

## 4.2.3 Related Party Transactions

Reflecting Article 2:129(6) of the Dutch Civil Code, Article 18.5 of the Articles of Association provides that “a Director shall not take part in the deliberations or decision-making if he has a direct or indirect personal interest which conflicts with the interests of the Company and of the enterprise connected with it. If as a result thereof no resolution of the Board of Directors can be adopted, the resolution is adopted by the General Meeting”.

During the years 2017, 2018 and 2019, no agreement was entered into by the Company with one of its Directors or principal officers or a shareholder holding more than 5% of the voting rights of the Company outside the ordinary course of business and in conditions other than arm’s length conditions. For more information, please refer to the “— Notes to the IFRS Consolidated

Financial Statements — Note 9: Related party transactions” for the year-ended 31 December 2019 and “— Notes to the IFRS Consolidated Financial Statements — Note 8: Related party transactions” for the year-ended 31 December 2018, as incorporated by reference herein.

For a description of the relationships between the Company and its principal shareholders, see “— General Description of the Company and its Shareholders — 3.3.2 Relationships with Principal Shareholders”. Other than the relationships between the Company and its principal shareholders described therein, there are no potential conflicts of interest between the duties to the Company of the Directors and their respective private interests or other duties.

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# 4.3 Employee Success Sharing and Incentive Plans

## 4.3.1 Employee Success Sharing and Incentive Agreements

The Company’s remuneration policy is strongly linked to the achievement of individual and Company objectives, both for each Division and for the overall Company. Since 2012, an annual Performance and Restricted Unit plan has been established for the senior management of Airbus (see “— 4.3.3 Long-Term Incentive Plans”), and employees are offered shares at favourable conditions within the context of an Employee Share Ownership Plan (see “— 4.3.2 Employee Share Ownership Plans”).

Success sharing schemes which are implemented in the Company in more than 30 countries, including France, Germany, Spain and the UK, follow one set of common rules, ensuring a consistent application across the group.

## 4.3.2 Employee Share Ownership Plans

Enabling employees to participate in the results of the Company is a key element in the Airbus benefits policy. Since its creation, the Company has developed a philosophy based on sharing the added value created by the Company with all employees (including the CEO). Therefore, the Company has regularly offered qualifying employees the opportunity to purchase shares on favourable terms through the ESOP.

According to shareholders’ resolutions adopted at the AGM, the powers to issue shares and to set aside preferential subscription rights of existing shareholders have been granted to the Board of Directors at the 2019 AGM. Such powers include the approval of ESOP.

The following table summarises the main terms of the ESOPs conducted over the last three years:

Year	Price per share	Nominal value per share	Number of shares issued	Date of issuance
2017	€64.44 <sup>(1)</sup> / €67.24 <sup>(2)</sup> /	€1	1,554,611	3 May 2017
	€85.20 <sup>(3)</sup>			21 November 2017
2018	€88.65 <sup>(1)</sup> / €84.17 <sup>(2)</sup> /	€1	1,739,390	3 May 2018
	€92.57 <sup>(3)</sup>			20 November 2018
2019	€97.76 <sup>(1)</sup> / €104.38 <sup>(2)</sup> /	€1	1,728,800	2 May 2019
	€134.40 <sup>(3)</sup>			19 November 2019

(1) Shares purchased within context of French group employee savings plan.

(2) Shares purchased directly.

(3) Under the umbrella of the ESOP, a dedicated UK tax advantageous Share Incentive Plan, SIP, was also deployed in 2017, 2018 and 2019.

In 2019 and 2018, the Board of Directors approved a new ESOP scheme. Eligible employees were able to purchase a fixed number of previously unissued shares at fair market value (5, 15, 30, 50 or 100 shares). Airbus matched each fixed number of shares with a number of the Company free shares based on a determined ratio (4, 7, 10, 13 and 25 free shares). During a custody period of at least one year, employees are restricted from selling the shares, but have the right to receive all dividends paid. Employees who directly purchased the Company shares have, in addition, the ability to vote at the Annual Shareholder Meetings. The subscription price was equal to the closing price at the Paris stock exchange on 13 February 2019 (2018: 14 February 2018) and amounted to €104.38 (2017: €84.17). Investing through a mutual fund led to a price which corresponds to the average price at the Paris stock exchange during the 20 trading days immediately preceding 13 February 2019 (2018: 14 February

2018), resulting in a price of €97.76 (2018: €88.65). In 2019, the Company issued and sold 1,332,840 ordinary shares (2018: 1,365,760) with a nominal value of € 1.00 each. In 2019, the Company issued and distributed 451,452 matching ordinary shares (2018: 446,059) with a nominal value of € 1.00 each. Compensation expense (excluding social security contributions) of €47 million (2018: €38 million) was recognised in connection with ESOP. The Company intends to implement an ESOP in 2020, subject to approval by the Board of Directors, open to all qualifying employees (including the CEO). With future ESOP, the Company intends to offer shares to eligible employees through the issuance of shares or free distribution of shares or other existing or new securities giving access to the capital as a matching contribution. This plan would aim at favouring the development of employee shareholding.

### 4.3.3 Long-Term Incentive Plans

In 2014 and 2015, based on the authorisation granted to it by the shareholders' meetings (see dates below), the Board of Directors approved the granting of LTIP Performance Units and Restricted Units in the Company. The grant of so-called "units" will not physically be settled in shares but represents a cash-settled plan in accordance with IFRS 2. Since 2016, the Board of Directors approved an LTIP Performance Units and Performance Shares Plan.

The principal characteristics of these Performance and Restricted Units and Performance Shares as of 31 December 2019 are set out in the "Notes to the IFRS Consolidated Financial Statements — Note 30: Share-based payment". They are also summarised in the tables below:

<b>Sixteenth tranche</b>		
Date of Board of Directors meeting (grant date)	13 November 2014	
	<b>Performance and Restricted Unit plan</b>	
	<b>Performance Units</b>	<b>Restricted Units</b>
Number of units granted <sup>(1)</sup>	1,114,962	291,420
Number of units outstanding	-	-
Units granted to:		
- Mr. Guillaume Faury*	12,640	-
- the 10 employees having being granted the highest number of units during the year 2014 (sixteenth tranche)	176,460	-
Total number of eligible beneficiaries		1,621
	The Performance and Restricted Units will vest if the participant is still employed by an Airbus company at the respective vesting dates and, in the case of Performance Units, upon achievement of mid-term business performance. Vesting schedule is made up of 2 payments over 2 years: <ul style="list-style-type: none"> <li>- 50% expected in June 2018;</li> <li>- 50% expected in June 2019.</li> </ul>	
Vesting dates		
Number of vested units	814,238	271,275

(1) Based on 100% target performance achievement. A minimum of 50% of Performance Units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. In case of absolute negative results (cumulative EBIT\* of Airbus) during the performance period, the Board of Directors can decide to review the vesting of the Performance Units including the 50% portion which is not subject to performance conditions (additional vesting condition).

\* For more information in respect of units granted to the Chief Executive Officer, please refer to the "Notes to the IFRS Consolidated Financial Statements — Note 31: Remuneration".

<b>Seventeenth tranche</b>		
Date of Board of Directors meeting (grant date)	29 October 2015	
<b>Performance and Restricted Unit plan</b>		
	<b>Performance Units</b>	<b>Restricted Units</b>
Number of units granted <sup>(1)</sup>	926,398	240,972
Number of units outstanding	340,239	113,086
Units granted to:		
- Mr. Guillaume Faury*	10,656	-
- the 10 employees having being granted the highest number of units during the year 2015 (seventeenth tranche)	156,446	-
Total number of eligible beneficiaries		1,564
Vesting dates	The Performance and Restricted Units will vest if the participant is still employed by an Airbus company at the respective vesting dates and, in the case of Performance Units, upon achievement of mid-term business performance. Vesting schedule is made up of 2 payments over 2 years: <ul style="list-style-type: none"> <li>- 50% expected in June 2019;</li> <li>- 50% expected in June 2020.</li> </ul>	
Number of vested units	311,473	113,711

(1) Based on 100% target performance achievement. A minimum of 50% of Performance Units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. In case of absolute negative results (cumulative EBIT\* of Airbus) during the performance period, the Board of Directors can decide to review the vesting of the Performance Units including the 50% portion which is not subject to performance conditions (additional vesting condition).

\* For more information in respect of units granted to the Chief Executive Officer, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 31: Remuneration".

<b>Eighteenth tranche</b>		
Date of Board of Directors meeting (grant date)	25 October 2016	
<b>Performance Units and Performance Shares plan</b>		
	<b>Performance Units</b>	<b>Performance Shares</b>
Number of units/shares granted <sup>(1)</sup>	615,792	621,198
Number of units/shares granted through Equity Pool <sup>(2)</sup>	1,762	1,762
Number of units/shares outstanding	432,617	436,694
Units/shares granted to:		
- Mr. Guillaume Faury*	5,696	5,696
- the 10 employees having being granted the highest number of units/shares during the year 2016 (eighteenth tranche)	79,504	85,200
Total number of eligible beneficiaries		1,671
Vesting dates	The Performance Units and Shares will vest if the participant is still employed by an Airbus company at the respective vesting dates and, in the case of Performance Units and Shares, upon achievement of mid-term business performance. Vesting schedule is made up of 2 payments over 2 years: <ul style="list-style-type: none"> <li>- Performance Units:               <ul style="list-style-type: none"> <li>- 50% expected in May 2020;</li> <li>- 50% expected in May 2021;</li> </ul> </li> <li>- Performance Shares: 100% expected in May 2020</li> </ul>	
Number of vested units	654	654

(1) Based on 100% target performance achievement. A minimum of 50% of Performance Units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. In case of absolute negative results (cumulative EBIT\* of Airbus) during the performance period, the Board of Directors can decide to review the vesting of the Performance Units including the 50% portion which is not subject to performance conditions (additional vesting condition).

(2) Mirroring the respective plan rules and regulations, but granted at a different date based on specific Board of Directors' resolutions.

\* For more information in respect of units granted to the Chief Executive Officer, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 31: Remuneration".

<b>Nineteenth tranche</b>		
Date of Board of Directors meeting (grant date)	30 October 2017	
<b>Performance Units and Performance Shares plan</b>		
	<b>Performance Units</b>	<b>Performance Shares</b>
Number of units/shares granted <sup>(1)</sup>	421,638	425,702
Number of units/shares granted through Equity Pool <sup>(2)</sup>	1,898	1,898
Number of units/shares outstanding	402,925	406,989
Units/shares granted to:		
- Mr. Guillaume Faury*	4,404	4,404
- the 10 employees having being granted the highest number of units/shares during the year 2017 (nineteenth tranche)	53,808	57,872
Total number of eligible beneficiaries		1,601
Vesting dates	<p>The Performance Units and Shares will vest if the participant is still employed by an Airbus company at the respective vesting dates and, in the case of Performance Units and Shares, upon achievement of mid-term business performance. Vesting schedule is made up of 2 payments over 2 years:</p> <ul style="list-style-type: none"> <li>- Performance Units: <ul style="list-style-type: none"> <li>- 50% expected in May 2021;</li> <li>- 50% expected in May 2022;</li> </ul> </li> <li>- Performance Shares: 100% expected in May 2021</li> </ul>	
Number of vested units	94	94

(1) Based on 100% target performance achievement. A minimum of 50% of Performance Units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. In case of absolute negative results (cumulative EBIT\* of Airbus) during the performance period, the Board of Directors can decide to review the vesting of the Performance Units including the 50% portion which is not subject to performance conditions (additional vesting condition).

(2) Mirroring the respective plan rules and regulations, but granted at a different date based on specific Board of Directors' resolutions.

\* For more information in respect of units granted to the Chief Executive Officer, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 31: Remuneration".

<b>Twentieth tranche</b>		
Date of Board of Directors meeting (grant date)	30 October 2018	
<b>Performance Units and Performance Shares plan</b>		
	<b>Performance Units</b>	<b>Performance Shares</b>
Number of units/shares granted <sup>(1)</sup>	278,376	281,181
Number of units/shares granted through Equity Pool <sup>(2)</sup>	6,664	6,664
Number of units/shares outstanding	281,306	284,111
Units/shares granted to:		
- Mr. Guillaume Faury*	4,208	4,208
- the 10 employees having being granted the highest number of units/shares during the year 2018 (twentieth tranche)	23,578	26,383
Total number of eligible beneficiaries		1,626
Vesting dates	<p>The Performance Units and Shares will vest if the participant is still employed by an Airbus company at the respective vesting dates and, in the case of Performance Units and Shares, upon achievement of mid-term business performance. Vesting schedule is made up of 2 payments over 2 years:</p> <ul style="list-style-type: none"> <li>- Performance Units: <ul style="list-style-type: none"> <li>- 50% expected in May 2022;</li> <li>- 50% expected in May 2023;</li> </ul> </li> <li>- Performance Shares: 100% expected in May 2022</li> </ul>	
Number of vested units	-	-

(1) Based on 100% target performance achievement. A minimum of 50% of Performance Units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. In case of absolute negative results (cumulative EBIT\* of Airbus) during the performance period, the Board of Directors can decide to review the vesting of the Performance Units including the 50% portion which is not subject to performance conditions (additional vesting condition).

(2) Mirroring the respective plan rules and regulations, but granted at a different date based on specific Board of Directors' resolutions.

\* For more information in respect of units granted to the Chief Executive Officer, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 31: Remuneration".

<b>Twenty-first tranche</b>		
Date of Board of Directors meeting (grant date)	29 October 2019	
<b>Performance Units and Performance Shares plan</b>		
	<b>Performance Units</b>	<b>Performance Shares</b>
Number of units/shares granted <sup>(1)</sup>	247,508	247,508
Number of units/shares outstanding	247,508	247,508
Units/shares granted to:		
- Mr. Guillaume Faury*	5,530	5,530
- the 10 employees having being granted the highest number of units/shares during the year 2019 (twenty-first tranche)	28,058	28,058
Total number of eligible beneficiaries		1,576
Vesting dates	<p>The Performance Units and Shares will vest if the participant is still employed by an Airbus company at the respective vesting dates and, in the case of Performance Units and Shares, upon achievement of mid-term business performance. Vesting schedule is made up of 2 payments over 2 years:</p> <ul style="list-style-type: none"> <li>- Performance Units:               <ul style="list-style-type: none"> <li>- 50% expected in May 2023;</li> <li>- 50% expected in May 2024;</li> </ul> </li> <li>- Performance Shares: 100% expected in May 2023</li> </ul>	
Number of vested units	-	-

(1) Based on 100% target performance achievement. A minimum of 50% of Performance Units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. In case of absolute negative results (cumulative EBIT\* of Airbus) during the performance period, the Board of Directors can decide to review the vesting of the Performance Units including the 50% portion which is not subject to performance conditions (additional vesting condition).

\* For more information in respect of units granted to the Chief Executive Officer, please refer to the "Notes to the IFRS Consolidated Financial Statements — Note 31: Remuneration".

The information in respect of stock options and performance and restricted shares cancelled and exercised during the year are set out in "Notes to the IFRS Consolidated Financial Statements — Note 30: Share-based payment".

#### SHAREHOLDING IN THE COMPANY OF THE MEMBERS OF THE BOARD OF DIRECTORS AT THE END OF 2019

Member of the Board of Directors	Shareholding
- Mr. Guillaume Faury	8,407 ordinary shares
- Mr. Denis Ranque	2,000 ordinary shares
- Ms. Catherine Guillouard	100 ordinary shares
- Mr. Ralph Dozier Crosby, Jr.	10 ordinary shares

No other Member of the Board of Directors holds shares or other securities in the Company.