

**2018 Long Term “Incentive” Plan**  
**Grant of performance shares to the Chief Executive Officer**

Upon the recommendation of the Appointments and Compensation Committee, at its meeting on July 24, 2018, the Board of Directors decided a grant of performance shares to certain senior managers and executives of the Group, which aims to recognize contributions to Safran's operating performance and the creation of shareholder value, measured over several years.

As part of this 2018 Long Term “Incentive” Plan, the Board of Directors decided to grant 13,600 performance shares to Philippe Petitcolin, Chief Executive Officer, representing less than 5 % of the total grant and complies with the compensation policy<sup>(1)</sup> approved by the May 25, 2018 Shareholders' Meeting.

The total amount of performance shares granted to the Chief Executive Officer is subject to achieving internal and external performance conditions. The number of performance shares to be definitively delivered at the end of a three-year vesting period will depend on the level of achievement of these conditions over the period 2018-2020. Following this vesting period, a one year lock-up will apply to the performance shares that would be delivered to the Chief Executive Officer.

Internal “standard” and “additional” performance conditions (counting for 70%):

- The two “standard” internal performance conditions, counting for 45% of the total vested shares, are based on ROI<sup>(2)</sup> for 22.5% and FCF<sup>(2)</sup> for 22.5%.
- The two “additional” internal performance conditions, counting for 25% of the total vested shares, are based on the adjusted recurring operating income for the Zodiac Aerospace scope (counting for 10%) and the amount of synergies unlocked as a result of Zodiac Aerospace's integration at end-2020 (counting for 15%).

These additional performance conditions allow to incorporate as soon as this 2018 grant, performance targets related to the new Zodiac Aerospace scope. They do not affect the cap value of the grants to the Chief Executive Officer.

External performance condition – TSR (counting for 30%):

- The external performance condition, counting for 30% of the total vested shares, is based on Safran's total shareholder return (TSR) performance as measured relative to a composite index allowing a comparison simultaneously with both the European and American sectorial markets and with the French market reference index. It is composed of:
  - The STOXX® Europe TMI Aerospace and Defense index (Stoxx A&D Net Return),
  - The S&P Aerospace and Defense Industry Select index (S&P A&D),
  - The CAC 40 index (CAC 40 Gross Return),each counting for one third of the composite index.

The description of these conditions (lowest achievement level, target achievement level, highest achievement level (cap)) and other main terms presented at the Shareholder's Meeting held on May 25, 2018 which authorized the Board of Directors such grants, are disclosed in Safran's Registration Documents.

The Board of Directors also confirmed that, after the one year lock-up mentioned above and until the end of his office, the Chief Executive Officer will be required to keep 40% of performance shares definitively delivered under such grants, until such shares kept represent an amount equivalent to one year of his last fixed compensation.

*(1) The number of performance shares granted to the Chief Executive Officer may not represent more than the equivalent of 120% of this annual fixed compensation, based on the accounting value, in accordance with IFRS 2, estimated prior to the grant.*

*(2) As mentioned in section 6.6.1.3 of the 2017 Registration Document.*