



Appointment of Philippe Petitcolin as Chief Executive Officer and Ross McInnes as Chairman of the Board of Directors

Compensation for the period from April 24, 2015 to December 31, 2015

Appointment of Philippe Petitcolin; powers and compensation; continuation of his personal risk insurance benefits and supplementary pension benefits

At its meeting held following the Annual General Meeting of April 23, 2015, the Board of Directors opted to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

The directors appointed Philippe Petitcolin as Chief Executive Officer for a three-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, 2017.

In his capacity as Chief Executive Officer, Philippe Petitcolin will be responsible for the general management of the Company and will exercise his powers subject to the powers expressly vested by law in Shareholders' Meetings and the Board of Directors, and to the provisions of the bylaws and the Board of Directors' Internal Rules.

Philippe Petitcolin accepts that his employment contract will be suspended for the duration of his term as Chief Executive Officer.

Upon the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to set the compensation of Philippe Petitcolin in respect of his duties as Chief Executive Officer, with effect from April 24, 2015 inclusive, without prejudice to the attendance fees that he may receive in respect of his role as director as provided for in the Board of Directors' Internal Rules, as follows:

- A fixed component equal to a gross annual amount of €600,000.
- A short-term, variable component that will be determined, for each year, on the basis of financial objectives and individual performance.

This individual bonus will be calculated as follows for the period from April 24, 2015 to December 31, 2015:

- ✓ Two-thirds of the variable component will be based on financial performance and calculated in relation to the EBIT, working capital and free cash flow targets as set in the annual budget, as follows:

The Board has set the following weighting:

- EBIT: 60%,
- working capital: 10%, and
- free cash flow: 30%.

The Board has set the following threshold levels:

- 80% of EBIT target,
- 135% of budgeted working capital (no variable compensation on this metric if the value of working capital is higher than 135% of budgeted working capital), and
- 65% of free cash flow target.

- ✓ One-third of the variable component will be based on individual performance measured in relation to a maximum of four to five targets, to be set by the Board at its next meeting.

- ✓ If the abovementioned targets are met in full, the variable component of compensation will be equal to €700,000 and, if these targets are exceeded, the variable component may be increased as follows:

- The threshold level of each performance metric will result in the allocation of variable compensation (from 0 to 100% when the budget is met).
- If an objective is exceeded, the variable compensation allocated in respect of this objective will increase beyond 100% in proportion to the extent to which the objective is exceeded, capped at a maximum of 130%, which applies irrespective of the extent to which the objective is exceeded, as follows:
 - if 130% (or more) of the EBIT target is achieved, the maximum 130% of variable compensation will be payable for this metric,
 - if 65% (or less) of the working capital target is achieved, the maximum 130% of variable compensation will be payable for this metric, and
 - if 130% (or more) of the free cash flow target is achieved, the maximum 130% of variable compensation will be payable for this metric.

Accordingly, if the targets are exceeded, the total short-term variable compensation may exceed €700,000, but is capped at 130% of this amount. In this case, performance will be assessed by the Board based on both the individual objectives to be set by the Board at its next meeting and in proportion to the Group's results for the financial objectives defined above.

A long-term variable component that may not exceed, for any year, a maximum amount of €700,000 or its equivalent on the allocation date.

The terms and conditions of the long-term variable compensation of the Chief Executive Officer will be determined by the Board of Directors at a subsequent meeting, after consultation with the Appointments and Compensation Committee.

In accordance with Article L.225-42-1 of the French Commercial Code (*Code de commerce*), the Board also decided to authorize Philippe Petitcolin to continue to be covered by:

- the personal risk insurance plan set up for all Safran Group employees, in the same conditions as the other Safran personnel concerned, including the Accidental Death and Disability insurance coverage, which is in addition to the coverage provided for under the Group Personal Risk Insurance Plan and applicable as of January 1, 2015, by which he was previously covered in his prior capacity as a Company employee;
- the supplementary defined contribution pension plans set up for the Company's managerial-grade staff, in the same conditions as the other Safran personnel concerned, by which he was previously covered in his prior capacity as a Company employee;
- the supplementary defined benefit pension plan set up for the Group's executive managers, in the same conditions as the other beneficiaries of said plan, by which he was previously covered in his capacity as a Company employee.

Appointment of Ross McInnes; powers and compensation; continuation of his personal risk insurance benefits and supplementary pension benefits

The Board of Directors' meeting of April 23, 2015 also appointed Ross McInnes as Chairman of the Board for the duration of his term as director, i.e., until the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2018.

In accordance with the applicable legislation and Article 15.2 of the bylaws, in his capacity as Chairman, Ross McInnes will be responsible for organizing and managing the work of the Board, and will report to shareholders thereon at the Annual General Meeting. He will also be tasked with ensuring that the Company's corporate governance structures function effectively and that Directors are in a position to properly perform their duties.

In addition to the duties described above, the directors decided to entrust Ross McInnes, in his capacity as Chairman of the Board of Directors, with the following responsibilities:

- in support of and in consultation with Executive Management, representing the Group in France and abroad in dealings with government authorities, major clients, partners and institutional shareholders;
- organizing the Board's strategic work in consultation with Executive Management;
- involving the Board in the preparation and implementation of succession plans for the Group's key operational and functional managers in consultation with Executive Management.

Ross McInnes's employment contract was suspended for the duration of his term as Deputy Chief Executive Officer, which expired at the close of the Annual General Meeting of April 23, 2015. Ross McInnes accepts that this suspension will be extended for the duration of his term as Chairman of the Board.

Upon the recommendation of the Appointments and Compensation Committee, the Board of Directors set Ross McInnes' compensation in respect of his duties as Chairman of the Board at a gross annual amount of €350,000, with effect from April 24, 2015 inclusive. He may also receive attendance fees as provided for by the Board of Directors' Internal Rules.

In accordance with Article L.225-42-1 of the French Commercial Code, the Board also decided to authorize Ross McInnes to continue to be covered by:

- the personal risk insurance plan set up for all Safran Group employees, in the same conditions as the other Safran personnel concerned, by which he was previously covered in his prior capacity as a Company employee, then as Deputy Chief Executive Officer as decided by the Board of Directors' meeting of July 27, 2011. This includes, as decided by the Board of Directors' meeting of December 17, 2014, the Group's Accidental Death and Disability insurance coverage, which is in addition to that provided for under the Group Personal Risk Insurance Plan and applicable as of January 1, 2015;
- the supplementary defined contribution pension plans set up for the Company's managerial-grade staff, in the same conditions as the other Safran personnel concerned, by which he was previously covered in his prior capacity as a Company employee, then as Deputy Chief Executive Officer as decided by the Board of Directors' meeting of July 27, 2011;
- the supplementary defined benefit pension plan set up for the Group's executive managers, in the same conditions as the other beneficiaries of said plan, by which he was previously covered in his prior capacity as Deputy Chief Executive Officer as decided by the Board of Directors' meeting of December 11, 2013.

At the 2016 Annual General Meeting to be held to approve the financial statements for the year ended December 31, 2015, the Board of Directors will recommend that shareholders approve these commitments.