

## 2021 Long-Term Incentive Plan

### Grant of performance shares to the Chief Executive Officer

Acting on the recommendation of the Appointments and Compensation Committee, at its March 24, 2021 meeting, the Board of Directors decided to grant performance shares to certain Group managers and senior executives which aims to recognize contributions to Safran's operating performance and the creation of shareholder value, as measured over a period of several years.

As part of this 2021 Long Term "Incentive" Plan, the Board of Directors decided to grant 14,466 performance shares to Olivier Andriès, Chief Executive Officer, which represented less than 2% of the total grant and complies with the compensation policy applicable to the Chief Executive Officer<sup>1</sup>.

All of the performance shares granted to the Chief Executive Officer are subject to the achievement of internal and external performance conditions. The vesting period has been set at three years (2021-2023) and the number of shares that will ultimately vest will depend on the extent to which the applicable conditions are achieved over that period. The performance shares delivered to the Chief Executive Officer at the end of this vesting period will be subject to a one-year lock-up period.

Standard internal performance conditions (70%):

- The two standard internal performance conditions count for 70% of the total vested shares and are based equally on recurring operating income (ROI)<sup>2</sup> and free cash flow (FCF)<sup>2</sup>.

External condition – TSR (30%):

- 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 composite index that 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<sup>®</sup> 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.

A description of these conditions (achievement level, target performance, ceiling) and other key terms presented to shareholders at the May 23, 2019 Annual General Meeting, which authorized the Board of Directors to carry out such grants, is provided in Safran's Universal Registration Documents.

The Board also recalled that following the lock-up period, the Chief Executive Officer is required to hold 40% of the vested performance shares delivered to him under performance share plans, until the number of performance shares he holds represents the equivalent of one year of his most recent annual fixed compensation. In addition, the Chief Executive Officer will be required to hold in registered form, until his term of office as Chief Executive Officer ends, a minimum of 500 of the vested performance shares delivered to him under each of the performance share plans under which he is granted performance shares during his term of office as Chief Executive Officer.

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<sup>1</sup> 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), as estimated prior to the grant date and mentioned in the compensation policy for the Chief Executive Officer described in section 6.6.1.4 of the 2019 Universal Registration Document and approved by shareholders at the May 28, 2020 Annual General Meeting, and in section 6.6.1.4 of the 2020 Universal Registration Document.

<sup>2</sup> See section 6.6.1.4 of the 2019 and 2020 Universal Registration Documents.

## 2018 Long-Term Incentive Plan

### Determination of the achievement rate at the end of the performance measurement period

At its meeting on March 24, 2021, on the recommendation of the Appointments and Compensation Committee, the Board of Directors placed on record the achievement rates for the performance conditions of the 2018 Long-Term Incentive Plan granted on July 24, 2018 for each category of beneficiary.

As a reminder, the number of performance shares to be delivered at the end of the three-year vesting period depended on the extent to which (i) “standard” internal performance conditions (ROI and FCF), (ii) “additional” performance conditions relating to the performance and integration of the new Zodiac Aerospace scope for a limited number of beneficiaries and (iii) external performance conditions (TSR) were met over the 2018-2020 period. A description of these conditions (achievement level, target performance, ceiling) and other key terms presented to shareholders at the May 25, 2018 Annual General Meeting, which had authorized the Board of Directors to carry out such grants, is provided in Safran’s Universal Registration Documents<sup>3</sup>.

The overall achievement rates are as follows:

- 85.63% for beneficiaries subject to additional performance conditions relating to the performance and integration of the new Zodiac scope, including the former Chief Executive Officer;
- 93.20% for members of the Executive Committee to which the additional conditions were not applicable, including the current Chief Executive Officer;

taking into account the respective weighting and achievement rates of the different performance conditions applicable<sup>4</sup>.

As a result, the number of shares to be delivered at the end of the vesting period (July 26, 2021) comes out at:

- 5,498 shares for Olivier Andriès, a beneficiary of this plan under his employment contract and as a member of the Executive Committee, prior to his appointment as Chief Executive Officer;
- 11,645 shares for Philippe Petitcolin, former Chief Executive Officer<sup>5</sup>.

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<sup>3</sup> See section 6.6.4.2 of the 2018 Registration Document.

<sup>4</sup> The achievement rates for the different performance conditions were as follows:

- ROI: 100.7% achievement, representing a vesting rate of 80.6% for the shares contingent on this condition;
- FCF: 141.1% achievement, representing a vesting rate of 100% for the shares contingent on this condition;
- Safran TSR: 20.1 points higher than that of the peer companies, representing a vesting rate of 100% for the shares contingent on this condition;
- Zodiac ROI: 54.2% achievement, representing a vesting rate of 0% for the shares contingent on this condition;
- synergies from the Zodiac acquisition: 160% achievement, representing a vesting rate of 100% for the shares contingent on this condition.

<sup>5</sup> See also section 6.6.2.3.2 of the 2020 Universal Registration Document.