



2020 NOTICE OF MEETING

Shareholders' Meeting

(Ordinary and Extraordinary)

**THURSDAY, MAY 28, 2020
at 2.00 p.m.**

**held exceptionally behind closed doors,
without any shareholders being physically present**

at the Company's registered office,
2, boulevard du Général Martial Valin, 75015 Paris, France



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The 2019 Universal
Registration
Document is available
on the website at
www.safran-group.com



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Faced with the health crisis posed by the Covid-19 epidemic, Safran is taking every possible measure to protect the health of the Group's employees and to help slow the spread of the virus. At the same time, it is making continued industrial operations for its customers a priority. Safran is in robust shape, and the commitment of its 95,000 employees is unflinching.



ROSS McINNES

Chairman of the Board of Directors

Dear Shareholders,

This is a very unusual year. In view of the confinement measures due to the Covid-19 epidemic, **Safran's Annual General Meeting will exceptionally be held behind closed doors** at its registered office on May 28, 2020 at 2:00 p.m. This means that you will not be able to attend the Meeting physically, in line with the specific regulations⁽¹⁾ introduced as part of the efforts to stem the spread of the epidemic.

I have made this decision alongside the Chief Executive Officer and in agreement with the Board of Directors, for both **public health and regulatory reasons and in order to protect the health and safety** of both the Group's shareholders and its employees.

The customary procedures have been adapted to the circumstances, so as to **enable you to participate in this important information and decision-making event**.

So I invite you to carefully read the information on the following pages, which set out how to participate in our Meeting. In these circumstances, I would like to thank you for your active participation in this event by casting your votes in advance.

Best regards,

Ross McInnes

(1) Article 4 of French government ordonnance (order) 2020-321 of March 25, 2020 adapting the rules under which shareholders and governing bodies of legal entities and private companies without legal personality can meet and deliberate in view of the Covid-19 epidemic.



PARTICIPATING IN THE MEETING

NOTICE

Safran has decided to use the provisions available under French government *ordonnance* (order) 2020-321 of March 25, 2020 adapting the rules under which shareholders and governing bodies can meet and deliberate in view of the Covid-19 epidemic.

Therefore, and contrary to the convening notice published in the French legal gazette (*Bulletin des annonces légales obligatoire* - BALO) on April 1, 2020, the Ordinary and Extraordinary Shareholders' Meeting will be held on May 28, 2020 at 2:00 p.m. in the absence of shareholders and other persons who are customarily eligible to attend.

As a result, admittance cards will not be issued and shareholders must vote or give proxy in advance of the Meeting.

Given the likely impact of the Covid-19 epidemic on postal deadlines, shareholders are strongly encouraged to submit their voting instructions online, once the Votaccess voting platform opens. Shareholders who choose to vote by post are invited to return their voting instructions as soon as the voting form is available or when they receive the physical copy.

Written questions may be submitted to the Company in advance of the Meeting. However, it will not be possible to ask questions during the Meeting.

The Annual General Meeting will be broadcast live on the Company's website, at: <https://www.safran-group.com/finance/general-meeting>. The recording will be made freely accessible to shareholders on the Group's website after the Meeting.

Please read the information on the following pages carefully, setting out how to participate in the Meeting.

Shareholders are also invited to regularly check the 2020 Annual General Meeting section of the Company's website: www.safran-group.com.

HOW TO PARTICIPATE IN THE MEETING

Ways of participating in the Meeting

All shareholders are entitled to participate in the Meeting, regardless of the number of shares owned.

In light of the exceptional measures this year, shareholders will be unable to attend the Meeting physically or to be physically represented by another person.

However, they can participate by voting (either directly or via a proxy) by post or online, or by giving proxy to the Chairman of the Meeting in advance of the Meeting, in accordance with the terms and conditions set out in the applicable laws and regulations.

In accordance with Article R.225-85 of the French Commercial Code (*Code de commerce*), in order for shareholders to cast a vote or appoint a proxy, their shares must be recorded in their name or in the name of an authorized intermediary on their behalf no later than zero hours (CET) on the second business day preceding the Meeting (i.e., May 26, 2020) as follows:

- for **REGISTERED or ADMINISTERED REGISTERED** shares: in the Company's share register managed by BNP Paribas Securities Services;
- for **BEARER** shares: in a securities account managed by an authorized intermediary, as provided for in Article L.211-3 of the French Monetary and Financial Code (*Code monétaire et financier*).

The recording of shares in bearer share accounts managed by an authorized intermediary must be certified by a share ownership certificate issued by the latter, which should be attached to the proxy/postal voting form.

A – You wish to vote, give proxy to the Chairman of the Meeting or to a person other than the Chairman of the Meeting online

All Safran shareholders are invited to vote or give a proxy online in advance of the Meeting, via the Votaccess secure voting platform:

- on the Planetshares website (<https://planetshares.bnpparibas.com>) for holders of registered or administered registered shares; or
- by contacting the custodian for holders of bearer shares.

The secure platform will be open from May 11, 2020.

The deadline for voting or giving proxy to the Chairman of the Meeting (including giving proxy without specifying a representative) online is 3:00 p.m. (CET) on the day before the Meeting (i.e., May 27, 2020).

The deadline for appointing a proxy (other than the Chairman) is midnight (CET) on May 25, 2020.

Shareholders are advised not to wait until the day before the Meeting to register their voting instructions, in order to avoid overloading the voting platform.

Holders of registered shares can submit their questions relating to the practicalities of the Meeting on the Planetshares website. Holders of bearer shares are invited to contact their authorized intermediary.

How to exercise your voting rights

Given the evolving nature of the Covid-19 epidemic, the Annual General Meeting of May 28, 2020 will be held behind closed doors, with shareholders being unable to attend the Meeting personally (either physically or by telephone or audiovisual conferencing) or to be represented physically by a proxy.

Shareholders will therefore be unable to obtain admittance cards.

However, they can exercise their right to vote in advance of the Meeting using one of the following options:

A – Online: by voting, giving proxy to the Chairman or giving proxy to a person other than the Chairman, via the Votaccess secure voting platform and in accordance with the procedures described in section A below.

B – By post: by voting, giving proxy to the Chairman or to a person other than the Chairman, in accordance with the procedures described in section B below.

Under the customary rules, once shareholders have cast a postal or online vote, appointed a proxy or requested an admittance card, they cannot participate in the Meeting in any other way.

Exceptionally, shareholders can amend their chosen method of participating in the Annual General Meeting of May 28, 2020 in accordance with the procedures described below in “Exceptional option to amend the chosen method of participating in the Annual General Meeting of May 28, 2020”.

Given the likely impact of the Covid-19 epidemic on postal deadlines, shareholders are encouraged to submit their voting instructions online (case A) and to refrain from sending their voting form by post (case B).

A – You wish to vote, give proxy to the Chairman of the Meeting or to a person other than the Chairman of the Meeting online

The Votaccess secure voting platform will be open from May 11, 2020 until 3.00 p.m. (CET) on May 27, 2020.

Shareholders are advised not to wait until the day before the Meeting to register their voting instructions, in order to avoid overloading the voting platform.

1 – Vote online

Holders of registered shares

Holders of registered shares should log on to Votaccess via the Planetshares website using the username, access code and password they use to log on to their registered share account on the Planetshares website at <https://planetshares.bnpparibas.com>.

All holders of registered shares have a Planetshares account, even if they have not yet used it. They can log on to their account with the username and access code that appear on their annual statement. Shareholders are invited to verify, as soon as possible, that they can access their account.

PARTICIPATING IN THE MEETING ▣

A – You wish to vote, give proxy to the Chairman of the Meeting or to a person other than the Chairman of the Meeting online

Holders of administered registered shares

Holders of administered registered shares should log on to the Planetshares website (<https://planetshares.bnpparibas.com>) to access the Votaccess platform.

All holders of administered registered shares have a Planetshares account, even if they have not yet used it. Shareholders are invited to verify, as soon as possible, that they can access their account.

They can log on to their account with the username and access code that appear in the top right of the voting form attached to the convening notice.

If you experience any difficulties, call one of the following numbers: 0 826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France), or submit a request via the contact form (envelope icon in the top right) on the Planetshares homepage (<https://planetshares.bnpparibas.com>).

Holders of registered and administered registered shares

In the event that you misplace or forget your username, access code and/or password to log on to the Planetshares website, call one of the following numbers: 0 826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France), or submit a request via the contact form (envelope icon in the top right) on the Planetshares homepage (<https://planetshares.bnpparibas.com>).

After logging on to the Planetshares website, follow the on-screen instructions to reach Votaccess, where you can register your voting instructions. You can also consult the official documentation pertaining to the Meeting on this website.

Holders of bearer shares

Holders of bearer shares **whose custodian is connected to Votaccess** should log on to their custodian's website with their usual username and password, and then click on the icon that appears on the line corresponding to their Safran shares and follow the on-screen instructions to reach Votaccess. You can also consult the official documentation pertaining to the Meeting on this website.

Holders of bearer shares **whose custodian is not connected to Votaccess** should contact their custodian to communicate their voting instructions, which the custodian will then send to BNP Paribas Securities Services.

2 – Give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying a proxy online

The Chairman of the Meeting will vote to adopt the proposed resolutions presented or approved by the Board of Directors and vote against all other proposed resolutions.

Holders of registered and administered registered shares

Holders of registered or administered registered shares can give proxy to the Chairman of the Meeting online via Votaccess by logging on to the Planetshares website at <https://planetshares.bnpparibas.com>.

All holders of registered or administered registered shares have a Planetshares account, even if they have not yet used it. Shareholders are invited to verify, as soon as possible, that they can access their account.

Holders of **registered shares** should log on to the Planetshares website with the username, access code and password they use to access their share account on the Planetshares website (the username and access code also appear on their annual statement).

Holders of **administered registered shares** should log on to the Planetshares website with the username and access code that appear in the top right of the voting form attached to the convening notice.

If you experience any difficulties, call one of the following numbers: 0 826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France), or submit a request via the contact form (envelope icon in the top right) on the Planetshares homepage (<https://planetshares.bnpparibas.com>).

Holders of bearer shares

Holders of bearer shares **whose custodian is connected to Votaccess** should log on to their custodian's website with their usual username and password. They should then click on the icon that appears on the line corresponding to their Safran shares and follow the on-screen instructions.

Holders of bearer shares **whose custodian is not connected to Votaccess** should contact their custodian to communicate their voting instructions, which the custodian will then send to BNP Paribas Securities Services.

A – You wish to vote, give proxy to the Chairman of the Meeting or to a person other than the Chairman of the Meeting online

3 – Give proxy to a person other than the Chairman of the Meeting online

You may give proxy to another shareholder, your spouse, your partner with whom you have entered into a civil union or any other individual or legal entity of your choice in accordance with the provisions of Article L.225-106 of the French Commercial Code.

The deadline for appointing a proxy other than the Chairman of the Meeting is midnight (CET) on May 25, 2020.

The proxy may not attend the Meeting physically and will have until midnight (CET) on May 25, 2020 to vote on your behalf by sending the proxy/postal voting form downloaded from the Company's website by email to paris.bp2s.france.cts.mandats@bnpparibas.com.

Appointing a proxy online

Holders of registered and administered registered shares

Holders of registered or administered registered shares can give proxy online via Votaccess by logging on to the Planetshares website at <https://planetshares.bnpparibas.com>.

All holders of registered or administered registered shares have a Planetshares account, even if they have not yet used it. Shareholders are invited to verify, as soon as possible, that they can access their account.

Holders of **registered shares** should log on to the Planetshares website with the username, access code and password they use to access their share account.

Holders of **administered registered shares** should log on to the Planetshares website with the username and access code that appear in the top right of the voting form attached to the convening notice.

If you experience any difficulties, call one of the following numbers: 0 826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France), or submit a request via the contact form (envelope icon in the top right) on the Planetshares homepage (<https://planetshares.bnpparibas.com>).

Holders of bearer shares

Holders of bearer shares **whose custodian is connected to Votaccess** should log on to their custodian's website with their usual username and password. They should then click on the icon that appears on the line corresponding to their Safran shares and follow the on-screen instructions.

Holders of bearer shares **whose custodian is not connected to Votaccess** can send an email to paris.bp2s.france.cts.mandats@bnpparibas.com with the following information: the name of the company concerned (Safran), the date of the Meeting (May 28, 2020), their last name, first name, address and banking details, as well as the last name, first name and, if possible, the address of their proxy.

Holders of bearer shares must ask the authorized intermediary managing their securities account to send a share ownership certificate to the AGM Department (*Service Assemblées Générales*) of BNP Paribas Securities Services by post or email.

Only notifications of proxies can be sent to the above email address (and exceptionally this year, proxy voting instructions); any other unrelated requests or notifications will not be considered and/or processed.

Digital copies of the proxy form must be signed in order to be valid.

The forms must be received no later than midnight (CET) on May 25, 2020.

If you do not follow the above-mentioned procedures, your proxy appointment will not be valid and taken into account.

PARTICIPATING IN THE MEETING ▣

B - You wish to vote, give proxy to the Chairman of the Meeting or to a person other than the Chairman of the Meeting by post

Revoking a proxy online

You can also revoke your proxy online by following the same procedure as when you appointed the proxy.

If a previous proxy is revoked and a new proxy is appointed, the necessary steps must be completed by midnight (CET) on May 25, 2020.

The new proxy may not attend the Meeting physically and will have until midnight (CET) on May 25, 2020 to vote on your behalf by returning the proxy/postal voting form available on the Company's website by email to paris.bp2s.france.cts.mandats@bnpparibas.com.

Holders of registered and administered registered shares

Holders of registered and administered registered shares can revoke their proxy and, where applicable, appoint a new proxy by logging on to Votaccess via the Planetshares website at <https://planetshares.bnpparibas.com>.

Holders of bearer shares

Holders of bearer shares **whose custodian is connected to Votaccess** can revoke their proxy and, where applicable, appoint a new proxy by logging on to their custodian's website with their usual username and password.

Holders of bearer shares **whose custodian is not connected to Votaccess** can revoke or change their proxy electronically in accordance with the provisions of Article R.225-79 of the French Commercial Code.

In this case, shareholders should send an email to paris.bp2s.france.cts.mandats@bnpparibas.com with the following information: the name of the company concerned (Safran), the date of the Meeting (May 28, 2020), their last name, first name, address and banking details, as well as the last name, first name and, if possible, the address of their proxy.

To appoint a new proxy after revoking a previous proxy, holders of bearer shares must obtain a new "Change of proxy" form from their custodian. The completed form must be returned by email to paris.bp2s.france.cts.mandats@bnpparibas.com. Holders of bearer shares must ask the authorized intermediary managing their securities account to send a share ownership certificate to the AGM Department (*Service Assemblées Générales*) of BNP Paribas Securities Services by post or email.

Only notifications of proxies can be sent to the above email address (and exceptionally this year, proxy voting instructions); any other unrelated requests or notifications will not be considered and/or processed.

Digital copies of the "Change of proxy" form must be signed in order to be valid and taken into account.

B - You wish to vote, give proxy to the Chairman of the Meeting or to a person other than the Chairman of the Meeting by post

1 - Vote by post

Holders of registered and administered registered shares

Holders of registered or administered registered shares should complete and sign the proxy/postal voting form attached to the notice of meeting (checking the box corresponding to their choice) and send it in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

If, exceptionally, you have to use the blank form downloaded from the Company's website, please include your last name, first name, and address and, if possible, your shareholder code (registered shareholder number) that appears on all correspondence from BNP Paribas Securities Services.

Holders of bearer shares

Holders of bearer shares wishing to cast a postal vote may request a proxy/postal voting form from their authorized intermediary. This request must be received by the authorized intermediary no later than six days before the date of the Meeting (i.e., May 22, 2020). The authorized intermediary will then send the duly completed and signed form along with a share ownership certificate to BNP Paribas Securities Services. Shareholders are invited to request the form from their authorized intermediary as soon as possible.

Duly completed and signed postal voting forms must reach BNP Paribas Securities Services at least three days before the date of the Meeting (i.e., by midnight [CET] on May 25, 2020).

B - You wish to vote, give proxy to the Chairman of the Meeting or to a person other than the Chairman of the Meeting by post

2 - Give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying a representative by post

The Chairman of the Meeting will vote to adopt the proposed resolutions presented or approved by the Board of Directors and vote against all other proposed resolutions.

Holders of registered and administered registered shares

Holders of registered or administered registered shares should complete and sign the proxy/postal voting form attached to the notice of meeting (checking the box corresponding to their choice) and send it in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

If, exceptionally, you have to use the blank form downloaded from the Company's website, please include your last name, first name, and address and, if possible, your shareholder code (registered shareholder number) that appears on all correspondence from BNP Paribas Securities Services.

Holders of bearer shares

Holders of bearer shares wishing to give proxy to the Chairman of the Meeting may request a proxy/postal voting form from their authorized intermediary. This request must be received by the authorized intermediary no later than six days before the date of the Meeting (i.e., May 22, 2020). The authorized intermediary will then send the duly completed and signed form along with a share ownership certificate to BNP Paribas Securities Services. Shareholders are invited to request the form from their authorized intermediary as soon as possible.

3 - Give proxy to a person other than the Chairman of the Meeting by post

You may give proxy to another shareholder, your spouse, your partner with whom you have entered into a civil union or any other individual or legal entity of your choice in accordance with the provisions of Article L.225-106 of the French Commercial Code.

Appointing a proxy by post

The form to appoint a proxy other than the Chairman of the Meeting must reach BNP Paribas Securities Services no later than midnight (CET) on May 25, 2020.

The proxy may not attend the Meeting physically and will have until midnight (CET) on May 25, 2020 to vote on your behalf by returning the single proxy/postal voting form available on the Company's website by email to paris.bp2s.france.cts.mandats@bnpparibas.com.

Holders of registered and administered registered shares

Holders of registered or administered registered shares should complete and sign the proxy/postal voting form attached to the notice of meeting (checking the box corresponding to their choice) and send it in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

If, exceptionally, you have to use the blank form downloaded from the Company's website, please include your last name, first name, and address and, if possible, your shareholder code (registered shareholder number) that appears on all correspondence from BNP Paribas Securities Services.

Holders of bearer shares

Holders of bearer shares wishing to give proxy to another person or entity may request a proxy/postal voting form from their authorized intermediary. This request must be received by the authorized intermediary no later than six days before the date of the Meeting (i.e., May 22, 2020). The authorized intermediary will then send the duly completed and signed form along with a share ownership certificate to BNP Paribas Securities Services. Shareholders are invited to request the form from their authorized intermediary as soon as possible.

PARTICIPATING IN THE MEETING ■

Sale of shares prior to the Meeting

Revoking a proxy by post

If a previous proxy is revoked and a new proxy is appointed, the corresponding form must reach BNP Paribas Securities Services no later than midnight (CET) on May 25, 2020.

The new proxy may not attend the Meeting physically and will have until midnight (CET) on May 25, 2020 to vote on your behalf by sending the proxy/postal voting form downloaded from the Company's website by email to paris.bp2s.france.cts.mandats@bnpparibas.com.

You can revoke your proxy by following the same procedure as when you appointed the proxy.

To appoint a new proxy after revoking your previous proxy, you must request a "Change of proxy" form from BNP Paribas Securities Services (for holders of registered shares) or from your authorized intermediary (for holders of bearer shares). The completed form must be returned to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

Holders of bearer shares must ask the authorized intermediary managing their securities account to send a share ownership certificate to the AGM Department (*Service Assemblées Générales*) of BNP Paribas Securities Services.

Exceptional option to amend the chosen method of participating in the Annual General Meeting of May 28, 2020

Under the customary rules, once shareholders have cast a postal or online vote, appointed a proxy or requested an admittance card, they cannot participate in the Meeting in any other way.

Exceptionally, shareholders who have already indicated their chosen method of participating in the Annual General Meeting of May 28, 2020 may amend their decision, provided that their instructions to that effect reach the Company or BNP Paribas Securities Services within the deadline for the new method.

In particular, shareholders who requested an admittance card and now find themselves unable to attend the Meeting physically, may amend their initial request and opt to:

- vote or give proxy to the Chairman of the Meeting online until 3.00 p.m. (CET) on the day before the date of the Meeting (i.e., May 27, 2020); or
- vote or give proxy to the Chairman of the Meeting using the paper form, provided that said form reaches the specified address no later than three days before the date of the Meeting (i.e., midnight [CET] on May 25, 2020); or
- appoint a proxy other than the Chairman of the Meeting, provided that:
 - the proxy is appointed (whether online or using the paper form) no later than midnight (CET) on May 25, 2020, and
 - the duly appointed proxy submits the vote to the specified email address, by the same date at the latest.

Similarly, any shareholders who appointed a proxy other than the Chairman of the Meeting and now find that said proxy is unable to attend the Meeting physically, may amend their initial choice and opt to:

- vote or give proxy to the Chairman of the Meeting online until 3.00 p.m. (CET) on the day before the date of the Meeting (i.e., May 27, 2020); or
- vote or give proxy to the Chairman of the Meeting using the paper form, provided that said form reaches the specified address no later than three days before the date of the Meeting (i.e., midnight [CET] on May 25, 2020).

SALE OF SHARES PRIOR TO THE MEETING

Shareholders may transfer ownership of some or all of their shares at any time

- (i) If the sale occurs before zero hours (CET) on May 26, 2020, the votes cast by post or online or the duly appointed proxy and any share ownership certificates will be canceled or modified accordingly. In such an event, the authorized intermediary (as provided for in Article L.211-3 of the French Monetary and Financial Code) must notify the Company or BNP Paribas Securities Services of the sale and forward the required information.
- (ii) If the sale occurs after zero hours (CET) on May 26, 2020, it will not be notified by the authorized intermediary and will not be taken into consideration by the Company, regardless of the means of communication, notwithstanding any agreement to the contrary.

WRITTEN QUESTIONS AND DOCUMENTS MADE AVAILABLE TO SHAREHOLDERS

Submitting written questions

Shareholders may submit written questions to the Company as from the publication date of the documentation to be submitted to the Meeting on the Company's website (see below). Written questions must be addressed to the Chairman of the Board of Directors at the Company's registered office (2, boulevard du Général-Martial-Valin, 75724 Paris Cedex 15, France) by recorded delivery with acknowledgment of receipt, **or to the following email address: actionnaire.individuel@safrangroup.com**, no later than midnight (CET) on May 25, 2020.

Written questions must be accompanied by a **share ownership certificate**.

Questions covering the same or similar content may be answered jointly. A written question will be considered answered when such answer is published on the Company's website in a dedicated Q&A section.

Exceptionally this year, the time limit for submitting written questions has been extended beyond the customary legal deadline, given that shareholders will not be able to ask questions verbally or propose amendments or new resolutions during the Meeting.

Given the likely impact of the Covid-19 pandemic on postal deadlines, shareholders are recommended to submit their written questions by email.

Documents made available to shareholders

Exceptionally this year, it is likely that no documents can be made available to shareholders at the Company's registered office.

The preliminary documents for the Annual General Meeting, will be available on the Company's website at <https://www.safran-group.com> (Finance/Annual General Meeting).

Shareholders can obtain the documents provided for by the applicable regulations⁽¹⁾ that are not already available on the Company's website, within the deadlines and under the conditions that are currently applicable⁽²⁾ by emailing their request to actionnaire.individuel@safrangroup.com.

These documents may also be obtained by shareholders on request from BNP Paribas Securities Services as from the publication of the convening notice in the French legal gazette (*Bulletin des annonces légales obligatoires* – BALO), or fifteen days before the Meeting, depending on the document concerned.

Shareholders who have requested documents will receive them by email if their email address is known to the Company or to BNP Paribas Securities Services. Shareholders who send by post requests for documents are invited to specify their email address if it is not known to the Company or to BNP Paribas Securities Services.

In the context of the current health crisis, documents sent by post on request or by default (where the shareholder's email address is not known to Safran or BNP Paribas Securities Services) may not be processed by the postal services until the end of the confinement period ordered by the French government in response to the Covid-19 epidemic.

HOW TO FILL OUT THE PROXY/POSTAL VOTING FORM

When filling out the proxy/postal voting form, please remember that the Meeting will be held behind closed doors. See the indications in blue on the following page.

In addition, changes have been made to the form this year in line with legal and regulatory developments⁽³⁾:

If you choose "VOTE BY POST", there are now three options available:

- vote **FOR** the resolution: the default choice. For resolutions presented or approved by the Board of Directors and bearing a number (1, 2, etc.), you do not have to check any boxes and your vote FOR is automatically registered. **However, for resolutions not approved by the Board of Directors and bearing a letter (A, B, etc.), there is no default choice: you must check the box corresponding to your vote;**
- vote **AGAINST** the resolution by checking the corresponding box;

(1) Articles R. 225-81 and R. 225-83 of the French Commercial Code; other than the documents provided for by Article R.225-73-1 of said Code, available on the Company's website no later than 21 days before the Meeting.

(2) Deadlines and conditions provided for by Article R.225-88 of the French Commercial Code and Article 3 of Ordonnance Covid-19 (order 2020-321 of March 25, 2020).

(3) Changes resulting from the French Act of July 19, 2019 on simplifying, clarifying and updating corporate law.

PARTICIPATING IN THE MEETING

How to fill out the proxy/postal voting form

ABSTAIN (new) by checking the corresponding box: your shares are counted for the purposes of calculating the overall quorum of the Meeting, but your abstention is not counted for the purposes of calculating the number of votes for or against the resolution.

If several boxes are checked for the same resolution, the corresponding votes will be considered null and void for that resolution.

In the bottom left section of the form on new resolutions or amendments, please also check one of the three options so that your decisions can be taken into account. If no box is checked, a vote "AGAINST" will automatically be taken into account.

If you decide to vote online, you do not need to return the paper form and if you decide to vote by post, you do not need to submit your instructions online.

As the Meeting will be held behind closed doors, **PLEASE DO NOT CHECK THIS BOX**

If you wish to cast a postal vote
Check this box and follow the instructions

If you hold bearer shares
Please send this form to your authorized intermediary

Important : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side
Quelle que soit l'option choisie, noircir comme ceci ■ la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this ■, date and sign at the bottom of the form.

JE DÉSIRE ASSISTER À CETTE ASSEMBLÉE et demande une carte d'admission : dater et signer au bas du formulaire // **I WISH TO ATTEND THE SHAREHOLDER'S MEETING** and request an admission card : date and sign at the bottom of the form.

SAFRAN
S.A. à Conseil d'Administration
Au capital de 85 446 831 €
Siège social : 2, boulevard du Général Martial Valin
75015 PARIS
562 082 909 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE
Jeudi 28 mai 2020 à 14 heures
A huis clos (hors la présence physique des actionnaires)
Au siège social de la société - 2, boulevard du Général Martial Valin - 75015 PARIS
COMBINED GENERAL MEETING
Thursday, May 28, 2020 at 2.00 pm
Behind closed doors (without any shareholders being physically present)
At the Company's registered office - 2, boulevard du Général Martial Valin - 75015 PARIS

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account	Vote simple Single vote
Nombre d'actions Number of shares	Nominatif Registered
	Porteur Bearer
Nombre de voix - Number of voting rights	Vote double Double vote

JE VOTE PAR CORRESPONDANCE // I VOTE BY POST
Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ l'une des cases "Non" ou "Abstention". // I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box, like this ■, for which I vote No or I abstain.

1	2	3	4	5	6	7	8	9	10	A
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oui / Yes <input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No <input type="checkbox"/>
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Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No <input type="checkbox"/>
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31	32	33	34	35	36	37	38	39	40	D
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41	42	43	44	45	46	47	48	49	50	E
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										J
										Oui / Yes <input type="checkbox"/>
										Non / No <input type="checkbox"/>
										Abs. <input type="checkbox"/>

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
Cf. au verso (3) - See reverse (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

JE DONNE POUVOIR A : Cf. au verso (4) pour me représenter à l'Assemblée // **I HEREBY APPOINT :** See reverse (4) to represent me at the above mentioned Meeting
M, Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

ATTENTION : Pour les titres au porteur, les présentes instructions doivent être transmises à votre banque.
CAUTION : As for bearer shares, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf. au verso (1)
Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no changes can be made using this proxy form). See reverse (1)

Please date and sign here
whatever your chosen method of voting

Date & Signature

Please state your last name, first name and address or verify that the pre-filled details are correct

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée, je vote NON sauf si je signale un autre choix en noircissant la case correspondante :
In case amendments or new resolutions are proposed during the meeting, I vote NO unless I indicate another choice by shading the corresponding box:
- Je donne pouvoir au Président de l'assemblée générale. // I appoint the Chairman of the general meeting
- Je m'abstiens / abstain from voting
- Je donne procuration (cf. au verso renvoi (4)) à M, Mme ou Mlle, Raison Sociale pour voter en mon nom.
I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :
To be considered, this completed form must be returned at the latest than :
sur 1^{re} convocation / on 1st notification 25/05/2020 / May 25, 2020
sur 2^{ème} convocation / on 2nd notification

à la banque / by the bank
à la société / by the company

* Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'Assemblée générale -
If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies to the President of the General Meeting

Remember to check the box corresponding to your choice

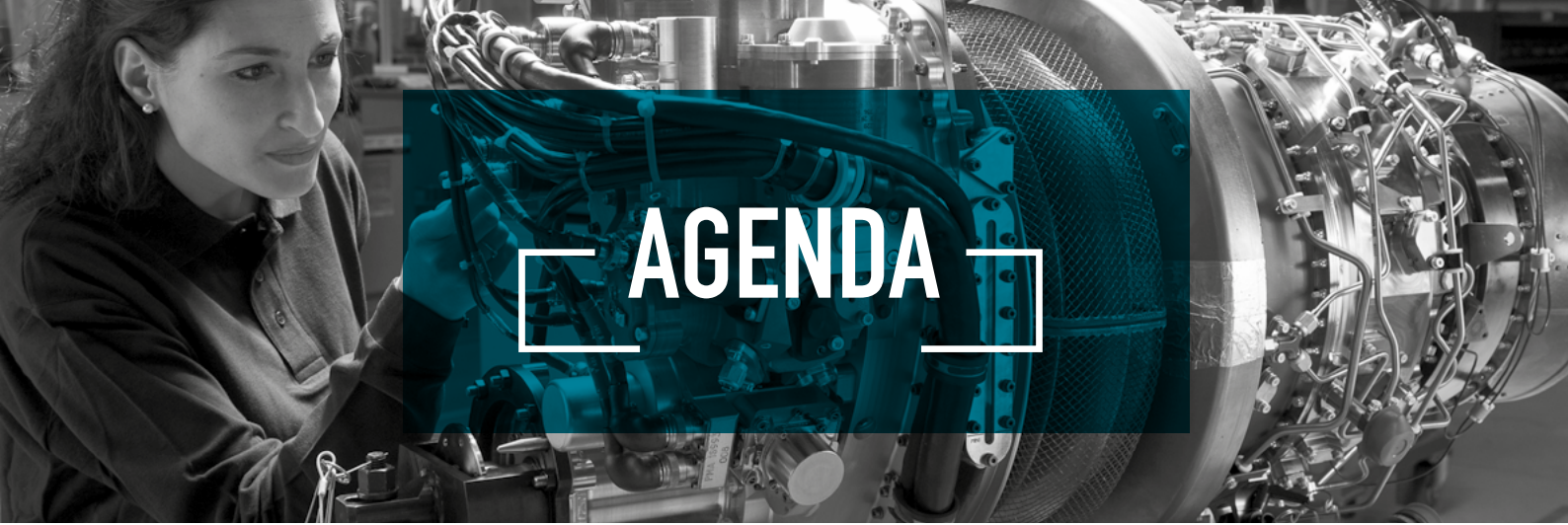
If you wish to give proxy to the Chairman of the Meeting
Check this box

If you wish to appoint a proxy
Check this box and state the name and address of your proxy.
As the Meeting will be held behind closed doors, the proxy cannot attend the Meeting physically and may only vote on your behalf online using the email address specifically provided for this purpose.

FOR FURTHER INFORMATION PLEASE CONTACT:

Safran - Shareholder Relations
2, boulevard du Général-Martial-Valin - 75724 Paris Cedex 15, France
Toll-free number (France only): 0 800 17 17 17 - Fax: 00 33 1 40 60 83 53
Email: actionnaire.individuel@safrangroup.com
www.safran-group.com/finance

SAFRAN 2020 NOTICE OF MEETING | 10



AGENDA

ORDINARY RESOLUTIONS

- First resolution:** Approval of the parent company financial statements for the year ended December 31, 2019
- Second resolution:** Approval of the consolidated financial statements for the year ended December 31, 2019
- Third resolution:** Appropriation of profit for the year
- Fourth resolution:** Appointment of Patricia Bellinger as an independent Director
- Fifth resolution:** Ratification of the appointment of Fernanda Saraiva as a Director representing employee shareholders
- Sixth resolution:** Appointment of Marc Aubry as a Director representing employee shareholders
- Seventh resolution:** Appointment of Anne Aubert as a Director representing employee shareholders
- Resolution A:** Re-appointment of Fernanda Saraiva as a Director representing employee shareholders **(resolution not recommended by the Board of Directors)**
- Resolution B:** Appointment of Carlos Arvizu as a Director representing employee shareholders **(resolution not recommended by the Board of Directors)**
- Eighth resolution:** Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2019 to the Chairman of the Board of Directors
- Ninth resolution:** Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2019 to the Chief Executive Officer
- Tenth resolution:** Approval of the disclosures required under Article L.225-37-3 I of the French Commercial Code concerning the compensation of corporate officers
- Eleventh resolution:** Aggregate Compensation allocated to the Directors as consideration for their duties
- Twelfth resolution:** Approval of the compensation policy applicable to the Chairman of the Board of Directors
- Thirteenth resolution:** Approval of the compensation policy applicable to the Chief Executive Officer
- Fourteenth resolution:** Approval of the compensation policy applicable to the Directors
- Fifteenth resolution:** Authorization for the Board of Directors to carry out a share buyback program

EXTRAORDINARY RESOLUTIONS

- Sixteenth resolution:** Amendment of Articles 14.1 and 14.2 of the bylaws, to increase the maximum number of Directors (excluding Directors representing employee shareholders and Directors representing employees) from 13 to 14
- Seventeenth resolution:** Amendment of the bylaws: simplification of the corporate purpose and alignment with legal and regulatory provisions

RESOLUTION CONCERNING POWERS TO CARRY OUT FORMALITIES

- Eighteenth resolution:** Powers to carry out formalities



REPORT

ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

The proposed resolutions that will be submitted for shareholder approval at Safran's Annual General Meeting on May 28, 2020 are presented below.

Each of the resolutions is preceded by an explanatory paragraph providing a description of the resolution and setting out the reasons why it is being proposed.

All of these explanatory paragraphs, together with the business review provided in this notice of meeting, form the report of the Board of Directors. This report should be read in conjunction with the text of the proposed resolutions.

ORDINARY RESOLUTIONS

Approval of the parent company and consolidated financial statements for the year ended December 31, 2019

Presentation of the first and second resolutions

The shareholders are invited to approve the parent company and consolidated financial statements for the year ended December 31, 2019 as well as the expenses incurred during the year that are not deductible for tax purposes (company vehicles):

- the parent company financial statements show that the Company ended 2019 with profit of €1,297 million;
- the consolidated financial statements show attributable profit for the year amounting to €2,447 million.

Text of the first resolution

Approval of the parent company financial statements for the year ended December 31, 2019

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the management report prepared by the Board of Directors and the Statutory Auditors' report on the parent company financial statements, the shareholders approve the parent company financial statements for the year ended December 31, 2019 as presented - showing profit for the year of €1,296,554,954.50 - together with the transactions reflected in those financial statements and referred to in those reports.

Pursuant to Article 223 *quater* of the French Tax Code (*Code général des impôts*), the shareholders approve the non-deductible expenses governed by Article 39-4 of said Code, which totaled €655,591 and gave rise to a tax charge of €225,719.98.

Text of the second resolution

Approval of the consolidated financial statements for the year ended December 31, 2019

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the management report prepared by the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2019 as presented, together with the transactions reflected in those financial statements and referred to in those reports.

Appropriation of profit for the year

Presentation of the third resolution

The Company's distributable profit for 2019 totals €2,658 million, breaking down as €1,297 million in profit for the year plus €1,361 million in retained earnings brought forward from the previous year.

In a spirit of responsibility vis-à-vis Safran's stakeholders, at its meeting on March 26, 2020, the Board of Directors decided not to propose to the Annual General Meeting the payment of a dividend in 2020 in respect of 2019.

This decision preserves the Group's resources in order to protect employees, maintain continuity of its operations, notably for its suppliers, support its customers and ensure liquidity in uncertain times.

Accordingly, the full amount of profit for 2019 would be allocated to retained earnings.

Text of the third resolution

Appropriation of profit for the year

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, and based on the Board of Directors' recommendation, the shareholders resolve to appropriate the profit for the year ended December 31, 2019 as follows:

Profit for 2019	€1,296,554,954.50
Retained earnings ⁽¹⁾	€1,361,537,796.44
Profit available for distribution	€2,658,092,750.94
Appropriation:	
Dividend	€0
Retained earnings	€2,658,092,750.94

(1) Including €7,838,268.62 corresponding to the 2018 dividend due on shares held in treasury at the dividend payment date and after allocating the amount of €1,074,034,248.80 representing the difference between the carrying amount of the 8,562,856 treasury shares canceled on December 19, 2019 and their nominal amount.

Consequently, the shareholders resolve to allocate the full amount of profit for 2019 to retained earnings.

The shareholders note that dividends paid for the past three years were as follows:

	Number of shares carrying dividend rights ⁽¹⁾	Net dividend per share	Total payout
2018	431,474,040	€1.82	785,282,752.80 ⁽³⁾
2017	434,570,199	€1.60	€695,312,318.40 ⁽³⁾
2016	409,239,433 ⁽²⁾	€1.52	€626,602,111.28 ⁽⁴⁾

(1) Total number of shares carrying dividend rights less the number of Safran shares held in treasury at the dividend payment date.

(2) An interim dividend (€0.69) was paid on 415,845,481 shares and the remainder of the dividend (€0.83) was paid on 409,239,433 shares.

(3) Subject to the flat-rate tax provided for in Article 200 A of the French Tax Code or, on a discretionary basis, tax levied at the progressive rate after the 40% tax relief provided for in Article 158, 3-2° of the French Tax Code.

(4) Fully eligible for the 40% tax relief provided for in Article 158, 3-2° of the French Tax Code.

Appointment of a new independent Director

Presentation of the fourth resolution

To strengthen its membership, the Board has decided to propose the appointment of an additional woman independent Director.

The shareholders are therefore invited to appoint Patricia Bellinger as Director. If appointed, Patricia Bellinger will also become a member of the Appointments and Compensation Committee.

Patricia Bellinger has all of the qualities that the Company has identified it is looking for in a new Director and that were sought in the selection process. In addition to her independent status, the Appointments Committee and the Board were particularly impressed with the depth and breadth of her career and her diverse experience, as well as her time in industry, her HR/Diversity/Talent Management expertise (in terms of both strategic and people-centric issues), her multilingualism, and her knowledge of French corporate governance.

As the Board already has the maximum number of Directors allowed under the Company's bylaws (i.e., a maximum of 13 members not including the Directors representing employees and the Directors representing employee shareholders), in order to be able to put forward Patricia Bellinger as an additional woman independent Director, the Board will ask the shareholders to amend the Company's bylaws to raise the maximum number of Directors to 14, not including the Directors representing employees and the Directors representing employee shareholders (see section 8.2.2 of the 2019 Universal Registration Document).

If the shareholders follow the Board's recommendations and adopt the corresponding resolutions, the proportion of independent Directors will be increased to 64.30%⁽¹⁾ and the proportion of women on the Board to 42.86%⁽²⁾ (see section 6.2.4.2 of the 2019 Universal Registration Document).

The profile of Patricia Bellinger is set out in section 8.2.4.1 of the 2019 Universal Registration Document, as well as page 44 of this Notice of Meeting.

Text of the fourth resolution

Appointment of Patricia Bellinger as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and subject to approval of the 16th resolution below, the shareholders appoint Patricia Bellinger as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2023.

Ratification of the appointment of Fernanda Saraiva as a Director representing employee shareholders

Presentation of the fifth resolution

The shareholders are invited to ratify the temporary appointment of Fernanda Saraiva as a Director by the Board of Directors on July 25, 2019, it being specified that her term of office will expire at the close of the Annual General Meeting of May 28, 2020.

Having noted the decision by Éliane Carré-Copin to retire and, consequently, to resign from her position as a Director representing employee shareholders, at its meeting on July 25, 2019, the Board of Directors decide to appoint her deputy, Fernanda Saraiva, to replace her for the remainder of her term of office, i.e., until the close of the 2020 Annual General Meeting, as provided for in Article 14.8 of the Company's bylaws and the applicable law.

The profile of Fernanda Saraiva is set out in section 6.2.2 of the 2019 Universal Registration Document.

Text of the fifth resolution

Ratification of the appointment of Fernanda Saraiva as a Director representing employee shareholders

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report, the shareholders ratify the Board's decision of July 25, 2019 to appoint Fernanda Saraiva as a Director representing employee shareholders on a temporary basis, to replace Éliane Carré-Copin for the remainder of her term of office, i.e., until the close of this Annual General Meeting.

(1) In accordance with the AFEP-MEDEF Code, Directors representing employee shareholders and Directors representing employees are not taken into account when calculating the percentage of independent Directors.

(2) In accordance with the Pacte Act, Directors representing employees and employee shareholders are not included in this calculation.

Appointments of Directors representing employee shareholders

Presentation of the sixth and seventh resolutions and resolutions A and B

Expiry of the terms of office of the two Directors representing employee shareholders

The Board of Directors includes two Directors representing employee shareholders, Fernanda Saraiva and Gérard Mardiné, whose terms of office are due to expire at the close of the Annual General Meeting of May 28, 2020.

In accordance with the applicable law and Article 14.8 of Safran's bylaws, if the report presented by the Board at the Annual General Meeting shows that the shares held by employees of the Company – or of companies related to it within the meaning of Article L.225-180 of the French Commercial Code (*Code de commerce*) – represent more than 3% of the share capital, then one or more Directors representing employee shareholders must be appointed at an Ordinary General Meeting.

Consequently, at the Annual General Meeting on May 28, 2020, the shareholders will be asked to replace the Directors representing employee shareholders.

Candidates to replace the Directors representing employee shareholders

In application of the procedure specified in Article 14.8 of the Company's bylaws, prior to the Annual General Meeting, the Chairman of the Board of Directors:

- a. contacted the supervisory boards of the corporate mutual funds (FCPEs) set up as part of the Group's employee share ownership program – whose investments mainly comprise shares in the Company – to ask them to designate one or several candidates from among their members;
- b. organized elections, preceded by calls for candidates, for the designation of candidates by Safran employees who held registered shares received under certain free share plans (and who therefore qualified as direct shareholders of the Company within the meaning of Article L.225-102 of the French Commercial Code).

On completion of this process:

- the supervisory boards of the FCPEs representing employee shareholders validly designated three candidates from among their members:
 - Marc Aubry, Chairman of the Supervisory Board of the Safran Investissement corporate mutual fund,
 - Fernanda Saraiva, member of the Supervisory Board of the Safran Investissement corporate mutual fund,
 - Carlos Arvizu, member of the Supervisory Board of the Safran International corporate mutual fund;
- Safran employees who held registered shares received under certain free share plans validly elected one candidate, Anne Aubert (Safran Seats – Issoudun).

Each of these four nominations is valid in terms of the law and the Company's bylaws and therefore must be submitted to shareholders at the Annual General Meeting. The profiles of the candidates are presented on pages 45 to 48 of this Notice of Meeting.

Approval by the Board of Directors of two candidates from among the four candidates presented to the Annual General Meeting

The Board of Directors considers that, in order for the Board to maintain a balanced membership structure, there should be no more than two Directors representing employee shareholders.

Consequently, shareholders are asked to note that only two of the four candidates are being recommended by Safran's Board of Directors.

Taking into account various factors, including the benefits of appointing Directors who are representative of employee shareholders and promoting diversity (particularly in terms of trade union representation) and gender balance in all of its components, and considering the candidates' different backgrounds and career paths, the Board of Directors decided to approve the candidatures of Marc Aubry and Anne Aubert.

Therefore, at the May 28, 2020 Annual General Meeting, the Board of Directors is inviting shareholders to:

- appoint Marc Aubry and Anne Aubert as Directors representing employee shareholders, for a four-year term expiring at the close of the 2024 Annual General Meeting, by voting for the 6th and 7th resolutions;
- reject the nominations of Fernanda Saraiva and Carlos Arvizu, by voting against resolutions A and B.

Ordinary resolutions**Text of the sixth resolution****Appointment of Marc Aubry as a Director representing employee shareholders**

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders approve the Board of Directors' proposal and appoint Marc Aubry as a Director representing employee shareholders, to replace Fernanda Saraiva whose term of office is due to expire at the close of this Meeting.

Marc Aubry is appointed for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2023.

Text of the seventh resolution**Appointment of Anne Aubert as a Director representing employee shareholders**

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders approve the Board of Directors' proposal and appoint Anne Aubert as a Director representing employee shareholders, to replace Gérard Mardiné whose term of office is due to expire at the close of this Meeting.

Anne Aubert is appointed for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2023.

Text of Resolution A**Re-appointment of Fernanda Saraiva as a Director representing employee shareholders
(resolution not recommended by the Board of Directors)**

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Fernanda Saraiva as a Director representing employee shareholders, for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2023.

Text of Resolution B**Appointment of Carlos Arvizu as a Director representing employee shareholders
(resolution not recommended by the Board of Directors)**

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders appoint Carlos Arvizu as a Director representing employee shareholders, for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2023.

Approval of the components of compensation and benefits paid during or awarded for 2019 to the corporate officers

Presentation of the eighth and ninth resolutions – Specific votes on the compensation of the Chairman of the Board of Directors and the Chief Executive Officer

At the Annual General Meeting of May 23, 2019, the shareholders were asked to approve the compensation policies adopted by the Board of Directors for (i) the Chairman of the Board of Directors, in the 12th resolution, and (ii) the Chief Executive Officer, in the 13th resolution (*ex-ante* vote).

The Board set the respective compensation packages for the Chairman and the Chief Executive Officer for 2019 in accordance with these policies.

For several years now, shareholders have been asked to vote on the components of compensation and benefits paid during or awarded for the previous year to the Chairman of the Board of Directors and to the Chief Executive Officer (*ex-post* vote)

In accordance with French government *ordonnance* (order) 2019-1234 dated November 27, 2019, the specific vote concerning each corporate officer required by Article L.225-100 III of the French Commercial Code now covers the fixed, variable and exceptional components of the total compensation and benefits **paid during 2019** (i.e., cash compensation paid to the officer in 2019, whatever the year to which it relates) or **awarded for 2019** (i.e., share-based and/or cash compensation awarded in respect of the work performed in 2019, the quantity and/or amount of which does not vest on the grant date and is therefore measured at the grant-date accounting value, if applicable) in their capacity as corporate officers.

At the Annual General Meeting, shareholders will be asked to approve the components of the compensation and benefits paid during or awarded for 2019 to the Chairman and the Chief Executive Officer in their capacity as corporate officers (*ex-post* vote), as fixed by the Board. These components may comprise:

- fixed compensation;
- variable compensation;
- performance shares;
- supplementary pension plans;
- benefits-in-kind.

The following tables summarize the various components of the compensation and benefits of the Chairman and the Chief Executive Officer, which are presented in detail in section 6.6.2 of the 2019 Universal Registration Document.

In accordance with the applicable law, payment of the corporate officers' variable compensation and any exceptional compensation for the previous year (year Y-1) is subject to the approval of the shareholders at the Annual General Meeting held the following year (year Y).

Payment of the Chief Executive Officer's annual variable compensation for 2019 is therefore subject to the approval of the shareholders at the Annual General Meeting of May 28, 2020.

Consequently:

- in the 8th resolution, the shareholders are asked to approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded for 2019 to Ross McInnes, Chairman of the Board of Directors; and
- in the 9th resolution, the shareholders are asked to approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded for 2019 to Philippe Petitcolin, Chief Executive Officer.

Ordinary resolutions
COMPONENTS OF THE COMPENSATION PAID DURING OR AWARDED FOR 2019 TO ROSS MCINNES, CHAIRMAN OF THE BOARD OF DIRECTORS

Compensation components put to the vote	Amounts paid during 2019	Amounts awarded for 2019 or accounting value	Presentation
Fixed compensation (2019)	€450,000 Awarded for 2019 and paid in 2019	See opposite	At its meeting on February 26, 2019, acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to keep the Chairman's annual fixed compensation at €450,000 for 2019, i.e., unchanged from 2018 (see section 6.6.2.1 of the 2019 Universal Registration Document).
Annual variable compensation (2019)	N/A⁽¹⁾	N/A	Ross McInnes does not receive any annual variable compensation.
Multi-year variable compensation	N/A	N/A	Ross McInnes does not receive any multi-year variable compensation.
Exceptional compensation	N/A	N/A	Ross McInnes did not receive any exceptional compensation.
Stock options, performance shares and any other long-term compensation	N/A	N/A	Ross McInnes does not receive any stock options.
	N/A	N/A	Ross McInnes does not receive any performance shares or any other long-term compensation.
Directors' compensation	N/A	N/A	Ross McInnes did not receive any compensation for his duties as member of the Board of Directors for 2019.
Benefits-in-kind	N/A	€4,916.91 (accounting value)	Ross McInnes has the use of a company car.
Termination benefits	N/A	N/A	Ross McInnes is not entitled to any termination benefits in his capacity as Chairman of the Board of Directors.
Supplementary pension	€0	N/A	<p>No specific supplementary pension system was in place for the Chairman of the Board of Directors.</p> <p>“Article 83” defined contribution plans</p> <p>In accordance with a decision taken by the Board of Directors on February 26, 2018, the Chairman is a beneficiary of Safran's two defined contribution supplementary pension plans set up in France for all Group managerial-grade staff pursuant to Article 83 of the French Tax Code (the “Article 83 Core Plan” and the “Article 83 Additional Plan”) and in force at January 1, 2018 (see section 6.6.1.3 of the 2019 Universal Registration Document), subject to the same terms and conditions as the other plan members.</p> <p>The commitment given by the Company to enable Mr. McInnes to continue to be a beneficiary of these plans was approved at the Annual General Meeting of May 25, 2018, pursuant to the legal provisions applicable at that date.</p> <p>The expenses recorded in the 2019 financial statements relating to the contributions paid for Ross McInnes under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €11,955 and €13,981 respectively.</p> <p>At December 31, 2019, the estimated theoretical amount⁽²⁾ of the annuities that could be paid to Ross McInnes under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €7,352 and €1,811 respectively.</p>

(1) Not applicable.

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2020, irrespective of the eligibility conditions (in accordance with Article D.225-29-3 of the French Commercial Code).

Compensation components put to the vote	Amounts paid during 2019	Amounts awarded for 2019 or accounting value	Presentation
	Additional payment: €43,762.58	N/A ⁽¹⁾	<p>“Article 82” defined contribution plan</p> <p>In accordance with a decision taken by the Board of Directors on March 23, 2017, the Chairman is a beneficiary of Safran’s defined contribution supplementary pension plan set up in France (see section 6.6.1.3 of the 2019 Universal Registration Document) for all Group managerial-grade staff pursuant to Article 82 of the French Tax Code (the “Article 82 Plan”), subject to the same terms and conditions as the other plan members.</p> <p>The Article 82 Plan was put in place to compensate for the closure of Safran’s Article 39 defined benefit plan as from January 1, 2017 (see below). In order for entitlements to accrue under the plan, the Company is required to:</p> <ul style="list-style-type: none"> ■ pay monthly contributions to an insurer, the rate of which is set based on the beneficiary’s reference compensation for year Y-1 (Insurer Contribution) and which may represent up to 12.735% of that reference compensation; and ■ pay a cash amount to the beneficiary corresponding to the Insurer Contribution (Additional Payment) so that the beneficiary can pay the applicable tax (the plan provides for up-front taxation so that the capital accrued and received on the beneficiaries’ retirement is net of tax and social security contributions). <p>Under the Article 82 Plan, the Insurer Contribution and Additional Payment for the Chairman for 2019 totaled €43,762.56 each (i.e., €87,525.12 altogether), corresponding in each case to 9.725% of his reference compensation (19.45% in total).</p> <p>At December 31, 2019, the estimated theoretical amount⁽²⁾ of the annuity that could be paid to Ross McInnes under the Article 82 Plan was €5,095.</p>
	€0	N/A	<p>“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)</p> <p>The Article 39 defined benefit supplementary pension plan of which the Chairman was previously a beneficiary (further to the decision of the Board of Directors on April 23, 2015 and by the shareholders at the May 19, 2016 Annual General Meeting) is now closed to new entrants and the benefit entitlements have been frozen, including for the Chairman. However, he could still be eligible for any pension entitlement he had accrued under the plan at December 31, 2016 provided the applicable terms and conditions are met (see section 6.6.1.3 of the 2019 Universal Registration Document).</p> <p>At December 31, 2019, the estimated theoretical amount⁽²⁾ of the annuity that could be paid to the Chairman corresponded to the cap set in the plan, i.e., €123,408 (corresponding to three times the annual social security ceiling [PASS], based on the 2020 value of the PASS).</p> <p>Concerning the above-described Article 82 Plan and the Article 39 Plan (closed)</p> <p>As a reminder, in 2017, the Board decided to change Safran’s supplementary pension system. The new system involved (i) closing the Article 39 defined benefit plan to new entrants and freezing existing entitlements and, (ii) to compensate for the closure of this plan, setting up new plans, including the Article 82 Plan. The resolution relating to the Chairman remaining a beneficiary under the new system was submitted to shareholders at the June 15, 2017 Annual General Meeting and was rejected. At its July 27, 2017 meeting, the Board of Directors ratified its decision to include the Chairman as a beneficiary under the new supplementary pension system, subject to the same terms and conditions as the other managerial-grade beneficiaries.</p> <p>The shareholders subsequently approved the Chairman’s inclusion as a beneficiary under the new supplementary pension system, through the adoption of the 10th resolution of the May 23, 2019 Annual General Meeting relating to the components of compensation and benefits paid or awarded to the Chairman for 2018, which included said supplementary pension benefits.</p>

(1) Not applicable.

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2020, irrespective of the eligibility conditions (in accordance with Article D.225-29-3 of the French Commercial Code).

Ordinary resolutions

COMPONENTS OF THE COMPENSATION PAID DURING OR AWARDED FOR 2019 TO PHILIPPE PETITCOLIN, CHIEF EXECUTIVE OFFICER

Compensation components put to the vote	Amounts paid during 2019	Amounts awarded for 2019 or accounting value	Presentation
Fixed compensation (2019)	€800,000 Awarded for 2019 and paid in 2019	See opposite	At its meeting on February 26, 2019, acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to keep the Chief Executive Officer's annual fixed compensation at €800,000 for 2019, i.e., unchanged from 2018 (see section 6.6.2.2 of the 2019 Universal Registration Document).
Annual variable compensation (2019)	€960,000 (for information) Amount awarded for 2018 that was paid in 2019 (see section 6.6.2.2. of the 2018 Registration Document). Payment of his annual variable compensation for 2018 was approved by the shareholders at the Annual General Meeting of May 23, 2019.	€964,444 Awarded for 2019 and payable in 2020. Payment of his annual variable compensation for 2019 is subject to the approval of the shareholders at the Annual General Meeting of May 28, 2020.	<p>The Chief Executive Officer's annual variable compensation for 2019 was determined by the Board of Directors in accordance with the compensation policy approved by the shareholders at the Annual General Meeting of May 23, 2019 (see section 6.6.1.3 of the 2018 Registration Document) and described in section 6.6.2.2 of the 2019 Universal Registration Document.</p> <p>At its meeting on March 26, 2020, the Board of Directors reviewed the achievement of the objectives set for the variable compensation payable to the Chief Executive Officer for 2019, after consultation with the Appointments and Compensation Committee. Following this review, it set Philippe Petitcolin's variable compensation for 2019 at €964,444, i.e., 121% of his annual fixed compensation.</p> <p>This amount reflects:</p> <ul style="list-style-type: none"> ■ an overall achievement rate of 114% for the portion related to the Group's financial performance (accounting for two-thirds of the Chief Executive Officer's variable compensation), for which the objectives related to: <ul style="list-style-type: none"> • recurring operating income (ROI) (60% weighting): 113% achievement, • free cash flow (FCF) (30% weighting): 119% achievement, • working capital, comprising the following components: <ul style="list-style-type: none"> • operating assets (Inventories) (5% weighting): 94% achievement, and • unpaid receivables (5% weighting): 115% achievement; ■ an overall achievement rate of 109% for the portion related to individual quantitative and qualitative performance objectives (accounting for one-third of the Chief Executive Officer's variable compensation, see section 6.6.2.2 of the 2019 Universal Registration Document). The achievement rates for each of the individual objectives cannot be given in detail for confidentiality reasons in view of their strategic and competitive sensitivity.
Multi-year variable compensation	€614,634.23 Payment of the balance of the 2015 Long-Term Incentive Plan (two-thirds in cash and one-third in Safran shares) approved by the Annual General Meeting of May 19, 2016 (18 th resolution), in accordance with the rules applicable at that time concerning "say on pay" advisory votes, and by the Annual General Meeting of May 25, 2018 (11 th resolution on compensation paid or awarded to the Chief Executive Officer for 2017 [ex-post vote])	N/A⁽¹⁾	<p>No multi-year variable compensation was awarded to Philippe Petitcolin for 2019.</p> <p>Summary of 2015 Long-Term Incentive Plan</p> <p>On the recommendation of the Appointments and Compensation Committee, at its July 29, 2015 meeting, the Board of Directors decided to introduce a multi-year variable compensation system in the form of the 2015 Performance Unit (PU) plan.</p> <p>The main characteristics and terms and conditions of this plan, including the initial grant to the Chief Executive Officer, are described in sections 6.3.1.2 and 6.3.3.3 of the 2015 Registration Document. The Board of Directors' review of the performance condition achievement rates and the number of vested PUs are described in section 6.6.2.2 of the 2017 Registration Document and summarized in section 6.6.2.2 of the 2019 Universal Registration Document.</p> <p>As provided for in the plan rules, payments were made in two installments. The first installment was settled at end-October 2018 (see section 6.6.2.2 of the 2018 Registration Document).</p> <p>The second installment was settled in 2019, corresponding to €409,793.87 paid in cash and the delivery of 1,446 Safran shares, representing total compensation of €614,634.23.</p>

(1) Not applicable.

Compensation components put to the vote	Amounts paid during 2019	Amounts awarded for 2019 or accounting value	Presentation
Exceptional compensation	N/A	N/A	Philippe Petitcolin did not receive any exceptional compensation.
Stock options, performance shares and any other long-term compensation	Stock options: N/A ⁽¹⁾	Stock options: N/A	Philippe Petitcolin did not receive any stock options.
	Performance shares: N/A	Performance shares: €959,989 (accounting value on grant date)	On the recommendation of the Appointments and Compensation Committee, at its March 27, 2019 meeting, the Board of Directors used the authorization granted in the 17 th resolution of the May 25, 2018 Annual General Meeting to grant 13,350 performance shares to Philippe Petitcolin (see section 6.6.2.2 of the 2019 Universal Registration Document). The general terms and conditions of this performance share plan and the terms and conditions relating specifically to the Chief Executive Officer are described in section 6.6.4.2 of the 2019 Universal Registration Document. The estimated accounting value of these performance plans, as measured at the grant date, corresponds to €959,989 ⁽²⁾ .
	Other long-term compensation: N/A	Other long-term compensation: N/A	Philippe Petitcolin did not receive any other long-term compensation.
Directors' compensation	N/A	N/A	Philippe Petitcolin did not receive any compensation for his duties as member of the Board of Directors for 2019.
Value of benefits-in-kind	N/A	€5,876.12 (accounting value)	Philippe Petitcolin has the use of a company car.
Termination benefits	N/A		Philippe Petitcolin is not entitled to any termination benefits in his capacity as Chief Executive Officer.
Supplementary pension	N/A	€0	“Article 83” defined contribution plans In accordance with a decision taken by the Board of Directors on February 26, 2018, the Chief Executive Officer is a beneficiary of Safran's two defined contribution supplementary pension plans set up in France for all Group managerial-grade staff pursuant to Article 83 of the French Tax Code (the “Article 83 Core Plan” and the “Article 83 Additional Plan”) and in force at January 1, 2018 (see section 6.6.1.4 of the 2019 Universal Registration Document), subject to the same terms and conditions as the other plan members. The commitment given by the Company to enable the Mr. Petitcolin to continue to be a beneficiary of these plans was approved at the Annual General Meeting of May 25, 2018, pursuant to the legal provisions applicable at that date. The expenses recorded in the 2019 financial statements relating to the contributions paid for Philippe Petitcolin under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €28,164 and €13,981 respectively. At December 31, 2019, the estimated theoretical amount ⁽³⁾ of the annuities that could be paid to Philippe Petitcolin under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €28,497 and €1,968 respectively.

(1) Not applicable.

(2) In accordance with IFRS 2, the value of the performance shares was measured at the grant date (i.e., July 24, 2018) and not based on compensation received by the beneficiary during the year (see section 3.1, Note 1.r of the 2019 Universal Registration Document).

(3) Calculated based on the assumption that the annuity would be received as from January 1, 2020, irrespective of the eligibility conditions (in accordance with Article D.225-29-3 of the French Commercial Code).

Ordinary resolutions

Compensation components put to the vote	Amounts paid during 2019	Amounts awarded for 2019 or accounting value	Presentation
	Additional payment: €200,894.64	N/A⁽¹⁾	<p>“Article 82” defined contribution plan</p> <p>In accordance with a decision taken by the Board of Directors on March 23, 2017, the Chief Executive Officer is a beneficiary of Safran’s defined contribution supplementary pension plan set up in France (see section 6.6.1.4 of the 2019 Universal Registration Document) for all Group managerial-grade staff pursuant to Article 82 of the French Tax Code (the “Article 82 Plan”), subject to the same terms and conditions as the other plan members.</p> <p>In order for entitlements to accrue under the plan, the Company is required to:</p> <ul style="list-style-type: none"> ■ pay monthly contributions to an insurer, the rate of which is set based on the beneficiary’s reference compensation for year Y-1 (Insurer Contribution) and which may represent up to 12.735% of that reference compensation; and ■ pay a cash amount to the beneficiary corresponding to the Insurer Contribution (Additional Payment) so that the beneficiary can pay the applicable tax (the plan provides for up-front taxation so that the capital accrued and received on the beneficiaries’ retirement is net of tax and social security contributions). <p>The commitment given by the Company to enable Mr. Petitcolin to be a beneficiary under this plan was approved by the shareholders at the Annual General Meeting of June 15, 2017, pursuant to the legal provisions applicable at that time.</p> <p>Under the Article 82 Plan, the Insurer Contribution and Additional Payment for the Chief Executive Officer for 2019 totaled €200,894.64 each (i.e., €401,789.28 altogether), corresponding in each case to 12.735% of his reference compensation (25.47% in total).</p> <p>At December 31, 2019, the estimated theoretical amount⁽²⁾ of the annuity that could be paid to Philippe Petitcolin under the Article 82 Plan was €29,666.</p>
	€0	N/A	<p>“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)</p> <p>The Chief Executive Officer was previously a beneficiary of Safran’s defined benefit supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 39⁽³⁾ of the French Tax Code (the “Article 39 Plan”, see section 6.6.1.4 of the 2019 Universal Registration Document), subject to the same terms and conditions as the other plan members. Mr. Petitcolin was originally a beneficiary of this plan in his former capacity as a Company employee.</p> <p>This plan is now closed to new entrants and the benefit entitlements have been frozen, including for the Chief Executive Officer. However, he could still be eligible for the pension entitlement he had accrued at December 31, 2016 provided the applicable terms and conditions are met (see section 6.6.1.3 of the 2019 Universal Registration Document).</p> <p>The commitment given by the Company to enable Mr. Petitcolin to be a beneficiary under this plan was approved by the shareholders at the Annual General Meeting of June 15, 2017, pursuant to the legal provisions applicable at that time.</p> <p>At December 31, 2019, the estimated theoretical amount⁽²⁾ of the annuity that could be paid to Philippe Petitcolin corresponded to the cap set in the plan, i.e., €123,408 (corresponding to three times the annual social security ceiling [PASS], based on the 2020 value of the PASS).</p>

(1) Not applicable.

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2020, irrespective of the eligibility conditions (in accordance with Article D.225-29-3 of the French Commercial Code).

(3) Defined benefit plan meeting the conditions set out in Article L.137-11 of the French Social Security Code (Code de la sécurité sociale).

Text of the eighth resolution

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded to the Chairman of the Board of Directors for 2019

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.225-100 III of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded to Ross McInnes, Chairman of the Board of Directors, for 2019, as presented in the Board of Directors’ corporate governance report prepared in application of Article L.225-37 of the French Commercial Code and set out in chapter 6 (section 6.6.2.1) of the 2019 Universal Registration Document.

Text of the ninth resolution

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded to the Chief Executive Officer for 2019

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.225-100 III of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded to Philippe Petitcolin, Chief Executive Officer, for 2019, as presented in the Board of Directors' corporate governance report prepared in application of Article L.225-37 of the French Commercial Code and set out in chapter 6 (section 6.6.2.2) of the 2019 Universal Registration Document.

Presentation of the tenth resolution – Vote on the total compensation of corporate officers

In accordance with French government *ordonnance* 2019-1234 dated November 27, 2019 concerning the compensation packages of corporate officers of listed companies, shareholders are now required to vote on the aggregate compensation and benefits paid during the previous year or awarded for that year to all corporate officers, executive and non-executive.

The disclosures on which the shareholders are required to vote are presented in sections 6.6.2 and 6.6.3 of the 2019 Universal Registration Document.

In addition to the disclosures concerning the compensation and benefits of the Chairman and the Chief Executive Officer, which will be put to the vote in the 8th and 9th resolutions presented above, they include disclosures on the compensation allocated to the Directors (section 6.6.3 of the 2019 Universal Registration Document), pay ratios between the level of compensation of the Chairman and the Chief Executive Officer and the average and median compensation of Safran's employees (section 6.6.2.4 of the 2019 Universal Registration Document), and a certain number of other disclosures required under the applicable regulations (set out in Article L.225-37-3 I of the French Commercial Code).

A concordance table for all of these disclosures is provided in section 6.7 of the 2019 Universal Registration Document.

Text of the tenth resolution

Approval of the disclosures required under Article L.225-37-3 I of the French Commercial Code concerning the compensation of corporate officers

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.225-100 II of the French Commercial Code, having considered the Board of Directors' corporate governance report, including the disclosures about the compensation paid during or awarded for 2019 to the corporate officers as consideration for their duties, the shareholders approve the disclosures required under Article L.225-37-3 I of the French Commercial Code, as presented to the Annual General Meeting in the aforementioned corporate governance report.

Aggregate Compensation allocated to the Directors as consideration for their duties

Presentation of the eleventh resolution

The shareholders are invited to increase the aggregate annual amount of compensation to be allocated to the Directors as consideration for their duties (the "Aggregate Compensation") to €1,100,000 for 2020 and until the amount is revised by decision of the Annual General Meeting.

The purpose of this modest increase in the Aggregate Compensation compared with the amount set in 2016 is solely to take into account the increase in the number of Directors (with the appointment of an additional Director, as proposed in the 4th resolution above, see section 6.2.6.2 of the 2019 Universal Registration Document).

In light of the current unique circumstances, the Board of Directors considers that it would not be appropriate at this time to recommend to the Annual General Meeting a more significant increase in the Aggregate Compensation, which would have enabled Safran to offer its Directors average compensation that is more closely aligned with the practices of comparable French companies. The matter will be re-examined in 2021.

In parallel with this proposal and for the first time, the Board of Directors is submitting to the Annual General Meeting its compensation policy for the Directors (see the 14th resolution below), describing the principles applicable to the Aggregate Compensation and the rules for its allocation among the Directors, as well as – for information purposes – the amounts set by the Board for the implementation of the allocation rules (see section 6.6.1.5 of the 2019 Universal Registration Document).

Text of the eleventh resolution

Aggregate Compensation allocated to the Directors as consideration for their duties

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report, the shareholders set at €1,100,000 the Aggregate Compensation to be allocated by the Board of Directors among its members as consideration for their duties for 2020 and each subsequent year until the shareholders decide otherwise.

Compensation policies

Presentation of the twelfth to fourteenth resolutions

In compliance with Article L.225-37-2 of the French Commercial Code, the Board of Directors determines a compensation policy for the corporate officers, which sets out the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of their total compensation and benefits.

By nature and by construction, taking into account compensation-related governance rules, the components of the policies are specific and different, depending on whether they concern the Chairman, the Chief Executive Officer or the Directors, all of whom are corporate officers. These policies are submitted for shareholders' approval each year at the Annual General Meeting.

These specific policies, which take into account the regulatory changes concerning the compensation of corporate officers of listed companies applicable from 2019⁽¹⁾, are disclosed in section 6.6.1 of the 2019 Universal Registration Document, as well as on pages 49 to 62 of this Notice of Meeting. This section presents:

- the principles and rules for determining the compensation and any benefits of corporate officers;
- the main differences compared with the compensation policies approved at the May 23, 2019 Annual General Meeting;
- the specific compensation policy for the Chairman of the Board of Directors;
- the specific compensation policy for the Chief Executive Officer, which may be adapted and applied to any Deputy Chief Executive Officer(s) when appropriate;
- the specific compensation policy for the Directors.

At the May 28, 2020 Annual General Meeting, shareholders are invited to approve the compensation policies that will be applicable to the Chairman of the Board of Directors (12th resolution) and the Chief Executive Officer (13th resolution), as well as the compensation policy that will be applicable to the Directors (14th resolution).

Text of the twelfth resolution

Approval of the compensation policy applicable to the Chairman of the Board of Directors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers prepared in accordance with Article L.225-37-2 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman of the Board of Directors, as presented in sections 6.6.1.1 and 6.6.1.3 of the 2019 Universal Registration Document.

Text of the thirteenth resolution

Approval of the compensation policy applicable to the Chief Executive Officer

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers prepared in accordance with Article L.225-37-2 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chief Executive Officer, as presented in sections 6.6.1.1 and 6.6.1.4 of the 2019 Universal Registration Document.

Text of the fourteenth resolution

Approval of the compensation policy applicable to the Directors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers prepared in accordance with Article L.225-37-2 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Directors, as presented in sections 6.6.1.1 and 6.6.1.5 of the 2019 Universal Registration Document.

(1) French government ordonnance 2019-1234 dated November 27, 2019 and Decree no. 2019-1235 dated November 27, 2019.

Authorization for the Board of Directors to carry out a share buyback program

Presentation of the fifteenth resolution

Share buyback programs

The Company needs to have the necessary flexibility to react to changes in financial markets by buying back Safran shares.

The shareholders are therefore invited to renew the authorization given to the Board of Directors to carry out a share buyback program, with the following main conditions:

- the number of shares that may be bought back may not exceed 10% of the Company's total outstanding shares (for information purposes, 42,723,415 shares based on the issued capital at December 31, 2019) and the Company may at no time, directly or indirectly, hold a number of Safran shares representing more than 10% of the Company's capital;
- the shares may be purchased, sold or transferred by any authorized method, including through block trades for all or some of the program, subject to the regulations in force at the date on which the authorization is implemented.

Subject to the limits authorized by the applicable laws and regulations, the Board of Directors may use this authorization at any time, except during, or in the run-up to, a public offer for the Company's shares.

Generally, Safran sets the maximum purchase price at around 130% of the highest closing price of the Safran share over the 12 months preceding the pricing date. However, as a result of the brutal and sudden stock market correction in response to the Covid-19 health crisis, Safran has adjusted its practice and shortened the period over which the reference price is determined. Accordingly, based on an average price over the three months preceding March 25, 2020, the Board of Directors proposes setting the maximum purchase price at €165 and the maximum total amount that may be invested in the program at €7 billion. The price of €165 does not represent a target price.

The buyback program would be used to purchase shares for the following purposes:

- to maintain a liquid market in the Company's shares via a liquidity agreement entered into with an investment services firm;
- for allocation or sale to employees and/or certain corporate officers, notably in connection with a profit-sharing plan, free share grants or the Group employee savings plan;
- for delivery on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- for delivery in payment or exchange for external growth transactions; and
- for cancellation in accordance with the authorization granted in the 29th resolution of the Annual General Meeting of May 23, 2019.

This program is also designed to enable any future market practices permitted by the French financial markets authority (*Autorité des marchés financiers* - AMF) to be carried out and, more generally, to enable any other authorized operations or operations that may be authorized in the future by the applicable regulations. The Company will inform its shareholders in a press release prior to carrying out any such operations.

This authorization would be given for a period of 18 months and would supersede the previous authorization granted for the same purpose in the 14th resolution of the Annual General Meeting of May 23, 2019.

Report on the utilization in 2019 of previous shareholder-approved share buyback programs

Four tranches of the €2.3 billion share buyback program announced on May 24, 2017 were completed in 2019 through investment service providers (see section 7.2.7.1 of the 2019 Universal Registration Document).

In all, 8,562,856 shares were bought back for the purpose of being canceled, for a total of €1,076 million.

The entire €2.3 billion share buyback program announced on May 24, 2017 was therefore completed in October 2019. Since the start of the program, a total of 19,965,740 shares were bought back for an amount of exactly €2,299,965,267. All of these shares have been canceled (see section 7.2.1 of the 2019 Universal Registration Document and section 7.2.7 of the 2018 Registration Document).

In 2019, the aggregate number of shares purchased under the liquidity agreement entered into with Oddo BHF SCA amounted to 2,487,628.

The total number of shares sold under this liquidity agreement during the year amounted to 2,572,531.

At December 31, 2019, Safran held 2,550,082 of its own shares, representing 0.60% of its capital.

These treasury shares were held for the following purposes:

- for allocation or sale to employees: 2,307,785 shares, representing 0.54% of the Company's capital;
- to cover exchangeable debt securities: 13,200 shares, representing 0.003% of the Company's capital;
- to maintain a liquid market in the Company's shares via a liquidity agreement: 229,097 shares, representing 0.05% of the Company's capital;
- for cancellation: 0.

Ordinary resolutions

Text of the fifteenth resolution

Authorization for the Board of Directors to carry out a share buyback program

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report, the shareholders grant the Board of Directors – or any representative duly empowered in accordance with the law – an authorization to purchase, directly or indirectly, the Company's shares in accordance with the conditions set out in Articles L.225-209 *et seq.* of the French Commercial Code and EC Regulation No. 596/2014 dated April 16, 2014, as well as any other laws and regulations that may be applicable in the future.

The authorization may be used to purchase shares:

- to maintain a liquid market in the Company's shares via a liquidity agreement that complies with the Code of Ethics drawn up by the French association of financial and investment firms (*Association française des marchés financiers* – AMAFI) approved by the AMF, and entered into with an investment services firm;
- for allocation or sale to employees and/or corporate officers of the Company or of other Group companies, in accordance with the terms and conditions provided for by law, notably in connection with a profit-sharing plan, free share grant plan, stock option plan, the Group employee savings plan, or any company employee savings plan in place within the Group;
- for delivery on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- to hold in treasury for subsequent delivery in payment or exchange for external growth transactions; and
- for cancellation, pursuant to the share capital reduction authorization in effect, granted by the Annual General Meeting.

This authorization is also designed to enable any future market practices permitted by the AMF to be carried out and, more generally, to enable any other operations authorized by the applicable regulations. The Company will inform its shareholders in a press release prior to carrying out any such operations.

Shares may be purchased, sold, or transferred by any method allowed under the applicable laws and regulations, on one or more occasions, including, in accordance with the regulations in force at the date of this Meeting, over the counter and through block trades for all or part of the program, as well as through the use of derivative financial instruments.

The Board of Directors may use this authorization at any time subject to the limitations set down by the applicable laws and regulations, except during, or in the run-up to, a public offer for the Company's shares.

The number of shares that may be bought back under this authorization may not exceed 10% of the Company's total outstanding shares (for information purposes, 42,723,415 shares based on the issued capital at December 31, 2019). This ceiling is reduced to 5% for shares acquired for the purpose of being held in treasury for subsequent delivery in payment or exchange for external growth transactions. When shares are bought back for the purpose of maintaining a liquid market in the Company's shares via a liquidity agreement, the number of shares included in the calculation of the 10% ceiling corresponds to the number of shares purchased less any shares sold during the period covered by this authorization.

Under no circumstances may the Company hold, either directly or indirectly, more than 10% of its capital.

The shares may not be purchased at a price of more than €165 per share and the maximum amount that may be invested in the program is €7 billion. However, the Board of Directors may adjust this maximum purchase price to take into account the impact on the share price of any corporate actions.

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to carry out this share buyback program, set the applicable terms and conditions, make the required adjustments as a result of any corporate actions, place any and all buy and sell orders, enter into any and all agreements notably for the keeping of registers of share purchases and sales, make any and all filings with the AMF and any other organization, carry out all other formalities, and generally do everything necessary to use this authorization.

This authorization is given for a period of 18 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 14th resolution of the Annual General Meeting of May 23, 2019.

EXTRAORDINARY RESOLUTIONS

Presentation of the sixteenth resolution

To strengthen its membership, the Board has decided to propose the appointment of an additional woman independent Director (see 4th resolution above).

However, the bylaws state that the Board of Directors shall have a maximum of 13 members, not including Directors representing employees and Directors representing employee shareholders.

As the Board currently has 13 serving members, the shareholders are invited to increase the maximum number to 14 (including the Directors linked to the French State and excluding the Directors representing employees and the Directors representing employee shareholders), to enable an additional woman independent Director to be appointed.

Text of the sixteenth resolution

Amendment of Articles 14.1 and 14.2 of the bylaws, to increase the maximum number of Directors (excluding Directors representing employee shareholders and Directors representing employees) from 13 to 14

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report, the shareholders resolve to increase the maximum number of Directors (excluding Directors representing employee shareholders and Directors representing employees) from 13 to 14, and accordingly to amend Articles 14.1 and 14.2 of the bylaws as follows:

Previous wording	New wording
14.1. The Company shall be administered by a Board of Directors with at least three and no more than thirteen members, including, where applicable, a representative appointed by the French State and/or Directors put forward by the French State in accordance with Articles 4 and/or 6 of French government <i>ordonnance</i> 2014-948 dated August 20, 2014.	14.1. The Company shall be administered by a Board of Directors with at least three and no more than fourteen members, including, where applicable, a representative appointed by the French State and/or Directors put forward by the French State in accordance with Articles 4 and/or 6 of French government <i>ordonnance</i> 2014-948 dated August 20, 2014.
14.2. The maximum number of thirteen Board members may be increased to allow for the inclusion of any Directors representing employee shareholders, elected as provided for in Article 14.8 below, and any employee representative Directors in general, elected as provided for in Article 14.9 below.	14.2. The maximum number of fourteen Board members may be increased to allow for the inclusion of any Directors representing employee shareholders, elected as provided for in Article 14.8 below, and any employee representative Directors in general, elected as provided for in Article 14.9 below.

Extraordinary resolutions

Presentation of the seventeenth resolution

The shareholders are invited first to simplify the wording of the corporate purpose in the Company’s bylaws, notably by deleting the reference to security activities, which are no longer relevant since the Group sold its detection businesses and its identity and security businesses in 2017 (see section 1.2 of the 2017 Registration Document).

They are also invited to align the bylaws with the latest legal and regulatory provisions as follows:

- The legal threshold in terms of the number of Directors triggering the obligation to have two Directors representing employees has been lowered from 12 to 8 (Article L.225-27-1 of the French Commercial Code, resulting from the Pacte Act 2019-486 dated May 22, 2019). This change in the law has no impact on the membership of the Board of Directors. However, Article 14.9.1 of the Company’s bylaws refers to the previous threshold of 12 members and therefore needs to be aligned with the new legal requirement.
- The term “attendance fees” has been replaced by the concept of Directors’ “compensation”, with the Pacte Act referring to the compensation allocated to Directors as consideration for their duties. The wording of Articles 15.1, 17.1, 17.2, 19.2 and 33.2 needs to be updated accordingly.
- Article 19.2 of the bylaws continues to refer to the “Chairman’s report”, which has been replaced by “corporate governance report” in the regulatory texts. The shareholders are invited to align this Article with the current regulations (French government *ordonnance* 2017-1162 dated July 12, 2017).
- In a restricted number of cases, the law permits the Board of Directors to make decisions based on a written consultation of its members (Soiilhi Act 2019-744 dated July 19, 2019). These decisions concern the temporary appointment of Directors, authorizations for the Chief Executive Officer to issue the types of guarantees referred to in Article L.225-35 of the French Commercial Code, authorizations for the Chief Executive Officer to align the bylaws with the applicable laws and regulations, the calling of a General Meeting, and the transfer of the Company’s registered office to a new location in the same *département*. The shareholders are accordingly invited to add a new article to the bylaws (Article 18.12). If this proposal is adopted, the Board of Directors may decide to implement this practical simplification by specifying in its Internal Rules (available in the Governance section of the Company’s website) in what cases and by what method decisions could be made by written consultation.
- The law currently offers the Board of Directors the option of authorizing the Chief Executive Officer to issue all types of guarantees, for any amount, backing the commitments of controlled companies (Article L.225-35, paragraph 4 of the French Commercial Code). This authorization may be given annually, or indefinitely (in which case, the Chief Executive Officer is required to report annually to the Board on the use made of the authorization). The Board does not currently expect to use this option, but nonetheless proposes that Article 19.2 be amended to refer only to the conditions provided for by law, in order to align the bylaws and leave this practical simplification open to the Board.

Text of the seventeenth resolution

Amendment of the bylaws: simplification of the corporate purpose and alignment with legal and regulatory provisions

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors’ report, the shareholders resolve to simplify the wording of the corporate purpose in the Company’s bylaws, notably by deleting the reference to security activities, and to align the bylaws with the latest legal and regulatory provisions.

The shareholders therefore resolve to amend Articles 3, 14.9.1, 15.1, 17.1, 17.2, 19.2 and 33.2 of the bylaws and to insert a new Article 18.12:

Previous wording	New wording
<p>Article 3 – Corporate Purpose</p> <p>The Company’s purpose is to engage in the following activities in any and all countries, for its own account, on behalf of third parties, or directly or indirectly in conjunction with third parties: to carry out research, design, development, testing, manufacturing, sales, maintenance and support operations for high-technology activities, and notably for:</p> <ul style="list-style-type: none"> ■ all aviation and aerospace activities for the civilian and military markets, particularly those related to: <ul style="list-style-type: none"> • aviation and aerospace propulsion solutions, including the operation of systems that produce or use energy, and equipment designed to be used with such systems, and • equipment and sub-systems used in aircraft, helicopters, launch vehicles and missiles; ■ all air, land and naval defense activities, particularly those related to: <ul style="list-style-type: none"> • optronics, avionics and navigation solutions and services, and • electronics and critical software for aviation and defense applications; 	<p>Article 3 – Corporate Purpose</p> <p>The Company’s purpose is to engage in the following activities in any and all countries, for its own account, on behalf of third parties, or directly or indirectly in conjunction with third parties: to carry out research, design, development, testing, manufacturing, sales, maintenance and support operations for high-technology activities, and notably for:</p> <ul style="list-style-type: none"> ■ all aviation and aerospace activities for the civilian and military markets; ■ all air, land and naval defense activities;

Previous wording	New wording
<p>■ all security activities, particularly those related to:</p> <ul style="list-style-type: none"> • multi-biometric identification solutions, identity management solutions, smart cards and secure transactions, and • detection solutions for explosives and illicit substances; <p>and generally, to conduct any and all transactions of a commercial, industrial or financial nature or involving movable assets or real estate that relate directly or indirectly to the above corporate purpose or to anything incidental or conducive to the achievement of said corporate purpose.</p>	<p>and generally, to conduct any and all transactions of a commercial, industrial or financial nature or involving movable assets or real estate that relate directly or indirectly to the above corporate purpose or to anything incidental or conducive to the achievement of said corporate purpose.</p>
<p>14.9.1. Number of employee representative Directors and terms and conditions of their election and appointment In application of Article L.225-27-1 of the French Commercial Code, the Board of Directors shall include one or two employee representative Directors, depending on the total number of Board members. The Board shall have one employee representative Director if it has twelve or fewer members on the date said Director is appointed, or two employee representative Directors if it has more than twelve members on that date. Directors representing employees or employee shareholders shall not be included for the purpose of determining the total number of Board members. If, during the term of office of an employee representative Director, the total number of Board members falls to twelve or below (not including Directors representing employees or employee shareholders) the employee representative Director(s) shall nevertheless remain on the Board for the length of their scheduled term of office. However, in such a case, if at the end of the term of office of the employee representative Director(s) the number of Board members has not been increased to above twelve (not including Directors representing employees or employee shareholders) as at the scheduled appointment date for the employee representative Director(s)' replacement(s), then the number of employee representative Directors shall be reduced to one. If the total number of Board members is subsequently increased to more than twelve (not including Directors representing employees or employee shareholders), then a second employee representative Director shall be elected in accordance with the terms and conditions set out below. Such election shall be held within six months of the appointment by the Board or the election by shareholders of the new Director which resulted in the twelve-member threshold being exceeded.</p>	<p>14.9.1. Number of employee representative Directors and terms and conditions of their election and appointment In application of Article L.225-27-1 of the French Commercial Code, the Board of Directors shall include one or two employee representative Directors, depending on the total number of Board members. The Board shall have one employee representative Director if it has eight or fewer members on the date said Director is appointed, or two employee representative Directors if it has more than eight members on that date. Directors representing employees or employee shareholders shall not be included for the purpose of determining the total number of Board members. If, during the term of office of an employee representative Director, the total number of Board members falls to eight or below (not including Directors representing employees or employee shareholders) the employee representative Director(s) shall nevertheless remain on the Board for the length of their scheduled term of office. However, in such a case, if at the end of the term of office of the employee representative Director(s) the number of Board members has not been increased to above eight (not including Directors representing employees or employee shareholders) as at the scheduled appointment date for the employee representative Director(s)' replacement(s), then the number of employee representative Directors shall be reduced to one. If the total number of Board members is subsequently increased to more than eight (not including Directors representing employees or employee shareholders), then a second employee representative Director shall be elected in accordance with the terms and conditions set out below. Such election shall be held within six months of the appointment by the Board or the election by shareholders of the new Director which resulted in the eight-member threshold being exceeded.</p>
<p>15.1. [...]. The Board shall determine the compensation payable to the Chairman in addition to his portion of the aggregate amount of attendance fees paid to Board members. [...]</p>	<p>15.1. [...]. The Board shall determine the compensation payable to the Chairman in addition to his portion of the aggregate annual amount of compensation allocated to the Directors as consideration for their duties. [...]</p>
<p>17.1. At the Annual General Meeting, the Company's shareholders shall set an annual aggregate amount of attendance fees, effective for the current year and subsequent years until the shareholders decide otherwise.</p>	<p>17.1. At the Annual General Meeting, the Company's shareholders shall set the aggregate annual amount of compensation allocated to the Directors as consideration for their duties, effective for the current year and subsequent years until the shareholders decide otherwise.</p>
<p>17.2. The Board of Directors shall allocate the attendance fees among its members as it deems fit, in accordance with the rules set out in the Board's Internal Rules. [...]</p>	<p>17.2. The Board of Directors shall allocate the aggregate annual amount of compensation among its members. [...]</p>
<p>--</p>	<p>18.12 Where permitted by law, the Board of Directors' decisions may be made by written consultation, by the method specified in the Board of Directors' Internal Rules.</p>

Powers

Previous wording	New wording
<p>19.2. [...]:</p> <ul style="list-style-type: none"> ■ allocating attendance fees among the Board members, in accordance with the Board of Directors' Internal Rules; ■ approving the report of the Chairman of the Board of Directors on the organization of the Board's work and internal control and risk management procedures; [...] ■ giving the Chief Executive Officer authorization (which may be delegated) to grant guarantees and endorsements in the Company's name, setting an overall ceiling for each fiscal year and, where appropriate, a maximum amount per transaction; ■ authorizing in advance any transactions that would result in exceeding the above-mentioned overall ceiling or maximum amount per transaction set by the Board. 	<p>19.2. [...]:</p> <ul style="list-style-type: none"> ■ allocating among its members the aggregate annual amount of compensation allocated to the Directors as consideration for their duties; ■ approving the terms of its corporate governance report; [...] ■ giving the Chief Executive Officer authorization (which may be delegated) to grant guarantees and endorsements under the conditions provided for by law.
<p>33.2. [...]:</p> <ul style="list-style-type: none"> ■ set the aggregate amount of attendance fees to be allocated by the Board among its members in accordance with the Board of Directors' Internal Rules; <p>[...]</p>	<p>33.2. [...]:</p> <ul style="list-style-type: none"> ■ set the aggregate annual amount of compensation allocated to the Directors as consideration for their duties; <p>[...]</p>

POWERS

Presentation of the eighteenth resolution

The 18th resolution concerns the powers that are necessary to carry out the filing and other legal formalities required for the resolutions adopted at the meeting.

Text of the eighteenth resolution

Powers to carry out formalities

The shareholders give full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing, publication, declaration and other formalities required by the applicable laws and regulations.

SUMMARY TABLE

OF FINANCIAL AUTHORIZATIONS IN FORCE, ALREADY GRANTED TO THE BOARD OF DIRECTORS

The financial authorizations in force, already granted by shareholders to the Board of Directors, are summarized below.

Type of authorization	Date of authorization Term and expiration	Ceiling <i>(maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)</i>	Amount used at December 31, 2019
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (16 th resolution) 26 months, i.e., until July 22, 2021	€20 million €1.8 billion (debt securities)	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, by way of a public offer, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (17 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾ €1.8 billion (debt securities) ⁽²⁾	None
Authorization for the Board of Directors to issue shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, in the event of a public exchange offer initiated by the Company, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (18 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽³⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (19 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽³⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾	None
Authorization for the Board of Directors to increase the number of securities included in an issue carried out with or without pre-emptive subscription rights for existing shareholders (pursuant to the 16 th , 17 th , 18 th or 19 th resolutions), which may not be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (20 th resolution) 26 months, i.e., until July 22, 2021	15% of the original issue ⁽⁵⁾	None
Authorization for the Board of Directors to increase the Company's capital by capitalizing reserves, retained earnings or additional paid-in capital, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (21 st resolution) 26 months, i.e., until July 22, 2021	€12.5 million ⁽¹⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders, which may only be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (22 nd resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾ €2 billion (debt securities) ⁽²⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, by way of a public offer, which may only be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (23 rd resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁷⁾	None

SUMMARY TABLE OF FINANCIAL AUTHORIZATIONS IN FORCE, ALREADY GRANTED TO THE BOARD OF DIRECTORS ■

Type of authorization	Date of authorization Term and expiration	Ceiling (maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)	Amount used at December 31, 2019
Authorization for the Board of Directors to issue shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, in the event of a public exchange offer initiated by the Company, which may only be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (24 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾⁽⁸⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁹⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may only be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (25 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾⁽⁸⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁹⁾	None
Authorization for the Board of Directors to increase the number of securities included in an issue carried out with or without pre-emptive subscription rights for existing shareholders (pursuant to the 22 nd , 23 rd , 24 th or 27 th resolutions), which may only be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (26 th resolution) 26 months, i.e., until July 22, 2021	15% of the original issue ⁽¹⁰⁾	None
Authorization for the Board of Directors to increase the Company's capital by capitalizing reserves, retained earnings or additional paid-in capital, which may only be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (27 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽⁶⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares to employees who are members of a Group employee savings plan, without pre-emptive subscription rights for existing shareholders	May 23, 2019 AGM (28 th resolution) 26 months, i.e., until July 22, 2021	1% of the Company's capital ⁽¹⁾	None
Authorization for the Board of Directors to grant existing or new shares of the Company, free of consideration, to employees and corporate officers of the Company and other Group entities, with a waiver of shareholders' pre-emptive subscription rights	May 23, 2019 AGM (30 th resolution) 26 months, i.e., until July 22, 2021	0.40% of the Company's capital at the grant date	Amount used at Dec. 31, 2019: None Amount used in Mar. 2020: 0.18% Amount remaining at Mar. 31, 2020: 0.22%

(1) This amount is included in the €20 million ceiling for capital increases set in the 16th resolution of the May 23, 2019 AGM.

(2) This amount is included in the €1.8 billion ceiling for issues of debt securities set in the 16th resolution of the May 23, 2019 AGM.

(3) This amount is included in the €8 million ceiling for capital increases set in the 17th resolution of the May 23, 2019 AGM.

(4) This amount is included in the €1.8 billion ceiling for issues of debt securities set in the 17th resolution of the May 23, 2019 AGM.

(5) The ceilings applicable to the 16th, 17th, 18th and 19th resolutions of the May 23, 2019 AGM still apply if the option provided for in the 20th resolution of that AGM is used.

(6) This amount is included in the €8 million ceiling for capital increases set in the 22nd resolution of the May 23, 2019 AGM.

(7) This amount is included in the €2 billion ceiling for issues of debt securities set in the 22nd resolution of the May 23, 2019 AGM.

(8) This amount is included in the €8 million ceiling for capital increases set in the 23rd resolution of the May 23, 2019 AGM.

(9) This amount is included in the €1.8 billion ceiling for issues of debt securities set in the 23rd resolution of the May 23, 2019 AGM.

(10) The ceilings applicable to the 22nd, 23rd, 24th and 25th resolutions of the May 23, 2019 AGM still apply if the option provided for in the 26th resolution of that AGM is used.

FIVE-YEAR FINANCIAL SUMMARY OF THE COMPANY

(in €)	2015	2016	2017	2018	2019
Capital at December 31					
Share capital	83,405,917	83,405,917	83,405,917	87,153,590.20	85,446,831
Number of ordinary shares outstanding	417,029,585	417,029,585	417,029,585	435,767,951	427,234,155
Financial results					
Profit before tax, statutory employee profit-sharing, depreciation, amortization and provisions	1,564,574,645	767,391,743	1,251,397,582	1,621,981,388	1,382,153,454
Income tax expense	(102,700,757)	(52,805,019)	(33,064,752)	(211,350,763)	(551,456)
Statutory employee profit-sharing for the fiscal year	-	-	-	-	-
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions	1,648,209,397	969,870,638	1,359,762,344	1,705,042,464	1,296,554,954
Dividend payment	575,500,827	633,884,969	667,247,336	793,097,671	0
Per share data					
Profit after tax, statutory employee profit-sharing, but before depreciation, amortization and provisions					
■ per ordinary share outstanding	4.00	1.97	3.08	4.21	3.24
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions					
■ per ordinary share outstanding	3.95	2.33	3.26	3.91	3.03
Net dividend					
■ per ordinary share outstanding	1.38	1.52	1.60	1.82	0
Employees					
Average number of employees during the fiscal year	1,519	1,577	1,624	1,774	1,813
Total payroll	133,628,961	140,807,877	145,288,974	173,747,142	160,175,869
Social security and other social welfare contributions	88,424,113 ⁽¹⁾	88,550,754 ⁽²⁾	95,952,479 ⁽³⁾	114,279,525 ⁽⁴⁾	137,669,709 ⁽⁵⁾


(1) Including €7.4 million in contributions paid to the insurer that manages the defined benefit pension plan.

(2) Including €5.0 million in contributions paid to the insurer that manages the defined benefit pension plan.

(3) Including €6.6 million in contributions paid to the insurer that manages the defined benefit pension plan.

(4) Including €2.3 million in contributions paid to the insurer that manages the defined benefit pension plan.

(5) Including €4.5 million in contributions paid to the insurer that manages the defined benefit pension plan.



STATUTORY AUDITORS' REPORT PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 28, 2020

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval by the Annual General Meeting

We were not informed of any agreements authorized and entered into by the Board of Directors during the year to be submitted for the approval of the Annual General Meeting in accordance with Article L.225-38 of the French Commercial Code.

Agreements already approved by the Annual General Meeting

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements, approved by the Annual General Meeting in prior years, remained in force during the year.

1. With the French State (shareholder holding more than 10% of the Company's voting rights)

Persons concerned

Hélène Dantoine, representative of the French State to the Board of Directors of your Company since March 13, 2019, Patrick Gandil, a Director put forward by the French State until February 7, 2019, and Vincent Imbert, a Director put forward by the French State.

a) Nature, purpose, terms and conditions

ArianeGroup Holding (AGH) Agreement, Arianespace Agreement, Pre-emption Agreement, addendum no. 6 to the Agreement of December 21, 2004 and addendum to the Environmental Guarantee Agreement (EGA).

On June 30, 2016, your Company and Airbus Group finalized the combination, carried out in two stages, of their launch vehicle business into Airbus Safran Launchers Holding (since renamed ArianeGroup Holding [AGH]) and its wholly-owned subsidiary Airbus Safran Launchers (since renamed ArianeGroup SAS [AGH SAS]).

■ STATUTORY AUDITORS' REPORT ON THE PROPOSED RESOLUTIONS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 28, 2020

In the first half of 2016, the following agreements and addendums, indivisible agreements required to establish the combination, were signed with the French State:

- AGH Agreement;
- Arianespace Agreement;
- Pre-emption Agreement;
- addendum no. 6 to the Agreement of December 21, 2004 (the "2004 Agreement", as described below in sections 1.4 and b);
- addendum to the Environmental Guarantee Agreement (EGA).

The AGH Agreement, the Arianespace Agreement and the Pre-emption Agreement as well as addendum no. 6 to the 2004 Agreement were authorized by the Board of Directors on December 17, 2015. They were signed on June 24, 2016 and entered into force on June 30, 2016. They were subsequently approved by the Annual General Meeting of June 15, 2017.

Effective from June 30, 2016, the protection of the French State's strategic interests is ensured via:

- **1.1 The AGH Agreement:** an agreement between the French State and AGH relating to protected assets and strategic subsidiaries and interests, entered into in the presence of Safran and Airbus Group.
- **1.2 The Arianespace Agreement:** an agreement between the French State and AGH relating to Arianespace Participation and Arianespace SA shares, entered into in the presence of Safran and Airbus Group.

The following agreements were entered into at the same time:

- **1.3 The Pre-emption Agreement:** an agreement between Safran, Airbus Group and the French State, which sets out the conditions under which Airbus Group and Safran may exercise a pre-emptive right on the shares of the other partner in AGH if the French State exercises any of the call options granted to it by Airbus Group and Safran. The French State may only buy back AGH shares once the pre-emptive rights of Safran and Airbus have been used or expire.

■ **1.4 Addendum no. 6 to the 2004 Agreement between Safran and the French State:**

The 2004 Agreement was approved by shareholders at the May 11, 2005 Annual General Meeting. The agreement, as amended or supplemented by the three addendums signed in 2011 and approved at the May 31, 2012 Annual General Meeting and the two addendums signed in 2014 and approved at the April 23, 2015 Annual General Meeting as well as addendum no. 6, provided that:

- the French State shall be entitled to appoint a non-voting representative to the Safran Board of Directors should its interest in the Company's share capital fall below 10%;
- the French State shall be entitled to appoint a non-voting representative to the Boards of Directors or equivalent bodies of Safran's strategic subsidiaries and subsidiaries holding assets with a connection to French combat aircraft engines;
- the French State shall have a prior right of approval over (i) sales of certain strategic or defense sensitive assets, and (ii) acquisitions of interests resulting in crossing certain ownership or voting rights thresholds in your Company and other Group entities that own sensitive strategic assets.

The 2004 Agreement as amended by the six addendums, remained in force until March 22, 2018, when it was superseded by the Agreement of March 22, 2018 between your Company and the French State (see section b below).

- **1.5** Moreover, the EGA Addendum, an addendum to an Environmental Guarantee Agreement (EGA) with SNPE authorized by the Board of Directors on December 17, 2015, was signed on May 17, 2016 and entered into force on June 30, 2016. It was subsequently approved by the Annual General Meeting of June 15, 2017. Some sites transferred to AGH, as part of the above-described business combination, are covered by an Environmental Guarantee Agreement (EGA) granted to Safran by SNPE and counter-guaranteed by the French State. With the French State's approval, the addendum to the EGA was entered into between SNPE, AGH and Safran in order to transfer the benefit of the EGA to AGH for said sites (Safran being substituted by AGH).

b) Nature, purpose, terms and conditions

Consolidation and update of the 2004 Agreement related to strategic defense assets and subsidiaries and its addendums in a single document.

When Snecma was privatized following its merger with Sagem, the French State agreed to waive its right, pursuant to Article 10 of the privatization act of August 6, 1986, to take a golden share in Snecma, provided that equivalent contractual rights were granted in an agreement. In order to protect France's national interests and preserve the country's independence, the French State entered into an agreement on December 21, 2004 with Sagem and Snecma related to strategic defense assets and subsidiaries (the "2004 Agreement"). The 2004 Agreement is designed to (i) give the French State control over the ownership and, where applicable, the devolution of all or part of certain assets and shares of subsidiaries or other equity investments held by the companies party to the 2004 Agreement, combined with certain acquisition thresholds, and (ii) to give the French State rights of representation on the governing bodies of the strategic subsidiaries and subsidiaries holding assets related to French combat aircraft engines.

The merger between Snecma and Sagem which created Safran in 2005 and the various transactions completed by Safran since then have significantly changed the Group's scope, prompting Safran and the French State to amend the 2004 Agreement through a series of six successive addendums.

STATUTORY AUDITORS' REPORT ON THE PROPOSED RESOLUTIONS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 28, 2020

Safran and the French State wished to consolidate the 2004 Agreement and its amendments into a single document (the "Agreement") and to update its contents. The Agreement was authorized by the Board of Directors at its meeting on March 22, 2018. It was signed by your Company on March 26, 2018.

The Agreement supersedes the 2004 Agreement, and notably provides as follows:

On corporate governance matters:

- Safran's competent bodies shall be invited to appoint the French State as a Director if its interest in the Company's share capital is less than 10% but more than 1%;
- Safran's competent bodies shall in addition be invited to appoint a member proposed by the French State to the Board of Directors if its interest in the Company's share capital is more than 5%;
- at the request of the French State, the Board of Directors shall be invited to appoint one of the persons referred to above to any Board committee that may be set up for the purpose of addressing matters directly related to its rights under the Agreement;
- the French State shall be entitled to appoint a non-voting representative to the Boards of Directors or equivalent bodies of Safran's strategic subsidiaries (Safran Ceramics and Safran Power Units) and subsidiaries owning sensitive defense assets.

On strategic or sensitive defense assets and the entities that hold such assets:

- the French State shall have a prior right of approval over:
 - sales of assets (other than those that do not affect the defense activities) owned by strategic subsidiaries and accordingly identified as strategic; sales of shares in strategic subsidiaries Safran Ceramics and Safran Power Units; and sales of shares in AGH,
 - sales by Group companies of certain assets identified as defense sensitive (such as engines, components and systems, high precision inertial navigation and missile guidance systems, financed directly or indirectly by the French Defense Ministry) owned by Group entities,
 - sales of shares in Safran Electronics & Defense, which owns sensitive defense assets,
 - acquisitions by Group companies of interests resulting in a holding of more than 33.33% or more than 50% of the share capital or voting rights of the other Group companies that own sensitive defense assets,
 - projects conferring special management or information rights over strategic or sensitive defense assets or rights of representation on the administrative or management bodies of Safran Ceramics, Safran Power Units, AGH or another entity owning sensitive defense assets controlled by Safran;
- the French State's failure to respond within a period of 30 business days shall be deemed to constitute agreement, except in the case of proposals to sell shares in AGH, in which case failure to respond shall be deemed to constitute refusal;
- the French State shall be informed beforehand of any proposal by a strategic subsidiary or an entity controlled by Safran that owns sensitive defense assets, to sell assets that do not fall into these protected categories but whose sale could have a material impact on the independent management on French territory of the entity's strategic assets or sensitive defense assets;
- in the event a third party acquires more than 10% or a multiple of 10% of the capital or voting rights of Safran, and failing an agreement on other ways of protecting national interests in connection with the strategic assets, the French State shall be entitled to purchase the securities and assets of the strategic subsidiaries Safran Ceramics and Safran Power Units and the stake in AGH at a price to be set by a panel of experts.

The Agreement was approved by shareholders at the May 25, 2018 Annual General Meeting.

2. Between the French State, ArianeGroup Holding (AGH) and CNES, in the presence of Safran

Persons concerned

The French State (shareholder holding more than 10% of the Company's voting rights).

Hélène Dantoine, representative of the French State to the Board of Directors of your Company since March 13, 2019, Patrick Gandil, a Director put forward by the French State until February 7, 2019, and Vincent Imbert, a Director put forward by the French State.

Nature, purpose, terms and conditions

The CNES (French National Space Studies Center), the French State and AGH, in the presence of Airbus Group and Safran, signed the Arianespace Framework Protocol, which relates to the buying back by AGH of Arianespace shares and Ariane brand names held by CNES and establishes the principal terms and conditions of the sale to AGH of Arianespace shares held by CNES, as well as the parties' declarations and commitments. In its capacity as a shareholder of AGH, Safran undertakes to ensure that AGH fully complies with said agreement.

The protocol would provide for a new operating framework for European launchers.

The signature of the protocol was authorized by the Board of Directors on December 17, 2015. It was signed on February 8, 2016 and approved by the Annual General Meeting of May 19, 2016. It subsequently entered into force on June 30, 2016.

3. With a pool of banks including BNP Paribas

Person concerned

Monique Cohen, a Director of Safran and BNP Paribas.

Nature, purpose, terms and conditions

This agreement was authorized by the Board of Directors on October 29, 2015 and signed on December 4, 2015.

The facility amounts to €2,520 million and has a five-year term with two successive one-year extension options. It was granted by a pool of fifteen banks, including BNP Paribas, whose proportion of the facility is the same as that of the other banks that are parties to the agreement. Both one-year extension options have been exercised, extending the term to December 2022.

This revolving credit facility was put in place to ensure that the Group will have sufficient liquidity over the medium term and to enable it to cover its general financing requirements. By refinancing and replacing two existing facilities with shorter terms than the new facility, the Group was able to take advantage of the current favorable market interest rates.

It was approved by shareholders at the May 19, 2016 Annual General Meeting.

In respect of 2019, a €189,180.24 expense was recorded in Safran's financial statements corresponding to BNP Paribas' share of the no-use fee (split between lenders based on their respective commitments).

Courbevoie and Paris-La Défense, March 27, 2020

The Statutory Auditors

MAZARS

Gaël Lamant

Christophe Berrard

ERNST & YOUNG et Autres

Jean-Roch Varon

Nicolas Macé

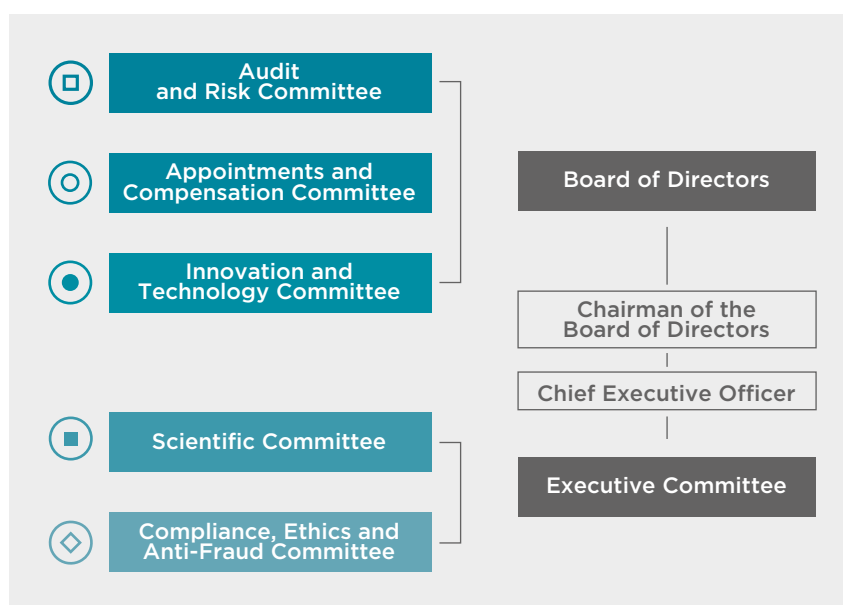


GOVERNANCE

BOARD OF DIRECTORS

A Board of Directors incorporating best governance standards into its activities

Safran refers to the “Corporate Governance Code of Listed Corporations”, drawn up jointly by the French companies’ associations, AFEP and MEDEF. Safran’s Board of Directors determines its strategy and oversees its implementation.



Separation of the roles of Chairman of the Board of Directors and Chief Executive Officer

Since 2015, the Board has chosen to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

Thanks to this governance structure, the Company benefits from the Chief Executive Officer’s managerial expertise and industry experience, as well as the Chairman’s international standing. The strong strategic fit of their profiles enables the Group to be governed harmoniously, based on transparent relations between the Board of Directors and Executive Management and a balanced and respectful distribution of their roles.

Lead Independent Director

In 2018, the Board of Directors decided to appoint Monique Cohen as Lead Independent Director and define her duties. It was considered good practice to create this position, even if it is not indispensable since the Company has separated the roles of Chairman of the Board and Chief Executive Officer.

Independent Directors

The aim of having independent Directors on the Board is to provide shareholders with assurance that the collegiate body of the Board comprises members who have total independence to analyze, judge, take decisions and act, always in the Company’s interests. Highly engaged and involved in the Board’s work, their freedom of judgment and expression contributes to the quality of the Board’s discussions and decisions. Their professional and personal experience provides an outside view that is beneficial for the Group.

SUCCESSION PROCESS

On November 4, 2019, at the recommendation of the Appointments and Compensation Committee, the Board of Directors appointed Olivier Andriès to succeed Philippe Petitcolin as Chief Executive Officer from January 1, 2021.

Olivier Andriès has all the qualities and attributes required to head up the Group. In particular, he has built up solid experience over the past ten years, first in Defense and Security between 2009 and 2011, and then in Propulsion since 2011 (Safran Helicopter Engines and Safran Aircraft Engines). Until taking office as Chief Executive Officer, he will stay on as CEO of Safran Aircraft Engines, then take on specific assignments under the supervision of Philippe Petitcolin. The conditions for a smooth, orderly transition are therefore all in place.

Olivier Andriès was selected after a succession process that involved interviews and assessments of both internal and external candidates, compliant with best corporate governance standards, overseen by the Chairman of the Board of Directors, Ross McInnes, and the Lead Independent Director, Monique Cohen.

Membership structure of the Board of Directors and its Committees



**ROSS
MCINNES**

Chairman
of the Board
© M



**PHILIPPE
PETITCOLIN**

Chief Executive
Officer
M



**H  L  NE
AURIOL POTIER**

I C A W



**HERVE
CHAILLOU**

Director
representing
employees
M A



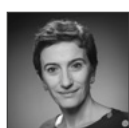
**JEAN-LOU
CHAMEAU**

I C A M



**MONIQUE
COHEN**

Lead Independent
Director
Chair of the
Appointments
and Compensation
Committee
I C W



**H  L  NE
DANTOINE**

Director
representing
the French State
C A W



**ODILE
DESFORGES**

Chair of the Audit
and Risk Committee
I C W



**DIDIER
DOMANGE**

C M



**LAURENT
GUILLOT**

I C M



**VINCENT
IMBERT**

Director
appointed at the
recommendation of
the French State
C M



**G  RARD
MARDIN  **

Director
representing
employee
shareholders
C M



**DANIEL
MAZALTARIM**

Director
representing
employees
C M



**PATRICK
P  LATA**

Chair of
the Innovation
and Technology
Committee
I C A M



**ROBERT
PEUGEOT**

Director
representing
F&P
I C M



**FERNANDA
SARAIVA**

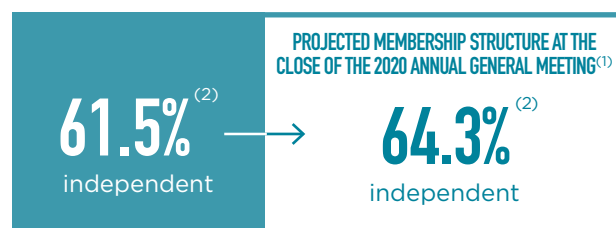
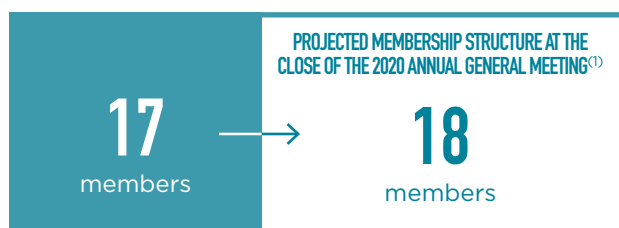
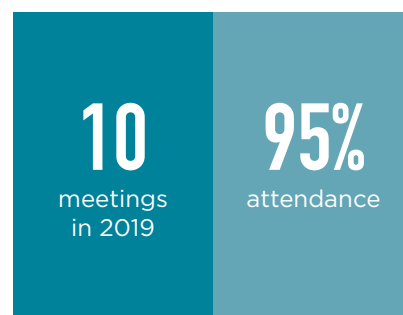
Director representing
employee
shareholders
W



**SOPHIE
ZURQUIYAH**

I C W

- I Independent
- C Chairman
- A Audit and Risk Committee
- C Appointments and Compensation Committee
- I Innovation and Technology Committee
- W Woman
- M Man



(1) Projected membership structure, subject to the adoption by the Annual General Meeting of May 28, 2020 of the draft resolutions concerning the Board's membership structure.
 (2) In accordance with the AFEP-MEDEF Code, Directors representing employee shareholders and Directors representing employees are not taken into account when calculating the percentage of independent Directors.

Committees addressing the Group's strategic challenges

(2019 key figures)

Audit and Risk Committee

5 meetings
6 members
82% attendance
80% independent⁽¹⁾

Roles and responsibilities of the Audit and Risk Committee

Reviewing, monitoring and verifying:

- ▣ accounting documentation and financial statements;
- ▣ the preparation, auditing and reliability of accounting and financial information;
- ▣ the main changes in accounting policies;
- ▣ the effectiveness of internal control and risk management systems;
- ▣ appropriateness of risk analysis and monitoring procedures;
- ▣ internal audit methods and findings;
- ▣ the audit of the financial statements by the Statutory Auditors – effectiveness of Safran's external audits, including the selection procedure, respect of independence criteria, fees paid to the Statutory Auditors, audit plans and their findings, and services other than audit services.

Appointments and Compensation Committee

9 meetings
7 members
98% attendance
67% independent⁽¹⁾

Roles and responsibilities of the Appointments and Compensation Committee

Appointments

- ▣ selection of the members of the Board of Directors and its Committees;
- ▣ succession plans for the Chairman and the Chief Executive Officer;
- ▣ helping the Board prepare succession plans for the Group's key operations and support function managers.

Compensation

- ▣ compensation policy and compensation packages of the Chairman and the Chief Executive Officer;
- ▣ compensation policy for senior managers and profit-sharing systems set up for employees:
 - long-term incentive plans (performance share grants),
 - employee savings plans – share issues reserved for employees of the Company,
 - supplementary pension plans;
- ▣ the allocation of Directors' compensation.

Innovation and Technology Committee

2 meetings
5 members
90% attendance
75% independent⁽¹⁾

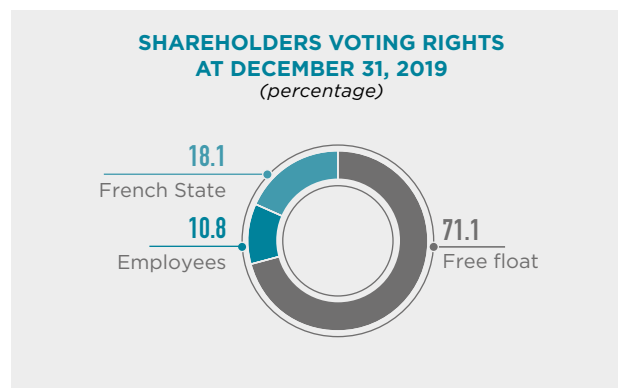
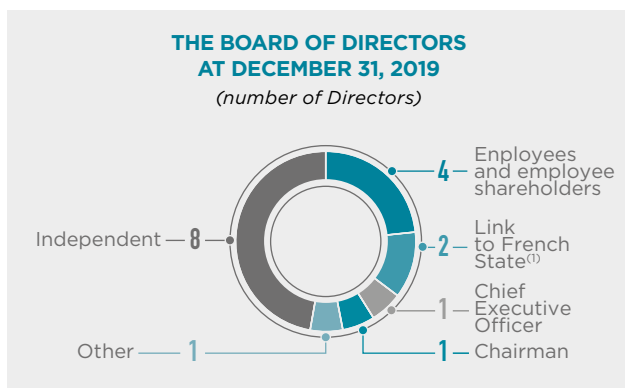
Roles and responsibilities of the Innovation and Technology Committee

- ▣ the Group's medium- and long-term strategic goals and choices concerning:
 - innovation,
 - R&T,
 - development of new products and services;
- ▣ technological trends and developments;
- ▣ progress made by the Group in its main innovation and technology roadmaps;
- ▣ suitability of organization structures and resources.

(1) Excluding Directors representing employees and Directors representing employee shareholders.

An experienced Board of Directors taking up the Group’s strategic challenges

Board membership structure consistent with Safran share ownership



(1) One representative of the French State appointed by way of a ministerial decree and one Director put forward by the French State and appointed by the Annual General Meeting.

A diverse range of profiles, expertise and skills within the Board

Experience and specific duties exercised by Directors in different sectors and activities	Number of Directors
Aerospace industry	11
Other industries	15
Innovation, R&T, Development, Engineering	13
International career and experience	11
Strategy, competition and M&A	11
Finance and management control	11
Digital - New technologies	6
Governance and compensation	17
Human Resources - CSR	9

The Board of Directors has a wide range of experience, making it well equipped to deal with strategy and performance challenges. It regularly considers the desired balance and diversity of its membership structure and that of its committees. Its diversity policy is structured around principles and objectives related to the size of the Board, the representation of the Company’s various stakeholders, the proportion of independent Directors, the depth and fit of the directors’ skills and expertise, international experience, and gender balance.

Summary table of information about Directors

Director	Age ⁽¹⁾	Gender	Nationality	Number of shares held	Number of directorships in listed companies ⁽¹⁾⁽⁴⁾	Independent Director ⁽²⁾	Date first appointed	End of term (expiration or other)
Directors currently in office								
Ross McInnes Chairman of the Board of Directors	66	M	French and Australian	7,517	4	No	April 23, 2015	2023 (AGM held to approve the 2022 financial statements)
Philippe Petitcolin Chief Executive Officer	67	M	French	42,268	3	No	April 23, 2015	2023 (AGM held to approve the 2022 financial statements)
Hélène Auriol Potier	57	F	French	500	1	Yes	June 15, 2017	2021 (AGM held to approve the 2020 financial statements)
Hervé Chaillou	54	M	French	41	1	No	November 20, 2019	November 19, 2023
Jean-Lou Chameau	66	M	French and American	1,000	1	Yes	April 21, 2011	2023 (AGM held to approve the 2022 financial statements)
Monique Cohen	64	F	French	500	3	Yes	May 28, 2013	2022 (AGM held to approve the 2021 financial statements)
Hélène Dantoine*	48	F	French	N/A	2	No	March 13, 2019	2023 (AGM held to approve the 2022 financial statements)
Odile Desforges	70	F	French	500	4	Yes	April 21, 2011	2021 (AGM held to approve the 2020 financial statements)
Didier Domange	76	M	French	195,109	1	No	May 25, 2018	2022 (AGM held to approve the 2021 financial statements)
Laurent Guillot	50	M	French	500	2	Yes	May 23, 2019	2023 (AGM held to approve the 2022 financial statements)
Vincent Imbert	64	M	French	N/A	1	No	March 28, 2014	2023 (AGM held to approve the 2022 financial statements)
Gérard Mardiné	60	M	French	7,319	1	No	May 19, 2016	2020 (AGM held to approve the 2019 financial statements)
Daniel Mazaltarim	60	M	French	1,945	1	No	November 20, 2014	November 19, 2023
Patrick Péлата	64	M	French	500	1	Yes	June 15, 2017	2021 (AGM held to approve the 2020 financial statements)
Fernanda Saraiva	51	F	French	700	1	No	July 25, 2019	2020 (AGM held to approve the 2019 financial statements)
Robert Peugeot Permanent representative of F&P	69	M	French	500	2 ⁽⁷⁾	Yes	May 25, 2018	2022 (AGM held to approve the 2021 financial statements)
Sophie Zurquiyah	53	F	French and American	500	2	Yes	June 15, 2017	2021 (AGM held to approve the 2020 financial statements)

(1) At the filing date of the 2019 Universal Registration Document or the departure date of Directors whose terms of office expired at end-2019.

(2) See section 6.2.4.1, "Independence of the members of the Board of Directors".

(3) At December 31, 2019.

(4) Including directorship with Safran, in compliance with the recommendations of the AFEP-MEDEF Code.

(5) From March 28, 2014 to April 23, 2015 as a Director representing the French State.

(6) Director put forward by the French State.

(7) Only two companies are taken into account for calculating Robert Peugeot's aggregate number of directorships as provided for in Article 18.2 of the AFEP-MEDEF Code, namely FFP and Sofina. His directorships in three other companies (Safran, Peugeot S.A. and Faurecia) are not taken into account in the calculation as he is a director of these companies as a result of direct or indirect interests held by FFP, whose main activity is acquiring and managing equity investments.

(*) Hélène Dantoine was named as representative of the French State by way of a ministerial decree dated March 13, 2019 and her term was renewed on May 23, 2019.

Number of years on the Board ⁽¹⁾	Date last re-appointed	Director representing employees or employee shareholders	Attendance rate (Board meetings) ⁽³⁾	Membership of Board Committees ⁽¹⁾	Main experience and expertise brought to the Company
4 years and 11 months	May 23, 2019	No	100%	-	Chairman of the Board of Directors
4 years and 11 months	May 23, 2019	No	100%	-	Chief Executive Officer
2 years and 9 months	-	No	90%	Appointments and Compensation Committee Innovation and Technology Committee	Organization and management of corporations/International business/ Digital transformation
4 months	-	Yes	100%	-	Perspective of an employee/Knowledge of the Group and its markets
8 years and 11 months	May 23, 2019	No	100%	Appointments and Compensation Committee Innovation and Technology Committee	RTDI/International business
6 years and 10 months	May 25, 2018	No	90%	Appointments and Compensation Committee (Chair)	Financial and banking markets/Private equity/Shareholding strategy
1 year	May 23, 2019	No	88%	Audit and Risk Committee Appointments and Compensation Committee	Finance/Organization and management of corporations/International business/ Industry
8 years and 11 months	June 15, 2017	No	100%	Audit and Risk Committee (Chair)	Organization and management of corporations/Industry/RTDI/ Performance and management control
1 year and 10 months	-	No	100%	Appointments and Compensation Committee	Organization and management of corporations/International business/Knowledge of the Group and its markets
10 months	-	No	100%	Audit and Risk Committee	Organization and management of corporations/International business/ Industry
6 years ⁽⁵⁾	May 23, 2019 ⁽⁶⁾	No	90%	Innovation and Technology Committee	Industry/Strategy/Defense industry/ Competitive environment
3 years and 10 months	-	Yes	90%	Audit and Risk Committee	Perspective of an employee/Knowledge of the Group and its markets
5 years and 4 months	-	Yes	100%	Appointments and Compensation Committee	Perspective of an employee/Knowledge of the Group and its markets
2 years and 9 months	-	No	100%	Innovation and Technology Committee (Chair) Appointments and Compensation Committee	Organization and management of corporations/International/Strategy/ Industry/New technologies
8 months	-	Yes	100%	-	Perspective of an employee/Knowledge of the Group and its markets
1 year and 10 months	-	No	90%	Audit and Risk Committee	Organization and management of corporations/International/Finance/ Asset management
2 years and 9 months	-	No	90%	Audit and Risk Committee	Organization and management of corporations/International business/ Industry

NOMINEES TO THE BOARD OF DIRECTORS

Appointment of an additional independent Director proposed by the Board of Directors

The shareholders are invited to appoint Patricia Bellinger as an independent Director (see section 8.2.1.3 of the 2019 Universal Registration Document and profile below).



Patricia Bellinger

Harvard University - Cambridge, Massachusetts (United States)

Number of Safran shares held: pursuant to the Board of Directors' Internal Rules, each Director is required to own at least 500 registered shares of the Company

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1961, Patricia Bellinger, a dual US and British national, is trilingual (English, French and Spanish) and tricultural. A graduate of Harvard University, she began her career in Madrid in 1986 by founding a casting agency, and continued to work in media and communications in Spain until 1995.

She then returned to the United States to join Bristol Myers Squibb (BMS), the pharmaceutical company, where she was successively Associate Director for Communications, Associate Director for Public Affairs and in 1998, Corporate Director of Culture and Diversity.

In 2000, she joined BP in London as Vice President for Diversity and Inclusion, and served as Group Vice President and Director of the BP Leadership Academy until 2007.

In March 2011, she was appointed Executive Director of Executive Education at Harvard Business School. In August 2013, she was also appointed Executive Director and an adjunct lecturer at the Center for Public Leadership at Harvard Kennedy School (CPL).

From September 2017 to June 2018, she was an adjunct lecturer and Senior Fellow at the Center for Public Leadership at Harvard Kennedy School (CPL).

Since July 2018, she has been the Chief of Staff and Strategic Advisor to the President of Harvard University.

In addition to her independent status, Patricia Bellinger would contribute to the Board the depth and breadth of her career and her diverse experience, as well as her time in industry, her HR/Diversity/Talent Management expertise (in terms of both strategic and people-centric issues), her multilingualism, and her knowledge of French corporate governance.

MAIN POSITION(S) HELD

- Chief of Staff and Strategic Adviser to the President of Harvard University.

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

None

NON-GROUP

- Member of the Corporate Board of the Sonepar Group
- Independent director and a member of the Nominating and Governance Committee of LBrands (listed company) (United States)
- Member of the Board of Trustees of uAspire (until end-June 2020) (United States)
- Member of the Advisory Board of the non-profit organization My Life My Choice (United States)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

- Director and member of the Compensation Committee of Sodexo until July 2018
- Member of the Diversity and Inclusion Advisory Board of Barilla SpA (Italy) until August 2018
- Director and Chair of the Nominating Governance and Compensation Committee of Pattern Energy Inc. (United States) until December 2018

Appointments of Directors representing employee shareholders

The Board of Directors has approved the candidature of Marc Aubry as a Director representing employee shareholders for a four-year term, **and therefore invites the shareholders to elect him by voting for the sixth resolution.**



Marc Aubry

Safran Aircraft Engines – Établissement de Vernon – Plateau de l’Espace – 1, avenue Hubert-Curien – 27200 Vernon, France

Number of Safran shares held: 774⁽¹⁾

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1963, Marc Aubry is an engineer from École Nationale Supérieure d’Hydraulique et de Mécanique de Grenoble (ENSHMG) (major in water resources and planning) and has a post-graduate degree (DEA) in environment and engineering geophysics (major in hydrology).

Marc Aubry has worked with the Group for 31 years. Since 1990, he has occupied the position of Design Engineer in charge of the development of dynamic sealing for space engine turbopumps.

He has been the CFDT trade union representative since 1999 at the Vernon plant, before serving at the level of Safran Aircraft Engines and finally as Group trade union coordinator. His areas of expertise include social dialogue, compensation and benefits including employee savings plans, pension savings plans, employee share ownership, supplementary benefit plans and gender equality in the workplace.

From 2011 to 2016, he represented employee shareholders on the Board of Directors of Safran and served as a member of the Audit and Risk Committee.

Marc Aubry would bring to the Board his view of Safran from an employee shareholder’s perspective, as well as an in-depth knowledge of the Group and its products and markets.

MAIN POSITION(S) HELD

- Design Engineer in charge of the development of dynamic sealing for space engine turbopumps at Safran Aircraft Engines

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- Trade union representative and member of the Social and Economic Committee for Safran Aircraft Engines’ Vernon plant
- Substitute member of Safran Aircraft Engines’ Central Social and Economic Committee
- Chairman of the Supervisory Board of the Safran Investissement corporate mutual fund
- Member of the Supervisory Board of Safran Ouverture

NON-GROUP

- National secretary of the Fédération Générale des Mines et de la Métallurgie CFDT (trade union)
- Chairman of the Société Philharmonique de Vernon (non-profit organization)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

- Safran Group CFDT trade union coordinator until August 2019
- CFDT central trade union representative, Safran Aircraft Engines, until July 2019
- Chairman of the Economic Commission of Safran Aircraft Engines’ Central Works Council until January 2019
- Director representing employee shareholders and a member of the Audit and Risk Committee until June 2016

NON-GROUP

None

(1) Including 734 shares via corporate mutual fund units (conversion based on the Safran share price at February 28, 2020).

Nominees to the Board of Directors

The Board of Directors has approved the candidature of Anne Aubert as a Director representing employee shareholders for a four-year term, **and therefore invites the shareholders to elect her by voting for the seventh resolution.**



Anne Aubert

Safran Seats Z.I. La Limoise – Rue Robert-Maréchal-Senior, 36100 Issoudun, France

Number of Safran shares held: 3

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1971, Anne Aubert, a French national, has a degree in mechanical engineering from Compiègne University of Technology.

Anne Aubert has held a variety of front-line positions at Safran Seats' Issoudun plant since January 2012 and is currently head of Project Management Office Operations. She began her career with the Group managing Business Class seat programs, spending just over six years working with American, Chinese, French and Dutch airlines on Airbus and Boeing programs. She was then put in charge of the Airbus customer account, before becoming head of Project Management Office Operations in October 2019.

Anne Aubert would bring to the Board her view of Safran from an employee shareholder's perspective, as well as an in-depth knowledge of the Group and its markets.

MAIN POSITION(S) HELD

- ▣ Head of Project Management Office Operations at Safran Seats Issoudun

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

None

NON-GROUP

None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

- ▣ Member representing employees on the Supervisory Board (until June 2018) and member of the Compensation Committee (until February 2018) of Zodiac Aerospace SA (listed company)

NON-GROUP

None

The Board of Directors has not approved the candidature of Fernanda Saraiva as a Director representing employee shareholders, and therefore invites the shareholders to reject her nomination by voting against resolution A.



Fernanda Saraiva

Director representing employee shareholders

Safran Helicopter Engines – Avenue Szydlowski- 64511 Bordes, France

Number of Safran shares held: 700⁽¹⁾

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1968, Fernanda Saraiva is a graduate of the École Supérieur de Commerce in Pau, France.

She has been an employee of the Group for 29 years.

She started in 1991 as a sales assistant, specializing in sales negotiation in an intercultural environment and subsequently held several Program Sales Manager positions in cooperative programs.

She is currently Licensing Manager in the Aircraft Manufacturer Sales Department at Safran Helicopter Engines, a role she combines with her work with the CFE-CGC employees' union.

Fernanda Saraiva brings to the Board her view of Safran from an employee shareholder's perspective, as well as an in-depth knowledge of the Group and its markets.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- Licensing Manager in the Aircraft Manufacturer Sales Department of Safran Helicopter Engines

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- Director of Safran representing employee shareholders since July 2019
- Member of Safran Helicopter Engines' Social and Economic Committee at its Bordes site and its Central Social and Economic Committee
- Treasurer of Safran Helicopter Engines' Central Social and Economic Committee
- Deputy central trade union representative at Safran Helicopter Engines
- Member of the Safran Coordination Board
- Member of the Safran Investissement corporate mutual fund

NON-GROUP

- CFE-CGC trade union representative – Conseil National Aéronautique Espace Défense
- CFE-CGC trade union representative – Humanis Prévoyance

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

- Secretary of Safran Helicopter Engines' Central Works Council until November 2019
- CFE-CGC trade union representative on Safran's Group Works Council until September 2018
- Treasurer of Safran Helicopter Engines' Works Council until September 2017
- Local CFE-CGC trade union representative for Safran Helicopter Engines until July 2016

NON-GROUP

None

(1) Via corporate mutual fund units (conversion based on the Safran share price at December 31, 2019).

Nominees to the Board of Directors

The Board of Directors has not approved the candidature of Carlos Arvizu as a Director representing employee shareholders, **and therefore invites the shareholders to reject his nomination by voting against resolution B.**



Carlos Arvizu

Safran Electrical & Power – Nicolas Gogol 11322 – Complejo Industrial Chihuahua, Mexico

Number of Safran shares held: 37⁽¹⁾

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1984 in Mexico City, Carlos Arvizu has a degree in industrial engineering from La Salle University of Chihuahua. He also has an MBA degree in finance from Universidad Autónoma de Chihuahua. He has been awarded various certifications, including Green Belt and Association for Supply Chain Management (APICS) certifications.

He is a member of the APICS Board of Directors (Chihuahua section) and has been an APICS instructor since 2017.

He began his career with Safran Electrical & Power in 2008, working in the supply chain before becoming logistics manager for the Chihuahua distribution center. Since 2017, he has been program manager in the Business Unit Power Division.

Carlos Arvizu would bring to the Board his view of Safran from an employee shareholder’s perspective, as well as an in-depth knowledge of the Group and its markets.

MAIN POSITION(S) HELD

- ▣ Business Unit Power Division program manager at Safran Electrical & Power

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- ▣ Member of the Supervisory Board of the Safran International corporate mutual fund

NON-GROUP

- ▣ Member of the Board of Directors of APICS Chihuahua (Mexico)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

None

(1) Via corporate mutual fund units (conversion based on the Safran share price at February 28, 2020).

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Compensation policy for corporate officers

This section constitutes the report on the compensation policy for corporate officers required under Article L.225-37-2 of the French Commercial Code. It was prepared by the Board of Directors with the assistance of the Appointments and Compensation Committee.

In compliance with the new Article L.225-37-2 of the French Commercial Code, the Board of Directors determines a compensation policy for the corporate officers, which sets out the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of their total compensation and benefits. By nature and by construction, the components of the policies are specific and different, depending on whether they concern the Chairman, the Chief Executive Officer or the Directors, all of whom are corporate officers. These policies are submitted for shareholders' approval each year at the Annual General Meeting.

Taking into account the regulatory changes introduced in 2019 concerning the compensation of corporate officers of listed companies⁽¹⁾, these policies describe:

- the principles and rules for determining the compensation and benefits for all corporate officers;
- the main differences compared with the compensation policies approved at the May 23, 2019 Annual General Meeting;
- the specific compensation policy for the Chairman of the Board of Directors;
- the specific compensation policy for the Chief Executive Officer, which may be adapted and applied to any Deputy Chief Executive Officer(s) when appropriate;
- the specific compensation policy for Directors.

The 2020 policies have been approved by the Board of Directors and will be submitted to a shareholder vote at the Annual General Meeting on May 28, 2020.

Principles and rules for defining the compensation policies

In the best interests of the Company as well as its shareholders, employees and other stakeholders, the compensation policies for corporate officers must be competitive in order to attract, motivate and retain the best profiles and talent (which may come from within or outside the Group) for key positions.

These policies are defined by the Board of Directors and are reviewed annually based on recommendations issued by the Appointments and Compensation Committee.

The main principles applied are detailed below.

Compliance

The policies are defined based on the guidelines in the AFEP-MEDEF Code, which recommends applying the principles of comprehensiveness, balance, comparability, consistency, transparency and proportionality.

Comprehensiveness – Balance

All components of compensation and benefits should be exhaustively analyzed on a component-by-component basis and an overall consistency analysis should then be performed to achieve the best balance between these components.

Alignment of interests – Transparency

Compensation and benefits packages need to take into account the necessity for companies to attract, motivate and retain talent but also the interests of shareholders and other stakeholders, particularly in relation to transparency and performance criteria.

Proportionality, comparability and competitiveness

Compensation levels should be set in line with the duties and responsibilities assigned to the officer concerned as well as the work performed and the results achieved.

Market practices should also be taken into account.

Safran regularly carries out benchmark surveys, assisted by consulting firms, in order to measure the levels and structures of its compensation packages compared with panels of peer companies selected for their size and international scope. The surveys are performed both for the French market, in which case the peer companies comprise large industrial groups, and for the international market (the Aerospace, Technology and Defense sectors). The composition of these panels is regularly reviewed by the Committee responsible for compensation and may change to factor in changes in the structure or operations of the Group or of the peer companies concerned.

(1) Ordonnance 2019-1234 dated November 27, 2019 and Decree no. 2019-1235 dated November 27, 2019.

Compensation policy and compensation packages for corporate officers

Where relevant, depending on the corporate officer concerned (Chairman or Chief Executive Officer), the Committee may also examine or take into consideration the application – after appropriate adjustments – of the compensation policy's structure and components to certain Company employees or employee categories, the existence of specific systems in favor of certain employee categories (such as discretionary or statutory profit-sharing, or pension arrangements), and information about compensation multiples (ratio between the compensation of the Chairman and the Chief Executive Officer and that of employees).

The above-mentioned benchmark surveys are used as the basis for analyzing, and making any changes to, the components of the compensation and benefits of the Chairman and the Chief Executive Officer.

Governance

The compensation policies for corporate officers are defined by the Board of Directors, based on recommendations issued by the Appointments and Compensation Committee, and are then put to the shareholders' vote at the Annual General Meeting.

The Appointments and Compensation Committee verifies that all of the principles described above are properly applied, both for the purpose of the Committee's work in general and for the recommendations it makes to the Board in relation to defining the policies and implementing them for setting the amounts or values of compensation and benefits packages.

Implementing the principles and rules above when defining the compensation policies for corporate officers helps to provide assurance that the policies (i) are aligned with the Company's best interests, (ii) are consistent with its strategy (notably its business strategy by applying exacting performance criteria to corporate officers that are closely linked to the Group's performance and objectives), and (iii) contribute to supporting the Company's long-term development.

The Chairman and the Chief Executive Officer do not take part in any discussions or votes on the policies concerning themselves, which therefore avoids any conflicts of interest.

Main differences between the 2020 compensation policies and those approved at the May 23, 2019 Annual General Meeting

The changes made by the Board of Directors, which will apply as from 2020, to the policies approved at the May 23, 2019 Annual General Meeting are as follows:

- ▣ in accordance with the new regulations⁽¹⁾ reforming say-on-pay votes relating to corporate officers in France (*ex ante* and *ex post* votes):
 - since the regulations now cover all corporate officers, including the Directors, a specific compensation policy for Directors has been added. This policy describes the allocation principles, rules and criteria applicable to the annual fixed amount allocated by the Annual General Meeting for the Directors' compensation (formerly "attendance fees"),
 - the commitments previously governed by the related-party commitments procedure (pension and personal risk insurance benefits, indemnities or benefits payable for the termination of office or a change in duties) are no longer subject to this procedure (repeal of Article L.225-42-1 of the French Commercial Code),
 - a description of these commitments' main terms and conditions is now provided in the compensation policies applicable to the Chairman and the Chief Executive Officer that are put to the vote at the Annual General Meeting,
 - the conditions for applying the compensation policy to newly appointed corporate officers and corporate officers whose term has expired have been clarified and grouped together, along with details of the way in which significant exceptional circumstances or events would be dealt with;
- ▣ the specific compensation policies for the Chairman and the Chief Executive Officer are unchanged in substance.

Compensation policy for the Chairman of the Board of Directors

At the date of this Meeting, this policy solely concerns Ross McInnes in his role as Chairman of the Board of Directors.

Compensation package structure

The structure of the compensation package of the Chairman of the Board of Directors (who is a non-executive Director) comprises, on a recurring basis, annual fixed compensation which is paid in cash. He is not allocated any compensation in his capacity as a Director.

The Chairman of the Board of Directors does not receive any annual or multi-annual variable compensation and he is not a beneficiary of any long-term compensation plans (performance share plans). The Chairman is covered by the supplementary pension schemes and personal risk insurance plan implemented by the Group.

The compensation and benefits awarded, or awardable, to the Chairman of the Board of Directors are described below.

Annual fixed compensation

The Chairman of the Board's annual fixed compensation takes into account the responsibilities required for this type of corporate office as well as the individual qualities of the holder of the position and the benchmark surveys carried out by the Company.

Consequently, it is set based on the following:

- the Chairman of the Board's roles and responsibilities, which are provided for by law, Safran's bylaws and the Board of Directors' Internal Rules, and are aimed at ensuring that the Company is governed effectively and that its various governing bodies (Board of Directors and the Board Committees and Shareholders' Meetings) operate properly;
- any specific assignments allocated by the Board of Directors and which the Chairman of the Board carries out in cooperation with Executive Management;
- the Chairman's individual skills, experience, expertise and background;
- benchmark surveys related to compensation payable for comparable duties and companies.

The Board of Directors has decided that, as a general rule, the Chairman of the Board's annual fixed compensation may only be revised on the expiration of his term of office.

However, as an exception to this rule, his compensation may be revised during his term and before his re-appointment if the scope of his duties as Chairman of the Board changes significantly - which could be related to changes within the Company itself - or if a major difference is identified compared with market practices. Any adjustments made to his annual fixed compensation as a result of any specific circumstances would be publicly disclosed.

Information on the current Chairman of the Board of Directors' fixed compensation for 2019 is set out in section 6.6.2.1 of the 2019 Universal Registration Document.

Directors' compensation (formerly "attendance fees")

Irrespective of whether or not the role of Chairman is separate from that of Chief Executive Officer, the Chairman is not entitled to receive any compensation in his capacity as a Director (formerly "attendance fees"). He is therefore not included in the allocation of Directors' compensation carried out in accordance with the rules provided for in the compensation policy for Directors (see section 6.6.1.5 of the 2019 Universal Registration Document) and described in the Board of Directors' Internal Rules (see section 6.3.2 of the 2019 Universal Registration Document).

No annual variable compensation, multi-year variable compensation or long-term incentive plan

In line with his position as a non-executive Director, the Chairman of the Board of Directors does not receive any annual short-term variable compensation (cash-settled) or any multi-year variable compensation, and neither is he a beneficiary of any long-term compensation plans (performance share plans).

Exceptional compensation

The Board of Directors has decided against including an exceptional component in the compensation policy for the Chairman.

Benefits-in-kind

The Chairman of the Board of Directors has the use of a company car.

He is also entitled to be reimbursed for expenses incurred in connection with his role as Chairman and he is provided with the material resources required for performing his duties.

Supplementary pension system

Safran's policy is to align the post-employment benefits of the Chairman and the Chief Executive Officer with those of the Group's managerial-grade staff. This is in line with Safran's internal promotion policy built on helping in-house executives with considerable experience and expertise, often acquired during their many years' service with the Group, to move seamlessly into corporate officer positions and to grant corporate officers similar entitlements to those of the plan's other beneficiaries.

For information purposes, it is hereby disclosed that:

- the Chairman's employment contract with Safran was initially suspended on April 21, 2011, when he became a corporate officer (see section 6.4 of the 2019 Universal Registration Document).
In line with the internal promotion policy referred to above, the Board opted to enable the Chairman to move into a corporate officer position without losing the existing benefit entitlements that he had accrued over time. The Chairman's employment contract was subsequently terminated on May 23, 2019, as decided by the Chairman himself when his term of office was renewed (see section 6.4 of the 2019 Universal Registration Document);
- in accordance with the applicable law, some of the benefits described below for which the Chairman of the Board of Directors is currently eligible have already been submitted for shareholder approval by way of the special vote required for related-party commitments, in accordance with the procedure that was in force at the date on which the Board decided to extend these benefits to the Chairman. He was already eligible for some of these benefits prior to his appointment as Chairman.

No specific supplementary pension system has been put in place for the Chairman of the Board of Directors.

Compensation policy and compensation packages for corporate officers

However, the Chairman may be a beneficiary of the supplementary pension plans set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members, if the Board of Directors:

- ▣ authorizes the Chairman to join the plans; or
- ▣ authorizes him to continue to be a beneficiary if he was already a beneficiary prior to his appointment as Chairman.

The supplementary pension plans applicable in France to the Group's managerial-grade staff, including the Chairman, are as follows:

"Article 83" defined contribution plans

Two defined contribution supplementary pension plans in force at January 1, 2018 are applicable in France for all Group managerial-grade staff:

- ▣ the "Article 83 Core Plan", which is financed through employer contributions equal to 1.5% of salary Tranche⁽¹⁾ A, 4% of Tranches B and C and no contributions on Tranche D;
- ▣ the "Article 83 Additional Plan", which provides for contribution rates of 6.5% on Tranche A and 4% on Tranches B and C.

The Chairman is eligible for these plans under the same terms and conditions as the other plan members.

The "Article 83 Core Plan" contributions are based on the compensation subject to social security contributions that the Chairman receives for his role as Chairman of the Board of Directors.

The "Article 83 Additional Plan" contributions are based on the compensation subject to social security contributions that the Chairman receives for his role as Chairman of the Board of Directors, capped at eight times the annual social security ceiling (PASS).

Information on the expenses recognized by the Company in relation to the Article 83 plans of which the current Chairman is a member, as well as the theoretical estimated amount⁽²⁾ at December 31, 2019 of the annuity that could be paid to him under those plans are disclosed in section 6.6.2.1 of the 2019 Universal Registration Document.

"Article 82" defined contribution plan

The Chairman is a beneficiary of Safran's defined contribution supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 82 of the French Tax Code (the "Article 82 Plan"), subject to the same terms and conditions as the other plan members.

The contributions to the plan are based on the fixed compensation that Ross McInnes receives for his role as Chairman of the Board of Directors.

The Article 82 Plan was put in place to compensate for the closure of Safran's Article 39 defined benefit plan as from January 1, 2017 (see below).

Unlike the Article 39 defined benefit plan, the Article 82 Plan does not provide a guaranteed level of retirement benefits. It is a voluntary plan which eligible beneficiaries can decide whether or not to sign up to.

Eligible beneficiaries correspond to top executives (*hors statut*) whose reference compensation (fixed compensation and annual bonus) for the calendar year preceding the assessment date (Y-1) is equal to or higher than seven times the social security ceiling (PASS) for Y-1. The reference compensation for Y-1 is used to calculate the contributions to the plan. This reference compensation corresponds to the beneficiary's full-time basic fixed compensation plus the short-term bonus for the year concerned and excludes any other components of compensation.

In order for entitlements to accrue under the plan, the Company is required to:

- ▣ pay monthly contributions to an insurer, the rate of which is set based on the beneficiary's reference compensation for year Y-1 (Insurer Contribution) and which may represent up to 12.735% of that reference compensation; and
- ▣ pay a cash amount to the beneficiary corresponding to the Insurer Contribution (Additional Payment) so that the beneficiary can pay the applicable tax (the plan provides for up-front taxation so that the capital accrued and received on the beneficiaries' retirement is net of tax and social security contributions).

The above payments are borne in full by the Company and are subject to social security contributions in the same way as salaries.

Information on the expenses recognized by the Company in relation to the Article 82 Plan of which the current Chairman is a member, as well as the theoretical estimated amount⁽²⁾ at December 31, 2019 of the annuity that could be paid to him under that plan are disclosed in section 6.6.2.1 of the 2019 Universal Registration Document.

(1) To calculate the amount of pension contributions, the pension funds divide gross annual salary into three tranches, A, B and C. The portion of salary attributed to each tranche determines the amount of the contributions. Tranche A corresponds to the portion of salary below the social security ceiling. Tranche B corresponds to the portion of salary between one and four times the social security ceiling. Tranche C corresponds to the portion of salary between four and eight times the social security ceiling.

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2020, irrespective of the eligibility conditions.

“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)

The Chairman was previously a beneficiary of Safran’s defined benefit supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 39⁽¹⁾ of the French Tax Code (the “Article 39 Plan”), subject to the same terms and conditions as the other plan members. Mr. McInnes was originally a beneficiary of this plan in his former capacity as Deputy Chief Executive Officer. The commitment given by the Company to enable Mr. McInnes to continue to be a beneficiary of this plan was approved at the Annual General Meeting of May 19, 2016.

This plan was closed to new entrants and existing entitlements frozen as from December 31, 2016. The Article 82 defined contribution plan described above was set up to compensate for this closure.

However, further to a decision taken by the Board on March 23, 2017, the Chairman could still be eligible for any pension entitlement he had accrued under the plan at December 31, 2016 provided the applicable terms and conditions are met, it being specified that:

- the reference compensation used to calculate the conditional entitlements will be calculated based on the average of beneficiaries’ gross fixed and variable compensation for the years 2014 to 2016 (revalued annually using the actuarial assumptions applied to calculate retirement benefit provisions);
- the seniority taken into account for the plan – which represents an additional 1.8% of the reference compensation per year of service, capped at 18% – will have a cut-off date of December 31, 2016 and no additional conditional entitlements will be accrued under the plan for any service after that date. Consequently, the seniority taken into account for the Chairman will correspond to 14%;
- the overall replacement rate may not exceed 35% of the reference compensation;
- the supplementary pension annuity is capped at three times the annual social security ceiling (PASS) in force at the date that the general social security retirement pension is paid (the value of the PASS in 2020 is €41,136);
- the payment of the supplementary pension annuity is subject to beneficiaries completing their careers with the Group and being entitled to retire under French social security rules having completed the required number of working years.

Information on the expenses recognized by the Company for the Chairman in relation to this frozen Article 39 Plan, as well as the theoretical estimated amount⁽²⁾ at December 31, 2019 of the annuity that could be paid to him under that plan are disclosed in section 6.6.2.1 of the 2019 Universal Registration Document.

Personal risk insurance plan

The Chairman of the Board of Directors is a beneficiary of the personal risk insurance plan set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members.

The contributions to this plan are based on the compensation subject to social security contributions that Ross McInnes receives for his role as Chairman of the Board of Directors.

Information on the expenses recognized by the Company in relation to the personal risk insurance plan of which the current Chairman is a member is disclosed in section 6.6.2.1 of the 2019 Universal Registration Document.

Indemnities or benefits payable for termination of office, change in duties or non-compete agreements

The Chairman of the Board of Directors is not eligible for any indemnities or benefits if his office is terminated or if there is a change in his duties. Similarly, he is not entitled to any non-compete indemnity.

Compensation policy for the Chief Executive Officer

At the date of this Meeting, this policy solely concerns Philippe Petitcolin in his role as Chief Executive Officer.

Compensation package structure

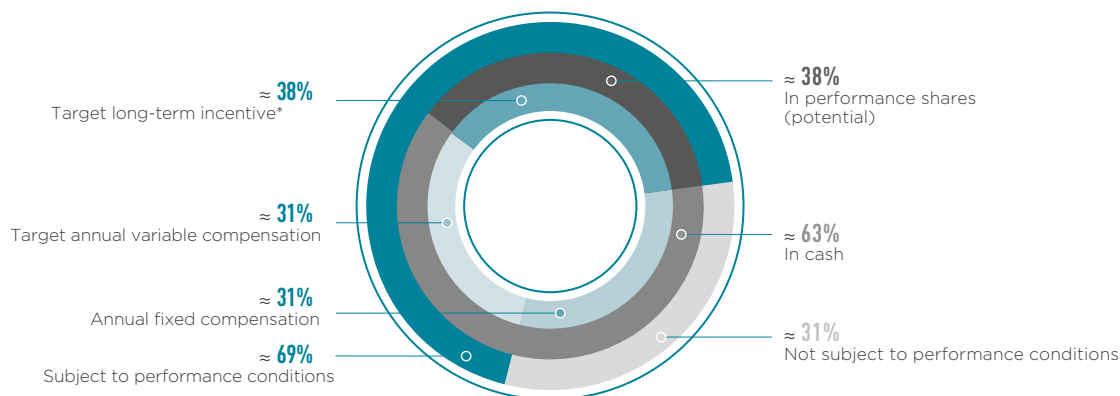
The structure of the Chief Executive Officer’s compensation package comprises, on a recurring basis, annual fixed compensation (cash-settled), as well as annual variable compensation and performance shares awarded under a long-term incentive plan. This structure is applied to all of the Company’s senior managers as adapted to each individual.

The underlying aim is to closely align the Company’s interests with those of its shareholders by achieving a balance between short-term and long-term performance, as assessed by the Board of Directors. Compensation subject to performance conditions accounts for the largest proportion of the Chief Executive Officer’s overall compensation package.

(1) Defined benefit plan meeting the conditions set out in Article L.137-11 of the French Social Security Code.

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2020, irrespective of the eligibility conditions.

Presentation of the Chief Executive Officer's recurring compensation structure



* Value at grant date in accordance with IFRS

The Chairman is covered by the supplementary pension schemes and personal risk insurance plan implemented by the Group.

The compensation and benefits awarded to the Chief Executive Officer or for which he is eligible are detailed below.

Annual fixed compensation

The Chief Executive Officer's annual fixed compensation takes into account the responsibilities required for this type of corporate office as well as the individual qualities of the holder of the position and the benchmark surveys carried out by the Company.

Consequently, it is set based on the following:

- ▣ the level and complexity of the assignments and responsibilities related to the position, in view of the fact that the Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name and to represent the Company in its dealings with third parties;
- ▣ the Chief Executive Officer's individual skills, experience, expertise and background;
- ▣ benchmark surveys related to compensation payable for comparable duties and companies.

The Board of Directors has decided that, as a general rule, the Chief Executive Officer's annual fixed compensation may only be revised on the expiration of his term of office.

However, as an exception to this rule, his compensation may be revised during his term and before his re-appointment if the scope of his duties as Chief Executive Officer changes significantly - which could be related to changes within the Company itself - or if a major difference is identified compared with market practices. Any adjustments made to his annual fixed compensation as a result of any specific circumstances would be publicly disclosed.

The Chief Executive Officer's annual fixed compensation is used as a reference for determining the target and maximum percentages of his annual variable compensation and the valuation of his compensation under the long-term incentive plan.

Information on the current Chief Executive Officer's fixed compensation for 2019 is provided in section 6.6.2.2 of the 2019 Universal Registration Document.

Annual variable compensation

Objectives of and principles used to determine the Chief Executive Officer's annual variable compensation

The principle of annual variable compensation is used to incentivize the Chief Executive Officer to achieve the annual performance targets that are set for him by the Board of Directors in line with Safran's overall business strategy.

The potential amount of this variable compensation is determined taking into account market practices and corresponds to a percentage of his fixed compensation, as recommended in the AFEP-MEDEF Code.

It is contingent on achieving pre-defined performance levels based on a number of objectives which are collective and individual, financial and non-financial and quantitative and qualitative. The objectives relate to key indicators that reflect the Group's overall performance as well as the contribution expected from the Chief Executive Officer, in line with Safran's overall business strategy.

During the first quarter of each year, acting on the recommendations of the Committee responsible for compensation, the Board of Directors either confirms or sets these objectives as well as their weighting and the applicable performance levels, i.e.:

- ▣ the lowest performance level, under which no variable compensation is paid;
- ▣ the target level, corresponding to when an objective is reached; and
- ▣ the maximum level applicable if an objective is exceeded.

The quantitative financial performance objectives - which are based on financial indicators - are set precisely, by reference to the budget approved in advance by the Board of Directors (as adjusted, if necessary, to take into account exceptional circumstances or events), and are subject to the performance thresholds set out below.

The achievement rates of the performance objectives are assessed by the Board of Directors, based on the review and recommendations of the Appointments and Compensation Committee. The review is carried out on an objective by objective basis, for all of the financial and individual and qualitative and quantitative objectives, as well as on an aggregate basis. The results of this assessment are published in a press release.

Detailed description of the Chief Executive Officer's annual variable compensation

The Board of Directors has decided that the Chief Executive Officer's variable compensation will be based on the following:

Target annual variable compensation and maximum amount ("Cap")

The Chief Executive Officer's "target" variable compensation – i.e., the amount payable if the achievement rate is 100% for all of the financial and individual performance objectives set out below – corresponds to 100% of his annual fixed compensation (the "Target").

If the Chief Executive Officer outperforms his objectives, his "maximum" variable compensation (the "Cap") – i.e., the amount payable if the achievement rate is 130% for all of the financial and individual performance objectives set out below – will represent a maximum of 150% of his annual fixed compensation.

Structure

The Chief Executive Officer's annual variable compensation is determined as follows:

- two-thirds is contingent on quantitative financial performance objectives based on recurring operating income (ROI)⁽¹⁾⁽²⁾, free cash flow (FCF)⁽³⁾ and working capital, calculated by reference to operating assets (Inventories)⁽⁴⁾ and Unpaid Receivables⁽⁵⁾;
- one-third is contingent on quantitative and qualitative individual objectives.

This annual variable compensation structure is also used for the Group's senior managers, adapted to each individual.

Quantitative financial performance objectives

The following parameters apply:

- Weightings:
 - ROI: 60%;
 - FCF: 30%; and
 - working capital: 10%, with 5% based on Inventories and 5% based on Unpaid Receivables.
- Triggering thresholds (Thresholds) based on the objectives in the annual budget (Objective(s)):
 - 80% of the ROI Objective;
 - 65% of the FCF Objective;
 - 135% of each of the working capital Objectives, i.e., Inventories and Unpaid Receivables (if the level is higher than 135% for either of these Objectives, no variable compensation will be due as anything over 135% for these two metrics corresponds to underperformance).
- Calculation methods for the Thresholds and Caps:
 - the Threshold for each performance metric triggers the entitlement to variable compensation (starting at 0 from the Threshold to 100% if the budget Objective is achieved);
 - if an Objective is exceeded, the variable compensation allocated in respect of that Objective will be increased beyond 100% in proportion to the extent to which the Objective is exceeded (but capped at a maximum of 130% irrespective of the extent to which the Objective is exceeded). Consequently:
 - if 130% (or more) of the ROI Objective is achieved, the Cap for this metric will be payable,
 - if 130% (or more) of the FCF Objective is achieved, the Cap for this metric will be payable,
 - if 70% (or less) of each of the working capital Objectives is achieved (Inventories and Unpaid Receivables), the Cap for each of these metrics will be payable.

Based on these indicators, an overall percentage achievement level of the financial objectives is obtained which is then applied for determining the amount due.

The applicable indicators are usually set by the Board of Directors in the first quarter of the year concerned and they may be changed from one year to the next.

(1) Adjusted recurring operating income (see section 2.1.2 of the 2019 Universal Registration Document).

(2) Operating income before capital gains or losses on disposals/impact of changes in control, impairment charges, transaction and integration costs and other items.

(3) Free cash flow (see section 2.2.3 of the 2019 Universal Registration Document) corresponds to cash flow from operating activities less changes in working capital and acquisitions of property, plant and equipment and intangible assets.

(4) Inventories and work in progress, as described in section 3.1, Note 1.o of the 2019 Universal Registration Document and broken down in section 3.1, Note 17 of the 2019 Universal Registration Document.

(5) Receivables unpaid at their due date, as measured at the end of the reference period.

Compensation policy and compensation packages for corporate officers**Individual objectives (qualitative and quantitative)**

These objectives are set by the Board of Directors and relate to strategic, business and managerial areas specific to the coming year. For example, they can be based on the implementation of strategic decisions validated by the Board of Directors, major industrial and commercial developments and programs, organizational and management measures or initiatives that factor in the Group's CSR and sustainable development policy.

These objectives are not related to routine tasks but to specific actions for which the Board of Directors expects a particular level of performance.

When setting these individual objectives, the Board is careful to factor in the Group's CSR and sustainable development targets and to ensure that some of the objectives are quantifiable, bearing in mind that two-thirds of the Chief Executive Officer's annual variable compensation is based on the achievement of quantitative objectives relating to financial performance.

Information on the current Chief Executive Officer's individual objectives for 2020 is provided in section 6.6.2.2 of the 2019 Universal Registration Document.

Payment condition

In accordance with the law, the payment of the Chief Executive Officer's annual variable compensation for 2019 (payable in 2020) is subject to approval by the shareholders in an Ordinary General Meeting.

Long-term incentive plan (performance share grants)**Objective**

The Board of Directors considers that the long-term incentive system - which also applies to other key positions within the Company - is particularly suited to the position of Chief Executive Officer in view of the direct contribution expected from him to the Group's long-term performance. In addition, the system is based on performance share grants which strengthen the motivation and teamwork of beneficiaries and foster their loyalty, while at the same time aligning their interests with those of the Company and its shareholders. These share grants are also in line with the Board's strategy of linking the incentives of senior managers to Safran's share performance - with the inherent risks and rewards that this involves - in order to encourage long-term reasoning in their actions.

The Board of Directors may only grant performance shares if it has been given the necessary authorizations by way of a two-thirds majority vote of shareholders in an Extraordinary General Meeting.

Detailed description of performance share grants

Performance share grants made to the Chief Executive Officer are subject to the following principles and criteria:

Cap

The number of performance shares granted to the Chief Executive Officer may not:

- ▣ represent more than the equivalent of 120% of his annual fixed compensation, based on the accounting value, in accordance with IFRS 2⁽¹⁾, estimated prior to the grant;
- ▣ exceed 5% of the total performance shares making up each grant. In addition, the resolutions submitted to shareholders in an Extraordinary General Meeting for the purpose of authorizing such grants will set a maximum percentage of the Company's capital that the performance shares may represent.

Performance conditions

Performance shares granted to the Chief Executive Officer will only vest if the relevant internal and external performance conditions are met. The achievement of these conditions will be assessed over three full consecutive fiscal years, including the year in which the performance shares are granted.

Standard conditions

The two "standard" internal performance conditions count for 70% of the total vested shares and are based on:

- ▣ ROI, for 50%;
- ▣ FCF, for 50%;
- ▣ the achievement levels for these conditions are measured by reference to the average of the targets for ROI and FCF set for the fiscal year in which the grant takes place and for the following two fiscal years, as contained in the most recent medium-term plan (MTP) approved by the Board of Directors before the grant date (as adjusted, if necessary, to take into account exceptional circumstances or events). The following achievement levels have been set for these conditions:
 - lowest achievement level: if 80% of the MTP target is achieved, 40% of the shares contingent on that target will vest,
 - target achievement level: if 100% of the MTP target is achieved, 80% of the shares contingent on that target will vest,
 - highest achievement level (cap): if 125% of the MTP target is achieved, 100% of the shares contingent on that target will vest,
 - between the lowest achievement level and the target level, and between the target level and the highest achievement level, the number of shares that will vest will vary in linear fashion. Below the lowest achievement level, none of the shares contingent on the internal performance condition concerned will vest.

(1) See section 3.1, Note 1.r of the 2019 Universal Registration Document.

Compensation policy and compensation packages for corporate officers

The external performance condition counts for 30% of the total vested shares and is based on Safran's total shareholder return (TSR) performance as measured relative to a panel of companies or reference indices. The composition of this panel may change in order to factor in changes in the structure or operations of the Group or of the companies and indices concerned.

The following achievement levels have been set for this condition:

- lowest achievement level: if Safran's TSR is equal to that of the peer companies, 40% of the shares contingent on the external performance condition will vest;
- target achievement level: if Safran's TSR is 8 points higher than that of the peer companies, 80% of the shares contingent on the external performance condition will vest;
- highest achievement level: if Safran's TSR is 12 points higher than that of the peer companies, 100% of the shares contingent on the external performance condition will vest;
- between the lowest achievement level and the target level, and between the target level and the highest achievement level, the number of shares that will vest will vary in linear fashion. Below the lowest achievement level, none of the shares contingent on the external performance condition will vest.

As well as the portion attributed to the "standard" performance conditions, the Board of Directors may, at its discretion, apply demanding, quantifiable additional performance conditions for which it would define the parameters, to take into account the Group's medium-term priorities and challenges. In such a case, the additional performance conditions and their parameters would be disclosed and their weighting would reduce the weighting of the "standard" internal performance conditions.

Such additional performance conditions would not therefore affect the cap on the value of grants to be made as defined above.

The achievement rate of each performance condition is assessed by the Board of Directors, based on the review and recommendations of the Appointments and Compensation Committee. The results of this assessment are published in a press release.

Vesting and lock-up periods

The shares granted to the Chief Executive Officer are subject to a vesting period set by the Board of Directors, which may not be less than three years.

In addition, any shares granted to the Chief Executive Officer will be subject to a lock-up period of at least one year following their vesting date.

Other conditions

The Chief Executive Officer:

- is required to hold in registered form a proportion of his vested shares, as set by the Board of Directors, until his term of office as Chief Executive Officer ends.
The Board has decided that following the lock-up period and until his term of office ends, the Chief Executive Officer will be required to hold in registered form 40% of the vested performance shares granted to him under performance share plans, until the number of shares he holds represents the equivalent of one year of his most recent annual fixed compensation.
- must give a formal undertaking to refrain from using instruments to hedge the risks related to these shares until after the end of the lock-up period.

Information on performance share grants made to the Chief Executive Officer during the year is provided in section 6.6.2.2 of the 2019 Universal Registration Document.

Under the rules of the performance share plan, the shares will only vest if the beneficiary still forms part of the Group on the vesting date, apart from in a limited number of usual cases (death, disability, retirement of the beneficiary and a specific decision by the Board of Directors). In particular:

- In the event of his death before the end of the vesting period, the Chief Executive Officer's heirs or beneficiaries may ask for the performance shares to be attributed (and delivered) to them. If the achievement rate of the performance conditions is not yet known at that date, the performance conditions will be deemed to have been met.
- If the Chief Executive Officer retires before the end of the vesting period, and provided that he has been with the Group for at least one year before retirement, he will retain his rights proportionately to the time he was with the Group during the vesting period.
- The Board of Directors may grant exemptions from the continuing service condition and the requirements set out above, and may decide to maintain all or part of the beneficiary's entitlements, in accordance with terms and conditions set by the Board.

Multi-year variable compensation

The Board of Directors has decided not to put in place a multi-year variable compensation plan as it considers that share-based payments such as performance share grants are more in line with shareholders' interests (see the long-term incentive plan above).

Exceptional compensation

The Board of Directors has decided against including an exceptional component in the compensation policy for the Chief Executive Officer.

Compensation policy and compensation packages for corporate officers**Directors' compensation (formerly "attendance fees")**

The Chief Executive Officer does not receive any compensation in his capacity as a Director of the Company (formerly "attendance fees"). He is therefore not included in the allocation of Directors' compensation carried out in accordance with the rules provided for in the compensation policy for Directors (see section 6.6.1.5 of the 2019 Universal Registration Document) and described in the Board of Directors' Internal Rules (see section 6.3.2 of the 2019 Universal Registration Document).

Benefits-in-kind

The Chief Executive Officer has the use of a company car.

He is also entitled to be reimbursed for expenses incurred in connection with his role as Chief Executive Officer and he is provided with the material resources required for performing his duties.

Supplementary pension system

Safran's policy is to align the post-employment benefits of the Chairman and the Chief Executive Officer with those of the Group's managerial-grade staff. This is in line with Safran's internal promotion policy built on helping in-house executives with considerable experience and expertise, often acquired during their many years' service with the Group, to move seamlessly into corporate officer positions and to grant corporate officers similar entitlements to those of the plan's other beneficiaries.

For information purposes, it is hereby disclosed that:

- ▣ the Chief Executive Officer's employment contract with Safran has been suspended (but not terminated) since April 23, 2015, when he became a corporate officer (see section 6.4 of the 2019 Universal Registration Document). In line with the internal promotion policy referred to above, the Board opted to enable the Chief Executive Officer to move into a corporate officer position without losing the existing benefit entitlements that he had accrued over time;
- ▣ in accordance with the applicable law, some of the benefits described below for which the Chief Executive Officer is currently eligible have already been submitted for shareholder approval by way of the special vote required for related-party commitments, in accordance with the procedure that was in force at the date on which the Board decided to extend these benefits to the Chief Executive Officer. He was already eligible for these benefits prior to his appointment as Chief Executive Officer.

No specific supplementary pension plan has been put in place for the Chief Executive Officer.

However, the Chief Executive Officer may be a beneficiary of the supplementary pension plans set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members, if the Board of Directors:

- ▣ authorizes the Chief Executive Officer to join the plans, or
- ▣ authorizes him to continue to be a beneficiary if he was already a beneficiary prior to his appointment as Chief Executive Officer.

The Chief Executive Officer is a beneficiary under the same plans as described in section 6.6.1.3 of the 2019 Universal Registration Document concerning the compensation policy for the Chairman:

Defined contribution plans (Article 83 Core Plan, Article 83 Additional Plan and Article 82 defined contribution plan)

The Chief Executive Officer is eligible for these plans under the same terms and conditions as the other plan members.

The "Article 83 Core Plan" contributions are based on the compensation subject to social security contributions that the Chief Executive Officer receives for his role as Chief Executive Officer.

The "Article 83 Additional Plan" contributions are based on the compensation subject to social security contributions that the Chief Executive Officer receives for his role as Chief Executive Officer, capped at eight times the annual social security ceiling (PASS).

The contributions to the Article 82 defined contribution plan are based on the annual fixed compensation and the annual variable compensation (subject to performance conditions) that the Chief Executive Officer receives for his role as Chief Executive Officer.

Information on the expenses recognized by the Company in relation to the Article 83 and Article 82 plans, of which the current Chief Executive Officer is a member, as well as the theoretical estimated amounts⁽¹⁾ at December 31, 2019 of the annuities that could be paid to him under those plans is disclosed in section 6.6.2.2 of the 2019 Universal Registration Document.

"Article 39" defined benefit plan (closed to new entrants and entitlements frozen)

The Chief Executive Officer was previously a beneficiary of Safran's defined benefit supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 39 of the French Tax Code (the "Article 39 Plan", see section 6.6.1.3 of the 2019 Universal Registration Document), subject to the same terms and conditions as the other plan members. Mr. Petitcolin was originally a beneficiary of this plan in his former capacity as a Company employee.

This plan is now closed to new entrants and the benefit entitlements have been frozen, including for the Chief Executive Officer. However, he could still be eligible for the pension entitlement he had accrued at December 31, 2016 provided the applicable terms and conditions are met (see section 6.6.1.3 of the 2019 Universal Registration Document). The Chief Executive Officer's seniority taken into account for this plan represents an additional 18% of the reference compensation (corresponding to the cap provided for in the plan).

Information on the expenses recognized by the Company for the Chief Executive Officer in relation to this frozen Article 39 plan, as well as the theoretical estimated amount⁽¹⁾ at December 31, 2019 of the annuity that could be paid to him under that plan are disclosed in section 6.6.2.2 of the 2019 Universal Registration Document.

⁽¹⁾ Calculated based on the assumption that the annuity would be received as from January 1, 2020, irrespective of the eligibility conditions.

Personal risk insurance plan

The Chief Executive Officer is a beneficiary of the personal risk insurance plan set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members.

The contributions to this plan are based on the compensation subject to social security contributions that the Chief Executive Officer receives for his role as Chief Executive Officer.

Information on the expenses recognized by the Company in relation to the personal risk insurance plan of which the current Chief Executive Officer is a member is disclosed in section 6.6.2.2 of the 2019 Universal Registration Document.

Indemnities or benefits payable for termination of office, change in duties, or non-compete agreements

The Chief Executive Officer is not eligible for any indemnities or benefits if his office is terminated or if there is a change in his duties. Similarly, he is not entitled to any non-compete indemnity.

For information purposes, it is hereby disclosed that the current Chief Executive Officer has a permanent employment contract with Safran, which is currently suspended but has not been terminated. See sections 6.4 and 6.6.2.2 of the 2019 Universal Registration Document, "Indemnities or benefits payable for the termination of office or a change in duties", for related information.

Exceptional circumstances or events

If any significant exceptional circumstances or events occur, i.e., circumstances or events that are out of the ordinary or beyond the Company's control, whose effects are not taken into account or reflected in the original parameters, criteria or benchmarks or those on which the current compensation policy concerning annual variable compensation and long-term incentive bonuses is based, the Board of Directors may decide, on the recommendation of the Appointments and Compensation Committee, to adapt and adjust these parameters, criteria or benchmarks, notably by raising or lowering the performance targets, to take the impact of these circumstances or events into account.

In this case:

- the Board of Directors will ensure that these adjustments (i) are designed to restore, to a reasonable extent, the original balance or objective, as adjusted for the expected impact of the event over the period concerned and (ii) maintain alignment with the Company's interests, strategy and outlook;
- the adjustments and the reasons therefor will be disclosed in a press release.

Adaptation of the compensation policy for the Chief Executive Officer in the event of a new Chief Executive being appointed or the duties of an existing Chief Executive Officer ceasing during the year

If a new Chief Executive Officer is appointed or the duties of an existing Chief Executive Officer cease during the course of a year, the above principles will apply on a proportionate basis for the period during which he performs his duties.

In the case of a new appointment, these principles will be applied by taking as the reference point the annual fixed compensation decided by the Board of Directors when the new Chief Executive Officer is appointed.

However, if an appointment takes place during the second half of the year, the assessment of the Chief Executive Officer's performance for the purpose of calculating his or her annual variable compensation will be carried out by the Board of Directors on a discretionary basis, on the recommendation of the Appointments and Compensation Committee. The rationale underpinning the determination of the performance criteria achievement rate would be disclosed in a press release.

Concerning long-term incentive plans (which take the form of performance share grants), the plan rules provide for a limited number of exceptions to the continuing service condition, as stated above, notably the possibility for the Board of Directors to grant exemptions from the continuing service condition. Accordingly, the Board may decide that on the expiration of the Chief Executive Officer's term of office, he may retain all or some of his entitlement to the long-term incentive plan benefits he has accrued, based on terms and conditions set by the Board. The rationale underpinning this decision, as well as the decision about what happens to the vested rights under the plan, would be disclosed in a press release.

Adaptation of the policy for Deputy Chief Executive Officers

If the Company appoints any Deputy Chief Executive Officers, the compensation structure, principles and criteria provided for in the compensation policy for the Chief Executive Officer would apply to them. The Board of Directors would then adapt this policy in line with the specific situation of the Deputy Chief Executive Officer concerned in order to set the objectives, performance levels, indicators, and structure of their compensation packages and the maximum that their variable compensation may represent as a proportion of their annual fixed compensation (it being specified that this proportion and the amount of their annual fixed compensation may not be higher than those set for the Chief Executive Officer).

Compensation policy for Directors

Principles

Article 17 of the Company's bylaws provides for compensation to be paid to the Directors.

In accordance with the law, the shareholders in a General Meeting set the aggregate annual amount of compensation that may be allocated to the Directors as consideration for their duties (the "Aggregate Compensation"). The Aggregate Compensation is set by way of a resolution put to the shareholders' vote. The Aggregate Compensation approved by the shareholders remains unchanged and applies for each successive fiscal year until decided otherwise by way of a new resolution adopted by the shareholders at a General Meeting.

The rules for allocating the Aggregate Compensation (the "Allocation Rules") are set by the Board of Directors and are also submitted to shareholders via the vote to approve the Directors' compensation policy.

The Allocation Rules take into account Directors' actual attendance at meetings of the Board and its Committees, and therefore include a significant variable portion. The amount of compensation paid to each Director must be adapted to their specific level of responsibility and the time they devote to their duties.

The Aggregate Compensation is allocated between the Directors by the Board, by applying the Allocation Rules, resulting in the individual amounts provided for in accordance with said rules.

The individual amounts paid to each Director are set out in the corporate governance report (see section 6.6.3 of the 2019 Universal Registration Document).

The Chairman of the Board of Directors and the Chief Executive Officer do not receive any compensation amounts out of the Aggregate Compensation, as stipulated in their compensation policies (see sections 6.6.1.2 and 6.6.1.3 of the 2018 Registration Document and sections 6.6.1.3 and 6.6.1.4 of the 2019 Universal Registration Document).

In accordance with the applicable regulations, the Directors' compensation allocated to the representative of the French State and Directors put forward by the French State are paid to the French Treasury when those Directors act in the capacity of public agents.

The cases in which the payment of compensation to Directors must be suspended are also set out in the applicable regulations.

Allocation Rules

In accordance with the Allocation Rules set by the Board of Directors⁽¹⁾, the Aggregate Compensation is allocated as follows (which may not necessarily represent the full amount of the Aggregate Compensation):

- ▣ The representative of the French State appointed pursuant to Article 4 of *ordonnance* 2014-948 dated August 20, 2014 and the Director(s) appointed pursuant to Article 6 of said *ordonnance* do not directly receive Directors' compensation when they act in the capacity of public agents. Instead, their portion of the Aggregate Compensation is paid directly by the Company to the French Treasury. For compensation allocated to Directors appointed pursuant to Article 6 of said *ordonnance* who are not public agents, the same applies to any amount that exceeds the cap set in the ministerial decree of December 18, 2014 implementing section V of Article 6 of said *ordonnance*.
- ▣ Irrespective of whether or not the role of Chairman of the Board of Directors is separate from that of Chief Executive Officer, the Chairman and the Chief Executive Officer (if he is a Director) are not entitled to Directors' compensation and are not included in the allocation of compensation carried out by the Board in accordance with the Allocation Rules.
- ▣ For membership of the Board of Directors:
 - Annual fixed compensation:
 - Each Director (excluding the Chairman and the Chief Executive Officer if he is a Director) and any Board Advisors (*censeurs*) is entitled to annual fixed compensation whose amount is set by the Board of Directors.
 - If a new Director is appointed (or elected) during a given year, or if a directorship ceases during a given year, this annual fixed compensation is calculated proportionately based on the number of Board meetings held during the year.
 - Variable compensation per Board meeting:
 - Each Director (excluding the Chairman and the Chief Executive Officer if he is a Director) and any Board Advisors (*censeurs*) is entitled to variable compensation for each Board meeting he or she attends, the amount of which is set by the Board of Directors.
- ▣ For membership of the Board Committees - Variable compensation per Committee meeting:
 - Each Director (including the Chair(s) of temporary committees, but excluding the Chairman and the Chief Executive Officer if he is a Director) is entitled to variable compensation for each meeting he or she attends of any Committee(s) of which he or she is a member (or each meeting of any temporary committee that he or she chairs). The amount of this variable compensation is set by the Board of Directors.
 - Each Chair of a standing Board committee (excluding, where applicable, the Chairman and the Chief Executive Officer if he is a Director) is entitled to a higher amount of variable compensation for each standing Committee meeting that he or she chairs. The amount of this variable compensation is set by the Board of Directors.
- ▣ Additional compensation for geographical distance:
 - Directors residing outside Metropolitan France are entitled to an additional amount of variable compensation per Board and Committee meeting that he or she physically attends. The amount of this additional variable compensation is set by the Board of Directors.

(1) Rules set on February 26, 2018 and applicable as from 2018.

- Cap and potential adjustment:
 - A maximum annual gross amount of Directors' compensation is set per Director by the Board of Directors. If the application of the Allocation Rules leads to an individual annual gross amount of Directors' compensation exceeding this cap, the individual allocation of the Director(s) concerned will be reduced to this cap, before any adjustment is made.
 - If the application of the Allocation Rules leads to a total amount of compensation to be allocated that is higher than the Aggregate Compensation set by the shareholders, said total amount will be decreased by reducing, on an equal proportionate basis, each individual allocation (rounded down to the nearest euro where necessary), such that the total amount allocated is equal to the Aggregate Compensation.
- Each year, the Board of Directors places on record the overall and individual allocation of the Directors' compensation resulting from the application of the Allocation Rules. Where appropriate, the Board may decide to allocate any residual unallocated amount corresponding to the difference between the Aggregate Compensation set by the shareholders and the total allocated amount resulting from the application of the Allocation Rules.

Reimbursement of expenses

Each member of the Board of Directors is entitled to reimbursement of travel expenses incurred in connection with their directorship, subject to providing the appropriate receipts.

Specific or one-off assignments

Directors may be allocated additional compensation if they carry out specific assignments, such as those performed by the Vice-Chairman or the Lead Independent Director. In such a case, the Board may decide to set specific amounts for this purpose that will be taken into account when applying the Allocation Rules for the Aggregate Compensation.

Directors may also be paid additional compensation for any one-off assignments they may carry out, in which case the payment of this additional compensation will be subject to the procedure applicable to related-party agreements.

Additional information

For information purposes, it is hereby disclosed that:

- The amount of the Aggregate Compensation to be allocated among the Directors, as approved by the shareholders at the 2016 Annual General Meeting and still applicable for 2019, is €1,000,000.
- The Board of Directors has decided to recommend an increase in the amount of the Aggregate Compensation to €1,100,000. This increase – which must be approved in a separate resolution from the resolution concerning the Directors' compensation policy – will be put to the shareholders in the 11th resolution of the Annual General Meeting to be held on May 28, 2020 (see section 8.2.1.7 of the 2019 Universal Registration Document). The purpose of this modest increase in the Aggregate Compensation compared with the amount set in 2016 is solely to take into account the increase in the number of Directors (with the appointment of an additional Director, as proposed in the 4th resolution, see section 6.2.6.2 of the 2019 Universal Registration Document). In light of the current unique circumstances, the Board of Directors considers that it would not be appropriate at this time to recommend to the Annual General Meeting a more significant increase in the Aggregate Compensation, which would have enabled Safran to offer its Directors average compensation that is more closely aligned with the practices of comparable French companies. The matter will be re-examined in 2021.

In parallel with this proposal, the Board has set the amounts of the Directors' fixed compensation and their variable compensation based on attendance at Board and/or Committee meetings, for the purpose of applying the Allocation Rules. The amounts set by the Board give even greater weighting to the variable compensation based on Directors' attendance at meetings and therefore take into account their actual related workload. These amounts – which will apply from 2020 – are presented below.

- Amounts set for the purpose of applying the Allocation Rules, it being specified that the total amount of the allocations to the Directors may not exceed the maximum amount of the Aggregate Compensation in force, as set by the Annual General Meeting:

Amounts set for the purpose of applying the Allocation Rules:	2019 (in €)	2020 and subsequent years (in €)
Annual fixed compensation per Director (full-year basis) (excluding the Chairman and the Chief Executive Officer)	11,000	11,000
For attendance at Board meetings:		
■ Variable compensation per Board meeting for the Directors: (no Directors' compensation for the Chairman and the Chief Executive Officer)	3,700	5,000
For attendance at meetings of the standing Board committees and special temporary committees:		
■ Variable compensation per meeting for the Chairs of the standing committees	7,400	9,000
■ Variable compensation per meeting for committee members (including for the Chairs of special temporary committees)	3,700	5,000
Additional compensation for geographical distance, based on physical attendance per Board and/or committee meeting		
■ Cross-Atlantic travel or equivalent		+€3,500
■ Travel from a European country	+€1,250	+€1,250
Annual cap on individual Directors' compensation paid out of the Aggregate Compensation	€100,000	€130,000

Summary tables showing the individual compensation and benefits of the Chairman and the Chief Executive Officer

If there are any major changes in the membership structure and work of the Board or the Board Committees or if their Chair changes during a given year, or if any significant exceptional circumstances or events occur, the Board may adjust these amounts accordingly, provided the weighting of the variable portion of Directors' compensation still represents the majority of the individual amounts allocated. In all circumstances, any such adjustments may not result in the total final allocation exceeding the amount of the Aggregate Compensation in force at the time the adjustment(s) are made.

The table summarizing the Directors' compensation paid or payable to members of the Board of Directors for 2018 and 2019 is provided in section 6.6.3 of the 2019 Universal Registration Document.

SUMMARY TABLES SHOWING THE INDIVIDUAL COMPENSATION AND BENEFITS OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Summary tables showing the individual compensation and benefits of Ross McInnes, Chairman of the Board of Directors

Summary table of compensation, stock options and performance shares granted in 2019 to the Chairman of the Board of Directors

Summary of compensation, stock options and performance shares granted	2018	2019
Compensation allocated for the year	€465,809.61 ⁽¹⁾	€565,346.27 ⁽²⁾
Value of multi-year variable compensation allocated during the year	N/A	N/A
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A
TOTAL	€465,809.61	€565,346.27

(1) Including €12,897.48 corresponding to the Additional Payment under the Article 82 defined contribution plan, enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.1 of the 2019 Universal Registration Document).

(2) Including €43,762.56 corresponding to the Additional Payment under the Article 82 defined contribution plan, (see section 6.6.2.1 of the 2019 Universal Registration Document) and €66,666.80 in compensation paid for accrued vacation days when his employment contract was terminated on May 23, 2019.

Summary table of compensation of the Chairman of the Board of Directors

Summary of compensation (gross)	2018		2019	
	Amounts allocated for the year	Amounts paid during the year	Amounts allocated for the year	Amounts paid during the year
Fixed compensation	€450,000	€450,000	€450,000	€450,000
Annual variable compensation	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	€73,513.88	N/A	N/A
Benefits-in-kind ⁽¹⁾	€2,912.13	€2,912.13	€4,916.91	€4,916.91
Additional Payment provided for under a defined contribution supplementary pension plan ⁽²⁾	€12,897.48	€12,897.48	€43,762.56	€43,762.56
Other	N/A	N/A	N/A	€66,666.80 ⁽³⁾
TOTAL	€465,809.61	€539,323.49	€498,679.47	€565,346.27

(1) Company car.

(2) Corresponding to the Additional Payment under the Article 82 defined contribution plan, enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.1 of the 2019 Universal Registration Document).

(3) When the Chairman's employment contract was terminated on May 23, 2019 (see sections 6.4 and 6.6.2.1 of the 2019 Universal Registration Document), the number of days' paid leave that he had accumulated under his employment contract until April 21, 2011 (the date on which the employment contract was suspended) was placed on record. He was paid compensation for these accrued vacation days when his contract was terminated.

Summary tables showing the individual compensation and benefits of Philippe Petitcolin, Chief Executive Officer

Summary table of compensation, stock options and performance shares granted in 2019 to the Chief Executive Officer

Summary of compensation, stock options and performance shares granted	2018	2019
Compensation allocated for the year	€1,936,136.28 ⁽¹⁾	€1,971,214.76 ⁽²⁾
Value of multi-year variable compensation allocated during the year	N/A	N/A
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year ⁽³⁾ (see section 6.6.4.2 of the 2019 Universal Registration Document)	€956,205	€959,989
TOTAL	€2,892,341.28	€2,931,203.76

(1) Including €171,349.44 corresponding to the Additional Payment under the Article 82 defined contribution plan, enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.2 of the 2019 Universal Registration Document and the table below).

(2) Including (i) €200,894.64 corresponding to the Additional Payment under the Article 82 defined contribution plan (see section 6.6.2.2 of the 2019 Universal Registration Document) and (ii) €614,634.23 corresponding to the payment of the remaining amount due under the 2015 Long-Term Incentive Plan (see section 6.6.2.2 of the 2019 Universal Registration Document).

(3) In accordance with IFRS 2, the value of the performance shares was measured at the grant date and not based on compensation received by the beneficiary during the year (see section 3.1, Note 1.r of the 2019 Universal Registration Document).

Summary table of compensation of the Chief Executive Officer

Summary of compensation (gross)	2018		2019	
	Amounts allocated for the year	Amounts paid during the year	Amounts allocated for the year	Amounts paid during the year
Fixed compensation	€800,000	€800,000	€800,000	€800,000
Annual variable compensation	€960,000	€777,500	€964,444	€960,000
Multi-year variable compensation	N/A	512,140.96 ⁽¹⁾	N/A	€614,634.23 ⁽²⁾
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	€36,314.09	N/A	N/A
Benefits-in-kind ⁽³⁾	€4,786.84	€4,786.84	€5,876.12	€5,876.12
Additional Payment provided for under a defined contribution supplementary pension plan ⁽⁴⁾	€171,349.44	€171,349.44	€200,894.64	€200,894.64
TOTAL	€1,936,136.28	€2,302,091.33	€1,971,214.76	€2,581,404.99

(1) Payment in October 2018 of the first installment under the 2015 Long-Term Incentive Plan (see section 6.6.2.2 of the 2019 Universal Registration Document), corresponding to a total of €512,140.96, with two-thirds paid in cash, i.e., €341,458.73, and one-third paid in the form of the delivery of 1,446 Safran shares.

(2) Payment in October 2019 of the second installment under the 2015 Long-Term Incentive Plan (see section 6.6.2.2 of the 2019 Universal Registration Document), corresponding to a total of €614,634.23, with two-thirds paid in cash, i.e., €409,793.87, and one-third paid in the form of the delivery of 1,446 Safran shares.

(3) Company car.

(4) Corresponding to the Additional Payment under the Article 82 defined contribution plan, enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.2 of the 2019 Universal Registration Document).

Summary table of performance shares granted during 2019 to the Chief Executive Officer

	Plan date	Number of shares granted	Value of shares (measured using the method applied for the consolidated financial statements) ⁽¹⁾ (in €)	Vesting date	End of lock-up period	Performance conditions
Philippe Petitcolin	March 27, 2019 Board meeting	13,350	€959,989	March 29, 2022	March 30, 2023 ⁽²⁾	All the shares are subject to the performance conditions described in section 6.6.4.2 of the 2019 Universal Registration Document
TOTAL		13,600	€956,205			

(1) In accordance with IFRS 2, the value of the performance shares was measured at the grant date and not based on compensation received by the beneficiary during the year (see section 3.1, Note 1.r of the 2019 Universal Registration Document).

(2) The Chief Executive Officer is, however, required to hold in registered form 40% of the delivered performance shares for the time that he is in office and until these shares represent an amount that is equivalent to one year's worth of his most recent annual fixed compensation.

Performance shares that became available for the Chief Executive Officer in 2019

Performance shares that became available for the Chief Executive Officer	Plan date	Total number of shares that became available (delivered shares)
Philippe Petitcolin	2016 Plan – July 28, 2016	20,691

At its meeting on July 28, 2016, the Board of Directors decided to grant 27,390 performance shares to the Chief Executive Officer, Philippe Petitcolin, under the 2016 Long-Term Incentive Plan. The number of performance shares to be delivered at the end of the three-year vesting period depended on the extent to which internal (recurring operating income and free cash flow) and external (total shareholder return [TSR]) performance conditions were met over the 2016-2018 period.

At its meeting on March 27, 2019, on the recommendation of the Appointments and Compensation Committee, the Board of Directors noted that the overall achievement rate for all of the Plan's performance conditions was 75.54%, corresponding to:

- recurring operating income (35% weighting): 107.8% achievement, representing a vesting rate of 86% for the shares contingent on this condition;
- free cash flow (35% weighting): 105.8% achievement, representing a vesting rate of 85% for the shares contingent on this condition;
- TSR (30% weighting): 2.49 points higher than that of the peer companies, representing a vesting rate of 52.5% for the shares contingent on this condition.

Consequently, 20,691 performance shares were delivered to the Chief Executive Officer at the end of the vesting period, on July 30, 2019 (number of rights initially granted multiplied by the overall performance condition achievement rate). For the Chief Executive Officer, the vesting period is followed by a one-year lock-up period. Accordingly, the delivered performance shares will be transferable as from July 31, 2020.

Performance shares that became available for the Chief Executive Officer in 2020

Performance shares that became available for the Chief Executive Officer	Plan date	Total number of shares that became available (delivered shares)
Philippe Petitcolin	2017 Plan – March 23, 2017	26,062

At its meeting on March 23, 2017, the Board of Directors decided to grant 27,165 performance shares to the Chief Executive Officer, Philippe Petitcolin, under the 2017 Long-Term Incentive Plan. The number of performance shares to be delivered at the end of the three-year vesting period depended on the extent to which internal (recurring operating income and free cash flow) and external (total shareholder return [TSR]) performance conditions were met over the 2017-2019 period.

Summary tables showing the individual compensation and benefits of the Chairman and the Chief Executive Officer

At its meeting on March 26, 2020, on the recommendation of the Appointments and Compensation Committee, the Board of Directors noted that the overall achievement rate for all of the Plan's performance conditions was 95.94%, corresponding to:

- recurring operating income (35% weighting): 112.4% achievement, representing a vesting rate of 89.9% for the shares contingent on this condition;
- free cash flow (35% weighting): 123.1% achievement, representing a vesting rate of 98.5% for the shares contingent on this condition;
- TSR (30% weighting): 63.39 points higher than that of the peer companies, representing a vesting rate of 100% for the shares contingent on this condition.

Consequently, 26,062 performance shares were delivered to the Chief Executive Officer at the end of the vesting period, on March 25, 2020 (number of rights initially granted multiplied by the overall performance condition achievement rate). For the Chief Executive Officer, the vesting period is followed by a one-year lock-up period. Accordingly, the delivered performance shares will be transferable as from March 26, 2021.

Summary table of performance shares granted to the Chief Executive Officer (currently in the vesting period)

Grantee	Plan date	Total number of shares granted (currently in the vesting period)
Philippe Petitcolin	2018 Plan - July 24, 2018	13,600
Philippe Petitcolin	2019 Plan - March 27, 2019	13,350
TOTAL		26,950

Summary table of stock options granted in 2019 to the Chief Executive Officer

None.

Summary table of stock options exercised in 2019 by the Chief Executive Officer

None.

Summary table of employment contracts, supplementary pension plans and termination benefits of the Chairman of the Board of Directors and the Chief Executive Officer

Name	Position	Employment contract	Supplementary pension plan	Indemnities or benefits payable for termination of office, change in duties, or non-compete agreements
Ross McInnes	Chairman of the Board of Directors	No ⁽¹⁾	Yes ⁽³⁾	No
Philippe Petitcolin	Chief Executive Officer	Yes, suspended ⁽²⁾	Yes ⁽³⁾	No ⁽⁴⁾

(1) Employment contract suspended from April 21, 2011 until May 23, 2019 and terminated on May 23, 2019, when the Chairman's term of office was renewed (see sections 6.4 and 6.6.2.1 of the 2019 Universal Registration Document). The Chairman did not receive any severance pay or other specific benefits on the termination of his employment contract. At that date, he lost the entitlements to severance pay and retirement bonuses associated with his employment contract (see section 6.6.2.1 of the 2018 Registration Document). Compensation was paid to him for paid leave that he had accrued and not taken prior to the suspension of his employment contract.

(2) Employment contract suspended since April 23, 2015, the date on which he was appointed Chief Executive Officer (see section 6.4 of the 2019 Universal Registration Document).

(3) No pension plan has been set up specifically for the Chairman of the Board of Directors or the Chief Executive Officer. They are beneficiaries, subject to the same terms and conditions as the other plan members, They remain potential beneficiaries of the defined benefit supplementary pension plan which has now been closed and whose benefit entitlements were frozen at December 31, 2016 (see sections 6.6.2.1 and 6.6.2.2 of the 2019 Universal Registration Document).

(4) See section 6.6.2.2 of the 2019 Universal Registration Document, "Indemnities or benefits payable for the termination of office or a change in duties".

SAFRAN

IN 2019

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

ROSS McINNES
Chairman of the Board of Directors

PHILIPPE PETITCOLIN
Chief Executive Officer



Ross McInnes

Faced with the health crisis posed by the Covid-19 epidemic, Safran is taking every possible measure to help slow the spread of the virus and protect the health of its employees. At the same time, it is making continued industrial operations for its customers a priority. Safran is in robust shape, and the commitment of its 95,000 employees is unflinching.

In 2019, the Group showed once again that the trust of its customers, partners and shareholders is well-founded.

Safran strengthened its position as the number-three aerospace group (excluding airframers)⁽¹⁾ worldwide, with revenue increasing by 17.1% on a reported basis (9.3% organically) to reach €24.6 billion, and recurring operating income coming in at €3.8 billion, of which 51.9% was converted into free cash flow.

Despite the complications arising from the grounding of the Boeing 737 MAX, all of the Group's business areas turned in solid performances.

Deliveries ramped up (especially the LEAP[®] engine, which shipped 1,736 units), products and services met market success, and the seats and cabins businesses brought in from Zodiac Aerospace picked up, driven by convergence of our

“
Thanks to the commitment of our employees, proven innovation and operational excellence, Safran designs, builds and supports high-tech solutions to contribute to a safer, more sustainable world, where air transport is more environmentally friendly, comfortable and accessible. We also apply our skills to develop solutions that meet strategic needs, such as defense and access to space.
 ”



Philippe Petitcolin

methods and the development of a common culture, further enhancing Safran’s consistency and efficiency.

The space and defense sectors also had a fruitful year, with progress on the Ariane 6 program and prime contractorship on the engine demonstrator program for the next-generation European fighter aircraft, in partnership with MTU Aero Engines. Such developments ensure sustained front-runner positioning for Safran in the decades to come.

By honing competitive performance across all Group divisions, we faced up well to fierce market conditions, and proved our capabilities for adaptation.

In 2019, Safran also began a managerial transition with the Board of Directors appointing Olivier Andriès to serve as Chief Executive Officer from January 2021.

There has been a considerable shift in Safran’s international balance in recent years. More than half of the Group’s workforce is now based outside France. With close contact to markets and leading-edge expertise, we can respond promptly and precisely to ever-changing demand.

Acutely aware of the major challenge represented by climate change,

Safran is geared up to leading the way towards decarbonization of the aerospace industry. With positions in all aircraft-system segments, and energy systems in particular, we can tackle this issue from many different technological angles. Some 75% of Safran’s R&T budget goes to direct or indirect measures for reducing the environmental impact of air transport. Safran’s low-carbon project also includes an ambitious program to shrink the carbon footprint of its processes.

This absolute priority, embedded in our core purpose⁽²⁾ (“raison d’être”), ensures that economic performance is rooted in Group-wide values:

Thanks to the commitment of our employees, proven innovation and operational excellence, Safran designs, builds and supports

high-tech solutions to contribute to a safer, more sustainable world, where air transport is more environmentally friendly, comfortable and accessible. We also apply our skills to develop solutions that meet strategic needs, such as defense and access to space.

In 2020, against the backdrop of the Covid-19 epidemic, Safran will continue to draw strength from its adaptability, workforce dedication and robust business model to tackle the difficulties and continue to seek lasting value creation that is shared fairly among all its stakeholders.

We would like to thank you for your loyalty and hope you enjoy reading this report.

Regards,

Ross McInnes and Philippe Petitcolin

(1) Classification criteria: revenue – Source: Safran.

(2) The wording of the core purpose is not set out in Safran’s bylaws.

Definitions

Adjusted data

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted income statement in addition to its consolidated financial statements.

Readers are reminded that Safran:

- is the result of the May 11, 2005 merger of Sagem and Snecma, accounted for in accordance with IFRS 3, "Business Combinations", in its consolidated financial statements;
- recognizes, as of July 1, 2005, all changes in the fair value of its foreign currency derivatives in "Financial income (loss)", in accordance with the provisions of IFRS 9 applicable to transactions not qualifying for hedge accounting (see section 3.1, "Accounting policies", Note 1.f of the 2019 Universal Registration Document).

Accordingly, Safran's consolidated income statement has been adjusted for the impact of:

- purchase price allocations with respect to business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aircraft programs revalued at the time of the Sagem-Snecma merger. With effect from the first-half 2010 interim financial statements, the Group decided to restate:
 - the impact of purchase price allocations for business combinations, particularly amortization and depreciation charged against intangible assets and property, plant and equipment recognized at the time of the transaction and amortized over extended periods due to the length of the Group's business cycles, as well as
 - gains on remeasuring any previously-held equity interests in the event of step acquisitions or asset contributions to joint ventures. Safran has also applied these restatements to the acquisition of Zodiac Aerospace with effect from 2018.
- the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall foreign currency risk hedging strategy:
 - revenue net of purchases denominated in foreign currencies is measured using the effective hedged rate, i.e., including the costs of the hedging strategy,
 - all mark-to-market changes on instruments hedging future cash flows are neutralized.

The resulting changes in deferred tax have also been adjusted.

Recurring operating income

In order to better reflect recurring economic performance, the recurring operating income subtotal excludes income and expenses that are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations, gains on remeasuring previously-held equity interests in entities in which the Group has acquired a controlling interest, and other unusual and/or material non-operating items.

2019 BUSINESS REVIEW

The data published for 2018 have not been restated for the impact of the change in accounting policy resulting from the modified retrospective application of IFRS 16, "Leases".

(in € millions)	2018	2019
Revenue	21,050	24,640
Recurring operating income	3,023	3,820
% of revenue	14.4%	15.5%
Profit from operations	2,908	3,833
Profit for the period attributable to owners of the parent	1,981	2,665
Earnings per share attributable to owners of the parent (basic in €)	4.60	6.20

Safran results: excellent 2019 performance

Revenue for 2019 amounted to €24,640 million, representing an increase of 17.1%, or €3,590 million, compared to the year-ago period. Changes in scope made a net contribution of €929 million, of which €781 million from former Zodiac Aerospace activities (two months) and €148 million related to the acquisition of ElectroMechanical Systems. The net impact of currency variations was €704 million, reflecting a positive translation effect on non-euro revenues, principally the US dollar. The average EUR/USD spot rate was USD 1.12 to the euro in 2019 compared to USD 1.18 to the euro in the year-ago period. The Group's hedged rate was stable at USD 1.18 to the euro between 2019 and 2018.

On an organic basis, revenue increased by 9.3% as all divisions contributed positively:

- Propulsion growth of 10.8% was supported by OE volumes (civil and military) as well as services (civil aftermarket and military support activities);
- Aircraft Equipment, Defense and Aerosystems revenue increased by 7.4% thanks to nacelles (services and OE), avionics activities and landing systems support activities;
- Aircraft Interiors revenue (up 8.8%) was supported by OE sales for Seats and Passenger Solutions and by services from all activities.

Recurring operating income for 2019 reached €3,820 million, up 26.4% compared to 2018. This increase includes scope changes of €41 million as well as a positive currency impact of €13 million (conversion effect on foreign subsidiaries).

On an organic basis, recurring operating income increased by 24.6% thanks to all divisions:

- Propulsion growth of 21.9% mainly came from civil aftermarket and military activities;
- Aircraft Equipment, Defense and Aerosystems recurring operating income increased by 16.6% thanks to services activities and continuous improvement in industrial performance;
- the strong growth in Aircraft Interiors recurring operating income (up 140.7%) was supported by OE and services activities from Seats and Passenger Solutions, and a decrease in production costs in all businesses.

Group recurring operating income margin stood at 15.5% of revenue compared to 14.4% in the year-ago period.

Non-recurring items, which amounted to €13 million, mainly related to capital gains on the disposal of a building and a subsidiary (pruning of former Zodiac portfolio).

Adjusted profit attributable to owners of the parent was €2,665 million (basic EPS of €6.20 and diluted EPS of €6.13) compared to €1,981 million in 2018 (basic EPS of €4.60 and diluted EPS of €4.54). It includes:

- a net adjusted financial loss of €89 million, including cost of debt of €33 million;
- an adjusted tax expense of €1,012 million (27% apparent tax rate).

Operations generated €1,983 million of free cash flow. Free cash flow generation was driven by cash from operations of €4,042 million, devoted principally to investments in property, plant and equipment and intangible assets (€1,162 million net of a building disposal) and to an increase of €897 million in working capital in the context of the rise of inventories and trade receivables, including Boeing.

As regards the Boeing 737 MAX grounding, free cash flow was adversely impacted in 2019 in an amount of around €700 million, in line with previous announcements.

The €2.3 billion share buyback program announced in May 2017 has now been fully executed, for a total of 20 million shares. Further to the cancellation of 11.4 million shares in 2018, an additional 8.6 million treasury shares were canceled in December 2019.

Revenue and results by activity

The net debt position was €4,114 million at December 31, 2019, compared to €3,269 million at December 31, 2018, including the impact of the first-time application of IFRS 16 for €529 million.

Safran repaid two borrowings that matured during 2019: the USD 155 million seven-year tranche of the USD 1.2 billion 2012 US private placement was repaid in February 2019 and the €500 million two-year floating-rate notes issued in June 2017 were repaid in June 2019.

No new long-term debt was raised in 2019.

Safran's hedging portfolio totaled USD 28.1 billion at February 18, 2020. The estimated annual average exposure is USD 11.0 billion until 2023. Current market conditions and the composition of Safran's portfolio have made possible an improvement in the outlook for targeted hedged rates.

2020: the firm coverage of the estimated net exposure is USD 9.7 billion (compared to USD 9.5 billion in October 2019). The targeted hedged rate is now USD 1.16 (versus USD 1.16 to USD 1.18 previously).

2021: the firm coverage of the estimated net exposure is USD 7.9 billion (compared to USD 8.4 billion in October 2019). The targeted hedged rate is expected to be between USD 1.14 and USD 1.16 (versus USD 1.15 to USD 1.18 previously).

2022: the firm coverage of the estimated net exposure is USD 6.5 billion (same amount as in October 2019). The targeted hedged rate is expected to be between USD 1.12 and USD 1.14 (versus USD 1.15 to USD 1.18 previously).

2023: Safran initiated firm coverage of USD 4.0 billion (compared to USD 2.2 billion in October 2019). The targeted hedged rate is expected to be between USD 1.10 and USD 1.12.

REVENUE AND RESULTS BY ACTIVITY

(adjusted data)

Segment breakdown of adjusted revenue (in € millions)	2018	2019
Aerospace Propulsion	10,579	12,045
Aircraft Equipment, Defense and Aerosystems	7,942	9,256
Aircraft Interiors	2,511	3,321
Holding company and other	18	18
TOTAL GROUP	21,050	24,640

Segment breakdown of recurring operating income (in € millions)	2018	2019
Aerospace Propulsion	2,030	2,485
Aircraft Equipment, Defense and Aerosystems	992	1,209
Aircraft Interiors	81	188
Holding company and other	(80)	(62)
TOTAL GROUP	3,023	3,820

Aerospace Propulsion

In 2019, revenue was €12,045 million, up 13.9% compared to €10,579 million in 2018. On an organic basis, revenue grew 10.8%, notably thanks to the contribution of the civil aftermarket (9.9% in US dollar terms) as well as military engines OE (M88) and services. Helicopter turbines support activities also contributed to the growth.

OE revenue grew 13.5% (10.1% organically), despite the impact of the 737 MAX grounding on LEAP-1B engine deliveries; total narrowbody engine deliveries (CFM56 and LEAP) reached 2,127 units, a decrease of 35 compared to 2018. M88 engine deliveries amounted to 62 units in 2019 compared to 23 in 2018. Helicopter turbines OE deliveries decreased compared to 2018.

Services revenue increased by 14.2% (in euros, 11.4% organically) and represented 56.9% of sales. Civil aftermarket revenue grew 9.9% (in USD) thanks to continuous higher spare parts sales for the latest generation of CFM56 engines and widebody platforms and a higher contribution from service agreements. Military services as well as helicopter turbines maintenance activities contributed positively during the year.

Recurring operating income was €2,485 million, an increase of 22.4% compared to €2,030 million in 2018. Recurring operating margin grew from 19.2% to 20.6%.

Profitability benefited from civil aftermarket growth and the higher contribution from military activities.

The CFM56-LEAP transition was a headwind of €98 million to Propulsion adjusted recurring operating income growth in 2019 compared to 2018, at the high end of the 2019 guidance range (€50 million to €100 million).

Aircraft Equipment

In 2019, revenue was €9,256 million, up 16.5% compared to €7,942 million in 2018. On an organic basis, revenue was up 7.4%, notably due to nacelles sales and to landing systems support activities.

OE revenue grew 16.7% (or 6.8% organically) in 2019, mainly driven by increased volumes of A320neo and A330neo nacelles and by wiring and avionics. Deliveries of nacelles for LEAP-1A-powered A320neos intensified and reached 602 units in 2019 (438 units in 2018). The ramp-up of A330neo nacelles continued, with 92 nacelles delivered in 2019 compared to 18 units in 2018. OE revenue was sustained by the ramp-up of wiring for the Boeing 787 program. OE sales were also supported by avionics (FADEC for LEAP, flight control and onboard information systems) and Defense (sighting systems) activities.

As previously flagged, lower A380 nacelles volumes as well as A320ceo thrust reversers negatively impacted OE revenue.

Services revenue grew 16.3% (or 8.7% organically) in 2019, driven by continuing momentum in carbon brakes, landing gear and nacelles support activities (mainly for the A320neo). Safran Aerosystems activities (safety and fluid systems) also contributed to full-year growth.

Recurring operating income was €1,209 million, an increase of 21.9% compared to €992 million in 2018. Recurring operating margin increased from 12.5% to 13.1%, driven by higher volumes in nacelles and landing systems activities (notably in services) and by the benefits of cost reduction and productivity measures. Growth was partially offset by a higher R&D impact on income and a dilutive impact of scope.

Aircraft Interiors

In 2019, revenue was €3,321 million, up 32.3% compared to €2,511 million in 2018. On an organic basis, revenue grew 8.8%, mostly driven by Seats and Passenger Solutions activities, whereas Cabin was flat.

OE revenue grew 30.8% (or 7.7% organically) in 2019. Sales increased thanks to the ramp-up of Business Class seats programs (Fusio and Polaris), A350 toilets deliveries and Connected Cabin (IFE) for Passenger Solutions. Lower volumes for galleys in Cabin impacted growth.

Services revenue grew 36.4% (or 11.9% organically) in 2019, mainly driven by Safran Seats aftersales and, to a lesser extent, by Safran Cabin and Passenger Solutions activities.

Recurring operating income was €188 million, an increase of €107 million compared to €81 million in 2018. Recurring operating margin increased from 3.2% to 5.7%. Profitability increased in all businesses thanks to higher volumes, lower non-quality costs and productivity plans.



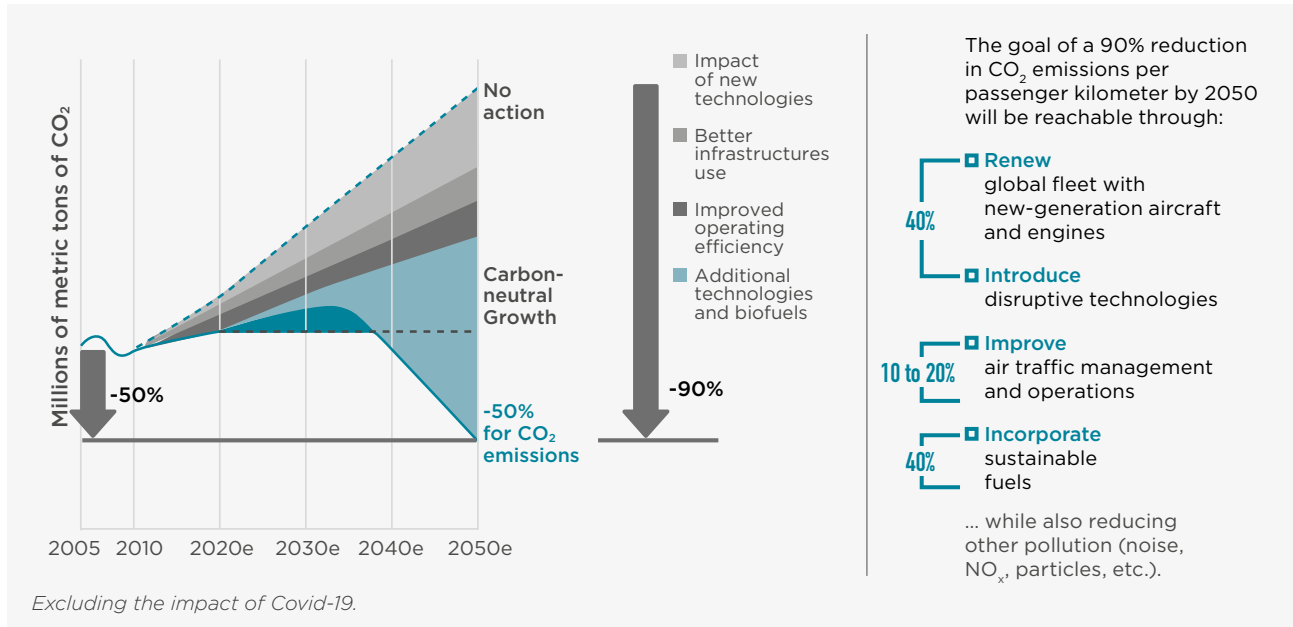
SAFRAN'S CLIMATE STRATEGY

Acutely aware of the major challenge represented by climate change, Safran is geared up to leading the way towards decarbonization of the aerospace industry. With positions in all aircraft-system segments, and energy systems in particular, Safran can tackle this issue from many different technological angles. Some 75% of the Group's R&T budget goes to direct or indirect measures for reducing the environmental impact of air transport. Safran's low-carbon project also includes an ambitious program to shrink the carbon footprint of its processes.

As an illustration of its voluntary and committed approach to address the challenges of climate change, Safran notably undertakes to support the launch by Governments and in particular the European Union, of investment plans and regulatory measures aiming to promote the availability and utilisation of sustainable fuels for aviation. This will have to be done in a sustainable way, taking into consideration the situation of the aeronautic industry and in particular of our airline customers after the end of the Covid-19 crisis.

An ambitious commitment for the aviation sector and Safran's vision to achieve it

AN AMBITIOUS COMMITMENT FOR THE AVIATION SECTOR AND SAFRAN'S VISION TO ACHIEVE IT



Air transport accounts for 2% of global CO₂ emissions from human activities. With air traffic expected to double over the next 20 years, the transition to sustainable aviation is an absolute priority for Safran. In 2008, the aviation sector took up a voluntary commitment on achieving carbon neutrality by 2050 (ATAG)⁽¹⁾, by halving net fleet emissions by 2050 compared to 2005 to bring a 90% reduction in average emissions per passenger kilometer across the worldwide fleet, taking into account the expected growth in air traffic⁽²⁾.

Ambition: low-carbon aviation by 2030-2035, towards carbon neutrality by 2050

The aviation sector commitments are consistent with the Paris Agreement on keeping global temperature rise below two degrees centigrade. Our objective is achievable and should involve all players in the sector (industry, airlines, air traffic control, airports, government authorities).

THE SAFRAN COMMITMENT

At the 2019 Paris Air Show Chief Technology Officers (CTOs) of seven of the world's major aviation manufacturers⁽³⁾, including Safran, made this statement:

"As industry CTOs we are committed to driving the sustainability of aviation. We believe in this industry and its role in making our world a brighter and safer place. We also strongly believe we have an approach to make aviation sustainable and play an even bigger role in our global community."

(1) ATAG: Air Transport Action Group.

(2) Annual growth of around 4% is expected, bringing a 3.5 times increase in air traffic from 2005 to 2050.

(3) Airbus, Boeing, Dassault Aviation, GE Aviation, Rolls-Royce, Safran, United Technologies Corporation.

SAFRAN'S CLIMATE STRATEGY

Safran intends to lead the way towards decarbonization of the aviation sector, through a climate strategy taking two focuses: reduction in CO₂ emissions from its production methods, and, what constitutes its essential mission, reduction in CO₂ emissions from its products.

Reduction in CO₂ emissions from its production methods

Safran takes a committed and ambitious stance on reducing the carbon footprint of its production methods (referred to as Scope 1, Scope 2 and Scope 3 emissions in the GHG Protocol⁽¹⁾), through its low-carbon project.

Safran's low-carbon project

Safran's Health, Safety and Environment Department has been running the Group's low-carbon project since late 2018, and a steering committee comprising several members of the Safran Executive Committee has been formed. In addition, a dedicated organization has been set up, with the appointment of project leaders in each of the Group's tier-one companies, and identification of "business line" liaison officers.

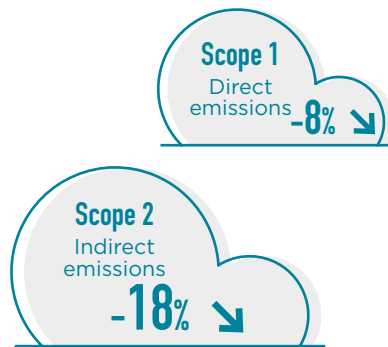
The first phase of this project involves reducing direct and indirect emissions from energy consumption in our production methods:

- direct energy-related emissions (referred to as Scope 1 emissions) include emissions from LPG (butane, propane), natural gas, home heating oil, diesel fuel, heavy fuel oil, aviation fuel and refrigerants;
- indirect energy-related emissions (referred to as Scope 2 emissions) include emissions from purchased electricity, steam, heat and cold.

The second project phase, launched in early 2020, concerns Safran's indirect emissions (referred to as Scope 3 emissions): from logistics operations, purchases of goods and services, and employee travel.

Work here will enable us to reduce CO₂ emissions while optimizing our competitiveness.

Safran's targets to reduce CO₂ emissions across its production methods by 2025 (compared with 2018 levels: 218,906 t CO₂eq. for Scope 1 and 374,691 t CO₂eq. for Scope 2).



Some of the assets employed to meet our objectives are as follows:

- reducing sites' energy consumption, chiefly by improving the energy efficiency of buildings;
- developing breakthrough solutions for heat generation at our sites, by conversions such as replacing gas boilers with biomass boilers;
- choosing low-carbon energy sources, as with electricity suppliers in Mexico, with the signing of a solar power energy contract.

THE EUROPEAN CO₂ EMISSIONS QUOTA SYSTEM (EU ETS⁽²⁾)

EU ETS, introduced in 2005, was the world's first international emissions trading system. It today stands as the largest global mechanism for trading emission rights, representing more than three-quarters of international carbon emission trading. A ceiling is set to limit total emissions of certain greenhouse gases from sites covered by the system. This ceiling is gradually reduced to bring down the overall emissions volume. Under the ceiling level, companies are granted or can purchase emission quotas, which they can trade with other companies according to their respective needs. The EU ETS legislative framework

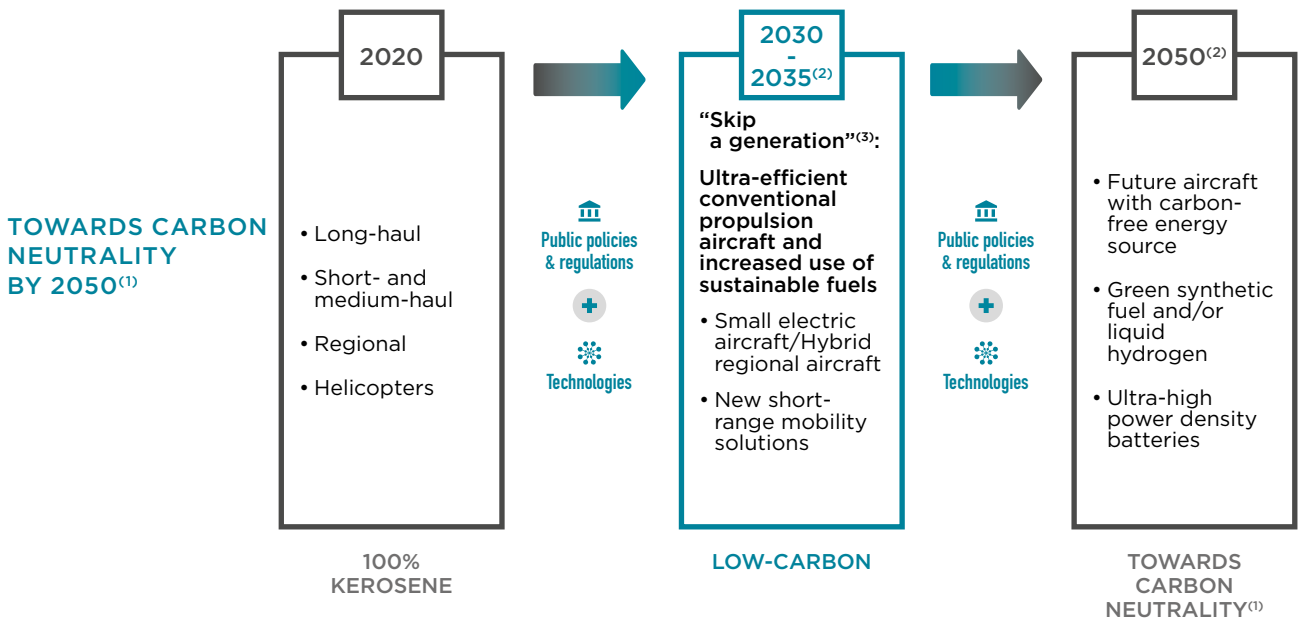
for 2021-2030 was reviewed in early 2018 to meet the emissions reduction objectives under the 2030 climate action and energy framework and under the EU contribution to meeting the 2015 Paris Agreement. EU ETS only applies to three of the more than 150 sites that Safran has in Europe: Gennevilliers, Villaroche and Villeurbanne. The emissions generated by these three Safran sites have never required the purchase of CO₂ quotas. In addition, Safran is examining alternative energy solutions that would enable it to no longer use "licenses to pollute" for the Gennevilliers and Villaroche sites by 2025.

(1) Greenhouse Gas Protocol.
(2) European Union Emission Trading System.

An ambitious commitment for the aviation sector and Safran's vision to achieve it

Reduction in CO₂ emissions from its products

Because the production of an aircraft accounts for only a small percentage of its emissions over its life cycle, Safran considers that its first challenge is to reduce CO₂ emissions from its products (referred to as Scope 3 emissions in the GHG Protocol).



NOT JUST ONE BUT SEVERAL SOLUTIONS

Rather than one single solution, there will be a series of measures, at different timeframes, addressing specific market segments and usages: short-, medium- and long-haul aircraft, helicopters, business jets and new air mobility.

ULTRA-OPTIMIZED THERMAL PROPULSION

SUSTAINABLE FUELS

HYBRID PROPULSION AND ELECTRIFICATION

FLIGHTS OVER 1,000 KM

FLIGHTS UNDER 1,000 KM

(1) In-flight emissions & emissions/capture related to fuel production close to zero by 2050.
 (2) Target date for aircraft in service.
 (3) New aircraft release bringing twice the usual next-generation gain (15%).



ELECTRIFICATION & HYBRIDIZATION: SOLUTION FOR SHORT DISTANCES

Safran is actively involved in all-electric and hybrid propulsion systems addressing applications in new short-haul aviation solutions such as lightweight urban, suburban or even regional transport (VTOL⁽¹⁾ or STOL⁽²⁾ vehicles).

Given the current performance of electrical power systems (especially as regards battery energy density), Safran considers the prospect of an all-electric medium- and long-haul aircraft to be unrealistic for the time being.

Since flights longer than 1,000 km account for 50% of journeys and close to 80% of emissions, the priority is on reducing emissions in the medium- and long-haul segment, which will remain predominantly thermal-powered from 2030 to 2050.



SUSTAINABLE FUELS: A WORKABLE SOLUTION FOR THE NEAR FUTURE

The only way to achieve an immediate reduction in aircraft carbon footprint is by using kerosene alternatives in the form of fuels that have a lower carbon profile across the life cycle and do not, in the production process, entail competition with other uses (food crops in particular).

As a supplier of engines and fuel system equipment, Safran is working on making the field of **drop-in sustainable fuels**⁽³⁾ as wide as possible:

- Biomass-derived alternatives, or **biofuels**, are the only immediately available option, though the incorporation of biofuel in aircraft fuel remains very low worldwide (0.1% currently). Safran is targeting the development of technologies enabling engines to go above the present-day technical threshold of a 50% biofuel-kerosene mix.

This primarily involves solving the issue of the lifespan of seals and pumps for fuel systems and ensuring optimum combustion performance.

- E-fuels** produced using low-carbon electricity, water and CO₂ (such as the e-kerosene produced by **power-to-liquid** technologies) offset biomass needs to improve emission reduction rates.
- In the field of **non-drop-in sustainable fuels**, if biofuel volumes are insufficient and power-to-liquid processes fail to live up to their promises, Safran is also examining the breakthrough option of cryogenic fuels such as **liquid hydrogen**, with a longer R&T horizon and a step-by-step investment approach.

Sustainable fuels should make a substantial contribution to short-term solutions. This will require the development of production and distribution processes capable of reducing the cost of this type of fuel, which is today two to three times more expensive than kerosene.



ULTRA-OPTIMIZED THERMAL PROPULSION: TOWARDS NEW-GENERATION AIRCRAFT

Safran has a major role to play in the arrival, **by 2035 at the latest, of new low-carbon aircraft around 30% more energy efficient** than the present-day fleet. Engine advancements are an instrumental factor here.

The challenge is summed up in a phrase: **“skip a generation”**. Safran and GE are working on the successor to the LEAP engine, which is expected to offer a consumption saving at least equal to the reduction achieved by LEAP compared to the CFM56. Work also includes lightweight design technologies for aircraft systems and cabin interiors, and electrification for new, ultra-efficient aircraft architectures. The objective will require the search for breakthrough technologies (for example, “open rotor” engines) which imply a profound transformation of aircraft and their architecture. This requires the active involvement of airframers.

OPTIMIZING THE MASS & EFFICIENCY OF AIRCRAFT IN SERVICE

If kerosene is eventually to be phased out entirely, this will also require work on reducing the fuel consumption of fleets in service. Among other things, this will mean continuing to phase in new-generation aircraft such as the A320neo and the Boeing 737 MAX.

With its extensive product portfolio in aircraft equipment and interiors, Safran is ideally placed to come up with solutions in areas such as operating efficiency improvement, electrical system optimization and lightweight equipment design, with new cabin interior materials for example.

(1) VTOL: Vertical Take-Off and Landing aircraft.

(2) STOL: Short Take-Off and Landing aircraft.

(3) Drop-in fuels are fuels that can replace all or some of conventional kerosene without any operational impact, i.e., without requiring modification to infrastructures (at airports, for example) or to aircraft or engines, whether existing or under development.

INITIAL MEASURES TAKEN BY SAFRAN IN 2020 IN RESPONSE TO THE COVID-19 CRISIS

On February 27, 2020, at the time of its 2019 annual results presentation, Safran disclosed its objectives for 2020:

- at an estimated average spot rate of USD 1.13 to the euro in 2020, adjusted revenue was expected to decrease in the range 0% and 5% versus 2019. Similar variation in organic terms;
- adjusted recurring operating income was expected to grow by around 5% at a hedged rate of USD 1.16 to the euro;
- free cash flow was expected to be higher than in 2019.

These objectives, set early in the year, factored in a Covid-19 impact on civil aftermarket revenue growth, as long as disruption created by Covid-19 to air traffic did not extend beyond first-quarter 2020.

In the context of the worldwide spread of the Covid-19 crisis, Safran published a press release further to a Board of Directors meeting held under the Chairmanship of Ross McInnes on March 26, 2020 to consider an action plan prepared by Executive Management in response to the impact of the Covid-19 pandemic.

This press release, disseminated effectively and completely in accordance with the regulations in force and available on the Group's website (safran-group.com), presents the initial measures taken by Safran in 2020 to adapt to the Covid-19 crisis. These measures include:

- **an enhanced adaptation plan;**
- **withdrawal of the 2020 guidance;**
- **cancellation of the 2019 dividend proposal with a cash impact of €1 billion;**
- **a new €3 billion credit line.**

Philippe Petitcolin, Safran's Chief Executive Officer, declared:

"In this critical period, our attention is focused on taking care of our employees and monitoring our customers and suppliers. While preserving cash in the very short term, we are preparing to re-establish and strengthen operations when the situation recovers. As demonstrated in past crises thanks to its agility and resilience, I am convinced that Safran will overcome these challenges and further consolidate its position in the future."

Adaptation plan

The Group regularly and proactively coordinates the efforts of all subsidiaries and sites in all countries in order to ensure priorities in reaction to the crisis:

- Protection of employees through specific organization of working practices;
- Response to customer needs, particularly for delivery schedules;
- Resilience and flexibility of the supply chain;
- Managing the Group's cash and liquidity, while low debt is already an asset.

Executive Management has welcomed the mobilization and responsiveness of all employees, giving confidence in the Company's ability to meet current challenges.

Chinese plants are already fully operational and European sites are gradually restarting.

The actions implemented since December 2019 in response to Boeing's decision to shut down the Boeing 737 MAX assembly line have been enhanced. Very significant measures are implemented such as a pause in Capex, the definition of new objectives for R&D and the reduction of direct and indirect costs. Safran will also use all schemes set up by governments, particularly short-time working.

2020 guidance

Given the unprecedented nature of the situation and the remaining uncertain impact for its customers of worldwide measures taken to contain the pandemic, Safran has withdrawn its 2020 guidance previously announced.

When impacts on the business and the adjustment measures can be assessed with sufficient precision, Safran will share them with the financial community.

2019 dividend

At its meeting on March 26, 2020, Safran's Board of Directors decided not to propose to the Annual General Meeting of shareholders the payment of a dividend in 2020 for the 2019 financial year.

The previously announced dividend of €2.38 per share reflected Safran's very good performance in 2019 and the outlook for 2020 as it prevailed last February when the Board met. Based on the number of shares in circulation, the payment of the dividend would have represented an outflow of around €1 billion in June 2020.

In a spirit of responsibility vis-à-vis Safran's stakeholders, this decision preserves the Group's resources in order to protect employees, maintain continuity of its operations, notably for its suppliers, support its customers and ensure liquidity in uncertain times.

Annual General Meeting

The press release published on March 26, 2020 indicated that Safran's Annual General Meeting would be convened for May 28, 2020 at the Safran Campus - 32, rue de Vilgénis, 91300 Massy (France) but advised that the date, venue and conditions of shareholder attendance were likely to change for public health and/or regulatory/legal reasons. In particular, the press release mentioned that it might be necessary to hold the Meeting behind closed doors, without shareholders being able to attend physically.

As indicated in this Notice of Meeting, and in accordance with the applicable regulations, Safran announced in a press release published on April 17, 2020 that the Annual General Meeting of May 28, 2020 would exceptionally be held behind closed doors at the Company's registered office at 2, boulevard du Général-Martial-Valin, 75015 Paris (France).

Shareholders are strongly encouraged to vote by post (or online before the Meeting) or to give proxy to the Chairman of the Meeting and to regularly check the 2020 Annual General Meeting section of the Company's website to obtain the latest information: <https://www.safran-group.com/finance/annual-general-meeting>.

Liquidity

As of December 31, 2019, the Group's net financial debt was as follows:

- cash and cash equivalents at €2,632 million,
- interest-bearing financial liabilities at €(6,779) million,
- and debt hedging instruments at €33 million.

Between January 1, 2020 and March 24, 2020, net financial debt improved by around €900 million (data not audited). As of March 24, 2020, cash and cash equivalents amounted to €3.1 billion (unaudited data), of which €2.8 billion (unaudited data) available immediately or within 90 days.

Safran's commercial paper program (NEU CP) outstanding is €1,802 million and €419 million subscribed by a corporate mutual fund of the Group savings plan, maturing end of April to mid-May 2020.

Two debt instruments will mature in 2020: a floating-rate bond with a nominal amount of €500 million on July 13 and another fixed-rate debt with a nominal amount of €99 million on July 27, representing a total of €599 million.

Safran has set up a new credit line of €3 billion, with a term of up to two years, in addition to its current Revolving Credit Facility of €2,520 million currently undrawn and available until December 2022.

Based on these elements and taking into account the withdrawal of the 2019 dividend, the Group has sufficient liquidity to fund continuity of operations.

Given the performance of Safran's share price, Safran's Board of Directors also indicated further to its meeting on March 26, 2020, that it would consider a new share buyback program when conditions permit.

Medium-term ambitions

At the time of the February 27, 2020 results presentation, Safran also disclosed that its 2022 ambitions as communicated on November 29, 2018 during the Capital Markets Day, were based on assumptions that would need to be updated to reflect the impact of the Boeing 737 MAX grounding. These mid-term ambitions will also be updated once the impacts of the Covid-19 pandemic can be measured with sufficient reliability.

Factors with a potential impact on results

Major risk factors that could have an adverse impact on the Group's business, financial position or results of operations are described in chapter 4 of the 2019 Universal Registration Document.



REQUEST ADDITIONAL DOCUMENTS AND INFORMATION

Article R.225-83 of the French Commercial Code ⁽¹⁾

**ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING OF MAY 28, 2020**

Request to be sent to:

BNP Paribas Securities Services

CTS Émetteurs Assemblées
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex, France

or to the following email address:
paris.bp2s.gis.assemblees@bnpparibas.com

I, the undersigned,

Last name, first name (or corporate name):

Address:

Email: @

Owner of:

registered shares

bearer shares recorded in an account held with⁽²⁾

hereby request the Company to send to the above address the documents and information referred to in Article R.225-83 of the French Commercial Code, for the purposes of Safran's Ordinary and Extraordinary Shareholders' Meeting of May 28, 2020.

Signed in , on: 2020

Signature:

In accordance with Article R.225-88 of the French Commercial Code, holders of registered shares may make a one-time request for the Company to send the documents and information referred to in Articles R.225-81 and R.225-83 of said Code prior to all future Shareholders' Meetings.

Please check this box if you wish to lodge this request:

(1) The documents and information referred to in Article R.225-83 of the French Commercial Code include the parent company and consolidated financial statements, the management report drawn up by the Board of Directors and the Statutory Auditors' reports. These documents and information can also be downloaded from the Company's website at www.safran-group.com.

(2) For holders of bearer shares, please state the name and address of the authorized financial intermediary responsible for managing your shares.

SIGN UP FOR THE E-NOTICE OF MEETING

Help support our sustainable development efforts by signing up for the e-notice of meeting

You can now choose to receive the notice of meeting by email, thereby helping us protect the environment and reduce our carbon footprint by cutting down on printing and mailing hard copies of the notice.

Opting for the e-notice of meeting is also a fast, easy and secure way to obtain all the information you need.

To sign up for the e-notice of meeting (effective for meetings after May 28, 2020), all you need to do is:

- log on directly to the “e-Notice” page at <https://planetshares.bnpparibas.com> by **3.00 p.m. (CET) on May 27, 2020**; or
- fill out the reply slip below (also available on www.safran-group.com) by clearly writing your last name, first name, date of birth and email address and returning it in the enclosed prepaid envelope at your earliest convenience.



If you have already signed up for the e-notice but continue to receive a hard copy, please resend us the reply slip below.

E-notice reply slip

I would like to sign up for electronic correspondence concerning my share account and receive by email a copy of:

My notice of meeting as well as all documentation pertaining to Safran's **Annual General Meetings held after May 28, 2020.**

I hereby provide the following information (all fields must be completed; please write in capital letters only):

Mrs./Ms. Mr.

Last name (or corporate name): _____

First name: _____

Date of birth (mm/dd/yyyy): _____ / _____ / _____

Email: _____ @ _____

Signed in: _____, on: _____ 2020

Signature

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**POWERED
BY TRUST**

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