3. Securities in the Company as Long-Term Investment

Provision 3.3.3 of the Dutch Code recommends that non-Executive Directors who hold securities in the Company should keep them as a long-term investment. Although non-Executive Directors are welcome to own shares in the share capital of the Company, the Company does not require its non-Executive Directors who hold shares to keep such shares as a long-term investment. Airbus considers it altogether unclear whether share ownership by non-Executive Directors constitutes a factor of virtuous alignment with stakeholder interest or may be a source of bias against objective decisions.

4. Dealings with Analysts

Provision 4.2.3 of the Dutch Code recommends meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the Company’s website and by means of press releases. In addition, it recommends that provisions shall be made for all shareholders to follow these meetings and presentations in real time and that after the meetings the presentations shall be posted on the Company’s website.

The Company does not always allow shareholders to follow meetings with analysts in real time. However, the Company ensures that all shareholders and other parties in the financial markets are provided with equal and simultaneous information about matters that may influence the share price.

4.1.3 Enterprise Risk Management System

Airbus’ long-term development and production lifecycle make ERM a crucial mechanism for both mitigating the risks faced by the Company and identifying future opportunities.

Applied across the Company and its main subsidiaries, ERM is a permanent top-down and bottom-up process, which is executed across Divisions at each level of the organisation. It is designed to identify and manage risks and opportunities. A strong focus is put on the operational dimension due to the importance of Programmes and Operations for Airbus.

ERM is an operational process embedded into the day-to-day management activities of Programmes, Operations and Functions. The top risks and their mitigations are reported to the Board of Directors through a reporting synthesis, consolidated on a quarterly basis.

The ERM system is articulated along five axes:
- Anticipation: early risk reduction and attention to emerging risks;
- Speak-up and early warnings;
- Robust risk mitigations;
- Opportunities; and
- Strong Governance.

5. Gender Diversity

The composition guidelines regarding gender diversity under Dutch law pursuant to which the Board of Directors would be regarded as being composed in a balanced way if it contained at least 30% women and at least 30% men expired on 1 January 2020. Nevertheless, the Company will continue to promote gender diversity within its Board of Directors in accordance with the principles mentioned in section 4.1.1 above. In addition, the Company will continue to give due consideration to any applicable gender targets in its search to find suitable candidates and to actively seek female candidates. However, the Company believes that candidates should not be recruited based on gender alone; the capabilities and skills of potential candidates are most important in this respect. The proportion of the female representation on the Board of Directors is currently at 25% (compared to 0% seven years ago).

Furthermore, the Company is committed to supporting, valuing and leveraging the value of diversity. That being said, the importance of diversity, in and of itself, should not set aside the overriding principle that someone should be recommended, nominated and appointed for being “the right person for the job”. Although the Company has not set specific targets with respect to particular elements of diversity, except for the principles described in 4.1.1.1 above and those targets which apply by law, the Company is committed to seeking broad diversity in the composition of the Board of Directors and its Executive Committee and will consider attributes such as personal background, age, gender, experience, capabilities and skills when evaluating new candidates in the best interests of the Company and its stakeholders.

The Company believes that the composition of its Board of Directors and its Executive Committee is consistent with these diversity objectives.

4.1.3.1 ERM Process

The objectives and principles for the ERM system as endorsed by the Board of Directors are set forth in the Company’s ERM Policy and communicated throughout the Company. The Company’s ERM Policy is supplemented by directives, manuals, guidelines, handbooks, etc. External standards which contribute to the Company’s ERM system include the standards as defined by the International Organisation for Standardisation (“ISO”).

The ERM process consists of three elements:
- a strong operational dimension, derived from ISO 31000 – to enhance operational risk and opportunity management, looking in particular at identifying and mitigating Single Points of Failure (SPOF);
- a reporting dimension (bottom up and top down), which contains procedures for the status reporting of the ERM system and the risk/opportunity situation;
- a ERM confirmation dimension, which comprises procedures to assess the effectiveness of the ERM system.
The ERM process applies to all relevant sources of risks and opportunities that potentially affect the Company's activities, its businesses and its organisation in the short-, mid- and long-term. The ERM process is part of the management process and inter-related with the other processes.

All the Company's organisations, including Divisions, subsidiaries and controlled participations, commit to and confirm the effective implementation of the ERM system. The annual ERM Confirmation Letter issued by each organisation is the formal acknowledgement about the effectiveness of the ERM system.

For a discussion of the main risks to which the Company is exposed, see “— Risk Factors”.

### 4.1.3.2 ERM Governance and Responsibility

The governance structure and related responsibilities for the ERM system are as follows:

- the Board of Directors supervises with support of the Audit Committee the strategy and business risk and opportunities as well as design and effectiveness of the ERM system;
- the CEO, with the top management, is responsible for an effective ERM system. He is supported by the CFO, who supervises the Head of ERM, and the ERM system design and process implementation;
- the Head of ERM has primary responsibility for the ERM strategy, priorities, system design, culture development and reporting tool. He supervises the operation of the ERM system and is backed by a dedicated risk management organisation in the Company focusing on the operational dimension, early warning and anticipation culture development while actively seeking to reduce overall risk criticality by challenging the business. The risk management organisation is structured as a cross-divisional Centre of Competence (“CoC”) and pushes for a proactive risk management;
- the management at executive levels has the responsibility for the operation and monitoring of the ERM system in its respective areas of responsibility and for the implementation of appropriate response activities to reduce risk and seize opportunities, considering the recommendations of the internal and external auditors.

### 4.1.3.3 ERM Effectiveness

The ERM effectiveness is analysed by ERM centre of competence (“CoC”), based on ERM reports, confirmation letters, in situ sessions (e.g., risk reviews) and participation to key controls (e.g., major Programme Maturity Gate Reviews). Risk & Opportunity Deep Dives performed the ERM CoC, and Corporate Audit, based on internal corporate audit reports.

The combination of the following controls is designed to achieve reasonable assurance about ERM effectiveness:

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<th>Organisation</th>
<th>Explanations</th>
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| Board of Directors / Audit Committee | Regular monitoring  
The Board of Directors and the Audit Committee review, monitor and supervise the ERM system. Any material failings in, material changes to, and/or material improvements of the ERM system which are observed, made and/or planned are discussed with the Board and the Audit Committee. |
| Top Management                | ERM as part of the regular divisional business reviews  
Results of the operational risk and opportunity management process, self-assessments and confirmation procedures are presented by the Divisions or other Airbus’ organisations to top management. |
| Management                    | ERM confirmation letter procedure  
Enterprises and department heads that participate in the annual ERM compliance procedures must sign ERM Confirmation Letters. |
| ERM CoC                       | ERM effectiveness measurement  
Assess ERM effectiveness by consideration of ERM reports, ERM confirmations, in situ sessions (risk reviews etc.), participation to key controls (e.g., major Programme Maturity Gate Reviews). |
| Corporate Audit               | Continuous monitoring and audits on ERM  
Provide independent assurance to the Audit Committee on the effectiveness of the ERM system. |
| E&C                           | Alert System  
Detect deficiencies regarding conformity to applicable laws and regulations as well as to ethical business principles. |