the Board of Directors of Total SA		9/11			
Board and Committee meetings in 2019						11	7	7	6
Average attendance rate in 2019						91%	86%	89%	87%

\* As of 12 February 2020.



\*\* To be re-elected in 2020.

The professional address of all Members of the Board of Directors for any matter relating to Airbus SE is Mendelweg 30, 2333 CS Leiden, The Netherlands.

