

## CHIEF EXECUTIVE OFFICER COMPENSATION FOR 2021

Acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors reviewed and set certain components of the compensation package and policy applicable to the new Chief Executive Officer, Olivier Andriès, whose term of office will begin on January 1, 2021.

### Fixed compensation set for the Chief Executive Officer for 2021

The annual fixed compensation due to the Chief Executive Officer, Olivier Andriès, in respect of 2021 is set at €800,000 (unchanged from that for the former Chief Executive Officer in respect of 2020).

### Compensation policy for the Chief Executive Officer for 2021

The compensation policy for the Chief Executive Officer approved by the shareholders at the Annual General Meeting of May 28, 2020 will continue to apply to the new Chief Executive Officer in 2021, without substantive modifications.

Should any subsequent adjustments to the compensation policy be deemed useful or necessary, they will be subject to a decision-making process prior to the notice of the 2021 Annual General Meeting, with all necessary and appropriate disclosures.

The compensation policy applicable to the Chief Executive Officer is recalled below and comprises:

- Fixed compensation.
- Annual variable compensation, two-thirds of which is contingent on quantitative financial performance objectives based on ROI, FCF and working capital, calculated by reference to operating assets (Inventories) and unpaid receivables; and one-third of which is contingent on quantitative and qualitative individual objectives to be set by the Board of Directors at its meeting to be held in February 2021.

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 – 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 – will represent a maximum of 150% of his annual fixed compensation.

- A long-term incentive (LTI) plan (which takes the form of performance share grants), subject to the conditions (including continuing service and performance conditions) and parameters set out in the compensation policy, the authorization granted by the shareholders at the Annual General Meeting and the LTI plan rules. The number of performance shares granted to the Chief Executive Officer under the plan may not:
  - represent more than the equivalent of 120% of his (gross) annual fixed compensation, based on the accounting value, in accordance with IFRS 2, 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.

- The other main components constituting or characterizing the compensation policy applicable to the Chief Executive Officer, the principles of which are unchanged, are as follows:
  - Eligibility for Safran's supplementary pension and personal risk insurance plans, subject to the same terms and conditions as the other plan members, under which he was previously a beneficiary in his prior capacity as a Company employee.

A Group-wide agreement provides that employer contributions to "Article 83" and "Article 82" defined contribution supplementary pension plans will be frozen in 2021. Accordingly, no contributions will be made in respect of the new Chief Executive Officer for 2021.
  - No directors' compensation (formerly "attendance fees").
  - No exceptional compensation.
  - No termination benefits in respect of his office as Chief Executive Officer.
  - No non-compete indemnities.

### **Maintenance and suspension of Olivier Andriès' employment contract on his appointment as Chief Executive Officer**

The Board acknowledged and decided that, from January 1, 2021, the date on which his term of office as Chief Executive Officer will take effect, Olivier Andriès' pre-existing employment contract will be maintained and automatically suspended. This is in line with the Group's policy of favoring internal promotion of talent wherever possible, which enables it to propose corporate officer positions to its senior managers who have the highest level of *savoir-faire*, share and relay the Group's culture and values, and have an in-depth knowledge of its markets. The Group opts to suspend, rather than terminate, employment contracts due to the fact that terminating an employment contract could deter Group employees from moving into top executive positions on account of the rights they could lose upon such termination (depending on their age and length of service with the Group).

In accordance with the "comply or explain" policy provided for in the Corporate Governance Code of Listed Corporations, the reasons for the maintenance and suspension of the new Chief Executive Officer's employment contract will be provided in the 2020 Universal Registration Document, and information on the matter and the related entitlements will be included in the Chief Executive Officer's compensation policy.

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All matters pertaining to corporate governance and components of compensation awarded to Safran's corporate officers are set out in detail in the Group's Registration Documents / Universal Registration Document.