

# ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF TUESDAY MAY 28, 2013

## ADDENDUM TO THE NOTICE OF MEETING

On April 16, 2013, the representatives of the Safran Investissement, Safran Mixte Solidaire, Safran Ouverture and Safran Dynamique corporate mutual funds requested the addition of two resolutions to the agenda of the Ordinary and Extraordinary Shareholders' Meeting of May 28, 2013 by email sent to [actionnaire.individuel@safran.fr](mailto:actionnaire.individuel@safran.fr). Accordingly, the agenda is as follows:

### Agenda

#### Ordinary resolutions

First resolution:	Approval of the parent company financial statements for the year ended December 31, 2012;
Second resolution:	Approval of the consolidated financial statements for the year ended December 31, 2012;
Third resolution:	Appropriation of profit for the year and approval of the recommended dividend
Fourth resolution:	Related-party agreements and commitments governed by articles L.225-38 and L.225-42-1 of the French Commercial Code;
Fifth resolution:	Re-appointment of Jean-Marc Forneri as a Director;
Sixth resolution:	Appointment of Monique Cohen as a Director;
Seventh resolution:	Appointment of Christian Streiff as a Director;
Eighth resolution:	Appointment of four Directors representing the French State;
Ninth resolution:	Setting the amount of attendance fees to be allocated to the Board of Directors;
Tenth resolution:	Authorization for the Board of Directors to carry out a share buyback program.

#### Extraordinary resolutions

Eleventh resolution:	Authorization for 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;
Twelfth 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, through a public offering;

- Thirteenth resolution: 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 offering initiated by the Company;
- Fourteenth 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, through a private placement governed by article L.411-2-II of the French Monetary and Financial Code;
- Fifteenth 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;
- Sixteenth resolution: Authorization for the Board of Directors to issue ordinary shares in payment for another company's shares and/or securities carrying rights to shares, without pre-emptive subscription rights for existing shareholders;
- Seventeenth resolution: Authorization for the Board of Directors to increase the Company's capital by capitalizing reserves, retained earnings or additional paid-in capital;
- Eighteenth resolution: Authorization for the Board of Directors to issue ordinary shares to employees who are members of a Safran Group employee savings plan, without pre-emptive subscription rights for existing shareholders;
- Nineteenth resolution: Blanket ceilings on authorizations to issue shares and/or other securities;
- Twentieth resolution: Authorization for the Board of Directors to grant stock options to employees of the Company and other companies in the Safran Group, with a waiver of shareholders' pre-emptive subscription rights;
- Twenty-first resolution: Authorization for the Board of Directors to make free grants of existing or newly-issued Safran shares to employees of the Company and other companies in the Safran Group, with a waiver of shareholders' pre-emptive subscription rights.

### **Extraordinary resolution proposed by shareholders**

- Twenty-second resolution: Appointment of one or more employee Directors representing all the employees of the Company and those of its direct and indirect subsidiaries which have their registered office located in France.

### **Ordinary resolution proposed by shareholders**

- Twenty- third resolution: Alternative resolution to the third resolution (Appropriation of profit for the year and approval of the recommended dividend).

### **Resolution relating to powers for formalities**

- Twenty-fourth resolution: Powers to carry out formalities

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The text of the first proposed resolution, the reasons given by the Safran Investissement, Safran Mixte Solidaire, Safran Ouverture and Safran Dynamique corporate mutual funds and the Board of Directors' recommendation are presented below:

### **Text of the first proposed resolution**

#### ***Twenty-second resolution***

*Appointment of one or more employee Directors representing all the employees of the Company and those of its direct and indirect subsidiaries which have their registered office located in France*

*Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary General Meetings, the shareholders resolve to appoint one or more employee Directors representing all the employees of the Company and those of its direct and indirect subsidiaries which have their registered office located in France.*

### **Reasons put forward by the Safran Investissement, Safran Mixte Solidaire, Safran Ouverture and Safran Dynamique corporate mutual funds**

*The representatives of the Safran Investissement, Safran Ouverture, Safran Dynamique and Safran Mixte Solidaire corporate mutual funds, together representing 6.8% of the share capital of the Safran Group (at February 28, 2013), submit to the General Meeting for approval a resolution which would enable all the employees of Safran to participate in the Group's governance.*

*This measure is covered by the provisions of the French Commercial Code according to which employee Directors representing all employees may be appointed in addition to the legally required representation of employee shareholders when the shares held by the employees represent more than 3% of the share capital of the companies concerned.*

*Pursuant to these same regulatory provisions, there are two Directors representing employee shareholders on Safran's Board of Directors. However, not all Safran Group employees are Safran shareholders. The purpose of this resolution is to ensure that all Safran Group employees are represented, in their capacity as employees, on the Board of Directors, irrespective of whether or not they own Safran shares.*

### **Board of Directors' recommendation on the first proposed resolution**

The Board of Directors considers that this resolution can be agreed to insofar as it is a stated principle of the corporate mutual funds, in line with the French government's draft law to enhance the job market, and will be implemented in accordance with said draft law once the corresponding amendments to the bylaws have been approved.

Therefore, the Company's Board of Directors has decided to agree to the first resolution which the Safran Investissement, Safran Mixte Solidaire, Safran Ouverture and Safran Dynamique corporate mutual funds have asked to be added to the agenda and recommends its adoption.

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The text of the second proposed resolution, the reasons given by the Safran Investissement, Safran Mixte Solidaire, Safran Ouverture and Safran Dynamique corporate mutual funds and the Board of Directors' recommendation are presented below

### Text of the second proposed resolution

#### **Twenty-third resolution**

*Alternative resolution to 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, the shareholders resolve to amend the appropriation of profit for the year ended December 31, 2012 as follows:*

Profit for 2012	€ 764,947,485.13
Retained earnings <sup>(1)</sup>	€ 2,968,322.77
Profit available for distribution	€ 767,915,808.90
<b>Appropriation:</b>	
Dividend	€ 321,112,780.50
Retained earnings	€ 446,803,027.40
<i>(1) Including €2,174,554 corresponding to the 2011 dividend due on shares held in treasury at the dividend payment date.</i>	

*Accordingly, the dividend paid will be €0.77 per share.*

*An interim dividend of €0.31 per share was paid on December 20, 2012. The ex-dividend date for the remaining payout of €0.46 per share will be June 3, 2013 and the dividend will be paid on June 6, 2013.*

*Individual shareholders domiciled for tax purposes in France are eligible for 40% tax relief on the amount of their interim dividend, as provided for under article 158, 3-2° of the French Tax Code, unless they have elected to pay the 21% dividend withholding tax provided for under article 117 quater of said Code.*

*They also qualify for this 40% tax relief on the balance of the dividend payment.*

*The shareholders resolve that dividends which are not payable on shares held in treasury will be credited to retained earnings.*

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

Year	Number of shares carrying rights <sup>(1)</sup>	Net dividend per share	Total payout <sup>(3)</sup>
2011	415,843,977 <sup>(2)</sup>	€ 0.62	€ 256,383,789
2010	406,335,324	€ 0.50	€ 203,167,662
2009	402,833,124	€ 0.38	€ 153,076,587
<i>(1) Total number of shares making up the Company's capital (417,029,585) less the number of Safran shares held in treasury at the dividend payment date.</i>			
<i>(2) An interim dividend (€0.25) was paid on 410,086,070 shares and the balance (€0.37) was paid on 415,843,977 shares.</i>			
<i>(3) Fully eligible for the 40% tax relief provided for under Article 158, 3-2° of the French Tax Code.</i>			

### **Reasons put forward by the Safran Investissement, Safran Mixte Solidaire, Safran Ouverture and Safran Dynamique corporate mutual funds**

*The third resolution proposes a 55% increase in the dividend payment for 2012 compared to 2011, in line with the year-on-year increase in the Company's adjusted profit.*

*The alternative resolution proposes an increase in the dividend payment for 2012 compared to 2011 in line with the increase in recurring operating income, a pertinent indicator of the Group's performance, which advanced 23.7% year on year.*

*This alternative resolution allows a steady increase in the dividend payment to be maintained, while allowing the Group to appropriate the difference to retained earnings and thereby increase its investment capacity.*

### **Board of Directors' recommendation on the second proposed resolution**

The Board of Directors considers that there is no reason to change the amount of the dividend proposed to the General Meeting, which was decided on the basis of the Group's results for 2012 and the budget for 2013 which confirms the Company's capacity to pay the said amount.

Therefore, the Company's Board of Directors has decided not to agree to the second proposed resolution which the Safran Investissement, Safran Mixte Solidaire, Safran Ouverture and Safran Dynamique corporate mutual funds have asked to be added to the agenda and does not recommend its adoption.

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As a result of the addition of these two proposed resolutions to the agenda, the numbering of the resolutions changes, i.e., the twenty-second resolution (Powers to carry out formalities) published in the French legal gazette (*Bulletin des annonces légales obligatoires* – BALO) on March 27, 2013, number 37, notice no. 1300981, becomes the twenty-fourth resolution.