

2019 NOTICE OF MEETING

Shareholders' Meeting

(Ordinary and Extraordinary)

**THURSDAY, MAY 23, 2019
at 2.00 p.m.**

Espace Grande Arche
1, parvis de La Défense
92044 Paris - La Défense
France



> CONTENTS

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS	1	CORPORATE GOVERNANCE	51
PARTICIPATE IN THE MEETING	2	SAFRAN IN 2018	77
How to participate in the Meeting	2	FIVE-YEAR FINANCIAL SUMMARY OF THE COMPANY	83
Sale of shares prior to the Meeting	8	STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 23, 2019	84
Written questions, documents made available to shareholders	8	REQUEST ADDITIONAL DOCUMENTS AND INFORMATION	97
How to fill out the proxy/postal voting form	9	SIGN UP FOR THE E-NOTICE OF MEETING	99
How to get to the Meeting	10		
AGENDA	11		
REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS	13		

The 2018 Registration Document
is available on the website at
www.safran-group.com



MESSAGE

FROM THE CHAIRMAN OF
THE BOARD OF DIRECTORS

“

In 2018, driven by its markets, its expertise and your loyalty, Safran became the world's third largest aerospace group, excluding airframers, surpassing all of its objectives.

”



ROSS McINNES

Chairman of the Board of Directors

Dear Shareholders,

I am pleased to invite you to Safran's Annual General Meeting, which will take place on **Thursday, May 23, 2019** at 2.00 p.m. at the Espace Grande Arche - Paris-La Défense (France).

Philippe Petitcolin and I will present a review of the Group's current situation. We will also present our vision for Safran's future, in which you can play an active role by voting on the Group's key decisions. The Meeting will also provide a unique opportunity for exchange and discussion with Philippe Petitcolin and myself, and for answering any questions you may have.

You may also vote online before the Annual General Meeting takes place.

In the following pages, you will find **practical information** on how to participate in the Meeting, the **agenda** and the **text of the proposed resolutions** which will be submitted for your approval.

I would like to thank you in advance for taking the time to read this notice of meeting, for attending the meeting, and especially for your loyalty to Safran.

Best regards,

Ross McInnes



PARTICIPATE IN THE MEETING

HOW TO PARTICIPATE IN THE MEETING

Ways of participating in the Meeting

All shareholders are entitled to participate in the Meeting, whether in person, by proxy or by casting a postal or online vote, regardless of the number of shares owned, in accordance with French law.

In accordance with Article R.225-85 of the French Commercial Code (*Code de commerce*), in order for shareholders to attend the Meeting, cast a vote or appoint a proxy, their shares must be recorded in their name or in the name of an authorized intermediary on their behalf no later than zero hours (CET) on the second business day preceding the Meeting (i.e., May 21, 2019) as follows:

- for **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. This certificate, drawn up in your name or in the name of the registered intermediary acting on your behalf, should be attached to the proxy/postal voting form or to the admittance card request.

All Safran shareholders may, prior to the Meeting, request an admittance card, cast their vote or appoint a proxy online via the secure voting platform Votaccess as from May 6, 2019. The deadline for requesting an admittance card, voting and appointing/revoking a proxy online is 3.00 p.m. (CET), May 22, 2019. Shareholders are advised not to wait until the day before the Meeting to request their admittance card or register their voting instructions.

How to exercise your voting rights

Shareholders may exercise their voting rights in any of the following ways:



CASE 1: they may **attend the Meeting in person**;



CASE 2: they may **give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying their representative**, in which case 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;



CASE 3: they may **give proxy** to another shareholder, their spouse, their partner with whom they have entered into a civil union or any other individual or legal entity of their choice in accordance with the requirements of Article L.225-106 of the French Commercial Code;



CASE 4: they may **cast a postal vote**;



CASE 5: they may **give online voting instructions**.

Once you have cast a postal or online vote, appointed a proxy or requested an admittance card, you will not be able to participate in the Meeting in another way.



CASE 1: you plan to attend the Meeting in person

Holders of registered and administered registered shares

Postal proxy

Holders of registered or administered registered shares planning to attend the Meeting in person should complete 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.

You will receive your admittance card by return mail. If you do not receive your admittance card in time you will still be able to attend the Meeting subject to providing proof of identity.

In the event that you have not received your admittance card the day before the Meeting, you can also call one of the following numbers: 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France) to obtain your admittance card number, which will facilitate entry to the Meeting on the day.

Online proxy

Holders of registered and administered registered shares may request an admittance card online, via the Votaccess secure platform. This platform can be accessed from the Planetshares website at <https://planetshares.bnpparibas.com>.

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

Holders of **administered registered shares** should log on to the Planetshares website with the username that appears in the top right-hand corner of the voting form that was posted along with the notice of meeting.

In the event that you misplace or forget your username and/or password, call one of the following numbers: 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

After logging on, registered and administered registered shareholders should follow the on-screen instructions to access Votaccess, where they can request an admittance card online.

Shareholders (holders of registered or administered registered shares and holders of bearer shares) may request an admittance card online:

- > the admittance card will be sent either by email or by post, at your discretion;
- > shareholders can also download and print their admittance card online.

Holders of bearer shares

Postal proxy

Holders of bearer shares planning to attend the Meeting in person should request a share ownership certificate from their authorized intermediary. The latter will forward the certificate to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France, which will then send you an admittance card by post.

If you do not receive your admittance card by zero hours (CET) on the second business day preceding the Meeting (i.e., May 21, 2019), you should ask your authorized intermediary to issue you with a certificate proving that you own the shares and are therefore entitled to attend the Meeting.

Online proxy

Holders of bearer shares should find out whether their custodian is connected to the Votaccess platform and if so, whether this access is subject to specific terms and conditions.

Only holders of bearer shares whose custodian is connected to Votaccess can request an admittance card online.

If your custodian is connected to Votaccess, you should log on to your custodian's website with your usual username and password. You should then click on the icon that appears on the line corresponding to your Safran shares and follow the on screen instructions to access the Votaccess platform and request an admittance card.



PARTICIPATE IN THE MEETING

CASE 2: you wish to give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying a representative



CASE 2: you wish to give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying a representative

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

Postal proxy

Holders of registered or administered registered shares wishing to cast a postal vote 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.

Online proxy

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>.

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

Holders of **administered registered shares** should log on to the Planetshares website with the username that appears in the top right-hand corner of the voting form that was posted along with the notice of meeting.

In the event that you misplace or forget your username and/or password, call one of the following numbers: 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

Holders of bearer shares

Postal proxy

Holders of bearer shares wishing to give proxy to the Chairman of the Meeting may request a unique proxy 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 17, 2019). The authorized intermediary will then send the duly completed and signed voting form along with a share ownership certificate to BNP Paribas Securities Services.

Online proxy

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.



CASE 3: you wish to give proxy to another person or entity

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

Appointing a proxy

You may appoint a proxy by post or online.

Holders of registered and administered registered shares

Postal proxy

Holders of registered or administered registered shares wishing to cast a postal vote 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.

Online proxy

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>.

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

Holders of **administered registered shares** should log on to the Planetshares website with the username that appears in the top right-hand corner of the voting form that was posted along with the notice of meeting.

In the event that you misplace or forget your username and/or password, call one of the following numbers: 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

Holders of bearer shares

Postal proxy

Holders of bearer shares wishing to give proxy to another person or entity may request a unique proxy 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 17, 2019). The authorized intermediary will then send the duly completed and signed voting form along with a share ownership certificate to BNP Paribas Securities Services.

Proxy given online or via email in accordance with Article R.225-79 of the French Commercial Code:

Online proxy

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.

Email @

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 23, 2019), their name, address and banking details, as well as the 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; any other unrelated requests or notifications will not be considered and/or dealt with.

Digital copies of the proxy form must be signed in order to be valid. The forms must be received by 3.00 p.m. (CET) the day before the Meeting (i.e., May 22, 2019).



PARTICIPATE IN THE MEETING

CASE 3: you wish to give proxy to another person or entity

Revoking a proxy

By post

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, at the latest three calendar days before the Meeting, (i.e., by zero hours [CET] on May 20, 2019). 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.

Online

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

Holders of registered and administered registered shares

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

Holders of bearer shares

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

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

In this case, shareholders should send an email to paris.bp2s.france.cts.mandats@bnpparibas.com with the following information: the name of the company concerned (Safran), the date of the Meeting (May 23, 2019), their name, address and banking details, as well as the 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 “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 revoked proxies or of a change of proxy can be sent to the above email address; any other unrelated requests or notifications will not be considered and/or dealt with.

Digital copies of the “Change of proxy” form must be signed in order to be valid. Emails and forms notifying revoked or changed proxies must be received by 3.00 p.m. (CET) the day before the Meeting (i.e., May 22, 2019).



CASE 4: you wish to cast a postal vote

Holders of registered and administered registered shares

Holders of registered or administered registered shares wishing to cast a postal vote 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.

Holders of bearer shares

Holders of bearer shares wishing to cast a postal vote may request a unique 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 17, 2019). The authorized intermediary will then send the duly completed and signed voting form along with a share ownership certificate to BNP Paribas Securities Services.

Duly completed and signed postal voting forms must reach BNP Paribas Securities Services at least three days before the Meeting (i.e., by zero hours [CET] on May 20, 2019).



CASE 5: you wish to register your voting instructions online

Holders of registered shares

Holders of registered shares wishing to register their voting instructions online should log on to Votaccess with the username and password they use to access their registered share account on the Planetshares website at <https://planetshares.bnpparibas.com>.

Holders of administered registered shares

Holders of administered registered shares wishing to register their voting instructions online should log on to the Planetshares website with the username that appears in the top right-hand corner of the voting form that was posted along with the notice of meeting.

Procedure for holders of registered and administered registered shares

In the event that you misplace or forget your username and/or password, call one of the following numbers: 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

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

Procedure for 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 to access the Votaccess platform. From this website, they can also consult official documentation pertaining to the Meeting.



PARTICIPATE IN THE MEETING

Sale of shares prior to the Meeting

Written questions, documents made available to shareholders

SALE OF SHARES PRIOR TO THE MEETING

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

- (i) If the sale occurs before zero hours (CET) on May 21, 2019, the postal vote, proxy, admittance card and any share ownership certificates will be canceled or modified accordingly. In such an event, the authorized intermediary (as provided for in Article L.211-3 of the French Monetary and Financial Code) must notify the Company or BNP Paribas Securities Services of the sale and forward the required information.
- (ii) If the sale occurs after zero hours (CET) on May 21, 2019, it will not be notified by the authorized intermediary and will not be taken into consideration by the Company, regardless of the means of communication, notwithstanding any agreement to the contrary.

WRITTEN QUESTIONS, DOCUMENTS MADE AVAILABLE TO SHAREHOLDERS

Submitting written questions

Shareholders may submit written questions to the Company as from the publication date of the documentation to be submitted to the Shareholders' Meeting on the Company's website (see below). Written questions must be addressed to the Chairman of the Board of Directors at the Company's registered office (2, boulevard du Général-Martial-Valin, 75724 Paris Cedex 15, France) by recorded delivery with acknowledgment of receipt, or to the following email address: actionnaire.individuel@safrangroup.com, no later than the fourth business day preceding the Meeting (i.e., by zero hours [CET] on May 17, 2019). Written questions must be accompanied by a share ownership certificate. Questions covering the same or similar content may be answered jointly. A written question will be considered answered when such answer is published on the Company's website in a dedicated Q&A section.

Documents made available to shareholders

In accordance with the applicable legal and regulatory provisions, all documents that must be made available to shareholders within the context of the Shareholders' Meeting may be obtained from the Safran Shareholder Relations Department at the registered office located at 2, boulevard du Général-Martial-Valin, 75015 Paris, France. These documents may also be obtained by shareholders on request from BNP Paribas Securities Services as from the publication of the notice of meeting in the French legal gazette (*Bulletin des annonces légales obligatoires* - BALO), or fifteen days before the Meeting, depending on the document concerned.

The documentation provided for by Article R.225-73-1 of the French Commercial Code will be available on the Company's website at <http://www.safran-group.com> (Finance section), no later than 21 days before the Meeting.



HOW TO FILL OUT THE PROXY/POSTAL VOTING FORM

If you plan to attend the Meeting
Check box A

If you cannot attend the Meeting
Check box B

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**

A. Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire // I wish to attend the shareholders' meeting and request an admission card : date and sign at the bottom of the form.

B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes // I prefer to use the postal voting form or the proxy form as specified below.

SAFRAN
S.A. à Conseil d'Administration
Au capital de 87 154 873,20 €
Siège social : 2, boulevard du Général Martial Valin
75015 PARIS
562 082 909 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE
convoquée le Jeudi 23 mai 2019 à 14 heures
Espace Grande Arche
1, parvis de la Défense - 92 044 Paris - La Défense

COMBINED GENERAL MEETING
to be held on Thursday, May 23, 2019 at 2.00 pm
Espace Grande Arche
1, parvis de la Défense - 92044 Paris-La Défense

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 d'actions Number of shares
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 la case correspondante et pour lesquels je vote NON ou je m'abstiens.
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.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci la case correspondant à mon choix.
On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this .

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)
I HEREBY APPOINT : See reverse (4)
M, Mme ou Mlle, Raison Sociale / M; Mrs or Miss, Corporate Name
Adresse / Address

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

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

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

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
- Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. // I appoint the Chairman of the general meeting to vote on my behalf.
- Je m'abstiens (abstention équivalant à un vote blanc). // I abstain from voting (is equivalent to vote NO)
- Je donne procuration (cf. au verso revci (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 :
In order to be considered, this completed form must be returned at the latest

sur 1^{ère} convocation / on 1st notification sur 2^{ème} convocation / on 2nd notification
20/05/2019 / May 20, 2019

à / to BNP Paribas Securities Services, CTO, Service Assemblées, Grands Moulins de Pantin, 5, rue du Débarcadère, 93761 Pantin Cedex.

Date & Signature

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

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 representative

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

HOW TO GET TO THE MEETING

Espace Grande Arche

Car access

- Main gate
- Car park
- Visitors car park
GPS: N 48.894 09° - E 2.240 95°
- Taxi stand
- See photo

Espace Grande Arche

Pedestrian access

- Main gate
- Access to public transport
- Metro station
- Bus stop
- Tram station
- RER
- See photo

Espace Grande Arche
1, parvis de La Défense
92044 Paris-La Défense
Tel.: +33 (0)1 40 68 22 22

To reach the Espace Grande Arche, take exit A "Grande Arche" and find the signpost located on the Parvis de la Défense then follow the signs to "Espace Grande Arche".

AGENDA

ORDINARY RESOLUTIONS

First resolution:	Approval of the parent company financial statements for the year ended December 31, 2018
Second resolution:	Approval of the consolidated financial statements for the year ended December 31, 2018
Third resolution:	Appropriation of profit for the year and approval of the recommended dividend
Fourth resolution:	Re-appointment of Ross McInnes as a Director
Fifth resolution:	Re-appointment of Philippe Petitcolin as a Director
Sixth resolution:	Re-appointment of Jean-Lou Chameau as a Director
Seventh resolution:	Appointment of Laurent Guillot as a Director
Eighth resolution:	Ratification of the Board's temporary appointment of Caroline Laurent as a Director
Ninth resolution:	Re-appointment of Vincent Imbert as a Director
Tenth resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman of the Board of Directors for 2018
Eleventh resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chief Executive Officer for 2018
Twelfth resolution:	Approval of the compensation policy applicable to the Chairman of the Board of Directors
Thirteenth resolution:	Approval of the compensation policy applicable to the Chief Executive Officer
Fourteenth resolution:	Authorization for the Board of Directors to carry out a share buyback program

EXTRAORDINARY RESOLUTIONS

Fifteenth resolution:	Amendment of Article 14.8 of the bylaws in order to clarify the procedures for the appointment of Directors representing employee shareholders
Sixteenth 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
Seventeenth 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, which may not be used during, or in the run-up to, a public offer for the Company's shares
Eighteenth 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
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, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may not be used during, or in the run-up to, a public offer for the Company's shares



AGENDA

Resolution concerning powers to carry out formalities

- Twentieth 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 16th, 17th, 18th or 19th resolutions), 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 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
- Twenty-second 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-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, 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
- Twenty-fourth 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-fifth 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 private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may only be used during, or in the run-up to, a public offer for the Company's shares
- Twenty-sixth 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 (pursuant to the 22nd, 23rd, 24th or 25th resolutions), 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 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
- 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

REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

The proposed resolutions that will be submitted for shareholder approval at Safran's Annual General Meeting on May 23, 2019 are presented below.

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

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

ORDINARY RESOLUTIONS

Approval of the parent company and consolidated financial statements for the year ended December 31, 2018

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, 2018 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 2018 with profit of €1,705 million;
- > the consolidated financial statements show attributable profit for the year amounting to €1,283 million.

Text of the first resolution

Approval of the parent company financial statements for the year ended December 31, 2018

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 financial statements of the parent company for the year ended December 31, 2018 as presented - showing profit for the year of €1,705,042,464.10 - 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 €233,984 and gave rise to a tax charge of €80,561.

Text of the second resolution

Approval of the consolidated financial statements for the year ended December 31, 2018

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, 2018 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 2018 totals €3,221 million, breaking down as €1,705 million in profit for the year plus €1,516 million in retained earnings brought forward from the previous year.

The Board of Directors is recommending a total dividend payout of €793 million, corresponding to a per-share dividend of €1.82 (as the Company's capital is divided into 435,767,951 shares, of which 409,116,893 ordinary shares and 26,651,058 Class A Preferred Shares – see section 7.2.1 of the 2018 Registration Document). This recommended dividend payment is 14% higher than the dividend paid for 2017.

The remaining €2,428 million of distributable profit would be allocated 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 27, 2019 and the dividend will be paid on May 29, 2019.

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, 2018 as follows:

Profit for 2018	€1,705,042,464.10
Retained earnings ⁽¹⁾	€1,515,812,333.94
Profit available for distribution	€3,220,854,798.04
Appropriation:	
Dividend	€793,097,670.82
Retained earnings	€2,427,757,127.22

(1) Including €14,576,710.40 corresponding to the 2017 dividend due on shares held in treasury at the dividend payment date and after allocating the amount of €949,785,671.12 representing the difference between the carrying amount of the 11,402,884 treasury shares canceled on December 17, 2018 and their nominal amount.

Accordingly, the dividend paid will be €1.82 per share.

The ex-dividend date will be May 27, 2019 and the dividend will be paid on May 29, 2019.

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 shareholders resolve that dividends not payable on shares held in treasury at the dividend payment date will be credited to retained earnings.

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

	Number of shares carrying dividend rights ⁽¹⁾	Net dividend per share	Total payout
2017	434,570,199	€1.60	€695,312,318.40 ⁽⁴⁾
2016	409,239,433 ⁽²⁾	€1.52	€626,602,111.28 ⁽⁵⁾
2015	416,410,610 ⁽³⁾	€1.38	€574,637,624.40 ⁽⁵⁾

(1) Total number of shares making up the Company's capital (443,680,643) less the number of Safran shares held in treasury at the dividend payment date.

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

(3) An interim dividend (€0.60) was paid on 416,395,581 shares and the remainder of the dividend (€0.78) was paid on 416,410,610 shares.

(4) Subject to the 12.8% flat-rate tax provided for under 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.

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



Re-appointments/Appointment of Directors

Presentation of the fourth resolution – Re-appointment of Ross McInnes as a Director

Ross McInnes' terms of office as both a Director and Chairman of the Board of Directors are due to expire at the close of the May 23, 2019 Annual General Meeting.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors is inviting the shareholders to re-appoint him as a Director, for a four-year term expiring at the close of the 2023 Annual General Meeting.

The Board of Directors has decided that if Ross McInnes is re-appointed as a Director, it will then re-appoint him as Chairman of the Board of Directors following the 2019 Annual General Meeting, for the same duration as his term of office as a Director.

These decisions by the Board reflect its satisfaction with (i) the current governance structure based on segregated roles of Chairman of the Board and Chief Executive Officer, and (ii) Ross McInnes' performance of his duties as the Board's Chairman. These observations were also reflected in the findings of the formal assessment of the Board's work and operating procedures that was carried out during the year by a specialist international firm (see section 6.3.5 of the 2018 Registration Document). In this assessment – in which institutional investors were also invited to give their views on Safran's corporate governance – the Directors unanimously praised the Chairman for his work in leading, organizing and sharing information. The Board wishes to continue to benefit from Ross McInnes' committed work, expertise and professionalism, both in his role as Chairman of the Board and in the additional assignments entrusted to him.

Ross McInnes has informed the Board that if he is re-appointed as Chairman, then, in a personal capacity and in view of his specific situation, he intends to terminate his employment contract (which is currently suspended) in order to comply with the recommendation set out in the AFEP/MEDEF Code concerning corporate officers not holding employment contracts.

Text of the fourth resolution

Re-appointment of Ross McInnes as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Ross McInnes as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2022.

Presentation of the fifth resolution – Re-appointment of Philippe Petitcolin as a Director

Philippe Petitcolin's term of office as a Director is also due to expire at the close of the May 23, 2019 Annual General Meeting.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors is inviting the shareholders to re-appoint him as a Director.

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 CEO to be among his peers around the Board table, and also enables the Board to draw on his contribution to its discussions. This would also apply to his successor in the position of Chief Executive Officer.

As Safran's bylaws state that all Directors must be appointed for four-year terms, if Philippe Petitcolin is re-appointed, his term of office would expire at the close of the 2023 Annual General Meeting. This would mean that the duration of his directorship would not be the same as his term of office as Chief Executive Officer, which is due to expire at the close of the 2020 Annual General Meeting. Consequently, Philippe Petitcolin has undertaken to tender his position to the Board of Directors at the time of the expiration of his term of office as Chief Executive Officer, such that his successor could also be appointed as a Director.

Text of the fifth resolution

Re-appointment of Philippe Petitcolin as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Philippe Petitcolin as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2022.

Presentation of the sixth and seventh resolutions – Re-appointment and appointment of independent Directors

The shareholders are invited to:

- > re-appoint Jean-Lou Chameau as an independent Director; and
- > appoint Laurent Guillot as an additional independent Director, who would also be called to join the Audit and Risk Committee.



The Board is able to propose the appointment of this additional independent Director due to the vacant seat that has arisen as a result of a reduction from two to one in the number of Directors put forward by the French State (see the presentation of the 9th resolution below).

If the shareholders approve the above appointment and re-appointment, the independence rate of the Board of Directors would increase to 61.5%*.

Sixth resolution: re-appointment of Jean-Lou Chameau as an independent Director

Jean-Lou Chameau's term of office as a Director is due to expire at the close of the May 23, 2019 Annual General Meeting.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors is therefore inviting the shareholders to re-appoint him as a Director, for a four-year term expiring at the close of the 2023 Annual General Meeting.

The Board has verified that Jean-Lou Chameau still meets the criteria to qualify as an independent Director and has also appraised his individual contribution to the work of the Board and of the Appointments and Compensation Committee and the Innovation and Technology Committee, both of which he is a member. The findings of these two reviews were positive.

Jean-Lou Chameau brings to the Board his experience as a Director in international industrial groups and structures. He has in-depth expertise in research, technological development and innovation, as well as in compensation matters, and extensive international experience (in North America, the Middle East and Asia).

The profile of Jean-Lou Chameau is set out in section 6.2.2 of the 2018 Registration Document and on page 58 of this Notice of Meeting.

Seventh resolution: appointment of Laurent Guillot as an additional independent Director

Following a selection procedure led by the Chairman of the Board, the Senior Independent Director and the Appointments and Compensation Committee, the profile (skills and experience) of Laurent Guillot was chosen as the one that most closely matched the candidate requirements drawn up by the Board. Laurent Guillot is independent, has financial expertise that will add to that of the Audit and Risk Committee, has experience in other areas of interest for the Board, has led an international career within a large industrial corporation and has the requisite availability.

The shareholders are therefore invited to appoint Laurent Guillot as an independent Director, for a four-year term expiring at the close of the 2023 Annual General Meeting.

The profile of Laurent Guillot is set out in section 8.2.4 of the 2018 Registration Document and on page 60 of this Notice of Meeting.

Text of the sixth resolution

Re-appointment of Jean-Lou Chameau as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Jean-Lou Chameau as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2022.

Text of the seventh resolution

Appointment of Laurent Guillot as a Director

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

Laurent Guillot is appointed for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2022.

Presentation of the eighth and ninth resolutions – Ratification of the Board's temporary appointment of a Director put forward by the French State and appointment/re-appointment of a Director put forward by the French State

The terms of office of the two Directors put forward by the French State are due to expire at the close of the May 23, 2019 Annual General Meeting. The Directors concerned are Vincent Imbert and Caroline Laurent.

Following the May 23, 2019 Annual General Meeting, the number of Directors put forward by the French State will have been reduced from two to one. This reduction will result from applying, as agreed with the French State, the provisions of the *ordonnance*⁽¹⁾ that sets out the terms and conditions for State representation on the Boards of Directors of companies in which it holds an ownership interest, due to the change in the French State's ownership interest in Safran (11.01% at February 28, 2019)⁽²⁾.

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

(1) Ordonnance 2014-948 dated August 20, 2014, regarding the governance of companies in which the French State holds an ownership interest and regarding corporate actions involving these companies (Article 4 for the representative of the French State, Article 6 for the Director put forward by the French State and appointed by the shareholders).

(2) This reduces the number of Directors with a link to the French State from three to two, H el ene Dantoine having been appointed representative of the French State on the Board of Directors by way of a ministerial decree dated March 13, 2019, in accordance with the provisions of the ordinance.



The shareholders are therefore invited to:

- > ratify the Board's temporary appointment of Caroline Laurent as a Director, it being specified that this term of office will expire at the close of the 2019 Annual General Meeting; and
- > re-appoint Vincent Imbert as a Director put forward by the French State.

Eighth resolution: ratification of the Board's temporary appointment of Caroline Laurent as a Director

Having been put forward by the French State, Caroline Laurent was appointed as a Director by the Board at its meeting on February 7, 2019.

She was appointed to replace Patrick Gandil, who stepped down for the purpose of Caroline Laurent's appointment. In accordance with Article 6 of the above-mentioned ordonnance, having been put forward by the French State, Patrick Gandil was appointed by the shareholders as a Director at the 2015 Annual General Meeting, for a four-year term expiring at the close of the 2019 Annual General Meeting.

The shareholders are therefore invited to ratify the Board's temporary appointment of Caroline Laurent as a Director, it being specified that her term of office will expire at the close of the 2019 Annual General Meeting.

The profile of Caroline Laurent - Strategy Director at the French Directorate General of Weapons Procurement (DGA) - is set out in section 6.2.2 of the 2018 Registration Document and on page 61 of this Notice of Meeting.

Ninth resolution: re-appointment of Vincent Imbert as a Director put forward by the French State

The shareholders are invited to re-appoint Vincent Imbert as a Director put forward by the French State, for a four-year term expiring at the close of the 2023 Annual General Meeting.

The profile of Vincent Imbert is set out in section 6.2.2 of the 2018 Registration Document and on page 59 of this Notice of Meeting.

Text of the eighth resolution

Ratification of the Board's temporary appointment of Caroline Laurent 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 February 7, 2019 to appoint Caroline Laurent as a Director on a temporary basis, to replace Patrick Gandil, for the remainder of Patrick Gandil's term of office, which expires at the close of the Annual General Meeting held in 2019 to approve the financial statements for the year ended December 31, 2018.

Text of the ninth resolution

Re-appointment of Vincent Imbert as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Vincent Imbert as a Director put forward by the French State, for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2022.



Approval of the components of compensation and benefits paid or awarded to corporate officers for 2018

Presentation of the tenth and eleventh resolutions

At the Annual General Meeting of May 25, 2018, the shareholders were asked to approve the compensation policies adopted by the Board of Directors for (i) the Chairman of the Board of Directors, in the 12th resolution, and (ii) the Chief Executive Officer, in the 13th resolution (ex-ante vote).

The Board set the Chairman's and the Chief Executive Officer's compensation packages for 2018 in accordance with these policies.

In compliance with Article L.225-100 of the French Commercial Code (*Code de commerce*), the Board of Directors is now asking the shareholders to vote on the components of compensation and benefits paid or awarded to Safran's corporate officers for 2018 (ex-post say-on-pay vote):

- > fixed compensation;
- > variable compensation;
- > exceptional compensation;
- > performance shares;
- > supplementary pension plans;
- > directors' attendance fees;
- > benefits-in-kind.

In accordance with Article L.225-37-2 of the French Commercial Code, payment of the corporate officers' variable compensation and any exceptional compensation for the past fiscal year ("Year Y-1") has to be approved by shareholders in a General Meeting held the following fiscal year ("Year Y").

Payment of the Chief Executive Officer's annual variable compensation for 2018 is therefore subject to the approval of the shareholders at the Annual General Meeting of 23 May 2019.

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 or awarded for 2018 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 or awarded for 2018 to Philippe Petitcolin, Chief Executive Officer.



COMPONENTS OF COMPENSATION PAID OR AWARDED TO ROSS MCINNES, CHAIRMAN OF THE BOARD OF DIRECTORS, IN RESPECT OF 2018

Components of compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the shareholder vote	Presentation
Fixed compensation	€450,000 (paid in 2018)	At its meeting on February 26, 2018, acting on the recommendation of the Appointments and Compensation Committee, the Board decided to raise Ross McInnes' fixed annual compensation to €450,000 for 2018, which is the first increase since he became Chairman in 2015 (see section 6.6.2.1 of the 2018 Registration Document).
Annual variable compensation	N/A⁽¹⁾	Ross McInnes does not receive any annual variable compensation.
Multi-year variable compensation	N/A	Ross McInnes does not receive any multi-year variable compensation.
Exceptional compensation	N/A	Ross McInnes did not receive any exceptional compensation.
Stock options, performance shares and any other long-term compensation	Stock options: N/A	Ross McInnes does not receive any stock options.
	Performance shares: N/A	Ross McInnes does not receive any performance shares or any other long-term compensation.
	Other long-term compensation: N/A	
Attendance fees	N/A	Ross McInnes did not receive any attendance fees for 2018.
Benefits-in-kind	€2,912.13 (accounting value)	Ross McInnes has the use of a company car.
Termination benefits	N/A	Ross McInnes is not entitled to any termination benefits in his capacity as Chairman of the Board of Directors.
Non-compete indemnity	N/A	Ross McInnes is not subject to any non-compete clause.
Supplementary pension plan	€0	<p>No specific supplementary pension plan was in place for the Chairman of the Board of Directors in 2018.</p> <p>“Article 83” defined contribution plans</p> <p>In accordance with a decision taken by the Board of Directors on February 26, 2018, the Chairman is a beneficiary of Safran's two defined contribution supplementary pension plans set up in France for all Group managerial-grade staff pursuant to Article 83 of the French Tax Code (the “Article 83 Core Plan” and the “Article 83 Additional Plan”) and in force at January 1, 2018 (see section 6.6.2.1 of the 2018 Registration Document), subject to the same terms and conditions as the other plan members.</p> <p>This commitment given by the Company to enable Mr. McInnes to be a beneficiary of these plans was approved at the Annual General Meeting of May 25, 2018, pursuant to the provisions of Article L.225-40 of the French Commercial Code.</p> <p>The contributions to the plans are based on the fixed compensation that Ross McInnes receives for his role as Chairman of the Board of Directors.</p> <p>The expenses recorded in the 2018 financial statements relating to the contributions paid for Ross McInnes under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €11,721 and €13,708 respectively.</p> <p>At December 31, 2018, 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 €6,782 and €1,212 respectively.</p>

(1) N/A = not applicable.

(2) Calculated based on the assumption that the annuity would be received as from January 1, 2019, irrespective of the eligibility conditions (in accordance with Article D.225-104-1 of the French Commercial Code).



Components of compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the shareholder vote	Presentation
	<p>Additional payment: €12,897.48</p>	<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 6.6.2.1 of the 2018 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>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.</p> <p>Under the Article 82 Plan, the Insurer Contribution and Additional Payment for the Chairman for 2018 totaled €12,897.48 each (i.e., €25,794.96 altogether), corresponding in each case to 3.685% of his reference compensation (7.37% in total).</p> <p>At December 31, 2018, the estimated theoretical amount⁽¹⁾ of the annuity that could be paid to Ross McInnes under the Article 82 Plan was €2,890.</p>
	<p>€0</p>	<p>“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)</p> <p>The Article 39 defined benefit supplementary pension plan⁽²⁾ 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 6.6.2.1 of the 2018 Registration Document).</p> <p>At December 31, 2018, the estimated theoretical amount⁽¹⁾ of the annuity that could be paid to the Chairman corresponded to the cap set in the plan, i.e., €121,572 (corresponding to three times the annual social security ceiling [PASS], based on the 2019 value of the PASS).</p> <p>Concerning the above-described Article 82 Additional Plan and the Article 39 Plan (closed)</p> <p>As a reminder, in 2017, the Board decided to change Safran’s supplementary pension system. The new system involved (i) closing the Article 39 defined benefit plan to new entrants and freezing existing entitlements and, (ii) to compensate for the closure of this plan, setting up new plans, including the Article 82 Plan. The resolution relating to the Chairman remaining a beneficiary under the new system was submitted to shareholders at the June 15, 2017 Annual General Meeting and was rejected. At its July 27, 2017 meeting, the Board of Directors ratified its decision to include the Chairman as a beneficiary under the new supplementary pension plan system, subject to the same terms and conditions as the system’s other managerial-grade beneficiaries.</p>

(1) Calculated based on the assumption that the annuity would be received as from January 1, 2019, irrespective of the eligibility conditions (in accordance with Article D.225-104-1 of the French Commercial Code).

(2) 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 COMPENSATION PAID OR AWARDED TO PHILIPPE PETITCOLIN, CHIEF EXECUTIVE OFFICER, IN RESPECT OF 2018

Components of compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the shareholder vote	Presentation
Fixed compensation	€800,000 (paid in 2018)	At its meeting on February 26, 2018, acting on the recommendation of the Appointments and Compensation Committee, the Board decided to raise Philippe Petitcolin's annual fixed compensation to €800,000 for 2018, which was the first increase since he became Chief Executive Officer in 2015 and came at the same time as his reappointment (see section 6.6.2.2 of the 2018 Registration Document).
Annual variable compensation	€960,000 (payable for 2018; to be paid in 2019)	<p>The Chief Executive Officer's annual variable compensation for 2018 was determined by the Board of Directors in accordance with the compensation policy approved by the shareholders at the Annual General Meeting of May 25, 2018 (see section 6.6.1.1 of the 2017 Registration Document) and described in section 6.6.2.2 of the 2018 Registration Document.</p> <p>At its meeting on February 26, 2019, the Board of Directors reviewed the achievement of the objectives set for the variable compensation payable to the Chief Executive Officer for 2018, after consultation with the Appointments and Compensation Committee. Following this review, it set Philippe Petitcolin's variable compensation for 2018 at €960,000, i.e., 120% of his annual fixed compensation.</p> <p>This amount reflects:</p> <ul style="list-style-type: none"> ➤ an overall actual achievement rate of 114% for the portion related to the Group's financial performance (accounting for two-thirds of the Chief Executive Officer's variable compensation), for which the objectives related to: <ul style="list-style-type: none"> • recurring operating income (60% weighting): 111% achievement, • free cash flow (30% weighting): 125% achievement, • working capital, comprising the following components: <ul style="list-style-type: none"> - operating assets (Inventories) (5% weighting): 104% achievement, and - unpaid receivables (5% weighting): 102% achievement; ➤ an overall actual achievement rate of 108% for the portion related to individual quantitative and qualitative performance objectives (accounting for one-third of the Chief Executive Officer's variable compensation, see section 6.6.2.2 of the 2018 Registration Document). <p>Payment of the Chief Executive Officer's annual variable compensation for 2018 is subject to shareholders' approval at the Annual General Meeting of May 23, 2019.</p>
Multi-year variable compensation	N/A⁽¹⁾	No multi-year variable compensation was awarded to Philippe Petitcolin for 2018.
Exceptional compensation	N/A	Philippe Petitcolin did not receive any exceptional compensation.
Stock options, performance shares and any other long-term compensation	Stock options: N/A	Philippe Petitcolin did not receive any stock options.
	Performance shares: €956,205 (accounting value on grant date)	<p>At its meeting on July 24, 2018, acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors used the authorization granted in the 17th resolution of the May 25, 2018 Annual General Meeting and decided to grant 13,600 performance shares to Philippe Petitcolin (see section 6.6.2.2 of the 2018 Registration Document).</p> <p>The general terms and conditions of this performance share plan and the terms and conditions relating specifically to the Chief Executive Officer are described in section 6.6.4.2 of the 2018 Registration Document.</p> <p>The estimated accounting value of these performance plans, as measured at the grant date, corresponds to €956,205⁽²⁾.</p>
	Other long-term compensation: N/A	Philippe Petitcolin did not receive any other long-term compensation.
Attendance fees	N/A	Philippe Petitcolin did not receive any attendance fees for 2018.
Value of benefits-in-kind	€4,786.84 (accounting value)	Philippe Petitcolin has the use of a company car.
Termination benefits	N/A	Philippe Petitcolin is not entitled to any termination benefits in his capacity as Chief Executive Officer.
Non-compete indemnity	N/A	Philippe Petitcolin is not subject to any non-compete clause.

(1) Not applicable.

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

Components of compensation paid or awarded for 2018	Amounts (or accounting value) submitted to the shareholder vote	Presentation
Supplementary pension plan	€0	<p>No specific supplementary pension plan was in place for the Chief Executive Officer in 2018.</p> <p>“Article 83” defined contribution plans</p> <p>In accordance with a decision taken by the Board of Directors on February 26, 2018, the Chief Executive Officer is a beneficiary of Safran’s two defined contribution supplementary pension plans set up in France for all Group managerial-grade staff pursuant to Article 83 of the French Tax Code (the “Article 83 Core Plan” and the “Article 83 Additional Plan”) and in force at January 1, 2018, (see section 6.6.2.1 of the 2018 Registration Document) subject to the same terms and conditions as the other plan members.</p> <p>This commitment was approved by the shareholders at the Annual General Meeting of May 25, 2018.</p> <p>The contributions to the plans are based on the compensation (fixed and variable) that Mr. Petitcolin receives for his role as Chief Executive Officer.</p> <p>The expenses recorded in the 2018 financial statements relating to the contributions paid for Philippe Petitcolin under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €27,614 and €13,708 respectively.</p> <p>At December 31, 2018, the estimated theoretical amount⁽¹⁾ of the annuities that could be paid to Philippe Petitcolin under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €25,730 and €1,308 respectively.</p>
Additional payment:	€171,349.44	<p>“Article 82” defined contribution plan</p> <p>In accordance with a decision taken by the Board of Directors on March 23, 2017, the Chief Executive Officer is a beneficiary of Safran’s defined contribution supplementary pension plan set up in France (see section 6.6.2.1 of the 2018 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 contributions to the plan are based on the annual compensation (fixed and variable) that Philippe Petitcolin receives for his role as Chief Executive Officer.</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 provisions of Article L.225-40 of the French Commercial Code.</p> <p>Under the Article 82 Plan, the Insurer Contribution and Additional Payment for the Chief Executive Officer for 2018 totaled €171,349.44 each (i.e., €342,698.88 altogether), corresponding in each case to 12.735% of his reference compensation (25.47% in total).</p> <p>At December 31, 2018, the estimated theoretical amount⁽¹⁾ of the annuity that could be paid to Philippe Petitcolin under the Article 82 Plan was €14,135.</p>
	€0	<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⁽²⁾ of the French Tax Code (the “Article 39 Plan”, see section 6.6.2.1 of the 2018 Registration Document), subject to the same terms and conditions as the other plan members. Mr. Petitcolin was originally a beneficiary of this plan in his former capacity as a Company employee.</p> <p>The Chief Executive Officer 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 6.6.2.1 of the 2018 Registration Document).</p> <p>This commitment was approved by the shareholders at the Annual General Meeting of June 15, 2017.</p> <p>At December 31, 2018, the estimated theoretical amount⁽¹⁾ of the annuity that could be paid to Philippe Petitcolin corresponded to the cap set in the plan, i.e., €121,572 (corresponding to three times the annual social security ceiling [PASS], based on the 2019 value of the PASS).</p>

(1) Calculated based on the assumption that the annuity would be received as from January 1, 2019, irrespective of the eligibility conditions (in accordance with Article D.225-104-1 of the French Commercial Code).

(2) 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 or awarded to the Chairman of the Board of Directors for 2018

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Articles L.225-37-2 and L.225-100 of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to Ross McInnes, Chairman of the Board of Directors, for the year ended December 31, 2018, as presented in the Company's corporate governance report prepared in application of Article L.225-37 of the French Commercial Code and set out in chapter 6 of the 2018 Registration Document.

Text of the eleventh resolution

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chief Executive Officer for 2018

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Articles L.225-37-2 and L.225-100 of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to Philippe Petitcolin, Chief Executive Officer, for the year ended December 31, 2018, as presented in the Company's corporate governance report prepared in application of Article L.225-37 of the French Commercial Code and set out in chapter 6 of the 2018 Registration Document.

Compensation policy

Presentation of the twelfth and thirteenth resolutions

In accordance with Article L.225-37-2 of the French Commercial Code, at least once each year the shareholders are asked to give a forward-looking (ex-ante) vote on the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits packages of corporate officers, which together constitute the compensation policy adopted by the Board of Directors.

Acting on the recommendation of the Appointments and Compensation Committee, on February 26, 2019 the Board of Directors decided to retain the compensation policies for the Chairman and the Chief Executive Officer as approved by the shareholders at the May 25, 2018 Annual General Meeting, without substantive modifications. However, in accordance with the law, the unchanged compensation policies will be submitted for shareholder approval at the Annual General Meeting of May 23, 2019.

These compensation policies are set out in section 6.6.1 of the 2018 Registration Document, including:

- > the principles and rules for determining the compensation and benefits packages of corporate officers;
- > the compensation policy concerning the Chairman of the Board of Directors; and
- > the compensation policy concerning the Chief Executive Officer.

In the 12th and 13th resolutions of the May 23, 2019 Annual General Meeting, shareholders are invited to approve the compensation policies that will be applicable respectively to the Chairman of the Board of Directors and the Chief Executive Officer.

Text of the twelfth resolution

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

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers drawn up in accordance with Article L.225-37-2 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman of the Board of Directors, as presented in sections 6.6.1.1 and 6.6.1.2 of the 2018 Registration Document.

Text of the thirteenth resolution

Approval of the compensation policy applicable to the Chief Executive Officer

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers drawn up in accordance with Article L.225-37-2 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chief Executive Officer, as presented in sections 6.6.1.1 and 6.6.1.3 of the 2018 Registration Document.



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

Presentation of the fourteenth resolution

Share buyback programs

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

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

- > the number of shares that may be bought back may not exceed 10% of the Company's total outstanding shares (for information purposes, 43,576,795 shares based on the issued capital at February 28, 2019) and the Company may at no time directly or indirectly hold a number of Safran shares representing more than 10% of the Company's capital;
- > the shares may be purchased, sold or transferred by any authorized method, including through block trades for all or some of the program, subject to the regulations in force at the date on which the authorization is implemented.

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

The maximum purchase price per share would be set at €155 and the maximum total investment in the buyback program would be €6.7 billion.

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. It does not prescribe 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 the 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, subject to the approval of the 29th resolution by the shareholders at the May 23, 2019 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. In such a case, the Company will inform its shareholders in a press release.

This authorization would be given for a period of 18 months and would supersede the previous authorization granted for the same purpose in the 1st resolution of the General Meeting held on November 27, 2018.

Report on the utilization in 2018 of previous shareholder-approved share buyback programs

As part of the €2.3 billion share buyback program announced on May 24, 2017, during 2018:

- > the Company bought back an initial tranche of its own shares, for €122 million, in accordance with an agreement signed on March 27, 2018 with an investment services firm;
- > on June 29, 2018, the Company signed an agreement with another investment services firm to buy back a second tranche of its own shares for up to €400 million by October 31, 2018, subsequently extended on October 5, 2018 to November 22, 2018.

At December 31, 2018, the two tranches had been successively completed and a total of 5,158,309 shares had been purchased during the year on the market under the above agreements for a total amount of €522 million.

Furthermore, the potential dilution on conversion of all of the OCÉANE 2020 convertible and/or exchangeable bonds was partially hedged in 2016 by the purchase of 6.43 million shares.

Following the redemption and cancellation of most of the OCÉANE 2020 bonds (see section 7.2.3.2.2 of the 2018 Registration Document), the 6.25 million treasury shares allocated to hedging the OCÉANE bonds were reallocated to the cancellation objective of the share buyback program (see section 7.2.7.1 of the 2018 Registration Document).

This reallocation represented an effective contribution of €702 million to the share buyback program, in addition to the €522 million worth of shares purchased as described above, bringing the total value of shares bought back under the program announced on May 24, 2017 to €1.2 billion, i.e., a total of 11,402,884 million shares.

In 2018, the aggregate number of shares purchased under the liquidity agreement entered into with Oddo Corporate Finance amounted to 2,624,833.

The total number of shares sold under this liquidity agreement during the year amounted to 2,506,189.

A total of 11,402,884 ordinary shares purchased under the buyback program were canceled in 2018, representing all of the treasury shares held for cancellation under said program.



At December 31, 2018, Safran directly held 1,439,723 of its own shares, representing 0.33% of the Company's capital.

These treasury shares were held for the following purposes:

- > for allocation or sale to employees: 1,112,523 shares, representing 0.26% 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: 314,000 shares, representing 0.07% of the Company's capital;
- > for cancellation: 0 shares.

Text of the fourteenth resolution

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

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report, the shareholders grant the Board of Directors – or any representative duly empowered in accordance with the law – an authorization to purchase, directly or indirectly, the Company's shares in accordance with the conditions set out in Articles L.225-209 *et seq.* of the French Commercial Code and EC Regulation 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 the 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. In such a case, the Company will inform its shareholders in a press release.

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, 43,576,795 shares based on the issued capital at February 28, 2019). This ceiling is reduced to 5% for shares acquired for the purpose of being held in treasury for subsequent delivery in payment or exchange for external growth transactions. When shares are bought back for the purpose of maintaining a liquid market in the Company's shares via a liquidity agreement, the number of shares included in the calculation of the 10% ceiling corresponds to the number of shares purchased less any shares sold during the period covered by this authorization.

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

The shares may not be purchased at a price of more than €155 per share and the maximum amount that may be invested in the program is €6.7 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 1st resolution of the General Meeting held on November 27, 2018.



EXTRAORDINARY RESOLUTIONS

Presentation of the fifteenth resolution

In view of the structure of Safran’s employee shareholder base up until 2019, nominations for Director candidates representing employee shareholders to be put forward for appointment at the Annual General Meeting were, until now, made only by the members of the Supervisory Boards of the Group’s corporate mutual funds, and the candidates were chosen from among those members.

The terms of office of the Directors representing employee shareholders will expire at the close of the 2020 Annual General Meeting and the procedure for nominating Director candidates has to take place in advance of this Meeting.

Pursuant to French Act 2015-990 of August 6, 2015 on growth, business and equal economic opportunities, the nomination process for Director candidates representing employee shareholders has to involve not only employees who hold their shares in a corporate mutual fund but also employees who hold registered shares received under free share plans.

As from 2019, Safran’s employee shareholders will include employees who hold shares received under performance share plans.

Consequently, in view of the above-mentioned Act and the change in the structure of Safran’s employee shareholder base, the provisions of the Company’s bylaws setting out the terms and conditions for nominating candidates for appointment as Directors representing employee shareholders need to be amended prior to the consultation process that will be held for the purpose of nominating the candidates to be put forward for appointment by the shareholders at the 2020 Annual General Meeting.

The shareholders are therefore invited to amend Article 14.8 of the Company’s bylaws. These modifications essentially provide clarification and further details on the procedures for appointing candidates and the steps to be taken if a position becomes vacant to ensure the ongoing representation of employee shareholders.

Text of the fifteenth resolution

Amendment of Article 14.8 of the bylaws in order to clarify the procedures for the appointment of Directors representing employee shareholders

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 make clarifications to the Company’s bylaws relating to the procedures for the appointment of Directors representing employee shareholders, and accordingly to amend Article 14.8 of the bylaws as follows:

Previous wording	New wording
<p>14.8. Directors representing employee shareholders</p> <p>If the report presented by the Board at the Annual General Meeting in accordance with article L.225-102 of the French Commercial Code shows that the shares held by employees of the Company - or of companies related to it within the meaning of article L.225-180 of said Code - represent more than 3% of the Company’s capital, then one or more Directors representing employee shareholders shall be elected at an Ordinary General Meeting in accordance with the terms and conditions set down in the applicable laws and regulations as well as in these bylaws. This requirement shall not, however, apply if the Board’s members already include (i) one or more Directors who are employee representative members of the Supervisory Board of a corporate mutual fund or (ii) one or more employee representatives appointed in application of article L.225-27 of the French Commercial Code.</p> <p>Prior to the Ordinary General Meeting at which Directors representing employee shareholders are to be elected, the Chairman of the Board of Directors shall contact the Supervisory Boards of the corporate mutual funds set up as part of the Group’s employee share ownership program - whose investments mainly comprise shares in the Company - in order to carry out a consultation procedure with the employee shareholders in accordance with the conditions set down in these bylaws.</p>	<p>14.8. Directors representing employee shareholders</p> <p>If the report presented by the Board of Directors at the Annual General Meeting in accordance with Article L.225-102 of the French Commercial Code shows that the shares held by employees of the Company - or of companies related to it within the meaning of Article L.225-180 of said Code - represent more than 3% of the Company’s capital, then one or more Directors representing employee shareholders shall be appointed at an Ordinary General Meeting in accordance with the terms and conditions set down in applicable laws and regulations as well as in these bylaws.</p> <p>Prior to the Ordinary General Meeting at which Directors representing employee shareholders are to be appointed, the Chairman of the Board of Directors shall determine the procedures for appointing or electing candidates not defined by applicable laws or regulations or by these bylaws. The Chairman shall consult the Supervisory Boards of the corporate mutual funds set up as part of the Group’s employee share ownership program - whose investments mainly comprise shares in the Company (see a) below) - in order to conduct employee elections as defined in points b) and c) below.</p>



Previous wording

Candidate Directors representing employee shareholders shall be selected as follows:

- When the voting rights attached to the shares held by the employees concerned are exercised on their behalf by the members of the Supervisory Board of a corporate mutual fund, said Supervisory Board may select one or more candidates from among its members who represent employees. When there are several corporate mutual funds, the Supervisory Boards of these funds may agree together to present one or more joint candidates, selected from among all of their members representing employees.
- When the voting rights attached to the shares held by the employees concerned are exercised directly by the employees, candidates may be selected through consultation procedures organized by the Company. These consultations, which must be preceded by calls for candidates, may be organized by the Company using any technical means that offer a secure voting process, including electronic or postal voting systems. In order to be eligible, candidate applications must be presented by a group of shareholders representing at least 5% of the shares held by employees who exercise their voting rights directly.

A special-purpose electoral committee set up by the Company may be tasked with ensuring that the overall process is properly conducted.

The only candidate(s) submitted for election at the Ordinary General Meeting shall be the candidate(s) presented either by the Supervisory Boards of the corporate mutual funds or by the groups of employee shareholders as described above.

The reports presenting the candidates drawn up by the Supervisory Boards of the corporate mutual funds or by the special-purpose electoral committee must be given to the Board of Directors at least eight days before it meets to approve the resolutions to be proposed at the Annual General Meeting at which Directors representing employee shareholders will be elected.

In order to be valid, each candidate file put forward must include a proposed position holder and a deputy. The deputy, who must meet the same eligibility criteria as the position holder, will be appointed by the Board of Directors to replace the representative elected at the Annual General Meeting in the event that this representative has to terminate his duties before the end of his term of office. Any such appointment by the Board would be subject to ratification at the following General Shareholders' Meeting.

If the deputy Director representing employee shareholders also has to step down before the end of his term, in order to ensure that employee shareholders continue to be represented, the Chairman of the Board of Directors shall request the body that originally presented the candidate (i.e., the Supervisory Board of the corporate mutual fund or the group of employee shareholders) to select a new candidate Director to be put forward for election at the following Shareholders' Meeting.

Any terms and conditions for selecting candidates that are not provided for in the applicable laws and regulations or in these bylaws shall be determined by the Chairman of the Board of Directors, notably the timeframe for the candidate selection process.

Directors representing employee shareholders shall be elected at an Ordinary General Meeting in accordance with the same conditions as for electing other Directors.

Directors who represent employee shareholders shall not be included for the purpose of determining the minimum and maximum number of Directors referred to in Article 14.1 above.

New wording

Candidate Director(s) representing employee shareholders shall be designated as follows:

- a) When employees hold shares through a corporate mutual fund and the voting rights attached to these shares are exercised by the members of the Supervisory Board of said fund, that Supervisory Board may designate one or more candidates from among its members who represent employees. When there are several corporate mutual funds, the Supervisory Boards of these funds may agree together to present one or more joint candidates, designated from among all of their members representing employees.
- b) When the voting rights attached to the shares held by employees through the corporate mutual fund are directly exercised by those employees, the candidate(s) shall be elected by said employees from among the members of the Supervisory Board of said fund, under the conditions set out below.
- c) Employees directly holding shares in the Company (within the meaning of Article L.225-102 of the French Commercial Code) elect candidates by means of a vote conducted as described below.

As regards points b) and c), candidates shall be designated during elections held by the Company within each of the groups of employees concerned. These elections, which must be preceded by calls for candidates, may be organized by the Company using any technical means that offer a secure voting process, including electronic or postal voting systems.

A report is drawn up for each of the procedures set out in points a), b) and c) above, specifying the number of votes cast for each candidate. The reports are provided to the Board of Directors at least eight days before the Board of Directors meets to approve the resolutions of the Annual General Meeting relating to the appointment of Directors representing employee shareholders. In order to be valid, each candidate file put forward must include a proposed position holder and a deputy.

Directors representing employee shareholders shall be appointed at an Ordinary General Meeting from among the candidates designated according to the procedures set out in points a), b) and c) above and in accordance with the same conditions as for appointing other Directors. Directors who represent employee shareholders shall not be included for the purpose of determining the minimum and maximum number of Directors referred to in Article 14.1 above. Directors representing employee shareholders shall be appointed for a four-year term, expiring at the close of the Ordinary General Meeting held during the year in which their term expires in order to approve the financial statements for the previous year. However, the term of a Director representing employee shareholders shall automatically be terminated and the Director shall be deemed to have resigned if he or she ceases to be an employee of the Company (or of a company or inter-company partnership related to the Company within the meaning of Article L.225-180 of the French Commercial Code or when the company which employs the person concerned ceases to be related to the Company within the meaning of the aforementioned article), or ceases to be a shareholder (or member of a corporate mutual fund holding shares in the Company), or under the conditions set down by law.

The deputy, who must meet the same eligibility criteria as the position holder, shall be appointed by the Board of Directors to replace the representative appointed at the Annual General Meeting in the event that this representative has to terminate his or her duties before the end of his or her term of office. Any such appointment by the Board would be subject to ratification at the following Annual General Meeting.



REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

Extraordinary resolutions

Previous wording	New wording
<p>Directors representing employee shareholders shall be appointed for a four-year term, expiring at the close of the Ordinary General Meeting held during the year in which their term expires in order to approve the financial statements for the previous year. However, the term of a Director representing employee shareholders shall automatically be terminated and the Director shall be deemed to have resigned if he ceases to be either (i) an employee of the Company (or of a company or inter-company partnership related to the Company within the meaning of article L.225-180 of the French Commercial Code), or (ii) a shareholder (or member of a corporate mutual fund holding shares in the Company).</p> <p>If a position of Director representing employee shareholders falls vacant for any reason, it shall be filled in accordance with the conditions described above, and the new Director shall be elected by shareholders in an Ordinary General Meeting for the remainder of his predecessor's term of office.</p> <p>In such a case, the Board of Directors may meet and validly conduct business until the new Director(s) representing employee shareholders is/are replaced.</p> <p>The provisions set out in the first paragraph of this Article shall cease to apply if, at the end of a fiscal year, the above-mentioned report drawn up in accordance with article L.225-102 of the French Commercial Code shows that the shares held by employees of the Company – or of companies related to it within the meaning of article L.225-180 of said Code – represent less than 3% of the Company's capital. However, the term of office of Directors representing employee shareholders elected in application of the first paragraph of this Article shall continue to run until their expiration date.</p> <p>The provisions of Article 14.5 relating to the number of the Company's shares that must be held by a Director shall not apply to Directors representing employee shareholders. However, each such Director shall be required to hold – either individually or through a corporate mutual fund set up as part of the Group's employee share ownership program – at least one share or a number of units in the fund equivalent to at least one share.</p>	<p>Exceptionally, the deputy shall not be appointed by the Board of Directors if such appointment is not in compliance with Article L.225-18-1 of the French Commercial Code. In this case, and pursuant to Article L.225-24 of the French Commercial Code, the Board of Directors shall provisionally appoint a new Director to represent employee shareholders from among the employee shareholders or from among the members of the Supervisory Boards of the corporate mutual funds.</p> <p>If the position of Director representing employee shareholders falls vacant for any reason whatsoever, and if the deputy is also unable to fulfill this position throughout the term of office, or cannot be appointed for a reason other than that referred to in the paragraph above, the Chairman of the Board of Directors shall take the necessary decisions to allow a new candidate to be designated for appointment by the Board of Directors or by the following Ordinary General Meeting in order to ensure that employee shareholders continue to be represented.</p> <p>In such a case, the Board of Directors may meet and validly conduct business until the new Director(s) representing employee shareholders is/are appointed.</p> <p>The provisions set out in the first paragraph of Article 14.8 above shall cease to apply if, at the end of a fiscal year and with regard to the aforementioned Article L.225-102, the shares in the Company held by employees of the Company – or of companies related to it within the meaning of the aforementioned Article L.225-180 – represent less than 3% of the Company's capital. However, the term of office of Directors representing employee shareholders appointed in application of the first paragraph of Article 14.8 above shall continue to run until their expiration date.</p> <p>The provisions of Article 14.5 relating to the number of the Company's shares that must be held by a Director shall not apply to Directors representing employee shareholders. However, each such Director shall be required to hold – either individually or through a corporate mutual fund set up as part of the Group's employee share ownership program – at least one share or a number of units in the fund equivalent to at least one share.</p>

Financial authorizations

Safran needs to have the flexibility required to raise financing swiftly to support its ongoing operations and business development, 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 ordinary shares and/or securities carrying immediate or deferred rights to shares of the Company.

The Board of Directors is seeking these authorizations in order to carry out the operations considered necessary for the effective running and future growth of the Company and the Group. If the new authorizations are adopted, they 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 is provided in section 8.2.5 of the 2018 Registration Document and on page 73 of this Notice of Meeting setting out the financial authorizations that the shareholders are being asked to approve.

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 16th resolution), corresponding to a maximum of 100 million shares and representing less than 23% 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 (16th 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 (17th 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 (18th resolution);
- > €8 million ceiling applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, through a private placement (19th resolution);
- > ceiling currently equal to 15% of any issues carried out pursuant to the 16th to 19th resolutions which are oversubscribed (20th resolution), also subject to the ceiling applicable in the relevant resolution;
- > €12.5 million ceiling applicable to capital increases carried out by capitalizing reserves (21st 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 (22nd 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 (23rd 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 (24th resolution);
- > €8 million ceiling applicable to capital increases carried out without pre-emptive subscription rights for existing shareholders, through a private placement (25th resolution);
- > ceiling currently equal to 15% of any issues carried out pursuant to the 22nd to 25th resolutions which are oversubscribed (26th resolution), also subject to the ceiling applicable in the relevant resolution;
- > €8 million ceiling applicable to capital increases carried out by capitalizing reserves (27th resolution).

The blanket ceiling set in the 16th 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).

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.

If the authorizations granted in the 16th to 20th and 22nd to 26th resolutions are used to issue debt securities, the aggregate nominal amount of said debt securities may not exceed €1.8 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 17th to 20th and 23rd to 26th resolutions) are subject to a cumulative sub-ceiling of €8 million for capital increases (less than 10% of the Company's capital) and €1.8 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 22nd 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 June 15, 2017 and May 25, 2018 Annual General Meetings were used as follows:

- > authorization granted to the Board of Directors in the 33rd resolution of the Annual General Meeting of June 15, 2017 for the purpose of issuing, without pre-emptive subscription rights, Class A Preferred Shares in the event of a public exchange offer initiated by the Company, was used in February 2018 to compensate the 88,847,828 Zodiac Aerospace shares tendered by Zodiac Aerospace shareholders to the subsidiary exchange offer described in section 2.5 of the 2018 Registration Document;
- > pursuant to the Board of Directors' decision of May 25, 2018 acting on the shareholder authorization granted in the 20th resolution of the June 15, 2017 Annual General Meeting, on June 18, 2018 Safran carried out an issue of bonds convertible and/or exchangeable for new and/or existing shares, maturing on June 21, 2023 (see sections 3.1, Note 22, 3.3, Note 3.9 and 7.2.3.2.1 of the 2018 Registration Document).

The other authorizations given to the Board of Directors by shareholders in order to increase the Company's capital were not used in 2018.



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

Presentation of the sixteenth resolution

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

The purpose of the 16th 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% 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 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th and 28th resolutions.

The maximum principal amount of any debt securities issued would be set at €1.8 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 16th resolution.

This €1.8 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 17th, 18th, 19th, 20th, 22nd, 23rd, 24th, 25th and 26th 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 17th resolution of the Annual General Meeting held on June 15, 2017.

Text of the sixteenth 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 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th and 28th 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 €1.8 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 €1.8 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 17th, 18th, 19th, 20th, 22nd, 23rd, 24th, 25th and 26th 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.

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 should 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 17th resolution of the Annual General Meeting held on June 15, 2017.

Presentation of the seventeenth to nineteenth resolutions

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

The purpose of the 17th to 19th 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 approximately 9.2% of the Company's capital. The amounts used under these authorizations would be included in the blanket ceiling set in the 16th resolution.



The maximum principal amount of any debt securities issued using these three authorizations would be set (both per authorization and cumulatively) at €1.8 billion. The amounts used under these authorizations would be included in the €1.8 billion blanket ceiling set in the 16th 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 17th to 19th resolutions (and therefore in the blanket ceiling set in the 16th 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 18th, 19th and 20th resolutions of the Annual General Meeting held on June 17, 2017.

- **17th resolution** (public offers). 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 at 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.
- **18th 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.
- **19th resolution** (private placements governed by Article L.411-2-II of the French Monetary and Financial Code [*Code monétaire et financier*]). This resolution would authorize the Board of Directors to issue shares and/or securities carrying rights to shares of the Company, by way of a private placement carried out through an offer to qualified investors or a restricted group of investors. The simplified procedure for this type of private placement would enable the Company to react swiftly to market opportunities and rapidly raise the funds it requires.

Text of the seventeenth 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, 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 and L.225-136 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 18th, 19th, 20th, 23rd, 24th, 25th and 26th 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 16th resolution (or in any ceiling set in a resolution with the same purpose that could supersede the 16th 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 €1.8 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 €1.8 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 18th, 19th, 20th, 23rd, 24th, 25th and 26th 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 16th resolution (or in any ceiling set in a resolution with the same purpose that could supersede



the 16th 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 paragraph 5 of Article L.225-135 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 5%).

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 18th resolution of the Annual General Meeting held on June 15, 2017.

Text of the eighteenth 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.225-148 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.225-148 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 17th resolution above and the blanket ceiling set in the 16th 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 €1.8 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 €1.8 billion overall ceiling set in the 17th resolution above and the blanket ceiling set in the 16th 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 19th resolution of the Annual General Meeting held on June 15, 2017.



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, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may not be used during, or in the run-up to, a public offer for the Company's shares

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 and L.225-136 as well as Articles L.228-91 *et seq.* of said Code and Article L.411-2-II 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 a private placement that complies with the conditions set out in Article L.411-2-II 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 17th resolution above and the blanket ceiling set in the 16th 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 €1.8 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 €1.8 billion overall ceiling set in the 17th resolution above and the blanket ceiling set in the 16th 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 5%).

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) and private placement(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 20th resolution of the Annual General Meeting held on June 15, 2017.

Presentation of the twentieth resolution

In the 20th 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 16th, 17th, 18th or 19th 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 16th, 17th, 18th and 19th resolutions would apply if the 20th 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 21st resolution of the Annual General Meeting held on June 15, 2017.

Text of the twentieth 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 16th, 17th, 18th or 19th 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 and R.225-118 of the French Commercial Code, and subject to the adoption of the 16th, 17th, 18th or 19th 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 16th, 17th, 18th or 19th 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 21st resolution of the Annual General Meeting held on June 15, 2017.



Presentation of the twenty-first resolution

Capitalization of reserves, retained earnings or additional-paid in capital

The purpose of the 21st resolution is to authorize the Board of Directors to increase the Company's capital by capitalizing reserves, retained earnings or additional paid-in capital brought forward from prior years.

The maximum nominal amount of any capital increases carried out pursuant to this resolution would be set at €12.5 million, which would be included in the €20 million blanket ceiling set in the 16th resolution.

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. This authorization would supersede, as from the date of the Meeting, the authorization granted to the Board of Directors for the same purpose in the 22nd resolution of the Annual General Meeting held on June 15, 2017.

Text of the twenty-first resolution

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

Deliberating in extraordinary session but in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, and having considered the Board of Directors' report, in accordance with the applicable laws and regulations and in particular with Articles L.225-129-2 and L.225-130 of the French Commercial 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 on one or more occasions, to be paid up by capitalizing reserves, retained earnings, additional paid-in capital and/or other items that may be capitalized in accordance with the applicable laws and the Company's bylaws, by issuing bonus shares and/or raising the par value of existing shares. The amounts and timing of such issues will be determined at the Board's discretion.
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 to set the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization at €12.5 million. This ceiling is included in the blanket ceiling set in the 16th resolution (or in any ceiling set in any resolution with the same purpose that could supersede the 16th 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.
3. Resolve that rights to fractions of shares will not be transferable or tradable and that the corresponding shares will be sold, with the proceeds allocated to the holders of the rights in accordance with the applicable laws.

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 to take any and all measures and carry out any and all formalities required to successfully complete the capital increase(s), as well as to place on record the capital increase(s) and amend the Company's bylaws to reflect the new capital.

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 held on June 15, 2017.



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-second 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 16th 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 approximately 9.2% of the Company's capital). This amount would be included in the blanket ceiling set in the 16th resolution.

The maximum principal amount of any debt securities issued would be set at €1.8 billion, which would be included in the €1.8 billion blanket ceiling set in the 16th 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 16th 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 23rd resolution of the Annual General Meeting held on June 15, 2017.

Text of the twenty-second 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.

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 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), and (ii) is included in the €20 million blanket ceiling set in the 16th resolution (or in any ceiling set in a resolution with the same purpose that could supersede the 16th 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 €1.8 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 €1.8 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 23rd, 24th, 25th and 26th 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 €1.8 billion blanket ceiling set in the 16th resolution (or in any ceiling set in a resolution with the same purpose that could supersede the 16th 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 23rd resolution of the Annual General Meeting held on June 15, 2017.

Presentation of the twenty-third to 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 17th to 21st 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 23rd to 26th 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 approximately 9.2% of the Company's capital. The amounts used under these authorizations would be included in (i) the ceilings set in the 22nd and 17th resolutions and (ii) the blanket ceiling set in the 16th 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 22nd 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 23rd to 25th resolutions would be set (both per authorization and cumulatively) at €1.8 billion. The amounts used under these authorizations would be included in (i) the €1.8 billion ceiling set in the 17th resolution, (ii) the €1.8 billion ceiling set in the 22nd resolution, and (iii) the €1.8 billion blanket ceiling set in the 16th 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 23rd to 25th resolutions (and therefore in the ceilings on capital increases set in the 22nd and 16th resolutions).



Any issues carried out under the 26th resolution (increase in the number of securities to be issued in the event of an oversubscribed issue) and any capital increase carried out under the 27th resolution (by capitalizing reserves, retained earnings or additional paid-in capital) would be subject to the same terms and conditions as in the 20th and 21st resolutions 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 24th to 28th resolutions of the Annual General Meeting held on June 15, 2017.

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, 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

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 and L.225-136 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 24th, 25th and 26th 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 22nd resolution, in the €8 million ceiling set in the 17th resolution, and the blanket ceiling set in the 16th 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;
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €1.8 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 €1.8 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 and 26th 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 €1.8 billion ceiling set in the 22nd resolution, the €1.8 billion ceiling set in the 17th resolution, and the blanket ceiling set in the 16th 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 paragraph 5 of Article L.225-135 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 5%).

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 admissions 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 24th resolution of the Annual General Meeting held on June 15, 2017.

Text of the twenty-fourth 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.225-148 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.225-148 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 23rd resolution, the 22nd resolution and the 17th resolution and the blanket ceiling set in the 16th 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 €1.8 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 €1.8 billion ceilings set in the 23rd resolution, the 22nd resolution and the 17th resolution and the blanket ceiling set in the 16th 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 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 25th resolution of the Annual General Meeting held on June 15, 2017.

Text of the twenty-fifth 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 private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may only be used during, or in the run-up to, a public offer for the Company's shares

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 and L.225-136, as well as Articles L.228-91 *et seq.* of said Code and Article L.411-2-II 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 a private placement that complies with the conditions set out in Article L.411-2-II 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 23rd, 22nd and 17th resolutions and the blanket ceiling set in the 16th 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 €1.8 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 €1.8 billion ceilings set in the 23rd resolution, the 22nd resolution and the 17th resolution and the blanket ceiling set in the 16th 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 5%).

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) and private placement(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 26th resolution of the Annual General Meeting held on June 15, 2017.



Text of the twenty-sixth 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 (pursuant to the 22nd, 23rd, 24th or 25th 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 and R.225-118 of the French Commercial Code, and subject to the adoption of the 22nd, 23rd, 24th or 25th 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 22nd, 23rd, 24th or 25th resolutions, notably in order to grant an overallotment 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 27th resolution of the Annual General Meeting held on June 15, 2017.

Text of the twenty-seventh resolution

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

Deliberating in extraordinary session but in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, and having considered the Board of Directors' report, in accordance with the applicable laws and regulations and in particular with Articles L.225-129-2 and L.225-130 of the French Commercial 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 on one or more occasions, to be paid up by capitalizing reserves, retained earnings, additional paid-in capital and/or other items that may be capitalized in accordance with the applicable laws and the Company's bylaws, by issuing bonus shares and/or raising the par value of existing shares. The amounts and timing of such issues will be determined at the Board's discretion.

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 to set the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization at €8 million. This ceiling is included in the €8 million ceiling set in the 22nd resolution and the blanket ceiling set in the 16th resolution (or in any ceiling set in any resolution 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.

3. Resolve that rights to fractions of shares will not be transferable or tradable and that the corresponding shares will be sold, with the proceeds allocated to the holders of the rights in accordance with the applicable laws.

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 to take any and all measures and carry out any and all formalities required to successfully complete the capital increase(s), as well as to place on record the capital increase(s) and amend the Company's bylaws to reflect the new capital.

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 held on June 15, 2017.



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 6.87% of the Company's capital at February 28, 2019.

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 16th 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 29th resolution of the Annual General Meeting held on June 15, 2017.

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 16th resolution of this Meeting (or in any ceiling set in any resolution with the same purpose that could supersede the 16th 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 29th resolution of the Annual General Meeting held on June 15, 2017.



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 14th 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 30th resolution of the Annual General Meeting held on June 15, 2017, which was used in December 2018 (see sections 7.2.1 and 7.2.7.1 of the 2018 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.225-209 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 30th resolution of the Annual General Meeting held on June 15, 2017.



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 17th resolution of the Annual General Meeting held on May 25, 2018.

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 all beneficiaries.

These two standard internal performance conditions would be based on:

- > ROI (adjusted recurring operating income as defined in section 2.1.2 of the 2018 Registration Document);
- > FCF (free cash flow as defined in section 2.2.3 of the 2018 Registration Document);
- > each would count for half of the weighting assigned to these two conditions.

The achievement levels for these conditions would be measured by reference to the average of the targets for ROI and FCF set for the fiscal year in which the grant takes place and for the following two fiscal years, as contained in the most recent medium-term plan (MTP) approved by the Board of Directors before the grant date. The following achievement levels would be set for these conditions:

- > lowest achievement level: if 80% of the MTP target is achieved, 40% of the shares contingent on that target would vest;
- > target achievement level: if 100% of the MTP target were achieved, 80% of the shares contingent on that target would vest;
- > highest achievement level (cap): if 125% of the MTP 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 will 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 will continue to be measured based on the previous scope of consolidation (i.e., not including the newly-consolidated entity).



Possible additional performance conditions

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

External 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 condition would count for 30% for the Chief Executive Officer and members of Safran’s Executive Committee. 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 composite index, 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 composite index, 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 composite index, 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 will 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).

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 17th resolution of the Annual General Meeting of May 25, 2018, the Board of Directors authorized grants of performance shares to certain managers and senior executives of the Group, first on July 24, 2018 (2018 Long-Term Incentive Plan, as described in section 6.6.4.2 of the 2018 Registration Document), and then on March 27, 2019 (see the press release 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.* 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 and members of the Executive Committee will be subject to a lock-up period which 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 17th resolution of the Annual General Meeting held on May 25, 2018.



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.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Current membership structure of the Board of Directors

As of the date of publication of this Notice of Meeting, the Company is governed by a Board of Directors comprising:


17 members

Of which:

- > 7 independent Directors⁽¹⁾
- > 1 representative of the French State and 2 Directors put forward by the French State
- > 2 Directors representing employee shareholders
- > 2 Directors elected by employees

53.8%

independent
Directors⁽¹⁾

8

women⁽²⁾

10

meetings
in 2018

95%

attendance rate
at meetings in 2018

Projected membership structure of the Board of Directors at the close of the 2019 Annual General Meeting⁽³⁾


17 members

Of which:

- > 8 independent Directors⁽¹⁾
- > 1 representative of the French State and 1 Director put forward by the French State
- > 2 Directors representing employee shareholders
- > 2 Directors elected by employees

61.5%

independent Directors⁽¹⁾

7

women⁽⁴⁾

Changes

- > An additional independent Director
- > A single Director put forward by the French State

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

The Board has separated the roles of Chairman of the Board of Directors and Chief Executive Officer.



Ross McInnes
Chairman of the
Board of Directors



Philippe Petitcolin
Chief Executive
Officer

(1) In accordance with Article 14.1 of the AFEP-MEDEF Corporate Governance Code, which Safran uses as its corporate governance framework, Directors representing employee shareholders and Directors representing employees are not taken into account when calculating the percentage of independent Directors.

(2) Representing 46.7% of the Board of Directors and therefore exceeding the proportion stipulated in Article L.225-18-1 of the French Commercial Code.

(3) Subject to the approval at the Shareholders' Meeting of May 23, 2019 of the resolutions proposed by the Board of Directors concerning its membership structure.

(4) Representing 40% of the Board of Directors and therefore in compliance with the provisions of Article L.225-18-1 of the French Commercial Code.

Membership structure of the Board of Directors

Director	Age ⁽¹⁾	Gender	Nationality	Number of shares held ⁽³⁾	Number of directorships in listed companies ⁽¹⁾⁽⁴⁾	Independent Director ⁽²⁾	Date first appointed
Ross McInnes Chairman of the Board of Directors	65	M	French and Australian	7,470	4	No	April 23, 2015
Philippe Petitcolin Chief Executive Officer	66	M	French	19,888	1	No	April 23, 2015
Hélène Auriol Potier Executive Vice President International at Orange Business Services	56	F	French	500	1	Yes	June 15, 2017
Éliane Carré-Copin Director representing employee shareholders	66	F	French	414	1	No	May 19, 2016
Jean-Lou Chameau Science, technology and innovation consultant	65	M	French and American	1,000	1	Yes	April 21, 2011
Monique Cohen Executive Partner of Apax Partners	63	F	French	500	3	Yes	May 28, 2013
Hélène Dantoine ⁽⁷⁾ Representative of the French State Deputy Chief Executive Officer of the State Investments Agency (APE)	47	F	French	N/A	2	No	March 13, 2019
Odile Desforges Company Director	69	F	French	500	5	Yes	April 21, 2011
Didier Domange Company Director	75	M	French	195,109	1	No	May 25, 2018
Vincent Imbert Inspector General of the Weaponry Division of the French Armed Forces	63	M	French	N/A	1	No	March 28, 2014
Caroline Laurent Strategy Director at the Directorate General of Weapons Procurement (DGA) and first-class Engineer General for Armament <i>(Ingénieure générale hors classe de l'armement)</i>	55	F	French	N/A	1	No	February 7, 2019 ⁽⁵⁾
Brigitte Lesschaeve Director representing employees	61	F	French	491	1	No	February 26, 2018
Gérard Mardiné Director representing employee shareholders	59	M	French	7,553	1	No	May 19, 2016
Daniel Mazaltarim Director representing employees	59	M	French	1,848	1	No	November 20, 2014
Patrick Pélatá President of Meta Strategy Consulting	63	M	French	500	1	Yes	June 15, 2017
Robert Peugeot, permanent representative of F&P Chair and Chief Executive Officer of FFP	68	M	French	500	3 ⁽⁶⁾	Yes	May 25, 2018
Sophie Zurquiyah Chief Executive Officer of CGG SA	52	F	French and American	500	2	Yes	June 15, 2017

(1) At the publication date of this Notice of Meeting.

(2) See Section 6.2.4.1 "Independence of the members of the Board of Directors" of the 2018 Registration Document.

(3) At December 31, 2018.

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

(5) Director put forward by the French State.

(6) Only three companies are taken into account for calculating Vincent Imbert's aggregate number of directorships as provided for in Article 18.2 of the AFEP/MEDEF Code, namely FFP, Hermès International and Sofina. His directorships in four other companies (Safran, Peugeot S.A., Faurecia and DKSH Holding AG) are not taken into account in the calculation as he is a Director of these companies as a result of direct or indirect interests held by FFP, whose main activity is acquiring and managing equity investments.

(7) Hélène Dantoine was appointed as representative of the French State by way of a ministerial decree dated March 13, 2019.




(8) Ordinary General Meeting.



End of term (AGM ⁽⁴⁾ or other)	Date last re-appointed	Attendance rate (Board meetings) ⁽³⁾	Membership of Board Committees ⁽¹⁾	Main experience and expertise brought to the Company
2019	-	100%	-	Chair of the Board of Directors
2019	-	90%	-	Chief Executive Officer
2021	-	90%	Appointments and Compensation Committee Innovation and Technology Committee	Organization and management of corporations/ International business/Digital transformation
2020	-	90%	-	Perspective of an employee/ Knowledge of the Group and its markets
2019	April 23, 2015	100%	Appointments and Compensation Committee Innovation and Technology Committee	RTDI/International business
2022	May 25, 2018	100%	Chair of the Appointments and Compensation Committee	Financial and banking markets/Private equity/ Shareholding strategy
2019	-	N/A	-	Finance/Organization and management of corporations/International business/Industry
2021	June 15, 2017	90%	Chair of the Audit and Risk Committee	Organization and management of corporations/Industry/RTDI/Performance and management control
2022	-	88%	Appointments and Compensation Committee	Organization and management of corporations/ International business/ Knowledge of the Group and its markets
2019	April 23, 2015 ⁽⁵⁾	100%	Audit and Risk Committee Appointments and Compensation Committee Innovation and Technology Committee	Industry/Strategy/Defense industry/ Competitive environment
2019	-	N/A	-	Industry/RTDI/Defense industry/ New technologies/Strategy
November 19, 2019	-	89%	Innovation and Technology Committee	Perspective of an employee/ Knowledge of the Group and its markets
2020	-	100%	Audit and Risk Committee	Perspective of an employee/ Knowledge of the Group and its markets
November 19, 2019	-	100%	Appointments and Compensation Committee	Perspective of an employee/ Knowledge of the Group and its markets
2021	-	100%	Chairman of the Innovation and Technology Committee Appointments and Compensation Committee	Organization and management of corporations/ International/Strategy/Industry/ New technologies
2022	-	100%	Audit and Risk Committee	Organization and management of corporations/ International/Finance/Asset management
2021	-	100%	Audit and Risk Committee	Organization and management of corporations/ International business/Industry

Specialized standing committees

The Board is assisted in its work by three standing committees:

 AUDIT AND RISK COMMITTEE 5 members of which 75% independent*	 APPOINTMENTS AND COMPENSATION COMMITTEE 7 members of which 66.66% independent*	 INNOVATION AND TECHNOLOGY COMMITTEE 5 members of which 60% independent
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Audit and Risk Committee

Membership structure

At the publication date of this Notice of Meeting	Independent ⁽¹⁾	Date of appointment	Expiration of term of office
Odile Desforges, Chair	X	May 28, 2013	2021
Vincent Imbert		Nov. 27, 2018	2019
G�rard Mardin�, Director representing employee shareholders		May 19, 2016	2020
Robert Peugeot (representative of F&P)	X	May 25, 2018	2022
Sophie Zurquiyah	X	June 15, 2017	2021

(1) 75% independent members (these percentages do not include the Director representing employees, in accordance with the recommendations of the AFEP-MEDEF Code).

Roles and responsibilities

Reviewing, monitoring and verifying:

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

(*) In accordance with Article 14.1 of the AFEP-MEDEF Corporate Governance Code, Directors representing employee shareholders and Directors representing employees are not taken into account when calculating the percentage of independent Directors.



Appointments and Compensation Committee

Membership structure

At the publication date of this Notice of Meeting	Independent ⁽¹⁾	Date of appointment	Expiration of term of office
Monique Cohen, Chair	X	June 15, 2017	2022
Hélène Auriol Potier	X	June 15, 2017	2021
Jean-Lou Chameau	X	May 26, 2015	2019
Didier Domange		May 25, 2018	2022
Vincent Imbert		Nov. 27, 2018	2019
Daniel Mazaltarim, Director representing employees		Feb. 26, 2018	2019
Patrick Péлата	X	June 15, 2017	2021

(1) 66.66% independent members (these percentages do not include the Director representing employees, in accordance with the recommendations of the AFEP-MEDEF Code).

Roles and responsibilities

Appointments

- > selection of the members of the Board of Directors and its Committees;
- > succession plans for corporate officers;
- > helping the Board prepare succession plans for the Group's key operations managers and support function managers.

Compensation

- > compensation policy and compensation of corporate officers;
- > compensation policy for senior managers and profit-sharing systems set up for the employees:
 - long-term incentive plan (performance share grants),
 - employee savings plans - share issues reserved for employees of the Company,
 - supplementary pension plans;
- > allocation of attendance fees to Directors.

Innovation and Technology Committee

Membership structure

At the publication date of this Notice of Meeting	Independent ⁽¹⁾	Date of appointment	Expiration of term of office
Patrick Péлата, Chairman	X	October 26, 2017	2021
Hélène Auriol Potier	X	October 26, 2017	2021
Jean-Lou Chameau	X	October 26, 2017	2019
Vincent Imbert		May 25, 2018	2019
Brigitte Lesschaeve, Director representing employees		May 25, 2018	2019

(1) 60% independent members.

Roles and responsibilities

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



NOMINEES TO THE BOARD OF DIRECTORS

Re-appointments of Directors proposed by the Board of Directors

Shareholders are invited to re-appoint Ross McInnes, Philippe Petitcolin, Jean-Lou Chameau and Vincent Imbert as Directors (see profiles below).



Ross McInnes

Chairman of the Board of Directors

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

Number of Safran shares held: 7,470⁽¹⁾

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1954, Ross McInnes has dual French and Australian nationality and is a graduate of Oxford University. He started his career in 1977 with Kleinwort Benson, first in London and then in Rio de Janeiro. In 1980, he joined Continental Bank (now Bank of America) in which he held several positions in the corporate finance arm, in Chicago and then in Paris.

In 1989, he joined Eridania Beghin-Say, where he was appointed Chief Financial Officer in 1991 and then became a member of the Board of Directors in 1999. The following year, he joined Thomson-CSF (now Thales) as Executive Vice-President and Chief Financial Officer and assisted in the group's transformation, until 2005. He then moved to PPR (now Kering) as Senior Vice-President for Finance and Strategy, before joining the Supervisory Board of Générale de Santé in 2006. He served as acting Chairman of the Management Board of Générale de Santé from March to June 2007. He also held the position of Vice-Chairman of Macquarie Capital Europe where he primarily specialized in infrastructure investments.

In March 2009, Ross McInnes joined Safran and became Executive Vice-President, Economic and Financial Affairs in June of that year. He was a member of the Executive Board of Safran between July 2009 and April 2011 and then served as Deputy Chief Executive Officer until April 2015.

He became Chairman of Safran's Board of Directors on April 23, 2015.

Since February 2015, Ross McInnes has also acted as Special Representative for economic relations with Australia, having been appointed to this diplomatic role by the French Minister of Foreign Affairs and International Development.

In late 2016, based on the recommendation of AFEP and MEDEF, he was appointed a member of the High Committee for Corporate Governance set up by these two employers' associations. In February 2017, he joined SICOM, the general partner of Vivescia Industries, as a "qualified person".

In October 2017, Ross McInnes was appointed by the French Prime Minister as Co-Chairman of the "Action Publique 2022" Committee, which was tasked with making recommendations on reforming French public policies, a mission it has since completed.

Since January 2018, Ross McInnes has been a Trustee and a Director of the IFRS Foundation.

In October 2018, the French Prime Minister tasked him with lobbying for France with both British and non-British companies operating in the non-financial sector and based in the United Kingdom.

Ross McInnes is also a Director of Eutelsat and a member of Eutelsat's Audit Committee (since February 2013) and Nomination and Governance Committee, and is a Director and member of Lectra's Board committees (since January 2018) and a Director and member of Engie's Audit Committee (since May 2018).

MAIN POSITION(S) HELD

- > Chairman of the Board of Directors of Safran

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

SAFRAN GROUP

- > Chairman of the Board of Directors of Safran

NON-GROUP

- > Director, member of the Audit Committee and member of the Nomination and Governance Committee of Eutelsat Communications (listed company)
- > Director of Lectra (listed company) and a member of its Board committees since January 2018
- > Trustee and Director of the IFRS Foundation (United States, United Kingdom) since January 2018
- > Director and a member of the Audit Committee of Engie (listed company) since May 2018

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

- > Deputy Chief Executive Officer of Safran until April 2015
- > Director of:

- Safran USA, Inc. (United States) until June 2015
- Safran Nacelles until December 2014
- Safran Helicopter Engines until December 2014
- Safran Landing Systems until December 2014
- Safran Identity & Security until December 2014
- Safran Aircraft Engines until December 2014

- > Permanent representative of Établissements Vallaroché on the Board of Directors of Soreval (Luxembourg) until May 2015

NON-GROUP

- > Director and Chairman of the Audit Committee of Faurecia (listed company) until May 2017
- > Director of Financière du Planier until June 2015
- > Non-executive Director and Chairman of the Audit Committee of IMI PLC (listed company) (United Kingdom) until October 2017
- > Permanent representative of Santé Europe Investissements Sarl on the Board of Directors of Santé SA (Luxembourg) until October 2014
- > Permanent representative of Santé Europe Investissements Sarl on the Board of Directors, and as a member of the Audit Committee of Générale de Santé SA (listed company) until March 2014

(1) Including 7,460 shares via corporate mutual fund units (conversion based on the Safran share price at December 31, 2018).



Philippe Petitcolin

Chief Executive Officer and Director

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

Number of Safran shares held: 19,888⁽¹⁾

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1952, Philippe Petitcolin, a French national, holds a degree in mathematics and is a graduate of the Centre de Perfectionnement aux Affaires (CPA) business school.

Philippe Petitcolin began his career in 1978 as an export manager for Europrim before becoming an export area manager for Filotex, a subsidiary of Alcatel-Alstom. In 1982, he was appointed Aviation Sales Director for Chester Cable in the United States before returning to Filotex in 1984 as Export Director.

In 1988, he joined Labinal as Deputy Sales Director before being appointed Sales and Marketing Director of the company's Aeronautical Systems Division and subsequently its Managing Director in 1995.

Between 1999 and 2001, he was General Manager of Labinal's Filtrauto Division, also serving as General Manager of the friction materials business after the division was bought by Valeo. In May 2001, he was named Chief Executive Officer of Labinal (now Safran Electrical & Power), before being appointed Chairman and Chief Executive Officer in November 2004. He was then appointed Chairman and Chief Executive Officer of Snecma (now Safran Aircraft Engines) in 2006.

Between 2011 and 2013, he served as President of Safran's Defense and Security businesses and then Chairman and Chief Executive Officer of Safran Electronics & Defense.

From July 2013 to December 2014, he was Chairman and Chief Executive Officer of Safran Identity & Security and Chairman of the Board of Directors of Safran Electronics & Defense.

He subsequently served as Chairman of Safran Identity & Security from December 2014 to July 2015.

On April 23, 2015, Philippe Petitcolin was appointed as a Director of Safran at the Company's Annual General Meeting and then Chief Executive Officer by the Board of Directors on the same day.

Also on April 23, 2015, he became a Board member of the Aerospace and Defence Industries Association of Europe (ASD).

In July 2015, Philippe Petitcolin was appointed Vice-Chairman of GIFAS (*Groupement des Industries Françaises Aéronautiques et Spatiales*) and in September 2015, he was appointed as a Director of Belcan Corporation, an engineering services company.

MAIN POSITION(S) HELD

- > Chief Executive Officer of Safran

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- > Chief Executive Officer of Safran
- > Director of Safran

NON-GROUP

- > Vice-Chairman of GIFAS
- > Director of Belcan Corporation (United States)
- > Board member of the Aerospace and Defence Industries Association of Europe (ASD) (Belgium)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

- > Chairman of Safran Identity & Security until July 2015
- > Chairman and Chief Executive Officer of Safran Identity & Security until December 2014
- > Chairman of the Board of Directors of:
 - Safran Identity & Security North America (formerly Morpho Track, LLC) (United States) until July 2015
 - Morpho Detection International, LLC (United States) until July 2015
 - Safran Electronics & Defense until December 2014
- > Chairman and President of Morpho USA, Inc. (United States) until July 2015
- > Director of Safran Identity & Security USA (formerly Morpho Detection, LLC) (United States) until July 2015
- > Member of the Supervisory Board of Safran Identity & Security GmbH (formerly Morpho Cards GmbH) (Germany) until July 2015

NON-GROUP

- > Member of the Supervisory Board of Institut Aspen France until March 2015

(1) Including 18,442 shares via corporate mutual fund units (conversion based on the Safran share price at December 31, 2018).



Jean-Lou Chameau

Independent Director

Member of the Appointments and Compensation Committee

Member of the Innovation and Technology Committee

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

Number of Safran shares held: 1,000

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1953, Jean-Lou Chameau has dual French and American nationality. He obtained an engineering degree at École Nationale Supérieure d'Arts et Métiers in 1976, and then continued his studies at Stanford University, where he graduated with a Master's in civil engineering in 1977, followed by a PhD in seismic engineering in 1980.

Jean-Lou Chameau started his academic career at Purdue University (United States), where he taught from 1980 to 1991, before joining Georgia Tech as professor and head of the School of Civil and Environmental Engineering. He left this position in 1994 to become Chairman of the international geotechnical engineering company, Golder Associates Inc. He returned to teach at Georgia Tech two years later, where he became dean of its College of Engineering in the United States. In 2001, he was promoted to the position of provost, which he occupied up to 2006.

From 2006 to June 2013, Jean-Lou Chameau was the President of the California Institute of Technology (Caltech).

In June 2009, he was awarded the honorary "Doctor honoris causa" degree from École polytechnique Montreal in Canada.

Jean-Lou Chameau is a member of the National Academy of Engineering in the United States and of the Académie des Technologies in France.

He was President of King Abdullah University of Science and Technology (KAUST) (Saudi Arabia) between July 2013 and August 2017.

Since May 2016, he has been a member of the international jury for the 2017 Queen Elizabeth Prize for Engineering.

In 2018, he was tasked by the French Ministry of the Armed Forces, Economy and Finance, and the Ministry of Higher Education, Research and Innovation, with coordinating the group of educational facilities at the Saclay research and innovation cluster, with the ultimate aim of establishing a best-in-class science and technology institute.

Jean-Lou Chameau brings to the Board his experience as a Director of an international corporation, as well as his expertise in research, technological development and innovation and his in-depth knowledge of North America, the Middle East and Asia.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- > Science, technology and innovation consultant
- > Company Director

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

- > Director of Safran

NON-GROUP

- > President Emeritus of the California Institute of Technology (Caltech) (United States)
- > Chairman of the Advisory Board of Georgia Tech Lorraine
- > Member of the International Advisory Board of HEC since November 2018
- > Member of the Scientific Advisory Board of the National Research Foundation of Singapore (Republic of Singapore)
- > Member of the Academic Research Council of Singapore (Republic of Singapore)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

- > Member of the Advisory Board of King Fahd University of Petroleum and Minerals (Saudi Arabia) until December 2018
- > President of King Abdullah University of Science and Technology (KAUST) (Saudi Arabia) until August 2017
- > Director of Ma'aden (listed company) (Saudi Arabia) until October 2017
- > Director and a member of the Governance and Nominating Committee of MTS Systems Corporation (listed company) (United States) until February 2015



> Vincent Imbert

Director

Member of the Audit and Risk Committee

Member of the Appointments and Compensation Committee

Member of the Innovation and Technology Committee

Direction générale de l'armement – 60, bd du Général-Martial-Valin – 75015 Paris, France

Number of Safran shares held: None

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1956, Vincent Imbert, a French national and senior defense engineer, is a graduate of École Polytechnique and École nationale supérieure de l'aéronautique et de l'espace. He is a former auditor of the Center for Advanced Defense Studies (Centre des Hautes Études de l'Armement).

He started his career at the French Directorate General of Weapons Procurement (DGA) in 1981 managing programs. He was Director of the PR4G (radios for the army) program and the RITA and RITA enhancement programs and then Director of the Leclerc tank program for France and the United Arab Emirates.

In 1998, he became Director of the French military test center at Bourges, responsible for the assessment and testing of pyrotechnic, artillery and ground missile systems.

In 2000, he was appointed Force System Architect, responsible for directing and managing prospective studies to prepare the French army's future defense and weapons systems.

In 2003, he was appointed technical Advisor to the Deputy Head of the DGA, and became Director of its Ground Weaponry Programs Department (SPART) in 2004.

In 2006, he also became Director of the DGA's Observation, Telecommunication and Information Programs Department (SPOTI).

In 2009, he was responsible for setting up the technical department at the DGA, which he subsequently managed.

In June 2013, he was appointed Executive Vice-President of the DGA and on September 1, 2017 became Inspector General of the Weaponry Division of the French Armed Forces.

Vincent Imbert brings to the Board an in-depth knowledge of the Group's products and markets and particularly his expertise in the areas of defense and strategy.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

> Inspector General of the Weaponry Division of the French Armed Forces

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

> Director of Safran

NON-GROUP

None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

> Representative of the French State on the Board of Directors of Safran until April 2015

NON-GROUP

> Representative of the French State on the Board of Directors of Giat Industries until December 2015



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

Shareholders are invited to appoint Laurent Guillot as a Director (see profile below).



Laurent Guillot

SAINT-GOBAIN - Les Miroirs - 18, avenue d'Alsace - 92400 Courbevoie - France

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

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1969, Laurent Guillot, a French national, is a graduate of École Polytechnique and of École des Ponts Paris Tech engineering school, and holds a postgraduate degree in macroeconomics from Université Paris I.

He began his career with the French Ministry of Finance in 1996, initially as head of the Energy unit in the Forecasting Department and then as head of the Central Africa unit within the Treasury Department's International Division. In 1999, he was appointed technical advisor to the Minister of Infrastructure, Transport and Housing, first on maritime issues and then on budgetary, financial and industrial issues.

He joined Compagnie de Saint-Gobain in 2002 as Vice President of Corporate Planning. He was appointed Vice-President of Construction Abrasives in 2004, becoming Vice President of High-Performance Refractories and Diesel Particulate Filters the following year. In 2007, he was appointed General Delegate for Brazil, Argentina and Chile.

Laurent Guillot served as Saint-Gobain's Chief Financial Officer from 2009 to the end of 2015, in which capacity he was also in charge of Group procurement and information systems.

In 2016, he was appointed Vice-President of the HighPerformance Materials business. The following year, he became Senior Vice-President of Compagnie de Saint-Gobain in charge of the High-Performance Materials business, with direct oversight over the Performance Plastics business.

Since January 1, 2019, he has been Senior Vice-President of Compagnie de Saint-Gobain in charge of High-Performance Solutions and also has responsibility for information systems.

Laurent Guillot would bring to the Board his financial expertise, skills and experience as an operational and functional manager of a global industrial group, as well as his expertise in high-performance materials, industrialization and information systems.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- > Senior Vice-President of Compagnie de Saint-Gobain, Chief Executive Officer of High-Performance Solutions

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

SAFRAN GROUP

None

NON-GROUP – POSITIONS HELD IN THE SAINT-GOBAIN GROUP

- > Non-executive Director and Chairman of the Risk Management Committee, member of the Remuneration and Nomination Committee, and member of the Corporate Social Responsibility Committee of Grindwell Norton Ltd (listed company) (India)
- > Chairman, Chief Executive Officer and Director of Zenpure Corporation (United States); Zenpure Americas, Inc. (United States)
- > Chairman and Director of Saint-Gobain Ceramics & Plastics, Inc. (United States)
- > Chairman of Saint-Gobain Cristaux & Détecteurs; Saint-Gobain Performance Plastics Europe; Saint-Gobain Centre De Recherche et d'Etudes Européen; Saint-Gobain Quartz SAS; Saint-Gobain Coating Solutions; Savoie Réfractaires; Saint-Gobain Matériaux Céramiques; Saint-Gobain Consulting Information and Organization; Saint-Gobain Performance Plastics France; Valoref; Société Européenne des Produits Réfractaires – S.E.P.R.
- > Chief Executive Officer and Director of Saint-Gobain Solar Gard, LLC (United States)
- > Deputy Director of Saint-Gobain Archives
- > Director of Z-tech, LLC (United States); Phoenix Coating Resources, Inc. (United States); Saint-Gobain Hycomp, LLC (United States); Carborundum Ventures, Inc. (United States); Fluocabron Components, Inc. (United States); Saint-Gobain Performance Plastics Corporation (United States); Saint-Gobain Abrasives, Inc. (United States); Saint-Gobain Solar Gard Australia Pty, Ltd (Australia); Saint-Gobain High Performance Materials UK Limited (United Kingdom)
- > Saint-Gobain Tm K.K (Japan)
- > Saint-Gobain K.K. (Japan)
- > Saint-Gobain Advanced Ceramics (Shanghai) Co Ltd (China)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP – POSITIONS HELD IN THE SAINT-GOBAIN GROUP

- > Chairman of the Board of Directors of Sepr Italia SpA (Italy) until March 2019
- > Director of Farecla Products Ltd (United Kingdom) until January 2019; Saint-Gobain Performance Plastics Rencol Limited (United Kingdom) until January 2019; Saint-Gobain (China) Investment Co., Ltd (China) until June 2016
- > Chairman and Chief Executive Officer of Phoenix Coating Resources, Inc. (United States) until January 2017; Z-tech, LLC (United States) until January 2017
- > Chairman of Vertec until January 2016; Spafi – Société de Participations Financières et Industrielles until January 2016
- > Chairman of the Board of Directors of International Saint-Gobain (Switzerland) until September 2016
- > Director of: Saint-Gobain Performance Plastic H-old SpA (Spain) until March 2019; Verlon until May 2016; Saint-Gobain Pam until January 2016; Saint-Gobain Bénélux (Belgium) until January 2016



Ratification of the Board's temporary appointment of a Director put forward by the French State

Shareholders are invited to ratify the Board's temporary appointment of Caroline Laurent as a Director, it being specified that this term of office will expire at the close of the 2019 Annual General Meeting (see profile below).



Caroline Laurent

Director

Direction générale de l'armement – 60, bd du Général-Martial-Valin – 75015 Paris, France

Number of Safran shares held: None

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1963, Caroline Laurent, a French national, is a graduate of École polytechnique (1982) and École nationale supérieure de l'aéronautique et de l'espace (1987) and a former auditor of the Centre des hautes études de l'armement (Center for Advanced Defense Studies, 2004-2005).

She began her career in 1987 at the Space and Missiles Department of the French Directorate General of Weapons Procurement (DGA), where she held management positions for technical projects and research projects related to satellites, oceanography and space reconnaissance.

From 1994 to 1995, she was responsible for space research programs for the Ministry of Industry and was a key member of the committee in charge of the French space policy.

In 2001, she was appointed manager of the Syracuse military telecommunications program.

From 2007 to 2011, she served as Head of the Aeronautical Programs Unit – a unit in charge of military transport aircraft, mission aircraft and in service fighter aircraft. She was also the French representative on the A400M program international committee.

From 2011 to 2014, she served as Head of the Space and Information Systems Unit, comprising 450 people, leading all armament operations and research and projects related to information and intelligence systems, including spatial sensors and telecom and command systems.

On December 1, 2014, she was appointed Strategy Director at the DGA and promoted to the rank of first-class Engineer General for Armament (*Ingénieure Générale Hors Classe de l'Armement*). In this role she is responsible for French defense research and innovation programs, industrial strategy and support for SMEs, and for preparing future armament programs and putting in place European cooperation programs. She is the representative of the DGA in a number of multilateral organizations (NATO, the European Commission, the EDA).

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

> Strategy Director at the DGA and *Ingénieure Générale Hors Classe de l'Armement*.

OFFICES AND POSITIONS HELD IN FRENCH AND NON-FRENCH COMPANIES

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP

> Director put forward by the French State and appointed by the Board on February 7, 2019

NON-GROUP

- > Representative of the French State on the Board of Directors of:
- Naval Group (since July 2018)
 - L'Office national d'études et de recherches aérospatiales (Onera)
 - Centre national d'études spatiales (Cnes)
- > Director of:
- L'École nationale supérieure de techniques avancées (ENSTA)
 - L'Institut des hautes études de défense nationale (IHEDN)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP

None

NON-GROUP

None



COMPENSATION POLICY FOR CORPORATE OFFICERS AND COMPENSATION AND BENEFITS AWARDED

Compensation policy

Acting on the recommendation of the Appointments and Compensation Committee, on February 26, 2019 the Board of Directors decided to retain the compensation policies for the Chairman and the Chief Executive Officer as approved by the shareholders at the Annual General Meeting of May 25, 2018, without substantive modifications. However, in accordance with the law, the unchanged compensation policies will be submitted for shareholder approval at the Annual General Meeting of May 23, 2019.

This section constitutes the report on the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits packages of corporate officers, as required under Article L.225-37-2 of the French Commercial Code.

In accordance with Article L.225-37-2 of the French Commercial Code (introduced by French Act no. 2016-1691 of December 9, 2016 on transparency, anti-corruption and modernization of business practice, each year the shareholders are asked to give a forward-looking (“ex-ante”) vote on the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of the total compensation and benefits packages of corporate officers, which together constitute the compensation policy(ies) adopted by the Board of Directors (also hereinafter referred to as the “Policy(ies)”).

Shareholder approval is required for any changes that may be made to the components of the Policy and each time a corporate officer’s term of office is renewed.

The following are described in this report:

- the principles and rules for determining the compensation and benefits packages of corporate officers;
- the Compensation policy for the Chairman of the Board of Directors; and
- the Compensation policy for the Chief Executive Officer, which may be adapted and applied to the Deputy Chief Executive Officer(s) when there is a Deputy Chief Executive Officer in post.

Principles and rules for determining the compensation and benefits of corporate officers

In the interests of the Company as well as its shareholders, employees and other stakeholders, the Policies 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.

The Policies are determined 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 drawn up with reference to the AFEP-MEDEF Code, which recommends applying the principles of comprehensiveness, balance, comparability, consistency, transparency and proportionality.

Comprehensiveness – Balance

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

Alignment of interests – Transparency

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

Proportionality, comparability and competitiveness

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

Market practices should also be taken into account.

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

The benchmark surveys are used as the basis for analyzing, and making any changes to, the components of the compensation and benefits of each corporate officer.



Governance

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 drawing up the Policies and implementing them for setting the amounts or values of compensation and benefits packages.

Compensation policy for the Chairman of the Board of Directors

As of the publication date, 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 entitled to any attendance fees.

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

Annual fixed compensation

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

Consequently, it is set based on the following:

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

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

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

Information on the current Chairman of the Board of Directors' fixed compensation for 2018 is set out in section 6.6.2.1 of the 2018 Registration Document.

Attendance fees

Irrespective of whether the role of Chairman is separate from that of Chief Executive Officer, the Chairman is not awarded attendance fees nor is he included in the allocation of such fees carried out in accordance with the rules set by the Board of Directors and described in the Board's Internal Rules (see section 6.6.3.1 of the 2018 Registration Document).

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

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

Exceptional compensation

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



Benefits-in-kind

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

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

Other benefits subject to the procedure for related-party commitments

In accordance with the applicable law, the benefits described below for which the Chairman of the Board of Directors is currently eligible – and for which he was also eligible prior to his appointment as Chairman – were submitted for approval to shareholders in an Annual General Meeting by way of the special vote required for related-party commitments.

For information purposes, Ross McInnes' employment contract with Safran has been suspended since April 21, 2011 rather than being terminated (see section 6.4 of the 2018 Registration Document). The Board opted for this solution as it enables in-house executives who have extensive experience (often associated with their length of service with the Group) to move into corporate officer positions without losing their existing benefit entitlements that they have accrued over time.

Supplementary pension system

Safran's policy is to align the post-employment benefits of its corporate officers 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 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 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.

Any such authorization must be submitted to a shareholder vote in an Annual General Meeting in accordance with the procedure applicable for related-party commitments (Article L.225-42-1 of the French Commercial Code).

Information on the supplementary pension plans of which the Chairman was a beneficiary in 2018 is set out in section 6.6.2.1 of the 2018 Registration Document. They correspond to:

- defined contribution plans (Article 83 Core Plan, Article 83 Additional Plan and Article 82 Plan); and
- a defined benefit plan (Article 39 Plan, closed to new entrants and entitlements frozen), under which entitlements may have accrued to the Chairman prior to the date when the plan was closed to new entrants and existing entitlements were frozen.

The Board of Directors intends that the above policy will continue to apply if and when the Chairman's term of office is renewed (see section 6.1.1 of the 2018 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.

Information on the personal risk insurance plan of which the Chairman was a member in 2018 is set out in section 6.6.2.1 of the 2018 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

As of the publication date, this policy solely concerns Philippe Petitcolin in his role as Safran's Chief Executive Officer.

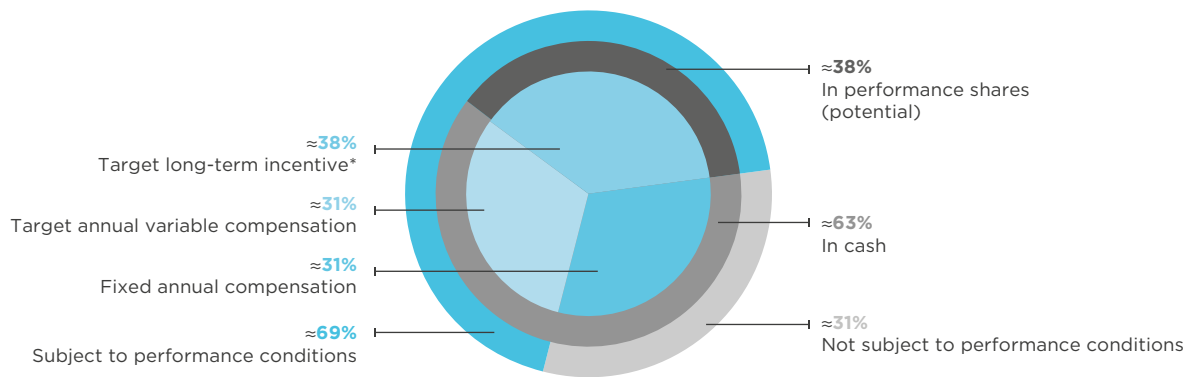
Compensation package structure

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

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



Presentation of the Chief Executive Officer's recurring compensation structure



* Value at grant date in accordance with IFRS

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

Annual fixed compensation

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

Consequently, it is set based on the following:

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

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

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

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

Information on the current Chief Executive Officer's fixed compensation for 2018 is set out in section 6.6.2.2 of the 2018 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, and are subject to the performance thresholds set out above.

The achievement rates for these objectives are disclosed once the related performance levels have been assessed.

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 will be contingent on quantitative and qualitative individual objectives.

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

Quantitative financial performance objectives

The following parameters apply:

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

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

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

(1) Adjusted recurring operating income (see section 2.1.2 of the 2018 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 2018 Registration Document) is equal to cash flow from operating activities less changes in working capital and acquisitions of property, plant and equipment and intangible assets.

(4) Inventories and work in progress, as described in section 3.1, Note 1.n of the 2018 Registration Document and broken down in section 3.1, Note 16.

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



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.

The Chief Executive Officer's individual objectives for 2019 are set out in section 6.6.2.2 of the 2018 Registration Document.

Payment condition

In accordance with the law, the payment of the Chief Executive Officer's annual variable compensation for 2018 (payable in 2019) is subject to approval by the shareholders in an Ordinary General Meeting.

Appointment or termination of duties

If the Chief Executive Officer is appointed or his duties are terminated during the course of a year, the above principles will apply on a proportionate basis for the period during which he performs his duties. However, if an appointment takes place during the second half of the year, the assessment of the Chief Executive Officer's performance will be carried out by the Board of Directors on a discretionary basis, on the recommendation of the Committee responsible for compensation.

Long-term incentive plan (performance share grants)

Objective

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

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

Detailed description of performance share grants

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

Cap

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

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

Performance conditions

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

Standard conditions

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

- > ROI, for 50%;
- > FCF, for 50%;

(1) See section 3.1, Note 1.q of the 2018 Registration Document.



➤ the achievement levels for these conditions are measured by reference to the average of the targets for ROI and FCF set for the fiscal year in which the grant takes place and for the following two fiscal years, as contained in the most recent medium-term plan (MTP) approved by the Board of Directors before the grant date. The following achievement levels have been set for these conditions:

- lowest achievement level: if 80% of the MTP target is achieved, 40% of the shares contingent on that target will vest,
- target achievement level: if 100% of the MTP target is achieved, 80% of the shares contingent on that target will vest,
- highest achievement level (cap): if 125% of the MTP target is achieved, 100% of the shares contingent on that target will vest,
- between the lowest achievement level and the target level, and between the target level and the highest achievement level, the number of shares that will vest will vary in linear fashion. Below the lowest achievement level, none of the shares contingent on the internal performance condition concerned will vest.

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 on a linear basis. Below the lowest achievement level, none of the shares contingent on the external performance condition will vest.

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

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

For grants made in 2018, the reference medium-term plan did not yet include the Zodiac Aerospace scope. To incorporate performance targets related to the new scope for beneficiaries - including the Chief Executive Officer - directly or specifically involved in Zodiac Aerospace's integration into the Group, specific additional internal conditions were applied (see section 6.6.1.4 of the 2017 Registration Document and section 6.6.2.2 of the 2018 Registration Document).

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

Vesting and lock-up periods

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

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

Other conditions

The Chief Executive Officer:

- is required to hold in registered form a proportion of his vested shares, as set by the Board of Directors, until his term of office as Chief Executive Officer ends.

The Board has decided that following the lock-up period and until his term of office ends, the Chief Executive Officer will be required to hold in registered form 40% of the vested performance shares granted to him under performance share plans, until the number of shares he holds represents the equivalent of one year of his most recent annual fixed compensation.

- must give a formal undertaking to refrain from using instruments to hedge the risks related to these shares until after the end of the lock-up period.

For information purposes, information on performance share grants made to the Chief Executive Officer during the year is provided in section 6.6.2.2 of the 2018 Registration Document.

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.

Attendance fees

As he is a Director, the Chief Executive Officer is not awarded any attendance fees nor is he included in the allocation of such fees as carried out in accordance with the rules set by the Board of Directors and described in the Board's Internal Rules (see section 6.6.3.1 of the 2018 Registration Document).

Benefits-in-kind

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

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

Other benefits subject to the procedure for related-party commitments

In accordance with the applicable law, the benefits described below for which the Chief Executive Officer is currently eligible – and for which he was eligible prior to his appointment as Chief Executive Officer – were submitted for approval by shareholders in a General Meeting by way of the special vote required for related-party commitments.

For information purposes, Philippe Petitcolin's employment contract with Safran has been suspended since April 23, 2015 rather than being terminated (see section 6.4 of the 2018 Registration Document). The Board opted for this solution as it enables in-house executives who have extensive experience (often associated with their length of service with the Group) to move into corporate officer positions without losing their existing benefit entitlements that they have accrued over time.

Supplementary pension system

Safran's policy is to align the post-employment benefits of its corporate officers 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 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.

Any such authorization must be submitted to a shareholder vote in an Annual General Meeting in accordance with the procedure applicable for related-party commitments (Article L.225-42-1 of the French Commercial Code).

Information on the supplementary pension plans of which the Chief Executive Officer was a beneficiary in 2018 is set out in section 6.6.2.2 of the 2018 Registration Document. They correspond to:

- > defined contribution plans (Article 83 Core Plan, Article 83 Additional Plan and Article 82 Plan); and
- > a defined benefit plan (Article 39 Plan, closed to new entrants and entitlements frozen), under which entitlements may have accrued to the Chief Executive Officer prior to the date when the plan was closed to new entrants and existing entitlements frozen.

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.

Information on the personal risk insurance plan of which the Chief Executive Officer was a beneficiary in 2018 is set out in section 6.6.2.2 of the 2018 Registration Document.

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

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

Adaptation of the policy for Deputy Chief Executive Officers

If the Company appoints any Deputy Chief Executive Officers, the compensation structure, principles and criteria set out in the "compensation and benefits" 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).



SUMMARY TABLES SHOWING THE INDIVIDUAL COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

Summary table of compensation, stock options and performance shares granted in 2017 and 2018 to the Chairman of the Board of Directors

Summary of compensation, stock options and performance shares granted	2017	2018
Compensation due for the year	€484,375.22 ⁽¹⁾	€465,809.61 ⁽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	€484,375.22	€465,809.61

(1) Including €57,690.34 corresponding to the Additional Payment under the defined contribution plan (Article 82), enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.1 of the 2017 Registration Document).

(2) Including €12,897.48 corresponding to the Additional Payment under the defined contribution plan (Article 82), enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.1 of the 2018 Registration Document).

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

Summary of compensation (gross)	2017		2018	
	Amounts due for the year	Amounts paid during the year	Amounts due for the year	Amounts paid during the year
Fixed compensation	€350,000	€350,000	€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
Attendance fees	€73,513.88	€65,000	N/A	€73,513.88
Benefits-in-kind ⁽¹⁾	€3,171	€3,171	€2,912.13	€2,912.13
Additional Payment provided for under the Article 82 voluntary collective defined contribution plan ⁽²⁾	€57,690.34	€57,690.34	€12,897.48	€12,897.48
TOTAL	€484,375.22	€475,861.34	€465,809.61	€539,323.49

(1) Company car.

(2) Corresponding to the Additional Payment under the defined contribution plan (Article 82), enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.1 of the 2018 Registration Document).



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

Summary table of compensation, stock options and performance shares granted in 2017 and 2018 to the Chief Executive Officer

Summary of compensation, stock options and performance shares granted	2017	2018
Compensation due for the year	€2,085,320.79 ⁽¹⁾	€1,936,136.28 ⁽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 (see section 6.6.4.2 of the 2018 Registration Document)	€839,893 ⁽³⁾	€956,205
TOTAL	€2,413,072.79	€2,892,341.28

(1) Including €154,746.70 corresponding to the Additional Payment under the defined contribution plan (Article 82), enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.1 of the 2017 Registration Document) and €512,140.96 for the payment in October 2018 of the first installment under the 2015 long-term benefit plan (2015 LTB plan) (see section 6.6.2.2 of the 2018 Registration Document and the table below).

(2) Including €171,349.44 corresponding to the Additional Payment under the defined contribution plan (Article 82), enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.2 of the 2018 Registration Document).

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

Summary table of compensation of the Chief Executive Officer

Summary of compensation (gross)	2017		2018	
	Amounts due for the year	Amounts paid during the year	Amounts due for the year	Amounts paid during the year
Fixed compensation	€600,000	€600,000	€800,000	€800,000
Annual variable compensation	€777,500	€745,500	€960,000	€777,500
Multi-year variable compensation	512,140.96 ⁽¹⁾	N/A	N/A	512,140.96 ⁽¹⁾
Exceptional compensation	N/A	N/A	N/A	N/A
Attendance fees	€36,314.09	€38,500	N/A	€36,314.09
Benefits-in-kind ⁽²⁾	€4,619	€4,619	€4,786.84	€4,786.84
Additional Payment provided for under the Article 82 voluntary collective defined contribution plan ⁽³⁾	€154,746.70	€154,746.70	€171,349.44	€171,349.44
TOTAL	€2,085,320.75	€1,543,365.70	€1,936,136.28	€2,302,091.33

(1) Payment in October 2018 of the first installment under the 2015 long-term benefit plan (see section 6.6.2.2 of the 2018 Registration Document), corresponding to a total of €512,140.96, with 2/3 paid in cash, i.e., €341,458.73 and 1/3 paid in the form of the delivery of 1,446 Safran shares. The amount was determinable at the publication date of the 2017 Registration Document but was not actually determined.

(2) Company car.

(3) Corresponding to the Additional Payment under the defined contribution plan (Article 82), enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.2 of the 2018 Registration Document).



CORPORATE GOVERNANCE

Summary tables showing the individual compensation and benefits of corporate officers

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

	Plan date	Number of shares granted	Value of shares (measured using the method applied for the consolidated financial statements) ⁽¹⁾ (in €)	Vesting date	End of lock-up period	Performance conditions
Philippe Petitcolin	July 24, 2018	13,600	€956,205	July 26, 2021	July 27, 2022 ⁽²⁾	All the shares are subject to the performance conditions described in section 6.6.4.2 of the 2018 Registration Document
TOTAL		13,600	€956,205			

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

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

Performance shares granted to the Chief Executive Officer for which the lock-up period ended during the year

	Plan date	Total number of shares whose lock-up period ended
Philippe Petitcolin		None

Summary table, at December 31, 2018, of performance shares granted to the Chief Executive Officer

Grantee	Plan no. and date	Total number of shares granted
Philippe Petitcolin	2016 Plan - July 28, 2016	27,390
Philippe Petitcolin	2017 Plan - March 23, 2017	27,165
Philippe Petitcolin	2018 Plan - July 24, 2018	13,600
TOTAL		68,155

Summary table of stock options granted in 2018 to the Chief Executive Officer

None

Summary table of stock options exercised in 2018 by the Chief Executive Officer

None



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

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

(1) Employment contract initially suspended on April 21, 2011, the date on which he was appointed Deputy Chief Executive Officer. This suspension was extended when he was appointed Chairman of the Board of Directors on April 23, 2015 (see section 6.4 of the 2018 Registration Document).

(2) Employment contract suspended since April 23, 2015, the date on which he was appointed Chief Executive Officer (see section 6.4 of the 2018 Registration Document).

(3) No pension plan has been set up specifically for the Chairman of the Board of Directors or the Chief Executive Officer. They are beneficiaries, subject to the same terms and conditions as the other plan members, under (i) the defined contribution supplementary pension plan set up in France for all of the Group's senior managers, and (ii) the defined benefit supplementary pension plan which has now been closed and whose benefit entitlements were frozen at December 31, 2016 (see sections 6.6.2.1 and 6.6.2.2 of the 2018 Registration Document).

SUMMARY TABLE OF AUTHORIZATIONS FOR THE BOARD OF DIRECTORS SUBMITTED FOR APPROVAL AT THE ANNUAL GENERAL MEETING OF MAY 23, 2019

The resolutions approved by the Board of Directors on March 27, 2019, which will be submitted for approval at the Annual General Meeting on May 23, 2019, provide for the authorizations described below to be granted to the Board of Directors.

Type of authorization	Date of authorization Term and expiration	Ceiling (maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)
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)
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⁾
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	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⁾
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (19 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽³⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾
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⁾
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⁾

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 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⁾
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⁾
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	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⁾
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may only be used during, or in the run-up to, a public offer for the Company's shares	May 23, 2019 AGM (25 th resolution) 26 months, i.e., until July 22, 2021	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾⁽⁸⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁹⁾
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⁾
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⁾
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⁾
Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares	May 23, 2019 AGM (29 th resolution) 24 months, i.e., until May 22, 2021	10% of the Company's capital
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

(1) This amount is included in the €20 million ceiling for capital increases set in the 16th resolution submitted to the shareholders' vote at 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 submitted to the shareholders' vote at the May 23, 2019 AGM.

(3) This amount is included in the €8 million ceiling for capital increases set in the 17th resolution submitted to the shareholders' vote at 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 submitted to the shareholders' vote at the May 23, 2019 AGM.

(5) The ceilings applicable to the 16th, 17th, 18th and 19th resolutions submitted to the shareholders' vote at 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 submitted to the shareholders' vote at 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 submitted to the shareholders' vote at the May 23, 2019 AGM.

(8) 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 23, 2019 AGM.

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

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



SUMMARY TABLE OF 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, 2018
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	June 15, 2017 AGM (17 th resolution) 26 months, i.e., until August 14, 2019	€20 million €2 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	June 15, 2017 AGM (18 th resolution) 26 months, i.e., until August 14, 2019	€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	June 15, 2017 AGM (19 th resolution) 26 months, i.e., until August 14, 2019	€8 million ⁽¹⁾⁽³⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may not be used during, or in the run-up to, a public offer for the Company's shares	June 15, 2017 AGM (20 th resolution) 26 months, i.e., until August 14, 2019	€8 million ⁽¹⁾⁽³⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾	Amount used at Dec. 31, 2018: €699,999,983.10 Amount remaining at Dec. 31, 2018: €1,100,000,016.90
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 17 th , 18 th , 19 th or 20 th resolutions), which may not be used during, or in the run-up to, a public offer for the Company's shares	June 15, 2017 AGM (21 st resolution) 26 months, i.e., until August 14, 2019	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	June 15, 2017 AGM (22 nd resolution) 26 months, i.e., until August 14, 2019	€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	June 15, 2017 AGM (23 rd resolution) 26 months, i.e., until August 14, 2019	€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	June 15, 2017 AGM (24 th resolution) 26 months, i.e., until August 14, 2019	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁷⁾	None

Summary table of authorizations in force already granted to the Board of Directors

Type of authorization	Date of authorization Term and expiration	Ceiling (maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)	Amount used at December 31, 2018
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	June 15, 2017 AGM (25 th resolution) 26 months, i.e., until August 14, 2019	€8 million ⁽¹⁾⁽³⁾⁽⁶⁾⁽⁸⁾ €1.8 billion (debt securities) ⁽²⁾⁽⁴⁾⁽⁹⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code, which may only be used during, or in the run-up to, a public offer for the Company's shares	June 15, 2017 AGM (26 th resolution) 26 months, i.e., until August 14, 2019	€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 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	June 15, 2017 AGM (27 th resolution) 26 months, i.e., until August 14, 2019	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	June 15, 2017 AGM (28 th resolution) 26 months, i.e., until August 14, 2019	€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	June 15, 2017 AGM (29 th resolution) 26 months, i.e., until August 14, 2019	1% of the Company's capital ⁽¹⁾	None
Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares	June 15, 2017 AGM (30 th resolution) 24 months, i.e., until June 14, 2019	10% of the Company's capital	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 25, 2018 AGM (17 th resolution) 26 months, i.e., until July 24, 2020	0.40% of the Company's capital at the grant date	Amount used at Dec. 31, 2018: 0.13% of the Company's capital Amount remaining at Dec. 31, 2018: 0.27% of the Company's capital
Authorization for the Board of Directors to issue Class A Preferred Shares in the event of a public exchange offer initiated by the Company	June 15, 2017 AGM (33 rd resolution) 26 months, i.e., until August 14, 2019	€8 million ⁽¹⁾⁽³⁾⁽¹¹⁾	Amount used at Dec. 31, 2018: €5,330,211.60 Amount remaining at Dec. 31, 2018: €2,669,788.40

(1) This amount is included in the €20 million ceiling for capital increases set in the 17th resolution of the June 15, 2017 AGM.

(2) This amount is included in the €2 billion ceiling for issues of debt securities set in the 17th resolution of the June 15, 2017 AGM.

(3) This amount is included in the €8 million ceiling for capital increases set in the 18th resolution of the June 15, 2017 AGM.

(4) This amount is included in the €1.8 billion ceiling for issues of debt securities set in the 18th resolution of the June 15, 2017 AGM.

(5) The ceilings applicable to the 17th, 18th, 19th and 20th resolutions of the June 15, 2017 AGM will still apply if the option provided for in the 21st resolution of that AGM is used.

(6) This amount is included in the €8 million ceiling for capital increases set in the 23rd resolution of the June 15, 2017 AGM.

(7) This amount is included in the €2 billion ceiling for issues of debt securities set in the 23rd resolution of the June 15, 2017 AGM.

(8) This amount is included in the €8 million ceiling for capital increases set in the 24th resolution of the June 15, 2017 AGM.

(9) This amount is included in the €1.8 billion ceiling for issues of debt securities set in the 24th resolution of the June 15, 2017 AGM.

(10) The ceilings applicable to the 23rd, 24th, 25th and 26th resolutions of the June 15, 2017 AGM will still apply if the option provided for in the 27th resolution of that AGM is used.

(11) This amount is included in the €8 million ceiling for capital increases set in the 19th resolution of the June 15, 2017 AGM.



SAFRAN IN 2018

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 1.f in section 3.1 of the 2018 Registration Document).

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

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

The resulting changes in deferred tax have also been adjusted.

Recurring operating income

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

2018 BUSINESS REVIEW

All figures are presented in application of IFRS 15 and comparisons are established against full-year 2017 figures restated for the application of IFRS 15.

Zodiac Aerospace is fully consolidated in Safran's financial statements starting March 1, 2018.

The 2019 outlook is established taking into account the application of the new IFRS 16 accounting standard.

<i>(in € millions)</i>	2017	2018
Revenue	15,953	21,050
Recurring operating income	2,192	3,023
% of revenue	13.7%	14.4%
Profit from operations	2,102	2,908
Profit for the period attributable to owners of the parent	2,393	1,981
<i>From continuing operations</i>	<i>1,563</i>	<i>1,981</i>
<i>From discontinued operations</i>	<i>830</i>	<i>-</i>
Earnings per share attributable to owners of the parent (in €)		
<i>Continuing operations</i>	<i>3.81⁽¹⁾</i>	<i>4.60⁽²⁾</i>
<i>Discontinued operations</i>	<i>2.03⁽¹⁾</i>	<i>-</i>

(1) Based on the weighted average number of shares of 410,241,043 as of December 31, 2017.

(2) Based on the weighted average number of shares of 430,911,810 as of December 31, 2018.

Safran results: a very strong performance in 2018

Safran's adjusted revenue was €21,050 million for 2018, up 32.0% or €5,097 million on 2017. On an organic basis, revenue increased 10.4% as all activities contributed positively. Changes in scope had a net contribution of €3,781 million, of which €3,799 million related to the 10-month contribution of Zodiac Aerospace. The net impact of currency variations was a negative €338 million, reflecting a negative translation effect for non-euro revenues, principally US dollars, in the first half of 2018. The average USD/EUR spot rate was USD 1.18 to the euro in 2018 compared to USD 1.13 to the euro in 2017.

Adjusted recurring operating income was €3,023 million for 2018, up 37.9% compared to €2,192 million in 2017. This increase notably includes the 10-month contribution of €290 million from Zodiac Aerospace, as well as the positive currency impact of €175 million (the Group's hedged rate improved, at USD 1.18 for one euro in 2018 versus USD 1.21 for one euro in 2017). Recurring operating income margin stood at 14.4% of revenue compared to 13.7% in the same year-ago period. Profitability was up sharply for Aerospace Propulsion, Aircraft Equipment and Defense. Aircraft Interiors and Aerosystems activities performed in line with the guidance announced at the time of publication of the Group's earnings for first-half 2018. One-off items, mainly related to the restructuring and remaining transaction costs for the Zodiac Aerospace acquisition, as well as to the impairment of intangibles in relation with the termination of a program for €34 million, represented a negative €115 million in 2018.

Adjusted profit attributable to owners of the parent was €1,981 million (basic earnings per share: €4.60; diluted earnings per share: €4.54), compared to adjusted profit per share attributable to the Group's continuing operations of €1,563 million in 2017 (basic earnings per share: €3.81; diluted earnings per share: €3.74). It includes a net adjusted financial loss of €211 million, of which the cost of debt representing €67 million, as well as an adjusted tax expense of €638 million (23.7% effective tax rate).



Operations generated €1,781 million of free cash flow (including €92 million attributable to the former Zodiac Aerospace businesses), compared to €1,438 million in 2017. Free cash flow generation was driven by cash from operations of €3,098 million, which was devoted principally to investments in property, plant and equipment and intangible assets for €1,290 million. In the context of the CFM56-LEAP transition and of the consolidation of Zodiac Aerospace, working capital decreased slightly by €27 million, including the benefits of advance payments, notably from export contracts. Safran recorded a total cash outflow of €4,480 million related to the public tender offer⁽¹⁾ for Zodiac Aerospace shares and to the acquisition of Zodiac Aerospace minorities. In addition, Zodiac Aerospace's net debt of €1,039 million was consolidated into Safran's net debt. The consolidated net debt position was €3,269 million as of December 31, 2018 compared to a net cash position⁽²⁾ of €294 million as of December 31, 2017. Other outflows mainly included the repurchase of €522 million worth of Safran shares in two buyback tranches announced in March and June 2018. The repurchase of outstanding convertible bonds maturing in 2020, and the issuance in June 2018 of convertible bonds maturing on December 31, 2023, decreased net debt by a net amount of €128 million. Lastly, a dividend of €1.60 per share was approved by the shareholders at the Annual General Meeting of May 25, 2018 and was entirely paid in May 2018, impacting cash flow in the amount of €695 million.

The Group issued convertible bonds and floating-rate notes during the year to fund general corporate purposes. On June 21, 2018, Safran successfully issued bonds convertible into and/or exchangeable for new and/or existing shares (OCÉANE bonds) with a zero coupon for a total of €700 million. The bonds were offered at an issue price representing 100% of par, or a gross yield to maturity of 0.0%. The nominal unit value of the bonds was set at €140.10, representing a premium of 37.5% above the reference share price. Given that the issuance comprised 4,996,431 bonds, each potentially convertible into one Safran share, the maximum dilution would be 1.13% if new shares were issued for the entire redemption. At its Capital Markets Day on November 29, 2018, Safran announced its intention to repurchase shares for a total €700 million to cover the potential dilution from these convertible bonds, on top of the outstanding €2.3 billion share buyback program. On July 5, 2018, Safran also issued €500 million in two-year floating-rate notes at 100% of par and carrying a coupon of 3-month Euribor +33 basis points (floor at 0%).

On May 24, 2017, Safran announced its intention to implement a €2.3 billion ordinary share buyback program to run over the two years following the completion of the tender offer for Zodiac Aerospace shares. As of December 31, 2018, Safran had already repurchased 11.4 million shares under this program for a total of €1.22 billion. The program comprises two buyback tranches announced on March 27 and June 29, 2018 for a total €522 million (5.16 million shares), as well as the reassignment to the share buyback program of 6.25 million shares worth €702 million initially acquired to cover the potential dilution of convertible bonds issued in January 2016 and repurchased in November 2018. Further to the decision of the Board of Directors, these 11.4 million treasury shares were canceled on December 17, 2018. On January 10, 2019, Safran entered into an agreement with an investment services provider for a follow-on repurchase tranche, under which Safran will acquire up to €600 million worth of ordinary shares by May 10, 2019 at a unit price that may not exceed the maximum of €140 per share set by the November 27, 2018 Annual General Meeting. Between January 10, 2019 and February 22, 2019, Safran repurchased a total of €212 million worth of shares.

(1) A total of 26.65 million Safran Preferred Shares were also issued at a price of €84.18 as part of the public tender offer for Zodiac Aerospace shares.

(2) In the context of the financing of the public tender offer for Zodiac Aerospace shares, €2 billion in marketable securities were pledged and were therefore excluded from cash and cash equivalents at December 31, 2017. The pledge was fully lifted in March 2018.

**REVENUE AND RESULTS BY ACTIVITY** *(adjusted data)*

Segment breakdown of adjusted revenue (in € millions)	2017	2018
Aerospace Propulsion	9,357	10,452
Aircraft Equipment	5,260	5,395
Defense	1,316	1,386
Aerosystems ⁽¹⁾	N/A	1,785
Aircraft Interiors ⁽¹⁾	N/A	2,014
Holding company and other	7	20
TOTAL GROUP	15,953	21,050

(1) For the March to December 2018 period.

Segment breakdown of recurring operating income (in € millions)	2017	2018
Aerospace Propulsion	1,516	1,929
Aircraft Equipment	619	770
Defense	93	118
Aerosystems ⁽¹⁾	N/A	266
Aircraft Interiors ⁽¹⁾	N/A	20
Holding company and other	(36)	(80)
TOTAL GROUP	2,192	3,023

(1) For the March to December 2018 period.

Aerospace Propulsion

During 2018, orders and purchase commitments were received for 3,211 LEAP engines, with 15,620 engines still to be delivered at end-December 2018. Revenue was €10,452 million, up 11.7% compared to €9,357 million in 2017. On an organic basis, revenue increased 13.6%, driven by narrowbody engine deliveries (LEAP and CFM56) and civil aftermarket activities.

Original equipment revenue rose 14.4% (in euros) in 2018. The total number of narrowbody engine deliveries increased 13.6% from 1,903 to 2,162 engines, driven by the LEAP production ramp-up. LEAP shipments grew to 1,118 engines in 2018 (including 377 engines in fourth-quarter 2018) from 459 in 2017, while CFM56 volumes ramped down to 1,044 engines in 2018 from 1,444 in 2017. Helicopter turbines original equipment sales contributed to growth thanks to higher volumes. Headwinds to revenue included lower shipments of high-thrust engine modules and military original equipment sales. In 2018, 23 M88 engines were delivered versus 33 in 2017.

Service revenue was up 9.8% in euro terms and represented a 57.3% share of 2018 sales. Organic growth was driven by civil aftermarket activities and helicopter turbine services, partially offset by lower military support activities. Civil aftermarket revenue grew 12.2% in US dollar terms in 2018 thanks to rising spare part sales. In line with the trends highlighted upon publication of third-quarter 2018 revenue, civil aftermarket recorded growth of 5.5% in fourth-quarter 2018, reflecting seasonal changes in revenue recognition for service contracts.

Recurring operating income was €1,929 million, an increase of 27.2% compared to €1,516 million in 2017. Recurring operating margin grew from 16.2% to 18.5%. Profitability benefited from civil aftermarket growth, the higher contribution of helicopter turbine activities, the lower expensed R&D and the improved EUR/USD hedged rate.

The CFM56-LEAP transition was a tailwind of €15 million to recurring operating income growth in 2018 compared with 2017. The transition impact in 2018 was more favorable than initially anticipated, reflecting additional sales of CFM56 engines, notably spare engines. LEAP cost of sales reduction was in line with expectations.

Lower military sales were a headwind to profitability.



Aircraft Equipment

Revenue amounted to €5,395 million compared to €5,260 million in 2017. On an organic basis, revenue was up 5.6%.

Original equipment revenue grew 0.5% (or 3.6% organically) in 2018, mainly driven by rising volumes of nacelles. The ramp-up of nacelles for LEAP-1A-powered A320neo aircraft continued and reached 438 units in 2018 (235 units in 2017). A320neo nacelle deliveries started in second-half 2018 and amounted to 18 units over the full year. Higher sales of equipment (landing gear and wiring systems) for the Boeing 787 and the A320 family also contributed to original equipment growth. As indicated above, lower A380 volumes were a headwind to nacelles and wiring original equipment revenue.

Service revenue was up 7.1% (9.9% organically), driven by the higher contribution of carbon brakes as well as by nacelle and landing gear services.

Recurring operating income was €770 million, an increase of 24.4% compared to €619 million in 2017. Recurring operating margin improved very strongly from 11.8% to 14.3%. Higher volumes (notably in services) as well as significant cost reduction and productivity enhancement actions drove profitability growth. The improved EUR/USD hedged rate had a positive impact on profitability.

Defense

Revenue was €1,386 million, up 5.3% compared to €1,316 million in 2017. On an organic basis, revenue increased by 6.5%.

Growth in military sales was driven by increases in guidance and sighting systems as well as by portable optronics (LTLM II contract in the United States). Avionics revenue was also up thanks to electronics (FADEC for LEAP), optics equipment for telescopes and support activities.

Recurring operating income was €118 million, an increase of 26.9% compared to €93 million in 2017. Recurring operating margin grew from 7.1% to 8.5%. Profitability benefited from growing volumes and the continuing implementation of production cost reductions.

Aerosystems and Aircraft Interiors (activities resulting from the acquisition of Zodiac Aerospace and consolidated 10 months from March to December 2018)

Revenue of Zodiac Aerospace for the March to December period was €3,799 million (including an unfavorable currency impact for both Aerosystems and Aircraft Interiors). Recurring operating income amounted to €290 million (including €4 million of contribution to Holding company and other).

Aerosystems recorded revenue of €1,785 million. The broad-based organic growth in original equipment sales, notably for Electrical & Cockpit systems and Connected Cabin activities, was partially offset by lower services sales. Aerosystems' recurring operating income was €266 million, representing 14.9% of sales. Adverse currency variations and higher R&D charged to the P&L were a headwind to profitability. Organic growth of sales contributed positively.

Aircraft Interiors recorded revenue of €2,014 million. Despite organic growth in Cabin, the performance remained negatively impacted by lower volumes in Seats. Aircraft Interiors' recurring operating income was €20 million. The performance was driven by the first benefits of operational improvement plans and cost reduction programs. From March 1, 2017, to February 28, 2018, Aircraft Interiors recorded a loss of €112 million⁽¹⁾.

(1) Before the application of IFRS 15.



FULL-YEAR 2019 OUTLOOK

Compared with 2018 figures, Safran expects for 2019:

- > at an estimated average spot rate of USD 1.18 to the euro in 2019 (as in 2018), adjusted revenue to grow in the range 7% to 9%, notably including the two additional months of contribution from Aerosystems and Aircraft Interiors (former Zodiac Aerospace activities) in 2019 compared with 2018; adjusted revenue should grow by around 5% on an organic basis;
- > adjusted recurring operating income to grow in the low teens (at a hedged rate of USD 1.18 to the euro as in 2018);
- > free cash flow to be around 55% of adjusted recurring operating income, a usual element of uncertainty being the rhythm of payments by State clients.

The guidance is based notably on the following assumptions:

- > increase in aerospace original equipment deliveries and notably of military engines;
- > civil aftermarket growth in the high single digits;
- > CFM56 - LEAP transition: overall negative impact on Propulsion adjusted recurring operating income variation in the range of €50 million to €100 million:
 - lower CFM56 OE volumes,
 - negative margin on OE LEAP deliveries;
- > Aircraft Interiors: 2019 to be a transition year for sales as time is required for new orders to drive stronger revenue growth; continuing improvement of recurring operating income margin;
- > increase of self-funded R&D in the range of €150 million to €200 million:
 - negative impact on recurring operating income after activation and amortization of capitalized R&D;
- > increase in investments in property, plant and equipment.

FIVE-YEAR FINANCIAL SUMMARY OF THE COMPANY

(in €)	2014	2015	2016	2017	2018
Capital at December 31					
Share capital	83,405,917	83,405,917	83,405,917	83,405,917	87,153,590.20
Number of ordinary shares outstanding	417,029,585	417,029,585	417,029,585	417,029,585	435,767,951
Financial results					
Profit before tax, statutory employee profit-sharing, depreciation, amortization and provisions	218,114,906	1,564,574,645	767,391,743	1,251,397,582	1,621,981,388
Income tax expense	(135,606,853)	(102,700,757)	(52,805,019)	(33,064,752)	(211,350,763)
Statutory employee profit-sharing for the fiscal year	-	-	-	-	-
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions	654,303,872	1,648,209,397	969,870,638	1,359,762,344	1,705,042,464
Dividend payment	500,435,502	575,500,827	633,884,969	667,247,336	793,097,671
Per share data					
Profit after tax, statutory employee profit-sharing, but before depreciation, amortization and provisions > divided by the number of shares outstanding	0.85	4.00	1.97	3.08	4.21
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions > divided by the number of shares outstanding	1.57	3.95	2.33	3.26	3.91
Net dividend > per ordinary share outstanding	1.20	1.38	1.52	1.60	1.82
Employees					
Average number of employees during the fiscal year	1,370	1,519	1,577	1,624	1,774
Total payroll	124,923,990	133,628,961	140,807,877	145,288,974	173,747,142
Social security and other social welfare contributions	75,609,338	88,424,113 ⁽¹⁾	88,550,754 ⁽²⁾	95,952,479 ⁽³⁾	114,279,525 ⁽⁴⁾

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

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

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

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

STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 23, 2019

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

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

To the Shareholders,

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

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments 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 or commitments. 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 and commitments 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 and commitments already approved by the Annual General Meeting.

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

Agreements and commitments submitted for approval by the Annual General Meeting

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

Agreements and commitments already approved by the Annual General Meeting

Agreements and commitments authorized in previous years and having continuing effect during the year

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

1. With 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).

Lucie Muniesa, representative of the French State to the Board of Directors of your Company, and Patrick Gandil and Vincent Imbert, Directors put forward by the French State.

Nature, purpose, terms and conditions

Arianespace framework protocol

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.

2. With Ross McInnes, Chairman of the Board of Directors

Nature, purpose, terms and conditions

Continuation of the personal risk insurance coverage for the Chairman of the Board of Directors

On April 23, 2015, in accordance with Article L.225-42-1 of the French Commercial Code, the Board of Directors decided to authorize Ross McInnes to continue to be covered by the personal risk insurance plan set up for all Safran Group employees, subject to the same terms and conditions as the other plan members. Mr. McInnes was previously a beneficiary under the plan in his former capacity as a Company employee, then as Deputy Chief Executive Officer, as decided by the Board of Directors at its July 27, 2011 meeting. This includes, as decided by the Board of Directors at its December 17, 2014 meeting, the Group's Accidental Death and Disability insurance coverage, which was added to the coverage already provided for under the Group Personal Risk Insurance Plan, effective from January 1, 2015.

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

This commitment was approved the Annual General Meeting of May 19, 2016.

The corresponding expense recorded in the 2018 financial statements in respect of this agreement amounted to €6,302.

3. With Philippe Petitcolin, Chief Executive Officer

Nature, purpose, terms and conditions

Continuation of the personal risk insurance coverage for the Chief Executive Officer

On April 23, 2015, in accordance with Article L.225-42-1 of the French Commercial Code, the Board of Directors decided to authorize Philippe Petitcolin to continue to be covered by the personal risk insurance plan set up for all Safran Group employees, subject to the same terms and conditions as the other plan members. Mr. Petitcolin was previously a beneficiary under the plan in his former capacity as a Company employee. This includes the Group's Accidental Death and Disability insurance coverage, which was added to the coverage already provided for under the Group Personal Risk Insurance Plan, effective from January 1, 2015.

The contributions to the plans are based on the compensation (fixed and variable) that Mr. Petitcolin receives for his role as Chief Executive Officer.

This commitment was approved the Annual General Meeting of May 19, 2016.

The corresponding expense recorded in the 2018 financial statements in respect of this agreement amounted to €6,088.

Supplementary pension system for the Chief Executive Officer

On March 23, 2017, the Board of Directors decided to change Safran's supplementary pension system. In this context:

- this defined benefit plan (Article 39 Plan) was closed to new entrants and existing entitlements frozen as from December 31, 2016;
- to compensate for the closure of this plan, a defined contribution plan was set up (Article 82 Plan) for senior managers in France, effective from January 1, 2017.

Voluntary collective defined contribution plan (Article 82 Plan)

Unlike for the defined benefit plan (Article 39), this 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 Y-1 (Insurer Contribution) and which may represent up to 12.7% of that reference compensation;
- 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 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.



Closing the defined benefit plan (Article 39 Plan) to new entrants and freezing existing entitlements

When Philippe Petitcolin was appointed as Chief Executive Officer on April 23, 2015, the Board of Directors decided to authorize him to continue to be a beneficiary of Safran's defined benefit supplementary pension plan set up pursuant to Article 39 of the French Tax Code (*Code général des impôts*), subject to the same terms and conditions as the other plan members. The Chief Executive Officer was previously a beneficiary under the plan in his former capacity as an employee. The commitment given by the company to enable Mr. Petitcolin to continue to be a beneficiary of this plan was approved at the Annual General Meeting of May 19, 2016. 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, 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 Chief Executive Officer will correspond to 18%.
- > 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 payment of this 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.

At its meeting on March 23, 2017, the Board of Directors decided that the Chief Executive Officer could be a beneficiary under the new supplementary pension plan system. These commitments were approved by the Annual General Meeting of June 15, 2017 in its 5th resolution.

Concerning the Article 82 Plan, the Insurer Contribution and the Additional Payment to the Chief Executive Officer for 2018 amounted to €171,349.44 each (i.e., a total of €342,698.88).

4. 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 relating to a credit facility

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 which 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 2018, a €202,627.38 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).

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

Persons concerned

Lucie Muniesa, representative of the French State to the Board of Directors of your Company, and Patrick Gandil and Vincent Imbert, Directors put forward by the French State.

Nature, purpose, terms and conditions

ArianeGroup Holding (AGH) Agreement, Ariespace 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 that are 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;
- > 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 agreement of December 21, 2004 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:

- > **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; and
- > **the Arianespace Agreement:** an agreement between the French State and AGH relating to Arianespace Participation and Arianespace SA shares, entered into in the presence of Safran and Airbus Group.

The following agreements were entered into at the same time:

- > **the Pre-emption Agreement:** an agreement between Safran, Airbus Group SE and the French State, which sets out the conditions under which Airbus Group SE 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.

> **addendum no. 6 to the agreement of December 21, 2004 between Safran and the French State:**

This addendum dated December 21, 2004 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.

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).

Agreements and commitments approved during the year

We were informed of the implementation during the year of the following agreements and commitments, already approved by the May 25, 2018 Annual General Meeting, as indicated in the Statutory Auditors' special report of March 27, 2018.

1. With Ross McInnes, Chairman of the Board of Directors

Nature, purpose, terms and conditions

The Chairman of your Company was a beneficiary of the two defined contribution supplementary pension plans set up in France pursuant to Article 83 of the French Tax Code for senior executives of the Group:

- > the Safran SA Article 83 Core Plan approved in accordance with the procedure applicable to related-party commitments by way of a decision of the Board of Directors on April 23, 2015 and by the shareholders at the May 19, 2016 Annual General Meeting;
- > the Article 83 Additional Plan set up in 2017, approved in accordance with the procedure applicable to related-party commitments by way of a decision of the Board of Directors on March 23, 2017 and were submitted for a shareholder vote at the June 15, 2017 Annual General Meeting.



Two amendments were made to the two Article 83 plans at the end of 2017 following a collective bargaining process with the relevant trade unions, were amended in order to harmonize Group-wide in France this major element of the compensation packages of French managerial staff.

The substance of the commitments relating to the Article 83 plans was not changed and the overall rates of contributions paid under the two new plans do not lead to any increase in the benefit entitlement in substance. However, the pension benefit commitments have, on a separate and individual basis, been amended and replaced by a new system, their form has been altered as follows:

The Safran SA Article 83 Core Plan was replaced by a new Group-level Article 83 Core Plan by way of an agreement signed by your Group on November 6, 2017.

This new Group-level agreement provides:

- > for the plan to be financed through employer contributions corresponding to the following rates of the various tranches of beneficiaries' compensation: 1.5% of Tranche A, 4% of Tranches B and C and no contributions on Tranche D (whereas the previous plan was financed through employer contributions amounting to 2% of the beneficiaries' gross compensation, with no cap, i.e., including on Tranche D);
- > expressly that its provisions "will automatically replace all of the provisions in force in all consolidated companies" (including Safran SA).

The Article 83 Additional Plan was amended and replaced by way of a new unilateral decision taken by your Company, which provides:

- > for the contribution rates for the Article 83 Additional Plan to be changed to 6.5% on Tranche A and 4% on Tranches B and C;
- > that this plan "[...] replaces the plan set up on January 1, 2017" and that the Chairman and the Chief Executive Officer will be beneficiaries of the plan subject to the prior approval of the Board of Directors in accordance with the procedure for related-party agreements.

On February 26, 2018, your Board of Directors decided that the Chairman could be a beneficiary of the new Article 83 defined contribution supplementary pension plan system effective from January 1, 2018 under the same terms and conditions as the other managerial-grade staff who are beneficiaries under the system. The new Article 83 defined contribution supplementary pension plan system includes the following:

- > the Group's Article 83 Core Plan signed on November 6, 2017, which replaces your Company's previous plan with effect from January 1, 2018; and
- > the Article 83 Additional Plan set up by way of a unilateral decision made by your Company, which replaces the previous plan with effect from January 1, 2018.

This commitment was approved the Annual General Meeting of May 25, 2018.

The expenses recorded by your Company in the 2018 financial statements relating to the contributions paid for Ross McInnes under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €11,721 and €13,708, respectively.

2. With Philippe Petitcolin, Chief Executive Officer

Nature, purpose, terms and conditions

The Chief Executive Officer of your Company was a beneficiary of the two defined contribution supplementary pension plans set up in France pursuant to Article 83 of the French Tax Code for senior executives of the Group:

- > the Safran SA Article 83 Core Plan approved in accordance with the procedure applicable to related-party commitments by way of a decision of the Board of Directors on April 23, 2015 and by the shareholders at the May 19, 2016 Annual General Meeting;
- > the Article 83 Additional Plan set up in 2017, approved in accordance with the procedure applicable to related-party commitments by way of a decision of the Board of Directors on March 23, 2017 and were submitted for a shareholder vote at the June 15, 2017 Annual General Meeting.

In late 2017, further changes, identical to those described above for the Chairman, were made to these two Article 83 plans.

On February 26, 2018, the Board of Directors decided that the Chief Executive Officer could be a beneficiary of the new Article 83 defined contribution supplementary pension plan system effective from January 1, 2018 under the same terms and conditions as the other managerial-grade staff who are beneficiaries under the system. The new Article 83 defined contribution supplementary pension plan system includes the following:

- > the Group's Article 83 Core Plan signed on November 6, 2017, which replaces your Company's previous plan with effect from January 1, 2018; and
- > the Article 83 Additional Plan set up by way of a unilateral decision made by your Company, which replaces the previous plan with effect from January 1, 2018.

This commitment was approved the Annual General Meeting of May 25, 2018.

The expenses recorded by your Company in the 2018 financial statements relating to the contributions paid for Philippe Petitcolin under the Article 83 Core Plan and the Article 83 Additional Plan amounted to €27,614 and €13,708, respectively.



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

Persons concerned

Lucie Muniesa, representative of the French State to the Board of Directors of your Company, and Patrick Gandil and Vincent Imbert, Directors put forward by the French State.

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 national independence, the French State therefore 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 supersedes the 2004 Agreement, and notably provides as follows:

On corporate governance matters:

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

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

- the French State shall have a prior right of approval over:
 - sales of assets (other than those that do not affect the defense activities) owned by strategic subsidiaries and accordingly identified as strategic; sales of shares in strategic subsidiaries Safran Ceramics and Safran Power Units; and sales of shares in ArianeGroup Holding,
 - 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, ArianeGroup Holding 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 ArianeGroup Holding, 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 ArianeGroup Holding at a price to be set by a panel of experts.

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.

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

Agreements and commitments authorized and signed in prior years but not approved by the Annual General Meeting

We hereby report to you on the following commitment which was authorized and entered into during 2017 and was not approved by the Annual General Meeting of June 15, 2017.

With Ross McInnes, Chairman of the Board of Directors

Nature, purpose, terms and conditions

Supplementary pension plan for the Chairman of the Board of Directors

On March 23, 2017, the Board of Directors decided to change Safran's supplementary pension system. In this context:

- This defined benefit plan (Article 39 Plan) was closed to new entrants and existing entitlements frozen as from December 31, 2016.
- To compensate for the closure of this plan, a defined contribution plan was set up (Article 82 Plan) for senior managers in France, effective from January 1, 2017:

Voluntary collective defined contribution plan (Article 82 Plan)

Unlike for the defined benefit plan (Article 39), this 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 Y-1 (Insurer Contribution) and which may represent up to 12.7% of that reference compensation;
- 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 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.

Closing the defined benefit plan (Article 39) to new entrants and freezing existing entitlements

When Ross McInnes was appointed as Chairman on April 23, 2015, the Board of Directors decided to authorize him to continue to be a beneficiary of Safran's defined benefit supplementary pension plan set up pursuant to Article 39 of the French Tax Code, subject to the same terms and conditions as the other plan members. The Chairman was previously a beneficiary under the 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 is now closed to new entrants and the benefit entitlements have been frozen, including for the Chairman. 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, 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 payment of this 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.

At its meeting on March 23, 2017, the Board of Directors decided that the Chairman could be a beneficiary under the new supplementary pension plan system. These commitments were rejected by the Annual General Meeting of June 15, 2017 in its 4th resolution. On the recommendation of the Appointments and Compensation Committee, at its July 27, 2017 meeting, the Board of Directors ratified its decision of March 23, 2017 to include the Chairman as a beneficiary under the new supplementary pension plan system, subject to the same terms and conditions as the other managerial-grade staff who are beneficiaries under the system.

Concerning the Article 82 Plan, the Insurer Contribution and the Additional Payment to the Chairman for 2018 amounted to €12,897.48 each (i.e., a total of €25,794.96).

Courbevoie and Paris-La Défense, March 27, 2019

The Statutory Auditors

MAZARS

Gaël Lamant

Christophe Berrard

ERNST & YOUNG et Autres

Jean-Roch Varon

Nicolas Macé



STATUTORY AUDITORS' REPORTS ON THE PROPOSED AUTHORIZATIONS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 23, 2019

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 (sixteenth, seventeenth, eighteenth, nineteenth, twenty-second, twenty-third, twenty-fourth and twenty-fifth 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 readers. 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 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 your Company or securities carrying rights to ordinary shares existing or to be issued of your Company, without cancellation of pre-emptive subscription rights (sixteenth resolution),
- issuing by way of public offering ordinary shares of your Company or securities carrying rights to ordinary shares existing or to be issued of your Company, with cancellation of the pre-emptive subscription rights (seventeenth resolution),
- issuing shares or securities carrying rights to shares of your Company, in the event of a public exchange offer initiated by your Company (eighteenth resolution),
- issuing ordinary shares of your Company or securities carrying rights to ordinary shares existing or to be issued of your Company, within the scope of an offering set out in section II of Article L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), with cancellation of pre-emptive subscription rights (nineteenth resolution).

➤ During, or in the run-up to, a public offer for the Company's shares:

- issuing ordinary shares of your Company or securities carrying rights to ordinary shares existing or to be issued of your Company, without cancellation of pre-emptive subscription rights (twenty-second resolution),
- issuing by way of public offering ordinary shares of your Company or securities carrying rights to ordinary shares existing or to be issued of your Company, with cancellation of the pre-emptive subscription rights (twenty-third resolution),
- issuing shares or securities carrying rights to shares of your Company, in the event of a public exchange offer initiated by your Company (twenty-fourth resolution),
- issuing ordinary shares of your Company or securities carrying rights to ordinary shares existing or to be issued of your Company, within the scope of an offering set out in section II of Article L.411-2 of the French Monetary and Financial Code, with cancellation of pre-emptive subscription rights (twenty-fifth resolution).

The maximum aggregate nominal amount of any capital increases likely to be realized immediately or in the future may not, according to the sixteenth resolution, exceed €20 million under the sixteenth to twenty-eighth (or on the basis of the delegations granted by any similar resolution that may supersede such resolution during the period of validity of the present 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 seventeenth to nineteenth resolutions,
- the maximum aggregate nominal amount of any capital increases likely to be realized, individually by authorization and cumulatively, may not exceed €8 million according to the twenty-third to twenty-fifth resolutions, this amount will count towards the sub-ceiling of €8 million set by the seventeenth and twenty-second resolutions.

The maximum aggregate nominal amount of any debt securities likely to be issued immediately or in the future may not, according to sixteenth resolution, exceed €1.8 billion under the sixteenth to twentieth resolutions and the twenty-second to the twenty-sixth resolutions (or on the basis of the delegations granted by any similar resolution that may supersede such resolution during the period of validity of the present delegation), it been specified that:

- the nominal amount of any debt securities likely to be issued, may not, individually and cumulatively, exceed €1.8 billion according to the seventeenth to nineteenth resolutions,
- the nominal amount of any debt securities likely to be issued, individually by authorization and cumulatively, may not exceed €1.8 billion according to the twenty-third to twenty-fifth resolutions, this amount will count towards the sub-ceiling of €1.8 billion set by the seventeenth to twenty-second resolutions.



STATUTORY AUDITORS' REPORTS PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 23, 2019

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 sixteenth, seventeenth, eighteenth and nineteenth resolutions if you vote in favor of the twentieth resolution and within the scope of the implementation of the delegations referred in the twenty-second, twenty-third, twenty-fourth and twenty-fifth resolutions, if you vote in favor of the twenty-sixth resolution, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code.

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 have performed those procedures which we considered necessary to comply with the professional guidance issued by the French National Institute of Statutory Auditors (*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 of the capital securities to be issued provided in the Board of Directors' report in respect of the seventeenth, nineteenth, twenty-third and twenty-fifth resolutions.

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

As the issue price of the capital securities has not yet been determined, we cannot report on the final conditions for the issue, and, consequently, on the cancellation of pre-emptive subscription rights proposed in the seventeenth, nineteenth, twenty-third and twenty-fifth resolutions.

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

Courbevoie and Paris-La Défense, March 27, 2019

The Statutory Auditors

MAZARS

Gaël Lamant

Christophe Berrard

ERNST & YOUNG et Autres

Jean-Roch Varon

Nicolas Macé



Statutory Auditors' report on the share capital increase reserved for employees who are members of Group employee savings plans (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 readers. 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.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 carry out a capital increase by means of the issue of ordinary shares with cancellation of pre-emptive subscription rights, reserved for employees of the Company, or of companies related to it within the meaning of Article L.225-180 of the French Commercial Code, who are members of Group savings plans or of any company savings plan existing within your Group, an operation on which you are called to vote.

The maximum nominal amount of any capital increase(s) carried out under this authorization would not represent over 1% of the Company's capital at the date of the Board of Directors' decision to carry out the issue. This ceiling shall be included in the blanket ceiling of €20 million applicable to capital increases as defined in the sixteenth resolution of this Annual General Meeting.

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

Your Board of Directors proposes that, on the basis of its report, it be authorized, for a period of 26 months from the date of this Meeting, to decide on whether to proceed to carry out one or more capital increases, and proposes to cancel your pre-emptive subscription rights to ordinary shares 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 and R.225-114 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 share issue contained in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price.

Subject to a subsequent examination of the conditions for the capital increase that would be decided, we have no matters to report as to the methods used to determine the issue price for the ordinary shares to be issued provided in the Board of Directors' report.

As the final conditions of the capital increase have not yet been determined, we cannot report on the final conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, when your Board of Directors has used this authorization.

Courbevoie and Paris-La Défense, March 27, 2019

The Statutory Auditors

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Nicolas Macé



Statutory Auditors' report on the share capital decrease (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 readers. 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.225-209 of the French Commercial Code (*Code de commerce*), in respect of the share capital decrease by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for 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, on one or more occasions, 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 Institute of Statutory Auditors (*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 terms and conditions of the proposed capital reduction.

Courbevoie and Paris-La Défense, March 27, 2019

The Statutory Auditors

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Nicolas Macé



Statutory Auditors' special report on the authorization to grant new or existing shares, free of consideration (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 readers. 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 new or existing shares of the Company, 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 (ii) corporate officers of your 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, which is submitted for your approval.

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.

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.

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). Your Board of Directors proposes that, on the basis of its report, it be authorized, for a period of 26 months from the date of this Meeting, to grant new or existing 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 conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted 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 new or existing shares of the Company, free of consideration.

Courbevoie and Paris-La Défense, March 27, 2019

The Statutory Auditors

MAZARS


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Christophe Berrard

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Nicolas Macé



REQUEST ADDITIONAL DOCUMENTS AND INFORMATION

Article R.225-83 of the French Commercial Code⁽¹⁾

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD ON MAY 23, 2019

Request to be sent to:

BNP Paribas Securities Services

CTS Émetteurs Assemblées
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex, France

I, the undersigned,

Name (or corporate name):

Address:

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 to be held on May 23, 2019.

Signed in _____, on: _____ 2019

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 23, 2019), all you need to do is:

- > fill out the reply slip below (also available on www.safran-group.com) by clearly writing your 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. on May 22, 2019.



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 information 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 23, 2019.**

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: _____ 2019

Signature:

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BY TRUST**

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