

## EXPLANATIONS ON RESOLUTIONS PRESENTED TO THE ANNUAL GENERAL MEETING OF APRIL 23, 2015

Resolutions summarized hereunder concern:

- the approval of the parent company and consolidated financial statements for the year ended December 31, 2014,
- the appropriation of profit for the year and approval of the recommended dividend,
- the related-party agreements and commitments,
- amendments to the Company's bylaws,
- the expiry of Directors' terms of office – appointments of Directors,
- the setting of the amount of attendance fees to be allocated to the Board of Directors,
- the authorization for the Board of Directors to carry out a share buyback program,
- the advisory vote on the compensation due or awarded for 2014 to Jean-Paul Herteman, Chairman and Chief Executive Officer,
- the advisory vote on the compensation due or awarded for 2014 to the Deputy Chief Executive Officers,
- financial authorizations,
- powers to carry out formalities.

### **1. The first and second resolutions relate to the 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, 2014 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 2014 with profit of €654.3 million.

The consolidated financial statements show an attributable loss for the year amounting to €126 million (€0.30 per share).

### **2. The third resolution is the appropriation of profit and approval of the recommended dividend**

Safran's distributable profit for 2014 totals €884 million, breaking down as €654.3 million in profit for the year plus €229.7 million in retained earnings brought forward from the previous year.

The Board of Directors is recommending a total dividend payout of €500.4 million, representing a per-share dividend of €1.20, up 7% on 2013.

An interim dividend of €0.56 per share was paid on December 23, 2014 with the ex-dividend date having been set as December 19, 2014. The ex-dividend date for the balance of the 2014 dividend – corresponding to €0.64 per share – will be set as April 27, 2015 and the dividend payment will be made on April 29, 2015.

The remaining €383.6 million of distributable profit would be allocated to retained earnings.

### **3. The fourth, fifth and sixth resolutions concern the approval of related-party agreements and commitments**

The fourth, fifth and sixth 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 2014, as described in the Statutory Auditors' special report (see section 8.5.1 of the 2014 Registration Document).

The fourth and fifth resolutions correspond to commitments given to management executives (the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers) relating to (i) benefits due or likely to be due as a result of the termination or a change in their duties, or (ii) pension benefits and personal risk insurance.

Commitments related to personal risk insurance were given to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers in 2014: Safran's work-related accident insurance coverage was changed pursuant to a Group agreement signed on October 13, 2014 relating to the accidental death and disability coverage available to all Safran Group employees in France. This amended coverage is in addition to that provided for under the Group Personal Risk Insurance Plan and has been effective since January 1, 2015.

On December 17, 2014, the Board of Directors decided to extend these changes to Safran's accidental death and disability coverage to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers. Shareholders are invited to approve this decision, by the fourth resolution regarding the Chairman and Chief Executive Officer and by the fifth resolution regarding the Deputy Chief Executive Officers.

The sixth resolution concerns 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 invited to approve two such agreements entered into in 2014:

Following the decision by Airbus Group and Safran to combine their space launcher activities in a joint venture called Airbus Safran Launchers Holding – which is held on a 50-50 basis by Airbus and Safran – the French State and Safran considered it important that Airbus Launchers Holding should become a party to the agreement entered into between Safran and the French State on December 21, 2004 (the “December 21, 2004 agreement”), by way of an addendum (Addendum no. 4), in order to ensure that the French State's rights under the agreement are maintained and are respected by Airbus Safran Launchers Holding (see section 7.1.4.2 of the 2014 Registration Document for further details). Safran and the French State also sought through the addendum to amend the provisions of the December 21, 2004 agreement in order to extend the lists of the subsidiaries and affiliates protected by the agreement to include (i) the shares of Airbus Safran Launchers Holding, (ii) the shares of Airbus Safran Launchers SAS (which is wholly owned by Airbus Safran Launchers Holding), and (iii) the interests contributed by Safran to these two entities. The signature of this addendum was authorized by the Board of Directors on December 1, 2014. It was signed on the same date and came into force on January 14, 2015 (the completion date of the first phase of the overall transaction between Safran and Airbus). The members of the Board of Directors representing the French State (Patrick Gandil, Vincent Imbert, Astrid Milsan and Laure Reinhart) did not take part in the Board of Directors' discussions or vote on this amendment.

The December 21, 2004 agreement was again amended by another addendum (Addendum no. 5). Under the terms of the December 21, 2004 agreement, the French State is entitled to appoint a non-voting representative to the Boards of Safran's strategic subsidiaries and subsidiaries holding assets related to French combat aircraft engines. In view of a project put in place to convert the legal form of a number of Safran's main operating subsidiaries from a joint-stock corporation (*société anonyme*) to a simplified joint-stock corporation (*société par actions simplifiée*), the French State required an addendum to be signed to confirm that this right under the December 21, 2004 agreement would still apply irrespective of the legal form of the companies concerned. The signature of this addendum was authorized by the Board of Directors on December 17, 2014. It was signed on the same date and entered into force immediately. The members of the Board of Directors representing the French State (Patrick Gandil, Vincent Imbert, Astrid Milsan and Laure Reinhart) did not take part in the Board of Directors' discussions or vote on this amendment.

#### 4. The seventh and eighth resolutions concern amendments to the Company's bylaws

Shareholders are invited to adopt the following amendments to the Company's bylaws:

- In accordance with the Company's bylaws, Directors are currently appointed for a five-year term. In order to comply with the recommendations of the AFEP-MEDEF Code on Corporate Governance applicable to listed companies in France and despite the Group's long business cycles, shareholders are being asked to reduce Directors' terms of office from five to four years. To this end shareholders are invited to amend paragraph 12 of Article 14.8, paragraph 2 of Article 14.9.6 and Article 16.1 of the Company's bylaws.
- On August 20, 2014, a French government *ordonnance* (order) was issued regarding the governance of companies in which the French State has a stake and regarding equity related operations involving these companies. Its purpose, *inter alia*, is to define the terms and conditions applicable to the representation of the French State on the Boards of companies in which it holds an interest. It is the Board of Directors' responsibility to set the date on which the *ordonnance's* provisions will take effect within the Company (which may not be later than the day following the first Ordinary General Meeting held after January 1, 2017). It is also necessary to amend the Company's bylaws so that they comply with the new provisions.

On February 24, 2015, having taken note of the provisions of the *ordonnance*, the Board of Directors resolved:

- to implement the relevant provisions of Section II of the *ordonnance*, subject to shareholders approving the required amendments to Article 14.1 of the bylaws at the next Annual General Meeting, and consequently,
- to submit to the Annual General Meeting of April 23, 2015 a resolution to amend Articles 14.1 and 14.5 of the bylaws in order to implement these new provisions.

If these amendments to the bylaws are adopted, the provisions of the *ordonnance* will immediately take effect within Safran and the terms of office of the French State's current representatives who were appointed by Ministerial Decree – i.e., Patrick Gandil, Vincent Imbert, Astrid Milsan and Laure Reinhart – will be terminated.

The French State informed Safran that once the provisions of the *ordonnance* take effect within the Company, it intends to appoint a representative (in accordance with Article 4 of the *ordonnance*), and at the next Annual General Meeting would put forward Patrick Gandil and Vincent Imbert for appointment as Directors by the shareholders (in accordance with Article 6 of the *ordonnance*).

At the Annual General Meeting of April 23, 2015, shareholders are therefore being asked to approve resolutions concerning the appointment of two Directors put forward by the French State (eleventh and twelfth resolutions presented below), for a four-year term expiring at the close of the Annual General Meeting to be held in 2019.

#### 5. The ninth, tenth, eleventh and twelfth resolutions concern the appointments of Philippe Petitcolin, Ross McInnes, Patrick Gandil and Vincent Imbert as Directors ; the thirteenth resolution concerns the re-appointment of Jean-Lou Chameau

Shareholders are invited to appoint Philippe Petitcolin and Ross McInnes as Directors for a four-year term expiring at the close of the Annual General Meeting to be held in 2019.

Shareholders are also invited to appoint Patrick Gandil and Vincent Imbert as Directors, put forward by the French State in accordance with the provisions of the French government order dated August 20, 2014, for a four-year term expiring at the close of the Annual General Meeting to be held in 2019.

Shareholders are invited to re-appoint Jean-Lou Chameau as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held in 2019.

Nominees to the Board of Directors are presented in Annex 1.

## **6. The fourteenth resolution concerns the attendance fees to be allocated among the members of the Board of Directors**

Shareholders are invited to set the aggregate amount of attendance fees to be allocated among the members of the Board of Directors for 2015 at the same amount as for 2014, i.e., €868,000.

## **7. The fifteenth resolution concerns the share buyback program**

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

Shareholders are therefore invited to renew the authorization given to 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, 2014) 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 by any authorized method, including through block trades or the use of derivatives.
- Subject to the limits authorized by the applicable laws and regulations, the Board of Directors may use this authorization at any time, except during periods when there is a public offer in progress for the Company's shares, or during the run-up to such an offer.
- The maximum per-share purchase price of shares acquired using this authorization would be set at €80 and the maximum total investment in the buyback program would be €3.3 billion.
- The buyback program would be used for the purposes authorized in the applicable regulations.

This authorization would be given for a period of 18 months and would supersede the previous authorization granted for the same purpose in the ninth resolution of the Annual General Meeting held on May 27, 2014.

## **8. The sixteenth and seventeenth resolutions concern the advisory vote on the compensation due or awarded for 2014 to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers**

In accordance with the recommendation of the Corporate Governance Code for Listed Corporations published by the AFEP and MEDEF (the AFEP-MEDEF Code), shareholders are invited:

- by the sixteenth resolution, to give a positive advisory vote on the compensation due or awarded for 2014 (as shown in the tables attached as Annex 2) to the Chairman and Chief Executive Officer, Jean-Paul Herteman;
- by the seventeenth resolution, to give a positive advisory vote on the compensation due or awarded for 2014 (as shown in the tables attached as Annex 2) to the Deputy Chief Executive Officers, Stéphane Abrial, Ross McInnes and Marc Ventre.

## **9. The eighteenth to twenty-sixth resolutions concern the financial authorizations**

Safran needs to have the flexibility required to raise financing swiftly to support its ongoing operations and business development, based on opportunities arising in financial markets and using the most suitable financial instruments. To this end, shareholders are invited to grant the Board of Directors the necessary authorizations – covering a period of twenty-six months – to issue ordinary shares and/or securities carrying immediate or deferred rights to shares of the Company.

The financial authorizations given to the Board of Directors at the May 28, 2013 and May 27, 2014 Annual General Meetings were not used in 2014.

In the same way as in prior years, the Board of Directors is seeking these authorizations in order to carry out the operations considered necessary for the effective running and future growth of the Company and the Group. If the new authorizations are adopted, they will supersede the previous authorizations granted to the Board of Directors for the same purpose.

A summary table is provided in Annex 3 setting out the financial authorizations that shareholders are being invited to renew.

## **10. The twenty-seventh resolution concerns powers to carry out formalities**

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

## **Annex 1**

### **Nominees to the Board of Directors**



## Jean-Lou Chameau

### Director – independent

#### Expertise and experience

Born in 1953, Jean-Lou Chameau obtained an engineering diploma at *École Nationale Supérieure d'Arts et Métiers* in 1976, and then continued his studies at Stanford University, where he graduated with a Master's in civil engineering in 1977, followed by a PhD in seismic engineering in 1980.

Jean-Lou Chameau started his teaching career at Purdue University (US), where he taught from 1980 to 1991, before joining Georgia Tech as professor and head of the School of Civil and Environmental Engineering. He left this position in 1994 to become Chairman of the international geotechnical engineering company, Golder Associates Inc. He returned to teach at Georgia Tech two years later, where he became dean of the College of Engineering in the US. In 2001, he was promoted to the position of provost, which he occupied up to 2006.

From 2006 to June 2013, Jean-Lou Chameau was the President of the California Institute of Technology (Caltech).

Jean-Lou Chameau is a member of the National Academy of Engineering in the United States and of the *Académie des Technologies* in France.

He has been President of King Abdullah University of Science and Technology (KAUST) (Saudi Arabia) since July 2013.

#### Current offices

##### Safran Group:

- Director: Safran

##### Non-Group:

- President: King Abdullah University of Science & Technology (KAUST) (Saudi Arabia)
- President Emeritus: California Institute of Technology (Caltech) (US)
- Director: MTS Systems Corporation<sup>(1)</sup> (US) (also a member of the Governance and Nominating Committee)
- Other office: Academic Research Council of Singapore (Singapore)

#### Offices that expired in the last five years

##### Safran Group:

None

##### Non-Group:

- President and Director: Caltech (US), up to June 2013
- Director: John Wiley & Sons<sup>(1)</sup> (US), up to September 2013 (also a member of the Audit Committee)
- Member of the Council on Competitiveness (US), up to June 2013
- Member of the Advisory Committee: Interwest (US), up to March 2013
- *École Polytechnique*, Internet2

(1) Listed company.



## Patrick Gandil

**Director – representing the French State  
Member of the Strategy and Major Projects Committee**

### Expertise and experience

Born in 1956, Patrick Gandil holds an engineering degree from *École Nationale des Ponts et Chaussées* and is a graduate of *École Polytechnique*.

He started his career in 1979 at the French Ministry for Public Works, where he worked for 15 years taking on a variety of responsibilities.

From 1995 to 1997, he served as Deputy Director of the Office for the Minister of Civil Service, State Reform and Decentralization.

From 1997 to 1999, he was the Head of the Department responsible for airbases at the Directorate General for Civil Aviation (DGAC).

Then from 1999 to 2003, he joined the French Ministry for Public Works, Housing, Transportation and Tourism as Director of Road Service.

In 2003, he became the Director of the Office of the Minister for Public Works, Housing, Transportation, Tourism and the Sea, then Secretary-General of this ministry in 2005, as well as Advisor to the Minister.

He has been Director General of Civil Aviation at the Ministry for Ecology, Energy, Sustainable Development and Land-Use Planning since 2007.

### Current offices

#### Safran Group:

- Director representing the French State: Safran

#### Non-Group:

- Director representing the French State: Société de Gestion de Participations Aéronautiques (Sogepa); Paris Air and Space Museum (*Musée de l'Air et de l'Espace*)
- Government commissioner: Aéroports de Paris<sup>(1)</sup>

### Offices that expired in the last five years

#### Safran Group:

- Member of the Supervisory Board representing the French State: Safran, up to April 2011

#### Non-Group:

- Director representing the French State: ONERA (French National Aerospace Research Office), up to October 2013
- Temporary Chairman of the Board: Eurocontrol (Belgium), up to December 2013

(1) Listed company.



## Vincent Imbert

Director – representing the French State

Member of the Appointments and Compensation Committee

Member of the Strategy and Major Projects Committee

### Expertise and experience

Born in 1956, Vincent Imbert, senior defence engineer, is a graduate of *École Polytechnique* and *École Nationale Supérieure de l'Aéronautique et de l'Espace*. He is a former auditor of the center for Advanced Defence Studies (*centre des hautes études de l'Armement*).

He started his career at the French Directorate General of Weapons Procurement (DGA) in 1981 managing programs (Director of the PR4G (radios for the army) RITA and RITA enhancement programs and then Director of Char Leclerc program for France and the United Arab Emirates).

In 1998, he became director of the technical school of Bourges, responsible for the assessment and testing of pyrotechnic, artillery and ground missile systems.

In 2000, he was appointed Force System Architect, responsible for directing and managing prospective studies to prepare the army's future defence and weapons systems.

In 2003, he was appointed technical advisor to the deputy Head of the DGA, and became director of the department of defence programs (SPART) in 2004.

In 2006, he became Director of the department of observation programs, telecommunication and information (SPOTI) of the DGA.

In 2009, he was responsible for setting up the technical direction of the DGA, which he would subsequently manage.

He was appointed Executive Vice-President of the DGA in May 2013.

### Current offices

#### Safran Group:

- Director representing the French State: Safran since March 2014

#### Non-Group:

- Director representing the French State: Giat Industries

### Offices that expired in the last five years

None



## Ross McInnes

### Expertise and experience

Born in 1954, Ross McInnes has dual French and Australian nationality and is a graduate of Oxford University. He started his career in 1977 with Kleinwort Benson bank, first of all in London then in Rio de Janeiro. In 1980, he joined Continental Bank (now Bank of America) in which he held several positions as Vice-President in the corporate finance arm, in Chicago and then in Paris.

In 1989, he chose to move to large multinational corporations and became Chief Financial Officer of Ferruzzi Corporation of America. This group owned, in particular, Eridania Beghin-Say, of which he was appointed Chief Financial Officer in 1991, then a member of the Board of Directors in 1999. The following year, Ross McInnes joined Thomson-CSF (now Thales) as Executive Vice-President and Chief Financial Officer and assisted in the group's transformation, up to 2005. He then moved to PPR (Pinault-Printemps-La Redoute) as Senior Vice-President for Finance and Strategy, before joining the Supervisory Board of Générale de Santé in 2006. At the request of the Supervisory Board, he served as acting Chairman of the Management Board of Générale de Santé from March to June 2007. He then held the position of Vice-Chairman of Macquarie Capital Europe, specialized in particular in infrastructure investments.

In March 2009, Ross McInnes joined Safran as special Advisor to the Chairman of the Executive Board, before becoming Executive Vice-President, Economic and Financial Affairs in June of that year. He was a member of the Executive Board of Safran between July 2009 and April 2011.

On April 21, 2011, he was appointed Deputy Chief Executive Officer, Finance.

### Current offices

#### Safran Group:

- Deputy Chief Executive Officer: Safran
- Director: Safran USA, Inc. (US)
- Permanent representative of Établissements Vallaroché on the Board of Directors: Soreval (Luxembourg)

#### Non-Group:

- Director: Faurecia<sup>(1)</sup> (also Chairman of the Audit Committee); Financière du Planier; Eutelsat Communications<sup>(1)</sup> (also Chairman of the Audit Committee)
- Non-executive Director: IMI plc<sup>(1)</sup> since October 2014 (also Chairman of the Audit Committee since January 2015)

### Offices that expired in the last five years

#### Safran Group:

- Member of the Executive Board: Safran, up to April 2011
- Permanent representative of Safran on the Board of Directors: Établissements Vallaroché, up to April 2013; Messier-Dowty SA, from January 2011 to April 2011
- Director: Aircelle, up to December 2014; Turbomeca, up to December 2014; Messier-Bugatti-Dowty, up to December 2014; Morpho, up to December 2014; Snecma, up to December 2014; Globe Motors, Inc. (US), from October 9, 2013 to October 18, 2013; Sagem, up to July 2013; Vallaroché Conseil up to April 2013; SME from April to September 2011; Messier-Dowty SA, up to January 2011

#### Non-Group:

- Director: Limoni SpA (Italy), up to February 2013; Santé SA (Luxembourg), up to May 2010
- Member of the Supervisory Board: Générale de Santé<sup>(1)</sup>, up to May 2010
- Permanent representative of Établissements Vallaroché on the Board of Directors: La Financière de Brienne, up to January 2010
- Permanent representative of Santé Europe Investissements Sarl on the Board of Directors: Santé SA (Luxembourg), up to October 2014; Générale de Santé SA<sup>(1)</sup> (also a member of the Audit Committee), up to March 2014
- Board Advisor: Générale de Santé<sup>(1)</sup>, up to June 2011

(1) Listed company.



## Philippe Petitcolin

### Expertise and experience

Born in 1952, Philippe Petitcolin holds a degree in mathematics and is a graduate of the Centre de perfectionnement aux Affaires (CPA) business school.

He began his career in 1978 as export manager for Europrim before becoming export area manager for Filotex, a subsidiary of Alcatel-Alstom. In 1982 he was appointed aviation sales director for Chester Cable in the US. He returned to Filotex in 1984 as export director.

In 1988 he joined Labinal as deputy sales director before being appointed sales and marketing director of the company's aeronautical systems division and then subsequently its managing director in 1995.

Between 1999 and 2001 he was general manager of Labinal's Filtrauto division, also serving as general manager of the friction materials business after the division was bought by Valeo. In May 2001 he was named Chief Executive Officer of Labinal (aviation), part of the Snecma group, before being appointed Chairman and Chief Executive Officer in November 2004. He was then appointed Chairman and Chief Executive Officer of Snecma (Safran Group) in 2006.

Between 2011 and 2013, he was appointed President of Safran's Defense and Security businesses, and Chairman and Chief Executive Officer of Sagem.

From July 2013 to December 2014, he served as Chairman and Chief Executive Officer of Morpho and Chairman of the Board of Directors of Sagem. He has been Chairman of Morpho since December 2014.

### Current offices

#### Safran Group:

- Chairman: Morpho, since December 2014
- Chairman of the Board of Directors: MorphoTrak, LLC (US); Morpho Detection International, LLC (US)
- Chairman and President: Morpho USA, Inc. (US)
- Director: Morpho Detection, LLC (US)
- Member of the Supervisory Board: Morpho Cards GmbH (Germany)

#### Non-Group:

- Member of the Supervisory Board: *Institut Aspen France*

### Offices that expired in the last five years

#### Safran Group:

- Chairman and CEO: Morpho, up to December 2014; Sagem Défense Sécurité, up to July 2013; Snecma, up to May 2011
- Chairman of the Board of Directors: Sagem Défense Sécurité, up to December 2014
- Director: Safran Consulting, up to June 2012, Techspace Aero (Belgium), up to December 2011; Snecma HAL Aerospace PLT (India), up to October 2011; Société de Motorisations Aéronautiques, up to June 2011; Snecma Mexico SA de CV (Mexico), up to June 2011; Turbomeca, up to May 2011

#### Non-Group:

- Chairman of the Board of Directors: EPI Europrop International GmbH (Germany), up to October 2010

## **Annex 2**

**Advisory vote on the compensation  
due or awarded for 2014 to  
Jean-Paul Herteman, Chairman and Chief Executive Officer,  
and Stéphane Abrial, Ross McInnes and Marc Ventre, Deputy  
Chief Executive Officers**

## Presentation of the compensation due or awarded for 2014 to Jean-Paul Herteman (Chairman and Chief Executive Officer)

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
<b>Fixed compensation</b>	<b>€730,000</b>	<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 close of the Annual General Meeting of April 23, 2015.</p>
<b>Annual variable compensation</b>	<b>€846,800</b>	<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 the applicable 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 11, 2013, the Board of Directors determined the financial performance criteria for 2014, based on the following components, which are the same as those used for 2013:</p> <ul style="list-style-type: none"> <li>• weighting: <ul style="list-style-type: none"> <li>– EBIT: 60%</li> <li>– working capital: 10%, and</li> <li>– free cash flow: 30%;</li> </ul> </li> <li>• threshold levels (based on annual budgets): <ul style="list-style-type: none"> <li>– 80% of the EBIT target,</li> <li>– 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</li> <li>– 65% of the free cash flow target.</li> </ul> </li> </ul> <p>At the same meeting, the Board set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> <li>• the threshold level of each performance metric results in the allocation of variable compensation (from 0 to 100% when the budget is met);</li> <li>• if an objective is exceeded, the variable compensation allocated in respect of this objective increases beyond 100% in proportion to the extent to which the objective is exceeded, capped at a maximum of 130%, which applies irrespective of the extent to which the objective is exceeded, as follows: <ul style="list-style-type: none"> <li>– if 130% (or more) of the EBIT target is achieved, the maximum 130% of variable compensation will be payable for this metric,</li> <li>– if 65% (or less) of the working capital target is achieved, the maximum 130% of variable compensation will be payable for this metric, and</li> <li>– if 130% (or more) of the free cash flow target is achieved, the maximum 130% of variable compensation will be payable for this metric.</li> </ul> </li> </ul> <p>The total variable compensation can reach 100% of fixed compensation if all of the objectives are 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, is exceeded and substantiated</p> <p>At the same meeting on December 11, 2013, the Board of Directors also determined Mr. Herteman's individual objectives. These objectives were measurable, were not solely financial, and primarily related to the Group's main strategic challenges, notably in terms of management, programs, competitiveness and external growth transactions. They cannot be disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 24, 2015, the Board of Directors, upon the recommendation of the Appointments and Compensation Committee, reviewed the achievement of the objectives set for the variable compensation payable to Jean-Paul Herteman for 2014.</p>

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
		<p>The achievement rate for the Group's financial performance was set by the Board of Directors' meeting of February 24, 2015 at 109%, based on the following achievement rates: 105% of the EBIT target, 71% of the working capital target (working capital exceeded budgeted working capital by 10%), and 130% of the free cash flow target. For the purpose of calculating the last two components, the impact of late payments by a customer State as well as changes in Group scope of consolidation which were not included in the budget were neutralized.</p> <p>The achievement rate of the individual qualitative objectives of Mr. Herteman was specifically determined by the Board at the same meeting.</p> <p>Mr. Herteman's achievement rate for his individual qualitative objectives in 2014 was 130%.</p> <p>Based on the achievement rates for the Group's financial performance added to the achievement rate of his individual qualitative objectives, Jean-Paul Herteman's variable compensation for 2014 amounted to €846,800 representing 116% of his fixed compensation.</p>
Deferred variable compensation	N/A <sup>(1)</sup>	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 Other long-term compensation = N/A	Mr. Herteman does not receive any performance shares or any other long-term compensation.
Attendance fees	€0	Mr. Herteman waived his attendance fees for his duties as a Director of the Company and Chairman of the Board of Directors for 2014, which the Board placed on record at its March 20, 2014 meeting.
Value of benefits-in-kind	€3,409 (accounting value)	Mr. Herteman has the use of a company car.

(1) N/A = not applicable.

Compensation due or awarded for 2014 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	Jean-Paul Herteman is not entitled to any termination benefits.
Non-compete indemnity	N/A <sup>(1)</sup>	Mr. Herteman is not subject to any non-compete clause.
Supplementary pension plan	€0	<p><i>Defined contribution supplementary pension plan:</i></p> <p>In his prior capacity as a Company employee, Mr. Herteman was previously covered by defined contribution supplementary 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 accordance with 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 2014 financial statements relating to the contributions paid under this plan for Mr. Herteman amounted to €55,571.98.</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>

(1) N/A = not applicable.

Compensation due or awarded for 2014 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

*Defined benefit supplementary pension plan:*

As part of the Group's human resources management policy, on October 31, 2013, the Board of Directors decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which executive managers within the Group are eligible.

On December 11, 2013, the Board of Directors decided to extend this plan to the four executive corporate officers, including Jean-Paul Herteman.

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:

- the amount of the benefits will be calculated based on the average compensation over the last three years before retirement and will take into account the seniority of the beneficiary concerned within the category of top executives (*hors statut*) 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) is capped at 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 (the ceiling applicable in 2015 was €38,040);
- 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.

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., €114,120 per year based on the ceiling applicable in 2015.

This commitment was approved by shareholders in the fifth resolution of the May 27, 2014 Annual General Meeting.

(1) N/A = not applicable.

## Presentation of the compensation due or awarded for 2014 to Stéphane Abrial (Deputy Chief Executive Officer, Corporate Office)

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
<b>Fixed compensation</b>	<b>€400,000</b>	Stéphane Abrial's fixed annual compensation was set at €400,000 by the Board of Directors at its meeting of July 25, 2013 and remained unchanged in 2014.
<b>Annual variable compensation</b>	<b>€424,000</b>	<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 the applicable 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 11, 2013, the Board of Directors determined the financial performance criteria for 2014, based on the following components, which are the same as those used for 2013:</p> <ul style="list-style-type: none"> <li>• weighting: <ul style="list-style-type: none"> <li>– EBIT: 60%</li> <li>– working capital: 10%, and</li> <li>– free cash flow: 30%;</li> </ul> </li> <li>• threshold levels (based on annual budgets): <ul style="list-style-type: none"> <li>– 80% of the EBIT target,</li> <li>– 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</li> <li>– 65% of the free cash flow target.</li> </ul> </li> </ul> <p>At the same meeting, the Board set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> <li>• the threshold level of each performance metric results in the allocation of variable compensation (from 0 to 100% when the budget is met);</li> <li>• if an objective is exceeded, the variable compensation allocated in respect of this objective increases beyond 100% in proportion to the extent to which the objective is exceeded, capped at a maximum of 130%, which applies irrespective of the extent to which the objective is exceeded, as follows: <ul style="list-style-type: none"> <li>– if 130% (or more) of the EBIT target is achieved, the maximum 130% of variable compensation will be payable for this metric,</li> <li>– if 65% (or less) of the working capital target is achieved, the maximum 130% of variable compensation will be payable for this metric, and</li> <li>– if 130% (or more) of the free cash flow target is achieved, the maximum 130% of variable compensation will be payable for this metric.</li> </ul> </li> </ul> <p>The total variable compensation can reach 100% of fixed compensation if all of the objectives are 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, is exceeded and substantiated.</p> <p>At the same meeting on December 11, 2013, the Board of Directors also determined Mr. Abrial's individual objectives. These objectives were measurable, were not solely financial, and primarily related to the Group's main strategic challenges, notably in terms of management, programs, competitiveness and external growth transactions. They cannot be disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 24, 2015, the Board of Directors, upon the recommendation of the Appointments and Compensation Committee, reviewed the achievement of the objectives set for the variable compensation payable to Stéphane Abrial for 2014.</p>

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
		<p>The achievement rate for the Group's financial performance was set by the Board of Directors' meeting of February 24, 2015 at 109%, based on the following achievement rates: 105% of the EBIT target, 71% of the working capital target (working capital exceeded budgeted working capital by 10%), and 130% of the free cash flow target. For the purpose of calculating the last two components, the impact of late payments by a customer State as well as changes in Group scope of consolidation which were not included in the budget were neutralized.</p> <p>The achievement rate of the individual qualitative objectives of Mr. Abrial was specifically determined by the Board at the same meeting.</p> <p>Mr. Abrial's achievement rate for his individual qualitative objectives in 2014 was 100%.</p> <p>Based on the achievement rates for the Group's financial performance added to the achievement rate of his individual qualitative objectives, Stéphane Abrial's variable compensation for 2014 amounted to €424,000, representing 106% of his fixed compensation.</p>
Deferred variable compensation	N/A <sup>(1)</sup>	Mr. Abrial does not receive any deferred variable compensation.
Extraordinary compensation	€16,575	Mr. Abrial received payments under optional and statutory employee-profit sharing for 2013 and the company contribution (period prior to the suspension of his employment contract). He did not receive any other 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 Other long-term compensation = N/A	Mr. Abrial does not receive any performance shares or any other long-term compensation.
Attendance fees	N/A	Mr. Abrial does not receive any attendance fees.
Value of benefits-in-kind	€3,333 (accounting value)	Mr. Abrial has the use of a company car.
<i>(1) N/A = not applicable.</i>		
Compensation due or awarded for 2014 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 <sup>(1)</sup>	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 plan	€0	<p><i>Defined contribution supplementary pension plan:</i></p> <p>In his prior capacity as a Company employee, Mr. Abrial was previously covered by a defined contribution supplementary 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 accordance with 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 2014 financial statements relating to the contributions paid under this plan for Mr. Abrial amounted to €15,266.70.</p> <p>This commitment was approved by shareholders in the fourth resolution of the May 27, 2014 Annual General Meeting.</p> <p><i>Defined benefit supplementary pension plan:</i></p> <p>As part of the Group's human resources management policy, on October 31, 2013, the Board of Directors decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which executive managers within the Group are eligible.</p>

*(1) N/A = not applicable.*

Compensation due or awarded for 2014 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

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On December 11, 2013, the Board of Directors decided to extend this plan to the four executive corporate officers, including Stéphane Abrial.

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:

- the amount of the benefits will be calculated based on the average compensation over the last three years before retirement and will take into account the seniority of the beneficiary concerned within the category of top executives (*hors statut*) 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) is capped at 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 (the ceiling applicable in 2015 was €38,040);
- 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.

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., €114,120 per year based on the ceiling applicable in 2015.

This commitment was approved by shareholders in the sixth resolution of the May 27, 2014 Annual General Meeting.

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## Presentation of the compensation due or awarded for 2014 to Ross McInnes (Deputy Chief Executive Officer, Finance)

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
<b>Fixed compensation</b>	<b>€500,000</b>	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.
<b>Annual variable compensation</b>	<b>€546,667</b>	<p>Two-thirds of the variable component is determined on the basis of financial objectives and one third on individual objectives for each year. The Board of Directors decided to define the applicable 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 11, 2013, the Board of Directors determined the financial performance criteria for 2014, based on the following components, which are the same as those used for 2013:</p> <ul style="list-style-type: none"> <li>• weighting: <ul style="list-style-type: none"> <li>– EBIT: 60%</li> <li>– working capital: 10%, and</li> <li>– free cash flow: 30%;</li> </ul> </li> <li>• threshold levels (based on annual budgets): <ul style="list-style-type: none"> <li>– 80% of the EBIT target,</li> <li>– 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</li> <li>– 65% of the free cash flow target.</li> </ul> </li> </ul> <p>At the same meeting, the Board set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> <li>• the threshold level of each performance metric results in the allocation of variable compensation (from 0 to 100% when the budget is met);</li> <li>• if an objective is exceeded, the variable compensation allocated in respect of this objective increases beyond 100% in proportion to the extent to which the objective is exceeded, capped at a maximum of 130%, which applies irrespective of the extent to which the objective is exceeded, as follows: <ul style="list-style-type: none"> <li>– if 130% (or more) of the EBIT target is achieved, the maximum 130% of variable compensation will be payable for this metric,</li> <li>– if 65% (or less) of the working capital target is achieved, the maximum 130% of variable compensation will be payable for this metric, and</li> <li>– if 130% (or more) of the free cash flow target is achieved, the maximum 130% of variable compensation will be payable for this metric.</li> </ul> </li> </ul> <p>The total variable compensation can reach 100% of fixed compensation if all of the objectives are 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, is exceeded and substantiated.</p> <p>At the same meeting on December 11, 2013, the Board of Directors also determined Mr. McInnes' individual objectives. These objectives were measurable, were not solely financial, and primarily related to the Group's main strategic challenges, notably in terms of management, programs, competitiveness and external growth transactions. They cannot be disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 24, 2015, the Board of Directors, upon the recommendation of the Appointments and Compensation Committee, reviewed the achievement of the objectives set for the variable compensation payable to Ross McInnes for 2014.</p>

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
		<p>The achievement rate for the Group's financial performance was set by the Board of Directors' meeting of February 24, 2015 at 109%, based on the following achievement rates: 105% of the EBIT target, 71% of the working capital target (working capital exceeded budgeted working capital by 10%), and 130% of the free cash flow target. For the purpose of calculating the last two components, the impact of late payments by a customer State as well as changes in Group scope of consolidation which were not included in the budget were neutralized.</p> <p>The achievement rate of the individual qualitative objectives of Mr. McInnes was specifically determined by the Board at the same meeting.</p> <p>Mr. McInnes' achievement rate for his individual qualitative objectives for 2014 was 110%.</p> <p>Based on the achievement rates for the Group's financial performance added to the achievement rate of his individual qualitative objectives, Ross McInnes' variable compensation for 2014 amounted to €546,667, representing 109% of his fixed compensation.</p>
Deferred variable compensation	N/A <sup>(1)</sup>	Mr. McInnes does not receive any deferred variable compensation.
Extraordinary compensation	€650	Mr. McInnes received the 2014 Safran Sharing company contribution. He did not receive any other 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	<p>Mr. McInnes does not receive any stock options.</p> <p>Mr. McInnes does not receive any performance shares or any other long-term compensation.</p>
Attendance fees	N/A	Mr. McInnes does not receive any attendance fees.
Value of benefits-in-kind	€4,133 (accounting value)	Mr. McInnes has the use of a company car.

(1) N/A = not applicable.

Compensation due or awarded for 2014 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 <sup>(1)</sup>	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 plan	€0	<p><i>Defined contribution supplementary pension plan:</i></p> <p>In his prior capacity as a Company employee, Mr. McInnes was previously covered by a defined contribution supplementary 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 accordance with 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 2014 financial statements relating to the contributions paid under this plan for Mr. McInnes amounted to €21,082.62.</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>

1) N/A = not applicable.

Compensation due or awarded for 2014 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

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*Defined benefit supplementary pension plan:*

As part of the Group's human resources management policy, on October 31, 2013, the Board of Directors decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which executive managers within the Group are eligible.

On December 11, 2013, the Board of Directors decided to extend this plan to the four executive corporate officers, including Ross McInnes.

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:

- the amount of the benefits will be calculated based on the average compensation over the last three years before retirement and will take into account the seniority of the beneficiary concerned within the category of top executives (*hors statut*) 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) is capped at 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 (the ceiling applicable in 2015 was €38,040);
- 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.

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., €114,120 per year based on the ceiling applicable in 2015.

This commitment was approved by shareholders in the sixth resolution of the May 27, 2014 Annual General Meeting.

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## Presentation of the compensation due or awarded for 2014 to Marc Ventre (Deputy Chief Executive Officer, Operations)

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
<b>Fixed compensation</b>	<b>€500,000</b>	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.
<b>Annual variable compensation</b>	<b>€546,667</b>	<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 the applicable 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 11, 2013, the Board of Directors determined the financial performance criteria for 2014, based on the following components, which are the same as those used for 2013:</p> <ul style="list-style-type: none"> <li>• weighting: <ul style="list-style-type: none"> <li>– EBIT: 60%</li> <li>– working capital: 10%, and</li> <li>– free cash flow; 30%</li> </ul> </li> <li>• threshold levels (based on annual budgets): <ul style="list-style-type: none"> <li>– 80% of the EBIT target,</li> <li>– 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</li> <li>– 65% of the free cash flow target.</li> </ul> </li> </ul> <p>At the same meeting, the Board set the following calculation methods, based on the threshold and maximum levels applied:</p> <ul style="list-style-type: none"> <li>• the threshold level of each performance metric results in the allocation of variable compensation (from 0 to 100% when the budget is met);</li> <li>• if an objective is exceeded, the variable compensation allocated in respect of this objective increases beyond 100% in proportion to the extent to which the objective is exceeded, capped at a maximum of 130%, which applies irrespective of the extent to which the objective is exceeded, as follows: <ul style="list-style-type: none"> <li>– if 130% (or more) of the EBIT target is achieved, the maximum 130% of variable compensation will be payable for this metric,</li> <li>– if 65% (or less) of the working capital target is achieved, the maximum 130% of variable compensation will be payable for this metric, and</li> <li>– if 130% (or more) of the free cash flow target is achieved, the maximum 130% of variable compensation will be payable for this metric.</li> </ul> </li> </ul> <p>The total variable compensation can reach 100% of fixed compensation if all of the objectives are 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, is exceeded and substantiated.</p> <p>At the same meeting on December 11, 2013, the Board of Directors also determined Mr. Ventre's individual objectives. These objectives were measurable, were not solely financial, and primarily related to the Group's main strategic challenges, notably in terms of management, programs, competitiveness and external growth transactions. They cannot be disclosed for reasons of strategic and competitive sensitivity.</p> <p>At its meeting of February 24, 2015, the Board of Directors, upon the recommendation of the Appointments and Compensation Committee, reviewed the achievement of the objectives set for the variable compensation payable to Marc Ventre for 2014.</p> <p>The achievement rate for the Group's financial performance was set by the Board of Directors' meeting of February 24, 2015 at 109%, based on the following achievement rates: 105% of the EBIT target, 71% of the working capital target (working capital exceeded budgeted working capital by 10%), and 130% of the free cash flow target. For the purpose of calculating the last two components, the impact of late payments by a customer State as well as changes in Group scope of consolidation which were not included in the budget were neutralized.</p>

Compensation due or awarded for 2014	Amounts (or accounting value) submitted for shareholder approval	Presentation
		<p>The achievement rate of the individual qualitative objectives of Mr. Ventre was specifically determined by the Board at the same meeting.</p> <p>Mr. Ventre's achievement rate for his individual objectives for 2014 was 110%.</p> <p>Based on the achievement rates for the Group's financial performance added to the achievement rate of his individual qualitative objectives, Mr. Ventre's variable compensation for 2014 amounted to €546,667, representing 109% of his fixed compensation.</p>
Deferred variable compensation	N/A <sup>(1)</sup>	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	€4,011 (accounting value)	Mr. Ventre has the use of a company car.

<sup>1)</sup> N/A = not applicable.

Compensation due or awarded for 2014 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 <sup>(1)</sup>	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 plan	€0	<p><i>Defined contribution supplementary pension plan:</i></p> <p>In his prior capacity as a Company employee, Mr. Ventre was previously covered by defined contribution supplementary 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 accordance with 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 2014 financial statements relating to the contributions paid under this plan for Mr. Ventre amounted to €45,110.52.</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><i>Defined benefit supplementary pension plan:</i></p> <p>As part of the Group's human resources management policy, on October 31, 2013, the Board of Directors decided to set up a supplementary defined benefit pension plan in France, effective from January 1, 2014, for which executive managers within the Group 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>

<sup>(1)</sup> N/A = not applicable.

Compensation due or awarded for 2014 that has been approved by shareholders as part of the procedure for related-party agreements and commitments

Amounts submitted for shareholder approval

Presentation

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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:

- the amount of the benefits will be calculated based on the average compensation over the last three years before retirement and will take into account the seniority of the beneficiary concerned within the category of top executives (*hors statut*) 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) is capped at 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 (the ceiling applicable in 2015 is €38,040);
- 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.

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., €114,120 per year based on the ceiling applicable in 2015.

This commitment was approved by shareholders in the sixth resolution of the May 27, 2014 Annual General Meeting.

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## Annex 3

### Summary table of authorizations for the Board of Directors, submitted to the shareholders

Type of authorization	Date of authorization	Term	Ceiling (maximum nominal amount of capital increases and maximum principal amount of debt securities)
Authorization for the Board of Directors to carry out a share buyback program	April 23, 2015 AGM (fifteenth resolution)	18 months	€3.3 billion 10% of the Company's capital
Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders	April 23, 2015 AGM (eighteenth resolution)	26 months	€20 million <sup>(a)</sup> €2 billion (debt securities) <sup>(b)</sup>
Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a public offering	April 23, 2015 AGM (nineteenth resolution)	26 months	€8 million <sup>(a)(c)</sup> €1.3 billion (debt securities) <sup>(b)</sup>
Authorization for the Board of Directors to issue shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, in the event of a public exchange offering initiated by the Company	April 23, 2015 AGM (twentieth resolution)	26 months	€8 million <sup>(a)(c)</sup> €1.3 billion (debt securities) <sup>(b)(e)</sup>
Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through a private placement governed by Article L.411-2-II of the French Monetary and Financial Code	April 23, 2015 AGM (twenty-first resolution)	26 months	€8 million <sup>(a)(c)(d)</sup> €1.3 billion (debt securities) <sup>(b)(e)</sup>
Authorization for the Board of Directors to increase the number of securities included in an issue carried out with or without pre-emptive subscription rights	April 23, 2015 AGM (twenty-second resolution)	26 months	15% of the original issue(s) <sup>(f)</sup>
Authorization for the Board of Directors to increase the Company's capital by capitalizing reserves, retained earnings or additional paid-in capital	April 23, 2015 AGM (twenty-third resolution)	26 months	€12.5 million <sup>(d)</sup>
Authorization for the Board of Directors to issue ordinary shares to employees who are members of a Safran Group employee savings plan, without pre-emptive subscription rights for existing shareholders	April 23, 2015 AGM (twenty-fourth resolution)	26 months	1% of the Company's capital <sup>(d)</sup>
Blanket ceilings on authorizations to issue shares and/or other securities	April 23, 2015 AGM (twenty-fifth resolution)	--	Sub-ceiling: €25 million for the eighteenth, nineteenth, twentieth and twenty-first resolutions of the April 23, 2015 AGM. Sub-ceiling: €2 billion (debt securities) for the eighteenth, nineteenth, twentieth and twenty-first resolutions of the April 23, 2015 AGM. Blanket ceiling of €30 million for the eighteenth, nineteenth, twentieth, twenty-first, twenty-third and twenty-fourth resolutions of the April 23, 2015 AGM.
Authorization for the Board of Directors to grant new or existing shares of the Company, free of consideration, to employees and corporate officers of the Company and other Safran Group entities, with a waiver by shareholders of their pre-emptive subscription rights	April 23, 2015 AGM (twenty-sixth resolution)	26 months	0.1% of the Company's capital

(a) This amount is included in the €25 million sub-ceiling for capital increases submitted for shareholder approval in the twenty-fifth resolution of the April 23, 2015 AGM.

(b) This amount is included in the €2 billion sub-ceiling for debt securities submitted for shareholder approval in the twenty-fifth resolution of the April 23, 2015 AGM.

(c) This amount is included in the €30 million blanket ceiling for capital increases submitted for shareholder approval in the twenty-fifth resolution of the April 23, 2015 AGM.

(d) This amount is included in the €8 million sub-ceiling for capital increases without pre-emptive subscription rights submitted for shareholder approval in the nineteenth resolution of the April 23, 2015 AGM.

(e) This amount is included in the €1.3 billion sub-ceiling for issues of debt securities without pre-emptive subscription rights submitted for shareholder approval in the nineteenth resolution of the April 23, 2015 AGM.

(f) The ceilings set in the eighteenth, nineteenth, twentieth and twenty-first resolutions of the April 23, 2015 AGM will still apply if the option provided for in the twenty-second resolution is used.