

2021
NOTICE OF MEETING

Shareholders' Meeting
(Ordinary and Extraordinary)

WEDNESDAY, MAY 26, 2021
at 2.00 p.m.

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

at the Safran Campus: 32, rue de Vilgénis – 91300 Massy (France)

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*The 2020 Universal
Registration
Document is available
on the website at
www.safran-group.com*



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Safran has robust fundamentals, and the Board of Directors stands firm in its support of the new Chief Executive Officer on Group-wide efforts to emerge from the crisis in stronger shape and face the future with confidence. The Board of Directors is fully aware of the strategic importance of the climate challenge, and will be working with the Director responsible for monitoring climate issues to ensure the Group achieves its climate roadmap.



ROSS McINNES

Chairman of the Board of Directors

To the Shareholders,

This year, **Safran's Annual General Meeting will once again be held behind closed doors**, without the physical presence of shareholders because the Covid-19 pandemic and the current administrative measures in place prevent you from physically attending the Meeting⁽¹⁾.

This decision was made by the Board of Directors, for both public health and regulatory reasons, and in order to protect your health and safety at all times.

As was the case last year, the customary procedures have been adapted to the circumstances, **so as to enable you to participate in this important information and decision-making event. Consequently, the Meeting will be broadcast live on the Company's website, and various communication channels will be set up to facilitate shareholder dialogue.**

In these circumstances, I would like to thank you for your active participation in the decisions on the agenda, by casting your votes in advance of the Meeting.

I invite you to carefully read the information on the following pages, setting out how to participate in our Meeting.

Best regards,

Ross McInnes

(1) French government ordonnance (order) 2020-321 of March 25, 2020 and Decree No. 2020-418 of April 10, 2020, extended by Decree No. 2021-255 of March 9, 2021.



PARTICIPATING IN THE MEETING

NOTICE

Safran has decided to use the provisions available under French government *ordonnance* (order) 2020-321 of March 25, 2020 and Decree No. 2020-418 of April 10, 2020, extended by Decree No. 2021-255 of March 9, 2021, adapting the rules under which shareholders and governing bodies can meet and deliberate in view of the Covid-19 epidemic.

Therefore, the Ordinary and Extraordinary Shareholders' Meeting will be held on May 26, 2021 at 2:00 p.m. behind closed doors, in the absence of shareholders and other persons who are customarily eligible to attend because the Covid-19 pandemic and the current administrative measures in place prevent them from physically attending the Meeting.

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

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.

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. In addition to shareholders' legal right to submit written questions and in order to maintain the effective shareholder dialogue to which Safran is highly committed, shareholders may also submit questions to the Company in advance of the Meeting via the Company's website. Additional arrangements will be put in place to enable shareholders to ask questions orally during the Meeting.

Shareholders are invited to read the information on the following pages carefully, setting out how to participate in the Meeting, and to regularly check the 2021 Annual General Meeting section of the Company's website: www.safran-group.com.

Scrutineers (*scrutateurs*) for the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2021:

Shareholders are hereby notified that the following persons will be appointed as Meeting scrutineers:

- Suzanne Kucharekova Milko, representing the French State and a shareholder; and
- Marc Aubry, representing the Safran Investissement corporate mutual fund and a shareholder.

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 taken this year, the Meeting will be held behind closed doors, in the absence of shareholders and other persons who are customarily eligible to attend.

However, shareholders 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.22-10-28 of the French Commercial Code (*Code de commerce*), in order for shareholders to cast a vote or appoint a proxy, their shares must be registered in their name or in the name of an authorized intermediary on their behalf no later than midnight (CET) on the second business day preceding the Meeting (i.e., May 24, 2021) 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.

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 7, 2021.

In order to be taken into account, the form to appoint, revoke or change a named proxy (including any forms submitted online), together with the proxy voting instructions, must be received no later than midnight (CET) on May 22, 2021.

The form to appoint a proxy without specifying a representative or to give proxy to the Chairman must be received no later than 3:00 p.m. (CET) on May 25, 2021. 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 25, 2021).

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.

As the Meeting will be held behind closed doors without any shareholders being physically present due to the exceptional context of the health crisis, shareholders will not be able to propose amendments or new resolutions during the Meeting.

How to exercise your voting rights

Given the evolving nature of the Covid-19 epidemic, the Annual General Meeting of May 26, 2021 will be held in the absence of shareholders and other persons who are customarily eligible to attend.

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 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.

Shareholders are invited to regularly check the 2021 Annual General Meeting section of the Company's website. This section will be updated on a regular basis, in the event of changes in the procedures for participation in the Annual General Meeting due to changes in the health situation and resulting health and/or legal requirements. The latest information can be found at: <https://www.safran-group.com/finance/general-meeting>.

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

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 7, 2021 until 3.00 p.m. (CET) on May 25, 2021.

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 that 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.

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, please 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, please 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.

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

2 – Give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying a representative 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 that 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, please 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.

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 Articles L.225-106 and L.22-10-39 of the French Commercial Code.

The proxy may not attend the Meeting physically and will only be able 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.

Under the provisions of Article 6 of Decree No. 2020-418 of April 10, 2020, the form to appoint a proxy other than the Chairman (including any forms submitted online, by way of derogation from the first sentence of Article R.225-80 of the French Commercial Code), together with the proxy voting instructions, must be received no later than the fourth day preceding the Meeting, i.e., midnight (CET) on May 22, 2021.

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 that 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, please 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>).

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 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 26, 2021), 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 form to appoint a proxy other than the Chairman must be signed in order to be valid and taken into account. The forms must be received no later than midnight (CET) May 22, 2021.

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

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 22, 2021.

The new proxy may not attend the Meeting physically and will have until midnight (CET) on May 22, 2021 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 Articles R.225-79 and R.22-10-24 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 26, 2021), 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

 **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 20, 2021). 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., no later than midnight [CET] on May 22, 2021).

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.

The **form to give proxy to the Chairman or to appoint a proxy without specifying a representative** must be received no later than **3:00 p.m. (CET) on May 25, 2021.**

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 20, 2021). 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

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

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 Articles L.225-106 and L.22-10-39 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 22, 2021.

The proxy may not attend the Meeting physically and will have until midnight (CET) on May 22, 2021 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.

Under the provisions of Article 6 of Decree No. 2020-418 of April 10, 2020, the **form to appoint a proxy other than the Chairman, together with the proxy voting instructions**, must be received no later than the fourth day preceding the Meeting, i.e., midnight (CET) on May 22, 2021.

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 20, 2021). 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.

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 22, 2021.

The new proxy may not attend the Meeting physically and will have until midnight (CET) on May 22, 2021 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.

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 26, 2021

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 26, 2021 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.

For example, 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 25, 2021); 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 3:00 p.m. (CET) on May 25, 2021.

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 midnight (CET) on May 24, 2021, the votes cast by post or online or by 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 midnight (CET) on May 24, 2021, 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.

SHAREHOLDER DIALOGUE AND DOCUMENTS MADE AVAILABLE TO SHAREHOLDERS

Shareholders' legal right to submit written questions (Covid-19)

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**. Exceptionally this year, questions must be received no later than the second business day preceding the Meeting, i.e., no later than midnight (CET) on May 24, 2021. **In light of this deadline, shareholders are recommended to submit their written questions by email.**

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

Questions covering the same or similar content may be answered jointly.

All written questions submitted, together with the responses (including the responses given during the Meeting), will be posted on the 2021 Annual General Meeting section of the Company's website, within the legal deadline.

Additional arrangements put in place by Safran to maintain shareholder dialogue

In order to maintain the effective shareholder dialogue to which the Group is highly committed, additional arrangements will be put in place:

- a dedicated module will be made available on the Company's website, through which shareholders will be able to ask questions in advance of the Meeting. The most important issues for shareholders will be identified through this module, and representative questions will then be selected and answered during the Meeting;
- a toll-free number (France only) will be made available, through which shareholders will be able to ask questions live (orally) to speakers during the Q&A portion of the Meeting.

Information on how these arrangements will work will be made available on the 2021 Annual General Meeting section of the Company's website (www.safran-group.com), which all shareholders are invited to check regularly.

PARTICIPATING IN THE MEETING

How to fill out the proxy/postal voting form

Documents made available to shareholders

For the second consecutive year, the preliminary documents for the Annual General Meeting, which are usually made available to shareholders at the Company's registered office, will be available on the Company's website at <http://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 request documents will receive them by email if their email address is known to the Company or to BNP Paribas Securities Services. Shareholders who send requests by post are invited to specify their email address if it is not known to the Company or to BNP Paribas Securities Services.

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. Admittance cards will not be issued and shareholders must vote or give proxy in advance of the Annual General Meeting.

To fill out the proxy/postal voting form:

If you choose "VOTE BY POST", there are 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;
- **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.

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.

(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 in Article R.225-88 of the French Commercial Code, as well as the specific regulations currently in force relating to the Covid-19 pandemic (French government ordonnance [order] 2020-321 of March 25, 2020 and Decree No. 2020-418 of April 10, 2020, extended by Decree No. 2021-255 of March 9, 2021).

As the Meeting will be held behind closed doors, **YOU SHOULD 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 DÉSIRES ASSISTER À CETTE ASSEMBLÉE et demande une carte d'admission - date 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 85 447 187,80 €
 Siège social :
 2, boulevard du Général Martial Valin 75015 PARIS
 562 082 909 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE
 Mercredi 26 mai 2021 à 14 heures
 A huis clos (hors la présence physique des actionnaires)
 Au campus Safran - 32 rue de Vilgénis - 91300 MASSY
COMBINED GENERAL MEETING
 Wednesday, May 26th, 2021 at 2.00 pm
 Behind closed doors (without any shareholders being physically present)
 At campus Safran - 32 rue de Vilgénis - 91300 MASSY

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

Identifiant - Account

Nominatif Registered
 Porteur Bearer

Vote simple Single vote
 Vote double Double vote

Nombre de voix - Number of voting rights

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.

Non / No	1	2	3	4	5	6	7	8	9	10	Oui / Yes	A	B
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"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
Non / No	11	12	13	14	15	16	17	18	19	20	Oui / Yes	C	D
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"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
Non / No	21	22	23	24	25	26	27	28	29	30	Oui / Yes	E	F
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"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
Non / No	31	32	33	34	35	36	37	38	39	40	Oui / Yes	G	H
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"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
Non / No	41	42	43	44	45	46	47	48	49	50	Oui / Yes	J	K
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"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>

Sur les projets de résolutions non agréés, je vote en noircissant la case correspondant à mon choix.
 On the draft resolutions not approved, I cast my vote by shading the box of my choice.

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 / I 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)) M., 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 à la banque / by the bank 22/05/2021 / May 22, 2021
 sur 2^e convocation / on 2nd notification 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

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 Cf. au verso (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) et ne peuvent être effectuées à l'aide de ce formulaire).
 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

Remember to check the box corresponding to your choice if applicable

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



AGENDA

ORDINARY RESOLUTIONS

- First resolution:** Approval of the parent company financial statements for the year ended December 31, 2020
- Second resolution:** Approval of the consolidated financial statements for the year ended December 31, 2020
- Third resolution:** Appropriation of profit for the year and approval of the recommended dividend
- Fourth resolution:** Approval of two related-party agreements governed by Article L.225-38 of the French Commercial Code entered into with BNP Paribas
- Fifth resolution:** Ratification of the appointment of Olivier Andriès as a Director
- Sixth resolution:** Re-appointment of Hélène Auriol Potier as a Director
- Seventh resolution:** Re-appointment of Sophie Zurquiyah as a Director
- Eighth resolution:** Re-appointment of Patrick Pélata as a Director
- Ninth resolution:** Appointment of Fabienne Lecorvaisier as an independent Director to replace Odile Desforges
- Tenth resolution:** Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2020 to the Chairman of the Board of Directors
- Eleventh resolution:** Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2020 to the Chief Executive Officer
- Twelfth resolution:** Approval of the disclosures required under Article L.225-37-3-1 of the French Commercial Code concerning the compensation of corporate officers
- Thirteenth resolution:** Approval of the compensation policy applicable to the Chairman of the Board of Directors
- Fourteenth resolution:** Approval of the compensation policy applicable to the Chief Executive Officer
- Fifteenth resolution:** Approval of the compensation policy applicable to the Directors
- Sixteenth resolution:** Authorization for the Board of Directors to carry out a share buyback program

EXTRAORDINARY RESOLUTIONS

Seventeenth resolution:	Deletion of references to Class A Preferred Shares in the bylaws – Corresponding amendments to Articles 7, 9, 11 and 12 and deletion of Article 36 of the bylaws
Eighteenth resolution:	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
Nineteenth resolution:	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 other than offers governed by Article L.411-2, 1° 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
Twentieth resolution:	Authorization for the Board of Directors to issue ordinary 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
Twenty-first resolution:	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 an offer governed by Article L.411-2, 1° 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
Twenty-second resolution:	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 18 th , 19 th , 20 th or 21 st resolutions), which may not be used during, or in the run-up to, a public offer for the Company's shares
Twenty-third resolution:	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
Twenty-fourth resolution:	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 other than offers governed by Article L.411-2, 1° 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
Twenty-fifth resolution:	Authorization for the Board of Directors to issue ordinary 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
Twenty-sixth resolution:	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 an offer governed by Article L.411-2, 1° 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
Twenty-seventh resolution:	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 23 rd , 24 th , 25 th or 26 th resolutions), which may only be used during, or in the run-up to, a public offer for the Company's shares
Twenty-eighth resolution:	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
Twenty-ninth resolution:	Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares
Thirtieth resolution:	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

RESOLUTION CONCERNING POWERS TO CARRY OUT FORMALITIES

Thirty-first resolution:	Powers to carry out formalities
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REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

Report of the Board of Directors on the resolutions proposed to the Annual General Meeting and text of the proposed resolutions

The proposed resolutions that will be submitted for shareholder approval at Safran's Annual General Meeting on May 26, 2021 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 MEETING

ORDINARY RESOLUTIONS

Approval of the parent company and consolidated financial statements for the year ended December 31, 2020

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, 2020 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 2020 with profit of €1,647 million;
- the consolidated financial statements show attributable profit for the year amounting to €352 million.

Text of the first resolution

Approval of the parent company financial statements for the year ended December 31, 2020

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, 2020 as presented – showing profit for the year of €1,647,405,155.68 – 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 €341,065 and gave rise to a tax charge of €98,650.

Text of the second resolution

Approval of the consolidated financial statements for the year ended December 31, 2020

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, 2020 as presented, together with the transactions reflected in those financial statements and referred to in those reports.

Appropriation of profit for the year and approval of the recommended dividend

Presentation of the third resolution

The Company's distributable profit for 2020 totals €4,305 million, breaking down as €1,647 million in profit for the year plus €2,658 million in retained earnings brought forward from the previous year. As a reminder, it was decided at the Annual General Meeting of May 28, 2020, following a recommendation from the Board of Directors, to allocate the full amount of profit for 2019 to retained earnings.

The Board of Directors recommends paying a dividend of €0.43 per share, corresponding to a total payout of €183.7 million based on the 427,235,939 shares making up the Company's capital at December 31, 2020 (see section 7.2.1 of the 2020 Universal Registration Document), representing a 22% payout ratio.

The remaining €4,122 million of distributable profit would be allocated to retained earnings.

The total payout of €183.7 million (and, consequently, the amount allocated to retained earnings) will be adjusted to take into account new shares with dividend rights issued before the ex-dividend date (including shares issued upon exercise of stock options) and the number of shares held in treasury at that date for which the dividend is credited to retained earnings.

For individual shareholders domiciled for tax purposes in France, this dividend will be subject to the 12.8% flat-rate tax provided for in Article 200-A of the French Tax Code. This flat-rate tax will automatically apply unless the taxpayer expressly opts to be taxed based on the standard income tax bands for all of his or her investment income. For shareholders who exercise this option, the dividend will be eligible for the 40% tax relief provided for in Article 158-3-2° of the French Tax Code.

The ex-dividend date will be May 31, 2021 and the dividend will be paid on June 2, 2021.

Text of the third resolution

Appropriation of profit for the year and approval of the recommended dividend

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, 2020 as follows:

Profit for 2020	€1,647,405,155.68
Retained earnings ⁽¹⁾	€2,658,092,750.94
Profit available for distribution	€4,305,497,906.62
Appropriation:	
■ Dividend	€183,711,453.77
■ Retained earnings	€4,121,786,452.85

(1) Including the full amount of profit for 2019 allocated to retained earnings.

Accordingly, the dividend paid will be €0.43 per share.

For individual shareholders domiciled for tax purposes in France, this dividend will be subject to the 12.8% flat-rate tax provided for in Article 200-A of the French Tax Code. This flat-rate tax will automatically apply unless the taxpayer expressly opts to be taxed based on the standard income tax bands for all of his or her investment income. For shareholders who exercise this option, the dividend will be eligible for the 40% tax relief provided for in Article 158-3-2° of the French Tax Code.

The ex-dividend date will be May 31, 2021 and the dividend will be paid on June 2, 2021.

The shareholders resolve that in the event of an increase or decrease in the number of shares carrying dividend rights at the ex-dividend date, the dividend payout and also the amount allocated to retained earnings will be adjusted accordingly.

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
2019	0	0	0
2018	431,474,040	€1.82	€785,282,752.80 ⁽²⁾
2017	434,570,199	€1.60	€695,312,318.40 ⁽²⁾

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

(2) 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.

Related-party agreements

Presentation of the fourth resolution

Two related-party agreements were entered into in 2020 with BNP Paribas, of which Monique Cohen, a Director of Safran, is also a Director. Both agreements were authorized by the Board of Directors on March 26, 2020 and are submitted for the approval of the Annual General Meeting.

The two agreements are linked:

Related-party agreement of March 31, 2020 with BNP Paribas relating to the arrangement, underwriting and syndication of a credit facility

On March 31, 2020, Safran and BNP Paribas entered into an agreement relating to the arrangement, underwriting and syndication of a €3 billion credit facility with a term of up to two years. Under the agreement, the Group was able to rapidly set up a €3 billion syndicated credit facility with a term of up to two years, supplementing its liquidity reserves and helping to prudently maintain Safran's financial flexibility during the Covid-19 crisis (see agreement of April 22, 2020 below). Under the terms of the agreement, BNP Paribas committed to arranging the structure of the credit facility, underwriting the full amount (€3 billion) and syndicating the facility with other credit institutions. Safran appointed BNP Paribas because of the bank's leading position on the market and its commitment to underwrite the full amount and to syndicate the facility in a very short space of time, thereby making the additional liquidity reserve available to the Group as quickly as possible. The agreement was entered into under the market conditions prevailing at the date of signature for this type of transaction.

The agreement is presented in the Statutory Auditors' special report in section 8.5.1 of the 2020 Universal Registration Document and below, including an indication of the expense recorded in Safran's 2020 financial statements in respect of the commission paid to BNP Paribas.

Related-party agreement of April 22, 2020 with BNP Paribas and a pool of banks relating to a syndicated credit facility

On April 22, 2020, Safran, BNP Paribas and a pool of banks entered into an agreement relating to a syndicated credit facility for an amount of €3 billion and a term of up to two years. The €3 billion syndicated credit facility with a term of up to two years supplements the Group's liquidity reserves and has helped to prudently maintain the Group's financial flexibility during the Covid-19 crisis. Under the terms of the agreement, BNP Paribas acts as underwriter, bookrunner, mandated lead arranger, agent and initial lender for €285 million (highest amount equal to the amount allocated to other initial lenders that are also mandated lead arrangers). Safran appointed BNP Paribas because of the bank's leading position on the market, further to the abovementioned related-party agreement of March 31, 2020. The agreement was entered into under the market conditions prevailing at the date of signature for this type of transaction and the commission and interest will be shared between the banks that are party to the agreement, including BNP Paribas, pro rata to their involvement in the credit facility.

The agreement is presented in the Statutory Auditors' special report in section 8.5.1 of the 2020 Universal Registration Document and below, including an indication of the expense recorded in Safran's 2020 financial statements in respect of the commission paid to BNP Paribas.

Text of the fourth resolution

Approval of two related-party agreements governed by Article L.225-38 of the French Commercial Code entered into with BNP Paribas

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Statutory Auditors' special report on the related-party agreements governed by Article L.225-38 of the French Commercial Code (*Code de commerce*), the shareholders approve the conclusions of the report and the agreements entered into with BNP Paribas in 2020, as described therein.

Ratification of the appointment of Olivier Andriès as a Director

Presentation of the fifth resolution

At its December 16, 2020 meeting, the Board of Directors appointed Olivier Andriès as a Director, in accordance with Article 19.2 of the Company's bylaws and the applicable law, replacing Philippe Petitcolin who stepped down from the Board. Olivier Andriès' term as a Director took effect on January 1, 2021, at the same date as he became Chief Executive Officer, for the remainder of his predecessor's term of office, i.e., until the close of the Annual General Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022.

This appointment reflects the Board's continuing belief that it is useful, necessary and of real value for the Chief Executive Officer to also be a Director of the Company, as it enables the Chief Executive Officer to be among his peers around the Board table, and also allows the Board to benefit from his contribution to its discussions.

In accordance with the compensation policy applicable to the Chief Executive Officer (see section 6.6.1.4 of the 2020 Universal Registration Document) and the compensation policy applicable to the Directors (see section 6.6.1.5 of the 2020 Universal Registration Document), Olivier Andriès will not receive any compensation in his capacity as a Director of the Company (formerly "attendance fees").

The shareholders are invited to ratify the temporary appointment of Olivier Andriès by the Board of Directors.

The profile of Olivier Andriès is presented in section 6.2.2 of the 2020 Universal Registration Document and below.

Text of the fifth resolution

Ratification of the appointment of Olivier Andriès as a Director

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 December 16, 2020 to appoint Olivier Andriès as a Director, to replace Philippe Petitcolin for the remainder of his term of office, i.e., until the close of the Annual General Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022.

Expiration of terms of office – Re-appointments and appointment

Presentation of the sixth to ninth resolutions

The terms of office of the following independent Directors are due to expire at the close of the Annual General Meeting to be held on May 26, 2021: Hélène Auriol Potier, Odile Desforges, Patrick Péлата and Sophie Zurquiyah. The shareholders are invited to vote on the proposals to fill these vacancies.

Re-appointment of Hélène Auriol Potier (6th resolution) and Sophie Zurquiyah (7th resolution) as Directors

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has decided that it wishes to continue to benefit from the expertise of Hélène Auriol Potier and Sophie Zurquiyah and is therefore putting forward these two independent Directors for re-appointment for four-year terms expiring at the close of the Annual General Meeting to be held in 2025.

Hélène Auriol Potier brings to the Board her experience as a Director as well as her experience of leading international corporations, an international outlook, and expertise and vision in digital technologies and transformation. She is a member of the Appointments and Compensation Committee and the Innovation, Technology & Climate Committee.

Sophie Zurquiyah brings to the Board her experience of heading up innovative global corporations specialized in high-tech industrial equipment and services, as well as an international outlook, expertise in various operational and corporate positions, and her extensive knowledge of North America and Latin America. She is a member of the Audit and Risk Committee.

The profiles of these Directors are presented in section 6.2.2 of the 2020 Universal Registration Document and below.

Re-appointment of Patrick Péлата, Director responsible for monitoring climate issues, as a Director (8th resolution)

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has decided that it wishes to continue to benefit from the expertise of Patrick Péлата and is therefore putting forward this independent Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2025.

Ordinary resolutions

The Board of Directors is fully aware of the strategic importance of climate issues for the aerospace industry, an awareness that it shares with the Company's shareholders. Accordingly, on February 24, 2021, the Board of Directors decided to appoint a "Director responsible for monitoring climate issues" (see section 6.2.3 of the 2020 Universal Registration Document for a description of the Director's roles and responsibilities) and renamed the Innovation and Technology Committee the "Innovation, Technology & Climate Committee" (see sections 6.3.2 and 6.3.4 of the 2020 Universal Registration Document for a description of the Committee's extended roles and responsibilities). The Board felt that the obvious choice for the role of Director responsible for monitoring climate issues would be the Chairman of the Innovation, Technology & Climate Committee, Patrick Pélatà, who accepted the appointment. He will embody and represent the Board's commitment on climate issues. He will take the lead in ensuring follow-up of the climate action plan by the Innovation, Technology & Climate Committee. Within this scope, he and this Committee will be involved in monitoring and overseeing Executive Management's climate action plan and in preparing information intended for publication by the Company and for presentation to the Annual General Meeting. He will be informed of questions from the shareholders on matters falling within the scope of his role and, where necessary, will make himself available to discuss those matters with them, in conjunction with the Chairman of the Board of Directors.

If Patrick Pélatà is re-appointed, the shareholders would also be expressing their support of the Board and Executive Management in their deployment of the Company's climate strategy.

Safran's climate strategy and action plan will be presented at the Annual General Meeting of May 26, 2021 (see the Integrated Report at the beginning of the 2020 Universal Registration Document).

Patrick Pélatà also brings to the Board his experience of leading innovative, high-tech industrial groups on an international scale, as well as his expertise in strategy, consulting and industrialization in the digital age and his experience as a Director. He is also a member of the Appointments and Compensation Committee.

His profile is presented in section 6.2.2 of the 2020 Universal Registration Document and below.

Appointment of Fabienne Lecorvaisier as an independent Director to replace Odile Desforges (9th resolution)

Odile Desforges - whose term of office as a Director is due to expire at the Annual General Meeting of May 26, 2021 - has informed the Board that she does not wish to be re-appointed. If she were re-appointed, she would lose her status as an independent Director before her renewed term of office expires, due to the fact that she would have served on the Board for more than 12 years.

At the Annual General Meeting of May 26, 2021, the shareholders are invited to appoint Fabienne Lecorvaisier as an independent Director to replace Odile Desforges, for a four-year term expiring at the close of the Annual General Meeting to be held in 2025.

She has all of the qualities that the Company was seeking during the selection process (see section 6.2.6.4 of the 2020 Universal Registration Document). Fabienne Lecorvaisier would bring to the Board the experience that she has gained in various functions within international industrial groups in France and overseas, as well as her expertise as a Chief Financial Officer and her experience as a Director. She also has the skills, profile and ability to take on other tasks and responsibilities required of a Board member, notably in the areas of strategy, energy transition, risk and financial transaction management, and wide-reaching projects.

If appointed, Fabienne Lecorvaisier will join the Audit and Risk Committee.

The profile of Fabienne Lecorvaisier is presented in section 8.2.4 of the 2020 Universal Registration Document and below.

If the shareholders follow the Board's recommendations and adopt the resolutions relating to the re-appointments and new appointment, this will enable the proportion of independent Directors to remain at 64.3% and the proportion of women at 42.86%, which complies with the law.

Text of the sixth resolution

Re-appointment of Hélène Auriol Potier as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Hélène Auriol Potier as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024.

Text of the seventh resolution

Re-appointment of Sophie Zurquiyah as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Sophie Zurquiyah as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024.

Text of the eighth resolution

Re-appointment of Patrick Pélatà as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Patrick Pélatà as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024.

Text of the ninth resolution

Appointment of Fabienne Lecorvaisier as an independent Director to replace Odile Desforges

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders appoint Fabienne Lecorvaisier as a Director to replace Odile Desforges whose term of office is due to expire at the close of this Meeting.

Fabienne Lecorvaisier is appointed for a four-year term expiring at the close of the Annual General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024.

Approval of the components of compensation and benefits paid during or awarded for 2020 to the corporate officers

Presentation of the tenth and eleventh resolutions – Specific votes on the compensation of the Chairman of the Board of Directors, Ross McInnes, and the former Chief Executive Officer until December 31, 2020, Philippe Petitcolin

At the Annual General Meeting of May 28, 2020, 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 8th resolution, and (ii) the Chief Executive Officer, in the 9th resolution (*ex-ante* vote).

The Board set the respective compensation packages for the Chairman and the Chief Executive Officer for 2020 in accordance with these policies.

For several years now, shareholders have been asked to vote on the individual 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 the applicable regulations⁽¹⁾, the specific vote concerning each corporate officer covers the fixed, variable and exceptional components of the total compensation and benefits paid during the previous year (i.e., cash compensation paid to the officer in 2020, whatever the year to which it relates) or awarded for that year (i.e., share-based and/or cash compensation awarded in respect of the work performed in 2020, 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, the shareholders will be asked to approve the components of the compensation and benefits paid during or awarded for 2020 to the Chairman and the former 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 sections 6.6.2.1 and 6.6.3.1 of the 2020 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 annual variable compensation for 2020 of the former Chief Executive Officer, Philippe Petitcolin, whose term of office ended on December 31, 2020, is therefore subject to shareholders' approval at the Annual General Meeting of May 26, 2021.

Consequently:

- in the 10th 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 2020 to Ross McInnes, Chairman of the Board of Directors; and
- in the 11th 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 2020 to Philippe Petitcolin, the former Chief Executive Officer until December 31, 2020.

(1) French government ordonnance (order) 2019-1234 dated November 27, 2019 and Article L.225-100-III and Article L.22-10-34-II of the French Commercial Code.

COMPONENTS OF THE COMPENSATION PAID DURING OR AWARDED FOR 2020 TO ROSS MCINNES, CHAIRMAN OF THE BOARD OF DIRECTORS

Compensation components put to the vote	Amounts paid during 2020	Amounts awarded for 2020 or accounting value	Presentation
Fixed compensation (2020)	€450,000 Awarded for 2020 and paid in 2020	See opposite	At its meeting on March 26, 2020, 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 2020, i.e., unchanged from 2019 (see section 6.6.2.1 of the 2020 Universal Registration Document).
Annual variable compensation (2020)	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 2020.
Benefits-in-kind	N/A	€6,155.18 (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			No specific supplementary pension system was in place for the Chairman of the Board of Directors.
	€0	N/A	<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 2020 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, and most recently through the adoption of the 12th resolution of the May 28, 2020 Annual General Meeting relating to the compensation policy for the Chairman, which included said supplementary pension benefits.</p> <p>The expenses recorded in the 2020 financial statements relating to the contributions paid for Ross McInnes under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €12,135.12 and €14,191.92 respectively.</p> <p>At December 31, 2020, 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 €8,373.36 and €2,560.97 respectively.</p>

Compensation components put to the vote	Amounts paid during 2020	Amounts awarded for 2020 or accounting value	Presentation
	Additional payment: €43,762.56	N/A	<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 2020 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).</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>Under the Article 82 Plan, the Insurer Contribution and Additional Payment for the Chairman for 2020 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>The shareholders most recently authorized the Chairman to be included as a beneficiary under this supplementary pension system through the adoption of the 12th resolution of the May 28, 2020 Annual General Meeting relating to the compensation policy for the Chairman, which included said supplementary pension benefits.</p> <p>At December 31, 2020, the estimated theoretical amount⁽²⁾ of the annuity that could be paid to Ross McInnes under the Article 82 Plan was €6,861.</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⁽³⁾ 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 2020 Universal Registration Document).</p> <p>The shareholders most recently authorized the Chairman to be included as a beneficiary under this supplementary pension system through the adoption of the 12th resolution of the May 28, 2020 Annual General Meeting relating to the compensation policy for the Chairman, which included said supplementary pension benefits.</p> <p>At December 31, 2020, 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 2021 value of the PASS).</p>

(1) Not applicable.

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2021, 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).

COMPONENTS OF THE COMPENSATION PAID DURING OR AWARDED FOR 2020 TO THE FORMER CHIEF EXECUTIVE OFFICER, PHILIPPE PETITCOLIN, WHOSE TERM OF OFFICE ENDED ON DECEMBER 31, 2020

Compensation components put to the vote	Amounts paid during 2020	Amounts awarded for 2020 or accounting value	Presentation
Fixed compensation (2020)	€800,000 Awarded for 2020 and paid in 2020	See opposite	At its meeting on March 26, 2020, 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 2020, i.e., unchanged from 2019 (see section 6.6.2.3.1 of the 2020 Universal Registration Document).
Annual variable compensation (2020)	€964,444 (for information) Amount awarded for 2019 that was paid in 2020 (see section 6.6.2.2 of the 2019 Universal Registration Document) Payment of his annual variable compensation for 2019 was approved by the shareholders at the Annual General Meeting of May 28, 2020	€309,333 Awarded for 2020 and payable in 2021 Payment of the former Chief Executive Officer's annual variable compensation for 2020 is subject to shareholders' approval at the Annual General Meeting of May 26, 2021	Philippe Petitcolin's annual variable compensation for 2020 was determined by the Board of Directors in accordance with the compensation policy approved by the shareholders at the Annual General Meeting of May 28, 2020 (see section 6.6.1.4 of the 2019 Universal Registration Document) and described in section 6.6.2.3.1 of the 2020 Universal Registration Document. At its meeting on February 24, 2021, the Board of Directors reviewed the achievement of the objectives set for the variable compensation payable to the Chief Executive Officer for 2020, after consultation with the Appointments and Compensation Committee. Following this review, it set Philippe Petitcolin's variable compensation for 2020 at €309,333, i.e., 38.7% of his annual fixed compensation. This amount reflects: <ul style="list-style-type: none"> ■ an overall achievement rate of 9% for the portion related to the Group's financial performance (accounting for two-thirds of the variable compensation), for which the objectives related to: <ul style="list-style-type: none"> • recurring operating income (ROI) (60% weighting): 0% achievement, • free cash flow (FCF) (30% weighting): 0% achievement, • working capital, comprising the following components: operating assets (Inventories) (5% weighting): 110% achievement; and unpaid receivables (5% weighting): 71% achievement; ■ an overall achievement rate of 98% for the portion related to individual quantitative and qualitative performance objectives (accounting for one-third of the variable compensation), as detailed in section 6.6.2.3.1 of the 2020 Universal Registration Document.
Multi-year variable compensation	N/A⁽¹⁾	N/A	No multi-year variable compensation was awarded to Philippe Petitcolin for 2020.
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 Performance shares: N/A	Stock options: N/A Performance shares: N/A	Philippe Petitcolin did not receive any stock options. No performance shares were granted to the Chief Executive Officer for 2020, given that his term of office was due to expire at the end of 2020. For information: Philippe Petitcolin was granted entitlements to performance shares under the 2018 and 2019 Long-Term Incentive Plans, which were presented to and approved by the shareholders at the two most recent Annual General Meetings during the votes on the Chief Executive Officer's compensation (see section 6.6.2.4 of the 2020 Universal Registration Document). As stated in the compensation policy for the Chief Executive Officer approved in the 13 th resolution of the May 28, 2020 Annual General Meeting (see the compensation policy applicable to the Chief Executive Officer set out in section 6.6.1.4 of the 2019 Universal Registration Document), the plan rules provide that if the Chief Executive Officer retires before the plans reach the end of their vesting periods, the Chief Executive Officer can retain his entitlements proportionately to the amount of time served within the Group during the vesting period. The rules also allow the Board of Directors to grant exemptions from the continuing service condition and to decide

Compensation components put to the vote	Amounts paid during 2020	Amounts awarded for 2020 or accounting value	Presentation
			<p>to maintain all or part of the entitlements. Pursuant to these provisions and further to Philippe Petitcolin's decision to retire with effect from March 1, 2021, the Board of Directors decided to maintain his entitlements beyond those proportionate to his length of service during the vesting period. This decision was taken in light of (i) the impact of the decisions taken under his leadership on the remaining duration of the plan vesting periods, and (ii) the performance conditions to be met in respect of the plans, which are especially challenging in the current health crisis.</p> <p>Accordingly, Philippe Petitcolin maintains his entitlements to:</p> <ul style="list-style-type: none"> ■ a maximum of 13,600 shares under the 2018 Long-Term Incentive Plan, for which the vesting period began on July 24, 2018 and ends on July 26, 2021 (11,767 shares in proportion to his length of service to retirement and 1,833 shares beyond that period); ■ a maximum of 13,350 shares under the 2019 Long-Term Incentive Plan, for which the vesting period began on March 27, 2019 and ends on March 29, 2022 (8,560 shares in proportion to his length of service to retirement and 4,790 shares beyond that period). <p>These performance share entitlements remain subject to the performance conditions provided for in the plans. The number of shares that will effectively be delivered on expiration of the plan vesting periods (July 26, 2021 for the 2018 Long-Term Incentive Plan and March 29, 2022 for the 2019 Long-Term Incentive Plan, as vesting is not accelerated) will depend on the actual rate of achievement of the various conditions, as presented in section 6.6.4.2 of the 2019 Universal Registration Document. The number of shares delivered may be between zero and the abovementioned maximum volumes (see section 6.6.4.3 of the 2020 Universal Registration Document).</p>
	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 2020.
Value of benefits-in-kind	N/A	€6,196.53 (accounting value)	Philippe Petitcolin had the use of a company car.
Termination benefits	N/A	N/A	<p>Philippe Petitcolin was not entitled to any termination benefits in his capacity as Chief Executive Officer.</p> <p>As indicated in section 6.6.2.3.2 of the 2020 Universal Registration Document, Philippe Petitcolin's employment contract automatically came back into effect when his term of office as Chief Executive Officer ended on January 1, 2021, and Philippe Petitcolin decided to retire as from March 1, 2021.</p>
Supplementary pension	N/A	€0	<p>No specific supplementary pension plan was in place for the Chief Executive Officer.</p> <p>"Article 83" defined contribution plans</p> <p>In accordance with a decision taken by the Board of Directors on February 26, 2018, Philippe Petitcolin was 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 sections 6.6.1.4 and 6.6.2.3.1 of the 2020 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 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.</p> <p>The expenses recorded in the 2020 financial statements relating to the contributions paid for Philippe Petitcolin under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €28,589.52 and €14,191.92 respectively.</p> <p>At December 31, 2020, the estimated theoretical amount⁽²⁾ of the annuities that could be paid to Philippe Petitcolin under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €31,896.29 and €2,777.16 respectively.</p>

Ordinary resolutions

Compensation components put to the vote	Amounts paid during 2020	Amounts awarded for 2020 or accounting value	Presentation
	Additional payment: €224,136	N/A	<p>“Article 82” defined contribution plan</p> <p>In accordance with a decision taken by the Board of Directors on March 23, 2017, Philippe Petitcolin was a beneficiary of Safran’s defined contribution supplementary pension plan set up in France (see sections 6.6.1.4 and 6.6.2.3.1 of the 2020 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 2020 totaled €224,136 each (i.e., €448,272 altogether), corresponding in each case to 12.735% of his reference compensation (25.47% in total).</p> <p>At December 31, 2020, the estimated theoretical amount⁽²⁾ of the annuity that could be paid to Philippe Petitcolin under the Article 82 Plan was €34,605.</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 sections 6.6.1.4 and 6.6.2.2 of the 2020 Universal Registration Document), subject to the same terms and conditions as the other plan members. Mr. Petitcolin was originally a beneficiary of this plan prior to his term of office as Chief Executive Officer, 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 2020 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, 2020, 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 2021 value of the PASS).</p>
	N/A	N/A	See section 6.6.2.3.2 of the 2020 Universal Registration Document for information regarding the conditions of departure of Philippe Petitcolin following his decision to retire with effect from March 1, 2021.

(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.

Text of the tenth resolution

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2020 to the Chairman of the Board of Directors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.22-10-34-II 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 for 2020 to Ross McInnes, Chairman of the Board of Directors, 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 2020 Universal Registration Document.

Text of the eleventh resolution

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2020 to the Chief Executive Officer

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.22-10-34-II 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 for 2020 to Philippe Petitcolin, in his capacity as Chief Executive Officer until December 31, 2020, 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 6.6.2.3.1) of the 2020 Universal Registration Document.

Presentation of the twelfth resolution – Vote on the total compensation paid to corporate officers in 2020

In accordance with French government *ordonnance* 2019-1234 dated November 27, 2019 concerning the compensation packages of corporate officers of listed companies, the shareholders are invited for the second time 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 2020 Universal Registration Document.

In addition to the disclosures concerning the compensation and benefits of the Chairman of the Board, Ross McInnes, and the former Chief Executive Officer until December 31, 2020, Philippe Petitcolin, which will be put to the vote in the 10th and 11th resolutions presented above, they include disclosures on the compensation allocated to the Directors (see section 6.6.3 of the 2020 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 (see section 6.6.2.5 of the 2020 Universal Registration Document), and a certain number of other disclosures required under the applicable regulations (specifically, Article L.22-10-9-I of the French Commercial Code).

A concordance table for all of these disclosures is provided in section 6.7 of the 2020 Universal Registration Document.

Text of the twelfth resolution

Approval of the disclosures required under Article L.22-10-9-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.22-10-34 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 2020 to the corporate officers as consideration for their duties, the shareholders approve the disclosures required under Article L.22-10-9-I of the French Commercial Code, as presented to the Annual General Meeting in the aforementioned corporate governance report.

Compensation policies

Presentation of the thirteenth to fifteenth resolutions

In compliance with Article L.22-10-8 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 of the Board, 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.

Ordinary resolutions

These specific policies are disclosed in section 6.6.1 of the 2020 Universal Registration Document and below. This section presents:

- the principles and rules for determining the compensation and any benefits for all corporate officers;
- the specific compensation policy for the Chairman of the Board of Directors. No changes have been made that alter the substance of this policy compared with the compensation policy approved at the last Annual General Meeting;
- the specific compensation policy for the Chief Executive Officer, which may be adapted and applied to any Deputy Chief Executive Officer(s). No changes have been made that alter the substance of this policy compared with the compensation policy approved at the last Annual General Meeting. Provided that this policy is approved at the May 26, 2021 Annual General Meeting, it will also apply for 2021 to Olivier Andriès, Safran's new Chief Executive Officer, who took up office on January 1, 2021;
- the specific compensation policy for Directors. The principles, terms and conditions and amounts of this policy are unchanged compared with those approved at the May 28, 2020 Annual General Meeting.

The 2021 policies have been approved by the Board of Directors and will be submitted to a shareholder vote at the Annual General Meeting on May 26, 2021.

At the May 26, 2021 Annual General Meeting, shareholders are invited to approve the compensation policies that will be applicable to the Chairman of the Board of Directors (13th resolution) and the Chief Executive Officer (14th resolution), as well as the compensation policy that will be applicable to the Directors (15th resolution).

Text of the thirteenth 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.22-10-8 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 2020 Universal Registration Document.

Text of the fourteenth 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.22-10-8 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 2020 Universal Registration Document.

Text of the fifteenth 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.22-10-8 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 2020 Universal Registration Document.

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

Presentation of the sixteenth resolution

Share buyback program

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, 42,723,593 shares based on the issued capital at December 31, 2020) 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. Accordingly, the maximum purchase price would be set at €165 and the maximum amount that could be invested in the program would be €7 billion. The maximum purchase price 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, pursuant to the share capital reduction authorization in effect, granted by the Annual General Meeting.

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 15th resolution of the Annual General Meeting of May 28, 2020.

Report on the utilization in 2020 of previous shareholder-approved share buyback programs

On May 18, 2020, Safran announced that it had mandated an investment services provider to purchase, subject to market conditions, up to 62,500 ordinary Safran shares representing 0.01% of the Company's share capital as of April 30, 2020, for allocation to employee free share plans. The buyback period under the mandate ran until May 22, 2020. A total of 62,500 ordinary shares were bought back by the investment services provider on the Company's behalf in 2020.

In 2020, the aggregate number of shares purchased under the liquidity agreement entered into with Oddo BHF SCA amounted to 2,495,729.

The total number of shares sold under this liquidity agreement during the year amounted to 2,418,296.

At December 31, 2020, Safran held 319,284 of its own shares, representing 0.07% of its capital.

These treasury shares were held for the following purposes:

- for allocation or sale to employees: 40,084 shares, representing 0.009% 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: 266,000 shares, representing 0.06% of the Company's capital;
- for cancellation: 0.

Text of the sixteenth 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.22-10-62 *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 other Group companies, in accordance with the terms and conditions provided for by law, notably in connection with a profit-sharing plan, free share grants, the exercise of stock options, 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.

REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

Extraordinary resolutions

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, 42,723,593 shares based on the issued capital at December 31, 2020). 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 15th resolution of the Annual General Meeting of May 28, 2020.

EXTRAORDINARY MEETING

EXTRAORDINARY RESOLUTIONS

Amendments to the Company's bylaws following the conversion of Class A Preferred Shares

Presentation of the seventeenth resolution

As part of the tender offer on a principal basis, complemented on a subsidiary basis by a public exchange offer (the "Subsidiary Exchange Offer") initiated by Safran and targeting the shares of Zodiac Aerospace ("Zodiac"), 26,651,058 Class A Preferred Shares were issued as payment of the Subsidiary Exchange Offer, pursuant to the 32nd and 33rd resolutions adopted by the Extraordinary Shareholders' Meeting of June 15, 2017, which created this new class of preferred shares. These shares were allocated to Zodiac's shareholders who tendered their Zodiac shares to the Subsidiary Exchange Offer.

At said Extraordinary Shareholders' Meeting, Articles 7, 9, 11 and 12 of the bylaws were amended and a new Article 36 was inserted to establish the characteristics of the Class A Preferred Shares.

Since the Class A Preferred Shares were converted into ordinary shares on February 13, 2021 in accordance with Article 12.7 of the bylaws (see section 7.1.2.3 of the 2020 Universal Registration Document), the provisions of the bylaws relating to this share class can be deleted to simplify the bylaws.

The shareholders are therefore invited to amend Articles 7, 9, 11 and 12 of the bylaws and to delete Article 36 to remove any reference to the Class A Preferred Shares from the bylaws.

Text of the seventeenth resolution

Deletion of references to Class A Preferred Shares in the bylaws – Corresponding amendments to Articles 7, 9, 11 and 12 and deletion of Article 36 of the bylaws

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 delete references to Class A Preferred Shares from the bylaws.

The shareholders therefore resolve to amend Articles 7, 9, 11 and 12 and to delete Article 36 of the bylaws:

Article 7 of Chapter II “Share Capital – Shares” is amended as follows:

Previous wording	New wording
7.1. The Company’s share capital may be increased or reduced by way of a decision taken in a General Shareholders’ Meeting in accordance with the applicable laws and regulations and these bylaws.	7.1. The Company’s share capital may be increased or reduced by way of a decision taken in a General Shareholders’ Meeting in accordance with the applicable laws and regulations and these bylaws.
7.2. In the event of a capital increase by issue of Ordinary Shares with pre-emptive subscription rights, the shareholders have, under the conditions set out in the applicable laws and regulations, a pre-emptive right to subscribe to Ordinary Shares in proportion to the number of Class A Preferred Shares held, it being specified that holders of Class A Preferred Shares will exercise such right under the same conditions as holders of Ordinary Shares.	7.2. The shareholders may grant the Board of Directors the necessary powers to carry out such a capital increase or reduction and may also authorize the Board to decide to carry out a capital increase at its own initiative.
7.3. The shareholders may grant the Board of Directors the necessary powers to carry out such a capital increase or reduction and may also authorize the Board to decide to carry out a capital increase at its own initiative.	

Article 9 of Chapter II “Share Capital – Shares” is amended as follows:

Previous wording	New wording
9.1. Fully paid-up Ordinary Shares may be held either in registered or bearer form, at the shareholder’s discretion, subject to compliance with the provisions of the applicable laws and regulations and the Board of Directors’ Internal Rules concerning the form of shares held by certain categories of shareholder.	9.1. Fully paid-up shares may be held either in registered or bearer form, at the shareholder’s discretion, subject to compliance with the provisions of the applicable laws and regulations and the Board of Directors’ Internal Rules concerning the form of shares held by certain categories of shareholder.
9.2. The Class A Preferred Shares must be held in registered form.	9.2. In accordance with the applicable laws and regulations, the Company shall be entitled to request details of the identity of the holders of securities carrying immediate or deferred rights to vote at General Shareholders’ Meetings, as well as the number of securities held.
9.3. In accordance with the applicable laws and regulations, the Company shall be entitled to request details of the identity of the holders of securities carrying immediate or deferred rights to vote at General Shareholders’ Meetings, as well as the number of securities held.	

Article 11 of Chapter II “Share Capital – Shares” is amended as follows:

Previous wording	New wording
Shares shall be recorded in securities accounts and ownership shall be transferred by way of inter-account transfers in accordance with the applicable laws and regulations.	
11.1. Transfer of Ordinary Shares The Company’s Ordinary Shares shall be freely transferable, unless otherwise provided for under the applicable laws and regulations.	11.1. The Company’s shares shall be freely transferable, unless otherwise provided for under the applicable laws and regulations.
11.2. Transfer of Class A Preferred Shares Class A Preferred Shares may not be transferred for a period of thirty-six (36) months as from their date of issue (the “Non-transferability Period”). During the Non-transferability Period, Class A Preferred Shares may not be transferred in any way except in connection with (i) an inheritance, settlement of marital property or donation, (ii) a universal asset transfer (<i>transmission universelle de patrimoine</i>), (iii) a contribution to a public offer on the Company’s entire share capital, or (iv) the enforcement of a pledge.	11.2. Shares shall be recorded in securities accounts and ownership shall be transferred by way of inter-account transfers in accordance with the applicable laws and regulations.

REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

Extraordinary resolutions

Article 12 of Chapter II “Share Capital – Shares” is amended as follows:

Previous wording	New wording
I. Provisions common to all shares	
12.1. Each share shall entitle its holder to a proportion of the Company's profits, net assets and any liquidation surplus equal to the proportion of capital represented by the share.	12.1. Each share shall entitle its holder to a proportion of the Company's profits, net assets and any liquidation surplus equal to the proportion of capital represented by the share.
12.2. Share ownership shall automatically entitle shareholders to participate in General Meetings and to vote on resolutions, in accordance with the applicable laws and regulations and these bylaws.	12.2. Share ownership shall automatically entitle shareholders to participate in General Meetings and to vote on resolutions, in accordance with the applicable laws and regulations and these bylaws.
In addition, all shareholders shall be entitled to be informed of the Company's performance and to obtain copies of certain corporate documents at the times and under the conditions provided for by the applicable laws and regulations.	In addition, all shareholders shall be entitled to be informed of the Company's performance and to obtain copies of certain corporate documents at the times and under the conditions provided for by the applicable laws and regulations.
12.3. Shareholders shall be liable for losses only up to the amount of their capital contributions.	12.3. Shareholders shall be liable for losses only up to the amount of their capital contributions.
12.4. Where a shareholder must own a specific number of shares to exercise a particular right, notably in the event of an exchange or allocation of shares, a stock-split, reverse stock-split, a capital increase or reduction, a merger, demerger, partial asset transfer, dividend payment or any other corporate action, any shares held that fall below the required number shall not confer any rights on their holders with respect to the Company, and the shareholders concerned shall be personally responsible for obtaining the necessary number of shares or rights, including through purchases or sales of shares or rights where required.	12.4. Where a shareholder must own a specific number of shares to exercise a particular right, notably in the event of an exchange or allocation of shares, a stock-split, reverse stock-split, a capital increase or reduction, a merger, demerger, partial asset transfer, dividend payment or any other corporate action, any shares held that fall below the required number shall not confer any rights on their holders with respect to the Company, and the shareholders concerned shall be personally responsible for obtaining the necessary number of shares or rights, including through purchases or sales of shares or rights where required.
12.5. Share ownership shall automatically require shareholders to comply with these bylaws and the decisions made at General Shareholders' Meetings.	12.5. Share ownership shall automatically require shareholders to comply with these bylaws and the decisions made at General Shareholders' Meetings.
12.6. The rights and duties attached to Ordinary Shares and to Class A Preferred Shares shall be transferred with title to the shares.	12.6. The rights and duties attached to shares shall be transferred with title to the shares.
II. Rights and restrictions specific to Class A Preferred Shares	
12.7. Each Class A Preferred Share automatically becomes transferable, ranks <i>pari passu</i> with the Company's Ordinary Shares and is converted into one Ordinary Share at the first of the following two dates: (i) the end of the Non-transferability Period; (ii) the date at which the Company were to be merged into another company not controlled by it within the meaning of Article L.233-3 of the French Commercial Code.	
12.8. The Board of Directors places on record the conversion of Class A Preferred Shares into Ordinary Shares and amends the bylaws accordingly. The shareholders will be informed of the conversions in the reports of the Board of Directors and of the Statutory Auditors in accordance with Article R.228-18 of the French Commercial Code. These complementary reports will be made available to shareholders at the Company's registered office no later than 60 days following the Board of Directors' meeting, and will be presented to the next General Shareholders' Meeting.	

Article 36 of Chapter IV “General Shareholders' Meetings” is amended as follows:

Previous wording	New wording
36.1. Holders of Class A Preferred Shares are consulted, under the conditions provided for by law, on matters falling specifically within their remit under the terms of the law. Special Shareholders' Meetings are called for holders of Class A Preferred Shares to decide on any changes in the rights attached to this class of share.	Reserved
36.2. A Special Shareholders' Meeting of holders of Class A Preferred Shares held on first call shall only be validly constituted if the shareholders present or represented hold at least one-third of the voting rights and at least one-fifth of the voting rights on second call. Decisions shall be adopted by a two-thirds majority of the votes cast by shareholders present or represented.	

Financial authorizations

Safran needs to have the flexibility required to raise financing swiftly to support the ongoing operations and business development of the Company and of the Group, based on opportunities arising in financial markets and using the most suitable financial instruments.

To this end, shareholders are invited to grant the Board of Directors the necessary authorizations to issue shares and/or securities carrying immediate or deferred rights to shares of the Company.

These authorizations are of particular importance in the current health crisis, where the Board of Directors and Executive Management must demonstrate responsiveness and agility to preserve the Group's resources and liquidity and maintain the continuity of its operations.

These authorizations will supersede the previous authorizations granted to the Board of Directors for the same purpose.

In order to take into consideration the diversity and expectations of shareholders, two sets of financial authorizations are being submitted to the shareholders for their approval:

- a first set of authorizations which may not be used during, or in the run-up to, a public offer for the Company's shares;
- a second set of authorizations which are similar but may only be used during, or in the run-up to, a public offer for the Company's shares.

A summary table setting out the financial authorizations that the shareholders are being asked to approve is provided in section 8.2.5 of the 2020 Universal Registration Document and below in this Notice of Meeting.

Ceilings

The authorizations given in these resolutions would enable the Board of Directors to increase the Company's capital by a maximum nominal amount of €20 million (blanket ceiling set in the 18th resolution), corresponding to a maximum of 100 million shares and representing less than 24% of the Company's capital.

The following individual ceilings provided for in the various resolutions are included in this blanket ceiling (expressed in terms of nominal value):

Resolutions that may not be used during, or in the run-up to, a public offer for the Company's shares

- €20 million ceiling applicable to capital increases carried out with pre-emptive subscription rights for existing shareholders (18th resolution);
- €8 million ceiling (less than 10% of the Company's capital) applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, by way of a public offer other than offers governed by Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*) (19th resolution);
- €8 million ceiling applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, in the event of a public exchange offer initiated by the Company (20th resolution);
- €8 million ceiling applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, through an offer governed by Article L.411-2, 1° of the French Monetary and Financial Code (21st resolution);
- ceiling currently equal to 15% of any issues carried out pursuant to the 18th to 21st resolutions which are oversubscribed (22nd resolution), also subject to the ceiling applicable in the relevant resolution.

Resolutions that may only be used during, or in the run-up to, a public offer for the Company's shares

- €8 million ceiling applicable to capital increases carried out with pre-emptive subscription rights for existing shareholders (23rd resolution);
- €8 million ceiling (less than 10% of the Company's capital) applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, by way of a public offer other than offers governed by Article L.411-2, 1° of the French Monetary and Financial Code (24th resolution);
- €8 million ceiling applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, in the event of a public exchange offer initiated by the Company (25th resolution);
- €8 million ceiling applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, through an offer governed by Article L.411-2, 1° of the French Monetary and Financial Code (26th resolution);
- ceiling currently equal to 15% of any issues carried out pursuant to the 23rd to 26th resolutions which are oversubscribed (27th resolution), also subject to the ceiling applicable in the relevant resolution.

The blanket ceiling set in the 18th resolution also includes any capital increases carried out as a result of employee share issues, which are capped at 1% of the Company's capital (28th resolution, see below and section 8.2.2.3 of the 2020 Universal Registration Document).

None of the above ceilings include the par value of any additional shares that may be issued in the event of further corporate actions, in accordance with the applicable laws and regulations and any contractual provisions, to protect the rights of existing holders of securities carrying rights to shares of the Company or beneficiaries of free share grants.

Extraordinary resolutions

If the authorizations granted in the 18th to 27th resolutions are used to issue debt securities, the aggregate nominal amount of said debt securities may not exceed €2 billion (or the equivalent of this amount for issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies).

Sub-ceilings applicable to issues carried out without pre-emptive subscription rights for existing shareholders

Issues carried out without pre-emptive subscription rights for existing shareholders (pursuant to the 19th to 22nd resolutions and the 24th to 27th resolutions) are subject to a cumulative sub-ceiling of €8 million for capital increases (less than 10% of the Company's capital) and €2 billion for issues of debt securities (irrespective of whether or not the issues are carried out during, or in the run-up to, a public offer for the Company's shares).

Sub-ceiling applicable to capital increases carried out during, or in the run-up to, a public offer for the Company's shares

The maximum aggregate nominal amount of all capital increases that may be carried out, either with or without pre-emptive subscription rights, during, or in the run-up to, a public offer for the Company's shares (pursuant to the 23rd to 27th resolutions) would be set at €8 million (i.e., less than 10% of the Company's capital).

Use of previous authorizations

The financial authorizations given to the Board of Directors at the May 23, 2019 Annual General Meetings were used as follows:

- The authorizations granted to the Board of Directors in the 19th and 20th resolutions of the May 23, 2019 Annual General Meeting, in order to carry out one or several issues through an offering of financial securities to qualified investors, without pre-emptive subscription rights for existing shareholders, of bonds convertible and/or exchangeable for new and/or existing ordinary shares ("OCÉANE" bonds), with an overallotment option where applicable, were used in May and October 2020 (see section 7.2.3.2 of the 2020 Universal Registration Document).
- The authorization to make free share grants of the Company's existing shares or shares to be issued granted to the Board of Directors in the 30th resolution of the May 23, 2019 Annual General Meeting was used in March 2020 and March 2021 (see section 7.3.7.1 of the 2020 Universal Registration Document). (At the grant dates, the Board of Directors decided in principle that vested shares would be delivered through the allocation of existing shares held in treasury by the Company as part of a share buyback program, in order to avoid dilution from the issue of new shares. During the vesting period, however, the Board may revisit its decision regarding the most appropriate allocation method).

The other authorizations given to the Board of Directors by shareholders in order to increase the Company's capital were not used.

Authorizations which may not be used during, or in the run-up to, a public offer for the Company's shares

Presentation of the eighteenth resolution

Issue of various shares and/or other securities with pre-emptive subscription rights

The purpose of the 18th resolution is to authorize the Board of Directors to issue ordinary shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders. The pre-emptive rights granted to existing shareholders may be detached from the shares to which they relate and may be transferred or traded throughout the subscription period of any issues carried out under this authorization.

These pre-emptive subscription rights would entitle their holders to subscribe for a number of new shares proportionate to the number of pre-emptive rights held, during a period corresponding to at least five trading days from the opening of the subscription period.

The Board of Directors would be able to use this authorization at any time **except during, or in the run-up to, a public offer** for the Company's shares.

The maximum nominal amount of any capital increases carried out pursuant to this resolution – either immediately or on the exercise of rights to shares of the Company – would be set at €20 million (representing approximately 23.4% of the Company's capital).

This €20 million ceiling corresponds to a **blanket ceiling covering all of the capital increases** that may be carried out pursuant to this resolution as well as the 19th to 28th resolutions.

The maximum principal amount of any debt securities issued would be set at €2 billion. The nominal amount of any capital increases resulting from the exercise of rights attached to debt securities carrying rights to shares of the Company would be included in the €20 million blanket ceiling on capital increases set in the 18th resolution.

This €2 billion ceiling corresponds to a blanket ceiling covering the principal amount of all debt securities that may be issued pursuant to this resolution as well as the 19th to 27th resolutions.

This authorization would supersede, as from the date of this Meeting, the authorization granted to the Board of Directors for the same purpose in the 16th resolution of the Annual General Meeting of May 23, 2019.

Text of the eighteenth resolution

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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129-2, L.225-132 and L.228-91 *et seq.* of the French Commercial Code, and having noted that the share capital has been fully paid up, the shareholders:

1. Authorize the Board of Directors – or any representative duly empowered in accordance with the law – to increase the Company's capital by issuing, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to new or existing ordinary shares of the Company (either with or without consideration), with pre-emptive subscription rights for existing shareholders. The Board will have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or a monetary unit determined by reference to a basket of currencies.

However, if a third party launches a public offer for the Company's shares, the Board may not use this authorization during, or in the run-up to, the offer, unless it obtains the prior approval of the shareholders in a General Meeting.

2. Resolve that if the Board of Directors uses this authorization:
 - the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization – either immediately or on the exercise of rights to shares of the Company – is set at €20 million corresponding to 100 million shares. This €20 million ceiling represents a blanket ceiling covering all of the capital increases that may be carried out under this authorization and the authorizations granted in the 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This €2 billion ceiling represents a blanket ceiling covering the principal amount of all debt securities that may be issued under this authorization and the authorizations granted in the 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.

3. Resolve that existing shareholders will have pre-emptive rights to subscribe for the securities issued pursuant to this authorization, in proportion to their existing holdings.
4. Note that in accordance with the law, the Board of Directors may grant shareholders additional pre-emptive rights to subscribe for any securities not taken up by other shareholders exercising their pre-emptive subscription rights. Such additional rights will also be exercisable in proportion to shareholders' existing holdings and within the limits of their requests.
5. Resolve that if an issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Board of Directors may take one or more of the following courses of action, in accordance with the law and in the order of its choice:
 - limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
 - freely allocate all or some of the unsubscribed securities;
 - offer some or all of the unsubscribed securities on the open market, either in France or abroad.
6. Resolve that Safran stock warrants may be offered for subscription on the above basis or allocated without consideration to existing shareholders. In the latter case, the Board of Directors will have full powers to decide that rights to fractions of warrants will not be transferable or tradable and that the corresponding warrants will be sold.
7. Resolve that the Board of Directors may suspend the exercise of rights to shares of the Company for a maximum period of three months, and make any adjustments in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to the Company's shares.
8. Note that in the event of an issue of securities carrying rights to shares of the Company, this authorization automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.

Extraordinary resolutions

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to:

- use this authorization and notably to determine the timing, characteristics and other terms and conditions of any issues carried out, including the type and form of securities to be issued, the start and end dates of the subscription period, the issue price and cum-rights date of the issued securities, the method by which the securities will be paid up, and the terms and conditions for exercising the rights attached to securities carrying rights to shares of the Company;
- charge the issuance costs against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to the required level; and more generally
- in the case of the issue of debt securities, determine (i) whether the debt will be subordinated or unsubordinated (and the ranking of any subordinated debt), (ii) the interest rate, (iii) the life of the securities (i.e., dated or undated), (iv) their redemption price (which may be fixed or variable and with or without a premium) and repayment terms, depending on market conditions, (v) the terms of their exercise for shares of the Company, and (vi) any other terms and conditions of the issue, including any collateral or other form of guarantee, as well as to amend any of said terms and conditions during the life of the securities concerned;
- take all appropriate measures and enter into any and all agreements to successfully complete the issue(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the securities issued.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 16th resolution of the Annual General Meeting of May 23, 2019.

Presentation of the nineteenth to twenty-first resolutions

Issue of shares and/or other securities without pre-emptive subscription rights

The purpose of the 19th to 21st resolutions is to authorize the Board of Directors to issue ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders.

The Board of Directors would be able to use these authorizations at any time **except during, or in the run-up to, a public offer** for the Company's shares.

The maximum nominal amount of any capital increases carried out using these three authorizations would be set (both per authorization and cumulatively) at €8 million, representing less than 10% of the Company's capital. The amounts used under these authorizations would be included in the blanket ceiling set in the 18th resolution.

The maximum principal amount of any debt securities issued using these three authorizations would be set (both per authorization and cumulatively) at €2 billion. The amounts used under these authorizations would be included in the €2 billion blanket ceiling set in the 18th resolution. The nominal amount of any capital increases resulting from the exercise of rights attached to debt securities carrying rights to shares of the Company would be included in the €8 million individual and cumulative ceiling set in the 19th to 21st resolutions (and therefore in the blanket ceiling set in the 18th resolution).

These authorizations would supersede, as from the date of this Meeting, the authorization granted to the Board of Directors for the same purpose in the 17th, 18th and 19th resolutions of the Annual General Meeting of May 23, 2019.

- 19th resolution (public offers other than offers governed by Article L.411-2, 1° of the French Monetary and Financial Code). In this resolution the Board is seeking an authorization to issue ordinary shares and/or securities carrying rights to shares of the Company, by way of a public offer. If this resolution is adopted, the Board of Directors would be able to grant shareholders a priority subscription right for a period of no less than three trading days but this right would be non-transferable and non-tradable. The waiver of shareholders' pre-emptive subscription rights would make it easier to carry out public offers, especially when an issue has to be organized swiftly in order for it to be successful, or when shares or other securities are offered in financial markets both in France and abroad.
- 20th resolution (issues carried out in the event of a public exchange offer initiated by the Company). The purpose of this resolution is to authorize the Board to issue shares of the Company and/or securities carrying rights to shares of the Company as payment for securities of another company that are tendered to a public exchange offer initiated by the Company in France or abroad.
- 21st resolution (offers governed by Article L.411-2, 1° of the French Monetary and Financial Code). This resolution would authorize the Board of Directors to issue shares and/or securities carrying rights to shares of the Company, by way of an offer carried out through an offer to qualified investors or a restricted group of investors. The simplified procedure for this type of public offer, as proposed in the 19th resolution, would enable the Company to react swiftly to market opportunities and rapidly raise the funds it requires.

Text of the nineteenth resolution

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 other than offers governed by Article L.411-2, 1° 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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2, L.225-135, L.22-10-51, L.225-136 and L.22-10-52 as well as Articles L.228-91 *et seq.* of said Code, and having noted that the share capital has been fully paid up, the shareholders:

1. Authorize the Board of Directors – or any representative duly empowered in accordance with the law – to increase the Company's capital by issuing, on one or more occasions and through a public offer, ordinary shares of the Company and/or securities carrying immediate or deferred rights to new or existing ordinary shares of the Company (either with or without consideration). The Board will have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or a monetary unit determined by reference to a basket of currencies.

However, if a third party launches a public offer for the Company's shares, the Board may not use this authorization during, or in the run-up to, the offer, unless it obtains the prior approval of the shareholders in a General Meeting.

2. Resolve that if the Board of Directors uses this authorization:
 - the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization – either immediately or on the exercise of rights to shares of the Company – is set at €8 million. This €8 million ceiling (i) represents an overall ceiling on the nominal amount of the capital increases that may be carried out under this authorization and the authorizations granted in the 20th, 21st, 22nd, 24th, 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization), and (ii) is included in the blanket ceiling set in the 18th resolution (or in any ceiling set in a resolution with the same purpose that could supersede the 18th resolution during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This €2 billion ceiling (i) represents an overall ceiling on the principal amount of debt securities that may be issued under this authorization and the authorizations granted in the 20th, 21st, 22nd, 24th, 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization), and (ii) is included in the blanket ceiling set in the 18th resolution (or in any ceiling set in a resolution with the same purpose that could supersede the 18th resolution during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.

3. Resolve to waive shareholders' pre-emptive rights to subscribe for the shares and/or other securities to be issued under this authorization. However, in accordance with Article L.22-10-51 and Article R.225-131 of the French Commercial Code, the Board of Directors may offer existing shareholders a priority right to subscribe for all or part of any issue(s) carried out under this authorization for a period of no less than three trading days. Such priority rights will not be transferable or tradable and will be exercisable in proportion to shareholders' existing interests.
4. Resolve that if an issue is not taken up in full (including by shareholders exercising their above-mentioned priority rights), the Board of Directors may take one or the other of the following courses of action, in accordance with the law and in the order of its choice:
 - limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
 - freely allocate all or some of the unsubscribed securities.
5. Note that in the event of an issue of securities carrying rights to shares of the Company, this authorization automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.
6. Resolve that the issue price of the shares or securities carrying rights to shares will be at least equal to the minimum price provided for in the laws and regulations in force on the issue date (for information purposes, corresponding at the date of this Meeting to a price at least equal to the weighted average of the prices quoted for the Company's shares over the three trading days preceding the pricing date, less a discount of no more than 10%).

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The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to:

- use this authorization and notably to determine the timing, characteristics and other terms and conditions of any issues carried out, including the type and form of securities to be issued, the start and end dates of the subscription period, the issue price and cum-rights date of the issued securities, the method by which the securities will be paid up, and the terms and conditions for exercising the rights attached to securities carrying rights to shares of the Company;
- suspend, where appropriate, the exercise of any rights attached to new or existing securities in accordance with the applicable laws and regulations, and make any adjustments in order to take into account the impact of any issues on the Company's capital and set the terms and conditions for protecting the rights of holders of securities carrying rights to the Company's shares, in accordance with the applicable laws, regulations and contractual provisions;
- in the case of the issue of debt securities, determine (i) whether the debt will be subordinated or unsubordinated (and the ranking of any subordinated debt), (ii) the interest rate, (iii) the life of the securities (i.e., dated or undated), (iv) their redemption price (which may be fixed or variable and with or without a premium) and repayment terms, depending on market conditions, (v) the terms of their exercise for shares of the Company, and (vi) any other terms and conditions of the issue, including any collateral or other form of guarantee, as well as to amend any of said terms and conditions during the life of the securities concerned;
- charge the issuance costs against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to the required level; and more generally
- take all appropriate measures and enter into any and all agreements to successfully complete the issue(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the securities issued.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 17th resolution of the Annual General Meeting of May 23, 2019.

Text of the twentieth resolution

Authorization for the Board of Directors to issue ordinary 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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129-2 to L.225-129-6, L.22-10-49, L.22-10-54, L.225-132 and L.228-91 *et seq.* of the French Commercial Code, the shareholders:

1. Authorize the Board of Directors to issue ordinary shares of the Company and/or securities carrying immediate or deferred rights to shares of the Company as payment for securities of another company tendered to a public exchange offer initiated by the Company. The shareholders further authorize the Board to cancel existing shareholders' pre-emptive rights to subscribe for the shares and/or other securities issued under this authorization.

This authorization may be used in connection with any public exchange offer initiated by the Company, in France or abroad, for the securities of another company listed on one of the regulated markets referred to in Article L.22-10-54 of the French Commercial Code, or any other type of public offer that complies with the applicable laws and regulations, including notably any public exchange offer, any alternative public purchase or exchange offer, any stock-for-stock and stock-for-cash purchase or exchange offer, any public purchase or exchange offer combined with a secondary purchase or exchange offer, or any other type of public offer that complies with the applicable laws and regulations.

However, if a third party launches a public offer for the Company's shares, the Board may not use this authorization during, or in the run-up to, the offer, unless (i) the Company has already announced its own public offer prior to that period, and (ii) it obtains the prior approval of the shareholders in a General Meeting.

2. Note that in accordance with Article L.225-132 of the French Commercial Code, in the event of an issue of securities carrying immediate or deferred rights to shares of the Company, this authorization entails the waiver by existing shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.
3. Resolve that if the Board of Directors uses this authorization:
 - the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization – either immediately or on the exercise of rights to shares of the Company – is set at €8 million. This ceiling is included in the €8 million overall ceiling set in the 19th resolution above and the blanket ceiling set in the 18th resolution (or any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This ceiling is included in the €2 billion overall ceiling set in the 19th resolution above and the blanket ceiling set in the 18th resolution (or in any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.

4. Resolve that the Board of Directors will have full powers to use this authorization, in particular to carry out issues of shares and/or securities carrying immediate or deferred rights to shares of the Company in connection with public offers that fall within the scope of this resolution, and notably to:
 - set the exchange ratio as well as any balance to be paid in cash;
 - place on record the number of securities tendered to the exchange;
 - determine the timing and other terms and conditions of the issue(s) and notably the price and cum-rights date (which may be retroactive) of the securities issued in accordance with this resolution;
 - suspend, where appropriate, the exercise of any rights attached to new or existing securities in accordance with the applicable laws and regulations, and make any adjustments in order to take into account the impact of any issues on the Company's capital and set the terms and conditions for protecting the rights of holders of securities carrying rights to shares of the Company, in accordance with the applicable laws, regulations and contractual provisions;
 - credit the difference between the issue price of the new shares and their par value to a "contribution premium" account to which all shareholders will have equivalent rights;
 - charge all the issuance costs against the contribution premium; and more generally
 - take all appropriate measures and enter into any and all agreements to successfully complete the issue(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the securities issued.
5. Authorize the Board of Directors, within the limits set in advance by the Board, to delegate to the Chief Executive Officer or, in agreement with him and where applicable, to one or more Deputy Chief Executive Officers, the authorization given under this resolution.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 18th resolution of the Annual General Meeting of May 23, 2019.

Text of the twenty-first resolution

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 public offer governed by Article L.411-2, 1° 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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2, L.225-135, L.225-136, L.22-10-49, L.22-10-51 and L.22-10-52 as well as Articles L.228-91 *et seq.* of said Code and Article L.411-2, 1° of the French Monetary and Financial Code, the shareholders:

1. Authorize the Board of Directors - or any representative duly empowered in accordance with the law - to increase the Company's capital by issuing, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to new or existing ordinary shares of the Company (either with or without consideration) through an offer governed by Article L.411-2, 1° of the French Monetary and Financial Code. The Board of Directors will have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or a monetary unit determined by reference to a basket of currencies.

However, if a third party launches a public offer for the Company's shares, the Board may not use this authorization during, or in the run-up to, the offer, unless it obtains the prior approval of the shareholders in a General Meeting.

2. Resolve that if the Board of Directors uses this authorization:
 - the maximum nominal amount of capital increases that may be issued pursuant to this authorization - either immediately or on the exercise of rights to shares of the Company - will be €8 million. This ceiling is included in the €8 million overall ceiling set in the 19th resolution above and the blanket ceiling set in the 18th resolution (or in any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;

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- the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This ceiling is included in the €2 billion overall ceiling set in the 19th resolution above and the blanket ceiling set in the 18th resolution (or in any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.

3. Resolve to waive shareholders' pre-emptive rights to subscribe for the shares and/or other securities to be issued under this authorization.
4. Resolve that if an issue is not taken up in full, the Board of Directors may limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up.
5. Note that in the event of an issue of securities carrying rights to shares of the Company, this authorization automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.
6. Resolve that the issue price of the shares or securities carrying rights to shares will be at least equal to the minimum price provided for in the laws and regulations in force on the issue date (for information purposes, corresponding at the date of this Meeting to a price at least equal to the weighted average of the prices quoted for the Company's shares over the three trading days preceding the pricing date, less a discount of no more than 10%).

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to:

- use this authorization and notably to determine the timing, characteristics and other terms and conditions of any issues carried out, including the type and form of securities to be issued, the start and end dates of the subscription period, the issue price and cum-rights date of the issued securities, the method by which the securities will be paid up, and the terms and conditions for exercising the rights attached to securities carrying rights to shares of the Company;
- suspend, where appropriate, the exercise of any rights attached to new or existing securities in accordance with the applicable laws and regulations, and make any adjustments in order to take into account the impact of any issues on the Company's capital and set the terms and conditions for protecting the rights of holders of securities carrying rights to the Company's shares, in accordance with the applicable laws, regulations and contractual provisions;
- in the case of the issue of debt securities, determine (i) whether the debt will be subordinated or unsubordinated (and the ranking of any subordinated debt), (ii) the interest rate, (iii) the life of the securities (i.e., dated or undated), (iv) their redemption price (which may be fixed or variable and with or without a premium) and repayment terms, depending on market conditions, (v) the terms of their exercise for shares of the Company, and (vi) any other terms and conditions of the issue, including any collateral or other form of guarantee, as well as to amend any of said terms and conditions during the life of the securities concerned;
- charge the issuance costs against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to the required level; and more generally
- take all appropriate measures and enter into any and all agreements to successfully complete the issue(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the securities issued.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 19th resolution of the Annual General Meeting of May 23, 2019.

Presentation of the twenty-second resolution

In the 22nd resolution, the Board of Directors is seeking an authorization to increase the number of securities to be issued in the event that an issue carried out with or without pre-emptive subscription rights as decided by the Board of Directors pursuant to the 18th, 19th, 20th or 21st resolutions is oversubscribed.

The Board of Directors would be able to use this authorization at any time except during, or in the run-up to, a public offer for the Company's shares. The additional securities would be issued at the same price as for the original issue in accordance with the timeframes and ceilings specified in the applicable laws and regulations in force on the issue date (currently, they must be issued within 30 days of the close of the original subscription period and may not represent more than 15% of the original issue amount). The sub-ceilings and ceilings set in the 18th, 19th, 20th and 21st resolutions would apply if the 22nd resolution is used. Any issues of additional securities carried out under this resolution may not result in the ceiling(s) set in the original resolution being exceeded.

This authorization would supersede, as from the date of this Meeting, the authorization granted to the Board of Directors for the same purpose in the 20th resolution of the Annual General Meeting of May 23, 2019.

Text of the twenty-second resolution

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 18th, 19th, 20th or 21st resolutions), which may not be used during, or in the run-up to, a public offer for the Company's shares

Having considered the Board of Directors' report, in accordance with French company law, notably Articles L.225-135-1, L.22-10-51 and R.225-118 of the French Commercial Code, and subject to the adoption of the 18th, 19th, 20th or 21st resolutions, the shareholders:

1. Authorize the Board of Directors – or any representative duly empowered in accordance with the law – to increase the number of securities included in an issue carried out with or without pre-emptive subscription rights as decided by the Board of Directors pursuant to the 18th, 19th, 20th or 21st resolutions, notably in order to grant an over-allotment option in accordance with standard market practices. The additional securities will be issued at the same price as for the original issue in accordance with the timeframes and ceilings specified in the applicable laws and regulations in force on the issue date (currently, they must be issued within 30 days of the close of the original subscription period and may not represent more than 15% of the original issue amount). In the case of an issue carried out with pre-emptive subscription rights, any additional securities issued pursuant to this resolution may only be offered to shareholders in proportion to their existing holdings.

However, if a third party launches a public offer for the Company's shares, the Board may not use this authorization during, or in the run-up to, the offer, unless it obtains the prior approval of the shareholders in a General Meeting.

2. Resolve that the nominal amount of any capital increases carried out as a result of the shares or other securities issued pursuant to this resolution will be included in the ceiling(s) provided for in the resolution under which the original issue is decided (or in any ceiling(s) set in any resolution with the same purpose that could supersede the resolution concerned during the validity period of this authorization).

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 20th resolution of the Annual General Meeting of May 23, 2019.

Authorizations which may only be used during, or in the run-up to, a public offer for the Company's shares

Presentation of the twenty-third resolution

Issue of various shares and/or other securities with pre-emptive subscription rights

The purpose of this resolution is the same as for the 18th resolution, but it may only be used during, or in the run-up to, a public offer launched by a third party for the Company's shares.

The maximum nominal amount of any capital increases carried out pursuant to this resolution – either immediately or on the exercise of rights to shares of the Company – would be set at €8 million (representing less than 10% of the Company's capital). This amount would be included in the blanket ceiling set in the 18th resolution.

The maximum principal amount of any debt securities issued would be set at €2 billion, which would be included in the €2 billion blanket ceiling set in the 18th resolution. The nominal amount of any capital increases resulting from the exercise of rights attached to debt securities carrying rights to shares of the Company would be included in the €8 million ceiling for capital increases set in this resolution (and therefore in the blanket ceiling for capital increases set in the 18th resolution).

This authorization would supersede, as from the date of this Meeting, the authorization granted to the Board of Directors for the same purpose in the 22nd resolution of the Annual General Meeting of May 23, 2019.

Text of the twenty-third resolution

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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129-2, L.225-132 and L.228-91 *et seq.* of the French Commercial Code, and having noted that the share capital has been fully paid up, the shareholders:

1. Authorize the Board of Directors – or any representative duly empowered in accordance with the law – to increase the Company's capital by issuing, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to new or existing ordinary shares of the Company (either with or without consideration), with pre-emptive subscription rights for existing shareholders. The Board will have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or a monetary unit determined by reference to a basket of currencies.

This authorization may only be used during, or in the run-up to, a public offer launched by a third party for the Company's shares.

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2. Resolve that if the Board of Directors uses this authorization:
 - the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization – either immediately or on the exercise of rights to shares of the Company – is set at €8 million. This €8 million ceiling (i) represents an overall ceiling on the nominal amount of the capital increases that may be carried out under this authorization and the authorizations granted in the 24th, 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization), and (ii) is included in the €20 million blanket ceiling set in the 18th resolution (or in any ceiling set in a resolution with the same purpose that could supersede the 18th resolution during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This €2 billion ceiling (i) represents an overall ceiling on the principal amount of debt securities that may be issued under this authorization and the authorizations granted in the 24th, 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization), and (ii) is included in the €2 billion blanket ceiling set in the 18th resolution (or in any ceiling set in a resolution with the same purpose that could supersede the 18th resolution during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.
3. Resolve that existing shareholders will have pre-emptive rights to subscribe for the securities issued pursuant to this authorization, in proportion to their existing holdings.
4. Note that in accordance with the law, the Board of Directors may grant shareholders additional pre-emptive rights to subscribe for any securities not taken up by other shareholders exercising their pre-emptive subscription rights. Such additional rights will also be exercisable in proportion to shareholders' existing holdings and within the limits of their requests.
5. Resolve that if an issue is not taken up in full by shareholders exercising their pre-emptive rights as described above the Board of Directors may take one or more of the following courses of action, in accordance with the law and in the order of its choice:
 - limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
 - freely allocate all or some of the unsubscribed securities;
 - offer some or all of the unsubscribed securities on the open market, either in France or abroad.
6. Resolve that Safran stock warrants may be offered for subscription on the above basis or allocated without consideration to existing shareholders. In the latter case, the Board of Directors will have full powers to decide that rights to fractions of warrants will not be transferable or tradable and that the corresponding warrants will be sold.
7. Resolve that the Board of Directors may suspend the exercise of rights to shares of the Company for a maximum period of three months, and make any adjustments in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to the Company's shares.
8. Note that in the event of an issue of securities carrying rights to shares of the Company, this authorization automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to:

- use this authorization and notably to determine the timing, characteristics and other terms and conditions of any issues carried out, including the type and form of securities to be issued, the start and end dates of the subscription period, the issue price and cum-rights date of the issued securities, the method by which the securities will be paid up, and the terms and conditions for exercising the rights attached to securities carrying rights to shares of the Company;
- charge the issuance costs against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to the required level; and more generally
- in the case of the issue of debt securities, determine (i) whether the debt will be subordinated or unsubordinated (and the ranking of any subordinated debt), (ii) the interest rate, (iii) the life of the securities (i.e., dated or undated), (iv) their redemption price (which may be fixed or variable and with or without a premium) and repayment terms, depending on market conditions, (v) the terms of their exercise for shares of the Company, and (vi) any other terms and conditions of the issue, including any collateral or other form of guarantee, as well as to amend any of said terms and conditions during the life of the securities concerned;

- take all appropriate measures and enter into any and all agreements to successfully complete the issue(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the securities issued.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 22nd resolution of the Annual General Meeting of May 23, 2019.

Presentation of the twenty-fourth, twenty-fifth, twenty-sixth and twenty-seventh resolutions

Issue of shares and/or other securities without pre-emptive subscription rights, and capital increases carried out by capitalizing reserves, retained earnings or additional paid-in capital

These resolutions are similar to the 19th to 22nd resolutions but may only be used during, or in the run-up to, a public offer launched by a third party for the Company's shares.

The maximum aggregate nominal amount of any capital increases carried out pursuant to the 24th to 27th resolutions – either immediately or on the exercise of rights to shares of the Company – would be set (both per authorization and cumulatively) at €8 million, representing less than 10% of the Company's capital. The amounts used under these authorizations would be included in (i) the ceilings set in the 23rd and 19th resolutions and (ii) the blanket ceiling set in the 18th resolution. The maximum aggregate nominal amount of all capital increases that may be carried out, either with or without pre-emptive subscription rights, during, or in the run-up to, a public offer for the Company's shares (pursuant to the 23rd to 27th resolutions) would be set at €8 million (i.e., less than 10% of the Company's capital).

The maximum principal amount of any debt securities issued under the 24th to 27th resolutions would be set (both per authorization and cumulatively) at €2 billion. The amounts used under these authorizations would be included in (i) the €2 billion ceiling set in the 19th resolution, (ii) the €2 billion ceiling set in the 23rd resolution, and (iii) the €2 billion blanket ceiling set in the 18th resolution. The nominal amount of any capital increases resulting from the exercise of rights attached to debt securities carrying rights to shares of the Company would be included in the €8 million individual and cumulative ceiling set in the 24th to 26th resolutions (and therefore in the ceilings on capital increases set in the 23rd and 18th resolutions).

Any issues carried out under the 27th resolution (increase in the number of securities to be issued in the event of an oversubscribed issue) would be subject to the same terms and conditions as in the 22nd resolution above.

These authorizations would supersede, as from the date of this Meeting, the authorizations granted to the Board of Directors for the same purpose in the 23rd to 27th resolutions of the Annual General Meeting of May 23, 2019.

Text of the twenty-fourth resolution

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 other than offers governed by Article L.411-2, 1° 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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2, L.225-135, L.22-10-51, L.225-136 and L.22-10-52 as well as Articles L.228-91 *et seq.* of said Code, and having noted that the share capital has been fully paid up, the shareholders:

1. Authorize the Board of Directors – or any representative duly empowered in accordance with the law – to increase the Company's capital by issuing, on one or more occasions and through a public offer, ordinary shares of the Company and/or securities carrying immediate or deferred rights to new or existing ordinary shares of the Company (either with or without consideration). The Board will have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or a monetary unit determined by reference to a basket of currencies.
This authorization may only be used during, or in the run-up to, a public offer launched by a third party for the Company's shares.
2. Resolve that if the Board of Directors uses this authorization:
 - the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization – either immediately or on the exercise of rights to shares of the Company – is set at €8 million. This €8 million ceiling (i) represents an overall ceiling on the nominal amount of the capital increases that may be carried out under this authorization and the authorizations granted in the 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization), and (ii) is included in the €8 million ceiling set in the 23rd resolution, in the €8 million ceiling set in the 19th resolution, and the blanket ceiling set in the 18th resolution (or in any ceilings set in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;

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- the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This €2 billion ceiling (i) represents an overall ceiling on the principal amount of debt securities that may be issued under this authorization and the authorizations granted in the 25th, 26th and 27th resolutions of this Annual General Meeting (as well as any authorizations granted in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization), and (ii) is included in the €2 billion ceiling set in the 23rd resolution, the €2 billion ceiling set in the 19th resolution, and the blanket ceiling set in the 18th resolution (or in any ceiling set in resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.

3. Resolve to waive shareholders' pre-emptive rights to subscribe for the shares and/or other securities to be issued under this authorization. However, in accordance with Article L.22-10-51 and Article R.225-131 of the French Commercial Code, the Board of Directors may offer existing shareholders a priority right to subscribe for all or part of any issue(s) carried out under this authorization for a period of no less than three trading days. Such priority rights will not be transferable or tradable and will be exercisable in proportion to shareholders' existing interests.
4. Resolve that if an issue is not taken up in full (including by shareholders exercising their above-mentioned priority rights), the Board of Directors may take one or the other of the following courses of action, in accordance with the law and in the order of its choice:
 - limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
 - freely allocate all or some of the unsubscribed securities.
5. Note that in the event of an issue of securities carrying rights to shares of the Company, this authorization automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.
6. Resolve that the issue price of the shares or securities carrying rights to shares will be at least equal to the minimum price provided for in the laws and regulations in force on the issue date (for information purposes, corresponding at the date of this Meeting to a price at least equal to the weighted average of the prices quoted for the Company's shares over the three trading days preceding the pricing date, less a discount of no more than 10%).

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to:

- use this authorization and notably to determine the timing, characteristics and other terms and conditions of any issues carried out, including the type and form of securities to be issued, the start and end dates of the subscription period, the issue price and cum-rights date of the issued securities, the method by which the securities will be paid up, and the terms and conditions for exercising the rights attached to securities carrying rights to shares of the Company;
- suspend, where appropriate, the exercise of any rights attached to new or existing securities in accordance with the applicable laws and regulations, and make any adjustments in order to take into account the impact of any issues on the Company's capital and set the terms and conditions for protecting the rights of holders of securities carrying rights to the Company's shares, in accordance with the applicable laws, regulations and contractual provisions;
- in the case of the issue of debt securities, determine (i) whether the debt will be subordinated or unsubordinated (and the ranking of any subordinated debt), (ii) the interest rate, (iii) the life of the securities (i.e., dated or undated), (iv) their redemption price (which may be fixed or variable and with or without a premium) and repayment terms, depending on market conditions, (v) the terms of their exercise for shares of the Company, and (vi) any other terms and conditions of the issue, including any collateral or other form of guarantee, as well as to amend any of said terms and conditions during the life of the securities concerned;
- charge the issuance costs against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to the required level; and more generally
- take all appropriate measures and enter into any and all agreements to successfully complete the issue(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the securities issued.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 23rd resolution of the Annual General Meeting of May 23, 2019.

Text of the twenty-fifth resolution

Authorization for the Board of Directors to issue ordinary 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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129-2 to L.225-129-6, L.22-10-49, L.22-10-54 and L.228-91 *et seq.* of the French Commercial Code, the shareholders:

1. Authorize the Board of Directors to issue ordinary shares of the Company and/or securities carrying immediate or deferred rights to shares of the Company as payment for securities of another company tendered to a public exchange offer initiated by the Company. The shareholders further authorize the Board to cancel existing shareholders' pre-emptive rights to subscribe for the shares and/or other securities issued under this authorization.

This authorization may be used in connection with any public exchange offer initiated by the Company, in France or abroad, for the securities of another company listed on one of the regulated markets referred to in Article L.22-10-54 of the French Commercial Code, or any other type of public offer that complies with the applicable laws and regulations, including notably any public exchange offer, any alternative public purchase or exchange offer, any stock-for-stock and stock-for-cash purchase or exchange offer, any public purchase or exchange offer combined with a secondary purchase or exchange offer, or any other type of public offer that complies with the applicable laws and regulations.

This authorization may only be used during, or in the run-up to, a public offer launched by a third party for the Company's shares.

2. Note that in accordance with Article L.225-132 of the French Commercial Code, in the event of an issue of securities carrying immediate or deferred rights to shares of the Company, this authorization entails the waiver by existing shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.

3. Resolve that if the Board of Directors uses this authorization:

- the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization - either immediately or on the exercise of rights to shares of the Company - is set at €8 million. This ceiling is included in the €8 million ceilings set in the 24th, 23rd and 19th resolutions and the blanket ceiling set in the 18th resolution (or any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;
- the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This ceiling is included in the €2 billion ceilings set in the 24th, 23rd and 19th resolutions and the blanket ceiling set in the 18th resolution (or in any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.

4. Resolve that the Board of Directors will have full powers to use this authorization, in particular to carry out issues of shares and/or securities carrying immediate or deferred rights to shares of the Company in connection with public offers that fall within the scope of this resolution, and notably to:

- set the exchange ratio as well as any balance to be paid in cash;
- place on record the number of securities tendered to the exchange;
- determine the timing and other terms and conditions of the issue(s) and notably the price and cum-rights date (which may be retroactive) of the securities issued in accordance with this resolution;
- suspend, where appropriate, the exercise of any rights attached to new or existing securities in accordance with the applicable laws and regulations, and make any adjustments in order to take into account the impact of any issues on the Company's capital and set the terms and conditions for protecting the rights of holders of securities carrying rights to shares of the Company, in accordance with the applicable laws, regulations and contractual provisions;

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- credit the difference between the issue price of the new shares and their par value to a “contribution premium” account to which all shareholders will have equivalent rights;
 - charge all the issuance costs against the contribution premium; and more generally
 - take all appropriate measures and enter into any and all agreements to successfully complete the issue(s), place on record the capital increase(s), amend the Company’s bylaws to reflect the new capital and carry out all the formalities required for listing the securities issued.
5. Authorize the Board of Directors, within the limits set in advance by the Board, to delegate to the Chief Executive Officer or, in agreement with him and where applicable, to one or more Deputy Chief Executive Officers, the authorization given under this resolution.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 24th resolution of the Annual General Meeting of May 23, 2019.

Text of the twenty-sixth resolution

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 an offer governed by Article L.411-2, 1° 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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors’ report and the Statutory Auditors’ special report, in accordance with the applicable laws and regulations and in particular Articles L.225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2, L.225-135, L.225-136, L.22-10-49, L.22-10-51 and L.22-10-52 as well as Articles L.228-91 *et seq.* of said Code and Article L.411-2, 1° of the French Monetary and Financial Code, the shareholders:

1. Authorize the Board of Directors – or any representative duly empowered in accordance with the law – to increase the Company’s capital by issuing, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to new or existing ordinary shares of the Company (either with or without consideration) through an offer governed by Article L.411-2, 1° of the French Monetary and Financial Code. The Board of Directors will have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currency or a monetary unit determined by reference to a basket of currencies.

This authorization may only be used during, or in the run-up to, a public offer launched by a third party for the Company’s shares.

2. Resolve that if the Board of Directors uses this authorization:
- the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization – either immediately or on the exercise of rights to shares of the Company – is €8 million. This ceiling is included in the €8 million ceilings set in the 24th, 23rd and 19th resolutions and the blanket ceiling set in the 18th resolution (or in any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it does not include the nominal amount of any additional shares that may be issued in accordance with the applicable laws and regulations and any contractual provisions to protect the rights of holders of securities carrying rights to shares of the Company;
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €2 billion (or the euro-equivalent of this amount at the issue date for issues in foreign currency or a monetary unit determined by reference to a basket of currencies). This ceiling is included in the €2 billion ceilings set in the 24th, 23rd and 19th resolutions and the blanket ceiling set in the 18th resolution (or in any ceilings set in any resolutions with the same purpose that could supersede the aforementioned resolutions during the validity period of this authorization). However, it is separate from and does not include the amount of any debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

For the purpose of calculating the above ceilings for debt securities, the euro-equivalent of the principal amount of any debt securities issued in foreign currency will be measured at the issue date.

3. Resolve to waive shareholders’ pre-emptive rights to subscribe for the shares and/or other securities to be issued under this authorization.
4. Resolve that if an issue is not taken up in full, the Board of Directors may limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up.

5. Note that in the event of an issue of securities carrying rights to shares of the Company, this authorization automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares to be issued on the exercise of the rights attached to said securities.
6. Resolve that the issue price of the shares or securities carrying rights to shares will be at least equal to the minimum price provided for in the laws and regulations in force on the issue date (for information purposes, corresponding at the date of this Meeting to a price at least equal to the weighted average of the prices quoted for the Company's shares over the three trading days preceding the pricing date, less a discount of no more than 10%).

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to:

- use this authorization and notably to determine the timing, characteristics and other terms and conditions of any issues carried out, including the type and form of securities to be issued, the start and end dates of the subscription period, the issue price and cum-rights date of the issued securities, the method by which the securities will be paid up, and the terms and conditions for exercising the rights attached to securities carrying rights to shares of the Company;
- suspend, where appropriate, the exercise of any rights attached to new or existing securities in accordance with the applicable laws and regulations, and make any adjustments in order to take into account the impact of any issues on the Company's capital and set the terms and conditions for protecting the rights of holders of securities carrying rights to the Company's shares, in accordance with the applicable laws, regulations and contractual provisions;
- in the case of the issue of debt securities, determine (i) whether the debt will be subordinated or unsubordinated (and the ranking of any subordinated debt), (ii) the interest rate, (iii) the life of the securities (i.e., dated or undated), (iv) their redemption price (which may be fixed or variable and with or without a premium) and repayment terms, depending on market conditions, (v) the terms of their exercise for shares of the Company, and (vi) any other terms and conditions of the issue, including any collateral or other form of guarantee, as well as to amend any of said terms and conditions during the life of the securities concerned;
- charge the issuance costs against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to the required level; and more generally
- take all appropriate measures and enter into any and all agreements to successfully complete the offer(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the securities issued.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 25th resolution of the Annual General Meeting of May 23, 2019.

Text of the twenty-seventh resolution

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 23rd, 24th, 25th or 26th resolutions), which may only be used during, or in the run-up to, a public offer for the Company's shares

Having considered the Board of Directors' report, in accordance with French company law, notably Articles L.225-135-1, L.22-10-51 and R.225-118 of the French Commercial Code, and subject to the adoption of the 23rd, 24th, 25th or 26th resolutions, the shareholders:

1. Authorize the Board of Directors – or any representative duly empowered in accordance with the law – to increase the number of securities included in an issue carried out with or without pre-emptive subscription rights as decided by the Board of Directors pursuant to the 23rd, 24th, 25th or 26th resolutions, notably in order to grant an over-allotment option in accordance with standard market practices. The additional securities will be issued at the same price as for the original issue in accordance with the timeframes and ceilings specified in the applicable laws and regulations in force on the issue date (currently, they must be issued within 30 days of the close of the original subscription period and may not represent more than 15% of the original issue amount). In the case of an issue carried out with pre-emptive subscription rights, any additional securities issued pursuant to this resolution may only be offered to shareholders in proportion to their existing holdings.

This authorization may only be used during, or in the run-up to, a public offer launched by a third party for the Company's shares.

2. Resolve that the nominal amount of any capital increases carried out as a result of the shares or other securities issued pursuant to this resolution will be included in the ceiling(s) provided for in the resolution under which the original issue is decided (or in any ceiling(s) set in any resolution with the same purpose that could supersede the resolution concerned during the validity period of this authorization).

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 26th resolution of the Annual General Meeting of May 23, 2019.

Employee share issues

Presentation of the twenty-eighth resolution

In the 28th resolution, shareholders are invited to authorize the Board of Directors to offer employees who are members of a Group employee savings plan the possibility to subscribe for the Company's shares with a view to involving them more closely in the Group's development.

This resolution is being submitted in accordance with paragraph 1 of Article L.225-129-6 of the French Commercial Code, which states that whenever companies seek authorizations to issue shares to be paid up in cash, they must also submit a resolution on employee share issues.

If this authorization is approved, it will necessarily entail the waiver of existing shareholders' pre-emptive rights to subscribe for the shares covered by the employee share issue(s) concerned.

Employee shareholdings (within the meaning of Article L.225-102 of the French Commercial Code) represented 7.21% of the Company's capital at February 28, 2021.

Shares issued under this resolution could not exceed 1% of the Company's capital and would be included in the €20 million blanket ceiling on capital increases set in the 18th resolution.

In accordance with Article L.3332-19 of the French Labor Code (*Code du travail*), the purchase price of the shares offered to employees may not be lower than the average price over the 20 trading days preceding the Board of Directors' decision setting the opening date for the subscription period, less the maximum discount provided for by law as at the date of the Board's decision.

This authorization would supersede, as from the date of this Meeting, the authorization granted to the Board of Directors for the same purpose in the 28th resolution of the Annual General Meeting of May 23, 2019.

Text of the twenty-eighth resolution

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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code, and Articles L.3332-18 *et seq.* of the French Labor Code, the shareholders:

1. Authorize the Board of Directors - or any representative duly empowered in accordance with the law - to increase the Company's capital by issuing, on one or more occasions, ordinary shares of the Company to employees of the Company and of any French or foreign companies affiliated to it within the meaning of Article L.225-180 of the French Commercial Code, who are members of the Group employee savings plan or any company employee savings plan in place within the Group. The amounts and timing of such issues will be determined at the Board's discretion.
2. Resolve that the maximum nominal amount of any capital increases carried out pursuant to this authorization may not represent more than 1% of the Company's capital at the date of the Board of Directors' decision to carry out the issue. This ceiling is included in the blanket ceiling for capital increases set in the 18th resolution of this Meeting (or in any ceiling set in any resolution with the same purpose that could supersede the 18th resolution during the validity period of this authorization).
3. Resolve that, in accordance with Article L.3332-19 of the French Labor Code, the purchase price of the shares offered to employees under this authorization may not be lower than the average price over the 20 trading days preceding the Board of Directors' decision setting the opening date for the subscription period, less the maximum discount provided by law at the date of the Board's decision.
4. Resolve that the Board of Directors will have full powers to grant to the above beneficiaries, free of consideration and in addition to the shares to be subscribed for in cash, new or existing shares in replacement of all or some of the discount compared with the above reference price and/or the employer's top-up contribution, it being specified that the benefits resulting from such grants may not exceed the legal or regulatory limits as provided for in Articles L.3332-1 to L.3332-21 of the French Labor Code.
5. Note that this authorization automatically entails the waiver by existing shareholders of their pre-emptive rights to subscribe for the shares offered to employees under the issue(s) carried out under this resolution.

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to use this authorization, and in particular to (i) set the terms and conditions of the capital increase(s), (ii) draw up the list of companies whose employees will be eligible for the share issue(s), (iii) set the conditions, particularly concerning length of service, that the beneficiaries will have to meet in order to subscribe, on an individual basis or through a corporate mutual fund, for the shares issued pursuant to this authorization, (iv) set the dates and terms and conditions of the issue(s), (v) set the start and end dates of the subscription period(s), (vi) determine the price and the cum-rights date of the shares issued, (vii) determine the method by which the shares will be paid up, (viii) charge the issuance costs against the related premium and deduct from the premium the amounts necessary to raise the legal reserve to the required level, and more generally (ix) take all appropriate measures and enter into any agreements to successfully complete the share issue(s), place on record the capital increase(s), amend the Company's bylaws to reflect the new capital and carry out all the formalities required for the admission to trading of the shares issued.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 28th resolution of the Annual General Meeting of May 23, 2019.

Capital reduction by canceling treasury shares

Presentation of the twenty-ninth resolution

In the 29th resolution, the Board of Directors is seeking an authorization to reduce the Company's capital by canceling all or some of the treasury shares purchased under share buyback programs previously authorized by shareholders as well as the new program proposed in the 16th resolution of this Meeting.

The Company may choose to cancel treasury shares in order to achieve certain financial objectives, such as actively managing its capital, optimizing its balance sheet structure or offsetting the dilutive impact of capital increases.

In compliance with the applicable law, the number of shares canceled in any 24-month period could not exceed 10% of the Company's capital.

This authorization would be given for a period of 24 months and would supersede the authorization given for the same purpose in the 29th resolution of the Annual General Meeting of May 23, 2019, which was used in December 2019 (see sections 7.2.1 and 7.2.7.1 of the 2019 Universal Registration Document).

Text of the twenty-ninth resolution

Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Article L.22-10-62 of the French Commercial Code, the shareholders:

1. Authorize the Board of Directors to reduce the Company's capital on one or more occasions, in the proportions and on the dates it deems appropriate, by canceling all or some of the treasury shares held by the Company as a result of implementing a share buyback program. The number of treasury shares that may be canceled within any 24-month period may not exceed 10% of the Company's capital. This 10% ceiling will apply to the amount of the Company's capital as adjusted, where applicable, to take into consideration any corporate actions that may be carried out after this Annual General Meeting.
2. Resolve that the Board of Directors – or any representative duly empowered in accordance with the law – will have full powers to implement this resolution and in particular to:
 - set the definitive amount of the capital reduction;
 - set the terms and conditions of the capital reduction and carry it out;
 - charge the difference between the carrying amount of the canceled shares and their par value against any available reserves and additional paid-in capital accounts;
 - place on record the completion of the capital reduction and amend the Company's bylaws accordingly; and
 - carry out any formalities and other measures and generally do everything necessary to complete the capital reduction.

This authorization is given for a period of 24 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 29th resolution of the Annual General Meeting of May 23, 2019.

Performance shares (free share grants)

Presentation of the thirtieth resolution

In the 30th resolution, shareholders are invited to authorize the Board of Directors to grant performance shares to (i) employees or certain categories of employees of the Company and/or of other Group entities, and/or (ii) corporate officers of the Company and/or other Group entities (except the Chairman of the Company's Board of Directors when the duties of Chairman of the Board and Chief Executive Officer are separated), provided said corporate officers are eligible for such grants under the applicable law.

Free performance share grants are a common method used by companies in order to 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. They are also in line with the strategy of linking the incentives of senior executives to 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 would determine the beneficiaries of the grants and set the terms and conditions thereof as well as the applicable eligibility criteria.

The shares granted could either be new shares or existing shares bought back by the Company under the terms and conditions provided for by law.

This authorization would entail the waiver by existing shareholders of their pre-emptive rights to subscribe for any shares issued pursuant to this resolution.

This authorization would supersede, as from the date of this Meeting, the authorization granted to the Board of Directors for the same purpose in the 30th resolution of the Annual General Meeting of May 23, 2019.

The main characteristics of any performance share grants carried out using this authorization would be as follows:

Performance conditions

Performance share grants would be subject to the achievement of internal and external performance conditions, assessed over three full consecutive fiscal years, including the year of grant.

This rule would apply to all beneficiaries regardless of the weighting of the various conditions, which vary according to the different beneficiary categories.

■ Standard internal conditions applying to all beneficiaries:

These standard internal performance conditions would count for at least 70% of the total for the beneficiaries and would be based on the Group's financial and economic performance as well as, by decision of the Board of Directors, on the Group's non-financial performance.

■ Financial and economic performance:

Under this set of internal conditions, the two standard internal performance conditions relating to the Group's financial and economic performance would be based on:

- ROI (adjusted recurring operating income, as discussed in section 2.1.2 of the 2020 Universal Registration Document);
- FCF (free cash flow, as discussed in section 2.2.3 of the 2020 Universal Registration Document);
- each would count for half of the weighting assigned to these financial and economic conditions.

The achievement levels for these conditions would be measured by reference to the average of the ROI and FCF targets for the fiscal year in which the grant takes place and for the following two fiscal years, as set in the Group's most recent medium-term plan (MTP) or in the budget based on the MTP for the fiscal year in progress, as adjusted to factor in any exceptional circumstances or events and approved by the Board of Directors before the grant date (the "Reference Target"). The following achievement levels would be set for these conditions:

- lowest achievement level: if 80% of the Reference Target were achieved, 40% of the shares contingent on that target would vest;
- target achievement level: if 100% of the Reference Target were achieved, 80% of the shares contingent on that target would vest;
- highest achievement level (cap): if 125% of the Reference Target were achieved, 100% of the shares contingent on that target would 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 would vest would vary in linear fashion. Below the lowest achievement level, none of the shares contingent on the internal performance condition concerned would vest.

The performance criteria would be measured by comparing results against a same-scope reference base. If an entity is deconsolidated, the reference bases used for past grants would be adjusted to exclude the amounts related to the deconsolidated entity for the years concerned. For the first performance share grant after a new entity has been consolidated, additional performance conditions may be added. Past grants would continue to be measured, whenever possible, based on the previous scope of consolidation (i.e., not including the newly-consolidated entity).

■ Non-financial performance:

Under this set of internal conditions, the non-financial condition(s) would relate to CSR and sustainable development objectives. These conditions, which would be defined by the Board of Directors prior to the grant date, could take into account the Group's medium-term priorities or strategic challenges on these issues. They would be quantifiable or measurable, making it possible to objectively monitor them and identify the actual achievement rate at the end of the performance period. They would be disclosed and their weighting would reduce the weighting of the internal financial and economic performance conditions.

For the first performance share grant under this authorization, it has already been indicated that Executive Management would ask the Board of Directors to include such a non-financial performance condition – with a projected weighting of around 10% (up to 20%, where applicable) – within the minimum 70% weighting for the standard performance conditions.

■ Possible additional performance conditions:

As well as the portion attributed to the “standard” internal performance conditions, the Board of Directors may, at its discretion, apply additional demanding and quantifiable 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, as defined by the Board of Directors prior to the grant, would be disclosed and their weighting would reduce the weighting of the “standard” internal performance conditions.

■ External performance condition:

The external performance condition would be based on Safran's total shareholder return (TSR) performance as measured relative to a group of peer companies operating in the same business sectors as Safran or enlarged to include other comparable companies operating in other sectors, or including or made up of one or more indexes. The composition of this panel of peer companies may change in order to factor in changes in the structure or operations of the Group or of the peer companies concerned. The composite index currently used enables simultaneous comparison with the European market, the US market and the reference index for the French market. This composite index is made up of:

- the STOXX® Europe TMI Aerospace & Defense index (Stoxx A&D Net Return);
- the S&P Aerospace & Defense Industry Select index (S&P A&D);
- the CAC 40 index (CAC 40 Gross Return).

Each of these three indices counts for one-third of the composite index.

This external performance condition would count for 30% for the Chief Executive Officer. For other beneficiaries, it could count for a lower percentage, but would in any event not be less than 10%.

The following achievement levels would be set for this condition:

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

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

Vesting and lock-up periods

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

In addition, the shares granted to the Chief Executive Officer or other corporate officers of the Company would be subject to a lock-up period set by the Board of Directors, which may not be less than one year as from the vesting date. In principle, the minimum lock-up period of at least one year would also apply to members of the Company's Executive Committee; exceptions, however, may apply to some of them (other than the Company's Chief Executive Officer) in view of their nationality, tax residence or related personal situation. As an exception and for illustration purposes, the Board of Directors could set up an alternative arrangement allowing them to sell some of the shares delivered on the vesting date to cover the tax due on that date, and decide to waive the lock-up period if it would result in the double taxation of the beneficiary.

Extraordinary resolutions

Ceilings

The total number of performance shares granted could not exceed 0.4% of the Company's capital at the date of the Board of Directors' decision to make the share grants (main ceiling), or two-thirds of this percentage in any given fiscal year (sub-ceiling).

In addition, for each grant of performance shares, the maximum number of shares granted to each of the Company's corporate officers would be set at 5% of the total number of shares making up the grant (representing a sub-ceiling of 0.01% of the Company's capital per corporate officer and fiscal year).

Anticipated use

If this authorization is approved by shareholders, in line with its long-term compensation policy, the Board of Directors intends to set up annual performance share plans which would have the characteristics and be subject to the performance conditions and ceilings described above.

Use of authorization previously granted

Using the authorization granted in the 30th resolution of the May 23, 2019 Annual General Meeting, the Board of Directors authorized grants of performance shares to certain managers and senior executives of the Group, first on March 26, 2020 (2020 Long-Term Incentive Plan, as described in sections 6.6.4.2 and 7.3.7.1 of the 2019 Universal Registration Document), and then on March 24, 2021 (2021 Long-Term Incentive Plan, as described in section 7.3.7.1 of the 2020 Universal Registration Document) (see the press releases available on the Company's website, www.safran-group.com/group/governance).

Text of the thirtieth resolution

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

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, the shareholders:

1. Authorize the Board of Directors to grant, on one or more occasions, existing or new Safran shares, free of consideration, to (i) employees or certain categories of employees of the Company and/or of related companies or groups within the meaning of Article L.225-197-2 of the French Commercial Code, and/or (ii) corporate officers of the Company and/or of related companies or groups within the meaning of Article L.225-197-2 of the French Commercial Code (except for the Chairman of the Company's Board of Directors when the duties of Chairman of the Board and Chief Executive Officer are separated), provided said corporate officers are eligible for such grants under the applicable law. The amounts and timing of such grants will be determined at the Board's discretion.
2. Resolve that the total number of existing or new shares granted free of consideration pursuant to this authorization may not exceed (i) 0.4% of the Company's capital at the date of the Board of Directors' decision to grant free shares, or (ii) two-thirds of this percentage in any given fiscal year.
3. Resolve that the shares granted pursuant to this authorization will be subject to performance conditions set by the Board of Directors based on the recommendations of the Appointments and Compensation Committee and assessed over a minimum period of three consecutive fiscal years, including the year of grant.
4. Resolve that for each grant of free shares, any shares granted to the Company's corporate officers in accordance with the conditions provided for by law may not represent more than 5% of the total number of shares making up the grant (per corporate officer).
5. Resolve that the shares granted will be subject to a vesting period which will be set by the Board of Directors but may not be less than three years, followed, in certain cases, by a lock-up period whose duration will also be set by the Board of Directors.
6. Resolve that any free shares granted to the Company's corporate officers will be subject to a lock-up period that will be set by the Board of Directors but may not be less than one year as from the vesting date.
7. Resolve that the shares will vest before the expiration of the above-mentioned vesting period and will be freely transferable before the expiration of the above-mentioned lock-up period in the event that the beneficiary becomes disabled, within the meaning of the definition set down in the second or third categories under Article L.341-4 of the French Social Security Code (or the equivalent in any foreign country).
8. Note that if new shares are issued for the purpose of allocating the free shares, this authorization will result in capital increases paid up by capitalizing reserves, retained earnings or additional paid-in capital as the shares vest, as well as a corresponding waiver by shareholders of their pre-emptive rights to subscribe for the shares issued as part of these capital increases.

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to use this authorization within the limits set by the applicable laws and regulations and in particular to:

- determine if the shares granted free of consideration will be new shares or existing shares, it being specified that the Board may change its choice before the vesting date;
- draw up the list or categories of eligible beneficiaries;

- set the applicable performance and vesting conditions, notably the duration of the vesting period and lock-up period, particularly concerning the Company's corporate officers and members of the Executive Committee;
- provide for the possibility to provisionally suspend the beneficiaries' rights to receive the shares;
- place on record the vesting dates of the shares granted and the dates from which the shares may be freely transferred or sold;
- make any adjustments required during the vesting period to the number of free shares granted in order to protect the rights of beneficiaries, it being specified that the shares granted in connection with any such adjustments will be deemed to have been granted on the same date as the initial grant;
- in the event of the issue of new shares, (i) deduct, where applicable, from reserves, retained earnings or additional paid-in capital, the amounts necessary to pay up the shares, (ii) place on record the capital increases carried out pursuant to this authorization, (iii) amend the Company's bylaws to reflect the new capital; and generally
- take all appropriate measures and enter into any and all agreements to successfully complete the share grants.

This authorization is given for a period of 26 months from the date of this Meeting and supersedes the authorization given to the Board of Directors for the same purpose in the 30th resolution of the Annual General Meeting of May 23, 2019.

Resolution concerning powers to carry out formalities

Presentation of the thirty-first resolution

The 31st 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 thirty-first 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 FOR THE BOARD OF DIRECTORS SUBMITTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021 FOR APPROVAL

Type of authorization	Date of authorization Term and expiration	Ceiling (maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)
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 26, 2021 AGM (18 th resolution) 26 months, i.e., until July 25, 2023	€20 million €2 billion (debt securities)
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 other than offers governed by Article L.411-2, 1° 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 26, 2021 AGM (19 th resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾ €2 billion (debt securities) ⁽²⁾
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 26, 2021 (20 th resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾⁽³⁾ €2 billion (debt securities) ⁽²⁾⁽⁴⁾
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 an offer governed by Article L.411-2, 1° 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 26, 2021 (21 st resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾⁽³⁾ €2 billion (debt securities) ⁽²⁾⁽⁴⁾
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 18 th , 19 th , 20 th or 21 st resolutions), which may not be used during, or in the run-up to, a public offer for the Company's shares	May 26, 2021 (22 nd resolution) 26 months, i.e., until July 25, 2023	15% of the original issue ⁽⁵⁾
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 26, 2021 (23 rd resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾ €2 billion (debt securities) ⁽²⁾
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 other than offers governed by Article L.411-2, 1° 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 26, 2021 (24 th resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾ €2 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁷⁾
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 26, 2021 (25 th resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾⁽⁸⁾ €2 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁹⁾
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 an offer governed by Article L.411-2, 1° 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 26, 2021 (26 th resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾⁽⁸⁾ €2 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁹⁾
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 23 rd , 24 th , 25 th or 26 th resolutions), which may only be used during, or in the run-up to, a public offer for the Company's shares	May 26, 2021 (27 th resolution) 26 months, i.e., until July 25, 2023	15% of the original issue ⁽¹⁰⁾

Type of authorization	Date of authorization Term and expiration	Ceiling (maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)
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 26, 2021 (28 th resolution) 26 months, i.e., until July 25, 2023	1% of the Company's capital ⁽¹⁾
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 26, 2021 (30 th resolution) 26 months, i.e., until July 25, 2023	0.40% of the Company's capital at the grant date

- (1) This amount is included in the €20 million ceiling for capital increases set in the 18th resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (2) This amount is included in the €2 billion ceiling for issues of debt securities set in the 18th resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (3) This amount is included in the €8 million ceiling for capital increases set in the 19th resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (4) This amount is included in the €2 billion ceiling for issues of debt securities set in the 19th resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (5) The ceilings applicable to the 18th, 19th, 20th and 21st resolutions submitted to the shareholders' vote at the May 26, 2021 AGM still apply if the option provided for in the 22nd resolution of that AGM is used.
- (6) This amount is included in the €8 million ceiling for capital increases set in the 23rd resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (7) This amount is included in the €2 billion ceiling for issues of debt securities set in the 23rd resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (8) This amount is included in the €8 million ceiling for capital increases set in the 24th resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (9) This amount is included in the €2 billion ceiling for issues of debt securities set in the 24th resolution submitted to the shareholders' vote at the May 26, 2021 AGM.
- (10) The ceilings applicable to the 23rd, 24th, 25th and 26th resolutions submitted to the shareholders' vote at the May 26, 2021 AGM still apply if the option provided for in the 27th resolution of that AGM is used.

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 (maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)	Amount used at December 31, 2020
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, 1° 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⁾	May 15, 2020: €799,999,902.95 Oct. 12, 2020: €199,999,948.68 Amount remaining at Dec. 31, 2020: €800,000,148.37
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

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, 2020
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, 1° 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 in 2020: 0.18% Amount remaining at Dec. 31, 2020: 0.22% Amount used in 2021: 0.18% Amount remaining at Mar. 31, 2021: 0.04%

(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 €)	2016	2017	2018	2019	2020
Capital at December 31					
Share capital	83,405,917	83,405,917	87,153,590.20	85,446,831	85,446,831
Number of ordinary shares outstanding	417,029,585	417,029,585	435,767,951	427,234,155	427,235,939
Financial results					
Profit before tax, statutory employee profit-sharing, depreciation, amortization and provisions	767,391,743	1,251,397,582	1,621,981,388	1,382,153,454	1,786,495,281
Income tax expense	(52,805,019)	(33,064,752)	(211,350,763)	(551,456)	(58,580,049)
Statutory employee profit-sharing for the fiscal year	-	-	-	-	-
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions	969,870,638	1,359,762,344	1,705,042,464	1,296,554,954	1,647,405,156
Dividend payment	633,884,969	667,247,336	793,097,671	-	183,711,454
Per share data					
Profit after tax, statutory employee profit-sharing, but before depreciation, amortization and provisions					
■ per ordinary share outstanding	1.97	3.08	4.21	3.24	4.32
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions					
■ per ordinary share outstanding	2.33	3.26	3.91	3.03	3.86
Net dividend					
■ per ordinary share outstanding	1.52	1.60	1.82	-	0.43
Employees					
Average number of employees during the fiscal year	1,577	1,624	1,774	1,813	1,785
Total payroll	140,807,877	145,288,974	173,747,142	160,175,869	139,299,866
Social security and other social welfare contributions	88,550,754 ⁽¹⁾	95,952,479 ⁽²⁾	114,279,525 ⁽³⁾	137,669,709 ⁽⁴⁾	75,980,598 ⁽⁵⁾

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

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

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

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

(5) Including €5.3 million in contributions paid to the insurer that manages the defined benefit pension plan.

STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

Annual General Meeting for the approval of the financial statements for the year ended December 31, 2020

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and is provided solely for the convenience of English speaking users. 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.

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 performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of 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

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorized in advance by the Board of Directors.

1) With BNP Paribas

Person concerned

Monique Cohen, a Director of Safran and BNP Paribas.

Nature, purpose, terms and conditions

Agreement of March 31, 2020 entered into with BNP Paribas relating to the arrangement, underwriting and syndication of a credit facility.

On March 31, 2020, your Company and BNP Paribas entered into an agreement relating to the arrangement, underwriting and syndication of a €3 billion credit facility with a term of up to two years.

The Board of Directors entered into the agreement for the following reason: to rapidly set up a €3 billion syndicated credit facility with a term of up to two years, supplementing the Group's liquidity reserves and helping to prudently maintain its financial flexibility during the Covid-19 crisis.

Under the terms of the agreement, BNP Paribas committed to arranging the structure of the credit facility, underwriting the full amount thereof and syndicating the facility with other credit institutions. The agreement was entered into under the market conditions prevailing at the date of signature for this type of transaction.

Safran appointed BNP Paribas because of the bank's leading position on the market and its commitment to underwrite the full amount and to syndicate the facility in a very short space of time, thereby making the additional liquidity reserve available to the Group as quickly as possible.

In respect of 2020, an expense of €5.25 million was recorded in Safran's financial statements corresponding to the commission paid to BNP Paribas in respect of the agreement.

The agreement was authorized by the Board of Directors on March 26, 2020.

STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021

Statutory Auditors' special report on related-party agreements

2) With a pool of banks including BNP Paribas

Person concerned

Monique Cohen, a Director of Safran and BNP Paribas.

Nature, purpose, terms and conditions

Agreement of April 22, 2020 entered into with BNP Paribas and a pool of banks relating to a syndicated credit facility.

On April 22, 2020, your Company, BNP Paribas and a pool of banks entered into an agreement relating to a syndicated credit facility for an amount of €3 billion and a term of up to two years. The syndicated credit facility supplements the Group's liquidity reserves. The Board of Directors entered into the agreement for the following reason: to enable the Group to prudently maintain its financial flexibility during the Covid-19 crisis.

Under the terms of the agreement, BNP Paribas acts as underwriter, bookrunner, mandated lead arranger, agent and initial lender for €285 million (highest amount equal to the amount allocated to other initial lenders that are also mandated lead arrangers). The agreement was entered into under the market conditions prevailing at the date of signature for this type of transaction and the commission and interest will be shared between the banks that are party to the agreement, including BNP Paribas, pro rata to their involvement in the credit facility.

Safran appointed BNP Paribas because of the bank's leading position on the market, further to the abovementioned related-party agreement of March 31, 2020.

In respect of 2020, an expense of €1.079 million was recorded in Safran's financial statements corresponding to the agent's commission and to BNP Paribas' share of the initial commission and the no-use fee (split between lenders based on their respective commitments).

The agreement was authorized by the Board of Directors on March 26, 2020.

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

Suzanne Kucharekova Milko, representative of the French State to the Board of Directors of your Company, 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]).

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 SE.
- **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 SE.

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 Agreement of December 21, 2004 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.

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.

STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021

Statutory Auditors' special report on related-party agreements

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).

Suzanne Kucharekova Milko, representative of the French State to the Board of Directors of your Company, 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 2020, a €0.189 million 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 26, 2021

The Statutory Auditors

MAZARS

ERNST & YOUNG et Autres

Gaël Lamant

Jérôme de Pastors

Jean-Roch Varon

Philippe Berteaux

STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021

Statutory Auditors' reports on the proposed authorizations presented to the Annual General Meeting of May 26, 2021

STATUTORY AUDITORS' REPORTS ON THE PROPOSED AUTHORIZATIONS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021

Statutory Auditors' report on the issue, with or without pre-emptive subscription rights for existing shareholders, of ordinary shares and/or securities carrying rights to shares

Annual General Meeting of May 26, 2021

Eighteenth, nineteenth, twentieth, twenty-first, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*Code de commerce*), as well as Article L.22-10-52, we hereby report on the proposed delegation to the Board of Directors of various issues of ordinary shares and/or securities carrying rights to shares, an operation on which you are called to vote.

The Board of Directors proposes that, on the basis of its report, it be authorized, with the ability to sub-delegate, for a maximum period of 26 months from the date of this Meeting, to carry out the following transactions and set the final conditions for these issues, and proposes, where necessary, to cancel your pre-emptive subscription rights:

- Outside of periods during, or in the run-up to, a public offer for the Company's shares:
 - issuing ordinary shares of the Company or securities carrying rights to existing or new ordinary shares of the Company, without cancellation of pre-emptive subscription rights (eighteenth resolution);
 - issuing by way of a public offer, other than offers governed by Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), ordinary shares of the Company or securities carrying rights to existing or new ordinary shares of the Company, with cancellation pre-emptive subscription rights (nineteenth resolution);
 - issuing shares or securities carrying rights to shares of the Company, in the event of a public exchange offer initiated by the Company (twentieth resolution);
 - issuing ordinary shares of the Company and/or securities carrying rights to existing or new ordinary shares of the Company, with cancellation of pre-emptive subscription rights, by way of public offers governed by Article L.411-2, 1° of the French Monetary and Financial Code, not exceeding 20% of the Company's capital per year (twenty-first resolution).
- During, or in the run-up to, a public offer for the Company's shares:
 - issuing ordinary shares or securities carrying rights to existing or new ordinary shares of your Company, without cancellation of preferential subscription rights (twenty-third resolution);
 - issuing by way of a public offer, other than offers governed by Article L.411-2, 1° of the French Monetary and Financial Code, ordinary shares of the Company or securities carrying rights to new and/or existing ordinary shares of the Company, with cancellation of pre-emptive subscription rights (twenty-fourth resolution);
 - issuing shares or securities carrying rights to shares of the Company, in the event of a public exchange offer initiated by the Company (twenty-fifth resolution);
 - issuing ordinary shares of the Company and/or securities carrying rights to existing or new ordinary shares of the Company, with cancellation of pre-emptive subscription rights by way of public offers governed by Article L.411-2, 1° of the French Monetary and Financial Code, not exceeding 20% of the Company's capital per year (twenty-sixth resolution).

The maximum aggregate nominal amount of any capital increases likely to be carried out immediately or in the future may not, according to the eighteenth resolution, exceed €20 million under the eighteenth to twenty-seventh resolutions (or on the basis of the delegations granted by any similar resolution that may supersede such resolution during the period of validity of this delegation), it being specified that:

- the maximum aggregate nominal amount of any capital increases likely to be realized, individually and cumulatively, may not exceed €8 million according to the nineteenth to twenty-first resolutions;
- the maximum aggregate nominal amount of any capital increases likely to be carried out, individually by authorization and cumulatively, may not exceed €8 million according to the twenty-fourth to twenty-sixth resolutions; this amount will count towards the sub-ceiling of €8 million set by the nineteenth to twenty-third resolutions;
- the maximum aggregate nominal amount of any debt securities likely to be issued may not, according to the eighteenth resolution, exceed €2 billion under the eighteenth to twenty-seventh resolutions (or on the basis of the delegations granted by any similar resolutions that may supersede such resolutions during the period of validity of this delegation), it being specified that the nominal amount of any debt securities likely to be issued, individually by authorization and cumulatively, may not exceed €2 billion according to the nineteenth to twenty-first resolutions;

Statutory Auditors' reports on the proposed authorizations presented to the Annual General Meeting of May 26, 2021

- the nominal amount of any debt securities likely to be issued, individually by authorization and cumulatively, may not exceed €2 billion according to the twenty-fourth to twenty-sixth resolutions; this amount will count towards the sub-ceiling of €2 billion set by the nineteenth and twenty-third resolutions.

These caps take into account the number of shares to be created within the scope of the implementation of the delegations referred to in the eighteenth to twenty-first resolutions, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, if you vote in favor of the twenty-second resolution, and within the scope of the implementation of the delegations referred to in the twenty-third to twenty-sixth resolutions, if you vote in favor of the twenty-seventh resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other disclosures relating to the issues, contained in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to these operations and the methods used to determine the issue price of the capital securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issues, we have no matters to report as to the methods used to determine the issue price for the capital securities to be issued as provided in the Board of Directors' report in respect of the nineteenth, twenty-first, twenty-fourth and twenty-sixth resolutions.

Furthermore, as this report does not specify the conditions for determining the issue price for the capital securities to be issued within the scope of the implementation of the eighteenth, twentieth, twenty-third and twenty-fifth resolutions, we cannot report on the choice of constituent elements used to determine the issue price.

As the final conditions of the issues have not yet been determined, we cannot report on the final conditions and, consequently, on the proposed cancellation of pre-emptive subscription rights proposed in the nineteenth, twenty-first, twenty-fourth and twenty-sixth resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will issue a supplementary report if and when your Board of Directors uses the delegations in the event of issues of securities that are capital securities that give access to other capital securities or carry rights to the allocation of debt securities, in the event of issues of securities that give access to capital securities to be issued, and in the event of issues of ordinary shares with cancellation of pre-emptive subscription rights.

Paris-La Défense, March 26, 2021

The Statutory Auditors

MAZARS

ERNST & YOUNG et Autres

Gaël Lamant

Jérôme de Pastors

Jean-Roch Varon

Philippe Berteaux

STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021

Statutory Auditors' reports on the proposed authorizations presented to the Annual General Meeting of May 26, 2021

Statutory Auditors' report on the issue of ordinary shares and/or securities carrying rights to shares reserved for employees who are members of Group employee savings plans

Annual General Meeting of May 26, 2021

Twenty-eighth resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report on the proposed delegation of authority to the Board of Directors to decide on an issue of ordinary shares or securities carrying rights to shares without pre-emptive subscription rights reserved for employees who are members of your Group employee savings plans, for a maximum amount of 1% of the Company' share capital, an operation on which you are called to vote.

This operation is submitted for your approval in accordance with Articles L.225-129-6 of the French Commercial Code and L.3332-18 *et seq.* of the French Labor Code (*Code du travail*).

The Board of Directors proposes that, on the basis of its report, it be authorized, with the ability to sub-delegate, for a period of 26 months from the date of this Meeting, to decide to carry out an issue, and proposes to cancel your pre-emptive subscription rights to the securities to be issued. If necessary, the Board of Directors will determine the final conditions of this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other disclosures relating to the issue, contained in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the capital securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issue, we have no matters to report as to the methods used to determine the issue price for the capital securities to be issued as provided in the Board of Directors' report.

As the final conditions of the issue have not yet been determined, we cannot report on the final conditions and, consequently, on the proposed cancellation of pre-emptive subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will issue a supplementary report if and when your Board of Directors uses the delegation in the event of issues of ordinary shares or securities that are capital securities that give access to other capital securities, and in the event of issues of securities that give access to capital securities to be issued.

Courbevoie and Paris-La Défense, March 26, 2021

The Statutory Auditors

MAZARS

Gaël Lamant

Jérôme de Pastors

ERNST & YOUNG et Autres

Jean-Roch Varon

Philippe Berteaux

Statutory Auditors' reports on the proposed authorizations presented to the Annual General Meeting of May 26, 2021

Statutory Auditors' report on the share capital reduction

Annual General Meeting of May 26, 2021

Twenty-ninth resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L.22-10-62 of the French Commercial Code (*Code de commerce*), in respect of the share capital reduction by the cancellation of repurchased shares, we hereby report on our assessment of the reasons for and the terms and conditions of the proposed capital reduction.

The Board of Directors proposes that it be granted full powers, for a period of 24 months from the date of this Meeting, to cancel the shares purchased under the Company's share buyback program, pursuant to an authorization granted within the framework of the above-mentioned article, up to a maximum of 10% of the share capital per 24-month period.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the reasons for and the terms and conditions of the proposed capital reduction, which is not considered to affect shareholders, comply with the applicable legal provisions.

We have no matters to report on the reasons for and the terms and conditions of the proposed capital reduction.

Courbevoie and Paris-La Défense, March 26, 2021

The Statutory Auditors

MAZARS

ERNST & YOUNG et Autres

Gaël Lamant

Jérôme de Pastors

Jean-Roch Varon

Philippe Berteaux

Statutory Auditors' report on the authorization to grant existing or new shares, free of consideration

Annual General Meeting of May 26, 2021

Thirtieth resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed authorization to grant existing or new shares of the Company, free of consideration, to employees and corporate officers of your Company and/or related Group entities, which is submitted for your approval. The total number of existing or new shares granted pursuant to this authorization may not exceed 0.4% of the Company's capital.

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of 26 months to grant existing or new shares, free of consideration.

It is the responsibility of the Board of Directors to prepare a report on the proposed operation. It is our responsibility to report to you on the information provided to you on the proposed operation.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Board of Directors' report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed authorization to grant existing or new shares, free of consideration.

Courbevoie and Paris-La Défense, March 26, 2021

The Statutory Auditors

MAZARS

ERNST & YOUNG et Autres

Gaël Lamant

Jérôme de Pastors

Jean-Roch Varon

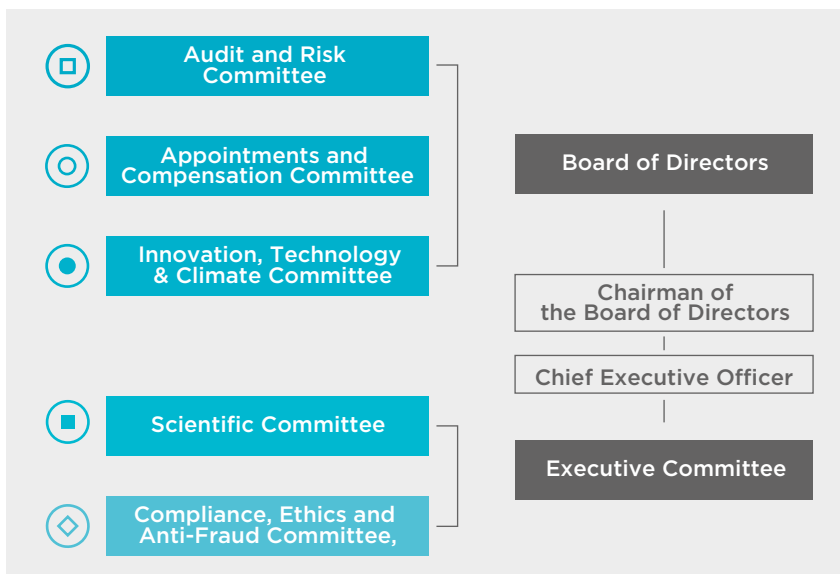
Philippe Berteaux

CORPORATE 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 employers’ associations, AFEP and MEDEF. Safran’s Board of Directors determines its strategy and oversees its implementation.



EXECUTIVE SESSIONS AND ASSESSMENT OF BOARD OPERATING PROCEDURES

As part of the formal self-assessment of its operating procedures, the Board decided that an “executive session” should be added at the end of each scheduled Board meeting as from 2021, enabling Directors to discuss functioning of the Board if required. Previously, two “executive sessions” were held per year. At these sessions, not attended by any executive or in-house Directors, the other members of the Board generally discuss the functioning of the Board and its Committees, the performance of the Chairman and the Chief Executive Officer and the work carried out on succession plans, and identify issues to be addressed at subsequent Board meetings.

The self-assessment process confirmed the main observations of the 2018 assessment (carried out with input from an external consultancy), namely satisfaction with the separation of the roles of Chairman and Chief Executive Officer, the Board’s functioning (very professional, good balance between operations and strategy, and high-quality documents provided), and the handling of strategic issues. In 2020, the Directors also noted that progress had been made on the measures and action plans put in place for the areas of improvement that were identified in the 2018 assessment.

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.

This choice of governance, confirmed with the appointment of Olivier Andriès as the new Chief Executive Officer as from January 1, 2021, brings the Group the combined benefits of his managerial and industrial record in addition to the international stature of the Chairman, Ross McInnes. Complementarity across their profiles will be one of the underlying factors enabling 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 roles between the Chairman of the Board and the Chief Executive Officer, thus guaranteeing an effective segregation of duties.

Lead Independent Director

In 2018, the Board of Directors decided to appoint Monique Cohen as Lead Independent Director and define her duties. Although the position of Lead Independent Director is not indispensable because the Company has separated the roles of Chairman of the Board and Chief Executive Officer, the Board felt that it would be good practice to have such a Director.

An independent Director responsible for monitoring climate issues

Fully aware of the strategic importance of climate issues for the aerospace industry, in early 2021 the Board of Directors appointed Patrick Pélata as Director responsible for monitoring climate issues, and defined his roles and responsibilities accordingly (see page 69).

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 external view that is beneficial for the Group.

Membership structure of the Board of Directors and its Committees

(at March 25, 2021)



**ROSS
McINNES**

Chairman
of the Board
of Directors



**OLIVIER
ANDRIÈS**

Chief Executive
Officer



**ANNE
AUBERT**

Director
representing
employee
shareholders



**MARC
AUBRY**

Director representing
employee
shareholders

ARC



**HÉLÈNE
AURIOL POTIER**

Independent
Director

I ACC ITCC



**PATRICIA
BELLINGER**

Independent
Director

I ACC



**HERVÉ
CHAILLOU**

Director
representing
employees

ITCC



**JEAN-LOU
CHAMEAU**

Independent
Director

I ACC ITCC



**MONIQUE
COHEN**

Lead Independent
Director

Chair of the
Appointments and
Compensation
Committee

I ACC



**ODILE
DESFORGES**

Director
Chair of the Audit
and Risk Committee

I ARC



**DIDIER
DOMANGE**

Director

ACC



**LAURENT
GUILLOT**

Independent
Director

I ARC



**VINCENT
IMBERT**

Director appointed at
the recommendation
of the French State

ACC ITCC ARC



**SUZANNE
KUCHAREKOVA
MILKO**

Director
representing
the French State



**DANIEL
MAZALTARIM**

Director
representing
employees

ACC



**PATRICK
PÉLATA**

Chairman of
the Innovation,
Technology & Climate
Committee

Director responsible
for monitoring climate
issues

I ACC ITCC



**ROBERT
PEUGEOT**

Director
representing F&P

I ARC



**SOPHIE
ZURQUIYAH**

Independent
Director

I ARC

I

Independent

ARC

Audit and Risk
Committee

ACC

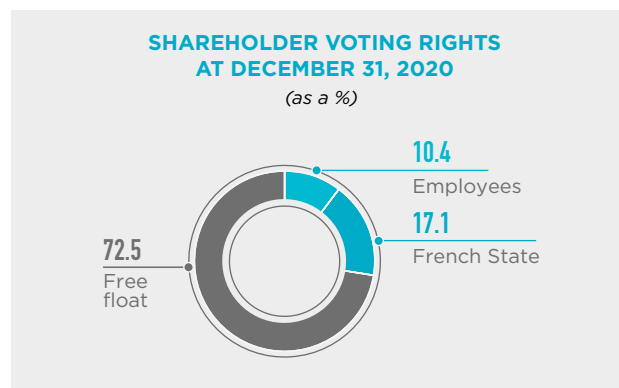
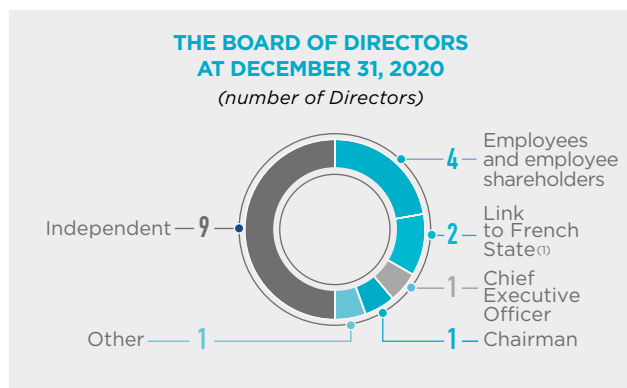
Appointments
and Compensation
Committee

ITCC

Innovation,
Technology &
Climate Committee

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

A Board membership structure that is consistent with Safran share ownership



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

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.

Experience and specific positions 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	12
Finance and management control	11
Digital - New technologies	6
Governance and compensation	14
Human Resources - CSR	11

Committees addressing the Group's strategic challenges

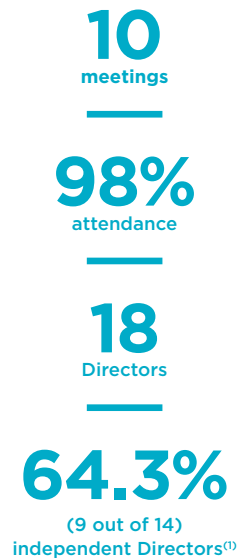
(2020 key figures)

Audit and Risk Committee		Appointments and Compensation Committee		Innovation, Technology & Climate Committee	
6 meetings	6 members	9 meetings	8 members	2 meetings	5 members
94% attendance	80% (4 out of 5) independent ⁽²⁾	90% attendance	71.43% (5 out of 7) independent ⁽²⁾	100% attendance	75% (3 out of 4) independent ⁽²⁾

(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.

(2) Excluding Directors representing employee shareholders and Directors representing employees, in accordance with the AFEP-MEDEF Code.

BOARD OF DIRECTORS (2020 key figures)



CHANGES IN THE MEMBERSHIP STRUCTURE OF THE BOARD OF DIRECTORS IN 2020

• **Olivier Andriès**, Chief Executive Officer, was also appointed as a Director, effective from January 1, 2021. This decision reflects the Board's continuing belief that it is useful, necessary and of real value for the Chief Executive Officer to also be a

Director of the Company, as it enables the Chief Executive Officer to be among his peers around the Board table, and also enables the Board to benefit from his contribution to its discussions.

• At the May 28, 2020 Annual General Meeting:

- **Patricia Bellinger** was appointed as an additional independent Director;
- **Anne Aubert** and **Marc Aubry** were appointed as Directors representing employee shareholders.

• **Suzanne Kucharekova Milko**, Secretary-General of the French State Investments Agency (APE), was appointed as representative of the French State.

PROPOSITIONS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 26, 2021

Proposed appointment of a new female independent Director, with a change in the composition of the Audit and Risk Committee:

The Board will propose the appointment of Fabienne Lecorvaisier as an independent Director to replace Odile Desforges. She has all of the qualities that the Company was seeking during the selection process. Fabienne Lecorvaisier would bring to the Board the experience that she has gained in various functions within international industrial groups in France and overseas, as well as her expertise as a Chief Financial Officer and her experience as a Director. She also has the skills, profile and ability to take on other tasks and responsibilities required of a Board member, notably in the areas

of strategy, energy transition, risk and financial transaction management, and wide-reaching projects.

She would also make valuable contributions as a member of the Audit and Risk Committee.

Laurent Guillot will take over as the Chairman of the Audit and Risk Committee, after the Annual General Meeting, on expiration of the term of office of Odile Desforges.

Proposed re-appointment of three independent Directors, including the Director responsible for monitoring climate issues:

The Board will also propose the re-appointment of the following three independent Directors:

- **Hélène Auriol Potier**, who is also a member of the Appointments and Compensation Committee and the Innovation, Technology & Climate Committee;
- **Sophie Zurquiyah**, who is also a member of the Audit and Risk Committee;
- **Patrick Pélata**, who is also Chairman of the Innovation, Technology & Climate Committee and a member of the Appointments and Compensation Committee.

With the appointment of Patrick Pélata as the Director responsible for monitoring climate issues, the shareholders would also have the opportunity to express their support for the climate approach adopted by Executive Management and the Board of Directors.

Safran's climate strategy and action plan will be presented at the Annual General Meeting.

DIRECTOR RESPONSIBLE FOR MONITORING CLIMATE ISSUES – PATRICK PÉLATA

Consistent with its shareholders' vision, the Board of Directors is fully aware of the strategic importance of "climate issues" for the aerospace industry. Therefore, the Board has appointed Patrick Pélata as "Director responsible for monitoring climate issues". He is also the independent Chairman of the Innovation, Technology & Climate Committee. He will embody and represent the Board's commitment on climate issues.

He will take the lead in ensuring follow-up of the climate action plan by the Innovation, Technology & Climate Committee, whose name and responsibilities have been changed to reflect its new scope. Within this scope, he and the Committee will be involved in overseeing Executive Management's climate action plan and in preparing information for publication by the Company and for presentation to the Annual General Meeting. He is informed of shareholders' questions on matters falling within the scope of his role and, where necessary, makes himself available to discuss those matters with them, in conjunction with the Chairman of the Board of Directors. His roles and responsibilities are set out in the Board of Directors' Internal Rules.

(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.

NOMINEES TO THE BOARD OF DIRECTORS

Appointment of Olivier Andriès

The shareholders are invited to approve the Board of Directors' temporary appointment on December 16, 2020 of Olivier Andriès, Chief Executive Officer since January 1, 2021, as a Director, to replace Philippe Petitcolin whose term of office ended on December 31, 2021. The appointment of Olivier Andriès as a Director took effect on January 1, 2021 for the remainder of his predecessor's term of office, i.e., until the Annual General Meeting to be held in 2023.

The profile of Olivier Andriès is presented in below:



Olivier ANDRIÈS

Chief Executive Officer and Director

Safran - 2, boulevard du Général-Martial-Valin - 75015 Paris, France

Number of Safran shares held: 19,841⁽¹⁾

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1962, Olivier Andriès is a graduate of École Polytechnique (1981) and École des Mines de Paris (1984).

After holding various positions in the French Ministry of Industry and the Treasury department at the French Ministry of Finance, in 1993 he joined the cabinet of the Minister of the Economy and Finance as advisor on industrial affairs.

In 1995, he moved to the Lagardère group as Deputy Director of Strategy, where he managed various merger and acquisition projects, and in 1998 was named personal advisor to Jean-Luc Lagardère.

Olivier Andriès joined Airbus in 2000, as Product Policy Director, before being appointed Vice President, Widebody Aircraft Programs in 2004 and then Executive Vice President, Strategy and Cooperation in 2005.

In July 2007, he became Executive Vice President, Strategy at EADS.

He joined Safran in March 2008 as Executive Vice President, Strategy and Development, and in September 2009 was subsequently named Executive Vice President, in charge of the Defense and Security branch.

In 2011, he was appointed Chairman and Chief Executive Officer of Safran Helicopter Engines, and in June 2015 was named Chief Executive Officer of Safran Aircraft Engines.

In September 2020, he became an Executive Vice President of the Safran Group, working alongside the Chief Executive Officer.

Safran's Board of Directors appointed Olivier Andriès as the Group's Chief Executive Officer, with effect from January 1, 2021, and also as a Director from the same date, replacing Philippe Petitcolin who stepped down from the Board.

MAIN POSITION(S) HELD

- Chief Executive Officer of Safran since January 1, 2021

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- Chief Executive Officer of Safran since January 1, 2021
- Director of Safran since January 1, 2021

NON-GROUP

None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

- Director of Safran Aero Boosters, until November 2020
- Chief Executive Officer of Safran Aircraft Engines, until September 2020
- Chairman of the Rafale GIE, until September 2020
- Director of EPI GmbH, until September 2020
- Permanent representative of Safran Aircraft Engines on the Board of Directors of PowerJet, until September 2020
- Director of Safran Aircraft Engines Mexico (Mexico), until September 2020
- Director of CFM International Inc. (United States), until September 2020
- Director of Société de Motorisations Aéronautiques (SMA), until November 2017

NON-GROUP

None

⁽¹⁾ Including 8,951 shares via corporate mutual fund units (conversion, where applicable, based on the Safran share price at December 31, 2020).

Re-appointment of H el ene Auriol Potier as a Director

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has decided that it wishes to continue to benefit from the expertise of H el ene Auriol Potier and is therefore putting forward this independent Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2025.

The profile of H el ene Auriol Potier is presented in below:



H el ene AURIOL POTIER

Independent Director

Member of the Appointments and Compensation Committee

Member of the Innovation, Technology & Climate Committee

Safran - 2, boulevard du G en eral-Martial-Valin - 75015 Paris, France

Number of Safran shares held: 500

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1962, H el ene Auriol Potier, a French national, graduated as an engineer from the  cole Nationale Sup erieure des T el ecommunications de Paris and completed an Executive Program MBA at INSEAD.

H el ene Auriol Potier built her career in the digital technologies and telecommunications industry in the United States, Europe, Africa and Asia.

She started her career in New York at France T el ecom in 1986.

In 1990, she joined the Canadian mobile technology company Nortel, where she spent 16 years and successively held several management positions including Vice President Mobile Pre-Sale Division and Vice President EMEA, Services & Operations.

In 2006, she joined Dell as Managing Director, in charge of the Africa and Mediterranean region and as a member of the Executive Committee of Dell Emerging Markets.

H el ene Auriol Potier joined Microsoft in 2009 as General Manager - Enterprises, Public Sector and Partners - and a member of the Executive Committee of Microsoft France. She was then appointed General Manager of Microsoft Singapore and a member of the Executive Committee of Microsoft Asia-Pacific. In 2013, she was appointed General Manager of Microsoft Dynamics, Western Europe and then General Manager of Microsoft Europe Public Sector before going on to serve as Managing Director Artificial Intelligence Europe.

From November 2018 to September 2020, she served as Executive Vice-President International for Orange and was a member of the Executive Committee of Orange Business Services.

H el ene Auriol Potier brings to the Board her experience of leading international corporations, an international outlook, expertise and vision in digital technologies and transformation, as well as her experience as a Director.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- Company Director

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- Director of Safran

NON-GROUP

- Director and a member of the Compensation Committee of Mimecast (United Kingdom) (listed company) since January 2021
- Member of the Compensation Committee (since March 2020 and Chair since March 22, 2021), member of the Nominations Committee (since September 2019) and member of the Supervisory Board of Oddo BHF SCA
- Member of the Supervisory Board of Randstad since June 2020 (Netherlands) (listed company) and member of the Governance and Nomination Committee since December 2020
- Managing Partner of Alinerom

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

- Director, Chair of the Ethics Committee and member of the Compensation Committee of Ipsen (listed company), until May 2018
- Director of Faiveley Transport (listed company) until November 2016

Re-appointment of Sophie Zurquiyah as a Director

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has decided that it wishes to continue to benefit from the expertise of Sophie Zurquiyah and is therefore putting forward this independent Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2025.

The profile of Sophie Zurquiyah is presented in below:



Sophie ZURQUIYAH

Independent Director

Member of the Audit and Risk Committee

CGG – 27, avenue Carnot – 91300 Massy, France

Number of Safran shares held: 500

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1966, Sophie Zurquiyah has dual French and American nationality. She is a graduate of the École Centrale de Paris and holds a Master of Science in numerical analysis from the Pierre and Marie Curie University (Paris VI), as well as a Master of Science in aerospace engineering from the University of Colorado.

Having started her career with Schlumberger in 1991 as a geophysics engineer, she held a variety of positions in research, development and manufacturing in France and the United States, before becoming General Manager for Schlumberger’s South Latin America Region, based in Rio de Janeiro in 2003. Between 2005 and 2007, she served as Human Resources Director for Oilfield Services at Schlumberger, and then as Chief Information Officer for the Schlumberger group at its headquarters in Paris until 2009. In the same year, she was appointed President of Schlumberger Data & Consulting Services in Houston, where she remained until 2012.

Sophie Zurquiyah joined CGG on February 4, 2013 as Senior Executive Vice-President of the Geology, Geophysics & Reservoir (GGR) business. On September 1, 2015, she was appointed Chief Operating Officer in charge of Technology and Global Operational Excellence, in addition to her operating responsibilities for product lines in the GGR segment. She is currently a member of the Executive Committee of the CGG group.

On November 18, 2017, Sophie Zurquiyah was appointed as a member of the French Industry Council by way of a ministerial decree.

Since April 26, 2018 she has been Chief Executive Officer and a Director of CGG SA.

Sophie Zurquiyah brings to the Board her experience of heading up innovative global corporations specialized in high-tech industrial equipment and services, as well as an international outlook, expertise in various operational and corporate positions, and her extensive knowledge of North America and Latin America.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- Chief Executive Officer of CGG SA

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- Director of Safran

NON-GROUP

- Director and Chief Executive Officer of CGG SA (listed company)
- Since April 1, 2021: Director and member of the Audit Committee of TechnipFMC (listed company)
- Director of Bazean (United States) since January 2019

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

- Director of Petroleum Edge Ltd (United Kingdom) until June 2018
- Senior Executive Vice President of CGG Services (U.S.), Inc. (United States) until March 2018
- Chief Operating Officer of CGG SA (listed company) until January 2017

Re-appointment of Patrick Pélata, Director responsible for monitoring climate issues, as a Director

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has decided that it wishes to continue to benefit from the expertise of Patrick Pélata and is therefore putting forward this independent Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2025.

The profile of Patrick Pélata is presented in below:



Patrick PÉLATA

Director responsible for monitoring climate issues – Independent
Member and Chairman of the Innovation, Technology & Climate Committee
Member of the Appointments and Compensation Committee

Safran – 2, boulevard du Général-Martial-Valin – 75015 Paris, France

Number of Safran shares held: 500

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1955, Patrick Pélata, a French national, is a graduate of the École Polytechnique and of the École Nationale des Ponts et Chaussées engineering school, and holds a PhD in socioeconomics from the École des Hautes Études en Sciences Sociales.

He joined Renault in 1984 as a shop foreman at the Flins plant and from 1988 he contributed to the creation of the Renault Twingo and served in several engineering positions at Vehicle Engineering, where he became Senior Vice-President in 1998 and joined the Renault Management Committee. Following the signature of the Alliance between Renault and Nissan in 1999, he joined Nissan in Tokyo as Executive Vice-President in charge of Corporate and Product Planning, Design and Programs, sitting on the Executive Committee of Nissan and the Executive Board of the Alliance. In 2005, he returned to Renault as Executive Vice-President in charge of Corporate and Product Planning, Design and Programs, and joined the Executive Committee. Patrick Pélata served as Chief Operating Officer of the Renault group from October 2008 to April 2011, before his departure in August 2012.

From September 2012 to July 2015, he was Chief Automotive Officer and Executive Vice-President of Salesforce.com, with responsibility for strategy execution and promoting social media, mobility and cloud computing technologies to the automotive industry.

In July 2015, he created Meta Consulting LLC, of which he is the President. He returned to Paris in July 2017.

Since December 2018, he has been a member of the *Académie des Technologies*, a French think-tank that issues recommendations on the best use of technologies for society.

Patrick Pélata brings to the Board his experience of leading innovative, high-tech industrial groups on an international scale, as well as his expertise in strategy, consulting and industrialization, which is particularly valuable given today's focus on drastically reducing greenhouse gas emissions and increasing electrification and digitalization.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- Consultant at Meta Strategy Consulting
- Company Director

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- Director of Safran

NON-GROUP

- Director of:
 - Orano
 - Vulog
 - Consultant at Meta Strategy Consulting
- Director of Mobivia (automotive services and accessories and new mobilities) since January 2021

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

- President of Meta Consulting LLC (United States) until July 2017

Appointment of Fabienne Lecorvaisier as an independent Director proposed by the Board of Directors

The shareholders are invited to appoint Fabienne Lecorvaisier as an independent Director to replace Odile Desforges whose term of office is due to expire at the close of this Meeting.

The profile of Fabienne Lecorvaisier is presented in below:



Fabienne LECORVAISIER

L'Air Liquide SA - 75, quai d'Orsay - 75007 Paris, France

Number of shares held: 500

PROFILE - EXPERTISE AND EXPERIENCE

Born in 1962, Fabienne Lecorvaisier, a French national, is a civil engineer and a graduate of the École Nationale des Ponts et Chaussées engineering school.

She began her career at Société Générale in 1985, first in the Corporate Finance Department, and then in the Mergers and Acquisitions Department. She joined Barclays Bank in 1989 as a Senior Banking Executive in charge of the LBO Department (Paris)/Corporate Finance Department (Paris and London). In 1990, she joined Banque du Louvre (Taittinger group) as Assistant General Manager.

She joined the Essilor group in September 1993 as Development Director, before being appointed Finance and Information Systems Director for Essilor America in January 1996, then Chief Financial Officer for the Essilor group in January 2001 and Chief Strategy and Acquisitions Officer for the Essilor group in January 2007.

In 2008, Fabienne Lecorvaisier joined Air Liquide as Chief Financial Officer and Executive Committee member. Since July 2017, she has been an Executive Vice President of Air Liquide, in charge of Finance, Operations Control and General Secretariat.

She has been a Director of Sanofi since May 2013 and Chair of its Audit Committee since May 2018.

In December 2019, Fabienne Lecorvaisier was named an *Officier de la Légion d'honneur* (Officer of the Legion of Honor).

Fabienne Lecorvaisier would bring to the Board the experience that she has gained in various functions within international industrial groups in France and overseas, as well as her expertise as a Chief Financial Officer and her experience as a Director. She also has the skills, profile and ability to take on other tasks and responsibilities required of a Board member, notably in the areas of strategy, energy transition, risk and financial transaction management, and wide-reaching projects.

Fabienne Lecorvaisier would be qualified as an independent Director and would also join the Audit and Risk Committee.

MAIN POSITION(S) HELD

- Executive Vice President, in charge of Finance, Operations Control and General Secretariat of Air Liquide

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

SAFRAN GROUP

None

NON-GROUP

- Director and Chair of the Audit Committee of Sanofi (listed company)
- Chair and Chief Executive Officer of Air Liquide Finance
- Chair of Air Liquide US LLC (United States)
- Executive Vice President of Air Liquide International Corporation (United States) and Director of Air Liquide International, Air Liquide Eastern Europe, The Hydrogen Company American Air Liquide Holdings, Inc. (United States)
- Director of ANSA (the French National Association of Joint-Stock Companies)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

- Director of Air Liquide France Industries, Aqualung International, Air Liquide Welding SA and SOAEO

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

COMPENSATION POLICY FOR CORPORATE OFFICERS – 2021

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

In compliance with Article L.22-10-8 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.

In compliance with the applicable regulations concerning the compensation of corporate officers of listed companies⁽¹⁾, the compensation policies describe:

- the principles and rules for determining the compensation and benefits for all corporate officers;
- any major changes compared with the compensation policies approved at the May 28, 2020 Annual General Meeting;
- the specific compensation policy for the Chairman of the Board of Directors. No changes have been made that alter the substance of this policy compared with the compensation policy approved at the last Annual General Meeting;
- the specific compensation policy for the Chief Executive Officer, which may be adapted and applied to any Deputy Chief Executive Officer(s). No changes have been made that alter the substance of this policy compared with the compensation policy approved at the last Annual General Meeting. Provided that this policy is approved at the May 26, 2021 Annual General Meeting, it will also apply for 2021 to Olivier Andriès, Safran's new Chief Executive Officer, who took up office on January 1, 2021;
- the specific compensation policy for Directors. The principles, terms and conditions and amounts of this policy are unchanged compared with those approved at the May 28, 2020 Annual General Meeting.

The 2021 policies have been approved by the Board of Directors and will be submitted to a shareholder vote at the Annual General Meeting on May 26, 2021.

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.

(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

Compensation policy for corporate officers – 2021

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.

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.

No changes to the 2021 compensation policies that alter the substance of the compensation policies approved at the May 28, 2020 Annual General Meeting

No changes have been made to the 2021 compensation policies that alter the substance of the compensation policies approved at the May 28, 2020 Annual General Meeting.

As a new Chief Executive Officer took up office on January 1, 2021, the required information concerning the suspension of his employment contract and the related entitlements has been added to the compensation policy applicable to him in his role as Chief Executive Officer. The decision to suspend, rather than terminate, the new Chief Executive Officer's employment contract is in line with the Board of Directors' strategy of favoring internal promotion of talent and appointing a new Chief Executive Officer from within the Group where possible (see section 6.6.1.4 of the 2020 Universal Registration Document and below).

Compensation policy for the Chairman of the Board of Directors

At the date of the 2020 Universal Registration Document, 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 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.

The Chairman's annual fixed compensation for 2021 has been kept at €450,000, unchanged from 2020 (see section 6.6.2.1 of the 2020 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 2020 Universal Registration Document and the compensation policy for Directors below).

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 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. These related-party commitments were approved by the shareholders in the 8th resolution of the May 28, 2020 Annual General Meeting.

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

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.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Compensation policy for corporate officers – 2021

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 A, 4% of Tranches B and C and no contributions on Tranche D⁽¹⁾;
- 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 for 2020 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, 2020 of the annuity that could be paid to him under those plans are disclosed in section 6.6.2.1 of the 2020 Universal Registration Document.

As provided for in the Group's Activity Transformation Agreement (see sections 5.4.5 and 5.4.6.3 of the 2020 Universal Registration Document), employer contributions to Article 83 and Article 82 defined contribution supplementary pension plans have been frozen for 2021. Consequently, no contributions will be made to either of those plans for the Chairman for 2021.

“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 (*Code général des impôts*) (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 for 2020 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⁽³⁾ at December 31, 2020 of the annuity that could be paid to him under that plan are disclosed in section 6.6.2.1 of the 2020 Universal Registration Document.

As provided for in the Group's Activity Transformation Agreement (see sections 5.4.5 and 5.4.6.3 of the 2020 Universal Registration Document), employer contributions to Article 83 and Article 82 defined contribution supplementary pension plans have been frozen for 2021. Consequently, no contributions will be made to either of those plans for the Chairman for 2021.

(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, 2021, irrespective of the eligibility conditions.

(3) Calculated based on the assumption that the annuity would be received as from January 1, 2021, 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 2021 is €41,136, unchanged from 2020);
- 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, 2020 of the annuity that could be paid to him under that plan are disclosed in section 6.6.2.1 of the 2020 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 for 2020 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 2020 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 Olivier Andriès, who has been the Group’s Chief Executive Officer since January 1, 2021.

In view of the prevailing situation (the Covid-19 pandemic and the crisis in the aerospace industry), as well as Safran’s Activity Transformation Agreement (see sections 5.4.4 and 5.4.5.3 of the 2020 Universal Registration Document) which includes wage restraint measures, no changes have been made to this policy for 2021 that alter its substance compared with the compensation policy approved at the last Annual General Meeting.

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

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2021, irrespective of the eligibility conditions.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

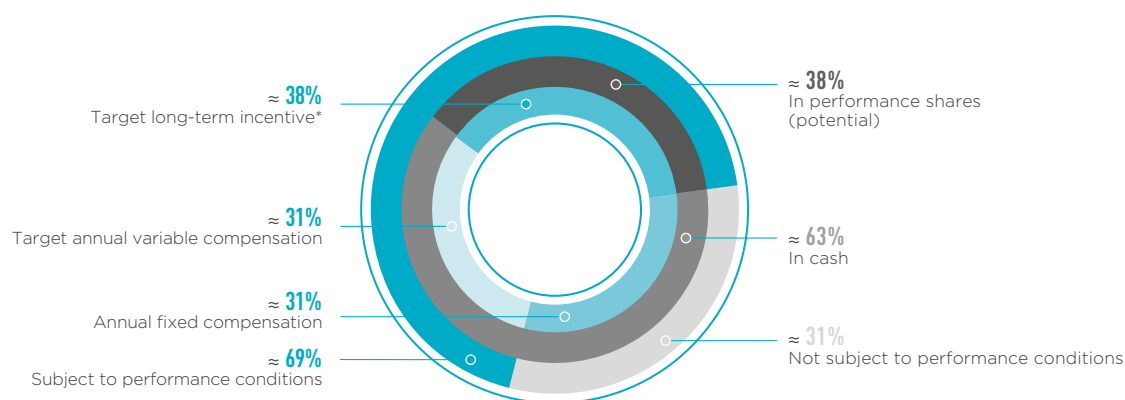
Compensation policy for corporate officers – 2021

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.

PRESENTATION OF THE CHIEF EXECUTIVE OFFICER'S RECURRING COMPENSATION STRUCTURE



* Value at grant date in accordance with IFRS.

The Chief Executive Officer is covered by the supplementary pension and personal risk insurance plans 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.

The Chief Executive Officer's annual fixed compensation for 2021 has been kept at €800,000, unchanged from the amount set for the previous Chief Executive Officer for 2020 (see section 6.6.2.2 of the 2020 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.

An overall percentage achievement rate is calculated both for (i) the financial objectives and (ii) the individual objectives, based on the applicable metrics and weightings and the achievement rates for each objective. These overall percentages are then used to calculate the actual amount due.

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).

(1) Adjusted recurring operating income (see section 2.1.2 of the 2020 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 2020 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 2.0 of the 2020 Universal Registration Document and broken down in section 3.1, Note 17.

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

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Compensation policy for corporate officers – 2021

- 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.

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.

An overall percentage achievement rate is calculated for the individual objectives based on the applicable weightings and the achievement rates for each objective. This overall percentage is then used to calculate the actual amount due.

Information on the current Chief Executive Officer's individual objectives for 2021 is provided in section 6.6.2.2 of the 2020 Universal Registration Document.

Payment condition

In accordance with the law, the payment of the Chief Executive Officer's annual variable compensation for 2021 (payable in 2022) will be subject to approval by the shareholders at the Annual General Meeting to be held in 2022.

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. Consequently, related resolutions will be submitted to the Annual General Meeting and the shareholders will be asked to approve the components of the long-term incentive system. If approved, these resolutions could be used to add to and adjust the policy applicable to the Chief Executive Officer in relation to long-term compensation.

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

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 Shareholders' Meeting for the purpose of authorizing such grants will set a maximum percentage of the Company's capital that the performance shares may represent.

(1) See section 3.1, Note 2.r of the 2020 Universal Registration Document.

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 relating to financial and economic performance 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 ROI and FCF targets for the fiscal year in which the grant takes place and for the following two fiscal years, as set in the Group’s most recent medium-term plan (MTP) or in the budget based on the MTP for the fiscal year in progress, as adjusted to factor in any exceptional circumstances or events and approved by the Board of Directors before the grant date (the “Reference Target”). The following achievement levels have been set for these conditions:
 - lowest achievement level: if 80% of the Reference Target is achieved, 40% of the shares contingent on that target will vest,
 - target achievement level: if 100% of the Reference Target is achieved, 80% of the shares contingent on that target will vest,
 - highest achievement level (cap): if 125% of the Reference 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.

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.

Additional conditions

As well as the portion attributed to the “standard” financial and economic performance conditions, the Board of Directors may, at its discretion, apply additional demanding and quantifiable performance conditions. These additional conditions would take into account the Group’s medium-term priorities and challenges or non-financial performance conditions relating to CSR and sustainable development objectives. 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 financial and economic 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.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Compensation policy for corporate officers – 2021

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 for the duration of his term of office, the Chief Executive Officer will be required to hold in registered form 40% of the vested performance shares delivered 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.

In addition, the Chief Executive Officer will be required to hold in registered form, until his term of office as Chief Executive Officer ends, a minimum of 500 of the vested performance shares delivered to him under each of the performance share plans under which he is granted performance shares during his term of office as Chief Executive Officer;

- 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 the performance share grant made to Olivier Andriès in his capacity as Chief Executive Officer since January 1, 2021 is provided in section 6.6.2.2 of the 2020 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 (“continuing service condition”), 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.

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 2020 Universal Registration Document and the compensation policy for Directors below).

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, as well as any specifically agreed personal travel expenses, 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.

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 Board decided that the current Chief Executive Officer who took up office on January 1, 2021 would be eligible for the plans and benefits described below in the same way as for the previous Chief Executive Officer, which he was already eligible for when he was an employee before he was appointed Chief Executive Officer.

The Chief Executive Officer is a beneficiary of the same plans as described in section 6.6.1.3 of the 2020 Universal Registration Document and above concerning the compensation policy for the Chairman. These plans are as follows:

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

The current Chief Executive Officer is a beneficiary of 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.

The theoretical estimated amount⁽¹⁾ at December 31, 2020 of the annuities that could be paid to the current Chief Executive Officer under these plans is disclosed in section 6.6.2.2 of the 2020 Universal Registration Document.

As provided for in the Group’s Activity Transformation Agreement (see sections 5.4.4 and 5.4.5.3 of the 2020 Universal Registration Document), employer contributions to Article 83 and Article 82 defined contribution supplementary pension plans have been frozen for 2021. Consequently, no contributions will be made to either of those plans for the Chief Executive Officer for 2021.

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

The current 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 2020 Universal Registration Document and the compensation policy for the Chairman above), subject to the same terms and conditions as the other plan members. Mr. Andriès 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 current 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 2020 Universal Registration Document and the compensation policy for the Chairman above). These terms and conditions notably include seniority, which accounts for an additional 15.9% of the reference compensation.

The theoretical estimated amount⁽¹⁾ at December 31, 2020 of the annuity that could be paid to the current Chief Executive Officer under the frozen Article 39 plan is disclosed in section 6.6.2.2 of the 2020 Universal Registration Document.

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.

Indemnities or benefits payable to the Chief Executive Officer 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.

This approach is consistent with Safran’s policy – which is described below – of suspending, rather than terminating, the employment contracts of any Group senior managers who are appointed as corporate officers of the Company, and is aimed at avoiding any potential cumulation of corporate officers’ and employees’ benefits.

Suspension of the Chief Executive Officer’s employment contract and related entitlements

Safran’s policy is to suspend, rather than terminate, employment contracts when senior managers are appointed as corporate officers because, depending on their age and length of service with the Group, terminating their employment contract could deter them from moving into top executive positions on account of the rights they could lose upon such termination. This policy is aimed at favoring internal promotion of talent wherever possible, which enables Safran to propose corporate officer positions to its senior managers who have the highest level of savoir-faire, share and relay the Group’s culture and values, and have in-depth knowledge of its markets. The objective of suspending, rather than terminating, employment contracts is not to avoid the AFEP-MEDEF Code’s recommendations and guidelines relating to Chief Executive Officers (notably concerning corporate officers’ departures), since reactivating an employment contract at the end of a corporate officer’s term of office does not release him or her from the regulatory framework applicable to such officers.

(1) Calculated based on the assumption that the annuity would be received as from January 1, 2021, irrespective of the eligibility conditions.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Compensation policy for corporate officers – 2021

The current Chief Executive Officer has a permanent employment contract with Safran, which has been suspended but not terminated (see section 6.4 of the 2020 Universal Registration Document). In accordance with the collective bargaining agreement applicable to Safran (engineers and managerial-grade employees in the metallurgy industry), the rights attached to a suspended employment contract may include benefits or indemnities provided for under French labor law. Consequently, when the current Chief Executive Officer ceases to hold his corporate office and his employment contract resumes:

- On his retirement date, he may be eligible for a retirement bonus. This retirement bonus would be calculated based on (i) the Chief Executive Officer's seniority within the Company (taking into account the years during which his employment contract was suspended when he was a corporate officer), and (ii) his annual compensation (based on a reference salary corresponding to the salary he was earning when his employment contract was suspended), adjusted based on a percentage representing the average of the individual salary increases applied at Safran during the contract suspension period.
- If the employment contract is terminated by Safran, the Chief Executive Officer may be entitled to a termination benefit and a six-month notice period. This termination benefit would be calculated based on (i) his seniority within the Company (taking into account the years during which his employment contract was suspended when he was a corporate officer), and (ii) his compensation (based on a reference salary corresponding to the salary he was earning when his employment contract was suspended), adjusted based on a percentage corresponding to the average of the individual salary increases applied at Safran SA during the contract suspension period.

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 metrics, 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 metrics, criteria or benchmarks, notably by raising or lowering the performance targets, to take the impact of these circumstances or events into account. However, any caps on this type of compensation expressed in terms of a percentage of the Chief Executive Officer's fixed compensation may not be altered.

If any adjustments are made as a result of exceptional events or circumstances:

- 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 therefore 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

The compensation policy for Directors for 2021 is unchanged compared with the policy approved at the May 28, 2020 Annual General Meeting. At that meeting, the shareholders set the aggregate annual amount of compensation that may be allocated to the Directors for their duties at €1,100,000.

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 2020 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, sections 6.6.1.3 and 6.6.1.4 of the 2019 Universal Registration Document and sections 6.6.1.3 and 6.6.1.4 of the 2020 Universal Registration Document, as well as their respective compensation policies as set out above).

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;
- 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.

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

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Compensation policy for corporate officers – 2021

Reimbursement of expenses

Each member of the Board of Directors is entitled to be reimbursed for 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, by way of illustration, 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 2020 Annual General Meeting and still applicable for 2021, is €1,100,000;
- the total amount of the allocations made to each Director may not exceed the maximum authorized amount of the Aggregate Compensation in effect, as set by the shareholders at the Annual General Meeting;
- the following table shows the amounts of fixed and variable compensation allocated to Directors based on attendance at Board and/or committee meetings in accordance with the Allocation Rules set by the Board of Directors. These Allocation Rules have been used since 2020 and are unchanged compared with the rules referred to in the compensation policy for Directors approved at the 2020 Annual General Meeting.

Amounts set for the purpose of applying the Allocation Rules:	Applicable since 2020 and remaining applicable for subsequent years (in €)
Annual fixed compensation per Director (<i>full-year basis</i>) (excluding the Chairman and the Chief Executive Officer)	11,000
For attendance at Board meetings:	
<ul style="list-style-type: none"> ■ Variable compensation per Board meeting for the Directors: (no Directors' compensation for the Chairman and the Chief Executive Officer) 	5,000
For attendance at meetings of the standing Board committees and special temporary committees:	
<ul style="list-style-type: none"> ■ Variable compensation per meeting for the Chairs of the standing committees ■ Variable compensation per meeting for committee members (including for the Chairs of special temporary committees) 	9,000 5,000
Additional compensation for geographical distance, based on physical attendance per Board and/or committee meeting	
<ul style="list-style-type: none"> ■ Cross-Atlantic travel or equivalent ■ Travel from a European country 	+3,500 +1,250
Annual cap on individual Directors' compensation paid out of the Aggregate Compensation	130,000
Annual cap on the Aggregate Compensation (approved at the May 28, 2020 AGM)	1,100,000

- 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 effect 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 2019 and 2020 is provided in section 6.6.3 of the 2020 Universal Registration Document.

Summary tables showing the individual compensation and benefits of the corporate officers – 2020

SUMMARY TABLES SHOWING THE INDIVIDUAL COMPENSATION AND BENEFITS OF THE CORPORATE OFFICERS – 2020

Summary table showing the 2020 compensation and benefits of the Chairman and the former 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 2020 TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

Summary of compensation, stock options and performance shares granted	2019	2020
Compensation allocated for the year	€565,346.27 ⁽¹⁾	€499,917.74 ⁽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	€565,346.27	€499,917.74

(1) Including €43,762.56 corresponding to the Additional Payment under the Article 82 defined contribution plan (see section 6.6.2.1 of the 2020 Universal Registration Document) and €66,666.80 in compensation paid for accrued vacation days when his employment contract was terminated on May 23, 2019.

(2) Including €43,752.56 corresponding to the Additional Payment under the Article 82 defined contribution plan (see section 6.6.2.1 of the 2020 Universal Registration Document).

■ SUMMARY TABLE OF COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Summary of compensation (gross)	2019		2020	
	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	N/A	N/A	N/A
Benefits-in-kind ⁽¹⁾	€4,916.91	€4,916.91	€6,155.18	€6,155.18
Additional Payment provided for under a defined contribution supplementary pension plan ⁽²⁾	€43,762.56	€43,762.56	€43,752.56	€43,752.56
Other	N/A	€66,666.80 ⁽³⁾	N/A	N/A
TOTAL	€498,679.47	€565,346.27	€499,917.74	€499,917.74

(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 2020 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 accrued under his employment contract until April 21, 2011 (the date on which his employment contract was suspended) was placed on record. He was paid compensation for these accrued vacation days when his contract was terminated.

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

■ SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES GRANTED IN 2020 TO THE FORMER CHIEF EXECUTIVE OFFICER

Summary of compensation, stock options and performance shares granted	2019	2020
Compensation allocated for the year	€1,971,214.76 ⁽¹⁾	€1,339,665.53 ⁽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	€959,989	N/A
TOTAL	€2,931,203.76	€1,339,665.53

(1) Including (i) €200,894.64 corresponding to the Additional Payment under the Article 82 defined contribution plan (see section 6.6.2.3 of the 2020 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).

(2) Including €224,136 corresponding to the Additional Payment under the Article 82 defined contribution plan (see section 6.6.2.3 of the 2020 Universal Registration Document).

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Summary tables showing the individual compensation and benefits of the corporate officers – 2020

SUMMARY TABLE OF COMPENSATION OF THE FORMER CHIEF EXECUTIVE OFFICER

Summary of compensation (gross)	2019		2020	
	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	€964,444	€960,000	€309,333	€964,444
Multi-year variable compensation	N/A	€614,634.23 ⁽¹⁾	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Benefits-in-kind ⁽²⁾	€5,876.12	€5,876.12	€6,196.53	€6,196.53
Additional Payment provided for under a defined contribution supplementary pension plan ⁽³⁾	€200,894.64	€200,894.64	€224,136	€224,136
TOTAL	€1,971,214.76	€2,581,404.99	€1,339,665.53	€1,994,776.53

(1) 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 an aggregate €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.

(2) Company car.

(3) 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 6.6.2.3 of the 2020 Universal Registration Document).

SUMMARY TABLE OF PERFORMANCE SHARES GRANTED DURING 2020 TO THE FORMER CHIEF EXECUTIVE OFFICER

Plan date	Number of shares granted	Value of shares	Vesting date	End of lock-up period	Performance conditions
Philippe Petitcolin					None

PERFORMANCE SHARES DELIVERED TO THE FORMER CHIEF EXECUTIVE OFFICER IN 2020

Performance shares delivered to the Chief Executive Officer who held office until December 31, 2020	Plan date	Total number of shares delivered
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 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.

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 (ROI) (35% weighting): 112.4% achievement, representing a vesting rate of 89.9% for the shares contingent on this condition;
- free cash flow (FCF) (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 Philippe Petitcolin 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 only became transferable as from March 26, 2021.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Summary tables showing the individual compensation and benefits of the corporate officers – 2020

SUMMARY TABLE OF PERFORMANCE SHARES GRANTED TO THE FORMER CHIEF EXECUTIVE OFFICER (IN VESTING PERIOD AT DECEMBER 31, 2020)

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

Philippe Petitcolin was granted entitlements to performance shares under the 2018 and 2019 Long-Term Incentive Plans, which were presented to and approved by the shareholders at the two most recent Annual General Meetings during the votes on the compensation applicable to the Chief Executive Officer.

As explained in section 6.6.2.3.2 of the 2020 Universal Registration Document, as decided by the Board of Directors on December 16, 2020, Philippe Petitcolin has retained his entitlements to:

- a maximum of 13,600 shares under the 2018 Long-Term Incentive Plan;
- a maximum of 13,350 shares under the 2019 Long-Term Incentive Plan.

The vesting periods for these plans are still in progress and his entitlements to the share grants are still subject to the performance conditions provided for in the plans.

Under the 2018 Long-Term Incentive Plan, 11,645 performance shares will be delivered to Philippe Petitcolin at the end of the vesting period (see section 6.6.4.3 of the 2020 Universal Registration Document).

SUMMARY TABLE OF STOCK OPTIONS GRANTED IN 2020 TO THE FORMER CHIEF EXECUTIVE OFFICER

None.

SUMMARY TABLE OF STOCK OPTIONS EXERCISED IN 2020 BY THE FORMER CHIEF EXECUTIVE OFFICER

None.

SUMMARY TABLE OF EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION PLANS AND TERMINATION BENEFITS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE FORMER CHIEF EXECUTIVE OFFICER AND THE NEW 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 ⁽⁴⁾	No
Philippe Petitcolin	Chief Executive Officer until December 31, 2020	Yes, suspended until the end of his term of office as Chief Executive Officer ⁽²⁾	Yes ⁽⁴⁾	No ⁽⁵⁾
Olivier Andriès	Chief Executive Officer as from January 1, 2021	Yes, suspended ⁽³⁾	Yes ⁽⁴⁾	No ⁽⁵⁾

(1) Employment contract suspended from April 21, 2011 until May 23, 2019 and terminated on May 23, 2019, when Ross McInnes' term of office as Chairman 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 from April 23, 2015 (the date on which he was appointed Chief Executive Officer) until December 31, 2020 (the date on which his term of office as Chief Executive Officer ended). When Philippe Petitcolin's term of office as Chief Executive Officer ended, his employment contract came back into effect (see sections 6.6.2.3 and 6.4 of the 2020 Universal Registration Document).

(3) Employment contract suspended since January 1, 2021, the date on which he took up office as Chief Executive Officer (see sections 6.6.2.2 and 6.4 of the 2020 Universal Registration Document).

(4) No specific pension plans have been set up for the Chairman of the Board of Directors or the Chief Executive Officer (neither for Philippe Petitcolin, the former Chief Executive Officer, nor for Olivier Andriès, the new Chief Executive Officer since January 1, 2021). The Chairman and the Chief Executive Officer are beneficiaries under the Article 82 and Article 83 defined contribution supplementary pension plans set up for the Group's managerial-grade staff, 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, 6.6.2.2 and 6.6.2.3 of the 2020 Universal Registration Document).

(5) See sections 6.6.2.2 and 6.6.2.3 of the 2020 Universal Registration Document.

SAFRAN IN 2020 AND OUTLOOK FOR 2021

MESSAGE FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

■ Safran has robust fundamentals, and the Board of Directors stands firm in its support of the new Chief Executive Officer on Group-wide efforts to emerge from the crisis in stronger shape and face the future with confidence. The Board of Directors is fully aware of the strategic importance of the climate challenge, and will be working with the Director responsible for monitoring climate issues to ensure the Group achieves its climate roadmap. ■■

ROSS McINNES



In 2020, Safran published results that were as good as could be expected given the severe crisis affecting the aerospace industry, confirming the strength of its business model and the impact of the cost reduction measures taken during the year. While implementing the necessary health measures to enable a safe return to work for its employees, Safran reacted rapidly by accelerating the streamlining of its sites and demonstrating organizational flexibility.

Our business was heavily impacted by the crisis, with 2020 revenue down by 33.0% on 2019, at €16.5 billion. Despite the decline, Safran posted recurring operating income⁽¹⁾ of €1.7 billion (for a recurring operating margin⁽¹⁾ of 10.2%) and free cash flow of €1,073 million. Our financial targets for 2020, as reviewed in July 2020, were all reached.

Thanks to the commitment of its employees across the world, Safran swiftly implemented the adaptation plan drawn up in March, showing determination in the face of the crisis and adjusting its capacities to its customers' needs.

The total workforce fell by more than 16,500 people (over 21,000 including temporary staff), from around 95,400 employees at the end of 2019 to around 78,900 at the end of 2020. In France, the Group Activity Transformation Agreement signed in July brought in measures including long-term short-time working (covering up to 40% of working time), in order to preserve skills in production as well as research and technology. Safran also streamlined its industrial footprint, with a number of site closures and production transfers in several regions of the world.

Safran is committed to offering an effective response to the major challenge of climate change, which will prove an essential factor in the ongoing acceptability of air transport. Its strategy seeks to reduce greenhouse gas emissions from its operations and its products.

Innovation is a central feature of the major shift under way. With its broad coverage of aircraft systems, and propulsion systems in particular, Safran is capable of offering technological solutions.

Message from the Chairman
of the Board of Directors
Ross McINNES
and the Chief Executive Officer
OLIVIER ANDRIÈS

■ The total mobilization of all teams enabled Safran to tackle the crisis in 2020. Although uncertainties remain, notably for the first half of 2021, I am determined to push ahead with the ongoing efforts, and I am optimistic for the future of the Group, which will harness full strength from its assets once the recovery is underway. Leadership in low-carbon aviation is a priority, and Safran, as a leading aircraft engine and equipment manufacturer, has a central role to play in achieving the aerospace industry's carbon neutrality objectives by 2050. ■

OLIVIER ANDRIÈS

Our priorities are to contribute to the development of a new generation of ultra-efficient short- and medium-haul aircraft for 2030-2035, powered by an ultra-efficient engine consuming 20% less fuel than the present-day LEAP® and running on up to 100% sustainable fuels. Another development area that will prove essential in meeting carbon neutrality objectives is that of electric and hybrid propulsion systems for short-distance flights.

In late February, Safran released its financial targets for 2021, a year of gradual recovery with back-end loaded in terms of business and profitability.

Air traffic at the start of the year confirms the need for caution in the first half of 2021, especially in service and spare parts activities, where a gradual pick-up is expected from the third quarter. In view of airframers' new production rates, especially on long-haul programs, Safran foresees a slight organic dip in original equipment sales for 2021.

The long-term outlook for Safran remains bright, because we are convinced that people will continue to need and want to travel.

In connecting people and countries, aviation is an accelerator of human and trading links.

Safran will leverage the quality of its many assets, which will together help to drive the recovery:

- LEAP, the engine of choice of airlines for fleet renewal and new investments;
- a young in-service fleet of second-generation CFM56® engines, widely used by airlines even in times of crisis, and the first to benefit from the coming recovery;
- leading global positions in the systems that will equip aircraft in the recovery phase, as customers' aircraft return to the air;
- technical and industrial credibility in Aircraft Interiors, which has restored customers' trust in the business despite being hard hit by the crisis;
- proven organizational agility (as with the introduction of long-term short-time working and teleworking).

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

Regards,

Ross McInnes and Olivier Andriès



(1) Adjusted data.

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 Note 2.f).

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 remeasured 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 or remeasured at the time of the transaction and amortized or depreciated over extended periods due to the length of the Group's business cycles, and the impact of remeasuring inventories, as well as
 - gains on remeasuring any previously held equity interests in the event of step acquisitions or asset contributions to joint ventures;
- 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.

2020 BUSINESS REVIEW

(adjusted data)

Adjusted income statement (in € millions)	2019	2020	% change
Revenue	24,640	16,498	(33.0)%
Recurring operating income	3,820	1,686	(55.9)%
% of revenue	15.5%	10.2%	(5.3) pts
Profit for the period attributable to owners of the parent	2,665	844	(68.3)%
Earnings per share attributable to owners of parent (basic in €)	6.20*	1.98**	(68.1)%

* Based on the weighted average number of shares of 429,723,372 as of December 31, 2019.

** Based on the weighted average number of shares of 426,035,732 as of December 31, 2020.

Safran: 2020 results demonstrate the Group's high-quality businesses and strong cost execution

2020 revenue amounted to €16,498 million, a decrease of 33.0%, or €8,142 million, compared to the year-ago period. Changes in scope had a €37 million negative impact. The net impact of currency variations was a negative €95 million, reflecting a negative translation effect on non-euro revenues, notably USD. The average EUR/USD spot rate was USD 1.14 to the euro in 2020, compared to USD 1.12 to the euro in the year-ago period. The Group's hedged rate was USD 1.16 to the euro in 2020, compared to USD 1.18 in 2019. Revenue amounted to €8,767 million in the first half, down 27.6%, and to €7,731 million in the second half, down 38.3%. Fourth-quarter revenue decreased by 32.5% to €4,349 million (down 30.1% on an organic basis) compared to fourth-quarter 2019.

On an organic basis, revenue decreased by 32.5%, with a decline in all divisions:

- Propulsion revenue fell by 36.2% due to OE volumes (civil and military aircraft) and services (civil aftermarket). Services for helicopter turbines and military activities were less impacted by the current crisis (stable compared to 2019). Propulsion revenue dropped by 32.9% in the fourth quarter due to the civil aftermarket and LEAP deliveries;
- Aircraft Equipment, Defense and Aerosystems revenue decreased by 25.0% due to OE sales for wiring and power distribution, nacelles and landing systems. There was a high-single digit decrease in OE Electronics & Defense activities;
- within services, nacelles, landing gear and carbon brakes support activities and to a lesser extent Aerosystems suffered the most. The fourth-quarter revenue decrease of 22.9% was driven by landing systems as well as nacelles, wiring and power;
- the division's performance improved each quarter after the trough in May (second quarter down 39.3% and third quarter down 33.6%);
- Aircraft Interiors revenue (down 40.4%) was strongly impacted by both OE and services for all activities. Fourth-quarter revenue decreased by 40.0%, in line with the full-year decline. Cabin's fourth-quarter performance slightly improved, while Seats and Passenger Solutions had a similar organic decrease to the second quarter.

2020 business review

Recurring operating income for 2020 reached €1,686 million, down 55.9% compared to 2019. It includes negative scope changes of €5 million as well as a positive currency impact of €110 million. The margin stood at 10.2% of revenue compared with 15.5% in the same year-ago period.

Note that to enable a meaningful comparison between the first and second halves of 2020, the published recurring operating income for the first half should be adjusted upwards by €103 million. This is the consequence of the retroactive impact on first-half provisions of the Group's Activity Transformation Agreement (ATA) signed in the second half of the year but applicable for the full year.

Including this retroactive effect, first-half 2020 recurring operating income increases from €947 million as reported to €1,050 million, and the margin increases from 10.8% to 12.0%. Second-half recurring operating income stood at €636 million, with an 8.2% recurring operating margin.

One-off items, representing an expense of €466 million, are related to restructuring costs (€131 million), impairment for several programs (€286 million) and a non-recurring charge for early retirements.

On an organic basis, recurring operating income decreased by 58.6% due to lower volumes, despite savings from the adaptation plan:

- Propulsion recurring operating income decreased by 54.1% due to the civil aftermarket, spare engines and, to a lesser extent, military OE activities, despite a positive contribution from helicopter turbines;
- Aircraft Equipment, Defense and Aerosystems recurring operating income decreased by 46.8% due to carbon brakes, nacelles and Aerosystems support activities and to lower OE volumes across all businesses;
- the significant decrease in Aircraft Interiors recurring operating income resulted from both OE (including retrofit) and services activities for all businesses. The operating margin stood at a negative 9.1%.

Adjusted profit attributable to owners of the parent was €844 million (basic earnings per share of €1.98 and diluted earnings per share of €1.92) compared with €2,665 million in 2019 (basic earnings per share of €6.20 and diluted earnings per share of €6.13). It includes:

- a net adjusted financial loss of €7 million, including foreign exchange gains of €93 million and cost of debt of €58 million;
- an adjusted tax expense of €334 million (27.5% apparent tax rate).

Operations generated €1,073 million of free cash flow, of which €901 million in the first half of the year and €172 million in the second half. Free cash flow generation was driven by cash from operations of €1,874 million (mostly generated in the first half), stable working capital and lower capital expenditure (property, plant and equipment and intangible assets) of €793 million (down 35% versus 2019). The change in working capital during the year (negative €8 million) was driven by the decrease of inventories in the second half, the lower amount of advance payments (mainly M88 and LEAP-1B) and the impact of lower activity on payables and receivables.

Net debt was €2,792 million as of December 31, 2020 compared to net debt of €4,114 million as of December 31, 2019. This decrease resulted from free cash flow generation as well as from the fact that no dividend payment was made in 2020 for the 2019 financial year.

Safran reinforced its liquidity position by securing in March 2020 a €3.0 billion bridge facility with a maturity of up to two years, at Safran's discretion. The facility was syndicated in April 2020 and its initial amount was then reduced within less than six months by more than 50% after Safran refinanced that portion with medium- to long-term financing instruments. At the end of 2020, the facility amounted to €1.4 billion and remained undrawn.

On May 15, 2020, Safran issued 7-year convertible bonds (OCÉANes) for a nominal amount of €800 million and bearing a 0.875% coupon. This transaction was followed on October 12 by a tap issue of this convertible bond series for a nominal amount of €200 million and showing a negative yield to maturity of 0.419%.

On June 29, 2020, Safran also raised €564 million on the USPP market with maturities of 10 and 12 years. This USPP was funded in euros and in US dollars, the US dollar tranches having been swapped into euros, and bears an average 2.02% coupon for the 10-year tranches and a 2.12% coupon for the 12-year tranches.

Safran also has a €2.52 billion undrawn credit facility available until December 2022. This facility primarily serves as a back-up for the commercial paper (NEU CP) program, under which €1.3 billion was outstanding as at December 31, 2020. The maximum amount available under the NEU CP program is €3.0 billion.

Leveraging its liquidity position and business resilience, Safran engaged in a financial rating process in order to benefit from enhanced access to debt capital markets when needed, including a broader investor base and tighter spreads.

Safran received its first issuer credit rating by Standard & Poor's, which assigned a long-term investment grade rating of BBB+ with a stable outlook.

This rating reflects the strength of Safran's balance sheet as well as the ability of the Group to adapt quickly to an unprecedented crisis. In a challenging environment, its sound financial policy together with leading positions on its markets allowed Safran to receive an investment grade rating with a stable outlook.

The sharp rise in the EUR/USD exchange rate in 2020 and the beginning of 2021 triggered knock-out barriers. All lost options have been replaced at prevailing market conditions. The hedge book totaled USD 28.2 billion at February 5, 2021. Faced with the risk of further rates movements, targets have been revised.

2021 is hedged at a targeted hedge rate of USD 1.16 through knock-out options, for an estimated net exposure of USD 8.5 billion.

2022 is hedged at a targeted hedge rate of between USD 1.14 and USD 1.16 through knock-out options, for an estimated net exposure of USD 9.0 billion.

2023 is hedged at a targeted hedge rate of between USD 1.14 and USD 1.16 through knock-out options, for an estimated net exposure of USD 10.0 billion.

The hedge book includes barrier options with knock-out triggers ranging from USD 1.2350 to USD 1.31, representing a risk to the size of the hedge book and to targeted hedge rates from 2021 onwards in case of sudden and significant exchange rate fluctuations.

Total R&D, including R&D sold to customers, reached €1,213 million, compared with €1,725 million in 2019.

R&D expenses before research tax credits was €864 million, compared with €1,337 million for 2019. The decrease in R&D spending between 2020 and 2019 came from several programs (notably Silvercrest, e-taxi and helicopters programs) as well as Research & Technology (R&T).

Gross capitalized R&D was €279 million compared with €325 million for 2019.

Amortization and impairment of R&D was €320 million compared with €270 million for 2019.

The impact on recurring operating income of expensed R&D was €756 million compared with €1,116 million in the year-ago period.

Segment breakdown of adjusted revenue (in € millions)	2019	2020	% change	% change – scope	% change – currency	% change – organic
Aerospace Propulsion	12,045	7,663	(36.4)%	-	(0.2)%	(36.2)%
Aircraft Equipment, Defense and Aerosystems	9,256	6,893	(25.5)%	(0.1)%	(0.4)%	(25.0)%
Aircraft Interiors	3,321	1,922	(42.1)%	(0.9)%	(0.8)%	(40.4)%
Holding company and other	18	20	N/A	-	-	N/A
TOTAL GROUP	24,640	16,498	(33.0)%	(0.2)%	(0.3)%	(32.5)%

Segment breakdown of recurring operating income (in € millions)	2019	2020	% change
Aerospace Propulsion	2,485	1,192	(52.0)%
■ % of revenue	20.6%	15.6%	
Aircraft Equipment, Defense and Aerosystems	1,209	687	(43.2)%
■ % of revenue	13.1%	10.0%	
Aircraft Interiors	188	(174)	(192.6)%
■ % of revenue	5.7%	(9.1)%	
Holding company and other	(62)	(19)	N/A
TOTAL GROUP	3,820	1,686	(55.9)%
■ % of revenue	15.5%	10.2%	

Aerospace Propulsion

In 2020, revenue was €7,663 million, down 36.4% compared to €12,045 million in 2019. On an organic basis, revenue decreased by 36.2%.

- OE revenue dropped by 42.4% (or 42.2% organically) compared with 2019, due to lower narrowbody engines (LEAP and CFM56). Both installed and spare engines deliveries decreased compared to 2019. Volumes for high thrust engines were also impacted in 2020 (notably GE90), with 369 units delivered compared with 489 in 2019. As planned, M88 engines deliveries were lower and amounted to 33 units in 2020 compared with 62 in 2019. Helicopter turbines OE sales faced a slight headwind during the year and recorded sales for new engines (Arrano, Aneto).
- Services revenue decreased by 31.8% (in euros, or 31.6% organically) and represented 60.9% of sales. Civil aftermarket revenue (in USD) was strongly impacted by the Covid-19 crisis since March and decreased by 43.2% (in USD). This drop was mainly due to lower spare parts sales for the latest generation of CFM56 engines as well as a lower contribution of services contracts for CFM56 and widebody platforms.

There was a slight tailwind for military services compared to the year-ago period thanks to spare parts sales (notably M88). Helicopter turbines support activities were slightly impacted during the year (mainly Time & Materials contracts and despite per hour contracts increase).

Recurring operating income was €1,192 million, a decrease of 52.0% compared to €2,485 million in 2019. Recurring operating margin dropped from 20.6% to 15.6%.

The profitability was strongly impacted by the drop in civil aftermarket (lower spare parts sales for the latest generation of CFM56 engines), spare engines and to a lesser extent by boosters, transmission and military activities.

Helicopter turbines had a positive impact both from OE and services and thanks to one-off effects. Lower R&D expenses and the measures taken under the adaptation plan also had a positive impact for the division.

Aircraft Equipment, Defense and Aerosystems

In 2020, revenue was €6,893 million, down 25.5% compared to €9,256 million in 2019. On an organic basis, revenue was down 25.0%.

- OE revenue decreased by 23.6% (or 23.0% organically) in 2020 driven by wiring (737MAX, 787, A320, A350, A330) and power distribution activities (A350, 787), as well as lower volumes of landing gear (Boeing 787, A330, A350 and A320 family) and nacelles (A320neo, A320ceo, A330neo, A330ceo, A380). Deliveries of nacelles for LEAP-1A powered A320neo were at 474 units in 2020 (602 units in 2019). Avionics, FADEC for LEAP and Aerosystems (evacuation, oxygen and fuel control systems) activities were also impacted. Within Defense activities, sighting and navigation systems slightly grew compared to the previous year.
- The decline in services of 29.6% (or 29.1% organically) in 2020 was mainly driven by carbon brakes and landing gear activities and by Aerosystems nacelle support services (mainly for the A320neo), and, to a lesser extent, by avionics.

Recurring operating income was €687 million, down 43.2% compared to €1,209 million in 2019. Recurring operating margin fell from 13.1% to 10.0%.

The drop in profitability was driven by lower OE volumes from landing gear, wiring and power as well as nacelles, avionics and Aerosystems. Lower activity also impacted carbon brakes, nacelles and Aerosystems services. The decrease was partially offset by the reduction in R&D expenses and the measures implemented under the adaptation plan.

Aircraft Interiors

In 2020, revenue was €1,922 million, down 42.1% compared to €3,321 million in 2019. On an organic basis, revenue decreased by 40.4%.

- OE revenue dropped by 40.5% (or 38.5% organically) in 2020. Sales were strongly impacted by lower volumes on business seats programs and economy seats. Cabin revenue was also affected in terms of galleys (capacity reduction on the Boeing 737MAX, and on the A320 and A330 programs), inserts and lavatories (mainly on the A220 and A350), as well as cabin interior programs. To a lesser extent, Passenger Solutions encountered difficulties related to Connected Cabin operations (cancellations, postponed retrofits, etc.).
- Services revenue decreased by 46.6% (or 45.8% organically) in 2020, mainly due to the Seats aftermarket and Cabin spare parts (galleys, trolleys, inserts) and, to a lesser extent, Passenger Solutions support activities.

The recurring operating loss for the period was €174 million, a decrease of €362 million compared to the recurring operating income of €188 million in 2019. Recurring operating margin sharply decreased from a positive 5.7% to a negative 9.1%.

The profitability strongly decreased in Seats both for OE and services due to lower volumes. The slowdown in business also affected Cabin activities (OE and services) and Passenger Solutions. The measures taken under the adaptation plan and lower R&D expenses in 2020 had a positive impact.

OUTLOOK FOR 2021

On February 25, 2021 at the time of its 2020 annual results presentation, Safran disclosed its objectives for 2021 in a context of the slowing of air traffic recovery in several regions of the world at the beginning of the year, which is generating uncertainty, notably with a risk of delayed recovery of civil aftermarket.

In this context, Safran expects for FY 2021 (compared with FY 2020 figures):

- **Back-end loaded activity and profitability;**
- **Adjusted revenue to decrease in the low single digits in organic terms.** At an estimated spot rate of USD 1.22 to the Euro, adjusted revenue to decrease in the high single digits;
- **Adjusted recurring operating margin to increase above 100 bps, at least a 300 bps improvement versus H2 2020** (based on a hedge rate of USD 1.16 to the Euro and an adjusted revenue based on a spot rate at USD 1.22 to the Euro), thanks to structural savings already achieved and additional measures to be implemented;
- **Free cash flow generation to stay at least at the same level as in 2020** despite strong uncertainties regarding working capital evolution.

These objectives are based notably on the following assumptions:

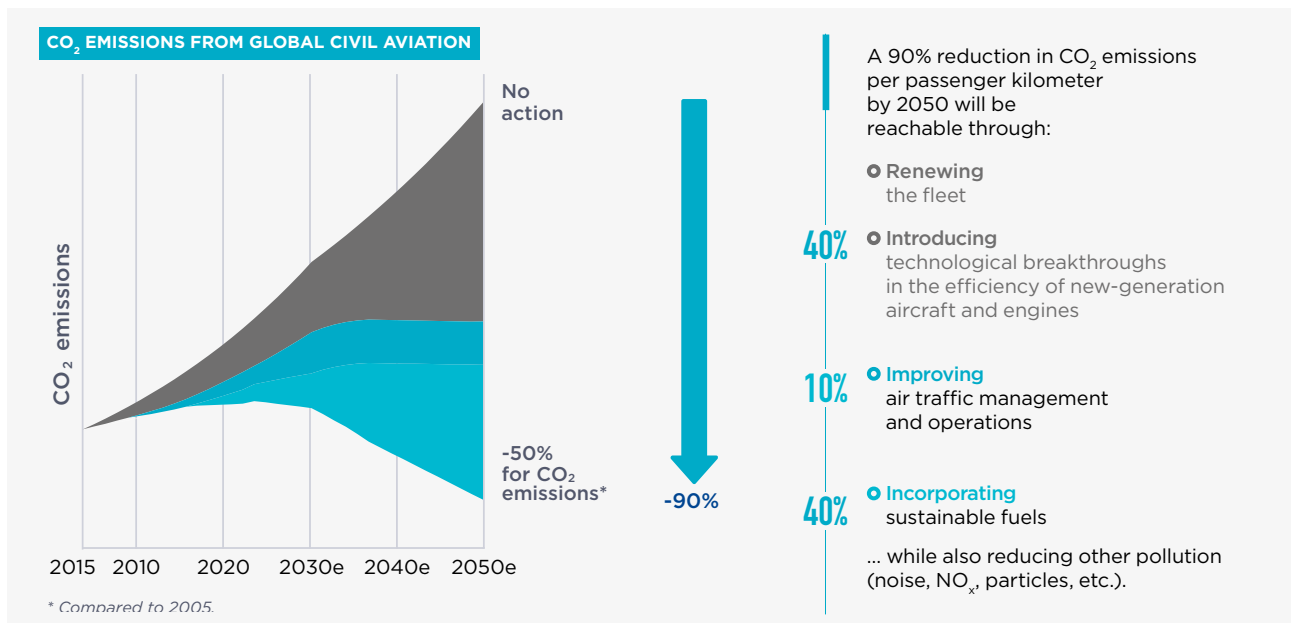
- **OE Revenue:**
 - Number of LEAP deliveries: 800+
 - Number of CFM56 deliveries to be halved as expected
 - On widebody programs: lower OE rates, reflecting notably 787 production rate recently announced by Boeing and deferrals impacting retrofit activities in Aircraft Interiors
- **Services Revenue:**
 - Civil aftermarket estimated growth in the high single digits (in USD terms)
 - Other services revenue to decrease in the low single digits (in organic terms)
- **Recurring Operating Income:**
 - Increasing recurring operating margin in Propulsion
 - Stable recurring operating margin in Aircraft Equipment, Defense and Aerosystems
 - Recurring operating margin negative but improving throughout the year in Aircraft Interiors
- **Continuing and extending manufacturing footprint optimisation**
- **Slight increase in R&D expenses but impact almost neutral on recurring operating income:** increase in R&T expenses consistent with a larger share of public funding and development expenses decrease with no new program planned
- **Stability in Capex outflows:** thanks to 2020 decrease in Capex commitments and despite an increase in 2021 commitments (strategic priorities, 2020 differed investments).



SAFRAN'S CLIMATE STRATEGY

Climate change sets a major and systemic challenge for civil aviation. Safran's climate strategy addresses the challenge in order to offer customers innovative solutions at a competitive cost. With its position in most aircraft-system segments, and all energy systems in particular, the Group spearheads the technological response to climate change.

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



Civil aircraft in operation account for 2% to 3% of global CO₂ emissions from human activities⁽¹⁾. Considering the effects of emissions other than CO₂ (vapor trails, for example), scientists estimate that aircraft in service are responsible for about 3.5% of global warming⁽²⁾. Because of the significant expansion expected in air transport in the long term, the necessary transition to sustainable aviation is an absolute priority for Safran.

In 2008, the aviation sector took up a voluntary commitment on halving global CO₂ emissions by 2050 compared to 2005 (ATAG)⁽³⁾ to bring a 90% reduction in average emissions per passenger kilometer across the

worldwide fleet, taking into account the expected growth in air traffic over the period.

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

The aviation sector commitments are consistent with the Paris Agreement on keeping the global temperature rise below 2°C. Our objective is achievable and should involve all players in the sector (industry, airlines, air traffic control, airports, government authorities).

SAFRAN COMMITMENT

At the 2020 Annual General Meeting, Safran made the following commitment in support of sustainable fuels: "Safran notably undertakes to support the launch by the governments and, in particular, the European Union, of investment plans and regulatory measures aiming to promote the availability and utilization of sustainable fuels for aviation. This will have to be done in a sustainable way, taking into consideration the situation of the aerospace industry and, in particular, of our airline customers after the end of the Covid-19 crisis."

(1) Data from IAE (International Energy Agency), ICCT (International Council on Clean Transportation).

(2) The Contribution of Global Aviation to Anthropogenic Climate Forcing for 2000 to 2018, David S. Lee et al., Atmospheric Environment, 2020.

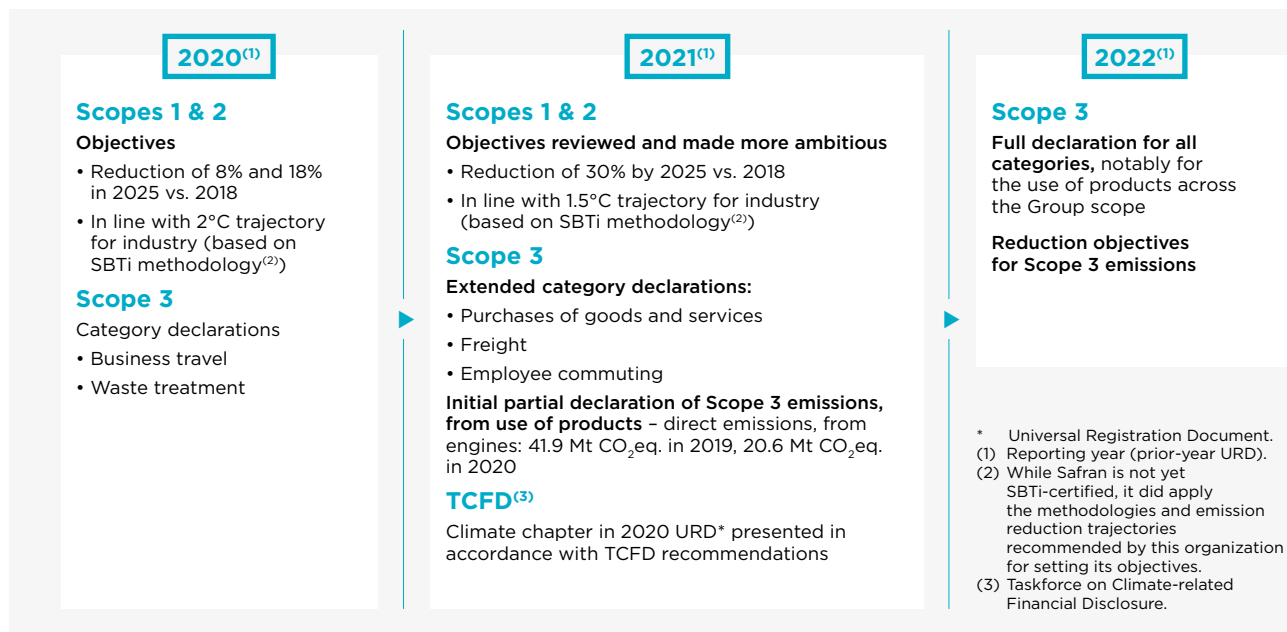
(3) Air Transport Action Group.

AN OVERVIEW OF SAFRAN'S CLIMATE STRATEGY

Safran intends to lead the way towards decarbonization of the aviation sector, through a climate strategy with two focuses:

- reducing emissions from its operations;
- reducing emissions from the use of its products, its essential mission.

Progress in climate reporting



Reduction in CO₂ emissions from operations

Safran takes a committed and ambitious stance on reducing the carbon footprint of its production methods, through its low-carbon project.

Safran brought in a low-carbon project at the end of 2018, with a dedicated organization relayed through each of the Group's tier-one companies.

The first phase of the project involves reducing direct (Scope 1) and indirect (Scope 2) emissions from energy consumption in our operations.

The second project phase, launched in early 2020, concerns part of Safran's indirect emissions (referred to as Scope 3 emissions): from logistics operations, purchases of goods and services, and employee travel. An initial evaluation of these emissions was undertaken in 2020, prior to setting reduction objectives in 2021.

In early 2021, Safran stepped up its ambition and objectives on reducing

greenhouse gas emissions from its operations. The new objective aligns with an emissions reduction trajectory compatible with a global warming scenario of 1.5°C by the end of the century.

- Direct (Scope 1) and indirect (Scope 2) emissions: **30% reduction by 2025⁽¹⁾**.

Some of the assets employed to meet our objectives are as follows:

- reducing sites' energy consumption, chiefly by improving the energy efficiency of buildings (Valence site, France);
- developing disruptive solutions for heat generation at our sites, by conversions such as replacing gas boilers with biomass boilers;
- on-site production and self-consumption⁽²⁾: solar photovoltaic production facilities have been installed at the Gloucester (United Kingdom), Montluçon (France),

Milmort (Belgium) and Sendayan (Malaysia) sites. Feasibility studies will be conducted with partners in 2021 to continue the installation, notably in the United States;

- choosing low-carbon energy sources, as in Mexico, with a solar power energy contract for power supplies to all Group sites, and in the United Kingdom, with a wind power supply contract;
- phase-in of sustainable fuels for civil engine tests: Safran is committed to using 10% of sustainable fuels by the end of 2021 and 35% by 2025.

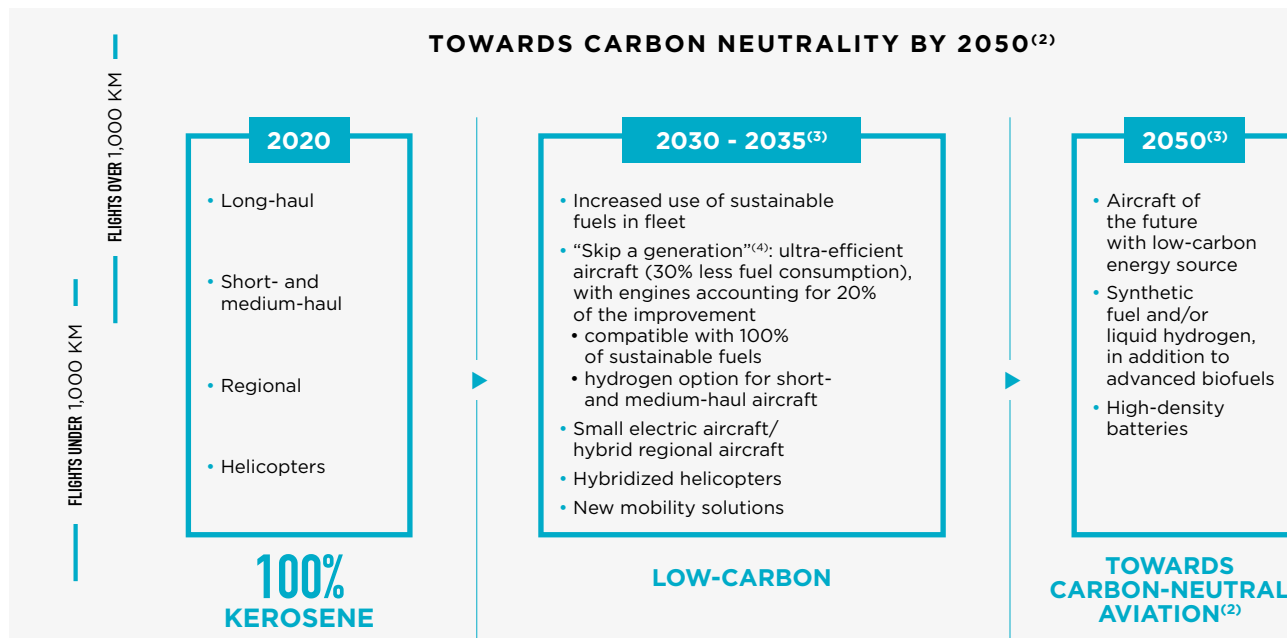
In 2020, Safran also introduced an internal carbon price for its investment projects, to swing decisions in favor of solutions including decarbonization actions. By the end of 2020, 20% of the program of actions needed for reaching the 2025 objective had been achieved (measured as the quantity of greenhouse gas emissions to be reduced).

(1) Compared to CO₂ emissions in 2018, i.e., 219,790 t CO₂eq. for Scope 1 and 383,186 t CO₂eq. for Scope 2 (2018 emissions figures were revised in 2020 to reflect the actual data).

(2) Consumption of electricity produced at Safran sites for its own needs.

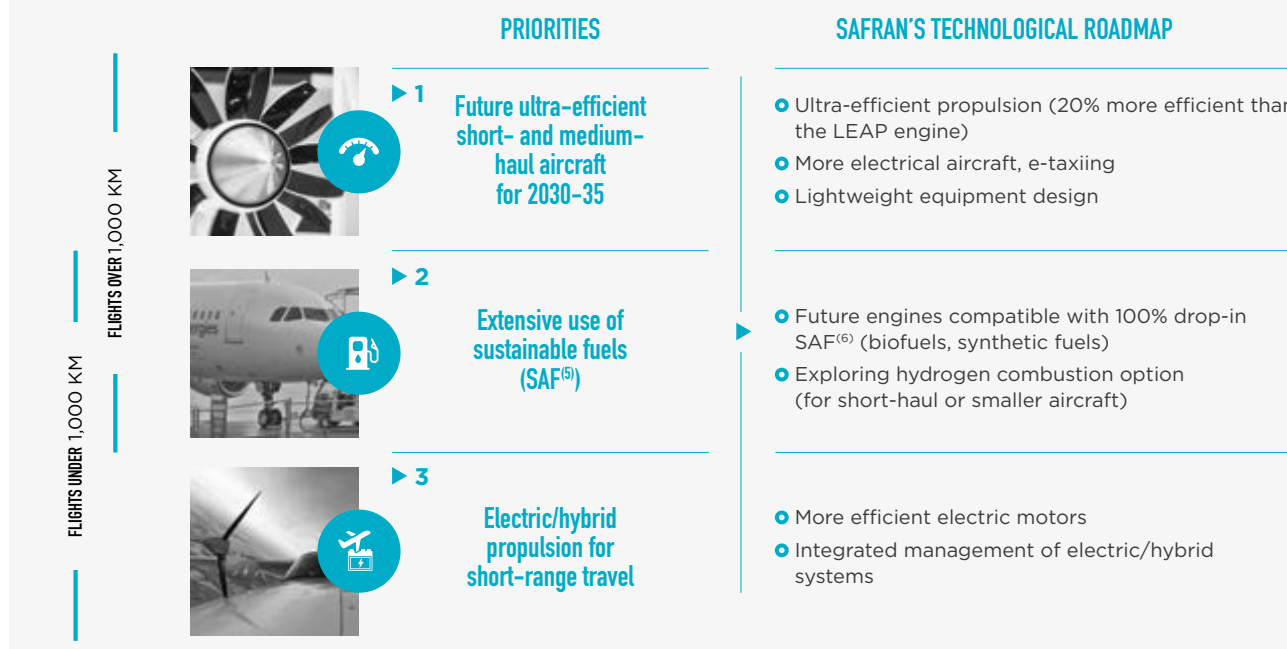
Reduction in CO₂ emissions from products

Because the production of an aircraft accounts for only a small percentage of its emissions over its life cycle, Safran considers that its primary challenge is to reduce CO₂ emissions arising from use of its products (referred to as Scope 3 indirect emissions in the GHG Protocol⁽¹⁾).



Because flights longer than 1,000 km account for 50% of journeys and close to 80% of emissions, the priority is to reduce emissions in the medium- and long-haul segment.

SAFRAN PRIORITIES FOR GREEN AVIATION



(1) Greenhouse Gas Protocol.

(2) In-flight greenhouse gas emissions & emissions/capture related to fuel production close to zero by 2050.

(3) Target date for aircraft in service.

(4) "Skip a generation": new aircraft release bringing twice the usual next-generation gain (15%).

(5) Sustainable Aviation Fuel.

(6) 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.



► 1. Contributing to the development of a new generation of ultra-efficient engines compatible with carbon neutrality

Safran is convinced that accelerating the transition to carbon neutrality requires “skipping a generation” in terms of efficiency, meaning bringing into service by 2030-2035 a short- and medium-haul aircraft that consumes 30% less fuel than the previous generation. Safran and General Electric (GE) are contributing to this endeavor through work on an **engine that delivers a 20% improvement in fuel consumption compared with the LEAP engine** (LEAP being 15% more efficient than the CFM56), compatible with the use of 100% sustainable fuel, to pave the way to carbon neutrality.

This major challenge calls for breakthrough technologies (open rotor engines, for example) involving an in-depth transformation of aircraft and their architecture, and will require the active involvement of airframers. Tomorrow's ultra-efficient aircraft will also have to be considerably lighter and use an optimized energy chain. With its very broad coverage, Safran can address all these challenges, with solutions such as e-taxiing (electric motor driving the wheel), lightweight cabin fittings featuring new materials, and optimized electrical systems.



► 2. Sustainable fuels: a workable solution for the near future

SUSTAINABLE FUEL TYPES

ADVANCED BIOFUELS
(not competing with food crops)

• Up to 80% lower net CO₂ emissions

• Drop-in fuels (usable in existing aircraft and infrastructures)

Key contributor through to 2050, in all decarbonization scenarios

Technological development under way to overcome the current mix limit of 50%

SYNTHETIC FUELS
(from low-carbon hydrogen)

• Potential for zero net CO₂ emissions

LIQUID HYDROGEN

• Zero in-flight CO₂ emissions

• Fuels requiring specific aircraft and infrastructures

Breakthrough technology at longer term, for short- and medium-haul distances

There is no single solution applicable to all applications without a constraint on resources. All pathways must therefore be pursued, starting now with advanced biofuels, with a preference for the most environmentally virtuous processes. Development in sustainable fuel production (currently three times more expensive than kerosene) requires public policy support.

Safran supports public initiatives, for example by advocating for a European-scale requirement on 10% sustainable fuel in the mix by 2030, under the ReFuelEU Aviation initiative. It also supports pilot projects on synthetic fuel production. As a supplier of engines and fuel system equipment, **Safran is working on lifting the technical obstacles to enable 100% incorporation of drop-in sustainable fuel** with forthcoming engine generations, and

to cross the 50% threshold on present-day engines. This primarily involves solving the issue of the lifespan of seals and pumps for fuel systems and ensuring optimum combustion performance.

At the same time, Safran is also working with other aerospace industry companies to explore the option of hydrogen fuel on short- and medium-haul or small aircraft for around 2035. This option is more ambitious in terms of CO₂ emissions reduction, and requires disruptive innovations in storage (in the form of liquid hydrogen) and the fuel circuit, in addition to the phase-in of drop-in sustainable fuels (biofuels and hydrogen-derived synthetic fuels). A decision is expected around 2025 on the fuel option for the next-generation short- and medium-haul aircraft taking over from the A320neo.



► 3. Electric and hybrid propulsion: a solution for short distances

The short- and medium-term outlook for developments in battery energy density means electric and highly hybrid propulsion will be limited to short-distance flights in low-capacity aircraft: training aircraft, small shuttles, regional aircraft (in the medium term), and new VTOL⁽¹⁾ or STOL⁽²⁾ aircraft for urban or suburban transport. Hybrid propulsion for future

aircraft and helicopters will contribute to meeting the highly ambitious objectives on reducing fuel consumption.

Safran holds a leading position in all-electric and hybrid architectures, developing a range of electric-system products (engines, turbogenerators, energy management systems) and working with innovative companies

on batteries. The Group also conducts research on fuel cell technologies. In 2020, Safran's ENGINEUS™ electric motors flew on VoltAero's Cassio 1 hybrid aircraft demonstrator, and were selected to power Bye Aerospace's e-Flyer electric aircraft, orders for which already exceed 700 units.

(1) Vertical Take-Off and Landing aircraft.

(2) Short Take-Off and Landing aircraft.

A DETAILED LOOK AT SAFRAN'S CLIMATE STRATEGY: DECARBONIZING AEROSPACE

This section corresponds to the first pillar of the CSR strategy, “Decarbonize aerospace”, devoted to the decisions and initiatives taken by Safran to reduce CO₂ emissions. Safran aims to be acknowledged as a leader in decarbonization in the aerospace industry. It has made carbon-neutral aircraft the priority of its research and technology (R&T) and is committed to reducing its CO₂ emissions across its entire value chain. This section meets the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This is a strategic challenge for Safran, which is making a major effort in terms of R&T. 75% of its R&T expenditure is devoted to improving the environmental impact of air transport. As such, the Group benefits from European and French subsidies, which enabled it not to diminish its level of activity in decarbonization projects in 2020.

Context: climate change and the aerospace industry

Faced with climate change and the associated risks, the 2015 Paris Climate Agreement set the goal of capping the increase the Earth's average temperature at 2°C, or even 1.5°C, by the end of the century compared with preindustrial levels.

The aerospace industry has a role to play in achieving this goal. In 2019, civil aircraft in operation worldwide emitted 2.1%⁽¹⁾ of the CO₂ emissions attributable to human activities. If we add emissions from the production and delivery of fuel to aircraft, aircraft manufacturing and dismantling, and airport operations, aviation accounts for approximately 3% of total CO₂ emissions worldwide. Before the Covid-19 crisis, the industry expected traffic to grow by 3% to 4% per annum over the coming 30 years, measured in passenger kilometers. That would represent a near 3.5-fold increase in traffic between 2015 and 2050, bringing the amount of CO₂ emitted by aviation to a significant level. Reducing CO₂ emissions from aviation is therefore a priority. The Covid-19 pandemic, which caused a drop in air traffic, has not altered this challenge.

Through the Air Transport Action Group (ATAG), and in agreement with the International Civil Aerospace Organization (ICAO), the aerospace industry set a very ambitious objective in 2008: to halve CO₂ emissions by 2050 compared with 2005 levels. Seen against the expected growth in air traffic, that represents a 90% reduction in average emissions per passenger kilometer. All stakeholders in air transport (industry, airlines, air traffic control, airports, public authorities), including Safran, have committed through ATAG to meeting these commitments.

In addition to CO₂, aircraft engines produce other emissions (contrails, nitrogen oxides), whose impact on global warming is currently being assessed by scientists. According to a recent publication⁽²⁾, the warming effect (radiative forcing⁽³⁾) attributable to all aviation emissions since 1940 represents 3.5% of the total radiative forcing attributable to human activities. This assessment is subject to significant uncertainties due to the complexity of the physical phenomena involved. It is important for the understanding of these phenomena to progress to allow us to act and make the right technology choices⁽⁴⁾. Safran was one of the stakeholders behind the creation of the “aviation and climate” chair at the French Civil Aviation Research Council (*Conseil pour la recherche aéronautique civile* – CORAC), with the aim of reducing all potential emissions produced by aircraft engines that could have an impact on the climate.

Taking climate change into account in Safran's governance

As an aircraft engine and equipment manufacturer, Safran has a central role to play in achieving the aerospace industry's climate change targets. To affirm its commitment, Safran has a *raison d'être*, in which it cites climate change as one of its priority challenges. The Group's commitment is reflected in a cross-functional approach involving multiple departments. It is led at the highest level of the company, both by Executive Management and the Board of Directors.

(1) Based on IEA, ICCT, ATAG data.

(2) *The Contribution of Global Aviation to Anthropogenic Climate Forcing for 2000 to 2018*, David S. Lee et al., *Atmospheric Environment*, 2020.

(3) *Radiative forcing is the difference between incoming solar irradiance (sunlight) absorbed by the Earth and energy radiated back to space, notably caused by the sharp increase in the concentration of greenhouse gases in the atmosphere. It is the basis for the greenhouse effect on planets. High-altitude aviation emissions are thought to have a significant impact on radiative forcing owing particularly to the effect of condensation trails which compound the impact of greenhouse gases.*

(4) *“There are significant scientific uncertainties remaining in quantifying aviation's non-CO₂ impacts on climate. The non-CO₂ impacts arise from emissions of oxides of nitrogen (NOx), soot particles, oxidised sulphur species, and water vapor. These emissions result in changes in the chemical composition of the global atmosphere and cloudiness, perturbing the earth-atmosphere radiation budget. The net impact of aviation non-CO₂ emissions is a positive radiative forcing (warming), although there are a number of individual positive (warming) and negative (cooling) forcings arising from respective aviation non-CO₂ emissions, for which large uncertainties remain.”*

A detailed look at Safran's climate strategy

The Board of Directors sets Safran's overall business strategy and oversees its implementation, in accordance with the Company's best interests and taking into account the social and environmental aspects of its activities. In order to deal with the challenges of climate change as effectively as possible, the Board of Directors decided in early 2021 to task one of its independent Directors, who is a member of the Innovation and Technology Committee, with overseeing how the Board takes into account and monitors climate issues, designating him as "Director responsible for monitoring climate issues". The Board also defined his responsibilities in this area. The Board considered that this role should naturally go to the Chairman of the Innovation and Technology Committee. At the same time as the Director responsible for monitoring climate issues was appointed, the Innovation and Technology Committee was renamed the "Innovation, Technology & Climate Committee" and its roles and responsibilities were extended. This Committee is now responsible for reviewing, examining and issuing recommendations relating to Executive Management's climate action plan. The Board of Directors' Internal Rules were amended to reflect these changes.

The Innovation, Technology & Climate Committee and its Chairman accordingly have a particular role to play in climate change challenges, given the high level of interaction with the Group's technology strategy. The Committee is tasked with analyzing, reviewing and sharing its expertise on Safran's research and technology objectives and strategic choices, as well as the Group's action plan on climate change, a very large part of which is designed to enable the Group to help decarbonize aerospace while meeting the growing needs of the world's population. It assesses the Group's performance in its main research and innovation roadmaps and climate plan with a view to meeting its targets. The Committee reports its findings, including those relating to climate change issues, to the Board of Directors.

For the Group's operational and executive organization, the challenge represented by climate change prompted Safran to tighten its governance on the issue in 2020 by establishing a Climate Challenge Steering Committee bringing together several members of Executive Committee and all of the Company's departments involved in the various aspects of climate action, namely: Research and Technology, Strategy, Public Affairs, Finance, Operations, Corporate Social Responsibility and Communications. This Committee met three times in 2020. Its work focused primarily on the development of Safran's strategy for the decarbonization of aerospace against the backdrop of the Covid-19 crisis, and on the development of sustainable aviation fuels. A cross-functional working group covering the relevant departments coordinates regular work on these issues between committee meetings.

Additionally, the operational committee established in 2019 to oversee the Group's low-carbon project also continued its work in 2020, with a focus on reducing greenhouse gas emissions from Safran's operations (Scopes 1, 2 and 3 upstream). It is made up of several members of the Group's Executive Committee and cross-functional units. It is jointly sponsored by the Executive Vice President, Industrial, Purchasing and Performance and the Executive Vice President, Corporate Human and Social Responsibility. It meets every two months. A project manager has been appointed in each tier-one entity. In addition, business line liaison officers have been identified for property or industrial issues, or for energy purchases.

At the beginning of 2021, Safran created a Climate Department, within its Strategy Department, tasked with leading the Group's climate strategy in all its dimensions.

The work of these committees has resulted in proposals for measures to be submitted to Safran's Executive Committee, which is the decision-making body on issues of major concern to the Group, such as the creation of an internal carbon price.

Taking climate change into account in Safran's strategy

Reference short- and medium-term climate scenarios taken into account

The Group's climate strategy focuses primarily on reducing the direct greenhouse gas emissions resulting from its energy consumption (Scopes 1 and 2), as well as its indirect emissions, which stem chiefly from the use of its products (Scope 3).

For Scopes 1 and 2 defined in the GHG Protocol⁽¹⁾, Safran has used two emission reduction scenarios: the IEA's 2DS⁽²⁾ scenario was used until 2020, but has been replaced by a trajectory compatible with a 1.5°C scenario since 2021.

As a base for its Scope 1 and 2 greenhouse gas emission reduction targets, the Group used the tools and guides published by the SBTi⁽³⁾, and above all the SDA⁽⁴⁾. The SBTi tools make it possible to construct emission reduction trajectories compatible with global warming scenarios extending to 2050. However, it was not deemed possible to predict and assess Safran's situation over such a long timeframe. The Group has therefore set interim targets for 2025, in line with its medium-term budget forecasts and applicable action plans.

Until 2020, the 2025 targets were based on the IEA 2DS scenario used by the SBTi.

(1) Greenhouse Gas Protocol.

(2) 2-degree scenario.

(3) Science-based Targets initiative. However, Safran's greenhouse gas emissions reduction targets have not been certified by SBTi.

(4) Sectoral Decarbonization Approach.

At the beginning of 2021, Safran revised its targets with a view to maintaining a significant decarbonization effort, despite the impact of slower growth in business between now and 2025 due to the impact of the Covid-19 crisis on air transport. As such, Safran is now aiming to reduce its combined Scope 1 and 2 greenhouse gas emissions (representing approximately 416 kt CO₂eq.) by 30% by 2025 compared with 2018. This more ambitious target (initial targets were to reduce Scope 1 emissions by 8% and Scope 2 by 18% by 2025 compared to 2018) was intended to be consistent with emissions reductions compatible with a 1.5°C scenario by the end of the century, as proposed by the SBTi methodology.

For Scope 3, Safran uses a sector scenario compatible with the Paris Agreement goal of a 2°C scenario. The Paris Climate Agreement does not provide a breakdown of greenhouse gas emissions reductions by sector, and therefore does not lay down an emissions trajectory for the aerospace sector. The SBTi has also not set a methodology for the aerospace industry to date.

Through the Air Transport Action Group (ATAG), and in agreement with the International Civil Aviation Organization (ICAO), the commercial aviation industry has set itself the target of reducing its CO₂ emissions by 50% in 2050 compared with 2005, a very ambitious target despite the Covid-19 crisis, since strong growth in air traffic is still anticipated during this period. This target, to which Safran is committed and which has been broken down into different possible trajectories⁽¹⁾, is compatible with the global SDS climate scenario⁽²⁾ published by the IEA at the end of 2020, and as such with the Paris Agreement. In a business-as-usual scenario for air traffic, i.e. a growth prediction of approximately 4% per year by 2050, the aviation industry will need to reduce its CO₂ emissions by 90% per passenger kilometer compared with 2005.

Safran's strategy to reduce Scope 1 and 2 emissions

To achieve these targets, in 2020 each tier-one entity undertook the actions identified in Safran's energy strategy, based on the following pillars:

- **the energy performance of new buildings** to reduce energy consumption at our sites: technical specifications have been drawn up to control the energy consumption of any new buildings at Safran sites, based on the standard envisaged for the next environmental building regulations. The site currently under construction at Le Haillan in France served as a pilot for the drafting of this guide. In its tertiary part, it will meet the most demanding current energy performance standards;
- **the reduction of energy consumption at existing sites**: an "Energy" standard, largely inspired by ISO 50001, has been implemented to optimize energy consumption. Investments are planned to modernize machines or means of heat production, or to improve building insulation. Research and development work is being carried out to improve certain key processes such as the production of carbon brakes that run on natural gas. Awareness-raising and training initiatives have been undertaken to get employees on board;
- **the switching of energy** sources by developing breakthrough solutions for heat generation at the sites, by conversions such as replacing gas boilers with biomass boilers;
- **the purchase of low-carbon energy**, as seen with the Group's industrial and tertiary sites in Querétaro and Chihuahua in Mexico. Both sites signed a solar power electricity contract in 2019. The sites based in England have been using wind power since October 2020. Feasibility studies are to be conducted in the United States and Poland in 2021;
- **on-site production and self-consumption⁽³⁾**: solar photovoltaic production facilities have been installed at the Gloucester (UK), Milmort (Belgium) and Sendayan (Malaysia) sites. Feasibility studies will be conducted with partners in 2021 to continue this installation, notably in the United States.

Approved and encouraged by Safran's Executive Committee, an Internal Carbon Price (ICP) has been set for investment projects to encourage arbitrage in favor of low-carbon initiatives (excluding R&T, where emissions reductions are already intrinsic to all projects). In doing so, the Group drew on the publications of the IEA (International Energy Agency), the I4CE (Institute for Climate Economics) and the World Bank, as well as academic literature. The ICP is factored into the calculation of the return on investment; it is applicable to projects such as extensions or new buildings, and energy efficiency investments. In 2021, Safran will consider the opportunity of integrating Scope 3 upstream as part of its efforts to integrate Scope 3 into its purchasing, supplier selection and freight management processes.

The use of sustainable fuels for engine testing

In 2019 and 2020, Safran consumed 17.7⁽⁴⁾ and 12.1 million liters of kerosene respectively for its internal operations, primarily for engine testing. This corresponds to Scope 1 and Scope 3 (combustion and upstream) greenhouse gas emissions of approximately 56 kt CO₂eq. in 2019 and 37 kt CO₂eq. in 2020.

As part of its strategy to reduce Scope 1 and 2 emissions, and in line with its strategic vision on aerospace emissions, Safran is committed to incorporating sustainable fuels in the aviation fuel used for the aircraft and helicopter engine approval tests conducted on its sites. The Group has set a target of 10% sustainable fuels for its engine approval tests by the end of 2021, and more than 35% by 2025. They will essentially be advanced biofuels, the only existing source to date, and will bring a 60% to 80% reduction in emissions compared with fossil fuels.

(1) Waypoint 2050 Report, ATAG, September 2020.

(2) IEA Sustainable Development Scenario, 2020. This scenario projects residual emissions of approximately 720 Mt CO₂eq. in 2050, compared with 325 Mt CO₂eq. under the sector target of halving emissions compared with 2005. It is compatible with a scenario of well below 2°C by the end of the century.

(3) Consumption of electricity produced at Safran sites for its own needs.

(4) 2019 emissions figures, which included estimated data for fourth-quarter 2019, were revised in 2020 to reflect the actual data.

Safran's strategy to reduce Scope 3 emissions related to the use of its products

Emissions related to production methods (Scopes 1 and 2) represent only a small percentage of emissions in the life cycle of an aircraft. Emissions attributable to the operation of products – mainly those of aircraft in flight in other words – constitute the approximately 95% of the total Scope 1 to Scope 3 emissions. That is why Safran's strategic priority in terms of climate action is to contribute to the decarbonization of the aerospace industry by limiting the greenhouse gas emissions generated during the use phase of its products.

Safran's product strategy is perfectly consistent with the 50% reduction target set by ATAG and ICAO, and aims to move as close as possible to carbon neutrality for its own products by 2050. Safran considers that ATAG's goal of reducing net CO₂ emissions from global aviation by 50% by 2050 compared with 2005 is achievable, with:

- 40% of the effort coming from technology through the development of ultra-efficient aircraft;
- 10% to 20% from air and airport operations, particularly with more economical flight paths;
- 40% from the partial substitution of aviation fuel with sustainable fuels. Total substitution would make it possible to approach carbon neutrality.

The first and third sources directly concern Safran and are guiding the Group's strategy. Safran has accordingly adopted a technology roadmap based on the following three aims:

1) Contribute to the development by 2030-2035 of new, ultra-efficient "low carbon" aircraft compatible with carbon neutrality.

The next generation of short- to medium-haul aircraft, scheduled for 2030-2035, will use ultra-optimized thermal propulsion. Future short- to medium-haul aircraft will have combustion engines able to run on fully sustainable fuels (so-called drop-in⁽¹⁾ fuels, such as advanced biofuels or synthetic fuels, or decarbonated hydrogen). Moving towards total decarbonization means prioritizing progress on the energy efficiency of such new aircraft, given the cost and availability of these fuels.

Accelerating the transition to carbon neutrality means "skipping a generation", i.e., aiming for a gain of at least 30% in consumption per passenger per kilometer for the new generation of aircraft compared with the current generation of short- to medium-haul aircraft (i.e., double the gain conventionally achieved in the design of a new aircraft). To contribute, Safran and General Electric (GE⁽²⁾) are working to create an engine that delivers a 20% improvement in fuel consumption compared with LEAP (which is 15% more efficient than CFM56, the previous generation engine). Airframers will have to work on architecture and design studies for breakthrough aircraft, incorporating new propulsion system concepts such as non-enclosed engines, like Safran's open rotor demonstrator.

The 2030-2035 low-carbon aircraft must have innovative aerodynamics, be considerably lighter, and have an enhanced energy chain. Safran, through its equipment, cabin interior and seats businesses, contributes to addressing all of these challenges. Reducing the weight of the cabin through the use of new materials and the optimization of the electric chain are examples of improvements.

2) Enabling a massive increase in the use of sustainable fuels

Sustainable fuels cover several categories of fuels with significantly reduced or virtually zero CO₂ emissions over their life cycle: both advanced biofuels and synthetic fuels produced from decarbonated electricity⁽³⁾, which are drop-in fuels, and liquid hydrogen used directly in aircraft.

These different categories are complementary insofar as they mobilize distinct resources (sustainable biomass for advanced biofuels, decarbonated electricity for hydrogen and synthetic fuels), and will mature at different times: advanced biofuels are already mature and are poised to ramp up in the next decade, synthetic fuels are expected to emerge to complement them by 2030, and liquid hydrogen used in direct combustion is not expected to be available before 2035.

The massive rollout of all of these sustainable fuels is critical in all air transport decarbonization scenarios, since there is no single solution offering boundless resources that is applicable to all air transport uses. In particular, the incorporation of sustainable drop-in fuels is within reach in the short term (since the engines of aircraft in service are compatible with an incorporation rate of 50%), making it a ready means of decarbonizing current generations of aircraft and engines, as well as long-haul aircraft for which liquid hydrogen is not a suitable solution given its bulk.

Technologically, Safran is committed to lifting all technical barriers on engine and fuel systems to enable the incorporation of up to 100% sustainable drop-in fuels on the next generation of engines, and to broadening the spectrum of use on existing engines. Safran also supports the diversification of raw materials by participating in the certification of new biofuel production processes, and helps reduce pressure on raw materials by reducing engine consumption.

In addition, Safran supports the initiatives of other public and private players in favor of the development of sustainable fuels in view of the need to develop a regulatory framework on demand and public support for supply. At its 2020 Annual General Meeting, the Group made the following commitment: "Safran notably undertakes to support the launch by the States, and in particular the European Union, of investment plans and regulatory measures aiming to promote the availability and utilization of sustainable fuels for aviation. This will have to be done in a sustainable way, taking into consideration the situation of the aerospace industry and in particular of our customers after the end of the Covid-19 crisis."

(1) Drop-in fuels can be blended with aviation fuel.

(2) Within CFM International, their 50-50 joint venture.

(3) So-called power-to-liquid fuels, synthesized from CO₂ and hydrogen by electrolysis using decarbonated electricity.

In this context, Safran supports the European Commission's ReFuelEU Aviation initiative, which aims to lay down a clear framework for the development of sustainable fuels, notably with the planned introduction of incorporation requirements. Incorporation targets will have to take into account the situation of the aerospace industry and, above all, of customers affected by the Covid-19 crisis. Sustainable fuels will have to meet exemplary sustainability criteria so as not to compete with food crops or result in deforestation. In France, Safran supports several projects submitted in response to the government's call for expressions of interest.

In addition to drop-in fuels, which are essential to decarbonize existing fleets and long-haul aircraft, Safran is heavily involved in work to define a future short-, medium- or smaller-haul aircraft equipped with turbojet engines powered by liquid hydrogen. The option of direct hydrogen combustion has greater environmental potential than other sustainable fuel pathways, as it does not emit CO₂ in flight. It nevertheless presents significant technical challenges and will require an in-depth study of the consequences for aircraft and propulsion system architecture, safety management, and ground infrastructure and operations. The impact of emissions from hydrogen combustion, especially water vapor, must also be taken into account in the environmental assessment, and is the subject of research work to which Safran is contributing. All of the work carried out by Safran and its partners, notably in the Hyperion project backed by the French government as part of the aerospace support plan, should serve to define the architecture of the propulsion system for such aircraft, thereby holding out the prospect of a decision on the commercial development of a future hydrogen-powered aircraft by 2025.

3) Develop electric propulsion systems for use over short distances, and, more generally, aircraft hybridization.

For reasons of mass energy density and management of high voltage systems at altitude, the potential gain associated with electric propulsion will initially be confined to short distance flights in low-capacity aircraft (small shuttles to start with, such as ATR regional jets with a maximum of 50 seats after 2030, for distances of around 300 km). Subsequently, the propulsion systems of future generations of aircraft will increasingly be electrified via hybridization. Hybridization of the propulsion system is an indispensable means of meeting the fuel efficiency goals of the next generations of commercial aircraft. It also represents significant potential for the development of future helicopter platforms.

Safran is a leader in these hybrid or all-electric architectures thanks to its expertise spanning the entire energy chain, and works with various aircraft manufacturers in the training aircraft, shuttle and VTOL⁽¹⁾ segments for logistics and passenger transport. In particular, Safran is part of the EcoPulse project with Daher and Airbus, which aims to develop a distributed hybrid-propulsion demonstrator, with a maiden flight slated for 2022. In 2020, the VoltAero hybrid aircraft demonstrator, developed by Cassio and powered by Safran's ENGINEUS™ electric engines, made a series of flights throughout France. Lastly, Bye Aerospace has selected Safran's ENGINEUS™ 100 electric engines to power its e-flyer electric aircraft, over 700 of which have already been ordered.

Safran, a driving force in the development of the aerospace ecosystem

Safran is pursuing this strategy in collaboration with the entire global aerospace ecosystem, including the following notable bodies:

- the International Civil Aviation Organization (ICAO) and in particular its Committee for Aviation Environment Protection (CAEP), through the International Coordinating Council of Aerospace Associations (ICCAIA);
- the European Civil Aviation Conference (ECAC) and its groups of environmental experts;
- the Air Transport Action Group (ATAG);
- the Advisory Council for Aeronautics Research in Europe (ACARE);
- the International Aerospace Environmental Group (IAEG);
- the Aerospace and Defence Industries Association of Europe (ASD);
- the French Aeronautical and Space Industries Group (GIFAS).

At the time of the preparation of the aerospace support plan, the French industry presented a coordinated roadmap for research and development into the technologies needed to decarbonize aviation, and in particular for a new short- to medium-haul aircraft to replace the A320 in 2035. This roadmap represents €9 billion in R&T spending over 10 years, and is backed by exceptional support from the French government in the amount of €1.5 billion over the first three years, as part of its aerospace support plan. Safran's strategic focuses in the area of decarbonization are broadly reflected in the new roadmap: the search for ultra-low energy consumption for all future platforms (short to medium haul, regional, helicopters), electric hybridization on regional aircraft and helicopters, and engines compatible with fully sustainable fuels. Since 2020, Safran has already become involved in a number of research projects in the fields of aircraft engines (successor to LEAP), the hybrid-electric demonstrator for a light helicopter (HELYBRID project), and the HYPERION project to assess the challenges of a hydrogen engine. The exceptional support from the French government will enable Safran to maintain its overall research and technology activity in the field of decarbonization in the coming years.

(1) Vertical Take-Off and Landing aircraft.

Risks relating to climate change

Risks relating to climate change are considered and addressed by the Group's global risk management system, the Enterprise Risk Management (ERM), described in section 4.3.1.5.

The materiality of these risks is assessed in accordance with the impact, probability of occurrence and control dimensions defined by Safran's ERM. The system for controlling these risks is determined on the basis of the resources that can be mobilized to achieve the defined targets. For risks relating to climate change, the system is described in chapter 4 of this document.

“Physical” risks

These risks cover the various natural risks faced by Safran sites worldwide. In view of its choice of location and ongoing streamlining initiatives, the Group is not very vulnerable to this type of risk.

“Transition” risks

These risks include the risks defined below, to which Safran and its sites are exposed:

- **More stringent regulations:** Safran is exposed to regulations governing certain energy-intensive manufacturing processes, taxation or restrictions on the use of certain fossil fuels or technologies, and the development of carbon markets and carbon taxes.
- **Emergence of disruptive technologies:** Safran's competitors could develop products offering better technical performance, that are more competitive or that come to market earlier, including products offering better environmental performance, especially in terms of fuel consumption.
- **Judicialization:** Safran could be impacted by a tightening of the legal and regulatory framework due to the importance of climate change and developments in the aerospace industry.
- **Market:** the Group also takes into account the risks of a decline in air traffic due to a deterioration in the economic, geopolitical, climate or health environment, or a change in the behavior of airline customers. In addition, the sector may face shortages or rising costs of certain raw materials.
- **Reputation:** Safran is attentive to the risks relating to stakeholder expectations concerning the climate.

Ambitious roadmaps have been developed and implemented to manage these transition risks.

Climate change indicators and targets

A continuous improvement approach in climate reporting

2019 Universal Registration Document	2020 Universal Registration Document	2021 Universal Registration Document
Scopes 1 and 2 <ul style="list-style-type: none"> ■ Emissions reporting ■ Initial targets: 8% reduction on Scope 1 and 18% reduction on Scope 2 by 2025 compared with 2018 Scope 3: <ul style="list-style-type: none"> ■ Reporting of emissions related to business travel and waste treatment. 	Scopes 1 and 2 <ul style="list-style-type: none"> ■ Revised targets: 30% reduction on Scopes 1 and 2 by 2025 compared with 2018 Scope 3: <ul style="list-style-type: none"> ■ Expansion of reporting to include emissions related to purchases of goods and services, freight and commuting, as well as direct emissions related to the use of products (within the scope of the propulsion system). ■ Presentation of the climate section of the Universal Registration Document in line with the TCFD recommendations. 	Full reporting of all material emission categories.

Starting in 2020, Safran will implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The TCFD is a working group of the G20 Financial Stability Board (FSB). Set up at COP21 in 2015, its aim is to improve companies' disclosure of financial indicators relating to their climate challenges. The TCFD's recommendations are built on four pillars: governance, strategy, risk management, and metrics and targets. On the fifth anniversary of the Paris Climate Agreement, and jointly with other CAC40 companies, Safran undertook to support the TCFD recommendations and to adopt a continuous improvement process. Safran has therefore decided to align the climate section of this Universal Registration Document with these four areas.

For several years, Safran has been monitoring metrics directly related to climate change challenges. As recommended by TCFD, they are the subject of an annual performance report, as well as future targets going out to 2025.

All of the indicators mentioned below relate to a Group scope unless otherwise stated.

2025 CSR objectives

75% of R&T investment focused on environmental efficiency

30% reduction in Scope 1 and 2 GHG emissions compared with 2018, in metric tons of CO₂ equivalent

100% of facilities to have achieved the five zero targets roadmap

- Zero non-recycled paper;
- Zero machines or equipment running unnecessarily;
- Zero single-use plastic cups or dishes;
- Zero catering products from extracontinental geographic areas;
- Zero non-eco-friendly green spaces.

Scope 1 and 2 greenhouse gas emissions⁽¹⁾

Safran measures the carbon footprint of its activities and energy consumption on Scopes 1 and 2, in line with the general framework proposed by the GHG Protocol. The figures take into account the increase in business, which has a significant impact on electricity and gas consumption. Carbon accounting, common to all Group companies, is based on international standards, namely the GHG Protocol, the International Energy Agency, ISO 14064-1-2016 and Ademe. More than 150 indicators are used to establish the Group's carbon footprint. Data from more than 200 sites with more than 50 employees operated by Safran are consolidated to produce the report.

To define its greenhouse gas emission reduction trajectory and targets, Safran carried out a feasibility study to determine whether targets could be met, taking into account all avenues known for reducing greenhouse gas emissions, together with their associated costs. The Group has decided to set targets for 2025, in line with its medium-term budget forecasts and the action plans that can be implemented. 2018 is the reference year chosen for the inclusion of the emissions of Zodiac Aerospace, acquired by Safran that year. These targets are applied to all of the Group's tier-one entities, covering 100% of Scope 1 and 2 emissions in the reporting scope.

Until 2020, greenhouse gas emission reduction targets were as follows: 8% on Scope 1 and 18% on Scope 2 by 2025 compared with 2018.

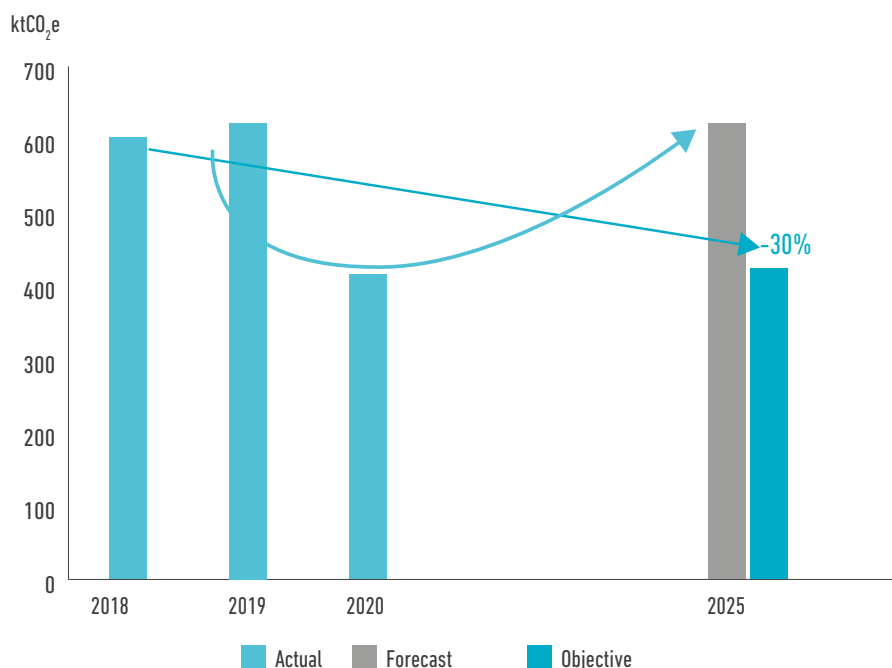
In early 2021, due to the impact of the Covid-19 crisis, Safran revised these targets to take into account the slower growth in its business between now and 2025. As such, the Group now aims to reduce its Scope 1 and 2 greenhouse gas emissions by 30% by 2025 compared with 2018. This more ambitious target was set to be consistent with emissions reductions compatible with a 1.5°C scenario by the end of the century, based on the SBTi methodology.

In 2020, Safran reduced its Scope 1 and 2 emissions by 33.5% compared with 2019. This outcome chiefly reflects the drop in business in the wake of the Covid-19 crisis, even though initial emission reduction actions had been undertaken.

Safran estimates that 20% of the action program required to achieve the 2025 target in terms of greenhouse gas emissions reductions (production and self-consumption at industrial sites, streamlining of the industrial footprint, energy savings at plants, etc.) had been completed by the end of 2020. In view of the level of emissions achieved in 2020 and the target set for 2025, Safran's action plan should make it possible to offset the increase in Scope 1 and 2 emissions between 2020 and 2025 resulting from a potential return to previous levels of activity.

(1) Scope 1: direct greenhouse gas emissions linked to the combustion of energy sources such as gas, liquefied petroleum gas and aviation fuel as well as refrigerant emissions during the production phases at Safran sites. Scope 2: indirect emissions linked to the consumption of energy, electrical power or heating/cooling at Safran sites.

CHANGE IN SCOPE 1 AND 2 EMISSIONS AND TARGETS



Scope 1 and 2 GHG emissions	2018*	2019*	2020***
Scope 1 direct emissions (t CO ₂ eq.)	219,790	221,259	146,655
Scope 2 energy-related indirect emissions (t CO ₂ eq.)**	383,186	402,360	268,333
Total Scope 1 and 2 emissions (t CO ₂ eq.)	602,976	623,619	414,988
Change in Scope 1 and 2 emissions compared with 2018	-	+3.4%	-31.2%

* The 2018 indicators were in relative terms (t CO₂eq./employee). Revised in 2019, they are now set in absolute terms: t CO₂eq. 2018 emissions figures were adjusted to take into account the change in scope following the integration of Zodiac Aerospace. 2019 emissions figures, which included estimated data for fourth-quarter 2019, were revised in 2020 to reflect the actual data.

** These data do not take into account certificates guaranteeing the renewable origin of the electricity supply.

*** Scope 1 and 2 GHG emissions fell sharply due to the Covid-19 epidemic in 2020.

Scope 3 greenhouse gas emissions⁽¹⁾

Safran has begun a gradual approach to extend its Scope 3 emissions reporting. In early 2020, Safran reported its emissions related to business travel and waste treatment.

This year, Safran is supplementing its Scope 3 reporting by broadening the categories of reported emissions to include emissions related to purchases of goods and services by tier-one entities, emissions related to freight, emissions related to engine use and those resulting from commuting. Given the indirect nature of these emissions, the figures reported for emissions related to engine use are estimates that may change in the future. More specifically, for purchases of goods and services, in the absence of detailed data for 2020, it was assumed that the composition of the various channels was unchanged from 2019. An estimate was therefore made of the total volume of purchases in 2020.

The Group has also undertaken a process to assess its indirect emissions resulting from the use phase of its products. At this stage, an initial scope corresponding to emissions linked to the use of civil aircraft and helicopter engines manufactured by Safran, i.e., emissions directly linked to Safran products, has been set for the indicator below, and the corresponding emissions have been calculated for 2019 and 2020.

(1) Scope 3: other emissions indirectly produced by Safran's activities and which are not accounted for in Scopes 1 and 2, but which are linked to the overall value chain (source: Ademe).

For this calculation, Safran used the following methodology, in accordance with the recommendations of the GHG Protocol:

- engines are intermediate products and not finished products, as they are not used independently of an aircraft. It is the use of the finished products comprising the aircraft (airplanes or helicopters) that generates greenhouse gases;
- in view of its diversified product portfolio, including engines, equipment and cabin interiors, and insofar as the Scope 3 emissions assessment will concern all such products, Safran has opted to adopt a physical allocation ratio, equal to the mass of its products over the mass of the aircraft. This cross-functional ratio makes the most sense for products, services and retrofits, since it highlights Safran's two direct technological levers, i.e., engine fuel efficiency and the reduction in mass of all products. This choice also avoids double counting within the same company. Lastly, it corresponds precisely to the recommendations given by the GHG Protocol, which cites it as an example⁽¹⁾. The assumptions used for the calculation are presented in greater detail in section 5.7.4.

Given the many uncertainties affecting the assumptions required for the calculation, the estimate of Scope 3 emissions related to product use is an initial assessment that may be improved in subsequent years.

The Group is also working to complete its assessment for the next Universal Registration Document, taking into account indirect emissions resulting from the use of its other products (mainly aircraft interior equipment and products), thus covering all of the Group's products, and defining related targets.

Scope 3 GHG emissions	2018	2019	2020
Emissions related to purchases of goods and services (<i>t CO₂eq.</i>)	5,527,000	5,678,000	3,256,000
Emissions related to freight (<i>t CO₂eq.</i>)	263,000	330,000	177,000
Emissions related to business travel (<i>t CO₂eq.</i>)	101,000	103,000	25,000
Emissions related to commuting (<i>t CO₂eq.</i>)	94,000	95,000	81,000
Emissions related to waste treatment (<i>t CO₂eq.</i>)	21,000	25,000	14,000
Emissions related to the product use phase (<i>t CO₂eq.</i>) - engine scope	46,900,000	41,900,000	20,642,000
TOTAL	52,906,000	48,131,000	24,195,000

Sites concerned by the European CO₂ quota trading system (EU ETS)

Of more than 150 sites in Europe, only 3 are affected by the EU ETS (European Union Emissions Trading System). They are the Gennevilliers, Villaroche and Villeurbanne sites. To date, Safran has never had to buy CO₂ quotas on the market; its free allowances have always been sufficient. Moreover, the Group is working on an opt-out option from the EU ETS for its Gennevilliers and Villaroche sites by looking into the use of alternative energies.

(1) *Technical Guidance Calculating Scope 3 Emissions – Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard, GHG Protocol, p. 124.*

SAFRAN'S RESPONSE TO THE COVID-19 CRISIS

The magnitude and duration of the unprecedented Covid-19 crisis will have a lasting impact on the aerospace industry. The central scenario points to a very gradual recovery, driven by the short- and medium-haul segment, with air traffic expected to be back to 2019 levels by 2025.



1

Employee protection against Covid-19 and business continuity

The Group crisis management unit formed in January 2020 set two initial priorities: provide optimally safe working conditions for Safran employees, and ensure the continuity of essential businesses.

Safran adapted its work organization in rigorous compliance with the requirements set by governments in its host countries, applying strict health standards and social distancing measures, and even temporarily shutting down some sites for varying durations.

Safran managed to continue serving its customers, while ensuring the protection of its employees. Temporarily closed sites were reopened swiftly, with four sites remaining closed on October 16, 2020 (down from 14 on July 17 and 30 on May 18)⁽¹⁾.

(1) Including sites closed because of a decline in business.

(2) Calculated on the basis of aggregates published in Safran financial communications.

(3) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is the sum of recurring operating income plus net recurring and non-recurring amortization, provisions and depreciation.

* The bridge facility was fully canceled on March 16, 2021 following the March 4, 2021 signature of a long-term €500 million loan with the European Investment Bank, and the March 16, 2021 issue of €700 million in five-year bonds and €700 million in ten-year bonds.

2

Increased liquidity and sound balance sheet to navigate the crisis and finance ongoing business

SECURING LONG-TERM FINANCING

At end-2020, the bridge facility set up at the start of the crisis (April 22, 2020) for a maximum maturity of two years remained undrawn, and the initial amount of €3.0 billion was reduced to €1.4 billion*, with Safran refinancing more than 50% of the undrawn short-term facility with long-term debt (at 7-12 year terms):

- May 15, 2020: issue of €800 million of convertible bonds due May 15, 2027.
- June 29, 2020: issue of senior unsecured notes in euros and US dollars on the US private placement market (USPP), for the equivalent of €564 million (€282 million at 10 years and €282 million at 12 years).
- October 12, 2020: tap issue of €200 million in convertible bonds due May 15, 2027.

Safran also has a €2.52 billion undrawn credit facility available until December 2022.



MAIN FINANCIAL RATIOS⁽²⁾

Net debt/EBITDA⁽³⁾

1.13

Net debt/total equity

21.9%

3

Rapid, proactive implementation of adaptation plan, lowering Safran's breakeven point

Action	Achievements (in 2020)
Workforce resized in line with Company needs	<p>Global workforce reduction of more than 16,500 people, over 21,000 including temporary staff, at end-2020.</p> <p>In France, signature of the Activity Transformation Agreement in July 2020 with all trade unions at Group level, running to the end of 2021 and renewable:</p> <ul style="list-style-type: none"> - Rollout of long-term short-time working, with potential worktime reductions of up to 40-50% in France, granting more flexibility - Wage restraint - Promotion of mobility - Cap of profit-sharing and savings schemes <p>On average from April to December 2020, short-time working concerned 21% of employees worldwide and 23% in France (excluding public holidays and days off)</p>
Industrial footprint streamlined	Closure of sites in Seats (Camberley in the United Kingdom, Santa Maria in the United States), Cabin (Sterling in the United States) and Electrical & Power (Eatontown in the United States)
Purchasing programs scaled back	-43% purchases of raw materials and supplies (excluding impact of change in inventories) -48% subcontracting expenses
Operating expenses reduced ⁽¹⁾	-25%
R&D expenses reduced	-35%
Capex commitments reduced	-67% and a €246m reduction in cash outflow from 2019 to 2020

4

Support for the supply chain

ATTENTIVE MONITORING OF SAFRAN SUPPLIERS

To weather the crisis, Safran set up a watch tower for monitoring and supporting its strategic suppliers, with the following aims:

- identify the suppliers most at risk, with a potential impact on Safran businesses;
- determine the impact of the crisis on these suppliers and their capacity to sustain business;
- examine possible measures (payment term adjustments, advance orders, etc.), and the impact of government support, and, where applicable, guide suppliers towards more structural solutions (backing from other industrial companies, investment funds, etc.).

INDUSTRY-SPECIFIC RELIEF FUND

In 2020, Safran invested €58 million in the Ace Aéro Partenaires fund set up under the French aerospace industry support plan. With contributions from the French State, major industrial contractors and asset management firm Tikehau Capital, initial funds of €630 million were raised in July 2020 (subsequently increased to €730 million), the aim being a total of €1 billion. In contributing to the financing of businesses hit by the crisis, Safran is actively participating in the restructuring and consolidation of the industrial fabric of the French aerospace sector.

In 2020, Safran withstood the crisis thanks to its rapid response capability and resilient business model, drawing on its long-standing presence in the civil engine aftermarket and the short- and medium-haul aircraft segment.

In the longer term, the growth fundamentals behind Safran's business remain unchanged. Safran's technological roadmap remains appropriate thanks to the French government's large-scale support plans (current roadmap pushed back just less than a year behind the pre-Covid-19 roadmap). Climate change will be a central challenge in the recovery process: Safran is committed to green aviation, which will emerge as a major post-crisis trend.

(1) Excluding purchases, including R&D expenditure and government aids on short-time working measures.



REQUEST ADDITIONAL DOCUMENTS AND INFORMATION

Article R.225-83 of the French Commercial Code⁽¹⁾

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 26, 2021

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 26, 2021.

Signed in: , on: 2021

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 26, 2021), all you need to do is:

- 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; or
- log on directly to the “e-notice” page at <https://planetshares.bnpparibas.com> by **3.00 p.m. (CET) on May 25, 2021**.



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 26, 2021**.

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: _____ 2021

Signature:

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