

Supplementary pension plans
Situation of the Chairman of the Board of Directors

At its meeting of July 27, 2017, on the recommendation of the Appointments and Compensation Committee, the Board of Directors confirmed its decision dated March 23, 2017¹ to include the Chairman as a beneficiary under the new supplementary pension plan system, according to the same conditions applying to the managerial-grade staff concerned.

This is consistent and coherent with Safran's internal promotion policy which, in order to achieve a seamless transition of in-house executives into corporate officer positions, grants them rights similar to those of other beneficiaries. This position takes into account the Board's awareness of the Chairman's history and commitment within the Group. It is compliant with applicable legal provisions². Moreover, the Board noted the immaterial financial burden for the Company.

This confirmation follows the vote of the June 15, 2017 Shareholders' meeting regarding regulated commitments given to the Chairman concerning pension benefits (fourth resolution rejected by 50.34%³ compared to 49.58% votes in favor). The Chairman had then stated that he was ready to waive his entitlement under the new defined contribution plans and would defer to the decision of the Board of Directors.

As a reminder, Safran's new supplementary pension plan system, which the Board of Directors decided in 2017 to modify in order to align it with future needs, bring it more into line with market practices and enhance the Group's appeal, is described in the 2016 Registration Document.

Following this confirmation by the Board of Directors of its March 2017 decision, the Chairman remains a beneficiary under the new supplementary pension plan system and of the new defined contribution plans (Additional Defined Contribution Plan, Article 83 and Defined Contribution Plan, Article 82).

Concerning the defined benefit supplementary pension plan (Article 39), the Chairman was previously a beneficiary in his capacity as Deputy Chief Executive Officer, pursuant to a Board decision on December 11, 2013 prior to his appointment as Chairman. This related-party commitment was approved by the Shareholders' Meeting of May 23, 2014. At its April 23, 2015 meeting when it appointed the Chairman, the Board of Directors also decided to authorize him to remain a beneficiary under this plan, subject to the same terms and conditions as the other plan members. The Shareholders' Meeting of May 19, 2016 ratified this decision. Pursuant to the aforementioned decisions made by the Board of Directors in 2017, this defined benefit plan is now closed to new entrants and existing entitlements are frozen, including for the Chairman, who remains a potential beneficiary with respect to the potential rights that he had previously accrued under this plan, subject to fulfilling the plan's conditions and according to the same terms and conditions as the other plan members.

1. <https://www.safran-group.com>, under Group/Governance, "Changes to supplementary pension plans in 2017".
2. "Agreements approved by the meeting shall be effective against third parties, as shall those which it refuses, unless they are canceled in the event of fraud. [...]" (Article L. 225-41 of the French Commercial Code (Code de commerce)).
3. Including French State (30.8% of votes "against") and certain corporate mutual funds (FCPE) of employee share ownership plans (3% of votes "against").