



7/29/2016

2016 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 28th, 2016, the Board of Directors decided a grant of performance shares to more than 500 Group managers, which aims to recognize contributions to Safran's operating performance and the creation of shareholder value, measured over several years.

As part of this 2016 Long Term « Incentive » Plan, the Board of Directors decided to grant 27 390 Performance Shares to Philippe Petitcolin, Chief Executive Officer, representing less than 5 % of the total grant and 0.007 % of issued capital.

The total amount of Performance Shares granted to the Chief Executive Officer is subject to achieving internal and external performance conditions. The number of 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 2016-2018. Following this vesting period, a one year lock-up will apply to the performance shares that would be delivered to the Chief Executive Officer.

The two internal performance conditions, counting for 70% of the total vested shares, will be based on ROI¹ for 35% and FCF² for 35%. The external performance condition, counting for 30% of the total vested shares, will be based on Safran's total shareholder return (TSR) performance as measured relative to a group of peer companies operating in the same business sectors as Safran.

The description of these conditions (lowest achievement level, target achievement level, highest achievement level (cap), peer companies) and other main terms presented at the Shareholder's Meeting held on May 19, 2016 which authorized the Board of Directors such grants, are disclosed in the 2015 Registration Document (p. 341-342). <http://www.safran-group.com/ddr2015/en/index.html>

The Board of Directors also decided 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 as defined in section 6.3.1.1 of the 2015 Registration Document

² as defined in section 6.3.1.1 of the 2015 Registration Document

Reminder :

On February, 26, 2016, the company published on its website certain information about the corporate officer compensation due for 2015 and 2016 and decided at this time.

<http://www.safran-group.com/group-0#2> (Section "Corporate Officers' compensation and benefits").

Moreover, all information on compensation is disclosed in 2015 Registration Document (p. 257 - §6.3). The summary tables of the Chief Executive Officer 2015 compensations are reproduced below.

<http://www.safran-group.com/ddr2015/en/index.html>

Summary of compensation, stock options and performance shares granted	2014	2015 In his capacity as an Executive Corporate Officer (period from April 24 to Dec. 31)
Compensation due for the year	-	€934,059
Value of multi-year variable compensation allocated during the year ⁽¹⁾	-	€701,620
Value of stock options granted during the year	-	N/A
Value of performance shares granted during the year	-	N/A
TOTAL	N/A	€1,635,679

(1) The Company considers that this component (see section. 6.3.3.3 of the 2015 Registration document) should not be included with the other components of compensation presented in the table below, as the amount of the multi-year variable compensation measured at fair value at the grant date does not correspond to compensation actually received by the beneficiary.

Summary of compensation (gross)	2014		2015 In his capacity as an executive corporate officer (period from April 24 to Dec. 31)	
	Amounts due for the year	Amounts paid during the year	Amounts due for the year	Amounts paid during the year
Fixed compensation	-	-	€411,365	€411,365
Annual variable compensation	-	-	€502,619	N/A
Multi-year variable compensation	-	-	N/A	N/A
Extraordinary compensation			N/A	N/A
Attendance fees	-	-	€17,323	N/A
Other	-	-	-	-
Benefits-in-kind ⁽¹⁾	-	-	€2,752	€2,752
TOTAL	N/A	N/A	€934,059	€414,117

(1) Company car.