



By e-mail to: airbus-group@relations-actionnaires.com

The Hague, 14 April 2020

Re: *Annual meeting 16 April 2020*

Dear Management Board,

VEB attaches great importance to a public dialogue between the company and its shareholders. The upcoming season of annual general meetings augured to give a qualitative boost to that dialogue due to new laws and regulations that impose requirements on shareholder engagement and transparency and accountability of companies.

The current situation as a result of coronavirus has radically unseated conditions. We are certainly sympathetic to your efforts to keep physical attendance of the upcoming annual meeting of 16 April 2020 to a minimum. We appreciate your appeal not to attend in person, as we believe this to be responsible as much as a show of solidarity. You do not, however, open an electronic means of communication enabling each shareholder to exert his quintessential rights to take the floor, to address the general meeting, and to put questions to the company there and then – such that there is an actual exchange of views. We are concerned indeed that the upcoming annual meeting shall thereby fail to meet core corporate governance objectives.

Especially in view of the far reaching impact coronavirus incontrovertibly has on Airbus, you will appreciate the importance VEB attaches to receiving substantive answers at the actual proceedings of the annual meeting this Thursday 16 April 2020 to each of the questions in this letter. We should also like receiving your reply in writing. Besides, we assume that our questions and the answers provided will be duly recorded in the minutes.

QUESTIONS VEB

Going concern and future

1. Airbus has a liquidity position of approximately €30bn according to a presentation held by the company on 23 March 2020. Could you give an indication of the company's monthly cash burn in a worst-case-scenario in which there are no pre-delivery payments and deliveries of aircraft?
2. In its 2019 registration document, Airbus states: '*operational scenarios, including measures to minimize cash requirements, have been identified and will be activated depending on the further development of the pandemic.*' Could you be more specific on the identified measures and the potential (cash) cost reductions that could be achieved if the current situation endures or worsens?



3. Until today Airbus has been vocal about the fact that it has not requested help from (European) governments. What is the likelihood Airbus can survive without government support shouldn't the current situation materially improve over the next six months?
4. How many customers tried to cancel orders over the past weeks? Do customers still make prepayments? Do you believe the ability and morale of customers to make advance payments will deteriorate in the foreseeable future if current conditions weren't to improve?
5. A substantial part of Airbus's cash balance is comprised of advance payments made by customers. Could there be a legal (contractual) obligation to refund (part) of this cash to customers as the current crisis could be interpreted as a material adverse condition? Do you believe Airbus has a *moral* obligation to refund prepayments of customers (airline companies) that are on the brink of bankruptcy?
6. Should investors in Airbus be concerned that the company will put the long-term relationship with customers at risk by enforcing them to respect contractual obligations?
7. For the foreseeable future, global air traffic will be severely impacted by coronacrisis. Do you believe this setback is temporary, or should Airbus prepare for a systematic transformation of the industry in which there will be a structural lower demand for new aircraft? Do you believe the demand for wide-body aircraft – often used for long-distance intercontinental flights – will be structurally impaired?
8. In its 2019 registration document, Airbus states it: '*[...] highly welcomes governmental efforts around the globe to stabilize this industry by supporting the financial health of its airline customers and its suppliers.*' Government support, however, might be conditional on commitments of airlines that might lower demand for new aircraft – for example, commitments regarding environmental footprint reductions or (future) solvency levels. Is it fair to assume this will structurally lower demand for aircraft over a number of years?
9. In early April, Airbus announced it would cut production rates by 30 percent. Do you still believe this reduction is sufficient, or have circumstances deteriorated further since the release of the statement?
10. Only a few months ago, Airbus's key challenge was to ramp-up production, and as a result, suppliers invested significant sums in increasing capacity. As Airbus's production rates are falling rapidly, this capacity will sit idle, putting pressure on margins, potentially leading to the financial distress of (smaller) suppliers. Is Airbus considering to provide financial support to critical suppliers to avoid bankruptcies? If so, could you give an estimate of the costs – that is: cash outflow, for Airbus – involved?



11. What will be the long-term consequence for the industry in general and Airbus specifically if critical suppliers go bankrupt due to coronavirus?
12. The extreme decline in air traffic will likely result in less maintenance. How severe will the impact on Airbus's after-service-sales business be?
13. According to the 2019 registration document, Airbus is suspending the voluntary top-up pension payments. Is this appreciated and accepted by the pension fund?
14. Recently production was hit as Airbus has had to take hygiene measures. Could you indicate the impact of the new way of working on productivity levels and operating profit margins?
15. Given the limited visibility, VEB fully understands Airbus's decision to withdraw the 2019 dividend. What specific conditions should change before a resumption of the dividend is considered?
16. Due to the depressed share price of Airbus – in theory – share buybacks could be more value-accretive than dividends. Will you consider share repurchases instead of dividends if the environment materially improves?
17. In February, Airbus stated that the crisis at Boeing created an opportunity to modernise the manufacturing system. At that stage, according to the release, Airbus was preparing for the launch of a new, greener, aircraft, the launch of which could possibly be as early as in 2025. Entry into service could then be for beginning of next decade. Airbus spent €2bn annually exploring the technologies towards its stated ambition to design the first carbon neutral aircraft. Are these developments affected by coronacrisis? If so, can you indicate whether there is a schedule for a cascaded deferral?
18. Have the wide ranging findings and conclusions in the Boeing security analyses connected to the 737 Max crashes caused any reason for Airbus to perform novel or additional due diligence procedures on the overall safety and soundness of its built aircraft prior to final delivery?
19. Are coronavirus and the related uncertainties, according to EY, occurrences giving rise to serious doubts whether Airbus can continue its business activities? Put differently; were the auditor to have expressed his continuity-statement in March 2020 rather than in February 2020, would that have made a substantial difference?



2020 HALF YEAR RESULTS

For investors it is of the utmost importance to have detailed insight into Airbus's state and how coronavirus has impacted its operational and financial housekeeping. VEB calls on you now to replicate the yearly transparency provided by the annual figures through publishing half-year figures for 2020. The focus then will be on the sustainability of goodwill, facilities, liquidity forecasts, finance (and changes in these), along with forecasts. It is important that this information is audited and that the auditor should issue an unqualified opinion on the half-year figures, accompanied by a new continuity statement based on these half-year figures in which the auditor expresses an opinion on the Airbus's viability over the next 12 months.

In conclusion

VEB is well aware of the significant challenges Airbus currently faces. As indicated, we are concerned indeed that corporate governance mechanisms suffer from the shareholders' inability to assert their quitesessential rights and to have an actual exchange of views with the company at the annual meeting of 16 April 2020.

It is for this reason that we expressly send you the questions above prior to the annual meeting.

VEB therefore, invites you to address the questions and issues raised in this letter at the proceedings of the shareholders' meeting.

We wish you all the strength in this period and look forward to receiving your considered views.

Yours sincerely,

Vereniging van Effectenbezitters