



NOTICE OF MEETING

SHAREHOLDERS' MEETING (ORDINARY AND EXTRAORDINARY)

Tuesday May 27, 2014 at 10.00 a.m.

Palais des Congrès de Paris
Amphithéâtre Bleu - Niveau 2
2, place de la Porte Maillot
75017 Paris



SAFRAN
AEROSPACE · DEFENCE · SECURITY



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HOW TO PARTICIPATE IN THE MEETING

ATTENDANCE PROCEDURES

All shareholders are entitled to participate in the Meeting, whether in person, by proxy or by casting a postal vote, regardless of the number of shares owned, in accordance with French law.

In accordance with article R.225-85 of the French Commercial Code (*Code de commerce*), in order for shareholders to attend the Annual General Meeting, cast a postal or online vote or appoint a proxy, their shares must be recorded in their name or in the name of an authorized intermediary on their behalf no later than zero hours (CET) on the third business day preceding the Meeting (May 22, 2014) as follows:

- for REGISTERED shares: in the Company's share register managed by BNP Paribas Securities Services;
- for BEARER shares: in a securities account managed by an authorized intermediary, as provided for in article L.211-3 of the French Monetary and Financial Code (*Code monétaire et financier*).

The recording of shares in bearer share accounts kept by an authorized intermediary must be certified by a share ownership certificate issued by the latter. This certificate, drawn up in your name or in the name of the registered intermediary acting on your behalf, should be attached to your proxy/postal voting form or to your admittance card request.

This year, all Safran shareholders may request an admittance card, cast their vote or appoint a proxy online prior to the Meeting via the secure voting platform Votaccess.

Shareholders may access the Votaccess platform for this Meeting as from May 6, 2014. The deadline for requesting an admittance card, voting and appointing/revoking a proxy online is 3.00 p.m. (CET), May 26, 2014. Shareholders are advised not to wait until the day before the Meeting to request their admittance card or register their voting instructions.

HOW TO EXERCISE YOUR VOTING RIGHTS

Shareholders may exercise their voting rights in any of the following ways:

- they may attend the Meeting in person (case 1);
- they may send a proxy form to the Company without specifying their representative, in which case the Chairman of the Meeting will vote to adopt the proposed resolutions presented or approved by the Board of Directors and vote against all other proposed resolutions (case 2);
- they may give proxy to another shareholder, their spouse, their partner with whom they have entered into a civil union or any other individual or legal entity of their choice in accordance with the requirements of article L.225-106 of the French Commercial Code (case 3);
- they may cast a postal vote (case 4); or
- they may give online voting instructions (case 5).

Once you have cast a postal or online vote, appointed a proxy or requested an admittance card, you will not be able to participate in the Meeting in any other way.

CASE 1: YOU PLAN TO ATTEND THE MEETING IN PERSON

Holders of registered and administered registered shares

If you hold registered or administered registered shares and wish to cast a postal vote, you should complete the attached proxy/postal voting form (checking the box corresponding to your choice) and send it in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

You will receive your admittance card by return postal mail. If you do not receive your admittance card in time you will still be able to attend the Meeting subject to providing proof of identity.

In the event that you have not received your admittance card the day before the Meeting, you can also call the toll-free number 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France) to obtain your admittance card number, which will facilitate entry to the Meeting.

Holders of bearer shares

If you hold bearer shares and plan to attend the Meeting in person, you should request a share ownership certificate from your authorized intermediary. The latter will forward the certificate to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France, which will then send you an admittance card by post.

If you do not receive your admittance card by zero hours (CET) on the third business day preceding the Meeting (May 22, 2014), you should ask your authorized intermediary to issue you with a share ownership certificate proving that you own the shares and are therefore entitled to attend the Meeting.

Shareholders may also request an admittance card online

The admittance card will then be sent either by email or by post, at your discretion.

Shareholders can also download and print their admittance card online.

Holders of registered and administered registered shares

Holders of registered and administered registered shares may request an admittance card online, via the secure platform Votaccess. This platform can be accessed from the Planetshares website at <https://planetshares.bnpparibas.com>.

Holders of registered shares should log on to the Planetshares website with the username and password which they use to consult their share account.

Holders of administered registered shares should log on to the Planetshares website with the username that appears in the top right-hand corner of the paper voting form that was posted along with the Notice of Meeting.

In the event that you misplace or forget your username or password, call the toll-free number 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

After logging on, registered and administered registered shareholders should follow the on-screen instructions to access Votaccess, where they can request an admittance card online.

Holders of bearer shares

Holders of bearer shares should find out whether their custodian is connected to the Votaccess platform and if so, whether this access is subject to specific terms and conditions.

Only holders of bearer shares whose custodian is connected to Votaccess can request an admittance card online.

If your custodian is connected to Votaccess, you should log on to your custodian's website with your usual username and password. You should then click on the icon that appears on the line corresponding to your Safran shares and follow the on-screen instructions to access the Votaccess platform and request an admittance card.



CASE 2: YOU WISH TO GIVE PROXY TO THE CHAIRMAN OF THE MEETING

The Chairman of the Meeting will vote to adopt the proposed resolutions presented or approved by the Board of Directors and vote against all other proposed resolutions.

Holders of registered and administered registered shares

Postal proxy

If you hold registered or administered registered shares and wish to give proxy to the Chairman of the Meeting, you should complete and sign the attached proxy/postal voting form (checking the box corresponding to your choice) and send it in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

Online proxy

Holders of registered or administered registered shares can give proxy to the Chairman online via Votaccess by logging on to the Planetshares website at <https://planetshares.bnpparibas.com>.

Holders of registered shares should log on to the Planetshares website with the username and password which they use to consult their share account.

Holders of administered registered shares should log on to the Planetshares website with the username that appears in the top right-hand corner of the voting form that was posted along with the Notice of Meeting.

In the event that you misplace or forget your username or password, call the toll-free number 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

Holders of bearer shares

Postal proxy

Holders of bearer shares wishing to give proxy to the Chairman of the Meeting may request a proxy form from their authorized intermediary. This request must reach the authorized intermediary no later than six days before the date of the Meeting (May 21, 2014). The authorized intermediary will then send the duly completed and signed voting form along with a share ownership certificate to BNP Paribas Securities Services.

Online proxy

Holders of bearer shares whose custodian is connected to Votaccess should log on to their custodian's website with their usual username and password. They should then click on the icon that appears on the line corresponding to their Safran shares and follow the on-screen instructions.

CASE 3: YOU WISH TO GIVE PROXY TO ANOTHER PERSON OR ENTITY

You may give proxy to another shareholder, your spouse, your partner with whom you have entered into a civil union or any other individual or legal entity of your choice in accordance with the provisions of article L.225-106 of the French Commercial Code.

You may appoint a proxy by post or online.

Holders of registered and administered registered shares

Postal proxy

If you hold registered or administered registered shares and wish to give your proxy to another person or entity, you should complete the attached proxy/postal voting form (checking the box corresponding to your choice) and send it in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

Online proxy

Holders of registered or administered registered shares can give proxy online via Votaccess by logging on to the Planetshares website at <https://planetshares.bnpparibas.com>.

Holders of registered shares should log on to the Planetshares website with the username and password which they use to consult their share account.

Holders of administered registered shares should log on to the Planetshares website with the username that appears in the top right-hand corner of the voting form that was posted along with the Notice of Meeting.

In the event that you misplace or forget your username or password, call the toll-free number 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

Holders of bearer shares

Postal proxy

Holders of bearer shares wishing to give proxy to another person or entity may request a proxy form from their authorized intermediary. This request must reach the authorized intermediary no later than six days before the date of the Meeting (May 21, 2014). The authorized intermediary will then send the duly completed and signed voting form along with a share ownership certificate to BNP Paribas Securities Services.

Proxy given online or via email in accordance with article R.225-79 of the French Commercial Code

Online

Bearer shareholders whose custodian is connected to Votaccess should log on to their custodian's website with their usual username and password. They should then click on the icon that appears on the line corresponding to their Safran shares and follow the on-screen instructions.

Email

Bearer shareholders whose custodian is not connected to Votaccess can send an email to paris.bp2s.france.cts.mandats@bnpparibas.com with the following information: the name of the company concerned (Safran), the date of the Meeting (May 27, 2014), their name, address and banking details as well as the name and, if possible, the address of their proxy.

Holders of bearer shares must ask the authorized intermediary managing their securities account to send a share ownership certificate to the AGM Department (*Service Assemblées*) of BNP Paribas Securities Services by post or email.

Only notifications of proxies can be sent to the above email address; all other unrelated requests or notifications will not be considered and/or dealt with.

Digital copies of the proxy form must be signed in order to be valid. The forms must be received by 3.00 p.m. (CET) the day before the Meeting.

Revoking a proxy

By post

You can revoke your proxy by following the same procedure as when you appointed the proxy.

To appoint a new proxy after revoking your previous proxy, you must request a "Change of proxy" form from BNP Paribas Securities Services (for holders of registered shares) or from your authorized intermediary (for holders of bearer shares). The completed form must be returned to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France, at the latest three calendar days before the Meeting, (by zero hours [CET] on May 24, 2014). Holders of bearer shares must ask the authorized intermediary managing their securities account to send a share ownership certificate to the AGM Department (*Service Assemblées*) of BNP Paribas Securities Services.



Online

You can also revoke your proxy online.

- Holders of registered and administered registered shares

Holders of registered and administered registered shares can appoint a new proxy by logging on to Votaccess via the Planetshares website at <https://planetshares.bnpparibas.com>.

- Holders of bearer shares

Holders of bearer shares whose custodian is connected to Votaccess can revoke their proxy and where applicable appoint a new proxy by logging on to their custodian's website.

Holders of bearer shares whose custodian is not connected to Votaccess can revoke their proxy electronically in accordance with the provisions of article R.225-79 of the French Commercial Code.

In this case, shareholders send an email to paris.bp2s.france.cts.mandats@bnpparibas.com with the following information: the name of the company concerned (Safran), the date of the Meeting (May 27, 2014), their name, address and banking details as well as the name and, if possible, the address of their proxy.

To appoint a new proxy after revoking a previous proxy, holders of bearer shares must obtain a "Change of proxy" form from their custodian. The completed form must be returned by email to paris.bp2s.france.cts.mandats@bnpparibas.com. Holders of bearer shares must ask the authorized intermediary managing their securities account to send a share ownership certificate to the AGM Department (*Service Assemblées*) of BNP Paribas Securities Services by post or email.

Only notifications of revoked proxies or of a change of proxy can be sent to the above email address; all other unrelated requests or notifications will not be considered and/or dealt with.

Digital copies of the "Change of proxy" form must be signed in order to be valid. Emails and forms notifying revoked proxies or a change of proxy must be received by 3.00 p.m. (CET) the day before the Meeting.

CASE 4: YOU WISH TO CAST A POSTAL VOTE

Holders of registered and administered registered shares

If you hold registered shares and wish to cast a postal vote, you should complete the attached proxy/postal voting form (checking the box corresponding to your choice) and send it in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

Holders of bearer shares

Holders of bearer shares wishing to cast a postal vote may request a postal voting form from their authorized intermediary. This request must reach the authorized intermediary no later than six days before the date of the Meeting (May 21, 2014). The authorized intermediary will then send the duly completed and signed voting form along with a share ownership certificate to BNP Paribas Securities Services.

Duly completed and signed postal voting forms must reach BNP Paribas Securities Services at least three days before the Meeting (by zero hours [CET] on May 24, 2014).

CASE 5: YOU WISH TO REGISTER YOUR VOTING INSTRUCTIONS ONLINE

Holders of registered shares

Holders of registered shares should log on to Votaccess with the username and password which they use to consult their registered share account on the Planetshares website at <https://planetshares.bnpparibas.com>

Holders of administered registered shares

Holders of administered registered shares should log on to the Planetshares website with the username that appears in the top right-hand corner of the voting form that was posted along with the Notice of Meeting.

Procedure for holders of registered and administered registered shares

In the event that you misplace or forget your username or password, call the toll-free number 0826 100 374 (France only) or 00 33 1 57 43 75 00 (outside France).

After logging on, you should follow the on-screen instructions to access Votaccess, where you can register your voting instructions. From this website, you can also consult official documentation pertaining to the Annual General Meeting.

Procedure for holders of bearer shares

Holders of bearer shares whose custodian is connected to Votaccess should log on to their custodian's website with their usual username and password. They should then click on the icon that appears on the line corresponding to their Safran shares and follow the on-screen instructions to access the Votaccess platform. From this website, they can also consult official documentation pertaining to the Annual General Meeting.

SALE OF SHARES PRIOR TO THE ANNUAL GENERAL MEETING

Shareholders may sell their shares at any time

- (i) If the sale occurs before zero hours (CET) on May 22, 2014, the postal vote, proxy, admittance card and any share ownership certificates will be canceled or modified accordingly. In such an event, the authorized intermediary (as provided for in article L.211-3 of the French Monetary and Financial Code) must notify the Company or BNP Paribas Securities Services of the sale and forward the required information.
- (ii) If the sale occurs after zero hours (CET) on May 22, 2014, it will not be notified by the authorized intermediary and will not be taken into consideration by the Company, regardless of the means of communication, notwithstanding any agreement to the contrary.



HOW TO FILL OUT THE ATTACHED PROXY/POSTAL VOTING FORM

**If you plan to attend
the Meeting**
Check box A

**If you cannot attend
the Meeting**
Check box B

If you hold bearer shares
Please send this form to your authorized
intermediary

IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please refer to instructions on reverse side

A QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCEZ COMME CECI ■ LA OU LES CASES CORRESPONDANTES, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, SHADE BOX (ES) LIKE THIS ■, DATE AND SIGN AT THE BOTTOM OF THE FORM.
B Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
Je préfère le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

SAFRAN

S.A. au Conseil d'Administration
Au capital de 83 405 917 €
Siège social : 2, boulevard du Général Martial Valin
75015 PARIS
562 082 909 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE
convoquée le mardi 27 mai 2014 à 10 heures
au Palais des Congrès, Amphithéâtre Bleu,
2, place de Porte Maillot - 75017 PARIS
COMBINED GENERAL MEETING
to be held on Tuesday, May 27, 2014, at 10:00 am
at Palais des Congrès, Amphithéâtre Bleu,
2, place de Porte Maillot - 75017 PARIS

CADRE RÉSERVÉ À LA SOCIÉTÉ / For Company's use only
Identifiant / Account
Nombre d'actions / Number of shares
Nominatif Registered
Porteur / Bearer
Vote simple Single vote
Vote double Double vote
Nombre de voix / Number of voting rights

JE VOTE PAR CORRESPONDANCE / I VOTE BY POST Cf. au verso renvoi (2) - See reverse (2)								
<p>Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noirissant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.</p> <p>YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this ■, for which I vote NO or I abstain.</p>								
1	2	3	4	5	6	7	8	9
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	11	12	13	14	15	16	17	18
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37	38	39	40	41	42	43	44	45
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
cf. au verso renvoi (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

JE DONNE POUVOIR A : cf. au verso renvoi (4)
I HEREBY APPOINT see reverse (4)
M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
Adresse / Address

ATTENTION : S'il s'agit de titres au porteur, les présentes instructions ne seront valables que si elles sont directement retournées à votre banque.
CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

**Please date
and sign here**
whatever your chosen
method of voting

Please state
your first name, surname
and address or verify that
the details are correct

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.
- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote NO).....
- Je donne procuration (cf. au verso renvoi 4) à M., Mme ou Mlle, Raison Sociale.....
pour voter en mon nom / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :
in order to be considered, this completed form must be returned at the latest :
sur 1^{ère} convocation / on 1st notification sur 2^{ème} convocation / on 2nd notification
23/05/2014 / May 23, 2014
à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin - 93761 PANTIN Cedex

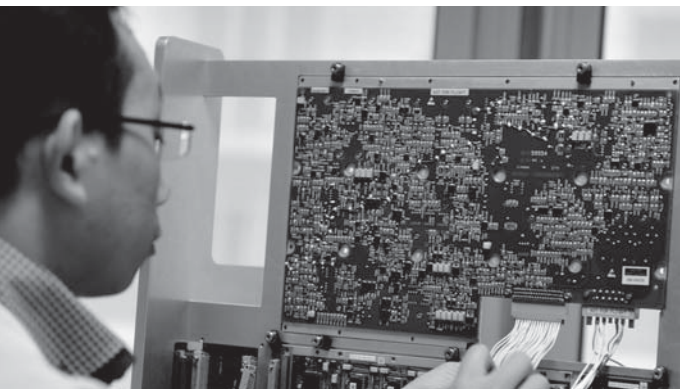
Date & Signature

**If you wish to cast
a postal vote**
Check this box and
follow the instructions

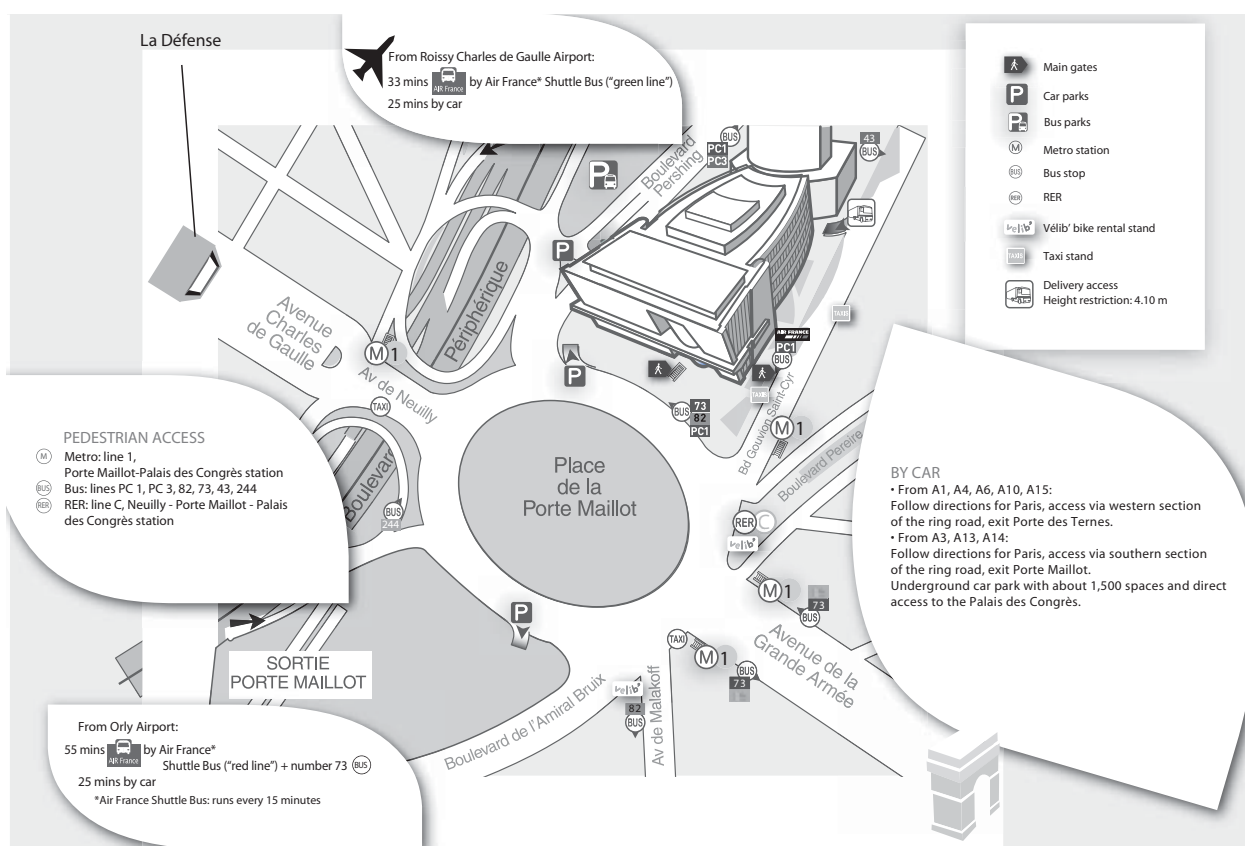
**If you wish to give proxy
to the Chairman of the
Meeting**
Check this box

If you wish to appoint a proxy
Check this box and state the name
and address of your representative

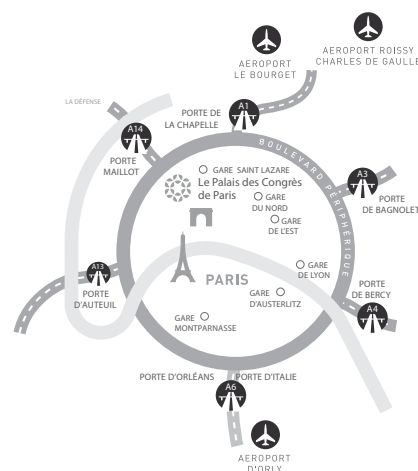
For further information please contact:
Safran – Investor relations
2, boulevard du Général Martial-Valin – 75724 Paris Cedex 15, France
Toll-free number (France only): 0 800 17 17 17 – Fax: 01 40 60 83 53
www.safran-group.com – Finance section/Shareholder's note-book



HOW TO GET TO THE ANNUAL GENERAL MEETING



Palais des congrès de Paris
Amphithéâtre Bleu – niveau 2
2, place de la Porte Maillot – 75017 Paris





AGENDA

ORDINARY RESOLUTIONS

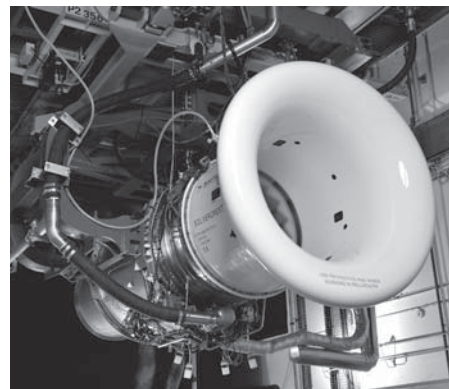
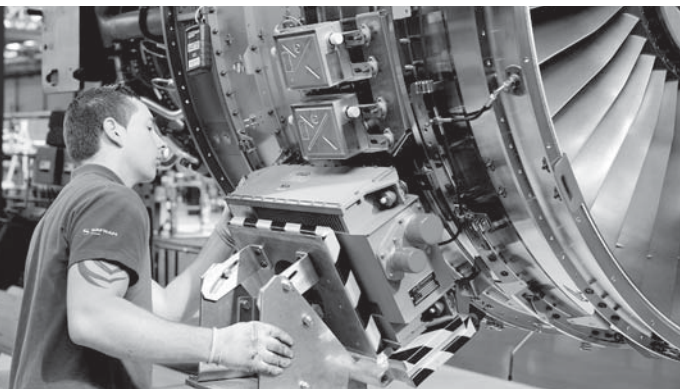
First resolution:	Approval of the parent company financial statements for the year ended December 31, 2013
Second resolution:	Approval of the consolidated financial statements for the year ended December 31, 2013
Third resolution:	Appropriation of profit for the year and approval of the recommended dividend
Fourth resolution:	Approval of a related-party commitment governed by article L.225-42-1 of the French Commercial Code, given to Stéphane Abrial (Deputy Chief Executive Officer) concerning pension benefits and personal risk insurance
Fifth resolution:	Approval of a related-party commitment governed by article L.225-42-1 of the French Commercial Code, given to Jean-Paul Herteman (Chairman and Chief Executive Officer) concerning pension benefits
Sixth resolution:	Approval of related-party commitments governed by article L.225-42-1 of the French Commercial Code, given to the Deputy Chief Executive Officers concerning pension benefits
Seventh resolution:	Related-party agreements governed by article L.225-38 of the French Commercial Code
Eighth resolution:	Setting the amount of attendance fees to be allocated to the Board of Directors
Ninth resolution:	Authorization for the Board of Directors to carry out a share buyback program
Tenth resolution:	Advisory vote on the compensation due or awarded for 2013 to Jean-Paul Herteman, Chairman and Chief Executive Officer
Eleventh resolution:	Advisory vote on the compensation due or awarded for 2013 to the Deputy Chief Executive Officers

EXTRAORDINARY RESOLUTIONS

Twelfth resolution:	Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares
Thirteenth resolution:	Amendment to Article 14 of the Company's bylaws in order to introduce provisions concerning the procedures for the election of employee representative Directors, in accordance with France's Employment Security Act of June 14, 2013

POWERS TO CARRY OUT FORMALITIES

Fourteenth resolution:	Powers to carry out formalities
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REPORT ON THE PROPOSED RESOLUTIONS

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTIONS

ORDINARY RESOLUTIONS

PRESENTATION OF THE FIRST AND SECOND RESOLUTIONS

Approval of the parent company and consolidated financial statements

In the first and second resolutions shareholders are invited to approve the parent company and consolidated financial statements for the year ended December 31, 2013 as well as the expenses incurred during the year that are not deductible for tax purposes.

- The parent company financial statements show that the Company ended 2013 with profit of €327.8 million.
- The consolidated financial statements show attributable profit for the year amounting to €1,386 million (€3.33 per share).

PRESENTATION OF THE THIRD RESOLUTION

Appropriation of profit

Safran SA's distributable profit for 2013 totals €696.1 million, breaking down as €327.8 million in profit for the year plus €368.3 million in retained earnings brought forward from the previous year.

The Board of Directors is recommending a total dividend payout of €467 million, representing a per-share dividend of €1.12, up 17% on 2012.

An interim dividend of €0.48 per share was paid on December 19, 2013 with the ex-dividend date having been set as December 16, 2013.

If the third resolution is approved, the ex-dividend date for the balance of the 2013 dividend – corresponding to €0.64 per share – will be set as May 29, 2014, and the dividend payment will be made on June 3, 2014.

The remaining €229 million of distributable profit would be allocated to retained earnings.

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 (*Code général des impôts*). They also qualify for this 40% tax relief on the balance of the dividend payment. However for such shareholders, the Company's paying agent – BNP Paribas Securities Services – will withhold at source from the gross amount of said balance (i) a compulsory deduction of 21% as required in accordance with article 117 *quater* of the French Tax Code (as amended by article 9 of the French Finance Act for 2013 – Act 2012-1509 of December 29, 2012), and (ii) 15.5% in social security contributions. The compulsory 21% withholding tax does not apply to income from shares held as part of a PEA personal equity plan, as defined in articles L.221-30 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

The 21% withholding tax corresponds to a downpayment of personal income tax due on the dividend payment and is not a payment in full discharge of all of the tax that may potentially be due on the dividend income. Consequently, the tax payable on the dividend will be subject to the progressive tax scale applicable to personal income tax, after applying the above-mentioned 40% tax relief. The withholding tax deducted at the time of the dividend payment may be set off against the overall amount of the income tax due on said payment. If the withholding tax exceeds the amount actually due, the excess will be repaid to the shareholder concerned by the French tax authorities in accordance with article 117 *quater* of the French Tax Code.



In practice, the amount withheld at source when the balance of the dividend is paid on June 3, 2014 will be offset against shareholders' personal income tax payable in 2015 on income received in 2014.

Individual shareholders domiciled for tax purposes in France whose reference taxable income for 2013 was less than €50,000 (for single, divorced or widowed taxpayers) or €75,000 (for taxpayers filing a joint tax return) may apply for an exemption from this withholding tax. In order to qualify for this exemption on the balance of the 2013 dividend to be paid on June 3, 2014, shareholders must lodge with the Company's paying agent, by March 31, 2014, a statement of honor as provided for in article 242 *quater* of the French Tax Code certifying that their reference taxable income for 2013 did not exceed the ceilings set out in article 117 *quater* of said Code.

PRESENTATION OF THE FOURTH, FIFTH, SIXTH AND SEVENTH RESOLUTIONS

Related-party agreements and commitments

The fourth, fifth, sixth and seventh resolutions concern related-party agreements and commitments governed by articles L.225-38 and L.225-42-1 of the French Commercial Code (*Code de commerce*) entered into or given in 2013, as described in the Statutory Auditors' special report.

These agreements and commitments correspond to the following:

- agreements – other than those falling within the scope of routine operations – that are entered into between the Company and (i) any companies with which it has a member of management in common, or (ii) a shareholder owning more than 10% of the Company's voting rights. Shareholders will be asked to place on record that no such agreements were entered into in 2013;
- commitments given to management executives (the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers) corresponding to benefits due or likely to be due as a result of the termination or a change in their duties. Several of these types of commitments were given in 2013.

Fourth resolution – Approval of a related-party commitment governed by article L.225-42-1 of the French Commercial Code, given to Stéphane Abrial (Deputy Chief Executive Officer) concerning pension benefits and personal risk insurance

Continuation of coverage for Stéphane Abrial (Deputy Chief Executive Officer) under the personal risk insurance plan and supplementary defined contribution pension plan

Prior to his appointment as Deputy Chief Executive Officer, Stéphane Abrial was covered under his employment contract by the personal risk insurance plan set up for all Safran Group employees. He was also a member of the supplementary defined contribution pension plan set up for the Company's managerial-grade staff.

At its meeting of July 25, 2013 the Board of Directors decided to authorize Stéphane Abrial to continue to be covered by these two plans, in the same conditions as the other personnel concerned. The contributions are based on the compensation (fixed and variable) that Mr. Abrial receives for his role as Deputy Chief Executive Officer.

Shareholders are invited to approve this commitment.

Fifth resolution – Approval of a related-party commitment governed by article L.225-42-1 of the French Commercial Code, given to Jean-Paul Herteman (Chairman and Chief Executive Officer) concerning pension benefits

As part of the Group's human resources management strategy, on October 31, 2013, the Board of Directors decided to set up a supplementary defined benefit pension plan, effective from January 1, 2014, for which Executive Managers, currently numbering around 400, are eligible. The plan is described in more detail in section 3.1 (Note 21) and section 6.2.1 of the 2013 Registration Document.

On December 11, 2013, the Board of Directors decided to extend this plan to the Group's Executive Corporate Officers, including Jean-Paul Herteman, Chairman and Chief Executive Officer.

Shareholders are invited to approve this commitment.

In view of the Board's decision on December 11, 2013 to authorize Jean-Paul Herteman to be covered by the supplementary defined benefit pension plan, Mr. Herteman stated that he irrevocably waived his rights under the related-party commitments made to him in 2011, described in section 6.2.1 of the 2013 Registration Document.

Sixth resolution – Approval of related-party commitments governed by article L.225-42-1 of the French Commercial Code, given to the Deputy Chief Executive Officers concerning pension benefits

Further to the Board of Directors' above-mentioned decision of December 11, 2013, the supplementary defined benefit pension plan has also been extended to the three Deputy Chief Executive Officers (Stéphane Abrial, Ross McInnes and Marc Ventre).

Shareholders are invited to approve these commitments.

Seventh resolution – Related-party agreements governed by article L.225-38 of the French Commercial Code

Shareholders are invited to place on record that no related-party agreements governed by article L.225-38 of the French Commercial Code were entered into during 2013.

PRESENTATION OF THE EIGHTH RESOLUTION

Attendance fees

In the eighth resolution shareholders are invited to set the aggregate amount of attendance fees to be allocated among the members of the Board of Directors for 2014 at €868,000.

PRESENTATION OF THE NINTH RESOLUTION

Share buyback programs

The Company needs to have the necessary flexibility to react to changes in financial markets by buying back Safran shares.

In the ninth resolution shareholders are therefore invited to authorize the Board of Directors to carry out a share buyback program with the following main conditions.

The number of shares that may be bought back may not exceed 10% of the Company's total outstanding shares (for information purposes, 41,702,958 shares based on the issued capital at December 31, 2013) and the Company may at no time directly or indirectly hold a number of Safran shares representing more than 10% of its capital.

The shares may be purchased, sold or transferred at any time (including during a public tender offer initiated by the Company) and by any authorized method, including through block trades or the use of derivatives, subject to the limitations set down in the applicable laws and regulations.

The maximum per-share purchase price of shares acquired using this authorization would be set at €65 and the maximum total investment in the buyback program would be €2.7 billion.

The buyback program would be used for the purposes authorized in the applicable regulations, notably to purchase shares:

- to maintain a liquid market in the Company's shares via a liquidity agreement entered into with an investment services firm;
- for allocation or sale to employees and/or Corporate Officers, notably in connection with a profit-sharing plan, free share grant plan or Group employee savings plan;
- to deliver shares on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- for delivery in payment or exchange for external growth transactions;
- for cancelation subject to the approval of the twelfth resolution below.

This authorization would be given for a period of 18 months as from the date of this Meeting and would supersede the previous authorization granted for the same purpose in the tenth resolution of the Annual General Meeting held on May 28, 2013.

Report on the utilization in 2013 of previous shareholder-approved share buyback programs

In 2013, the aggregate number of shares purchased under the liquidity agreement entered into with Oddo Corporate Finance amounted to €2,957,646.

The total number of shares sold under the above-mentioned liquidity agreement amounted to 3,002,261.

In addition, a total of 495,700 shares were delivered as part of a free share grant plan (described in section 7.2.7.1 of the 2013 Registration Document).

No treasury shares purchased under a buyback program were canceled in 2013.

At December 31, 2013, the Company directly held 581,104 Safran shares, representing 0.14% of its share capital. These treasury shares were held for the following purposes:

- to allocate or sell shares to employees or Corporate Officers: 518,604 shares, representing 0.12% of the Company's capital;
- to maintain a liquid market in the Company's shares via a liquidity agreement: 62,500 shares, representing 0.015% of the Company's capital.

PRESENTATION OF THE TENTH AND ELEVENTH RESOLUTIONS

Safran bases its corporate governance framework on the Corporate Governance Code for Listed Corporations published by the AFEP and MEDEF, as revised in June 2013 (hereinafter the AFEP/MEDEF Code). In Article 24.3 of said Code it is stated that *companies' Boards of Directors should present to the Annual General Meeting the components of compensation due or awarded for the past fiscal year to each executive Director. These compensation components include:*

- *the fixed portion;*
- *the annual variable portion, and where applicable, the multi-annual variable portion, including a description of the objectives that must be met in order for this variable portion to be paid;*
- *extraordinary compensation;*

- stock options, performance shares and any other long-term compensation;
- benefits related to taking up or terminating office;
- supplementary pension plan;
- any other benefits.

The AFEP/MEDEF Code recommends that this presentation be followed by a shareholder advisory vote, with one resolution presented for the Chief Executive Officer and one resolution for the Deputy Chief Executive Officer(s).

In accordance with this recommendation, shareholders are therefore invited to give positive advisory votes on (i) the compensation due or awarded for 2013 to the Chairman and Chief Executive Officer, Jean-Paul Herteman, as shown in the table below (tenth resolution), and (ii) the compensation due or awarded for 2013 to the Deputy Chief Executive Officers, Stéphane Abrial, Ross McInnes, Marc Ventre and Dominique-Jean Chertier (who was in office until June 30, 2013), as shown in the tables below (eleventh resolution).

Tenth resolution – Presentation of the compensation due or awarded for 2013 to Jean-Paul Herteman (Chairman and Chief Executive Officer)

Compensation due or awarded for 2013	Amounts (or accounting value) submitted for shareholder approval	Presentation
Fixed compensation	€730,000	<p>Jean-Paul Herteman's fixed annual compensation was set at €730,000 by the Board of Directors at its meeting of May 26, 2011. This amount was effective until January 1, 2014.</p> <p>As proposed by Jean-Paul Herteman, at its December 11, 2013 meeting the Board of Directors renewed this fixed annual compensation of €730,000 until the end of Mr. Herteman's term of office, i.e., until the 2015 Annual General Meeting.</p>
Annual variable compensation	€803,000	<p>Two thirds of the variable component is determined on the basis of financial objectives and one third on individual objectives for each year.</p> <p>The Board of Directors decided to define financial objectives with reference to EBIT, free cash flow and working capital. The Board reviews the respective weighting of these three performance metrics every year. It also establishes the threshold and maximum levels for each metric, as well as an aggregate maximum level.</p> <p>At its meeting on December 12, 2012, the Board of Directors determined that the financial performance metrics for 2013 would be as follows:</p> <ul style="list-style-type: none"> • weighting: <ul style="list-style-type: none"> – EBIT: 60%, – working capital: 10%, and – free cash flow: 30%; • threshold levels (based on annual budgets): <ul style="list-style-type: none"> – 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. <p>The same meeting set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> • the threshold level of each performance metric resulted in the allocation of variable compensation (from 0 at the threshold level to 100% upon meeting budget at 100%); • if an objective was exceeded, the variable compensation allocated in respect of that objective increased beyond 100% in proportion to the extent to which the objective was exceeded, capped at a maximum of 130%, which applied irrespective of the extent to which the objective was exceeded, as follows: <ul style="list-style-type: none"> – if 130% (or more) of the EBIT target was achieved, the maximum 130% of variable compensation was payable for this metric, – if 65% (or less) of the working capital target was achieved, the maximum 130% of variable compensation was payable for this metric, and – if 130% (or more) of the free cash flow target was achieved, the maximum 130% of variable compensation was payable for this metric. <p>Total variable compensation could reach 100% of fixed compensation if all of the objectives were achieved and up to 130% if the performance, assessed by the Board based on both individual objectives and in proportion to the Group's results for the financial objectives, were exceeded and substantiated.</p> <p>At its same meeting on December 12, 2012, the Board of Directors also determined Mr. Herteman's individual objectives. These objectives were measurable, they were not solely financial, and mainly related to the Group's main strategic challenges in terms of programs, competitiveness and external growth. They were not disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 19, 2014, the Board of Directors reviewed the achievement of objectives set for the variable compensation payable to Jean-Paul Herteman for 2013, after consultation with the Appointments and Compensation Committee.</p>

REPORT ON THE PROPOSED RESOLUTIONS

ORDINARY RESOLUTIONS

Compensation due or awarded for 2013	Amounts (or accounting value) submitted for shareholder approval	Presentation
		As regards the Group's financial performance, the EBIT and free cash flow targets were exceeded, which largely offset the fact that the working capital target was only partially achieved. The achievement rate of the individual qualitative objectives was specifically determined and is not disclosed for the confidentiality reasons provided above. The achievement rate of the variable compensation objectives set for 2013 resulted in the payment to Jean-Paul Herteman of €803,000 in variable compensation.
Deferred variable compensation	N/A⁽¹⁾	Mr. Herteman does not receive any deferred variable compensation.
Extraordinary compensation	N/A	Mr. Herteman does not receive any extraordinary compensation.
Stock options, performance shares and any other long-term compensation	Stock options = N/A	Mr. Herteman does not receive any stock options.
	Performance shares = N/A	Mr. Herteman does not receive any performance shares or any other long-term compensation.
	Other long-term compensation = N/A	
Attendance fees	€40,657	Mr. Herteman receives attendance fees for his duties as a Director of the Company and Chairman of the Board of Directors.
Value of benefits-in-kind	€3,742 (accounting value)	Mr. Herteman has the use of a company car.

(1) N/A = not applicable.

Compensation due or awarded for 2013 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

Termination benefits	€0	<p>According to the Board of Directors' decision of April 21, 2011, in the case of early termination of the term of office of Jean-Paul Herteman as Chairman and Chief Executive Officer, for any reason whatsoever, save serious or gross misconduct (including the consequences of a merger with another company or absorption by another company, a health incident or strategic differences with the other Board members), he was entitled to a termination payment equal to two years of fixed and variable compensation. This commitment was submitted for shareholder approval in the fifth resolution of the May 31, 2012 Annual General Meeting in accordance with the applicable procedure for approving related-party agreements and commitments.</p> <p>As noted by the Board of Directors' meeting of December 11, 2013, Jean-Paul Herteman irrevocably waived his right to this termination benefit.</p>
Non-compete indemnity	N/A	<p>Jean-Paul Herteman is not subject to any non-compete clause.</p>
Supplementary pension benefits	€0	<p>Supplementary defined contribution pension plan:</p> <p>In his prior capacity as a Company employee, Mr. Herteman was previously covered by supplementary defined contribution pension plans set up for the Company's managerial-grade staff.</p> <p>At its meeting of July 27, 2011, the Board of Directors decided to authorize Mr. Herteman to continue to be covered by this supplementary pension plan, in the same conditions as the other personnel concerned. The contributions are based on the compensation (fixed and variable) that he receives for his role as Chairman and Chief Executive Officer. The expense recorded in the 2013 financial statements relating to the contributions paid under this plan for Mr. Herteman amounted to €43,607.68.</p> <p>This commitment was submitted for shareholder approval in the sixth resolution of the May 31, 2012 Annual General Meeting in accordance with the applicable procedure for approving related-party agreements and commitments.</p> <p>Supplementary defined benefit pension plan:</p> <p>As part of the Group's human resources management, on October 31, 2013, the Board of Directors of Safran decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which Executive Managers within the Group, currently numbering around 400, are eligible.</p> <p>On December 11, 2013, the Board of Directors decided to extend this plan to the four Executive Corporate Officers, including Jean-Paul Herteman.</p> <p>The methods used to calculate the benefits that would be paid to these Corporate Officers are exactly the same as those used for the other Executive Managers who benefit from the plan, namely:</p> <ul style="list-style-type: none"> the amount of the benefits will be calculated based on the average compensation over the previous three years and will take into account the seniority of the beneficiary concerned within the category of top executives (<i>hors statut</i>) and Officers (with at least five years of service), and will be equal to 1.8% of this reference compensation per year of service, capped at 18%; the total replacement rate (all basic, additional and supplementary retirement benefits) shall not exceed 35% of the reference compensation; the annual amount of the supplementary retirement benefits is capped at three times the annual social security ceiling in force at the date that the general social security retirement pension is paid (in 2013 the ceiling was €37,032); the payment of these supplementary retirement benefits is subject to beneficiaries completing their careers with the Group and being entitled to retire under French social security rules having completed the required number of working years. <p>Accordingly, the potential annual benefits to which Jean-Paul Herteman would be entitled, subject to his fulfilling the aforementioned conditions, will be capped at three times the annual social security ceiling, i.e., €111,096 per year based on the ceiling in 2013.</p> <p>This commitment will be submitted for shareholder approval in the fifth resolution of the May 27, 2014 Annual General Meeting, in accordance with the applicable procedure for approving related-party agreements and commitments.</p>

Eleventh resolution – Presentation of the compensation due or awarded for 2013 to the Deputy Chief Executive Officers**Presentation of the compensation due or awarded for 2013 to Stéphane Abrial (Deputy Chief Executive Officer, Corporate Office since July 1, 2013)**

Compensation due or awarded for 2013	Amounts (or accounting value) submitted for shareholder approval	Presentation
Fixed compensation	€200,000 (calculated on a proportionate basis between July 1 and December 31, 2013)	Stéphane Abrial's fixed annual compensation was set at €400,000 by the Board of Directors at its meeting of July 25, 2013. Prior to this date, Stéphane Abrial received gross fixed compensation of €200,000 under his employment contract with Safran for the period from January 1 to June 30, 2013.
Annual variable compensation	€200,000 (calculated on a proportionate basis between July 1 and December 31, 2013)	<p>Two thirds of the variable component is determined on the basis of financial objectives and one third on individual objectives for each year.</p> <p>The Board of Directors decided to define financial objectives with reference to EBIT, free cash flow and working capital. The Board reviews the respective weighting of these three performance metrics every year. It also establishes the threshold and maximum levels for each metric, as well as an aggregate maximum level.</p> <p>At its meeting on July 25, 2013, the Board of Directors determined that the financial performance metrics for 2013 would be as follows (calculated on a proportionate basis as from Mr. Abrial's appointment):</p> <ul style="list-style-type: none"> weighting: <ul style="list-style-type: none"> EBIT: 60%, working capital: 10%, and free cash flow: 30%; threshold levels (based on annual budgets): <ul style="list-style-type: none"> 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. <p>The same meeting set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> the threshold level of each performance metric resulted in the allocation of variable compensation (from 0 at the threshold level to 100% upon meeting budget at 100%); if an objective was exceeded, the variable compensation allocated in respect of that objective increased beyond 100% in proportion to the extent to which the objective was exceeded, capped at a maximum of 130%, which applied irrespective of the extent to which the objective was exceeded, as follows: <ul style="list-style-type: none"> if 130% (or more) of the EBIT target was achieved, the maximum 130% of variable compensation was payable for this metric, if 65% (or less) of the working capital target was achieved, the maximum 130% of variable compensation was payable for this metric, and if 130% (or more) of the free cash flow target was achieved, the maximum 130% of variable compensation was payable for this metric. <p>Total variable compensation could reach 100% of fixed compensation if all of the objectives were achieved and up to 130% if the performance, assessed by the Board based on both individual objectives and in proportion to the Group's results for the financial objectives, were exceeded and substantiated.</p> <p>At its same meeting on July 25, 2013, the Board of Directors also determined Mr. Abrial's individual objectives. These objectives were measurable, they were not solely financial, and mainly related to the Group's main strategic challenges in terms of programs, competitiveness and external growth. They were not disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 19, 2014, the Board of Directors reviewed the achievement of objectives set for the variable compensation payable to Stéphane Abrial for 2013 (calculated on a proportionate basis from the start of his term of office, i.e., July 1, 2013), after consultation with the Appointments and Compensation Committee.</p> <p>As regards the Group's financial performance, the EBIT and free cash flow targets were exceeded, which largely offset the fact that the working capital target was only partially achieved. The achievement rate of the individual qualitative objectives was specifically determined and is not disclosed for the confidentiality reasons provided above.</p> <p>The achievement rate of the variable compensation objectives set for 2013 (calculated on a proportionate basis for the period from July 1 to December 31, 2013) resulted in the payment to Stéphane Abrial of €200,000 in variable compensation.</p> <p>For information purposes, under his employment contract for the period prior to his appointment as Deputy Chief Executive Officer, Mr. Abrial received gross variable compensation of €160,000.</p>
Deferred variable compensation	N/A	Mr. Abrial does not receive any deferred variable compensation.

Compensation due or awarded for 2013	Amounts (or accounting value) submitted for shareholder approval	Presentation
Extraordinary compensation	N/A	Mr. Abrial does not receive any extraordinary compensation.
Stock options, performance shares and any other long-term compensation	Stock options = N/A	Mr. Abrial does not receive any stock options.
	Performance shares = N/A	Mr. Abrial does not receive any performance shares or any other long-term compensation.
	Other long-term compensation = N/A	
Attendance fees	N/A	Mr. Abrial does not receive any attendance fees.
Value of benefits-in-kind	€1,709 (accounting value)	Mr. Abrial has the use of a company car. For information purposes, Stéphane Abrial had the use of a company car in his capacity as an employee, from January 1 to June 30, 2013, representing a benefit-in-kind valued at €1,709.

Compensation due or awarded for 2013 that has been approved by shareholders as part of the procedure for related-party agreements and commitments	Amounts submitted for shareholder approval	Presentation
Termination benefits	N/A	Stéphane Abrial is not entitled to any termination benefits.
Non-compete indemnity	N/A	Mr. Abrial is not subject to any non-compete clause.
Supplementary pension benefits	€0	<p>Supplementary defined contribution pension plan:</p> <p>In his prior capacity as a Company employee, Mr. Abrial was previously covered by a supplementary defined contribution pension plan set up for the Company's managerial-grade staff.</p> <p>At its meeting of July 25, 2013, the Board of Directors decided to authorize Mr. Abrial to continue to be covered by this supplementary pension plan, in the same conditions as the other personnel concerned. The contributions are based on the compensation (fixed and variable) that he receives for his role as Deputy Chief Executive Officer. The expense recorded in the 2013 financial statements relating to the contributions paid under this plan for Mr. Abrial (calculated on a proportionate basis from July 1 to December 31, 2013) amounted to €4,068.38.</p> <p>This commitment will be submitted for shareholder approval in the fourth resolution of the May 27, 2014 Annual General Meeting, in accordance with the applicable procedure for approving related-party agreements and commitments.</p> <p>Supplementary defined benefit pension plan:</p> <p>As part of the Group's human resources management, on October 31, 2013, the Board of Directors of Safran decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which Executive Managers within the Group, currently numbering around 400, are eligible.</p> <p>On December 11, 2013, the Board of Directors decided to extend this plan to the four Executive Corporate Officers, including Stéphane Abrial.</p> <p>The methods used to calculate the benefits that would be paid to these Corporate Officers are exactly the same as those used for the other Executive Managers who benefit from the plan, namely:</p> <ul style="list-style-type: none"> the amount of the benefits will be calculated based on the average compensation over the previous three years and will take into account the seniority of the beneficiary concerned within the category of top executives (<i>hors statut</i>) and Officers (with at least five years of service), and will be equal to 1.8% of this reference compensation per year of service, capped at 18%; the total replacement rate (all basic, additional and supplementary retirement benefits) shall not exceed 35% of the reference compensation; the annual amount of the supplementary retirement benefits is capped at three times the annual social security ceiling in force at the date that the general social security retirement pension is paid (in 2013 the ceiling was €37,032); the payment of these supplementary retirement benefits is subject to beneficiaries completing their careers with the Group and being entitled to retire under French social security rules having completed the required number of working years. <p>Accordingly, the potential annual benefits to which Stéphane Abrial would be entitled, subject to his fulfilling the aforementioned conditions, will be capped at three times the annual social security ceiling, i.e., €111,096 per year based on the ceiling in 2013.</p> <p>This commitment will be submitted for shareholder approval in the sixth resolution of the May 27, 2014 Annual General Meeting, in accordance with the applicable procedure for approving related-party agreements and commitments.</p>

REPORT ON THE PROPOSED RESOLUTIONS

ORDINARY RESOLUTIONS

Presentation of the compensation due or awarded for 2013 to Ross McInnes (Deputy Chief Executive Officer, Finance)

Compensation due or awarded for 2013	Amounts (or accounting value) submitted for shareholder approval	Presentation
Fixed compensation	€500,000	Ross McInnes' fixed annual compensation was set by the Board of Directors at its meeting of December 12, 2012 for the period up until January 1, 2016.
Annual variable compensation	€550,000	<p>Two thirds of the variable component is determined on the basis of financial objectives and one third on individual objectives for each year.</p> <p>The Board of Directors decided to define financial objectives with reference to EBIT, free cash flow and working capital. The Board reviews the respective weighting of these three performance metrics every year. It also establishes the threshold and maximum levels for each metric, as well as an aggregate maximum level.</p> <p>At its meeting on December 12, 2012, the Board of Directors determined that the financial performance metrics for 2013 would be as follows:</p> <ul style="list-style-type: none"> weighting: <ul style="list-style-type: none"> EBIT: 60%, working capital: 10%, and free cash flow: 30%; threshold levels (based on annual budgets): <ul style="list-style-type: none"> 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. <p>The same meeting set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> the threshold level of each performance metric resulted in the allocation of variable compensation (from 0 at the threshold level to 100% upon meeting budget at 100%); if an objective was exceeded, the variable compensation allocated in respect of that objective increased beyond 100% in proportion to the extent to which the objective was exceeded, capped at a maximum of 130% which applied irrespective of the extent to which the objective was exceeded, as follows: <ul style="list-style-type: none"> if 130% (or more) of the EBIT target was achieved, the maximum 130% of variable compensation was payable for this metric, if 65% (or less) of the working capital target was achieved, the maximum 130% of variable compensation was payable for this metric, and if 130% (or more) of the free cash flow target was achieved, the maximum 130% of variable compensation was payable for this metric. <p>Total variable compensation could reach 100% of fixed compensation if all of the objectives were achieved and up to 130% if the performance, assessed by the Board based on both individual objectives and in proportion to the Group's results for the financial objectives, were exceeded and substantiated.</p> <p>At its same meeting on December 12, 2012, the Board of Directors also determined Mr. McInnes' individual objectives. These objectives were measurable, they were not solely financial, and mainly related to the Group's main strategic challenges in terms of programs, competitiveness and external growth. They were not disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 19, 2014, the Board of Directors reviewed the achievement of objectives set for the variable compensation payable to Ross McInnes for 2013, after consultation with the Appointments and Compensation Committee.</p> <p>As regards the Group's financial performance, the EBIT and free cash flow targets were exceeded, which largely offset the fact that the working capital target was only partially achieved. The achievement rate of the individual qualitative objectives was specifically determined and is not disclosed for the confidentiality reasons provided above.</p> <p>The achievement rate of the variable compensation objectives set for 2013 resulted in the payment to Ross McInnes of €550,000 in variable compensation.</p>
Deferred variable compensation	N/A	Mr. McInnes does not receive any deferred variable compensation.
Extraordinary compensation	N/A	Mr. McInnes does not receive any extraordinary compensation.
Stock options, performance shares and any other long-term compensation	Stock options = N/A	Mr. McInnes does not receive any stock options.
	Performance shares = N/A	Mr. McInnes does not receive any performance shares or any other long-term compensation.
	Other long-term compensation = N/A	
Attendance fees	N/A	Mr. McInnes does not receive any attendance fees.
Value of benefits-in-kind	€4,091 (accounting value)	Mr. McInnes has the use of a company car.

Compensation due or awarded for 2013 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

Termination benefits	N/A	Ross McInnes is not entitled to any termination benefits.
Non-compete indemnity	N/A	Mr. McInnes is not subject to any non-compete clause.
Supplementary pension benefits	€0	<p>Supplementary defined contribution pension plan:</p> <p>In his prior capacity as a Company employee, Mr. McInnes was previously covered by a supplementary defined contribution pension plan set up for the Company's managerial-grade staff.</p> <p>At its meeting of July 27, 2011, the Board of Directors decided to authorize Mr. McInnes to continue to be covered by this supplementary pension plan, in the same conditions as the other personnel concerned. The contributions are based on the compensation (fixed and variable) that he receives for his role as Deputy Chief Executive Officer. The expense recorded in the 2013 financial statements relating to the contributions paid under this plan for Mr. McInnes amounted to €18,901.78</p> <p>This commitment was submitted for shareholder approval in the sixth resolution of the May 31, 2012 Annual General Meeting in accordance with the applicable procedure for approving related-party agreements and commitments.</p> <p>Supplementary defined benefit pension plan:</p> <p>As part of the Group's human resources management, on October 31, 2013, the Board of Directors of Safran decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which Executive Managers within the Group, currently numbering around 400, are eligible.</p> <p>On December 11, 2013, the Board of Directors decided to extend this plan to the four Executive Corporate Officers, including Ross McInnes.</p> <p>The methods used to calculate the benefits that would be paid to these Corporate Officers are exactly the same as those used for the other Executive Managers who benefit from the plan, namely:</p> <ul style="list-style-type: none"> the amount of the benefits will be calculated based on the average compensation over the previous three years and will take into account the seniority of the beneficiary concerned within the category of top executives (<i>hors statut</i>) and Officers (with at least five years of service), and will be equal to 1.8% of this reference compensation per year of service, capped at 18%; the total replacement rate (all basic, additional and supplementary retirement benefits) shall not exceed 35% of the reference compensation; the annual amount of the supplementary retirement benefits is capped at three times the annual social security ceiling in force at the date that the general social security retirement pension is paid (in 2013 the ceiling was €37,032); the payment of these supplementary retirement benefits is subject to beneficiaries completing their careers with the Group and being entitled to retire under French social security rules having completed the required number of working years. <p>Accordingly, the potential annual benefits to which Ross McInnes would be entitled, subject to his fulfilling the aforementioned conditions, will be capped at three times the annual social security ceiling, i.e., €111,096 per year based on the ceiling in 2013.</p> <p>This commitment will be submitted for shareholder approval in the sixth resolution of the May 27, 2014 Annual General Meeting, in accordance with the applicable procedure for approving related-party agreements and commitments.</p>

REPORT ON THE PROPOSED RESOLUTIONS

ORDINARY RESOLUTIONS

Presentation of the compensation due or awarded for 2013 to Marc Ventre (Deputy Chief Executive Officer, Operations)

Compensation due or awarded for 2013	Amounts (or accounting value) submitted for shareholder approval	Presentation
Fixed compensation	€500,000	Marc Ventre's fixed annual compensation was set by the Board of Directors at its meeting of December 12, 2012 for the period up until January 1, 2016.
Annual variable compensation	€550,000	<p>Two thirds of the variable component is determined on the basis of financial objectives and one third on individual objectives for each year.</p> <p>The Board of Directors decided to define financial objectives with reference to EBIT, free cash flow and working capital. The Board reviews the respective weighting of these three performance metrics every year. It also establishes the threshold and maximum levels for each metric, as well as an aggregate maximum level.</p> <p>At its meeting on December 12, 2012, the Board of Directors determined that the financial performance metrics for 2013 would be as follows:</p> <ul style="list-style-type: none"> weighting: <ul style="list-style-type: none"> EBIT: 60%, working capital: 10%, and free cash flow: 30%; threshold levels (based on annual budgets): <ul style="list-style-type: none"> 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. <p>The same meeting set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> the threshold level of each performance metric resulted in the allocation of variable compensation (from 0 at the threshold level to 100% upon meeting budget at 100%); if an objective was exceeded, the variable compensation allocated in respect of that objective increased beyond 100% in proportion to the extent to which the objective was exceeded, capped at a maximum of 130%, which applied irrespective of the extent to which the objective was exceeded, as follows: <ul style="list-style-type: none"> if 130% (or more) of the EBIT target was achieved, the maximum 130% of variable compensation was payable for this metric, if 65% (or less) of the working capital target was achieved, the maximum 130% of variable compensation was payable for this metric, and if 130% (or more) of the free cash flow target was achieved, the maximum 130% of variable compensation was payable for this metric. <p>Total variable compensation could reach 100% of fixed compensation if all of the objectives were achieved and up to 130% if the performance, assessed by the Board based on both individual objectives and in proportion to the Group's results for the financial objectives, were exceeded and substantiated.</p> <p>At its same meeting on December 12, 2012, the Board of Directors also determined Mr. Ventre's individual objectives. These objectives were measurable, they were not solely financial, and mainly related to the Group's main strategic challenges in terms of programs, competitiveness and external growth. They were not disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 19, 2014, the Board of Directors reviewed the achievement of objectives set for the variable compensation payable to Marc Ventre for 2013, after consultation with the Appointments and Compensation Committee.</p> <p>As regards the Group's financial performance, the EBIT and free cash flow targets were exceeded, which largely offset the fact that the working capital target was only partially achieved. The achievement rate of the individual qualitative objectives was specifically determined and is not disclosed for the confidentiality reasons provided above.</p> <p>The achievement rate of the variable compensation objectives set for 2013 resulted in the payment to Marc Ventre of €550,000 in variable compensation.</p>
Deferred variable compensation	N/A	Mr. Ventre does not receive any deferred variable compensation.
Extraordinary compensation	N/A	Mr. Ventre does not receive any extraordinary compensation.
Stock options, performance shares and any other long-term compensation	Stock options = N/A	Mr. Ventre does not receive any stock options.
	Performance shares = N/A Other long-term compensation = N/A	Mr. Ventre does not receive any performance shares or any other long-term compensation.
Attendance fees	N/A	Mr. Ventre does not receive any attendance fees.
Value of benefits-in-kind	€4,003 (accounting value)	Mr. Ventre has the use of a company car.

Compensation due or awarded for 2013 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

Termination benefits	N/A	Marc Ventre is not entitled to any termination benefits.
Non-compete indemnity	N/A	Mr. Ventre is not subject to any non-compete clause.
Supplementary pension benefits	€0	<p>Supplementary defined contribution pension plan:</p> <p>In his prior capacity as a Company employee, Mr. Ventre was previously covered by supplementary defined contribution pension plans set up for the Company's managerial-grade staff.</p> <p>At its meeting of July 27, 2011, the Board of Directors decided to authorize Mr. Ventre to continue to be covered by this supplementary pension plan, in the same conditions as the other personnel concerned. The contributions are based on the compensation (fixed and variable) that he receives for his role as Deputy Chief Executive Officer. The expense recorded in the 2013 financial statements relating to the contributions paid under this plan for Mr. Ventre amounted to €33,292.82.</p> <p>This commitment was submitted for shareholder approval in the sixth resolution of the May 31, 2012 Annual General Meeting in accordance with the applicable procedure for approving related-party agreements and commitments.</p> <p>Supplementary defined benefit pension plan:</p> <p>As part of the Group's human resources management, on October 31, 2013, the Board of Directors of Safran decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which Executive Managers within the Group, currently numbering around 400, are eligible.</p> <p>On December 11, 2013, the Board of Directors decided to extend this plan to the four Executive Corporate Officers, including Marc Ventre.</p> <p>The methods used to calculate the benefits that would be paid to these Corporate Officers are exactly the same as those used for the other Executive Managers who benefit from the plan, namely:</p> <ul style="list-style-type: none"> the amount of the benefits will be calculated based on the average compensation over the previous three years and will take into account the seniority of the beneficiary concerned within the category of top executives (<i>hors statut</i>) and Officers (with at least five years of service), and will be equal to 1.8% of this reference compensation per year of service, capped at 18%; the total replacement rate (all basic, additional and supplementary retirement benefits) shall not exceed 35% of the reference compensation; the annual amount of the supplementary retirement benefits is capped at three times the annual social security ceiling in force at the date that the general social security retirement pension is paid (in 2013 the ceiling was €37,032); the payment of these supplementary retirement benefits is subject to beneficiaries completing their careers with the Group and being entitled to retire under French social security rules having completed the required number of working years. <p>Accordingly, the potential annual benefits to which Marc Ventre would be entitled, subject to his fulfilling the aforementioned conditions, will be capped at three times the annual social security ceiling, i.e., €111,096 per year based on the ceiling in 2013.</p> <p>This commitment will be submitted for shareholder approval in the sixth resolution of the May 27, 2014 Annual General Meeting, in accordance with the applicable procedure for approving related-party agreements and commitments.</p>

REPORT ON THE PROPOSED RESOLUTIONS

ORDINARY RESOLUTIONS

Presentation of the compensation due or awarded for 2013 to Dominique-Jean Chertier (Deputy Chief Executive Officer, Corporate Office) until June 30, 2013

Compensation due or awarded for 2013	Amounts (or accounting value) submitted for shareholder approval	Presentation
Fixed compensation	€240,000 (calculated on a proportionate basis between January 1 and June 30, 2013)	Dominique-Jean Chertier's fixed annual compensation was set at €480,000 by the Board of Directors at its meeting on May 26, 2011. This amount was effective until January 1, 2014.
Annual variable compensation	€244,000 (calculated on a proportionate basis between January 1 and June 30, 2013)	<p>Two thirds of the variable component is determined on the basis of financial objectives and one third on individual objectives for each year.</p> <p>The Board of Directors decided to define financial objectives with reference to EBIT, free cash flow and working capital. The Board reviews the respective weighting of these three performance metrics every year. It also establishes the threshold and maximum levels for each metric, as well as an aggregate maximum level.</p> <p>At its meeting on December 12, 2012, the Board of Directors determined that the financial performance metrics for 2013 would be as follows:</p> <ul style="list-style-type: none"> weighting: <ul style="list-style-type: none"> EBIT: 60%, working capital: 10%, and free cash flow: 30%; threshold levels (based on annual budgets): <ul style="list-style-type: none"> 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. <p>The same meeting set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> the threshold level of each performance metric resulted in the allocation of variable compensation (from 0 at the threshold level to 100% upon meeting budget at 100%); if an objective was exceeded, the variable compensation allocated in respect of that objective increased beyond 100% in proportion to the extent to which the objective was exceeded, capped at a maximum of 130%, which applied irrespective of the extent to which the objective was exceeded, as follows: <ul style="list-style-type: none"> if 130% (or more) of the EBIT target was achieved, the maximum 130% of variable compensation was payable for this metric, if 65% (or less) of the working capital target was achieved, the maximum 130% of variable compensation was payable for this metric, and if 130% (or more) of the free cash flow target was achieved, the maximum 130% of variable compensation was payable for this metric. <p>Total variable compensation could reach 100% of fixed compensation if all of the objectives were achieved and up to 130% if the performance, assessed by the Board based on both individual objectives and in proportion to the Group's results for the financial objectives, were exceeded and substantiated.</p> <p>At its same meeting on December 12, 2012, the Board of Directors also determined Mr. Chertier's individual objectives. These objectives were measurable, they were not solely financial, and mainly related to the Group's main strategic challenges in terms of programs, competitiveness and external growth. They were not disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 19, 2014, the Board of Directors reviewed the achievement of objectives set for the variable compensation payable to Dominique-Jean Chertier for the period from January 1 to June 30, 2013, after consultation with the Appointments and Compensation Committee.</p> <p>As regards the Group's financial performance, the EBIT and free cash flow targets were exceeded, which largely offset the fact that the working capital target was only partially achieved. The achievement rate of the individual qualitative objectives was specifically determined and is not disclosed for the confidentiality reasons provided above.</p> <p>The achievement rate of the variable compensation objectives set for 2013 resulted in the payment to Dominique-Jean Chertier of €244,000 in variable compensation.</p>
Deferred variable compensation	N/A	Mr. Chertier did not receive any deferred variable compensation.
Extraordinary compensation	N/A	Mr. Chertier did not receive any extraordinary compensation.
Stock options, performance shares and any other long-term compensation	Stock options = N/A Performance shares = N/A Other long-term compensation = N/A	Mr. Chertier did not receive any stock options. Mr. Chertier did not receive any performance shares or any other long-term compensation.
Attendance fees	N/A	Mr. Chertier did not receive any attendance fees.
Value of benefits-in-kind	€2,423 (accounting value)	Mr. Chertier had the use of a company car.

Compensation due or awarded for 2013 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

Termination benefits	N/A	Dominique-Jean Chertier was not entitled to any termination benefits.
Non-compete indemnity	N/A	Mr. Chertier was not subject to any non-compete clause.
Supplementary pension benefits	€0	<p>In his capacity as a Company employee, prior to his appointment as a Deputy Chief Executive Officer, Mr. Chertier was covered by supplementary defined contribution pension plans set up for the Company's managerial-grade staff.</p> <p>At its meeting of July 27, 2011, the Board of Directors decided to authorize Mr. Chertier to continue to be covered by this supplementary pension plan, in the same conditions as the other personnel concerned. Throughout Mr. Chertier's term as Deputy Chief Executive Officer, the contributions paid into the plan were based on the compensation (fixed and variable) that he received for his role as Deputy Chief Executive Officer. The expense recorded in the 2013 financial statements relating to the contributions paid under this plan for Mr. Chertier (calculated on a proportionate basis for the period from January 1 to June 30, 2013) amounted to €22,446.40.</p> <p>This commitment was submitted for shareholder approval in the sixth resolution of the May 31, 2012 Annual General Meeting in accordance with the applicable procedure for approving related-party agreements and commitments.</p>

EXTRAORDINARY RESOLUTIONS

PRESENTATION OF THE TWELFTH RESOLUTION

Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares

In the twelfth resolution the Board of Directors is seeking an authorization to reduce the Company's capital by canceling all or some of the treasury shares purchased under share buyback programs previously authorized by shareholders as well as the new program proposed in the ninth resolution.

In compliance with the applicable law, the number of shares canceled in any 24-month period would not be able to exceed 10% of the Company's capital.

This authorization would be given for a period of 24 months and would supersede the unused authorization given for the same purpose in the ninth resolution of the Annual General Meeting held on May 31, 2012.

PRESENTATION OF THE THIRTEENTH RESOLUTION

Amendment to Article 14 of the Company's bylaws in order to introduce provisions concerning the procedures for the election of employee representative Directors, in accordance with France's Employment Security Act of June 14, 2013

In the thirteenth resolution shareholders are requested to amend Article 14 of the Company's bylaws relating to the membership structure of the Board of Directors in order to introduce provisions concerning the procedures for the election of employee representative Directors, in accordance with France's Employment Security Act of June 14, 2013.

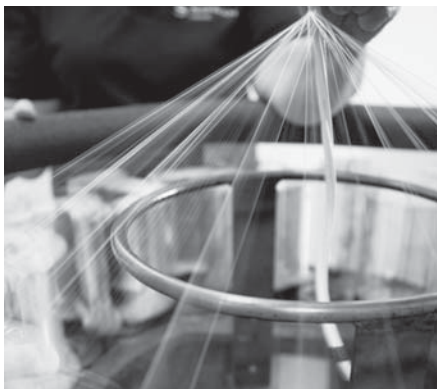
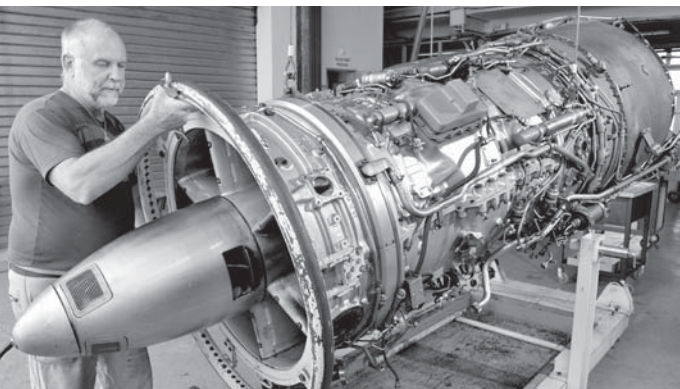
Since the Company meets the criteria set in the Employment Security Act (including having more than 10,000 employees worldwide), and the Board of Directors comprises 13 members (not counting the Directors who represent employee shareholders), the law states that it must include two employee representative Directors. These two new Board members must take up office within six months of this Annual General Meeting.

It is proposed that each of the two employee representative Directors would be elected by all eligible employees, forming a single electoral body. The election would be from a list of candidates using the largest-remainder proportional representation system, without vote-splitting. In accordance with the law, a consultation process has been conducted with the Group's Works Council concerning the proposed terms and conditions for the election process.

RESOLUTION CONCERNING POWERS TO CARRY OUT FORMALITIES

PRESENTATION OF THE FOURTEENTH RESOLUTION

The fourteenth resolution concerns the powers that are necessary to carry out the filing and other legal formalities required for the resolutions adopted at this Meeting.



TEXT OF THE PROPOSED RESOLUTIONS

ORDINARY RESOLUTIONS

APPROVAL OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

TEXT OF THE FIRST RESOLUTION

Approval of the parent company financial statements for the year ended December 31, 2013

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the management report prepared by the Board of Directors and the Statutory Auditors' report on the parent company financial statements, the shareholders approve the financial statements of the parent company for the year ended December 31, 2013 as presented – showing profit for the year of €327,839,112.93 – together with the transactions reflected in these financial statements and referred to in these reports.

Pursuant to article 223 *quater* of the French Tax Code, the shareholders approve the non-deductible expenses governed by article 39-4 of said Code, which totaled €125,757 and gave rise to a tax charge of €47,788.

TEXT OF THE SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended December 31, 2013

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the management report prepared by the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2013 as presented, together with the transactions reflected in these financial statements and referred to in these reports.



APPROPRIATION OF PROFIT FOR THE YEAR AND APPROVAL OF THE RECOMMENDED DIVIDEND

TEXT OF 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, and based on the Board of Directors' recommendation, the shareholders' resolve to appropriate profit for the year ended December 31, 2013 as follows:

• Profit for 2013	€327,839,112.93
• Retained earnings ⁽¹⁾	€368,281,554.50
• Profit available for distribution	€696,120,667.43
Appropriation:	
• Dividend	€467,073,135.20
• Retained earnings	€229,047,532.23

(1) Including €714,148.20 corresponding to the 2012 dividend due on shares held in treasury at the dividend payment date.

Accordingly, the dividend paid will be €1.12 per share.

An interim dividend of €0.48 per share was paid on December 19, 2013. The ex-dividend date for the remaining payout of €0.64 per share will be May 29, 2014, and the dividend will be paid on June 3, 2014.

Individual shareholders domiciled for tax purposes in France are eligible for 40% tax relief on the amount of their interim dividend and the final dividend, as provided for under article 158, 3-2° of the French Tax Code.

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 dividend rights ⁽¹⁾	Net dividend per share	Total payout ⁽⁴⁾
2012	416,463,366 ⁽²⁾	€0.96	€399,645,083.40
2011	415,843,977 ⁽³⁾	€0.62	€256,383,788.99
2010	406,335,324	€0.50	€203,167,662.00

(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.

(2) An interim dividend (€0.31) was paid on 415,948,050 shares and the final dividend (€0.65) was paid on 416,463,366 shares.

(3) An interim dividend (€0.25) was paid on 410,086,070 shares and the final dividend (€0.37) was paid on 415,843,977 shares.

(4) Fully eligible for the 40% tax relief provided for under article 158, 3-2° of the French Tax Code.

RELATED-PARTY AGREEMENTS AND COMMITMENTS

TEXT OF THE FOURTH RESOLUTION

Approval of a related-party commitment governed by article L.225-42-1 of the French Commercial Code, given to Stéphane Abrial (Deputy Chief Executive Officer) concerning pension benefits and personal risk insurance

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the Statutory Auditors' special report on related-party commitments governed by article L.225-42-1 of the French Commercial Code, the shareholders approve the commitment described therein given to Stéphane Abrial (Deputy Chief Executive Officer) concerning his continued membership of the collective personal risk insurance plan and supplementary defined contribution pension plan.

TEXT OF THE FIFTH RESOLUTION

Approval of a related-party commitment governed by article L.225-42-1 of the French Commercial Code, given to Jean-Paul Herteman (Chairman and Chief Executive Officer) concerning pension benefits

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the Statutory Auditors' special report on related-party commitments governed by article L.225-42-1 of the French Commercial Code, the shareholders approve the commitment described therein given to Jean-Paul Herteman (Chairman and Chief Executive Officer) concerning his membership of the supplementary defined benefit pension plan.

TEXT OF THE SIXTH RESOLUTION**Approval of related-party commitments governed by article L.225-42-1 of the French Commercial Code, given to the Deputy Chief Executive Officers concerning pension benefits**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the Statutory Auditors' special report on related-party commitments governed by article L.225-42-1 of the French Commercial Code, the shareholders approve the commitments described therein given to Stéphane Abrial, Ross McInnes and Marc Ventre (Deputy Chief Executive Officers) concerning their membership of the supplementary defined benefit pension plan.

TEXT OF THE SEVENTH RESOLUTION**Related-party agreements governed by article L.225-38 of the French Commercial Code**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the Statutory Auditors' special report on related-party agreements governed by article L.225-38 of the French Commercial Code, the shareholders place on record that no such agreements were entered into during 2013.

SETTING THE AMOUNT OF ATTENDANCE FEES TO BE ALLOCATED TO THE BOARD OF DIRECTORS

TEXT OF THE EIGHTH RESOLUTION**Setting the amount of attendance fees to be allocated to the Board of Directors**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Board of Directors, the shareholders set at €868,000 the total maximum amount of attendance fees to be allocated among members of the Board of Directors for 2014.

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO CARRY OUT A SHARE BUYBACK PROGRAM

TEXT OF THE NINTH RESOLUTION**Authorization for the Board of Directors to carry out a share buyback program**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Board of Directors, the shareholders grant the Board of Directors an authorization – which may be delegated in accordance with the law – to purchase, directly or indirectly, the Company's shares in accordance with the conditions set out in articles L.225-209 *et seq.* of the French Commercial Code, EC Regulation 2273/2003 dated December 22, 2003 implementing EC Directive 2003/6/EC dated January 28, 2003, the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF), market practices permitted by the AMF, and any other laws and regulations that may be applicable in the future.

The authorization may be used to purchase shares:

- to maintain a liquid market in the Company's shares via a liquidity agreement entered into with an investment services firm and which complies with the AMF-approved Code of Ethics drawn up by the French association of financial and investment firms (*Association française des marchés financiers* – AMAFI);
 - for allocation or sale to employees and/or Corporate Officers of the Company or of other Group companies, in accordance with the terms and conditions provided for by law, notably in connection with a profit-sharing plan, free share grant plan, stock option plan, the Group employee savings plan, or any company employee savings plan in place within the Safran Group;
 - for delivery on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
 - to hold in treasury for subsequent delivery in payment or exchange for external growth transactions; and
 - for cancellation in accordance with the authorization granted in the twelfth resolution of this Annual General Meeting.
- Shares may be purchased, sold, or transferred in one or several transactions and by any method allowed under the laws and regulations applicable at the transaction date, including over-the-counter and through a block trade for all or part of the program, as well as via the use of derivative financial instruments.



The Board of Directors may use this authorization at any time subject to the limitations set down by the applicable regulations, including during a tender offer initiated by the Company, subject to strict compliance with article 231-41 of the AMF's General Regulations and article L.225-209 of the French Commercial Code.

The number of shares that may be bought back under this authorization may not exceed 10% of the Company's total outstanding shares (for information purposes, 41,702,958 shares based on the issued capital at December 31, 2013). This ceiling shall be reduced to 5% for shares acquired for the purpose of being held in treasury for subsequent delivery in payment or exchange for external growth transactions. When shares are bought back for market-making purposes under a liquidity agreement, the number of shares included in the calculation of the 10% ceiling corresponds to the number of shares purchased less any shares sold during the period covered by this authorization.

Under no circumstances may the use of this authorization have the effect of increasing the number of Safran shares held by the Company, either directly or indirectly, to more than 10% of its share capital.

The shares may not be purchased at a price of more than €65 per share and the maximum amount that may be invested in the program is €2.7 billion. However, the Board of Directors may adjust this maximum purchase price to take into account the impact on the share price of any corporate actions.

The shareholders give full powers to the Board of Directors – or any representative duly empowered in accordance with the law – to carry out this share buyback program, set the applicable terms and conditions, make the required adjustments as a result of any corporate actions, place any and all buy and sell orders, enter into any and all agreements notably for the keeping of registers of share purchases and sales, make any and all filings with the AMF and any other organization, carry out all other formalities, and generally do everything necessary to use this authorization.

This authorization is given for a period of 18 months from the date of this Meeting. It supersedes the authorization given to the Board of Directors for the same purpose in the tenth resolution of the Annual General Meeting held on May 28, 2013.

ADVISORY VOTES ON THE COMPENSATION DUE OR AWARDED FOR 2013 TO THE EXECUTIVE CORPORATE OFFICERS

TEXT OF THE TENTH RESOLUTION

Advisory vote on the compensation due or awarded for 2013 to Jean-Paul Herteman, Chairman and Chief Executive Officer

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, and having been consulted in connection with the "say-on-pay" recommendations in Article 24.3 of the June 2013 revised version of the AFEP/MEDEF Code on corporate governance – which the Company uses as its reference framework for corporate governance in accordance with article L.225-37 of the French Commercial Code – the shareholders issue a positive advisory vote on the compensation due or awarded for the year ended December 31, 2013 to Jean-Paul Herteman (Chairman and Chief Executive Officer) as presented in section 8.2.1 of the 2013 Registration Document.

TEXT OF THE ELEVENTH RESOLUTION

Advisory vote on the compensation due or awarded for 2013 to the Deputy Chief Executive Officers

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, and having been consulted in connection with the "say-on-pay" recommendations in Article 24.3 of the June 2013 revised version of the AFEP/MEDEF Code on corporate governance – which the Company uses as its reference framework for corporate governance in accordance with article L.225-37 of the French Commercial Code – the shareholders issue a positive advisory vote on the compensation due or awarded for the year ended December 31, 2013 to the Deputy Chief Executive Officers as presented in section 8.2.1 of the 2013 Registration Document.

EXTRAORDINARY RESOLUTIONS

TEXT OF THE TWELFTH RESOLUTION

Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Board of Directors and the Statutory Auditors' special report, in accordance with article L.225-209 of the French Commercial Code, the shareholders:

1. authorize the Board of Directors to reduce the Company's capital on one or more occasions, in the proportions and at the times it deems appropriate, by canceling all or some of the treasury shares held by the Company as a result of implementing a share buyback program. The number of treasury shares that may be canceled within any 24-month period may not exceed 10% of the Company's capital. This 10% ceiling shall apply to the amount of the Company's capital as adjusted, where applicable, to take into consideration any corporate actions that may be carried out after this Annual General Meeting.
2. resolve that the Board of Directors will have full powers, which may be delegated in accordance with the law, to implement this resolution and in particular to:
 - set the definitive amount of the capital reduction(s),
 - set the terms and conditions of the capital reduction(s) and to carry them out,
 - charge the difference between the carrying amount of the canceled shares and their par value against any available reserves and additional paid-in capital accounts,
 - place on record the completion of the capital reduction(s) and amend the Company's bylaws accordingly, and
 - carry out any formalities and other measures and generally do everything necessary to complete the capital reduction(s).

This authorization is given for a period of 24 months from the date of this Meeting.

It supersedes the authorization given to the Board of Directors for the same purpose in the ninth resolution of the Annual General Meeting held on May 31, 2012.

TEXT OF THE THIRTEENTH RESOLUTION

Amendment to Article 14 of the Company's bylaws in order to introduce provisions concerning the procedures for the election of employee representative Directors, in accordance with France's Employment Security Act of June 14, 2013

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Board of Directors and the opinion issued by the Group's Works Council in France, the shareholders resolve to amend Article 14 of the Company's bylaws to read as follows:

Article 14 – Membership Structure of the Board of Directors

- 14.1. *The Company shall be administered by a Board of Directors with at least three and no more than thirteen members, including any representatives of the French State appointed in application of article 12 of Act 49-985 dated July 25, 1949. The French State shall be entitled to have at least two representatives on Safran's Board for as long as it holds at least 10% of the Company's capital.*
- 14.2. *The maximum number of thirteen Board members may be increased to allow for the inclusion of any Directors representing employee shareholders, elected as provided for in Article 14.8 below, and any employee representative Directors in general, elected as provided for in Article 14.9 below.*
- 14.3. *Directors may be either individuals or legal entities. Legal entities elected to the Board of Directors are required to appoint a permanent representative who shall be subject to the same conditions and duties and have the same responsibilities as if he were a Director in his own name, without prejudice to the joint and several liability of the legal entity he represents.*
- 14.4. *Directors shall be elected, re-elected or removed from office in accordance with the conditions set down in the applicable laws and regulations.*
- 14.5. *Each Director – other than the representatives of the French State, the Directors representing employee shareholders and employee representative Directors – shall be required to own a certain number of shares in the Company in accordance with the terms and conditions set down in the Board of Directors' Internal Rules. If a Director no longer holds the required number of shares, he will have a specific period of time (as set out in the Board of Directors' Internal Rules) to remedy the situation, after which he will be automatically deemed to have resigned.*
- 14.6. *Directors shall be subject to the applicable laws and regulations concerning multiple directorships.*
- 14.7. *In accordance with the applicable laws and regulations, and subject to compliance with the conditions concerning combining directorships with an employment contract, the number of Directors holding an employment contract with the Company (not including Directors representing employee shareholders and employee representative Directors) must not exceed one third of the Board's members.*

The employment contract of a Director shall not be automatically terminated when his term of office as a Director expires or if he is removed from office.

14.8. Directors representing employee shareholders

If the report presented by the Board at the Annual General Meeting in accordance with article L.225-102 of the French Commercial Code shows that the shares held by employees of the Company – or of companies related to it within the meaning of article L.225-180 of said Code – represent more than 3% of the share capital, then one or more Directors representing employee shareholders shall be elected at an Ordinary General Meeting in accordance with the terms and conditions set down in the applicable laws and regulations as well as in these bylaws. This requirement shall not, however, apply if the Board's members already include (i) one or more Directors who are employee representative members of the Supervisory Board of a corporate mutual fund or (ii) one or more employee representatives appointed in application of article L.225-27 of the French Commercial Code.

Prior to the Ordinary General Meeting at which Directors representing employee shareholders are to be elected, the Chairman of the Board of Directors shall contact the Supervisory Boards of the corporate mutual funds set up as part of the Group's employee share ownership program – whose investments mainly comprise shares in the Company – in order to carry out a consultation procedure with the employee shareholders in accordance with the conditions set down in these bylaws.

Candidate Directors representing employee shareholders shall be selected as follows:

- when the voting rights attached to the shares held by the employees concerned are exercised on their behalf by the members of the Supervisory Board of a corporate mutual fund, said Supervisory Board may select one or more candidates from among its members who represent employees. When there are several corporate mutual funds, the Supervisory Boards of these funds may agree together to present one or more joint candidates, selected from among all of their members representing employees;*
- when the voting rights attached to the shares held by the employees concerned are exercised directly by the employees, candidates may be selected through consultation procedures organized by the Company. These consultations, which must be preceded by calls for candidates, may be organized by the Company using any technical means that offer a secure voting process, including electronic or postal voting systems. In order to be eligible, candidate applications must be presented by a group of shareholders representing at least 5% of the shares held by employees who exercise their voting rights directly.*

A special-purpose electoral committee set up by the Company may be tasked with ensuring that the overall process is properly conducted.

The only candidate(s) submitted for election at the Ordinary General Meeting shall be the candidate(s) presented either by the Supervisory Boards of the corporate mutual funds or by the groups of employee shareholders as described above.

The reports presenting the candidates drawn up by the Supervisory Boards of the corporate mutual funds or by the special-purpose electoral committee must be given to the Board of Directors at least eight days before it meets to approve the resolutions to be proposed at the Annual General Meeting at which Directors representing employee shareholders will be elected.

In order to be valid, each candidate file put forward must include a proposed position holder and a deputy. The deputy, who must meet the same eligibility criteria as the position holder, will be appointed by the Board of Directors to replace the representative elected at the Annual General Meeting in the event that this representative has to terminate his duties before the end of his term of office. Any such appointment by the Board would be subject to ratification at the following General Shareholders' Meeting.

If the deputy Director representing employee shareholders also has to step down before the end of his term, in order to ensure that employee shareholders continue to be represented, the Chairman of the Board of Directors shall request the body that originally presented the candidate (i.e., the Supervisory Board of the corporate mutual fund or the group of employee shareholders) to select a new candidate Director to be put forward for election at the following Shareholders' Meeting.

Any terms and conditions for selecting candidates that are not provided for in the applicable laws and regulations or in these bylaws shall be determined by the Chairman of the Board of Directors, notably the timeframe for the candidate selection process.

Directors representing employee shareholders shall be elected at an Ordinary General Meeting in accordance with the same conditions as for electing other Directors.

Directors who represent employee shareholders shall not be included for the purpose of determining the minimum and maximum number of Directors referred to in Article 14.1 above.

Directors representing employee shareholders shall be elected for a five-year term, expiring at the close of the Ordinary General Meeting held during the year in which their term expires in order to approve the financial statements for the previous year. However, the term of a Director representing employee shareholders shall automatically be terminated and the Director shall be deemed to have resigned if he ceases to be either (i) an employee of the Company (or of a company or inter-company partnership related to the Company within the meaning of article L.225-180 of the French Commercial Code), or (ii) a shareholder (or member of a corporate mutual fund holding shares in the Company).

If a position of Director representing employee shareholders falls vacant for any reason, it shall be filled in accordance with the conditions described above, and the new Director shall be elected by shareholders in an Ordinary General Meeting for the remainder of his predecessor's term of office. In such a case, the Board of Directors may meet and validly conduct business until the new Director(s) representing employee shareholders is/are replaced.

The provisions set out in the first paragraph of this Article shall cease to apply if, at the end of a fiscal year, the above-mentioned report drawn up in accordance with article L.225-102 of the French Commercial Code shows that the shares held by employees of the Company – or of companies related to it within the meaning of article L.225-180 of said Code – represent less than 3% of

TEXT OF THE PROPOSED RESOLUTIONS

EXTRAORDINARY RESOLUTIONS

the share capital. However, the term of office of Directors representing employee shareholders elected in application of the first paragraph of this Article shall continue to run until their expiry date.

The provisions of Article 14.5 relating to the number of the Company's shares that must be held by a Director shall not apply to Directors representing employee shareholders. However, each such Director shall be required to hold – either individually or through a corporate mutual fund set up as part of the Group's employee share ownership program – at least one share or a number of units in the fund equivalent to at least one share.

14.9. Directors representing employees ("employee representative Directors")

14.9.1. Number of employee representative Directors and terms and conditions of their election and appointment

In application of article L.225-27-1 of the French Commercial Code, the Board of Directors shall include one or two employee representative Directors, depending on the total number of Board members.

The Board shall have one employee representative Director if it has twelve or fewer members on the date said Director is appointed, or two employee representative Directors if it has more than twelve members on that date. Directors representing employees or employee shareholders shall not be included for the purpose of determining the total number of Board members.

If, during the term of office of an employee representative Director, the total number of Board members falls to twelve or below (not including Directors representing employees or employee shareholders) the employee representative Director(s) shall nevertheless remain on the Board for the length of their scheduled term of office. However, in such a case, if at the end of the term of office of the employee representative Director(s) the number of Board members has not been increased to above twelve (not including Directors representing employees or employee shareholders) as at the scheduled appointment date for the employee representative Director(s)' replacement(s), then the number of employee representative Directors shall be reduced to one.

If the total number of Board members is subsequently increased to more than twelve (not including Directors representing employees or employee shareholders), then a second employee representative Director shall be elected in accordance with the terms and conditions set out below. Such election shall be held within six months of the appointment by the Board or the election by shareholders of the new Director which resulted in the twelve-member threshold being exceeded.

Elections of employee representative Directors shall be organized in accordance with the provisions of article L.225-28 of the French Commercial Code and the terms and conditions set out below.

14.9.2. Type of election

Employee representative Directors shall be elected by all employees eligible to vote, who shall form a single electoral body.

In accordance with article L.225-28 of the French Commercial Code, the election shall be held in one round, with the electors selecting from a list of candidates using the largest-remainder proportional representation system, without vote-splitting. Each list of candidates shall contain twice as many candidate names as there are Board seats to be filled, and shall contain the same number of men and women candidates, with men's and women's names appearing alternately on the list. No deputy employee representative Directors shall be elected.

The lists of candidates shall be put forward solely by one or more of the trade unions representing the Group's employees.

14.9.3. Organization and timing of elections

The elections shall be organized by Executive Management. The timing of the elections (notably the latest date by which candidatures may be filed and the voting date) as well as any electoral procedures that are not provided for in the applicable laws or regulations or in these bylaws (notably the selection of the voting procedure) shall be set by Executive Management following consultation with the trade unions concerned.

The timing of the elections shall be such that the election results can be announced at least fifteen days before the expiration of the end of the term of office of outgoing employee representative Directors. For the first election held in application of French Act 2013-504 of June 14, 2013, the timing of the election shall be such that the election results can be announced within six months of the Annual General Meeting at which the bylaws were amended, as provided for in article L.225-27-1 III of the French Commercial Code.

For each election, Executive Management shall draw up the list of the Company's direct and indirect subsidiaries whose registered offices are located in France, as provided for in articles L.225-27-1 and L.225-28 of the French Commercial Code.

14.9.4. Voting procedures

Eligible employees may vote either by electronic means or on paper (including postal voting), or by a combination of both methods.

When voting is by electronic means it may take place at the employees' work premises or remotely, but the voting period may not last for more than fifteen days. The design and implementation of the electronic voting system may be entrusted to an external service provider. The system must guarantee confidentiality of the data transmitted as well as the security of voter authentication and signatures, and the recording and counting of votes.

14.9.5. Board vacancies and lack of candidates

If no candidates are put forward for one or more employee representative seats on the Board, the corresponding seat(s) shall remain vacant until the next election of employee representative Director(s).

If a seat held by an employee representative Director falls definitively vacant, that seat shall be filled in accordance with article L.225-34 of the French Commercial Code, i.e., by the candidate whose name featured directly below that of the last elected candidate on the same list.

**14.9.6. Status of employee representative Directors**

Employee representative Directors shall not be included for the purpose of determining the minimum and maximum number of Directors referred to in Article 14.2 above.

Employee representative Directors shall be elected for a term of five years. However, an employee representative Director shall be deemed to have resigned in the event that his employment contract is terminated. In this case, he shall be replaced in the same way as provided for in the second paragraph of Article 14.9.5 above.

Newly-elected employee representative Directors shall take up office on the date that the term of the outgoing employee representative Directors expires.

Employee representative Directors shall not be included for the purpose of determining the minimum and maximum number of Directors referred to in Article 16.3 below.

If the Company no longer meets the legal criteria that trigger the requirement for the election of one or more employee representative Directors then the term of the employee representative Director(s) in office at that time shall expire at the close of the Meeting at which the Board of Directors places on record that such criteria are no longer met."

POWERS TO CARRY OUT FORMALITIES

TEXT OF THE FOURTEENTH RESOLUTION

Powers to carry out formalities

The shareholders give full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing, publication, declaration and other formalities required by the applicable laws and regulations.



THE SAFRAN GROUP

IN 2013

ADJUSTED 2013 KEY FIGURES

<i>(in € millions)</i>	2012 adjusted*	2013
Revenue	13,560	14,695
Recurring operating income	1,444	1,788
% of revenue	10.6%	12.2%
Profit from operations	1,394	1,757
Profit for the period attributable to owners of the parent	979	1,193
Earnings per share <i>(in €)</i>	2.36	2.87

* Adjusted for the impact of the application of IAS 19R.

DEFINITIONS

Adjusted data

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted income statement alongside its consolidated financial statements.

Readers are reminded that Safran:

- is the result of the May 11, 2005 merger of the Sagem and Snecma groups, accounted for in accordance with IFRS 3, Business Combinations, in its consolidated financial statements;
- recognizes, as of July 1, 2005, all changes in the fair value of its foreign currency derivatives in "Financial income (loss)", in accordance with the provisions of IAS 39 applicable to transactions not qualifying for hedge accounting.

Accordingly, Safran's consolidated income statement has been adjusted for the impact of:

- purchase price allocations with respect to business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aircraft programs revalued at the time of the Sagem-Snecma merger. With effect from the 2010 interim consolidated financial statements, the Group decided to restate the impact of purchase price allocations for all business combinations. In particular, this concerns the amortization of intangible assets recognized at the time of the acquisition and amortized over extended periods due to the length of the Group's business cycles, along with gains or losses on remeasuring the Group's previously held interests in an entity acquired in a step acquisition;
- the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall foreign currency risk hedging strategy:
 - revenue net of purchases denominated in foreign currencies is measured using the effective hedged rate, i.e., including the costs of the hedging strategy,
 - all mark-to-market changes on foreign currency derivatives hedging future cash flows are neutralized.



Recurring operating income

In order to better reflect the current economic performance, this subtotal named “recurring operating income” excludes income and expenses which are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations and other unusual and/or material non-operational items.

2013 BUSINESS REVIEW

After an excellent year in 2012, Safran once again made strong advances in 2013, delivering 8.4% growth in revenue, 23.8% growth in recurring operating income and 26.2% growth in free cash flow. R&D spending was at a record level and capital expenditure increased by 17% to adapt to higher production rates and new technologies. During the year the Group also took the opportunity to reinforce its longer-term positioning in Aerospace Propulsion and Aircraft Equipment.

The order intake during 2013 was €20.8 billion, providing evidence of robust and resilient demand. The backlog grew to €56.2 billion compared to €48.5 billion in 2012, including firm orders for CFM56 and LEAP engines. 2013 was another record year for CFM: new orders were taken for 1,393 LEAP engines, bringing the order backlog to over 5,700 firm orders and purchase commitments for the Airbus A320neo, Boeing 737 MAX and COMAC C919 at December 31, 2013. The LEAP engine prolongs the leadership of CFM in its category. In 2013, CFM also took orders for 1,330 CFM56 engines, thereby growing the value of future highly profitable services under this program. The production of CFM56 engines hit a new high in the year, with 1,502 units delivered, compared with 1,406 in 2012.

For full-year 2013, Safran's adjusted revenue was €14,695 million, an 8.4% increase compared to 2012 (€13,560 million). Revenue increased by €1,135 million with higher Aerospace original equipment (OE) volumes, strong civil aftermarket trends, stability in the Security business and resilience in the Defence business (avionics).

For full-year 2013, Safran's recurring operating income was €1,788 million, or 12.2% of revenue, up 23.8% compared to €1,444 million⁽¹⁾ (10.6% of revenue) in full-year 2012. The improvement was primarily driven by the Aerospace Propulsion and Aircraft Equipment activities, which saw solid OE growth and positive trends in the civil aftermarket, as well as by continued profitability gains in Defence, and particularly avionics.

Adjusted profit attributable to owners of the parent grew by 21.8% year-on-year, coming out at €1,193 million or €2.87 per share, compared to €979 million⁽¹⁾ (€2.36 per share) in 2012. In addition to the rise in adjusted recurring operating income, this improved performance includes net one-off charges of €31 million, net financial expense of €138 million, and income tax expense of €540 million.

The Group's financial position remained sound with net debt of €1,089 million at December 31, 2013, representing 16% of equity. Free cash flow generation of €712 million results from cash from operations of €1,984 million, a decrease in working capital needs of €155 million – obtained despite the rise in production volumes – and rising R&D and capital expenditure (up 18% and 17%, respectively).

In 2013, Safran took major steps forward in its strategy for “more electric” aircraft by grouping all electrical power system businesses (including Goodrich Electrical Power Systems acquired in 2013) within Labinal Power Systems. The power distribution business of Eaton Aerospace – which Safran acquired in early 2014 – will also be integrated within Labinal Power Systems, giving Labinal added strength.

In 2013, Safran acquired Rolls-Royce's stake in the RTM 322 program, previously a 50/50 joint venture. The acquisition of a controlling interest in this program will allow Turbomeca to develop in the high value-added heavy-lift helicopter segment, which is currently enjoying vigorous growth, particularly in emerging markets.

(1) Recurring operating income and profit for 2012 were restated to reflect the application of IAS 19R.

REVENUE AND RESULTS BY ACTIVITY (ADJUSTED DATA)

Revenue (in € millions)	2012*	2013
Aerospace Propulsion	7,005	7,791
Aircraft Equipment	3,691	4,121
Defence	1,315	1,278
Security	1,546	1,502
Holding company and other	3	3
TOTAL	13,560	14,695

* Adjusted for the impact of the application of IAS 19R.

Recurring operating income (in € millions)	2012*	2013
Aerospace Propulsion	1,076	1,359
Aircraft Equipment	286	380
Defence	79	87
Security	145	120
Holding company and other	(142)	(158)
TOTAL	1,444	1,788

* Adjusted for the impact of the application of IAS 19R.

AEROSPACE PROPULSION

Full-year 2013 revenue grew by 11.2% at €7,791 million, or 11.3% on an organic basis, compared to revenue of €7,005 million in the year-ago period. Revenue growth resulted from rising civil OE deliveries, with CFM56 reaching record production rates (1,502 units, 96 units more than in 2012) and a favorable mix and pricing. Total CFM56 and LEAP orders and commitments now stand at close to 10,800 engines, more than seven years of production at current rates. Military propulsion revenue declined slightly as revenue from TP400 deliveries almost offset the decline in M88 sales. Helicopter turbine OE revenues also showed robust growth due to a favorable mix. Space and missile propulsion revenue was flat in the year. In September 2013, Safran finalized a transaction with Rolls-Royce resulting in the extension to 100% of Safran's ownership in the RTM322 helicopter engine program, which was previously jointly owned. Full ownership of the program extends Turbomeca's range into large turbines for the high-growth heavy helicopter market, enabling growth for military applications and accelerating time to market for heavy commercial engines. Support contracts previously fulfilled by Rolls-Royce have been transferred and the internalization of Rolls-Royce's workshare has been initiated.

Aftermarket trends were particularly positive and civil aftermarket revenue grew by 19.2% in USD terms, driven by first overhauls of recent CFM56 and GE90 engines. Helicopter turbine maintenance and the military engine aftermarket both grew at a mid-single digit percentage rate. Overall service revenue in Aerospace Propulsion grew by 14% in euro terms and represents a 48.1% share of revenue.

Full-year 2013 recurring operating income was €1,359 million (17.4% of revenue), up 26.3% compared to €1,076 million in the year-ago period (15.4% of revenue). This improvement resulted from healthy activity in the civil aftermarket, as well as from increased OE volume and favorable mix and pricing on commercial engine programs. R&D costs grew in 2013, primarily due to increased LEAP and Silvercrest development spending, essentially all of which is capitalized. Currency hedging had a positive impact on profitability.



AIRCRAFT EQUIPMENT

The Aircraft Equipment segment reported full-year 2013 revenue of €4,121 million, up 11.6% (9.8% on an organic basis) compared to the year-ago period.

Increases in OE production rates (notably the Boeing 787, A330 and A380 programs) and the continued recovery of the regional jets market segment drove revenue increases in all activities. The nacelle activity recorded increases in A330 and A320 thrust reversers and in small nacelles. The number of A380 nacelles delivered (108) was stable compared to 2012. The harnessing and landing gear activities saw a robust performance driven by a production ramp-up in all their civil programs including the first shipments to the A350 program. Shipments began in 2013 on the A400M Atlas program to which Safran supplies landing systems.

On a full-year basis, service revenue grew by 15.2% in euro terms and represents 29.5% of segment revenue. Excluding GEPS, the increase in service revenue was 8.9%. This increase is principally driven by aftermarket growth in wheels and brakes (including carbon brakes), gearboxes and nacelles. The increase of service revenue in the sales mix has a favorable impact on profitability.

Full-year 2013 recurring operating income was €380 million (9.2% of revenue), up 32.9% compared to €286 million in the year-ago period (7.7% of revenue). This significant improvement was driven by a favorable volume impact and productivity gains. The increased service activity for wheels and brakes also contributed to this performance. Currency hedging had a positive impact on profitability.

DEFENCE

Full-year 2013 revenue was down 2.8% at €1,278 million, or down 2.2% on an organic basis, compared to the previous year. Avionics revenue grew on the back of higher deliveries of seeker kit modules and a solid flight control systems activity. This trend was offset by softer revenue in optronics due primarily to the continued decline in shipments of long-range infra-red goggles to the US Armed Forces. Against this backdrop, Safran continued to leverage its leadership in cutting-edge technologies in optronics: Optrolead (50/50 joint venture between Safran and Thales) signed an upstream study program (PEA) for the development of a fourth generation of airborne electro-optical gyro stabilized systems.

Full-year 2013 recurring operating income at €87 million (6.8% of revenue) was up 10.1% (up 3.8% organically) compared to €79 million (6.0% of revenue) in full-year 2012. The continued turnaround of profitability in avionics resulted from a combination of favorable volume, price and mix effect and cost reductions. Optronics continued to deliver satisfactory profits, although lower than last year, thanks to continued deliveries of the FELIN infantry combat system and the first maintenance and upgrade activity on the French Army's FELIN equipment. Budgetary constraints impacted FELIN requirements at the French Ministry of Defence. Consequently, OE deliveries will cease after 2014 instead of after 2015 as initially expected. However, export potential for soldier modernization programs remains strong.

SECURITY

The Security activity reported full-year 2013 revenue of €1,502 million, down 2.8% compared to the year-ago period. Stable revenue on an organic basis reflects a mixed situation in identification, slow growth in detection and stability in e-documents. In identification, MorphoTrust continued its robust growth, driven by US Federal activities. A tough market for Morpho's biometric activities (excluding MorphoTrust) offset this growth as governmental contracts were subject to budgetary constraints or political instability. The e-documents activity has been significantly impacted in its smartchip telco and banking segments due to intensified price pressure and late introduction of NFC technology. Nevertheless, Safran regained traction in the telco and banking market as deliveries of NFC and LTE technology-enabled devices commenced. Detection ended 2013 with strong momentum, notably delivering CTX tomographic detection systems to the TSA (US), CATSA (Canada) and other export markets.

Full-year 2013 recurring operating income decreased by 17.2% at €120 million compared to €145 million in the year-ago period. The decline is principally due to the run-off of a few biometric identification projects which had been profitable in their latter years, not yet offset by new contracts. In e-documents, cost reductions did not entirely offset margin declines due to pricing pressure. Detection margins improved on higher CTX volumes.

Management and organizational changes in the second half of 2013 will result in the adaptation of the cost base and refocusing resources on significant growth prospects characteristic of the Security business.

In March 2013, Safran divested part of its stake in Ingenico, generating around €130 million in profit after tax. Safran nevertheless remains a major shareholder of the Company, with 10.2% of its capital and around 17% of its voting rights.

OUTLOOK FOR 2014

Safran expects on a full-year basis:

- adjusted revenue to increase by a percentage rate in the mid-single digits compared to 2013 revenue restated for IFRS 11 (at an estimated average rate of USD 1.30 to the euro);
- adjusted recurring operating income to increase by low double digits compared to 2013 recurring operating income restated for IFRS 11 (at a hedged rate of USD 1.26 to the euro);
- free cash flow to represent close to 40% of adjusted recurring operating income, subject to usual uncertainties on the timing of advance payments.

The full-year 2014 outlook is based on the following underlying assumptions:

- restatements of slightly more than (€300) million to 2013 revenue and slightly less than (€10) million to 2013 adjusted recurring operating income related to IFRS 11;
- healthy increase in Aerospace OE deliveries;
- civil aftermarket increase by a percentage in the low to mid-teens;
- stable level of self-funded R&D with a lower level of capitalization compared to 2013;
- stable level of tangible capex;
- profitable growth for the Security business;
- continued benefits from the ongoing Safran+ plan to enhance the cost structure and reduce overheads.



FIVE-YEAR FINANCIAL SUMMARY

(in €)	2009	2010	2011	2012	2013
Capital at December 31					
Share capital	83,405,917	83,405,917	83,405,917	83,405,917	83,405,917
Number of ordinary shares outstanding	417,029,585	417,029,585	417,029,585	417,029,585	417,029,585
Financial results					
Profit before tax, statutory employee profit-sharing, depreciation, amortization and provisions	259,026,592	460 950,316	311,960,503	583,002,487	351,489,419
Income tax expense	(130,569,281)	(81,337,666)	(85,414,505)	(190,424,330)	(49,857,914)
Statutory employee profit-sharing for the fiscal year	-	-	-	-	-
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions	249,519,112	497,099,621	352,862,622	764,947,485	327,839,113
Dividend payment	158,471,242	208,514,793	258,558,343	400,348,402	467,073,135
Per share data					
Profit after tax, statutory employee profit-sharing, but before depreciation, amortization and provisions					
• divided by the number of shares outstanding	0.93	1.30	0.95	1.85	0.96
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions					
• divided by the number of shares outstanding	0.60	1.19	0.85	1.83	0.79
Net dividend:					
• per ordinary share outstanding	0.38	0.50	0.62	0.96	1.12
Employees					
Average number of employees during the fiscal year	426	475	895	1,085	1,211
Total payroll	52,628,948	64,261,911	87,901,591	99,864,352	109,929,617
Social security and other social welfare contributions	23,727,951	31,003,789	75,671,943 ⁽¹⁾	56,713,929	71,358,273 ⁽²⁾

(1) Including a total expense of €27 million in respect of the April 3, 2009 free share plan, of which €26.4 million was rebilled to the French subsidiaries employing the beneficiaries.

(2) Including €3.7 million in respect of the international free share plan, of which the full amount of €3.7 million has been rebilled to the European subsidiaries employing the beneficiaries.



REQUEST FOR ADDITIONAL DOCUMENTS AND INFORMATION

Article R.225-83 of the French Commercial Code⁽¹⁾

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

May 27, 2014

I, the undersigned,

Name (or corporate name): _____

Address: _____

Owner of:

_____ registered shares

_____ bearer shares recorded in an account held with⁽²⁾ _____.

hereby request the Company to send to the above address the documents and information referred to in article R.225-83 of the French Commercial Code, for the purposes of Safran's Ordinary and Extraordinary Shareholders' Meeting to be held on May 27, 2014.

Signed in _____, on _____ 2014

Signature:

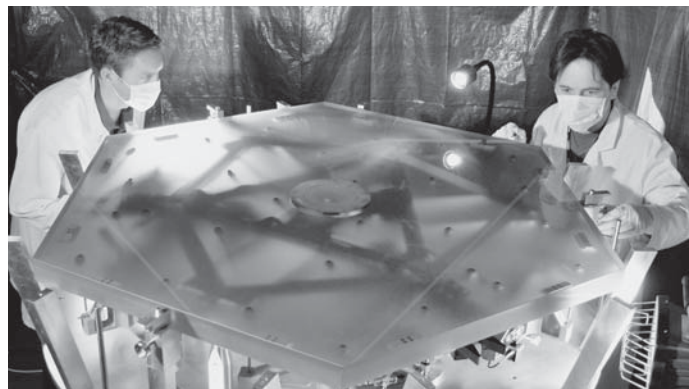
In accordance with article R.225-88 of the French Commercial Code, holders of registered shares may make a one-time request for the Company to send the documents and information referred to in articles R.225-81 and R.225-83 of said Code prior to all future Shareholders' Meetings.

Please check this box if you wish to lodge this request ☐

(1) The documents and information referred to in article R.225-83 of the French Commercial Code include the parent company and consolidated financial statements, the management report drawn up by the Board of Directors and the Statutory Auditors' reports. These documents and information can also be downloaded from the Company's website at www.safran-group.com.

(2) For holders of bearer shares, please state the name and address of the authorized financial intermediary responsible for managing your shares.





SIGN UP FOR THE E-NOTICE OF MEETING

HELP OUR SUSTAINABLE DEVELOPMENT EFFORTS BY SIGNING UP FOR THE E-NOTICE OF MEETING

Help us protect the environment by reducing paper consumption

You can now choose to receive the Notice of Meeting by email, thereby helping us protect the environment and reduce our carbon footprint by cutting down on printing and mailing hard copies of the Notice.

Opting for the e-Notice of Meeting is also a fast, easy and secure way to obtain all the information you need.

To sign up for the e-Notice of Meeting (effective for Meetings after May 27, 2014), all you need to do is:

- fill out the reply slip below (also available on **www.safran-group.com**) by clearly writing your name, date of birth and email address and returning it in the enclosed prepaid envelope at your earliest convenience; or
- log on directly to the "e-Notice" page at **<https://planetshares.bnpparibas.com>** until **3.00 p.m. (CET) on May 26, 2014**.

If you have already signed up for the e-Notice but continue to receive a hard copy, please resend us the reply slip below.



E-NOTICE REPLY SLIP

I would like to sign up for electronic information concerning my share account and receive by email a copy of:

- My Notice of Meeting as well as all documentation **pertaining to Safran's Annual General Meetings held after May 27, 2014.**

I hereby provide the following information (all fields must be completed; please write in capital letters only):

Mrs/Ms/Mr:

Last name (or corporate name):

First name:

Date of birth (mm/dd/yyyy): / /

Email:@.....

Signed in:, on: 2014

Signature

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS

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