ARRANGEMENT'S RETWEEN

THE GOVERNMENTS OF THE FRENCH REPUBLIC, THE FEDERAL REPUBLIC OF GERMANY, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE KINGDOM OF SPAIN AND THE KINGDOM OF BELGIUM CONCERNING

THE AIRBUS A 330 / A 340 PROGRAMME

The Governments of the French Republic, the Federal Republic of Germany, the United Kingdom of Great Britain and Northern Ireland, the Kingdom of Spain and the Kingdom of Belgium, hereinafter referred to as the "Signatory Governments"

- desiring further to strengthen European collaboration within the AIRBUS consortium;
- eager to enable the GROUPEMENT D'INTERET ECONOMIQUE AIRBUS INDUSTRIE, hereinafter referred to as "AIRBUS INDUSTRIE" and AEROSPATIALE SOCIETE NATIONALE INDUSTRIELLE, DEUTSCHE AIRBUS GmbH (now DEUTSCHE AEROSPACE AIRBUS GmbH), BRITISH AEROSPACE PLC, CONSTRUCCIONES AERONAUTICAS S.A. and BELAIRBUS S.A., hereinafter referred to as "Associated Manufacturers", to implement the proposals which they have submitted to the Signatory Governments concerning the development of the AIRBUS A 330 / A 340 aircraft, defined in Annex 1 to these Arrangements;
- having verified the economic viability of the programme;

HAVE ENTERED INTO THE FOLLOWING ARRANGEMENTS

CHAPTER I

GENERAL

SECTION 1

The present Arrangements define the duties of the Signatory Governments concerning the development and sales financing of the AIRBUS A 330 / A 340 aircraft, the Signatory Governments' requirements of AIRBUS INDUSTRIE and the Associated Manufacturers, and the ways in which the Signatory Governments will monitor the programme.

SECTION 2

The Signatory Governments accept that, except as they may otherwise unanimously decide, they will not support the participation of their airframe manufacturers in the development and production of civil aircraft competing with the AIRBUS A 330/ A 340.

CHAPTER II

ORGANISATION

SECTION 3

- 3.1. The powers and responsibilities
- of the INTERGOVERNMENTAL COMMITTEE,
- of its sub-committees, namely the EXECUTIVE COMMITTEE and the PERMANENT WORKING GROUP ON SALES FINANCING,
- and of the AIRBUS EXECUTIVE AGENCY,

as defined under the Arrangements between the Governments of the French Republic, the Federal Republic of Germany, the United Kingdom of Great Britain and Northern Ireland, the Kingdom of Spain and the Kingdom of Belgium concerning the AIRBUS A 320 programme, will be increased as necessary, as far as the Signatory Governments are concerned, to cover the AIRBUS A 330 / A 340 programme.

3.2. The voting rights of the Signatory Governments defined in the Arrangements concerning the AIRBUS **A** 320 programme will apply mutatis mutandis to the present Arrangements.

SECTION 4

To give effect to the present Arrangements, and in the name of the Signatory Governments, **the** AIRBUS EXECUTIVE AGENCY will conclude a Framework Agreement with AIRBUS INDUSTRIE, providing in particular for:

- the necessary commitment by AIRBUS INDUSTRIE to complete successfully, together with its Associated Manufacturers, the development of the AIRBUS A 330 / A 340 aircraft and to obtain the required certifications;
- definition of the development work and the technical milestones, to enable the progress of the development programme to be monitored and assessed by the AIRBUS EXECUTIVE AGENCY;
- commitments by AIRBUS INDUSTRIE to submit a document agreed by the Associated Manufacturers, defining, subject to approval by the INTERGOVERNMENTAL COMMITTEE, the respective national contributions to the costs of development of the AIRBUS A 330 / A 340 aircraft and the forecast schedule of expenditure;
- commitments by AIRBUS INDUSTRIE to supply the AIRBUS EXECUTIVE AGENCY with all information necessary to monitor the development programme, including the evolution of its financial aspects;
- commitments by AIRBUS INDUSTRIE to inform the AIRBUS EXECUTIVE AGENCY immediately in the event of changes in the content of development work;
- commitments by AIRBUS INDUSTRIE to keep the AIRBUS EXECUTIVE AGENCY informed about the amounts to be paid by AIRBUS INDUSTRIE to each Associated Manufacturer as reimbursement for the respective national contribution to the development cost:
- commitments by AIRBUS INDUSTRIE to supply information to the AIRBUS EXECUTIVE AGENCY on the production worksharing in the AIRBUS A 330 / A 340 programme, including subcontracting to third countries, as well as on all relevant aspects of the AIRBUS programme in general;
- conclusion of contracts as soon as possible between AIRBUS INDUSTRIE and its Associated Manufacturers, under which they share the liability of AIRBUS INDUSTRIE towards the AIRBUS EXECUTIVE AGENCY concerning the AIRBUS A 330 / A 340 programme, and submission of these contracts for examination and approval by the AIRBUS EXECUTIVE AGENCY.

CHAPTER III

DEVELOPMENT

SECTION 5

As soon as each Associated Manufacturer has undertaken to ensure that its share of the development work specified in Annex 2 to these Arrangements is carried out and to defray its share of expenditure of non-attributable development work, each of the Signatory Governments will take the necessary measures, according to appropriate national procedures, to enable its Associated Manufacturer to complete its part of the AIRBUS A 330 / A 340 development programme. This duty relates to the AIRBUS A 330 /A 340 aircraft as defined in Annex 1 to these Arrangements, and, without prejudice to the relevant national arrangements, shall be deemed to be fulfilled by the granting of reimbursable advances to the respective Associated Manufacturers up to the following maximum amounts:

French Republic:

FF 7 800 000 000 (seven thousand eight hundred million French Francs) applied to the initial phase of the programme;

Federal Republic of Germany:

DM 2 996 000 000 (two thousand nine hundred and ninety six million Deutsche Mark)

applied to both phases of the programme;

United Kingdom of Great Britain and Northern Ireland:

f 450 000 000 (four hundred and fifty million Pounds Sterling) applied to the initial phase of the programme;

Kingdom of Spain:

PTAS 29 356 000 000 (twenty nine thousand three hundred and fifty six million Pesetas)

applied to both phases of the programme;

Kingdom of Belgium:

BFR 1 908 000 000 (one thousand nine hundred and eight million Belgian Francs) applied to the initial phase of the programme.

SECTION 6

- 6.1. The respective national contributions towards the costs of development of the AIRBUS A 330 / A 340 aircraft shall be determined by the INTERGOVERNMENTAL COMMITTEE, taking account of estimates available from AIRBUS INDUSTRIE.
- 6.2. The amounts of the national contributions towards the costs of development of the AIRBUS A 330 / A 340 aircraft, determined by the INTERGOVERNMENTAL COMMITTEE according to Section 6.1., will be subject to escalation at the date of expenditure, according to an escalation formula defined in the Framework Agreement incorporating appropriate national indices.
- 6.3. If an Associated Manufacturer fails to fulfil *its* undertakings, the Government of the country under whose laws it is established will remain liable to the other Signatory Governments up to the escalated amount of its national contribution to the costs of the initial phase of the programme, taking into account the development work completed by the Associated Manufacturer.

SECTION 7

- 7.1. If portions of development work allocated to the industry of one of the Signatory Governments are not carried out by the industry of the country of that Government, such portions will still be deemed to be allocated to the industry of that country, unless the INTERGOVERNMENTAL COMMITTEE decides otherwise.
- 7.2. If, in the event of changes in the content of development work, the INTERGOVERNMENTAL COMMITTEE considers that there has been a reduction in the work, the Signatory Governments may review their duties as set out in Sections 5 and 6.
- 7.3. Any development costs additional to the amounts determined by the INTERGOVERNMENTAL COMMITTEE according to Section 6.1. will be borne by AIRBUS INDUSTRIE and its Associated Manufacturers.

SECTION 8

The respective national contributions to the cost of development will be reimbursed by AIRBUS INDUSTRIE out of the proceeds of aircraft sales. AIRBUS INDUSTRIE will discharge this obligation by making reimbursements to each Associated Manufacturer according to a schedule agreed by the Associated Manufacturers.

CHAPTER IV

EQUIPMENT

SECTION 9

In order to ensure that fair opportunities for participation are given to the equipment industries of the countries of the Signatory Governments, in so far as they can provide competitive equipment for the AIRBUS A 330 /A 340 aircraft, AIRBUS INDUSTRIE and the Associated Manufacturers will be required:

- to invite all competent suppliers, especially from the countries of the Signatory Governments, to bid for equipment;
- to provide the AIRBUS EXECUTIVE AGENCY in advance with lists of all suppliers from whom it is proposed to invite bids ;
- to inform the AIRBUS EXECUTIVE AGENCY without delay of the details of each choice of supplier, and to give the reasons for the particular choice.

CHAPTER V

PRODUCTION

SECTION 10

The series production of airframes and items of equipment should as far as possible be shared out between the industries of the countries of the Signatory Governments in the same proportions as for development. If such proportions cannot be achieved the INTERGOVERNMENTAL COMMITTEE will consider the matter.

SECTION 11

it will be for each Associated Manufacturer to provide the funds required to finance its share of series production.

CHAPTER VI

EXPORT SALES FINANCING

SECTION 12

The Signatory Governments, except the Government of the Kingdom of Belgium, will participate in the export sales financing of the AIRBUS A 330 / A 340 aircraft within the framework of existing international regulations, and taking account of the respective national contents of each aircraft, including its engines and equipment. In the case of the Kingdom of Spain this duty will be fulfilled by the financing of aircraft purchased by Spanish national airlines.

CHAPTER VII

DERIVATIVE VERSIONS

SECTION 13

The Signatory Governments will consult one another with the aim of deciding how to extend the present Arrangements to derivative versions of the AIRBUS A 330 / A 340 aircraft.

CHAPTER VIII

FINAL PROVISIONS

SECTION 14

- 14.1. The Government of the Kingdom of Spain will be the depositary of the present Arrangements.
- 14.2. The present Arrangements will come into operation on the date when all the Signatory Governments have notified the Government of the Kingdom of Spain through the diplomatic channels of the completion of their respective internal formalities. The Government of the Kingdom of Spain will inform the Signatory Governments of the date of the last notification.

Les dispositions qui pécht constituent l'Accord entre les Gouvemements Signataires relatif aux matières auxquelles elles se rapportent.

Signé à Madrid le 26-7-1.995 en un original en langues française, allemande, anglaise, espagnole et néerlandaise, chaque texte faisant igalement foi. Le Gouvemement du Royaume d'Espagne fournira aux autres Gouvemements Signataires les copies certifiées conformes du present Accord.

Die obigen Bestimmungen stellen die Vereinbarung dar, die zwischen den Unterzeichnerregierungen über die darin enthaltenen Angeiegenheiten getroffen wurde.

Unterzeichnet in Madrid am 26-7-1.995 in einer Urschrift in französischer, deutscher, englischer, spanischer und niederländischer Sprache, wobei jeder Wortlaut gleichermaßen verbindlich ist. Die Regierung des Königreichs Spanien wird den anderen Unterzeichnerregienmgen beglaubigte Abschriften dieser Vereinbarung iibermitteln.

The foregoing record represents the Arrangements entered into between the Signatory Governments upon the matters referred to therein.

Signed at Madrid on 26-7-1.995 in one original in the French, German, English, Spanish and Dutch languages, each text being of equal validity. The Government of the Kingdom of Spain will provide the other Signatory Governments with certified copies of the present Arrangements.

El presente documento constituye el Acuerdo concluido por los Gobiemos Signatorios sobre los asuntos a que se refiere el mismo.

Firmado en Madrid, el día 26-7-1.995, en un original, en francés, alemán, inglis, español y neerlandés, siendo cada uno de los textos igualmente válidos. El Gobiemo del Reino de España remitirá a los demás Gobiemos Signatarios copia certificada del presente Acuerdo.

Voormeld document is de Overeenkomst tussen de Regeringen die deze *Overeenkomst* hebben ondertekend aangaande de aangelegenheden waamaar daarin wordt verwezen.

Getekend te Madrid op 26-7-1.995 in ten origineel in de Franse, Duitse, Engelse, Spaanse en Nederlandse taal, iedere tekst zijnde gelijkelijk rechtsgeldig. De Regering van het Koninkrijk Spanje zal de andere Regeringen die deze Overeenkomst hebben ondertekend een censluidend verklaarde kopie van deze Overeenkomst sturen.

Pour le Gouvemement de la République française : Fiir die Regierung der Französischen Republik: For the Government of the French Republic: Por el Gobiemo de la Republica Francesa: Voor de Regering van de Franse Republiek : Firmado: Andrés Cadavd Pour le Gouvemement de la République fédérale d'Allemagne Fiir die Regierung der Bundesrepublik Deutschland: For the Government of the Federal Republic of Germany: Por el Gobiemo de la República Federal de Alemania: Voor de Regering van de Bondsrepubliek Duitsland Firmado: Herring Wegener Pour le Gouvemement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord : Fiir die Regierung des Vereinigten Königreichs Großbritannien und Nordirland : For the Government of the United Kingdom of Great Britain and Northern Ireland: Por el Gobiemo del Reino Unido de Gran Bretaña e Irlanda del Norte : Voor de Regering van het Verenigd Koninkrijk van Groot-Brittannië en Noord-Ierland: Emy Jones Fary Pour le Gouvemement du Royaume d'Espagne: Für die Regienmg des Königreichs Spanien: For the Government of the Kingdom of Spain: Por el Gobiemo del Reino de Espana: Voor de Regering van het Koninkrijk Spanje : Pour le Gouvernement du Royaum Für die Regierung des Königreich För the Government of the Ki Por el Gobierno del Reing Voor de Regering van Firmado: Luc Eculince

ANNEX 1

OUTLINE DESCRIPTION OF THE AIRBUS A 330 / A 340 TWIN AISLE MEDIUM-TO-LONG RANGE AIRLINERS

- 1. The AIRBUS A 330 will be a subsonic medium-to-long range civil transport aircraft. It will be equipped with two turbofan engines installed in pods under the wings. The engines selected for initial certification are :
- GENERAL ELECTRIC CF6-80E1
- PRATT AND WHITNEY PW 4164
- ROLLS-ROYCE TRENT 768.

The AIRBUS A 340 will be a subsonic long-range civil transport aircraft. It will be equipped with four turbofan engines installed in pods under the wings. The engine selected for initial certification is:

- CFMI CFM56-5C2.

The AIRBUS **A** 340 will be initially certificated in two versions designated A 340-200 (longer range) and A 340-300 (greater capacity).

- 2. The AIRBUS **A** 330 and **A** 340-300 will have a common large-diameter, twin-aisle fuselage of approximately circular cross-section. The AIRBUS **A** 340-200 will have a shorter fuselage of the same cross-section. The AIRBUS A 330 and A 340 will have low-mounted wings, common except for differences required for the different engine configurations. The cruising speed will be about 470 kt.
- 3. The cabin of the AIRBUS A 330 and A 340-300 will be capable of holding 335 passengers seated in a mixed class configuration, e.g. 30 seats six abreast at a pitch of 102 centimetres (40 inches) and 305 seats eight abreast at a pitch of 86 centimetres (34 inches).

The cabin of the AIRBUS A 340-200 will be capable of holding 303 passengers seated in a mixed class configuration, e.g. 30 seats six abreast at a pitch of 102 centimetres (40 inches) and 273 seats eight abreast at a pitch of 86 centimetres (34 inches).

Two freight and luggage holds, one ahead of and one aft of the wing, will be provided under the floor of the passenger cabin and will be capable of handling containers identical to those used on other AIRBUS widebody aircraft.

A combi version will also be developed if there is an adequate market requirement for such a version.

4. An initial phase of the programme will lead to the certification and entry into service of the AIRBUS A 330-300A, A 340-200A and A 340-300A versions with the following characteristics:

The AIRBUS A 330-300A will have a range of up to about 4750 nautical miles when carrying its fuel reserves, a payload corresponding to 335 passengers with luggage, and the fittings and furnishings typical of commercial airlines; the initial phase will include the certification of this aircraft type with each of the following engines:

- GENERAL ELECTRIC **CF6-80E1**
- PRATT AND WHITNEY PW 4164
- ROLLS ROYCE TRENT 768.

The AIRBUS 'A 340-300A will have a range of up to about 6750 nautical miles when carrying its fuel reserves, a payload corresponding to 295 passengers with luggage, and the fittings and furnishings typical of commercial airlines;

The AIRBUS A 340-200A will have a range of up to about 7500 nautical miles when carrying its fuel reserves, a payload corresponding to 262 passengers with luggage, and the fittings and furnishings typical of commercial airlines.

- 5. A second phase of the programme will lead to the certification of the AIRBUS A 340-300B version, which will have a range of up to about 7 200 nautical miles when carrying its fuel reserves, a payload corresponding to 295 passengers with luggage, and the fittings and furnishings typical of commercial airlines. Furthermore, this second phase of the programme will include the certification of improved versions of the AIRBUS A 340-200A and A 330-300A.
- 6. The definition of these aircraft will allow for development to meet the future needs of airline customers.

ANNEX 2

DEVELOPMENT WORK AND ASSOCIATED COST ELEMENTS FOR THE AIRBUS A 330 / A 340 PROGRAMME

The term "development work", as used in these Intergovernmental Arrangements, includes the work which is of a non-recurring nature and which is necessary to develop the AIRBUS A 330 /A 340 aircraft as specified in Annex 1, including obtaining type certification, according to both the European JAR and the US FAR regulations.

The development work includes:

- Design of the aircraft;
- Wind-tunnel, structural and system tests;
- Simulators other than those for airline crew training;
- Equipment development work, including power-plant development, except for work directly financed by equipment and engine manufacturers ;
- Jigs and tools specific to the manufacture of up to seven AIRBUS A 330 / A 340 aircraft per month, to be assembled on a single assembly line in Toulouse;
- Manufacture of three AIRBUS A 340 and two AIRBUS A 330 development aircraft, including spares and such modifications as may be necessary to obtain certification;
- Flight tests on 15 AIRBUS A 330 / A 340 aircraft as necessary to obtain certification, including all associated ground support and the effort needed for the analysis of the test results :
- Documentation required for certification of the aircraft ordered by the launch customers (AIR INTER, CATHAY PACIFIC, LUFTHANSA, THAI INTERNATIONAL and UTA) and of the standard versions :
- Activities concerning a combi version of the AIRBUS A 340-300, up to the point at which AIRBUS INDUSTRIE and the Associated Manufacturers decided to stop this work due to an inadequate market requirement;
- Other essential activities, including international travelling, Iiaison, translations,' ferry of aircraft parts;
- Management of the development work by AIRBUS INDUSTRIE;

- Continuing support for a period of two years after certification, including

all modifications necessary to complete the development programme; continuation of design and test; adaptations to and maintenance and repair of jigs and tools and ground support equipment; storage of flight test equipment; updating of documentation; associated travel, translation and ferry activities.

In determining of the national contributions, the development costs will be reduced by an amount representing the expected net income from the sale of the development aircraft, after allowing for their depreciation and the costs of refurbishing them as well as for the depreciation in the sales price of those production aircraft which take part in the development flight test programme.

The development work will not include any work carried out after 31 December 1996.