

## Members of the Board of Directors

### **Manfred Bischoff**

Member of the Management Board of  
DaimlerChrysler  
Chairman of EADS

### **Jean-Luc Lagardère †**

General and Managing Partner of Lagardère  
Chairman of EADS

### **Philippe Camus**

EADS Chief Executive Officer

### **Rainer Hertrich**

EADS Chief Executive Officer

### **Eckhard Cordes**

Member of the Management Board of  
DaimlerChrysler

### **Pedro Ferreras**

Chairman of the Board of Directors of  
Aluminio Catalán

### **Noël Forgeard**

Airbus President and Chief Executive Officer

### **Jean-René Fourtou**

Chairman and Chief Executive Officer of  
Vivendi Universal

### **Louis Gallois**

President of SNCF

### **Michael Rogowski**

Chairman of the Supervisory Board of  
J.M. Voith

President of the Federation of German Industry

**Arnaud Lagardère** has been appointed as one of the Chairmen of the Board of Directors and as a member of the Audit and Personnel committees, with effect from his appointment as an EADS Board member by the Annual General Meeting on 6th May 2003.

It is expected that **Hans Peter Ring**, Chief Financial Officer, will be replacing Axel Arendt, who has left the Company. This will be submitted to the Annual General Meeting on 6th May 2003.

## Code of conduct

EADS, as a Dutch company is governed by the laws of The Netherlands, in particular by Book 2 of the Dutch Civil Code and by its articles of association.

EADS shares are listed in France, Germany and Spain. EADS is accordingly subject to various regulations<sup>1</sup> that are described in detail in the Reference Document (see section 3). It must be noted that specific company law regulations enforced in these countries such as the French "loi NRE" on Corporate Governance are not applicable to EADS.

Nevertheless EADS has adopted since its creation a high standard of internal rules relating to Corporate Governance such as: the Internal Rules of the Board of Directors, the Insiders Trading Rules and the Code of Ethics. For a complete overview on these rules please refer to the Reference Document section 6.

## The Board of Directors

The Board of Directors is responsible for the affairs of the Company. Its role is to ensure that the Company is operated to maximise shareholder value in accordance with the law and the established rules of Corporate Governance, whilst maintaining good relationships with the Company's employees and customers.

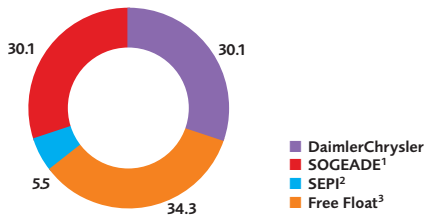
The Board consists of eleven members; four nominated by DaimlerChrysler, four by SOGEADE, one by SEPI and two independent Directors, one nominated by DaimlerChrysler and one by SOGEADE.

The independent directors (Jean-René Fourtou and Michael Rogowski) have no connection with the DaimlerChrysler, SOGEPA or Lagardère groups or French State.

Each member has been appointed for a term expiring at the Annual General Meeting of the Company to be held in 2005. Members of the Board will be elected at such meeting and at each fifth Annual General Meeting. The General Meeting of shareholders may suspend or dismiss any member of the Board.

<sup>1</sup> for example: For The Netherlands: section 5 of the Netherlands Market Supervision Act 1995  
For France: Règlement COB 98-01 et 98-07  
For Spain: the Ministerial order of 18th January 1991  
For Germany: § 15 and 65 of the German Stock Exchange Admission Regulation

**Shareholder structure**  
as of 31st December 2002 (as %)



<sup>1</sup> Lagardère together with French financial institutions and SOGEP A (French state holding company)  
<sup>2</sup> Spanish state holding company  
<sup>3</sup> Including EADS employees, own share buy back and, about 3% held directly by DaimlerChrysler and the French State.

**The Chairmen**

The initial Board of Directors appointed two Chairmen, one chosen from the DaimlerChrysler-nominated Directors and one chosen from the SOGEADE-nominated Directors.

The Chairmen ensure the smooth functioning of the Board of Directors in particular with respect to its relations with the Chief Executive Officers.

**The Chief Executive Officers**

The Board appoints two Chief Executive Officers to be responsible for the day-to-day management of the Company. One is chosen from the DaimlerChrysler-nominated Directors and one from the SOGEADE-nominated Directors.

**Board meetings**

The Board of Directors met seven times during 2002. The average attendance rate at such meetings was 77%. Topics discussed and operations authorised at these meetings included EADS strategy, reorganisation, processes (such as the Space Division restructuring and the creation of EADS North America), major business issues (such as the Airbus Production Plan 2002/2003; the Skynet 5/Paradigm contract and the US Coast Guard Deepwater Programme), major investment projects (such as the A400M Programme), the approval of operation plans, budget, hedging policy, key merger and acquisition transactions, remuneration (including stock options plans and employee share ownership plans) and the group's financial results and forecasts. During this period, the Board of Directors was regularly informed of developments through business reports from the Chief Executive Officers, rolling forecasts and strategic and operational plans.

During 2002, the Board of Directors also accepted the resignations of Axel Arendt as member of the Board of Directors, member of the Executive Committee and Chief Financial Officer and Alberto Fernández as member of the Executive Committee, approved the appointments of Ralph Crosby, Francisco Fernández-Sainz, Jussi Itävuori and Hans Peter Ring (as Chief Financial Officer) as members of the Executive Committee and approved notably the appointments of Antoine Bouvier, Fabrice Brégier, Patrick Jourdan and Marwan Lahoud as Chief Executive Officers of, respectively, Astrium, Eurocopter, EADS Telecom and MBDA.

Each director has one vote, and the quorum for the transaction of business at meetings of the Board requires the presence of at least one of the SOGEADE-nominated Directors and one of the DaimlerChrysler-nominated Directors. If any major change to the CASA Industrial Plan and/or its implementation is to be decided, the SEPI-nominated Director must also be present or represented.

Under the rules, the Board of Directors is empowered to form committees from its members.

## **The key responsibilities of the Board of Directors include:**

- approving any change in the nature and scope of the activities of the Group;
- approving the overall strategy and the strategic plan of the Group;
- approving the business plan and the yearly budget of the Group;
- setting the major performance targets of the Group;
- appointing the members of the Executive Committee (see below);
- approving proposals for appointments of the chairmen of the supervisory board (or similar bodies) and the chief executive officer (or equivalent position) of other important EADS Group companies and Business Units;
- approving material changes to the organisational structure of EADS;
- approving major investments, projects or product decisions or divestments of EADS contemplated in the business plan with a value exceeding €200,000,000;
- approving major strategic alliances and cooperations of EADS;
- approving any material decision affecting the ballistic missiles activity of the Group;
- approving matters of shareholder policy, major actions or major announcements to the capital markets;
- approving other measures and business of fundamental significance for the Group or which involve an abnormal level of risk.

## ***The Audit Committee***

The Audit Committee makes recommendations to the Board of Directors on the appointment of auditors and the approval of the annual financial statements and interim accounts, and monitors the adequacy of the EADS group's internal controls, accounting policies and financial reporting. The Audit Committee was chaired by Manfred Bischoff and Jean-Luc Lagardère\* and also included Eckhard Cordes and Louis Gallois. It met twice during 2002 with a 100% attendance rate to review the 2001 results as well as the half-year results for 2002 of the Company.

## ***The Personnel Committee***

The Personnel Committee makes recommendations to the Board of Directors on appointments to the Executive Committee, remuneration strategies and long-term remuneration plans and decides the service contracts and other contractual matters in relation to the Board and Executive Committee members. The Personnel Committee was chaired by Manfred Bischoff and Jean-Luc Lagardère\* and also included Philippe Camus, Rainer Hertrich, Eckhard Cordes and Louis Gallois. It met five times during 2002 with a 90% average attendance rate to review the bonus payments for 2001, as well as the remuneration policy and the stock option plan for 2002.

\*deceased during his term in office

### The Executive Committee

The Chief Executive Officers, supported by an Executive Committee, are responsible for managing the day-to-day operations of the Company. The Executive Committee, chaired by the Chief Executive Officers, also comprises the heads of the major operational and functional Divisions of the EADS group. The Executive Committee met 12 times during 2002.

The following matters are discussed, among others, at the Executive Committee meetings:

- setting up and control of the implementation of the strategy for EADS businesses;
- management, organisational and legal structure of the EADS Group;
- performance level of the EADS Group's businesses and support functions; and
- all business issues.

The internal organisation of the Executive Committee is defined by the business allocation among the members under the supervision of the Chief Executive Officers. Notwithstanding the joint responsibilities as defined above, each member of the Executive Committee is individually responsible for the management of his portfolio and must abide by decisions taken by the Chief Executive Officers and/or the Executive Committee, as the case may be.

The Chief Executive Officers endeavour to reach consensus among the members of the Executive Committee on the matters discussed at the Executive Committee meetings. In the event of consensus not being reached, the Chief Executive Officers are entitled to decide the matter. If there is a fundamental or significant disagreement with respect to any undecided matter, the dissenting Executive Committee member may request that the Chief Executive Officers submit such matter to the Chairmen for their opinion.

The term of office for the Executive Committee members is five years.

### Composition of the Executive Committee

**Philippe Camus** Chief Executive Officer  
**Rainer Hertrich** Chief Executive Officer  
**François Auque** Head of Space Division  
**Ralph D. Crosby Jr.** Chairman and CEO of EADS North America  
**Thomas Enders** Head of Defence and Civil Systems Division  
**Francisco Fernández Sainz** Head of Military Transport Aircraft Division  
**Noël Forgeard** Head of Airbus Division and President and CEO of Airbus  
**Jean-Louis Gergorin** Head of Strategic Coordination  
**Jean-Paul Gut** Head of EADS International  
**Gustav Humbert** Airbus Chief Operating Officer  
**Jussi Itävuori** Head of Human Resources  
**Hans Peter Ring** Chief Financial Officer  
**Dietrich Russell** Head of Aeronautics Division

For details of the Executive Committee's members, see p 14.