INDIA

Social security and Personal Income Tax Information

You have been invited to invest in shares of Airbus SE in the context of the **2021 Airbus Employee Share Ownership Plan (2021 ESOP).**

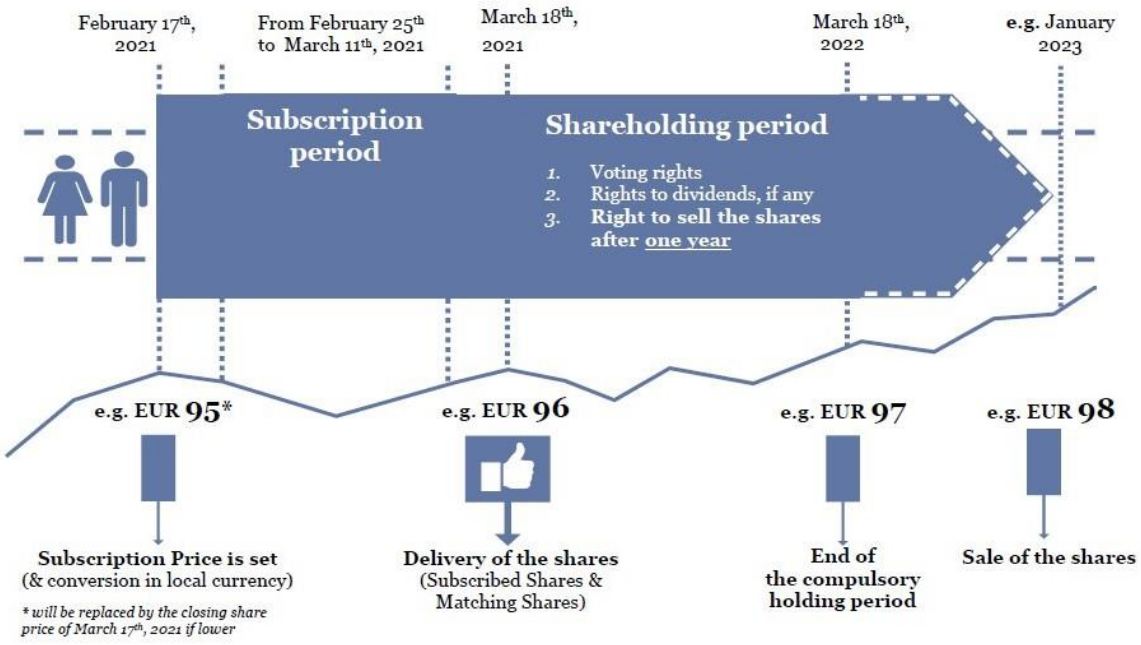
The purpose of this document is to provide to you an overview of individual income tax and social security consequences in India arising from your participation in the **2021 ESOP.**

The tax and social security implications described below apply to you if at all times:

- You are subject to individual income tax in India; and
- You perform your professional activity exclusively in India; and
- You are subject to the mandatory State social security scheme of India; and
- You are a non-American citizen.

The information set forth below is based on the individual income tax and social security laws in force in **December 2020** in India. Please keep in mind that the rules may change and affect the individual income tax and/or social security treatment described below. This note is provided to you for information purposes only. It is not relevant if you are in an international mobility situation.

Illustration



This scheme is an illustration only and is not intended to predict the market value of the Airbus Share in the future.

IMPORTANT

Share price evolution on the stock market is unpredictable. When making your decision please remember that the price of Airbus shares can go up or down. Airbus cannot provide you with any financial/tax advice. If you are in any doubt about whether to participate in the 2021 ESOP you should speak to an independent financial/tax advisor.

1. Taxation at the time of subscription of Airbus shares

In 2021 ESOP, you pay the subscription price for a number of Airbus shares (Subscription Shares) and receive additional Airbus shares (Matching Shares) for free thereby reducing your acquisition cost per share.

- You make a taxable benefit corresponding to the difference between the fair market value of all shares delivered to you (Subscription Shares and Matching Shares) and the subscription price that you paid:

  Taxable benefit = fair market value of the share x total number of shares received - price you paid in total for your purchase

  For tax purposes, the fair market value of the shares will be determined by a "*category I merchant banker*" registered with the Security and Exchange Board of India. (To arrive at the fair market value, Merchant Banker may take into consideration the listed price of Airbus SE share on the date of its delivery to you, i.e., on the date of the capital increase to take place on March 18, 2021).

  This benefit is considered as "*perquisite*" income and subject to tax at **progressive rates currently up to 30%**, as well as a surcharge, the of which varies depending on your total income:
  - If your total income exceeds INR 5 million but does not exceed INR 10 million, a surcharge rate of 10% is applicable;
  - If your total income exceeds INR 10 million but does not exceed INR 20 million, a surcharge rate of 15% is applicable;
  - If the total income exceeds INR 20 million but does not exceed INR 50 million, a surcharge rate of 25% is applicable;
  - If the total income exceeds INR 50 million, a surcharge rate of 37% is applicable.

  Furthermore, an **additional health and education cess at the rate of 4%** is also levied on the amount of tax payable and surcharge (if any).

  The amount of the tax and health and education cess owed by you will be **withheld by your employer** from your salary.

- Additionally, you benefit from a facility offered by your employer for payment of the subscription price. Your employer will make an advance for the total amount of your subscription to be repaid through salary deductions in 3 installments of equal amount.

  The interest differential (i.e. the difference between the market rate of interest - to be arrived in prescribed manner - and actual rate of interest recovered from you on salary advance, which is zero) **is subject to taxation** at applicable tax rates presented above, **if the amount of the loan exceeds INR 20,000**.

  The amount of the tax owed by you will be **withheld by your employer** from your salary.

2. Taxation during the holding of your Airbus shares

You are required to hold your shares for a period of at least **one year**. As long as you will continue to hold your Airbus shares, you will be taxable with respect to dividends if any are distributed by Airbus SE.

Dividends will be subject to a dividend withholding tax in the Netherlands and will then be taxable in your country.

a. Taxation of dividends in the Netherlands

Under Dutch domestic law, dividends paid by Airbus will be subject to a withholding tax in the Netherlands at the time the dividend is declared by the general meeting of shareholders. The rate of the Dutch dividend withholding tax is 15%.

A supporting document (Tax Voucher) evidencing the payment of Dutch withholding tax is made available each year on SHARINBOX –Société Générale website.

b. Taxation of dividends in India

Under Indian tax law, dividends are taxed at progressive rates currently ranging **from 0% to 30%**, as well as a surcharge, the of which varies depending on your total income:

- If your total income exceeds INR 5 million but does not exceed INR 10 million, a surcharge rate of 10% is applicable;
- If your total income exceeds INR 10 million, a surcharge rate of 15% is applicable;

Furthermore, an **additional health and education cess at the rate of 4%** is also levied on the amount of tax payable and surcharge (if any).

In principle, **tax credit ought to be available** for the withholding tax paid in the Netherlands. However, such tax credit cannot exceed the income tax payable on such dividend income in India.

You will be responsible for reporting the dividends arising on your shares in your India tax return provided you qualify as Resident & Ordinarily Resident ('ROR') in India for that year.

You must **pay tax on dividend income yourself in four advance tax installments** (i.e. by June 15th, September 15th, December 15th and by March 15th). Advance tax is payable during the tax year if the estimated taxes (net of taxes withheld) exceeds INR 10,000.

Dividends shall be repatriated to India within 60 days of its declaration or such further period as the RBI may specify (specific permission may be taken for extension on a case to case basis).

Moreover, if you qualify as ROR, you are required to disclose the details of your foreign assets including foreign accounts in your Indian tax return for the fiscal year under consideration.

3. Taxation at sale of your Airbus shares

You will not be able to sell or transfer the shares acquired under the 2021 ESOP for a **period of one year**. In practice, you will be able to sell your shares **from March 19th, 2022**. End of the holding period is not a taxable event.

Taxation will take place at the time of sale of your shares, if you make a capital gain.

The capital gain is equal to the difference between the gross 'sale proceeds' on the date of the sale and the 'cost of acquisition' of the shares (fair market value of shares received) minus the transaction costs (e.g. broker's fees).

Taxable benefit = sale proceeds – cost of acquisition – broker's commissions

In case of capital loss, short term capital loss can be deducted from short or long-term capital gains. However, long term capital loss can be set off against long term capital gains only. Any unused annual capital losses can be carried forward up to eight years if the annual income tax return is filed.

Rates of taxation will vary depending on how long the shares have been held:

- If the shares are sold 24 months after purchase (long-term capital gain): the capital gain is taxed at the **flat rate of 20%**, plus the applicable surcharge and cess (as discussed below). "Indexed cost" (calculated after considering the cost inflation index published on a yearly basis by the Government of India) is to be considered in place of 'cost of acquisition' in this case.

- If the shares are sold within 24 months of purchase (short-term capital gain): the capital gain is taxed at **progressive rates currently up to 30%**, as well as a surcharge, the of which varies depending on your total income:
    - If your total income exceeds INR 5 million but does not exceed INR 10 million, a surcharge rate of 10% is applicable;
    - If your total income exceeds INR 10 million but does not exceed INR 20 million, a surcharge rate of 15% is applicable;
    - If the total income exceeds INR 20 million but does not exceed INR 50 million, a surcharge rate of 25% is applicable;
    - If the total income exceeds INR 50 million, a surcharge rate of 37% is applicable.

Furthermore, an **additional health and education cess at the rate of 4%** is also levied on the amount of tax payable and surcharge (if any).

You will be responsible for reporting the capital gain/loss in your annual tax return to be filed **before July 31st following the year in which the sale of shares takes place**. You must **pay capital gain tax yourself in four advance tax installments**.

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