

**INTERNATIONAL
INDUSTRIAL
COOPERATION
PROCEDURE**



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The primary objective of international industrial cooperation is to develop robust and sustainable industrial partnerships, reinforcing our global presence. Strengthening International Industrial Cooperation (IIC) is key to MBDA's future success.

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PURPOSE

Strengthening International Industrial Cooperation (IIC) is key to MBDA's future success. The primary objective of international cooperation is to develop robust and sustainable partnerships, reinforcing our global presence in.

The role of the IIC team is to identify and lead the definition of attractive and mutually beneficial industrial cooperation proposals and/or offset packages that satisfy both customer and MBDA aspirations.

DEFINITION

Industrial Cooperation and/or Offset is an arrangement/requirement that provides industrial, commercial or other economic benefits to that country as compensation for the purchase of equipment or services.

For the purposes of this Procedure, the following definitions apply.

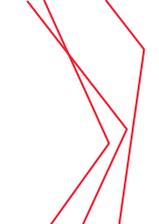
- Offset can be defined as a compensation arrangement contracted between two parties as a condition for the importation of goods, services and/or technology.
- Industrial Cooperation can be a cooperation or collaboration and/or partnership where two or more parties, industrial or otherwise, work together for mutual benefit.

ROLES AND RESPONSIBILITIES

The IIC Directorate belongs to the Sales and Business Development Directorate.

The IIC Regional Teams primarily works with the export regional teams to define the compelling regional industrial cooperation, partnership and offset proposals, where applicable.

International Industrial Cooperation is supported by a number of specific functions within MBDA depending on the nature of the activity performed. Cooperation between the involved functions implies the set-up of teams that evolve when passing through commercial and contractual lifecycle.



Teams supporting IIC include:

- Programmes Directorate
- Technical Directorate
- Operations Directorate
- Procurement
- Finance
- Strategy
- Legal
- Ethics, compliance and Corporate Responsibility (ECR)

The roles and responsibilities of the involved functions depend on the nature of the industrial cooperation, as well as of the activity performed.

PHASES

The IIC team leads the industrial cooperation strategy for a country and/or campaign.

Gate 1: Decision to Bid - Preparation and Prospecting (Phase 1)

- IIC will initiate contact with industrial partners and work with the national Compliance Officer to assign a Compliance Risk Status to potential partners and/or suppliers. This will determine whether business relations and Business Agreements with the partner/supplier can proceed and/or what further actions are to be taken. This may include escalation to the Chief Ethics, compliance and Corporate Responsibility (CECRO).

Gate 2: Proposal to Customer - Definition of the IIC Offer (Phase 2)

Gate 3: Authorisation to Sign - Negotiation and Establishment of the IIC Contract (Phase 3).

PROJECT APPROVAL AND DELEGATED AUTHORITIES

Direct and Semi-direct projects are linked to the product sold or within MBDA's broader product or technology portfolio. It might include transfer of technology.

Direct and Semi-direct project concepts and ideas must be approved by the Director of IIC, Finance and the MBDA delivery authority, (or their appropriately delegated people) prior to submission to the Customer or further development, e.g. Business Plan generation, Business Agreement, etc.

Indirect projects are not linked to MBDA's broader product or technology portfolio. Indirect project concepts and ideas must additionally be approved by the Compliance Directorate.



Compliance's assessment of potential partners shall commence once the potential partner has been identified and shall be completed by the Compliance Officer before any business commitments made.

IIC projects are jointly reviewed by IIC Directorate and Compliance at national quarterly review meetings. External Due Diligence and interviews of partners at risk are conducted by Compliance.

Compliance shall approve potential partners and contractual transaction scheme.

Compliance validates partnership contracts and customer contracts involving IIC projects.