

2022
NOTICE OF MEETING

Shareholders' Meeting
(ordinary and extraordinary)

WEDNESDAY, MAY 25, 2022
at 2.00 p.m.

at the Palais des congrès in Issy-les-Moulineaux,
25, avenue Victor-Cresson - 92130 Issy-les-Moulineaux,
France

 **SAFRAN**

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The shareholders are invited to consult the 2021 Universal Registration Document including the Integrated Report, which contains all relevant information about Safran.

The 2021 Universal Registration Document is available on the website at www.safran-group.com.



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



ROSS McINNES

Chairman of the Board of Directors

**In 2022, we anticipate a return
to sustainable growth and are ready
to accelerate the pace of investment for
the decarbonization of the aviation industry**

Dear Shareholders,

I am pleased to invite you to Safran's Annual General Meeting, which will take place on Wednesday, May 25, 2022 at 2.00 p.m. at the Palais des Congrès - Issy-les-Moulineaux (France).

After two years of holding our meetings behind closed doors, the 2022 Annual General Meeting will provide an essential opportunity for information, exchange and discussion, and for directly answering any questions you may have.

Olivier Andriès and I will present a review of the Group's current situation, its main strategic priorities and its financial and non-financial performance. We will be joined by Monique Cohen, Lead Independent Director, and Patrick Pélata, Director responsible for monitoring climate issues.

The Meeting is also an opportunity for you to play an active role by voting on the Group's key decisions, which you may also do online in advance of the Meeting.

In the following pages, you will find practical information on how to participate in the Meeting, the agenda and the text of the proposed resolutions.

I would like to thank you in advance for taking the time to read this notice of meeting, for participating in the Meeting and for your loyalty to Safran.

Best regards,

Ross McInnes

PARTICIPATING IN THE MEETING

IMPORTANT

Should the public health situation related to the Covid-19 pandemic deteriorate, the venue and conditions of shareholder attendance may change, if necessary. Shareholders are invited to regularly check the 2022 Annual General Meeting section of the Company's website (<https://www.safran-group.com/finance/annual-general-meeting>). This section will be updated on a regular basis in the event of changes in the procedures for participating in the Annual General Meeting.

The Annual General Meeting will be broadcast live and the video replay will be available on the Company's website.

The shareholders may vote without physically attending the Meeting, either by post or online or by giving proxy to the Chairman of the Meeting or any other person of their choice. All shareholders who attend the Meeting in person must follow the public health measures that apply on the date of the Meeting.

In the interests of protecting everyone present at the Meeting, only a welcome coffee will be organized before the Meeting.

HOW TO PARTICIPATE IN THE MEETING

Ways of participating in the Meeting

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

In accordance with Article R.22-10-28 of the French Commercial Code (*Code de commerce*), in order for shareholders to cast a vote or appoint a proxy, their shares must be registered in their name or in the name of an authorized intermediary on their behalf no later than midnight (CET) on the second business day preceding the Meeting (i.e., Monday, May 23, 2022) as follows:

- for **REGISTERED or ADMINISTERED 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 managed 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 the proxy/postal voting form or to the admittance card request.

All Safran shareholders may, prior to the Meeting, request an admittance card, register their voting instructions or appoint/ revoke a proxy online, via the Votaccess secure voting platform.

The Votaccess secure voting platform will be open from **10 a.m. (CET) on Friday, May 6, 2022**. The deadline for requesting an admittance card, voting and appointing/revoking a proxy online is **3.00 p.m. (CET) on Tuesday, May 24, 2022**.

How to exercise your voting rights

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

- A.** they may attend the Meeting in person;
- B.** they may give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying a 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;
- C.** they may vote by post or register their voting instructions online;
- D.** 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 provisions of Article L.22-10-39 of the French Commercial Code.

IMPORTANT

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 another way.

PARTICIPATING IN THE MEETING

How to participate in the Meeting

The Votaccess secure voting platform will be open from 10.00 a.m. (CET) on May 6, 2022 until 3.00 p.m. (CET) on May 24, 2022.

Shareholders are advised not to wait until the day before the Meeting to request their admittance card or to register their voting instructions, in order to avoid the overloading of the voting platform.

A – You plan to attend the Meeting in person

1 – Holders of registered and administered registered shares

By post

Holders of registered or administered registered shares planning to attend the Meeting in person should complete the proxy/postal voting form attached to the notice of meeting (checking the box corresponding to their 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 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 one of the following numbers: 0 826 100 374 (France only) or +33 1 57 43 75 00 (outside France), to obtain your admittance card number, which will facilitate entry to the Meeting on the day.

Online

Holders of registered and administered registered shares may request an admittance card online, via the Votaccess secure platform, which 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 they use to access their share account.

Holders of **administered registered shares** should log on to the Planetshares website with the username that appears in the top right of the voting form attached to the convening notice.

In the event that you misplace or forget your username and/or password, please call one of the following numbers: 0 826 100 374 (France only) or +33 1 57 43 75 00 (outside France).

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

Shareholders may request an admittance card online:

- the admittance card will be sent either by email or by post, at your discretion;
- you can also download and print your admittance card online.

2 – Holders of bearer shares

By post

Holders of bearer shares planning to attend the Meeting in person should request a share ownership certificate from their 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 midnight (CET) on the second business day preceding the Meeting (i.e., Monday, May 23, 2022), you should ask your authorized intermediary to issue you with a certificate proving that you own the shares and are therefore entitled to attend the Meeting.

Online

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 reach Votaccess and request an admittance card.

Shareholders may request an admittance card online:

- the admittance card will be sent either by email or by post, at your discretion;
- you can also download and print your admittance card online.

B – You wish to give proxy to the Chairman of the Meeting or send a proxy form to the Company without specifying a representative

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.

1 – Holders of registered and administered registered shares

By post

Holders of registered or administered registered shares wishing to give proxy to the Chairman of the Meeting should complete and sign the proxy/postal voting form attached to the notice of meeting (checking the box corresponding to their 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

Holders of registered or administered registered shares can give proxy to the Chairman of the Meeting 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 they use to access their share account.

Holders of **administered registered shares** should log on to the Planetshares website with the username that appears in the top right of the voting form attached to the convening notice.

In the event that you misplace or forget your username and/or password, please call one of the following numbers: 0 826 100 374 (France only) or +33 1 57 43 75 00 (outside France).

2 – Holders of bearer shares

By post

Holders of bearer shares wishing to give proxy to the Chairman of the Meeting may request a proxy/postal voting form from their authorized intermediary. This request must be received by the authorized intermediary no later than six days before the date of the Meeting (i.e., Thursday, May 19, 2022). The authorized intermediary will then send the duly completed and signed form along with a share ownership certificate to BNP Paribas Securities Services.

Online

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.

C – You wish to cast a postal or online vote

1 – By post

Holders of registered and administered registered shares

Holders of registered or administered registered shares wishing to cast a postal vote should complete and sign the proxy/postal voting form attached to the notice of meeting (checking the box corresponding to their 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 proxy/postal voting form from their authorized intermediary. This request must be received by the authorized intermediary no later than six days before the date of the Meeting (i.e., Thursday, May 19, 2022). The authorized intermediary will then send the duly completed and signed 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 date of the Meeting (i.e., no later than midnight (CET) on Saturday, May 21, 2022).

2 – Online

Procedure for holders of registered and administered registered shares

Holders of registered shares

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

All holders of registered shares have a Planetshares account, even if they have not yet used it. They can log on to their account with the username and access code that appear on their annual statement. Shareholders are invited to verify, as soon as possible, that they can access their account.

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 of the voting form attached to the convening notice.

All holders of administered registered shares have a Planetshares account, even if they have not yet used it. Shareholders are invited to verify, as soon as possible, that they can access their account.

They can log on to their account with the username and access code that appear in the top right of the voting form attached to the convening notice.

If you experience any difficulties, please call one of the following numbers: 0 826 100 374 (France only) or +33 1 57 43 75 00 (outside France), or submit a request via the contact form (envelope icon in the top right) on the Planetshares homepage (<https://planetshares.bnpparibas.com>).

Holders of registered and administered registered shares

In the event that you misplace or forget your username, access code and/or password to log on to the Planetshares website, please call one of the following numbers: 0 826 100 374 (France only) or +33 1 57 43 75 00 (outside France), or submit a request via the contact form (envelope icon in the top right) on the Planetshares homepage (<https://planetshares.bnpparibas.com>).

After logging on to the Planetshares website, follow the on-screen instructions to reach Votaccess, where you can register your voting instructions. You can also consult the official documentation pertaining to the Meeting on this website.

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 reach Votaccess. You can also consult the official documentation pertaining to the Meeting on this website.

Holders of bearer shares **whose custodian is not connected to Votaccess** should contact their custodian to communicate their voting instructions, which the custodian will then send to BNP Paribas Securities Services.

D – 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.22-10-39 of the French Commercial Code.

1 – Appointing a proxy

You may appoint a proxy by post or online.

Holders of registered and administered registered shares

By post

Holders of registered or administered registered shares should complete and sign the proxy/postal voting form attached to the notice of meeting (checking the box corresponding to their 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

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 they use to access their share account.

Holders of **administered registered shares** should log on to the Planetshares website with the username that appears in the top right of the voting form attached to the convening notice.

In the event that you misplace or forget your username and/or password, please call one of the following numbers: 0 826 100 374 (France only [toll-free]) or +33 1 57 43 75 00 (outside France).

Holders of bearer shares

By post

Holders of bearer shares wishing to give proxy to another person or entity may request a proxy/postal voting form from their authorized intermediary. This request must be received by the authorized intermediary no later than six days before the date of the Meeting (i.e., Thursday, May 19, 2022). The authorized intermediary will then send the duly completed and signed form along with a share ownership certificate to BNP Paribas Securities Services.

Giving a proxy online or by email, in accordance with Article R.22-10-24 of the French Commercial Code:

Online

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.

By email

Holders of bearer shares 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 25, 2022), their last name, first name, address and banking details, as well as the last name, first 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 Générales*) of BNP Paribas Securities Services by post or email.

Only notifications of appointments of proxies can be sent to the above email address; any other unrelated requests or notifications will not be considered and/or processed.

Digital copies of the proxy form must be signed in order to be valid and taken into account. The forms must be received no later than 3.00 p.m. (CET) on the day before the Meeting (i.e., Tuesday, May 24, 2022).

2 - 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 least three days before the date of the Meeting, (i.e., no later than midnight (CET) on Saturday, May 21, 2022). 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 Générales*) of BNP Paribas Securities Services.

Online

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

Holders of registered and administered registered shares

Holders of registered and administered registered shares can revoke their proxy and, where applicable, 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 with their usual username and password.

Holders of bearer shares whose custodian is not connected to Votaccess can revoke or change their proxy electronically in accordance with the provisions of Article R.22-10-24 of the French Commercial Code.

In this case, shareholders should 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 25, 2022), their last name, first name, address and banking details, as well as the last name, first 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 new "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 Générales*) of BNP Paribas Securities Services by post or email.

Only notifications of revocations and changes of proxies can be sent to the above email address; any other unrelated requests or notifications will not be considered and/or processed.

Digital copies of the "Change of proxy" form must be signed in order to be valid and taken into account. Emails and forms notifying revoked or changed proxies must be received no later than 3.00 p.m. (CET) on the day before the Meeting (i.e., Tuesday, May 24, 2022).

SALE OF SHARES PRIOR TO THE MEETING

Shareholders may transfer ownership of some or all of their shares at any time

- (i) If the sale occurs before midnight (CET) on Monday, May 23, 2022, the postal/online 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 midnight (CET) on Monday, May 23, 2022, 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.

SHAREHOLDER DIALOGUE AND DOCUMENTS MADE AVAILABLE TO SHAREHOLDERS

Shareholders' legal right to submit written questions

Pursuant to Article R.225-84 of the French Commercial Code, shareholders may submit written questions to the Company as from the publication date of the documentation to be submitted to the Meeting on the Company's website (see below). Written questions must be addressed to the Chairman of the Board of Directors at the Company's registered office (2, boulevard du Général-Martial-Valin, 75724 Paris Cedex 15, France) by recorded delivery with acknowledgment of receipt, or to the following email address: actionnaire.individuel@safran.fr, no later than the fourth business day preceding the Meeting (i.e., no later than midnight (CET) on Thursday, May 19, 2022).

Written questions must be accompanied by a share ownership certificate.

Questions covering the same or similar content may be answered jointly. A written question will be considered answered when such answer is published on the Company's website in a dedicated Q&A section.

All written questions submitted, together with the responses (including the responses given during the Meeting), will be posted on the 2022 Annual General Meeting section of the Company's website, within the legal deadline.

Additional arrangements put in place by Safran to facilitate shareholder dialogue

In order to facilitate the effective shareholder dialogue to which the Group is highly committed, additional arrangements beyond those described above will be put in place to enable shareholders to submit written questions: a dedicated module will be made available on the Company's website, through which shareholders will be able to ask questions in advance of the Meeting. The most important issues for shareholders will be identified through this module, and representative questions will then be selected. These questions will be answered during the Meeting if they are not already covered by the presentations given during the Meeting and provided there is sufficient time during the Q&A session. Priority will be given to shareholders present at the Meeting.

Information on how these arrangements will work will be made available on the 2022 Annual General Meeting section of the Company's website (www.safran-group.com), which all shareholders are invited to check regularly.

PARTICIPATING IN THE MEETING

How to fill out the proxy/postal voting form

Documents made available to shareholders

For the third consecutive year, the preliminary documents for the Annual General Meeting, which are usually made available to shareholders at the Company's registered office, will be available on the Company's website at <http://www.safran-group.com> (Finance/Annual General Meeting).

Shareholders can obtain the documents provided for by the applicable regulations⁽¹⁾ that are not already available on the Company's website, within the deadlines and under the conditions that are currently applicable⁽²⁾, by emailing their request to actionnaire.individuel@safrangroup.com.

These documents may also be obtained by shareholders on request from BNP Paribas Securities Services as from the publication of the convening notice in the French legal gazette (*Bulletin des annonces légales obligatoires* – BALO), or fifteen days before the Meeting, depending on the document concerned.

Shareholders who request documents will receive them by email if their email address is known to the Company or to BNP Paribas Securities Services. Shareholders who send requests by post are invited to specify their email address if it is not known to the Company or to BNP Paribas Securities Services.

HOW TO FILL OUT THE PROXY/POSTAL VOTING FORM

To fill out the proxy/postal voting form:

If you choose "VOTE BY POST", there are three options available:

- vote **FOR** the resolution: the default choice. For resolutions presented or approved by the Board of Directors and bearing a number (1, 2, etc.), you do not have to check any boxes and your vote FOR is automatically registered. **However, for resolutions not approved by the Board of Directors, if any, and bearing a letter (A, B, etc.), there is no default choice: you must check the box corresponding to your vote;**
- vote **AGAINST** the resolution by checking the corresponding box;
- **ABSTAIN** (new) by checking the corresponding box: your shares are counted for the purposes of calculating the overall quorum of the Meeting, but your abstention is not counted for the purposes of calculating the number of votes for or against the resolution.

If several boxes are checked for the same resolution, the corresponding votes will be considered null and void for that resolution.

If you decide to vote online, you must not return the paper form, and if you decide to vote by post, you must not submit your instructions online.

(1) Articles R.225-81 and R.225-83 of the French Commercial Code; other than the documents provided for by Article R.22-10-23 of said Code, available on the Company's website no later than 21 days before the Meeting.

(2) Deadlines and conditions provided for in Article R.225-88 of the French Commercial Code.

If you plan to attend the Meeting
Check this box and you will receive an admittance card

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

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 - Important : Before selecting please refer to instructions on reverse side
Quelle que soit l'option choisie, noircir 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

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.

SAFRAN
S.A. à Conseil d'Administration
Au capital de 85 448 488 €
Siège social :
2, boulevard du Général Martial Valin 75015 PARIS
562 082 909 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE
Mercredi 25 mai 2022 à 14 heures
Palais des Congrès d'Issy Les Moulineaux
25 avenue Victor Cresson
92130 Issy Les Moulineaux

COMBINED GENERAL MEETING
Wednesday, May 25th, 2022 at 2.00 pm
Palais des Congrès d'Issy Les Moulineaux
25 avenue Victor Cresson
92130 Issy Les Moulineaux

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account

Nombre d'actions / Number of shares

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 (2) - See reverse (2)

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 noircissant comme ceci ■ l'une des cases "Non" ou "Abstention". // I vote 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.

1	2	3	4	5	6	7	8	9	10	A	B
Non / No	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>								
Abs.	<input type="checkbox"/>	Non / No	<input type="checkbox"/>								
11	12	13	14	15	16	17	18	19	20	C	D
Non / No	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>								
Abs.	<input type="checkbox"/>	Non / No	<input type="checkbox"/>								
21	22	23	24	25	26	27	28	29	30	E	F
Non / No	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>								
Abs.	<input type="checkbox"/>	Non / No	<input type="checkbox"/>								
31	32	33	34	35	36	37	38	39	40	G	H
Non / No	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>								
Abs.	<input type="checkbox"/>	Non / No	<input type="checkbox"/>								
41	42	43	44	45	46	47	48	49	50	J	K
Non / No	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>								
Abs.	<input type="checkbox"/>	Non / No	<input type="checkbox"/>								

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

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

Adresse / Address

ATTENTION : Pour les titres au porteur, les présentes instructions doivent être transmises à votre banque.
CAUTION : As for bearer shares, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire. Cf au verso (1))
Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no changes can be made using this proxy form). See reverse (1))

Date & Signature

Remember to check the box corresponding to your choice if applicable

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 proxy

* Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / mandat), cela vaut automatiquement pouvoir au Président de l'Assemblée générale / * If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies to the President of the General Meeting

FOR FURTHER INFORMATION PLEASE CONTACT:



Safran – Shareholder Relations
2, boulevard du Général-Martial-Valin – 75724 Paris Cedex 15, France
Toll-free number (France only): 0 800 17 17 17 – Fax: 00 33 1 40 60 83 53
Email: actionnaire.individuel@safran.fr
www.safran-group.com/finance

HOW TO GET TO THE MEETING

PALAIS DES CONGRÈS D'ISSY

un site  VIPARIS

Access and entrances

ADDRESS
25 Avenue Victor Cresson
92130 Issy-les-Moulineaux

PEDESTRIAN
 Line 12 : mairie d'Issy station
 Line 2 : Issy - Val de Seine station
 Line C : Issy Ville station
 Routes : 123 porte d'Auteuil - mairie d'Issy, 169 pont de Sèvres - Balard, 190 mairie d'Issy - Vélizy 2, 290 mairie d'Issy - Vélizy / Europe Nord, 323 Issy Val de Seine - Ivry sur Seine

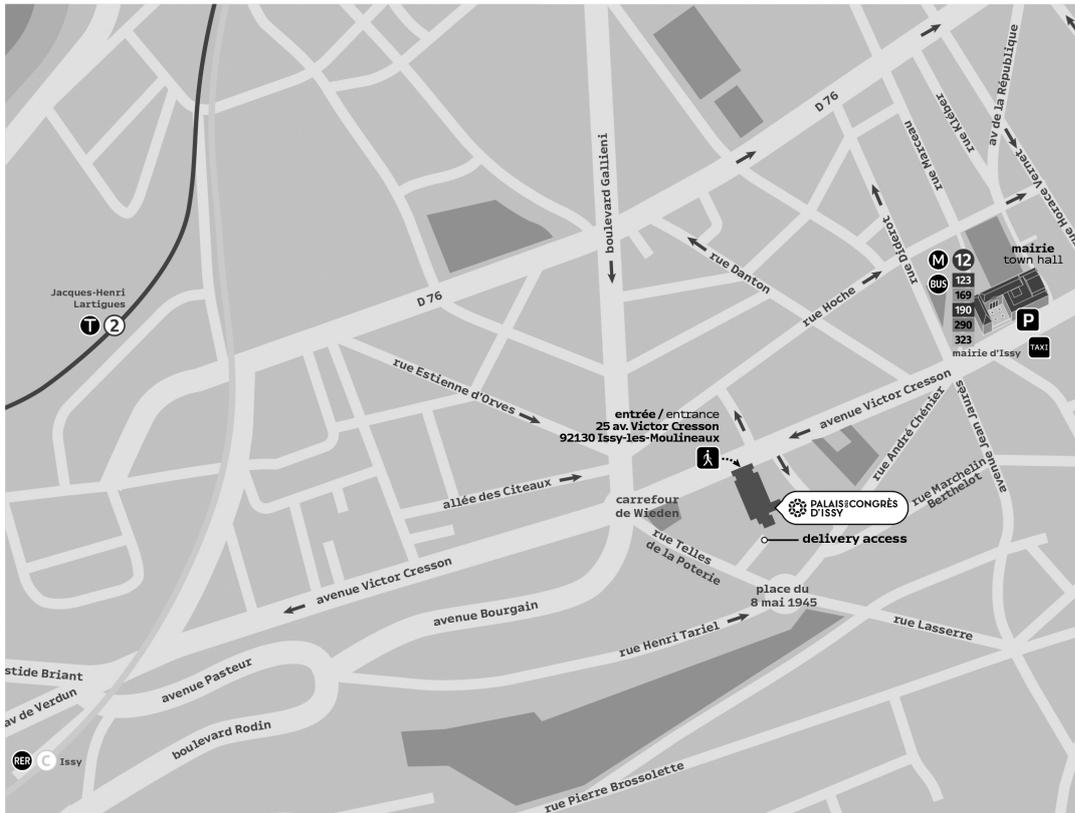
CAR / DELIVERY

- From A1, A4, A6, A10, A15 : direction Paris, access via western section of the ring road, exit Porte de Versailles or Porte de Sèvres.
- From A3, A13, A14 : direction Paris, access via southern section of the ring road, exit Porte de Versailles or Porte de la Plaine

Follow the direction Issy-les-Moulineaux and take the avenue Victor Cresson.
P Indigo Hôtel De Ville car park
60 Rue du Général Leclerc,
92130 Issy-les-Moulineaux

FROM PARIS - CHARLES DE GAULLE AIRPORT
1h :  +  + 
35 min by car

FROM PARIS - ORLY AIRPORT
55 min : orlybus  +  + 
25 min by car



accès / access



AGENDA

ORDINARY RESOLUTIONS

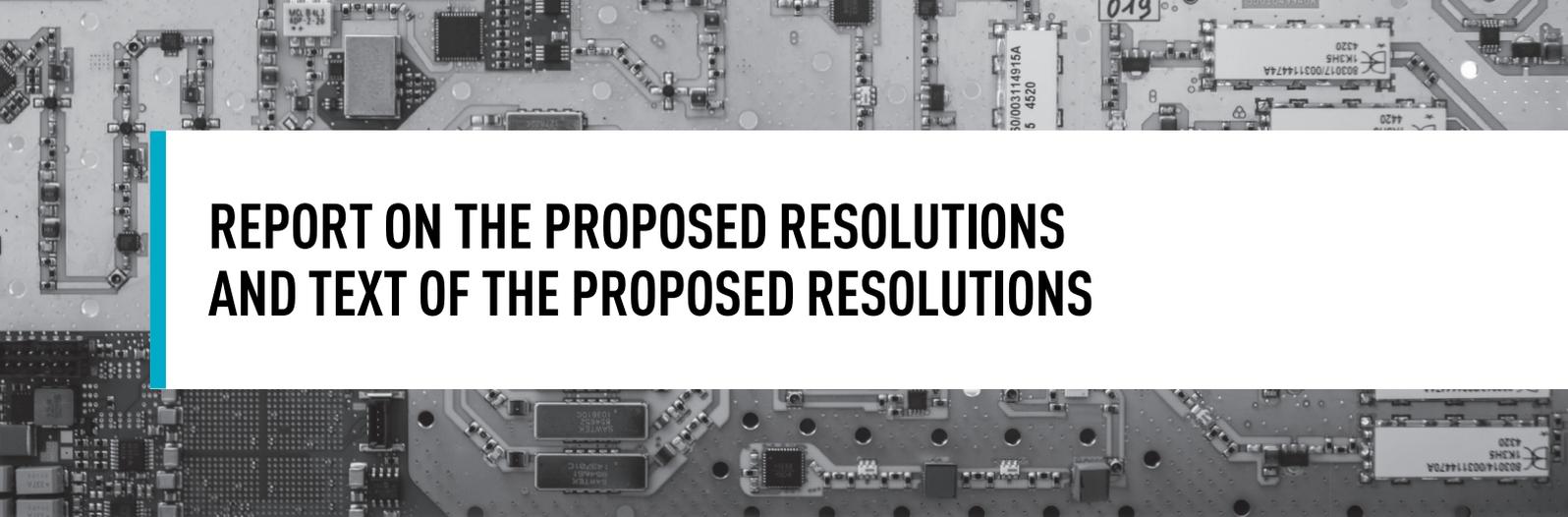
First resolution:	Approval of the parent company financial statements for the year ended December 31, 2021
Second resolution:	Approval of the consolidated financial statements for the year ended December 31, 2021
Third resolution:	Appropriation of profit for the year and approval of the recommended dividend
Fourth resolution:	Re-appointment of Monique Cohen as a Director
Fifth resolution:	Re-appointment of F&P as a Director
Sixth resolution:	Re-appointment of Mazars as Statutory Auditor
Seventh resolution:	Re-appointment of Ernst & Young et Autres as Statutory Auditor
Eighth resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2021 to the Chairman of the Board of Directors
Ninth resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2021 to the Chief Executive Officer
Tenth resolution:	Approval of the disclosures required under Article L.22-10-9 I of the French Commercial Code concerning the compensation of corporate officers
Eleventh resolution:	Aggregate Compensation allocated to the Directors as consideration for their duties
Twelfth resolution:	Approval of the compensation policy applicable to the Chairman of the Board of Directors
Thirteenth resolution:	Approval of the compensation policy applicable to the Chief Executive Officer
Fourteenth resolution:	Approval of the compensation policy applicable to the Directors
Fifteenth resolution:	Authorization for the Board of Directors to carry out a share buyback program

EXTRAORDINARY RESOLUTION

Sixteenth resolution:	Extension of the Company's term - Corresponding amendment to Article 5 of the bylaws
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RESOLUTION CONCERNING POWERS TO CARRY OUT FORMALITIES

Seventeenth resolution:	Powers to carry out formalities
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REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

Report of the Board of Directors on the resolutions proposed to the Annual General Meeting and text of the proposed resolutions

The proposed resolutions that will be submitted for shareholder approval at Safran's Annual General Meeting on May 25, 2022 are presented below.

Each of the resolutions is preceded by an explanatory paragraph providing a description of the resolution and setting out the reasons why it is being proposed.

All of these explanatory paragraphs, together with the business review provided in this notice of meeting, form the report of the Board of Directors. This report should be read in conjunction with the text of the proposed resolutions.

ORDINARY RESOLUTIONS

Approval of the parent company and consolidated financial statements for the year ended December 31, 2021

Presentation of the first and second resolutions

The shareholders are invited to approve the parent company and consolidated financial statements for the year ended December 31, 2021, as well as the expenses incurred during the year that are not deductible for tax purposes (company vehicles):

- the parent company financial statements show that the Company ended 2021 with profit of €691 million;
- the consolidated financial statements show attributable profit for the year amounting to €43 million.

Text of the first resolution

Approval of the parent company financial statements for the year ended December 31, 2021

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 parent company financial statements for the year ended December 31, 2021 as presented – showing profit for the year of €690,857,268.16 – together with the transactions reflected in those financial statements and referred to in those reports.

Pursuant to Article 223 *quater* of the French Tax Code (*Code général des impôts*), the shareholders approve the non-deductible expenses governed by Article 39-4 of said Code, which totaled €347,180 and gave rise to a tax charge of €98,634.

Text of the second resolution

Approval of the consolidated financial statements for the year ended December 31, 2021

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, 2021 as presented, together with the transactions reflected in those financial statements and referred to in those reports.

Appropriation of profit for the year and approval of the recommended dividend

Presentation of the third resolution

The Company's distributable profit for 2021 totals €4,816 million, breaking down as €691 million in profit for the year plus €4,125 million in retained earnings brought forward from the previous year.

The Board of Directors recommends paying a dividend of €0.50 per share, corresponding to a total payout of €214 million based on the 427,242,440 shares making up the Company's capital at December 31, 2021 (see section 7.2.1 of the 2021 Universal Registration Document), representing a 28% payout ratio.

The remaining €4,602 million of distributable profit would be allocated to retained earnings.

The total payout of €214 million (and, consequently, the amount allocated to retained earnings) will be adjusted to take into account new shares with dividend rights issued before the ex-dividend date (including shares issued upon exercise of stock options) and the number of shares held in treasury at that date for which the dividend is credited to retained earnings.

For individual shareholders domiciled for tax purposes in France, this dividend will be subject to the 12.8% flat-rate tax provided for in Article 200 A of the French Tax Code. This flat-rate tax will automatically apply unless the taxpayer expressly opts to be taxed based on the standard income tax bands for all of his or her investment income. For shareholders who exercise this option, the dividend will be eligible for the 40% tax relief provided for in Article 158, 3-2° of the French Tax Code.

The dividend will be paid based on the following timetable:

- ex-dividend date: May 31, 2022;
- record date: June 1, 2022;
- dividend payment date: June 2, 2022.

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 the profit for the year ended December 31, 2021 as follows:

Profit for 2021	€690,857,268.16
Retained earnings ⁽¹⁾	€4,124,920,716.23
Profit available for distribution	€4,815,777,984.39
Appropriation:	
■ Dividend	€213,621,220.00
■ Retained earnings	€4,602,156,764.39

(1) Including €393,263.88 corresponding to the 2020 dividend due on shares held in treasury at the dividend payment date.

Accordingly, the dividend paid will be €0.50 per share.

For individual shareholders domiciled for tax purposes in France, this dividend will be subject to the 12.8% flat-rate tax provided for in Article 200 A of the French Tax Code. This flat-rate tax will automatically apply unless the taxpayer expressly opts to be taxed based on the standard income tax bands for all of his or her investment income. For shareholders who exercise this option, the dividend will be eligible for the 40% tax relief provided for in Article 158, 3-2° of the French Tax Code.

The ex-dividend date will be June 2, 2022 and the record date will be June 1, 2022. The dividend will be paid on May 31, 2022.

The shareholders resolve that in the event of an increase or decrease in the number of shares carrying dividend rights at the ex-dividend date, the dividend payout and also the amount allocated to retained earnings will be adjusted accordingly.

The shareholders note that dividends paid for the past three years were as follows:

	Number of shares carrying dividend rights ⁽¹⁾	Net dividend per share	Total payout
2020	426,321,373	€0.43	€183,318,190.39 ⁽²⁾
2019	0	€0	€0
2018	431,474,040	€1.82	€785,282,752.80 ⁽²⁾

(1) Total number of shares carrying dividend rights less the number of Safran shares held in treasury at the dividend payment date.

(2) Subject to the flat-rate tax provided for in Article 200 A of the French Tax Code or, on a discretionary basis, tax levied at the progressive rate after the 40% tax relief provided for in Article 158, 3-2° of the French Tax Code.

Membership structure of the Board of Directors – Re-appointment of Directors

Presentation of the fourth and fifth resolutions

The terms of office of Monique Cohen, F&P (whose permanent representative is Robert Peugeot) and Didier Domange are due to expire at the close of the Annual General Meeting of May 25, 2022. The shareholders are invited to vote on the proposals to fill these vacancies.

The shareholders are invited to re-appoint two of the three Directors whose terms of office are due to expire.

In making these proposals, based on the recommendation of the Appointments and Compensation Committee, the Board took into account a number of observations about the Board's membership structure and size that were made in the formal assessment of the Board's operating procedures carried out at the end of 2021 (see section 6.3.7 of the 2021 Universal Registration Document).

Re-appointment of Monique Cohen, Lead Independent Director and Chair of the Appointments and Compensation Committee, as a Director (4th resolution)

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors is putting forward this Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2026.

If the shareholders approve the Board's recommendation, Monique Cohen will be re-appointed as Lead Independent Director and Chair of the Appointments and Compensation Committee.

Monique Cohen brings to the Board her experience as an executive and Director of international groups, as well as in-depth knowledge of the financial and banking markets, expertise in private equity and a financial view of shareholding structures.

She particularly contributes to market- and investor-related issues, both from an industrial and financial point of view. Thanks to her experience as a Director of Safran since 2013, she knows the Group well and has an in-depth understanding of its businesses and its goals and challenges, having notably participated in all of the major acquisitions and divestments carried out by the Company in recent years.

Monique Cohen is Lead Independent Director and Chair of the Appointments and Compensation Committee and was previously a member of the Audit and Risk Committee

As Monique Cohen first joined the Board of Directors in 2013, if her term of office is renewed at the May 25, 2022 Annual General Meeting, on May 28, 2025 - i.e., one year before the expiry of her new term of office at the close of the 2026 Annual General Meeting - she will no longer meet the independence criterion in the AFEP-MEDEF Corporate Governance Code relating to the duration of Directors' terms of office (maximum of 12 years)⁽¹⁾. In response to this situation, Monique Cohen has already stated that, by May 28, 2025, she will resign as Lead Independent Director and as Chair of the Appointments and Compensation Committee and, if so requested by the Board, as a Director.

Her profile is presented in section 6.2.2 of the 2021 Universal Registration Document and on page 40 of this notice of meeting.

Re-appointment of F&P, represented by Robert Peugeot, as a Director (5th resolution)

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors is putting forward this independent Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2026.

Robert Peugeot is the permanent representative on Safran's Board of Directors⁽²⁾ of F&P, which was appointed as a Director at the Annual General Meeting of May 25, 2018.

F&P has stated in advance that Robert Peugeot would continue to be its permanent representative on Safran's Board of Directors if it is re-appointed.

Robert Peugeot brings to the Board his experience as an executive and director of international groups, as well as his experience in private equity and finance. He makes a significant contribution to the work of the Board and the Audit and Risk Committee, of which he is a member, and he is one of the Board's independent Directors.

The number of directorships that Robert Peugeot holds in listed companies complies with the requirements of the AFEP-MEDEF Corporate Governance Code. In addition, these directorships are related to the holdings of Peugeot Invest, of which Robert Peugeot is non-executive Chairman. As a professional investor, his line of work and expertise consist of carefully monitoring companies by participating in their governance.

(1) Criterion 7: "Must not have been a member of Safran's Board of Directors (or previously its Supervisory Board) for over 12 years, it being specified that members lose their status as independent Directors once the 12-year threshold is reached", see section 6.2.4.1 of the 2021 Universal Registration Document.

(2) F&P, a joint venture between Peugeot Invest Assets (formerly FFP Invest) and Fonds Stratégique de Participations, is a simplified joint stock company with share capital of €60,000 whose registered office is located at 66 avenue Charles de Gaulle - 92200 Neuilly-sur-Seine, France and which is registered in the Nanterre Trade and Companies Register under number 837 701 499. Its corporate purpose is to be a member of Safran's Board of Directors.

If the shareholders approve the Board's recommendation, Robert Peugeot will be re-appointed as a member of the Audit and Risk Committee.

His profile is presented in section 6.2.2 of the 2021 Universal Registration Document and on pages 41 and 42 of this notice of meeting.

Expiry of Didier Domange's term of office

On the recommendation of the Appointments and Compensation Committee, the Board of Directors has decided not to put forward Didier Domange for re-appointment, nor seek to replace him.

The Board would like to thank Didier Domange for his contribution to the Board's work since 2018, particularly the key role he played in the successful integration of Zodiac Aerospace into the Group.

If the shareholders at the Annual General Meeting follow the Board's recommendations, the number of Directors will be reduced from 18 to 17, resulting in:

- an increase in the proportion of independent Directors, from 64.28% to 69.23%;
- an increase in the proportion of women on the Board, from 42.86% to 46.15%.

Text of the fourth resolution

Re-appointment of Monique Cohen as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint Monique Cohen as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held in 2026 to approve the financial statements for the year ending December 31, 2025.

Text of the fifth resolution

Re-appointment of F&P as a Director

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders re-appoint F&P as a Director, for a four-year term expiring at the close of the Annual General Meeting to be held in 2026 to approve the financial statements for the year ending December 31, 2025.

Re-appointment of the Statutory Auditors

Presentation of the sixth and seventh resolutions

On the recommendation of the Audit and Risk Committee, the Board of Directors proposes to re-appoint Mazars and Ernst & Young et Autres as Statutory Auditors for six-year terms. The Chief Executive Officer did not vote on the proposal, in accordance with the law.

As regards the proposal, the Board of Directors noted that Safran has no obligation to rotate the audit firms. For joint audits, rotation is only mandatory after 24 years. As a reminder, Mazars was first appointed in 2008 and Ernst & Young in 2010.

The proposal to re-appoint the current Statutory Auditors is based on a number of factors, in particular: (i) the quality of their work, (ii) their accumulated knowledge of the Group, the aerospace sector and the application of IFRS in the aerospace sector, (iii) Safran's desire to capitalize on their knowledge in the current context, (iv) the strong involvement of the signatory partners, (v) the firms' compliance with their commitments during their term and (vi) a high standard of independence (with the signatories rotated during their term). In connection with their proposed re-appointment, the Statutory Auditors were asked to present an attractive audit approach for the term of the re-appointment, taking into account requests and innovative approaches identified from an internal satisfaction survey. The approaches presented confirmed the relevance of a proposal to re-appoint the Statutory Auditors without issuing a call for tenders.

In the case of the alternate auditors, the shareholders are invited to:

- place on record that since the French Sapin II Act (of December 11, 2016), the appointment of alternate auditors is only required when the appointed Statutory Auditors are individuals or one-person companies (Article L.823-1, paragraph 2 of the French Commercial Code);
- note that the terms of Gilles Rainaut and Auditex as alternate auditors will expire at the close of the Annual General Meeting of May 25, 2022.

Text of the sixth resolution

Re-appointment of Mazars as Statutory Auditor

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders resolve to re-appoint Mazars as Statutory Auditor for a six-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2027.

The shareholders:

- place on record that since the Sapin II Act (of December 11, 2016), the appointment of alternate auditors is only required when the appointed Statutory Auditors are individuals or one-person companies (Article L.823-1, paragraph 2 of the French Commercial Code);
- note that the term of Gilles Rainaut as alternate auditor will expire at the close of this Meeting.

Text of the seventh resolution

Re-appointment of Ernst & Young et Autres as Statutory Auditor

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, the shareholders resolve to re-appoint Ernst & Young et Autres as Statutory Auditor for a six-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2027.

The shareholders:

- place on record that since the Sapin II Act (of December 11, 2016), the appointment of alternate auditors is only required when the appointed Statutory Auditors are individuals or one-person companies (Article L.823-1, paragraph 2 of the French Commercial Code);
- note that the term of Auditex as alternate auditor will expire at the close of this Meeting.

Approval of the components of compensation and benefits paid during or awarded for 2021 to the corporate officers

Presentation of the eighth and ninth resolutions – Specific votes on the compensation of the Chairman of the Board of Directors, Ross McInnes and the Chief Executive Officer, Olivier Andriès

At the Annual General Meeting of May 26, 2021, the shareholders approved the compensation policies for (i) the Chairman of the Board of Directors, in the 13th resolution, and (ii) the Chief Executive Officer, in the 14th resolution (*ex-ante* vote).

The Board set the respective compensation packages for the Chairman and the Chief Executive Officer for 2021 in accordance with these policies.

For several years now, shareholders have been asked to vote on the individual components of compensation and benefits paid during or awarded for the previous year to the Chairman of the Board of Directors and to the Chief Executive Officer (*ex-post* vote).

In accordance with the applicable regulations⁽¹⁾, the specific vote concerning each corporate officer covers the fixed, variable and exceptional components of the total compensation and benefits paid during the previous year (i.e., cash compensation paid to the officer in 2021, whatever the year to which it relates) or awarded for that year (i.e., share-based and/or cash compensation awarded in respect of the work performed in 2021, the quantity and/or amount of which does not vest on the grant date and is therefore measured at the grant-date accounting value, if applicable) in their capacity as corporate officers.

At the Annual General Meeting, the shareholders will be asked to approve the components of the compensation and benefits paid during or awarded for 2021 to the Chairman and the Chief Executive Officer in their capacity as corporate officers (*ex-post* vote), as fixed by the Board. These components may comprise:

- fixed compensation;
- variable compensation;
- performance shares;
- supplementary pension plans;
- benefits-in-kind.

The following tables summarize the various components of the compensation and benefits of the Chairman and the Chief Executive Officer, which are presented in detail in sections 6.6.2.1 and 6.6.2.2 of the 2021 Universal Registration Document.

In accordance with the applicable law, payment of the corporate officers' variable compensation and any exceptional compensation for the previous year (year Y-1) is subject to the approval of the shareholders at the Annual General Meeting held the following year (year Y).

Payment of the annual variable compensation of the Chief Executive Officer, Olivier Andriès, for 2021 is therefore subject to the approval of the shareholders at the Annual General Meeting of May 25, 2022.

(1) Article R.22-10-14 II, Article L.225-100 III and Article L.22-10-34 II of the French Commercial Code.

Consequently:

- in the 8th resolution, the shareholders are asked to approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded for 2021 to Ross McInnes, Chairman of the Board of Directors; and
- in the 9th resolution, the shareholders are asked to approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded for 2021 to Olivier Andriès, Chief Executive Officer.

COMPONENTS OF THE COMPENSATION PAID DURING OR AWARDED FOR 2021 TO ROSS McINNES, CHAIRMAN OF THE BOARD OF DIRECTORS

Compensation components put to the vote	Amounts paid during 2021	Amounts awarded for 2021 or accounting value	Presentation
Fixed compensation (2021)	€450,000 Awarded for 2021 and paid in 2021	See opposite	At its meeting on February 24, 2021, acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to keep the Chairman's annual fixed compensation at €450,000 for 2021, i.e., unchanged from 2020 (see section 6.6.2.1.a of the 2021 Universal Registration Document).
Annual variable compensation (2020)	N/A ⁽¹⁾	N/A	Ross McInnes does not receive any annual variable compensation.
Multi-year variable compensation	N/A	N/A	Ross McInnes does not receive any multi-year variable compensation.
Exceptional compensation	N/A	N/A	Ross McInnes did not receive any exceptional compensation.
Stock options, performance shares and any other long-term compensation	N/A	N/A	Ross McInnes does not receive any stock options.
Directors' compensation	N/A	N/A	Ross McInnes does not receive any performance shares or any other long-term compensation.
Benefits-in-kind	N/A	€5,713.46 (accounting value)	Ross McInnes did not receive any compensation for his duties as member of the Board of Directors for 2021. Ross McInnes has the use of a company car.
Termination benefits	N/A	N/A	Ross McInnes is not entitled to any termination benefits in his capacity as Chairman of the Board of Directors.
Supplementary pension	€0	N/A	No specific supplementary pension system was in place for the Chairman of the Board of Directors. "Article 83" defined contribution plans (replaced by PERO as of January 1, 2022 – see section 6.6.1.3.g of the 2021 Universal Registration Document) In accordance with a decision taken by the Board of Directors on February 26, 2018, the Chairman is a beneficiary of Safran's two defined contribution supplementary pension plans set up in France for all Group managerial-grade staff pursuant to Article 83 of the French Tax Code (the "Article 83 Core Plan" and the "Article 83 Additional Plan") and in force at January 1, 2018 (see section 6.6.1.3.g of the 2021 Universal Registration Document), subject to the same terms and conditions as the other plan members. The commitment given by the Company to enable Mr. McInnes to continue to be a beneficiary of these plans was approved at the Annual General Meeting of May 25, 2018, pursuant to the legal provisions applicable at that date, and most recently through the 13 th resolution of the May 26, 2021 Annual General Meeting relating to the compensation policy for the Chairman, which included said supplementary pension benefits. No expenses were recognized in the 2021 financial statements relating to the contributions paid for Ross McInnes under the Article 83 Core Plan and the Article 83 Additional Plan. This was because the Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document) provided for a freeze on employer contributions to these plans in 2021 and therefore no such contributions were paid for the Chairman in that year. These payments have been reactivated for 2022 for all beneficiaries, including the Chairman.

REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

Ordinary resolutions

Compensation components put to the vote	Amounts paid during 2021	Amounts awarded for 2021 or accounting value	Presentation
	€0	N/A ⁽²⁾	<p>At December 31, 2021, the estimated theoretical amount⁽¹⁾ of the annuities that could be paid to Ross McInnes under the PERO (former Article 83) - Core Plan and the PERO (former Article 83) - Additional Plan amounted to €8,996.95 and €2,881.40 respectively.</p> <p>“Article 82” defined contribution plan</p> <p>In accordance with a decision taken by the Board of Directors on March 23, 2017, the Chairman is a beneficiary of Safran's defined contribution supplementary pension plan set up in France (see section 6.6.1.3.g of the 2021 Universal Registration Document) for all Group managerial-grade staff pursuant to Article 82 of the French Tax Code (the “Article 82 Plan”), subject to the same terms and conditions as the other plan members.</p> <p>The Article 82 Plan was put in place to compensate for the closure of Safran's Article 39 defined benefit plan as from January 1, 2017 (see below).</p> <p>In order for entitlements to accrue under the plan, the Company is required to:</p> <ul style="list-style-type: none"> ■ pay monthly contributions to an insurer, the rate of which is set based on the beneficiary's reference compensation for year Y-1 (Insurer Contribution) and which may represent up to 12.735% of that reference compensation; and ■ pay a cash amount to the beneficiary corresponding to the Insurer Contribution (Additional Payment) so that the beneficiary can pay the applicable tax (the plan provides for up-front taxation so that the capital accrued and received on the beneficiaries' retirement is net of tax and social security contributions). <p>The commitment was approved at the Annual General Meeting of May 26, 2021, through the 13th resolution relating to the compensation policy for the Chairman, which included said supplementary pension benefits.</p> <p>Neither the Insurer Contribution nor the Additional Payment for the Chairman were paid under the Article 82 Plan for 2021. This was because the Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document) provided for a freeze on those payments for that year. These payments have been reactivated for 2022 for all beneficiaries, including the Chairman.</p> <p>At December 31, 2021, the estimated theoretical amount⁽²⁾ of the annuity that could be paid to Ross McInnes under the Article 82 Plan was €8,115.</p> <p>“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)</p> <p>The Article 39 defined benefit supplementary pension plan⁽³⁾ of which the Chairman was previously a beneficiary (further to the decision of the Board of Directors on April 23, 2015 and by the shareholders at the May 19, 2016 Annual General Meeting) is now closed to new entrants and the benefit entitlements have been frozen, including for the Chairman. However, he could still be eligible for the pension entitlement that he had accrued under the plan until December 31, 2016, provided the applicable terms and conditions are met (see section 6.6.1.3.g of the 2021 Universal Registration Document).</p> <p>At December 31, 2021, the estimated theoretical amount⁽¹⁾ of the annuity that could be paid to Ross McInnes corresponded to the cap set in the plan, i.e., €123,408 (corresponding to three times the annual social security ceiling [PASS], based on the 2021 value of the PASS).</p>
	€0	N/A	

(1) Calculated based on the assumption that the annuity would be received as from January 1, 2022, irrespective of the eligibility conditions (in accordance with Article D.22-10-16 of the French Commercial Code).

(2) Not applicable.

COMPONENTS OF THE COMPENSATION PAID DURING OR AWARDED FOR 2021 TO OLIVIER ANDRIÈS, CHIEF EXECUTIVE OFFICER

Compensation components put to the vote	Amounts paid during 2021	Amounts awarded for 2021 or accounting value	Presentation
Fixed compensation (2021)	€800,000 Awarded for 2021 and paid in 2021	See opposite	At its meeting on December 16, 2020, acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors set the Chief Executive Officer's annual fixed compensation at €800,000 for 2021, unchanged from the amount set for 2020 for the office of Chief Executive Officer (see section 6.6.2.2.a of the 2021 Universal Registration Document).
Annual variable compensation (2021)	For information, not subject to a shareholder vote at the Annual General Meeting of May 25, 2022: €263,004: amount of annual variable compensation awarded for 2020 (paid in 2021) under his employment contract with Safran prior to his appointment as Chief Executive Officer on January 1, 2021	€1,002,222 Awarded for 2021 and payable in 2022 Payment of the Chief Executive Officer's annual variable compensation for 2021 is subject to shareholders' approval at the Annual General Meeting of May 25, 2022	<p>The Chief Executive Officer's annual variable compensation for 2021 was determined by the Board of Directors in accordance with the compensation policy approved by the shareholders at the Annual General Meeting of May 26, 2021 (see section 6.6.1.3 of the 2020 Universal Registration Document) and described in section 6.6.2.2.b of the 2021 Universal Registration Document.</p> <p>At its meeting on February 23, 2022, the Board of Directors reviewed the achievement of the objectives set for the variable compensation payable to the Chief Executive Officer for 2021, after consultation with the Appointments and Compensation Committee. Following this review, it set Olivier Andriès' variable compensation for 2021 at €1,002,222, i.e., 125.3% of his annual fixed compensation.</p> <p>This amount reflects:</p> <ul style="list-style-type: none"> ■ an overall achievement rate of 109% for the portion related to the Group's financial performance (accounting for two-thirds of the variable compensation), for which the objectives related to: <ul style="list-style-type: none"> ● recurring operating income (ROI) (60% weighting): 100% achievement, ● free cash flow (FCF) (30% weighting): 130% achievement, ● working capital, comprising the following components: <ul style="list-style-type: none"> - operating assets (Inventories) (5% weighting): 92% achievement, and - unpaid receivables (5% weighting): 116% achievement; ■ an overall achievement rate of 127.5% for the portion related to individual quantitative and qualitative performance objectives (accounting for one-third of the variable compensation), as detailed in section 6.6.2.2.b of the 2021 Universal Registration Document.
Multi-year variable compensation	N/A⁽¹⁾	N/A	No multi-year variable compensation was awarded to Olivier Andriès.
Exceptional compensation	N/A	N/A	Olivier Andriès did not receive any exceptional compensation.
Stock options, performance shares and any other long-term compensation	Stock options: N/A For information, not subject to a shareholder vote at the Annual General Meeting of May 25, 2022: Performance shares - 2020 Long-Term Incentive Plan: €297,478 (accounting value on grant date), corresponding to 5,900 performance shares granted under his employment contract, prior to his appointment as Chief Executive Officer on January 1, 2021 (Board of Directors' meeting of March 26, 2020)	Stock options: N/A Performance shares: €959,963.76 (accounting value on grant date)	<p>Olivier Andriès did not receive any stock options.</p> <p>On the recommendation of the Appointments and Compensation Committee, at its March 24, 2021 meeting, the Board of Directors used the authorization granted in the 30th resolution of the May 23, 2019 Annual General Meeting to grant 14,466 performance shares to Olivier Andriès (see section 6.6.2.2.d of the 2021 Universal Registration Document).</p> <p>The general terms and conditions of this performance share plan and the terms and conditions relating specifically to the Chief Executive Officer are described in sections 6.6.2.2.d and 6.6.4.2.1 of the 2021 Universal Registration Document.</p> <p>The estimated accounting value of these performance plans, as measured at the grant date, corresponds to €959,963.76⁽²⁾.</p>

REPORT ON THE PROPOSED RESOLUTIONS AND TEXT OF THE PROPOSED RESOLUTIONS

Ordinary resolutions

Compensation components put to the vote	Amounts paid during 2021	Amounts awarded for 2021 or accounting value	Presentation
	Other long-term compensation: N/A	Other long-term compensation: N/A	Olivier Andriès did not receive any other long-term compensation.
Directors' compensation	N/A	N/A	Olivier Andriès did not receive any compensation for his duties as member of the Board of Directors for 2021.
Value of benefits-in-kind	N/A	€21,878.61 (accounting value)	Olivier Andriès has the use of a company car and is eligible for specific travel expenses.
Termination benefits	N/A	N/A	Olivier Andriès is not entitled to any termination benefits in his capacity as Chairman of the Board of Directors.
Supplementary pension			No specific supplementary pension system was in place for the Chief Executive Officer.
	N/A	€0	<p>“Article 83” defined contribution plans (replaced by PERO as of January 1, 2022 – see section 6.6.1.3.g of the 2021 Universal Registration Document)</p> <p>In accordance with a decision taken by the Board of Directors on December 16, 2020, the Chief Executive Officer is a beneficiary of Safran’s two defined contribution supplementary pension plans set up in France for all Group managerial-grade staff pursuant to Article 83 of the French Tax Code (the “Article 83 Core Plan” and the “Article 83 Additional Plan”) and in force at January 1, 2018 (see section 6.6.1.4.i of the 2021 Universal Registration Document), subject to the same terms and conditions as the other plan members.</p> <p>The commitment was approved at the Annual General Meeting of May 26, 2021, through the 14th resolution relating to the compensation policy for the Chief Executive Officer, which included said supplementary pension benefits.</p> <p>No expenses were recognized in the 2021 financial statements relating to the contributions paid for Olivier Andriès under the Article 83 Core Plan and the Article 83 Additional Plan. This was because the Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document) provided for a freeze on employer contributions to these plans in 2021 and therefore no such payments were made for the Chief Executive Officer in that year. These payments have been reactivated for 2022 for all beneficiaries, including the Chief Executive Officer.</p> <p>At December 31, 2021, the estimated theoretical amount⁽³⁾ of the annuities that could be paid to Olivier Andriès under the PERO (former Article 83) – Core Plan and the PERO (former Article 83) – Additional Plan amounted to €13,332.01 and €2,110.94 respectively.</p>
	€0	N/A⁽¹⁾	<p>“Article 82” defined contribution plan</p> <p>In accordance with a decision taken by the Board of Directors on December 16, 2020, the Chief Executive Officer is a beneficiary of Safran’s defined contribution supplementary pension plan set up in France (see section 6.6.1.4.i of the 2021 Universal Registration Document) for all Group managerial-grade staff pursuant to Article 82 of the French Tax Code (the “Article 82 Plan”), subject to the same terms and conditions as the other plan members.</p> <p>In order for entitlements to accrue under the plan, the Company is required to:</p> <ul style="list-style-type: none"> ■ pay monthly contributions to an insurer, the rate of which is set based on the beneficiary’s reference compensation for year Y-1 (Insurer Contribution) and which may represent up to 12.735% of that reference compensation; and ■ pay a cash amount to the beneficiary corresponding to the Insurer Contribution (Additional Payment) so that the beneficiary can pay the applicable tax (the plan provides for up-front taxation so that the capital accrued and received on the beneficiaries’ retirement is net of tax and social security contributions). <p>The commitment was approved at the Annual General Meeting of May 26, 2021, through the 14th resolution relating to the compensation policy for the Chief</p>

Compensation components put to the vote	Amounts paid during 2021	Amounts awarded for 2021 or accounting value	Presentation
	€0	N/A	<p>Executive Officer, which included said supplementary pension benefits.</p> <p>Neither the Insurer Contribution nor the Additional Payment for the Chief Executive Officer were paid under the Article 82 Plan for 2021. This was because the Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document) provided for a freeze on those payments for that year. These payments have been reactivated for 2022 for all beneficiaries, including the Chief Executive Officer.</p> <p>At December 31, 2021, the estimated theoretical amount⁽³⁾ of the annuity that could be paid to Olivier Andriès under the Article 82 Plan was €21,711.</p> <p>“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)</p> <p>The Chief Executive Officer was previously a beneficiary of Safran's defined benefit supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 39 of the French Tax Code (the “Article 39 Plan” – see section 6.6.1.4.i of the 2021 Universal Registration Document), subject to the same terms and conditions as the other plan members. Mr. Andriès was originally a beneficiary of this plan in his former capacity as a Company employee. This plan is now closed to new entrants and the benefit entitlements have been frozen, including for the Chief Executive Officer.</p> <p>In accordance with a decision taken by the Board of Directors on December 16, 2020, however, the Chief Executive Officer could still be eligible for the pension entitlement that he had accrued under the plan until December 31, 2016, provided the applicable terms and conditions are met (see section 6.6.1.3.g of the 2021 Universal Registration Document).</p> <p>At December 31, 2021, the estimated theoretical amount⁽³⁾ of the annuity that could be paid to Olivier Andriès corresponded to the cap set in the plan, i.e., €123,408 (corresponding to three times the annual social security ceiling [PASS], based on the 2021 value of the PASS).</p>

(1) Not applicable.

(2) The value of the performance shares was estimated at the grant date (i.e., March 24, 2021) in accordance with IFRS 2 (see section 3.1, Note 3.r of the 2021 Universal Registration Document) and does not correspond to compensation received by the beneficiary during the year.

(3) Calculated based on the assumption that the annuity would be received as from January 1, 2022, irrespective of the eligibility conditions (in accordance with Article D.22-10-16 of the French Commercial Code).

Text of the eighth resolution

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2021 to the Chairman of the Board of Directors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.22-10-34 II of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded for 2021 to Ross McInnes, Chairman of the Board of Directors, as presented in the Board of Directors' corporate governance report prepared in application of Article L.225-37 of the French Commercial Code and set out in chapter 6 (section 6.6.2.1) of the 2021 Universal Registration Document.

Text of the ninth resolution

Approval of the fixed, variable and exceptional components of the total compensation and benefits paid during or awarded for 2021 to the Chief Executive Officer

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.22-10-34 II of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components making up the total compensation and benefits paid during or awarded for 2021 to Olivier Andriès, Chief Executive Officer, as presented in the Board of Directors' corporate governance report prepared in application of Article L.225-37 of the French Commercial Code and set out in chapter 6 (section 6.6.2.2) of the 2021 Universal Registration Document.

Presentation of the tenth resolution – Vote on the total compensation paid to corporate officers in 2021

As every year, the shareholders are invited to vote on the aggregate compensation and benefits paid during the previous year or awarded for that year to all corporate officers, executive and non-executive.

The disclosures on which the shareholders are required to vote are presented in sections 6.6.2 and 6.6.3 of the 2021 Universal Registration Document.

In addition to the disclosures concerning the compensation and benefits of the Chairman of the Board, Ross McInnes, and the Chief Executive Officer, Olivier Andriès, which will be put to the vote in the 8th and 9th resolutions presented above, they include disclosures on the compensation allocated to the Directors (see section 6.6.3 of the 2021 Universal Registration Document), pay ratios between the level of compensation of the Chairman and the Chief Executive Officer and the average and median compensation of Safran's employees (see section 6.6.2.4 of the 2021 Universal Registration Document), and a certain number of other disclosures required under the applicable regulations (specifically, Article L.22-10-9 I of the French Commercial Code).

A concordance table for all of these disclosures is provided in section 6.7 of the 2021 Universal Registration Document.

Text of the tenth resolution

Approval of the disclosures required under Article L.22-10-9 I of the French Commercial Code concerning the compensation of corporate officers

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings, in accordance with Article L.22-10-34 of the French Commercial Code, having considered the Board of Directors' corporate governance report, including the disclosures about the compensation paid during or awarded for 2021 to the corporate officers as consideration for their duties, the shareholders approve the disclosures required under Article L.22-10-9 I of the French Commercial Code, as presented to the Annual General Meeting in the aforementioned corporate governance report.

Annual aggregate amount of Directors' compensation

Presentation of the eleventh resolution

The shareholders are invited to increase the annual aggregate amount of compensation to be allocated to the Directors as consideration for their duties (the "Aggregate Compensation") to €1,300,000 for 2022 (versus €1,100,000 for 2021). The increase is intended to enable Safran to offer its Directors average compensation that is more in line with the practices of comparable French companies and therefore to continue to attract Board members of the highest quality. It would also take into greater account the Directors' commitment and involvement in the Board's work, which justify a fair level of compensation. Assuming an allocation between 15 Directors (the Chairman and the Chief Executive Officer no longer receive Directors' compensation, in accordance with their compensation policies), the average theoretical compensation would amount to €86,000 per Director (compared to €73,000 under the current aggregate amount), assuming that the full amount of Aggregate Compensation is allocated.

Text of the eleventh resolution

Aggregate Compensation allocated to the Directors as consideration for their duties

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report, the shareholders set at €1,300,000 the Aggregate Compensation to be allocated by the Board of Directors among its members as consideration for their duties for 2022 and each subsequent year until the shareholders decide otherwise.

Compensation policies

Presentation of the twelfth to fourteenth resolutions

In compliance with Article L.22-10-8 of the French Commercial Code, the Board of Directors determines a compensation policy for the corporate officers, which sets out the principles and criteria used to determine, allocate and award the fixed, variable and exceptional components of their total compensation and benefits.

By nature and by construction, taking into account compensation-related governance rules, the components of the policies are specific and different, depending on whether they concern the Chairman of the Board, the Chief Executive Officer or the Directors, all of whom are corporate officers. These policies are submitted for shareholders' approval each year at the Annual General Meeting.

These specific policies are disclosed in section 6.6.1 of the 2021 Universal Registration Document. This section presents:

- the principles and rules for determining the compensation and any benefits for all corporate officers;
- the specific compensation policy for the Chairman of the Board of Directors. No changes have been made that alter the substance of this policy compared with the compensation policy approved at the last Annual General Meeting;
- the specific compensation policy for the Chief Executive Officer, which may be adapted and applied to any Deputy Chief Executive Officer(s) when appropriate. A change is being proposed concerning a metric of his annual variable compensation and clarifications have been made concerning the performance conditions of the long-term incentive;
- the specific compensation policy for Directors, the principles and terms and conditions of which are unchanged compared with those approved at the May 26, 2021 Annual General Meeting. An increase to the Aggregate Compensation allocated to Directors is being submitted to the Annual General Meeting (under the 11th resolution above).

The 2022 policies have been approved by the Board of Directors and will be submitted to a shareholder vote at the Annual General Meeting on May 25, 2022.

At the May 25, 2022 Annual General Meeting, shareholders are invited to approve the compensation policies that will be applicable to the Chairman of the Board of Directors (12th resolution) and the Chief Executive Officer (13th resolution), as well as the compensation policy that will be applicable to the Directors (14th resolution).

Text of the twelfth resolution

Approval of the compensation policy applicable to the Chairman of the Board of Directors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers prepared in accordance with Article L.22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman of the Board of Directors, as presented in sections 6.6.1.1 and 6.6.1.3 of the 2021 Universal Registration Document.

Text of the thirteenth resolution

Approval of the compensation policy applicable to the Chief Executive Officer

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers prepared in accordance with Article L.22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chief Executive Officer, as presented in sections 6.6.1.1 and 6.6.1.4 of the 2021 Universal Registration Document.

Text of the fourteenth resolution

Approval of the compensation policy applicable to the Directors

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Board of Directors' report on the compensation policy applicable to corporate officers prepared in accordance with Article L.22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Directors, as presented in sections 6.6.1.1 and 6.6.1.5 of the 2021 Universal Registration Document.

Authorization for the Board of Directors to carry out a share buyback program

Presentation of the fifteenth resolution

Share buyback program

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

The 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, 42,724,244 shares based on the issued capital at December 31, 2021) and the Company may at no time, directly or indirectly, hold a number of Safran shares representing more than 10% of the Company's capital;
- the shares may be purchased, sold or transferred by any authorized method, including through block trades for all or some of the program, subject to the regulations in force at the date on which the authorization is implemented.

Subject to the limits authorized by the applicable laws and regulations, the Board of Directors may use this authorization at any time, except during, or in the run-up to, a public offer for the Company's shares.

Generally, Safran sets the maximum purchase price at around 130% of the highest closing price of the Safran share over the 12 months preceding the pricing date. Accordingly, the maximum purchase price would be set at €165 and the maximum amount that could be invested in the program would be €7 billion. The maximum purchase price does not represent a target price.

The buyback program would be used to purchase shares for the following purposes:

- 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 certain corporate officers, notably in connection with a profit-sharing plan, free share grants or the Group employee savings plan;
- for delivery 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; and
- for cancellation, pursuant to the share capital reduction authorization in effect, granted by the Annual General Meeting.

This program is also designed to enable any future market practices permitted by the French financial markets authority (*Autorité des marchés financiers* – AMF) to be carried out and, more generally, to enable any other authorized operations or operations that may be authorized in the future by the applicable regulations. The Company will inform its shareholders in a press release prior to carrying out any such operations.

This authorization would be given for a period of 18 months and would supersede the previous authorization granted for the same purpose in the 16th resolution of the Annual General Meeting of May 26, 2021.

Report on the utilization in 2021 of previous shareholder-approved share buyback programs

On March 10, 2021, Safran announced that it had mandated an investment services provider to purchase, subject to market conditions and no later than May 19, 2021, up to 650,000 ordinary Safran shares representing 0.15% of the Company's share capital at February 28, 2021, for allocation or sale to employees or corporate officers of Group companies. A total of 650,000 shares were bought back by the investment services provider on the Company's behalf in 2021.

In 2021, the aggregate number of shares purchased under the liquidity agreement entered into with Oddo BHF SCA amounted to 3,007,755.

The total number of shares sold under this liquidity agreement during the year amounted to 3,029,876.

At December 31, 2021, Safran held 456,165 of its own shares, representing 0.11% of its capital.

These treasury shares were held for the following purposes:

- for allocation or sale to employees: 199,086 shares, representing 0.047% of the Company's capital;
- to cover exchangeable debt securities: 13,200 shares, representing 0.003% of the Company's capital;
- to maintain a liquid market in the Company's shares via a liquidity agreement: 243,879 shares, representing 0.057% of the Company's capital;
- for cancellation: 0.

Text of the fifteenth 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 Board of Directors' report, the shareholders grant the Board of Directors – or any representative duly empowered in accordance with the law – an authorization to purchase, directly or indirectly, the Company's shares in accordance with the conditions set out in Articles L.22-10-62 *et seq.* of the French Commercial Code and EC Regulation No. 596/2014 dated April 16, 2014, as well as 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 that complies with the Code of Ethics drawn up by the French association of financial and investment firms (*Association française des marchés financiers* – AMAFI) approved by the AMF, and entered into with an investment services firm;
- for allocation or sale to employees and/or corporate officers of the Company or other Group companies, in accordance with the terms and conditions provided for by law, notably in connection with a profit-sharing plan, free share grants, the exercise of stock options, the Group employee savings plan, or any company employee savings plan in place within the 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, pursuant to the share capital reduction authorization in effect, granted by the Annual General Meeting.

This authorization is also designed to enable any future market practices permitted by the AMF to be carried out and, more generally, to enable any other operations authorized by the applicable regulations. The Company will inform its shareholders in a press release prior to carrying out any such operations.

Shares may be purchased, sold, or transferred by any method allowed under the applicable laws and regulations, on one or more occasions, including, in accordance with the regulations in force at the date of this Meeting, over the counter and through block trades for all or part of the program, as well as through 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 laws and regulations, except during, or in the run-up to, a public offer for the Company's shares.

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, 42,724,244 shares based on the issued capital at December 31, 2021). This ceiling is 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 the purpose of maintaining a liquid market in the Company's shares via 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 Company hold, either directly or indirectly, more than 10% of its capital.

The shares may not be purchased at a price of more than €165 per share and the maximum amount that may be invested in the program is €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 and supersedes the authorization given to the Board of Directors for the same purpose in the 16th resolution of the Annual General Meeting of May 26, 2021.

EXTRAORDINARY RESOLUTION

Presentation of the sixteenth resolution

The Company's term has been set at 99 years from the date of registration with the Trade and Companies Registry, i.e., expiring on August 28, 2023.

The shareholders are invited to extend the Company's term by a further 99 years from the date of the Annual General Meeting, i.e., until May 24, 2121, and to amend Article 5 of the bylaws accordingly.

Text of the sixteenth resolution

Extension of the Company's term – Corresponding amendment to Article 5 of the bylaws

Deliberating in accordance with the rules of quorum and majority applicable to Extraordinary Shareholders' Meetings and having considered the Board of Directors' report and noted the upcoming expiry of the Company's term on August 28, 2023 as initially set, the shareholders resolve to extend said term for a further 99 years from the date of the Annual General Meeting, i.e., until May 24, 2121.

The shareholders therefore resolve to amend Article 5 of the bylaws accordingly.

Article 5 of Chapter I "Legal Form – Company Name – Corporate Purpose – Registered Office – Term" is amended as follows:

Previous wording	New wording
The Company's term has been set at ninety-nine years from the date of registration with the Trade and Companies Registry, i.e., expiring on August 28, 2023, unless said term is extended or wound up in advance.	The Company's term, which was initially set at ninety-nine years from the date of registration with the Trade and Companies Registry, i.e., expiring on August 28, 2023, was extended by decision of the Extraordinary Shareholders' Meeting of May 25, 2022 for a term of ninety-nine years from the date of said Meeting, i.e., until May 24, 2121 , unless said term is extended or the Company is wound up in advance.

RESOLUTION CONCERNING POWERS TO CARRY OUT FORMALITIES

Presentation of the seventeenth resolution

The 17th resolution concerns the powers that are necessary to carry out the filing and other legal formalities required for the resolutions adopted at the meeting.

Text of the seventeenth 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.

SUMMARY TABLE OF FINANCIAL AUTHORIZATIONS IN FORCE, ALREADY GRANTED TO THE BOARD OF DIRECTORS

Type of authorization	Date of authorization Term and expiration	Ceiling (maximum nominal amount of capital increases and maximum principal amount of debt securities authorized)	Amount used at Dec. 31, 2021
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 26, 2021 AGM (18 th resolution) 26 months, i.e., until July 25, 2023	€20 million €2 billion (debt securities)	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, by way of a public offer other than offers governed by Article L.411-2, 1° of the French Monetary and Financial Code, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 26, 2021 AGM (19 th resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾ €2 billion (debt securities) ⁽²⁾	None
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 offer initiated by the Company, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 26, 2021 AGM (20 th resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾⁽³⁾ €2 billion (debt securities) ⁽²⁾⁽⁴⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders, through an offer governed by Article L.411-2, 1° of the French Monetary and Financial Code, which may not be used during, or in the run-up to, a public offer for the Company's shares	May 26, 2021 AGM (21 st resolution) 26 months, i.e., until July 25, 2023	€8 million ⁽¹⁾⁽³⁾ €2 billion (debt securities) ⁽²⁾⁽⁴⁾	Amount used (debt securities): €729,999,864.89 Balance of debt securities at Dec. 31, 2021: €1,270,000,135.11 Maximum nominal amount of capital increases that may be carried out: €807,120.20 Balance of capital amount at Dec. 31, 2021: €7,192,879.80
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 for existing shareholders (pursuant to the 18 th , 19 th , 20 th or 21 st resolutions), which may not be used during, or in the run-up to, a public offer for the Company's shares	May 26, 2021 AGM (22 nd resolution) 26 months, i.e., until July 25, 2023	15% of the original issue ⁽⁵⁾	None
Authorization for the Board of Directors to increase the Company's capital by issuing ordinary shares to employees who are members of a Group employee savings plan, without pre-emptive subscription rights for existing shareholders	May 26, 2021 AGM (28 th resolution) 26 months, i.e., until July 25, 2023	1% of the Company's capital ⁽¹⁾	None
Authorization for the Board of Directors to grant existing or new shares of the Company, free of consideration, to employees and corporate officers of the Company and other Group entities, with a waiver of shareholders' pre-emptive subscription rights	May 26, 2021 AGM (30 th resolution) 26 months, i.e., until July 25, 2023	0.40% of the Company's capital at the grant date	Amount used at Dec. 31, 2021: None Amount used at March 31, 2022: 0.18% Balance at March 31, 2022: 0.22%

(1) This amount is included in the €20 million ceiling for capital increases set in the 18th resolution adopted by the shareholders at the May 26, 2021 AGM.

(2) This amount is included in the €2 billion ceiling for issues of debt securities set in the 18th resolution adopted by the shareholders at the May 26, 2021 AGM.

(3) This amount is included in the €8 million ceiling for capital increases set in the 19th resolution adopted by the shareholders at the May 26, 2021 AGM.

(4) This amount is included in the €2 billion ceiling for issues of debt securities set in the 19th resolution adopted by the shareholders at the May 26, 2021 AGM.

(5) The ceilings applicable to the 18th, 19th, 20th and 21st resolutions adopted by the shareholders at the May 26, 2021 AGM still apply if the option provided for in the 22nd resolution adopted by the shareholders at that AGM is used.

FIVE-YEAR FINANCIAL SUMMARY OF THE COMPANY

(in €)	2017	2018	2019	2020	2021
Capital at December 31					
Share capital	83,405,917	87,153,590.20	85,446,831	85,446,831	85,448,488
Number of ordinary shares outstanding	417,029,585	435,767,951	427,234,155	427,235,939	427,242,440
Financial results					
Profit before tax, statutory employee profit-sharing, depreciation, amortization and provisions	1,251,397,582	1,621,981,388	1,382,153,454	1,539,743,815	947,109,173
Income tax expense	(33,064,752)	(211,350,763)	(551,456)	(58,580,049)	(47,345,934)
Statutory employee profit-sharing for the fiscal year	-	-	-	-	-
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions	1,359,762,344	1,705,042,464	1,296,554,954	1,647,405,156	690,857,268
Dividend payment	667,247,336	793,097,671	-	183,711,454	213,621,220
Per share data					
Profit after tax, statutory employee profit-sharing, but before depreciation, amortization and provisions					
■ per ordinary share outstanding	3.08	4.21	3.24	3.74	2.33
Profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions					
■ per ordinary share outstanding	3.26	3.91	3.03	3.86	1.62
Net dividend					
■ per ordinary share outstanding	1.60	1.82	-	0.43	0.50 ⁽¹⁾
Employees					
Average number of employees during the fiscal year	1,624	1,774	1,813	1,785	1,689
Total payroll	145,288,974	173,747,142	160,175,869	139,299,866	146,032,966
Social security and other social welfare contributions	95,952,479 ⁽²⁾	114,279,525 ⁽³⁾	137,669,709 ⁽⁴⁾	75,980,598 ⁽⁵⁾	77,113,451 ⁽⁶⁾

(1) Subject to shareholder approval at the Annual General Meeting of May 25, 2022.

(2) Including €6.6 million in contributions paid to the insurer that manages the defined benefit pension plan.

(3) Including €2.3 million in contributions paid to the insurer that manages the defined benefit pension plan.

(4) Including €4.5 million in contributions paid to the insurer that manages the defined benefit pension plan.

(5) Including €5.3 million in contributions paid to the insurer that manages the defined benefit pension plan.

(6) Including €1.1 million in contributions paid to the insurer that manages the defined benefit pension plan.

STATUTORY AUDITORS' REPORT PRESENTED TO THE ANNUAL GENERAL MEETING OF MAY 25, 2022

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

Annual General Meeting for the approval of the financial statements for the year ended December 31, 2021

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Safran, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements submitted for approval by the Annual General Meeting

We were not informed of any agreements authorized and entered into by the Board of Directors during the year to be submitted for the approval of the Annual General Meeting in accordance with Article L.225-38 of the French Commercial Code.

Agreements already approved by the Annual General Meeting

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements, approved by the Annual General Meeting in prior years, remained in force during the year.

1) With the French State (shareholder holding more than 10% of the Company's voting rights)

Persons concerned

The French State (shareholder holding more than 10% of the Company's voting rights).

Stéphanie Besnier, representative of the French State to the Board of Directors of Safran, and Vincent Imbert, a Director put forward by the French State.

a) Agreement of March 22, 2018 between Safran and the French State – Consolidation and update of the 2004 Agreement related to strategic defense assets and subsidiaries and its addendums in a single document

Nature, purpose, terms and conditions

When Snecma was privatized following its merger with Sagem, the French State agreed to waive its right, pursuant to Article 10 of the privatization act of August 6, 1986, to take a golden share in Snecma, provided that equivalent contractual rights were granted in an agreement. In order to protect France's national interests and preserve the country's independence, the French State entered into an agreement on December 21, 2004 with Sagem and Snecma related to strategic defense assets and subsidiaries (the "2004 Agreement"). The 2004 Agreement is designed (i) to give the French State control over the ownership and, where applicable, the devolution of all or part of certain assets and shares of subsidiaries or other equity investments held by the companies party to the 2004 Agreement, combined with certain acquisition thresholds, and (ii) to give the French State rights of representation on the governing bodies of the strategic subsidiaries and subsidiaries holding assets related to French combat aircraft engines.

The merger between Snecma and Sagem which created Safran in 2005 and the various transactions completed by Safran since then have significantly changed the Group's scope, prompting Safran and the French State to amend the 2004 Agreement through a series of six successive addendums.

Safran and the French State wished to consolidate the 2004 Agreement and its amendments into a single document (the "Agreement") and to update its contents. The Agreement was authorized by the Board of Directors at its meeting on March 22, 2018. It was signed by Safran on March 26, 2018.

The Agreement supersedes the 2004 Agreement, and notably provides as follows:

On corporate governance matters:

- Safran's competent bodies shall be invited to appoint the French State as a Director if its interest in the Company's share capital is less than 10% but more than 1%;
- Safran's competent bodies shall in addition be invited to appoint a member proposed by the French State to the Board of Directors if its interest in the Company's share capital is more than 5%;
- at the request of the French State, the Board of Directors shall be invited to appoint one of the persons referred to above to any Board committee that may be set up for the purpose of addressing matters directly related to its rights under the Agreement;
- the French State shall be entitled to appoint a non-voting representative to the Boards of Directors or equivalent bodies of Safran's strategic subsidiaries (Safran Ceramics and Safran Power Units) and subsidiaries owning sensitive defense assets.

On strategic or sensitive defense assets and the entities that hold such assets:

- the French State shall have a prior right of approval over:
 - sales of assets (other than those that do not affect the defense activities) owned by strategic subsidiaries and accordingly identified as strategic; sales of shares in the strategic subsidiaries Safran Ceramics and Safran Power Units; and sales of shares in AGH,
 - sales by Group companies of certain assets identified as defense sensitive (such as engines, components and systems, high precision inertial navigation and missile guidance systems, financed directly or indirectly by the French Defense Ministry),
 - sales of shares in Safran Electronics & Defense, which owns sensitive defense assets,
 - acquisitions by Group companies of interests resulting in a holding of more than 33.33% or more than 50% of the share capital or voting rights of the other Group companies that own sensitive defense assets,
 - projects conferring special management or information rights over strategic or sensitive defense assets or rights of representation on the administrative or management bodies of Safran Ceramics, Safran Power Units, AGH or another entity owning sensitive defense assets controlled by Safran;
- the French State's failure to respond within a period of 30 business days shall be deemed to constitute agreement, except in the case of proposals to sell shares in AGH, in which case failure to respond shall be deemed to constitute refusal;
- the French State shall be informed beforehand of any proposal by a strategic subsidiary or an entity controlled by Safran that owns sensitive defense assets, to sell assets that do not fall into these protected categories but whose sale could have a material impact on the independent management on French territory of the entity's strategic assets or sensitive defense assets;
- in the event that a third party acquires more than 10% or a multiple of 10% of the share capital or voting rights of Safran, and failing an agreement on other ways of protecting national interests in connection with the strategic assets, the French State shall be entitled to purchase the securities and assets of the strategic subsidiaries Safran Ceramics and Safran Power Units and the stake in AGH at a price to be set by a panel of experts.

The Agreement was approved by shareholders at the May 25, 2018 Annual General Meeting.

b) Agreements related to the establishment of ArianeGroup Holding – AGH Agreement, Arianespace Agreement, Pre-emption Agreement, addendum no. 6 to the Agreement of December 21, 2004 and addendum to the Environmental Guarantee Agreement (EGA)

Nature, purpose, terms and conditions

On June 30, 2016, Safran and Airbus Group finalized the combination, carried out in two stages, of their launch vehicle businesses into Airbus Safran Launchers Holding (since renamed ArianeGroup Holding [AGH]) and its wholly-owned subsidiary Airbus Safran Launchers (since renamed ArianeGroup SAS).

In the first half of 2016, the following agreements and addendums, which are indivisible and were required to establish the combination, were signed with the French State:

- AGH Agreement;
- Arianespace Agreement;
- Pre-emption Agreement;
- addendum no. 6 to the Agreement of December 21, 2004 (the “2004 Agreement”, as described above in section 1.a and below in section b.4);
- addendum to the Environmental Guarantee Agreement (EGA).

The AGH Agreement, the Arianespace Agreement and the Pre-emption Agreement, as well as addendum no. 6 to the 2004 Agreement were authorized by the Board of Directors on December 17, 2015. They were signed on June 24, 2016 and entered into force on June 30, 2016. They were subsequently approved by the Annual General Meeting of June 15, 2017.

Effective from June 30, 2016, the protection of the French State's strategic interests is ensured via:

- **b.1 The AGH Agreement:** an agreement between the French State and AGH relating to protected assets and strategic subsidiaries and interests, entered into in the presence of Safran and Airbus Group SE.
- **b.2 The Arianespace Agreement:** an agreement between the French State and AGH relating to Arianespace Participation and Arianespace SA shares, entered into in the presence of Safran and Airbus Group SE.

The following agreements were entered into at the same time:

- **b.3 The Pre-emption Agreement:** an agreement between Safran, Airbus Group and the French State, which sets out the conditions under which Airbus Group and Safran may exercise a pre-emptive right on the shares of the other partner in AGH if the French State exercises any of the call options granted to it by Airbus Group and Safran. The French State may only buy back AGH shares once the pre-emptive rights of Safran and Airbus have been used or expire.
- **b.4 Addendum no. 6 to the 2004 Agreement between Safran and the French State:**

The 2004 Agreement was approved by shareholders at the May 11, 2005 Annual General Meeting. The agreement, as amended or supplemented by the three addendums signed in 2011 and approved at the May 31, 2012 Annual General Meeting and the two addendums signed in 2014 and approved at the April 23, 2015 Annual General Meeting as well as addendum no. 6, provided that:

- the French State shall be entitled to appoint a non-voting representative to Safran's Board of Directors should its interest in the Company's share capital fall below 10%;
- the French State shall be entitled to appoint a non-voting representative to the Boards of Directors or equivalent bodies of Safran's strategic subsidiaries and subsidiaries holding assets related to French combat aircraft engines;
- the French State shall have a prior right of approval over (i) sales of certain strategic or defense sensitive assets, and (ii) acquisitions of interests resulting in crossing certain ownership or voting rights thresholds in Safran and other Group companies that own strategic assets.

The Agreement of December 21, 2004, as amended by the six addendums, remained in force until March 22, 2018, when it was superseded by the Agreement of March 22, 2018 between Safran and the French State (see section 1.a above).

- **b.5** Moreover, the EGA Addendum, an addendum to an Environmental Guarantee Agreement (EGA) with SNPE authorized by the Board of Directors on December 17, 2015, was signed on May 17, 2016 and entered into force on June 30, 2016. It was subsequently approved by the Annual General Meeting of June 15, 2017. Some sites transferred to AGH, as part of the above-described business combination, are covered by an Environmental Guarantee Agreement (EGA) granted to Safran by SNPE and counter-guaranteed by the French State. With the French State's approval, the addendum to the EGA was entered into between SNPE, AGH and Safran in order to transfer the benefit of the EGA to AGH for said sites (Safran being substituted by AGH).

c) Arianespace Framework Protocol entered into between the French State, ArianeGroup Holding (AGH) and CNES, in the presence of Safran

Nature, purpose, terms and conditions

The CNES (French National Space Studies Center), the French State and AGH, in the presence of Airbus Group and Safran, signed the Arianespace Framework Protocol, which relates to the buying back by AGH of Arianespace shares and Ariane brand names held by CNES and establishes the principal terms and conditions of the sale to AGH of Arianespace shares held by CNES, as well as the parties' declarations and commitments. In its capacity as a shareholder of AGH, Safran undertakes to ensure that AGH fully complies with said agreement.

The protocol provided for a new operating framework for European launchers.

The signature of the protocol was authorized by the Board of Directors on December 17, 2015. It was signed on February 8, 2016 and approved by the Annual General Meeting of May 19, 2016. It subsequently entered into force on June 30, 2016.

2) With a pool of banks including BNP Paribas

Person concerned

Monique Cohen, a Director of Safran and BNP Paribas.

a) Agreement of April 22, 2020 with BNP Paribas and a pool of banks relating to a syndicated credit facility

Nature, purpose, terms and conditions

On April 22, 2020, Safran, BNP Paribas and a pool of banks entered into an agreement relating to a syndicated credit facility for an amount of €3 billion and a term of up to two years. The syndicated credit facility supplemented the Group's liquidity reserves and helped to prudently maintain the Group's financial flexibility during the Covid-19 crisis.

Under the terms of the agreement, BNP Paribas acted as underwriter, bookrunner, mandated lead arranger, agent and initial lender for €285 million (highest amount equal to the amount allocated to other initial lenders that were also mandated lead arrangers).

Safran appointed BNP Paribas because of the bank's leading position on the market, further to the agreement entered into between Safran and BNP Paribas on March 31, 2020 relating to the arrangement, underwriting and syndication of the syndicated credit facility.

The agreement was entered into under the market conditions prevailing at the date of signature for this type of transaction and the commission and interest was shared between the banks that are party to the agreement, including BNP Paribas, pro rata to their involvement in the credit facility.

In respect of 2021, an expense of €0.101 million was recorded in Safran's financial statements corresponding to BNP Paribas' share of the no-use fee (split between lenders based on their respective commitments).

The agreement was authorized by the Board of Directors on March 26, 2020 and approved by the Annual General Meeting of May 26, 2021.

Further to the various refinancing operations carried out by Safran since its conclusion, the agreement was terminated on March 16, 2021.

b) Agreement of October 29, 2015 with BNP Paribas and a pool of banks relating to a credit facility

Nature, purpose, terms and conditions

The agreement was authorized by the Board of Directors on October 29, 2015 and signed on December 4, 2015.

The facility amounts to €2,520 million and has a five-year term with two successive one-year extension options. It was granted by a pool of 15 banks, including BNP Paribas, whose proportion of the facility is the same as that of the other banks that are parties to the agreement. Both one-year extension options have been exercised, extending the term to December 2022.

The revolving credit facility was put in place to ensure that the Group will have sufficient liquidity over the medium term and to enable it to cover its general financing requirements. By refinancing and replacing two existing facilities with shorter terms than the new facility, the Group was able to take advantage of favorable market interest rates.

It was approved by shareholders at the May 19, 2016 Annual General Meeting.

In respect of 2021, an expense of €0.189 million was recorded in Safran's financial statements corresponding to BNP Paribas' share of the no-use fee (split between lenders based on their respective commitments).

Courbevoie and Paris-La Défense, March 24, 2022

The Statutory Auditors

GAËL LAMANT
MAZARS

Jérôme de Pastors

JEAN-ROCH VARON
ERNST & YOUNG et Autres

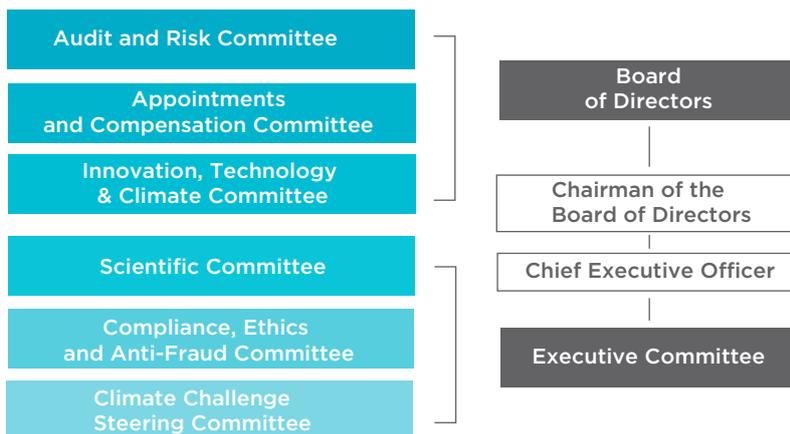
Philippe Berteaux

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

A Board of Directors incorporating best governance standards into its activities

Safran refers to the Corporate Governance Code of Listed Corporations drawn up jointly by the French business associations, AFEP and MEDEF. Safran's Board of Directors determines its strategy and oversees its implementation.



FORMAL ASSESSMENT OF THE BOARD'S OPERATING PROCEDURES

In late 2021, with the assistance of a specialist international firm, the Board carried out a new formal assessment of its operating procedures.

Feedback from institutional shareholders - The major institutional shareholders contacted expressed a positive view of Safran and its governance. They said they are happy with the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer. They consider Safran to be well run and its risks to be properly managed, with the Group having deployed an effective response to the Covid-19 crisis. Some respondents see Safran as a leader in CSR/climate issues, both in terms of how these issues are taken into account and addressed. The membership structure of the Board meets their expectations, although a higher proportion of independent Directors is an area for improvement.

Feedback from Directors - Interviews were conducted with each Director, on four main subjects: "Core purpose, business strategy and risk management", "Directors and membership structure", "Leadership of the Board of Directors" and "Structure and process". Suggested areas for improvement include greater attention to managing the skills available within the Board (succession plans, renewal or succession of corporate officers, size of the Board, proportion of independent Directors, etc.) and continued monitoring of certain specific strategic areas (CSR, digital transformation, HR systems).

An appraisal of each Director's actual contribution to the Board's work was also carried out, and the individual results were given by the Chairman or the Lead Independent Director.

Segregation of duties between the Chairman of the Board and the Chief Executive Officer

Since 2015, the Board has chosen to separate the roles of Chairman of the Board and Chief Executive Officer.

The complementary profiles, expertise and careers of the Chairman of the Board of Directors, Ross McInnes, and the Chief Executive Officer, Olivier Andriès, constitute a major factor in ensuring smooth governance, based on transparency between Executive Management and the Board, and a balanced, measured split between the roles of Chairman and Chief Executive Officer.

Lead Independent Director

In 2018, the Board decided to appoint Monique Cohen as Lead Independent Director and define her duties. Although the position of Lead Independent Director is not indispensable because the Company has separated the roles of Chairman of the Board and Chief Executive Officer, the Board felt that having such a Director would be good practice.

Director responsible for monitoring climate issues

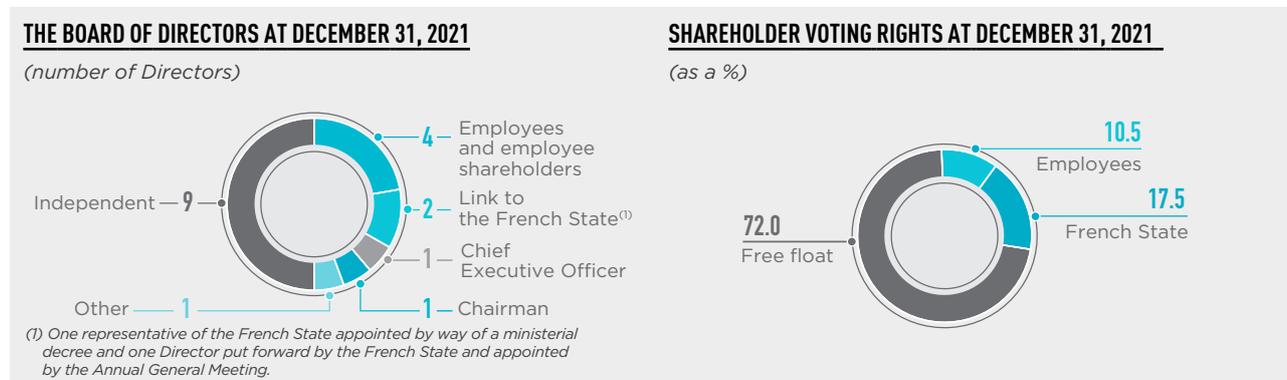
Fully aware of the strategic importance of climate issues for the aerospace industry, in early 2021 the Board of Directors appointed Patrick Péлата as Director responsible for monitoring climate issues, and defined his roles and responsibilities. Patrick Péлата also chairs the Innovation, Technology & Climate Committee whose roles and responsibilities in relation to climate issues have been formally defined.

Independent Directors

The aim of having independent Directors on the Board is to provide all shareholders with the assurance that the collegiate body of the Board comprises members who have total independence to analyze, judge, take decisions and act, always in the Company's interests. Highly engaged and involved in the Board's work, their freedom of judgment and expression contributes to the quality of the Board's discussions and decisions. Their professional and personal experience provides an external view that is beneficial for the Group.

An experienced Board of Directors taking up the Group's strategic challenges

A Board membership structure that is consistent with Safran share ownership



A diverse range of profiles, expertise and skills within the Board

The Board of Directors has a wide range of experience, making it well equipped to deal with strategy and performance challenges. It regularly considers the desired balance and diversity of its membership structure and that of its Committees. Its diversity policy is structured around principles and objectives related to the size of the Board, the representation of the Company's various stakeholders, the proportion of independent Directors, the depth and fit of the Directors' skills and expertise, international experience, and gender balance. Together with the Appointments and Compensation Committee, the Board regularly reviews the list of criteria (behavioral skills, experience, expertise and other criteria) considered useful and necessary for determining the profiles sought in the selection of Directors and enabling the implementation of its diversity policy.

Experience and specific positions exercised by Directors in different sectors and activities	Number of Directors
Aerospace industry	12
Other industries	14
Innovation, R&T, development and engineering	13
International career and experience	12
Strategy, competition and M&A	14
Finance and management control	10
Digital - New technologies	7
Governance and compensation	11
Human Resources - CSR	13

Committees addressing the Group's strategic challenges

(2021 Key figures)



(1) Excluding Directors representing employee shareholders and Directors representing employees, in accordance with the AFEP-MEDEF Code.

Membership structure of the Board of Directors and the Board Committees

(At March 25, 2022)

**ROSS
McINNES**Chairman of the
Board of Directors**MONIQUE
COHEN**Lead Independent
Director
Chair of the
Appointments and
Compensation
Committee**I** **ACC****OLIVIER
ANDRIÈS**Chief Executive
Officer**ANNE
AUBERT**Director representing
employee
shareholders**MARC
AUBRY**Director representing
employee
shareholders**ARC****HÉLÈNE
AURIOL POTIER**

Independent Director

I **ACC** **ITCC****PATRICIA
BELLINGER**

Independent Director

I **ACC****STEPHANIE
BESNIER**Director representing
the French State**ACC** **ARC****HERVÉ
CHAILLOU**Director representing
employees**ITCC****JEAN-LOU
CHAMEAU**

Independent Director

I **ACC** **ITCC****DIDIER
DOMANGE**

Director

ACC**LAURENT
GUILLOT**Chairman of the Audit
and Risk Committee
Independent Director**I** **ARC** **ITCC****VINCENT
IMBERT**Director appointed at
the recommendation
of the French State**ITCC****FABIENNE
LECORVAISIER**

Independent Director

I **ARC****DANIEL
MAZALTARI**Director representing
employees**ACC****PATRICK
PÉLATA**Chairman of
the Innovation,
Technology & Climate
CommitteeDirector responsible
for monitoring climate
issues**I** **ACC** **ITCC****ROBERT
PEUGEOT**Representing F&P
Independent Director**I** **ARC****SOPHIE
ZURQUIYAH**

Independent Director

I **ARC****I**
Independent**ARC**Audit and Risk
Committee**ACC**
Appointments and
Compensation
Committee**ITCC**Innovation,
Technology &
Climate Committee

NOMINEES TO THE BOARD OF DIRECTORS

The terms of office of Monique Cohen, F&P (whose permanent representative is Robert Peugeot) and Didier Domange are due to expire at the close of the Annual General Meeting of May 25, 2022. The shareholders are invited to vote on the proposals to fill these vacancies.

The shareholders are invited to re-appoint two of the three Directors whose terms of office are due to expire, namely Monique Cohen and F&P.

The Board would like to thank Didier Domange for his contribution to the Board's work since 2018, particularly the key role he played in the successful integration of Zodiac Aerospace into the Group.

Re-appointment of Monique Cohen as a Director

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has decided that it wishes to continue to benefit from the expertise of Monique Cohen and is therefore putting forward this independent Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2026.

The profile of Monique Cohen is presented below:



Monique COHEN

Lead Independent Director

Member and Chair of the Appointments and Compensation Committee

Apax Partners - 1, rue Paul-Cézanne - 75008 Paris, France

Number of Safran shares held: 500

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1956, Monique Cohen, a French national, is a graduate of École Polytechnique (1976) and has a Master's degree in mathematics. She started her career at Paribas, where she worked as Assistant Finance Manager from 1980 to 1987.

At Paribas, which later became BNP Paribas, Monique Cohen successively held the positions of Administrative Officer of Courcoux-Bouvet - a brokerage firm and subsidiary of Paribas - between 1987 and 1990, Head of Equity Syndication and Brokerage Activities from 1990 to 1999, and Global Head of Equity Business from 1999 to 2000.

Since 2000, Monique Cohen has been an Executive Partner at Apax Partners in Paris, which specializes in investments in the business and financial services sector.

Between June 2011 and September 2014, she was a member of the Board of Directors of the French financial markets authority (*Autorité des marchés financiers* - AMF).

Monique Cohen brings to the Board her experience as an executive and Director of international groups, as well as in-depth knowledge of the financial and banking markets, expertise in private equity and a financial view of shareholding structures.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- Executive Partner of Apax Partners

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP:

- Director of Safran (listed company) (France)

NON-GROUP:

- Vice-Chair and member of the Supervisory Board and Chair of the Audit Committee of Hermès International (listed company) (France)
- BNP Paribas (listed company) (France): Director; Chair of the Corporate Governance, Ethics, Nominations and CSR Committee; member of the Internal Control, Risk Management and Compliance Committee
- Chair of the Board of Directors of Proxima Investissement SA (Luxembourg)
- Chair of the Board of Directors of Fides Holdings SAS (France)
- Director of Fides Acquisitions SAS (France)
- Managing Partner of Société Civile Fabadari (France)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP:

None

NON-GROUP:

- Director of Apax Partners SAS (France) until June 2020
- Chair and member of the Supervisory Board of Texavenir II SAS (France) until June 2017
- Member of the Supervisory Board and the Audit Committee of JC Decaux (listed company) (France) until May 2017
- Member of the Supervisory Board of Global Project SAS (France) until June 2017

Re-appointment of F&P, represented by Robert Peugeot, as a Director

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has decided that it wishes to continue to benefit from the expertise of F&P, represented by Robert Peugeot and is therefore putting forward this independent Director for re-appointment for a four-year term expiring at the close of the Annual General Meeting to be held in 2026.

The profile of Robert Peugeot, permanent representative of F&P, is presented below:



F&P⁽¹⁾ represented by Robert PEUGEOT

Independent Director

Member of the Audit and Risk Committee

FFP - 66, avenue Charles-de-Gaulle - 92200 Neuilly-sur-Seine, France

Number of Safran shares held: 500

PROFILE – EXPERTISE AND EXPERIENCE

Born in 1950, Robert Peugeot, a French national, is a graduate of École Centrale de Paris and INSEAD. He has held a number of high-level positions in the PSA Group and was a member of the Group Executive Committee from 1998 to 2007, responsible for Innovation and Quality.

He was in charge of business development at Peugeot Invest (formerly FFP) as Chairman and Chief Executive Officer as from end-2002, and has been Chairman of its Board of Directors since May 2020.

Until January 2021, he was the permanent representative of Peugeot Invest on the Supervisory Board of Peugeot SA, and was also Chairman of the Strategy Committee and a member of the Finance and Audit Committee of Peugeot SA.

Since January 2021, he has been Vice-Chairman and a Director of Stellantis N.V. (created from the merger of Peugeot SA and Fiat Chrysler Automobiles N.V.), and a member of its Compensation Committee.

Since November 2018, he has been a member of the French High Committee for Corporate Governance.

Robert Peugeot brings to the Board his experience as an executive and director of international industrial groups, as well as his experience in private equity and finance.

MAIN POSITION(S) HELD (OUTSIDE THE COMPANY)

- Vice-Chairman of the Board of Directors of Stellantis N.V. (listed company) (Netherlands)
- Chairman of the Board of Directors of Peugeot Invest (formerly FFP) (listed company) (France)
- Company Director

CURRENT OFFICES AND POSITIONS

SAFRAN GROUP:

- Permanent representative of F&P as a Director of Safran (listed company) (France)

NON-GROUP:

- Director, Vice-Chairman and a member of the Compensation Committee of Stellantis N.V. (listed company) (Netherlands)
- Chairman of the Board of Directors and Chairman of the Investments and Shareholdings Committee of Peugeot Invest (listed company) (France)
- Chairman of F&P (France)
- Permanent representative of Maillot II on the Board of Directors of Sicav Armène 2 (France)
- Permanent representative of Peugeot Invest on the Board of Directors of Peugeot 1810 (formerly Maillot 1) (France)
- Permanent representative of Peugeot 1810 on the Board of Directors and the Audit Committee of Faurecia (listed company) (France) since May 2021
- Director and Chairman of the Nominations Committee of Sofina (listed company) (Belgium)
- Director and member of the Audit Committee of Etablissements Peugeot Frères (France)
- Director and member of the Governance Committee of Tikehau Capital Advisors (France)
- Member of the Supervisory Board and Investment Committee of Signa Prime (Austria)
- Member of the Supervisory Board and Investment Committee of Signa Development (Austria) since July 2021
- Member of the Supervisory Board of Soparexo (France)
- Member of the Supervisory Board of Financière Guiraud SAS since October 2021
- Director of Peugeot Invest UK Ltd (United Kingdom)
- Director of Asia Emergency Assistance Holdings Pte Ltd (Republic of Singapore)
- Legal manager of Société Civile Rodom (France)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE YEARS

SAFRAN GROUP:

None

(1) F&P is a joint venture between Peugeot Invest Assets (formerly FFP Invest) and Fonds Stratégique de Participations (FSP), specifically set up for the purpose of exercising the role of a Director of Safran.

NON-GROUP:

- Legal manager of CHP Gestion (France) until November 2021
- Director and member of the Compensation Committee of Faurecia (listed company) (France) until May 2021
- Permanent representative of Peugeot Invest as a member of the Supervisory Board, Chairman of the Strategy Committee and a member of the Finance and Audit Committee of Peugeot S.A. (listed company) (France) until January 2021
- Chairman and Chief Executive Officer of Peugeot Invest (listed company) (France) until May 2020
- Permanent representative of Peugeot Invest as Chairman of Peugeot Invest assets (formerly FFP Invest) (France) until May 2020
- Permanent representative of Peugeot Invest Assets as Chairman and a member of the Supervisory Board of Financière Guiraud SAS (France) until May 2020
- Permanent representative of Maillot I (France) as a member of the Board of Directors of Sicav Armene 2 until 2020
- Member of the Supervisory Board of ACE Management SA (France) until May 2020
- Member of the Supervisory Board, member of the Audit Committee and member of the Compensation, Appointments and Governance Committee of Hermès International (listed company) (France) until June 2019
- Permanent representative of Maillot I (France) as a member of the Board of Directors of Sicav Armene until May 2019
- Director and member of the Nomination and Compensation Committee of DKSH Holding AG (listed company) (Switzerland) until March 2019
- Permanent representative of FFP Invest (France) as a member of the Board of Directors and Chairman of the Compensation and Nominations Committee of Sanef (France) until April 2017

If the shareholders at the Annual General Meeting of May 25, 2022 follow the Board's recommendations, the number of Directors will be reduced from 18 to 17, resulting in:

- an increase in the proportion of independent Directors, from 64.28% to 69.23%;
- an increase in the proportion of women on the Board, from 42.86% to 46.15%.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

COMPENSATION POLICY FOR CORPORATE OFFICERS – 2022

This section constitutes the report on the compensation policies for corporate officers that is required by French law to be included in the corporate governance report. It was prepared by the Board of Directors with the assistance of the Appointments and Compensation Committee.

In compliance with Article L.22-10-8 of the French Commercial Code (*Code de commerce*), the Board of Directors determines the compensation policies for the corporate officers, which notably describe the principles and criteria used to set, allocate and award the fixed, variable and exceptional components of their total compensation and benefits. By nature and by construction, the components of the policies are specific and different, depending on whether they concern the Chairman, the Chief Executive Officer or the Directors, all of whom are corporate officers. These policies are submitted for shareholders' approval each year at the Annual General Meeting.

In compliance with the applicable regulations concerning the compensation of corporate officers of listed companies⁽¹⁾, the compensation policies describe:

- the principles and rules for determining the compensation and benefits for all corporate officers;
- any major changes compared with the compensation policies approved at the May 26, 2021 Annual General Meeting (see below and section 6.6.1.2 of the 2021 Universal Registration Document);
- the specific compensation policy for the Chairman of the Board of Directors. No changes have been made that alter the substance of this policy compared with the compensation policy approved at the last Annual General Meeting;
- the specific compensation policy for the Chief Executive Officer, which may be adapted to apply to any Deputy Chief Executive Officer(s). A change has been made to this policy (see below and sections 6.6.1.2 and 6.6.1.4.c of the 2021 Universal Registration Document);
- the specific compensation policy for Directors, the principles and terms and conditions of which are unchanged compared with those approved at the May 26, 2021 Annual General Meeting.

The 2022 policies have been approved by the Board of Directors and will be submitted to a shareholder vote at the Annual General Meeting on May 25, 2022.

Principles and rules for defining the compensation policies

In the best interests of the Company as well as its shareholders, employees and other stakeholders, the compensation policies for corporate officers must be competitive in order to attract, motivate and retain the best profiles and talent (which may come from within or outside the Group) for key positions.

These policies are defined by the Board of Directors and are reviewed annually based on recommendations issued by the Appointments and Compensation Committee.

The main principles applied are detailed below.

a) Compliance

The policies are defined based on the guidelines in the AFEP-MEDEF Code, which recommends applying the principles of comprehensiveness, balance, comparability, consistency, transparency and proportionality.

b) Comprehensiveness – Balance

All components of compensation and benefits should be exhaustively analyzed on a component-by-component basis and an overall consistency analysis should then be performed to achieve the best balance between these components.

c) Alignment of interests – Transparency

Compensation and benefits packages need to take into account the necessity for companies to attract, motivate and retain talent but also the interests of shareholders and other stakeholders, particularly in relation to transparency and performance criteria.

(1) Articles R.22-10-14 and D.22-10-16 of the French Commercial Code.

d) Proportionality, comparability and competitiveness

Compensation levels should be set in line with the duties and responsibilities assigned to the officer concerned as well as the work performed and the results achieved.

Market practices should also be taken into account.

Safran regularly carries out benchmark surveys, assisted by consulting firms, in order to measure the levels and structures of its compensation packages compared with panels of peer companies selected for their size and international scope. The surveys are performed both for the French market, in which case the peer companies comprise large industrial groups, and for the international market (the Aerospace, Technology and Defense sectors). The composition of these panels is regularly reviewed by the Committee responsible for compensation and may change to factor in changes in the structure or operations of the Group or of the peer companies concerned.

Where relevant, depending on the corporate officer concerned (Chairman or Chief Executive Officer), the Committee may also examine or take into consideration the application – after appropriate adjustments – of the compensation policy's structure and components to certain Company employees or employee categories, the existence of specific systems in favor of certain employee categories (such as discretionary or statutory profit-sharing, or pension arrangements), and information about compensation multiples (ratio between the compensation of the Chairman and the Chief Executive Officer and that of employees).

The above-mentioned benchmark surveys are used as the basis for analyzing, and making any changes to, the components of the compensation and benefits of the Chairman and the Chief Executive Officer.

e) Governance

The compensation policies for corporate officers are defined by the Board of Directors, based on recommendations issued by the Appointments and Compensation Committee, and are then put to the shareholders' vote at the Annual General Meeting.

The Appointments and Compensation Committee verifies that all of the principles described above are properly applied, both for the purpose of the Committee's work in general and for the recommendations it makes to the Board in relation to defining the policies and implementing them for setting the amounts or values of compensation and benefits packages.

Implementing the principles and rules above when defining the compensation policies for corporate officers helps to provide assurance that the policies (i) are aligned with the Company's best interests, (ii) are consistent with its strategy (notably its business strategy by applying exacting performance criteria to corporate officers that are closely linked to the Group's performance and objectives), and (iii) contribute to supporting the Company's long-term development.

The Chairman and the Chief Executive Officer do not take part in any discussions or votes on the policies concerning themselves, which therefore avoids any conflicts of interest.

Changes to the 2022 compensation policies compared with those approved at the May 26, 2021 Annual General Meeting

Change to the Chief Executive Officer's compensation policy concerning a metric of his annual variable compensation

At its meeting on February 24, 2022, the Board of Directors made a notable change to the compensation policy for the Chief Executive Officer compared to the compensation policy approved by the shareholders at the Annual General Meeting of May 26, 2021.

The change concerns his annual variable compensation. The amended compensation policy provides that, as from 2022, his "target" variable compensation – i.e., the amount payable if the achievement rate is 100% for all of the financial and individual performance objectives – will correspond to 120% of his annual fixed compensation (the "Target"), as opposed to 100% previously.

Unchanged from the compensation policy approved by the shareholders at the Annual General Meeting of May 26, 2021, if the Chief Executive Officer outperforms his objectives, his "maximum" variable compensation – i.e., the amount payable if the achievement rate is 130% for all of the financial and individual performance objectives – will represent a maximum of 150% of his annual fixed compensation (the "Cap").

Based on the annual fixed compensation of €800,000 set for 2022, the theoretical Target and Cap amounts of the Chief Executive Officer's annual variable compensation for 2022 would be as follows:

- Target – target amount: €960,000, i.e., 120% of his fixed compensation if the achievement rate for all of the objectives is 100%;
- Cap – maximum amount: €1,200,000, i.e., 150% of his fixed compensation if the achievement rate for all of the objectives is 130%.

The change more closely aligns the variable portion of the Chief Executive Officer's compensation with the policies and practices observed in studies of panels of comparable French manufacturing companies, without changing the maximum amount of variable compensation provided for in the compensation policy. In addition, the compensation policy was not changed when the current Chief Executive Officer was appointed.

Other disclosures

The disclosures below concern developments related to, and not changes in the substance of, the compensation policies approved at the May 26, 2021 Annual General Meeting:

- Concerning the Chief Executive Officer's compensation policy and his long-term incentive (LTI) plan (performance share grants): as already specified in the policy approved by the shareholders at the 2021 Annual General Meeting, as well as in the presentation of the 30th resolution (relating to free share grants) adopted at that Meeting, non-financial performance conditions will be included in the internal performance conditions underlying the performance shares he receives. Details on the terms and conditions and weightings of these non-financial performance conditions have been included in the Chief Executive Officer's compensation policy (see below and section 6.6.1.4.d of the 2021 Universal Registration Document).
- Concerning the aggregate annual amount of Directors' compensation, the Board of Directors has decided that, at the next Annual General Meeting, it will recommend that the shareholders raise the aggregate annual amount of compensation that may be allocated to the Directors as consideration for their duties (the "Aggregate Compensation"). In accordance with the law, any increase in the annual Directors' compensation has to be voted on by the shareholders in a specific resolution at the Annual General Meeting, which must be separate from and not connected with the vote on the compensation policy for Directors. This vote will be put to the shareholders in the 11th resolution of the Annual General Meeting to be held on May 25, 2022 (see above in the section on the resolutions submitted to the Meeting and section 8.2.1.6 of the 2021 Universal Registration Document).

Compensation policy for the Chairman of the Board of Directors

At the date hereof, this policy solely concerns Ross McInnes in his role as Chairman of the Board of Directors.

a) Compensation package structure

The structure of the compensation package of the Chairman of the Board of Directors (who is a non-executive Director) comprises, on a recurring basis, annual fixed compensation which is paid in cash. He is not allocated any compensation in his capacity as a Director.

The Chairman of the Board of Directors does not receive any annual or multi-annual variable compensation and he is not a beneficiary of any long-term compensation plans (performance share plans). The Chairman is covered by the supplementary pension schemes and personal risk insurance plan implemented by the Group.

The compensation and benefits awarded to the Chairman of the Board of Directors or for which he is eligible are described below.

b) Annual fixed compensation

The Chairman of the Board's annual fixed compensation takes into account the responsibilities required for this type of corporate office as well as the individual qualities of the holder of the position and the benchmark surveys carried out by the Company.

Consequently, it is set based on the following:

- the Chairman of the Board's roles and responsibilities, which are provided for by law, Safran's bylaws and the Board of Directors' Internal Rules, and are aimed at ensuring that the Company is governed effectively and that its various governing bodies (Board of Directors and the Board Committees and Shareholders' Meetings) operate properly;
- any specific assignments allocated by the Board of Directors and which the Chairman carries out in cooperation with Executive Management;
- the Chairman's individual skills, experience, expertise and background;
- benchmark surveys related to compensation payable for comparable duties and companies.

The Board of Directors has decided that, as a general rule, the Chairman's annual fixed compensation may only be revised on the expiration of his term of office.

However, as an exception to this rule, his compensation may be revised during his term and before his re-appointment if the scope of his duties as Chairman of the Board changes significantly - which could be related to changes within the Company itself - or if a major difference is identified compared with market practices (which can happen if the compensation has not been revised for some time). Any adjustments made to his annual fixed compensation as a result of any specific circumstances would be publicly disclosed.

The Chairman's annual fixed compensation for 2022 has not been increased and has been kept at €450,000, unchanged from 2021. This amount has stayed the same since 2018 for the office of Chairman of the Board of Directors (see section 6.6.2.1.a of the 2021 Universal Registration Document).

c) Directors' compensation (formerly "attendance fees")

Irrespective of whether or not the role of Chairman is separate from that of Chief Executive Officer, the Chairman is not entitled to receive any compensation in his capacity as a Director (formerly "attendance fees"). He is therefore not included in the allocation of Directors' compensation carried out in accordance with the rules provided for in the compensation policy for Directors (see below and section 6.6.1.5 of the 2021 Universal Registration Document).

d) No annual variable compensation, multi-year variable compensation or long-term incentive plan

In line with his position as a non-executive Director, the Chairman of the Board of Directors does not receive any annual short-term variable compensation (cash-settled) or any multi-year variable compensation, and neither is he a beneficiary of any long-term compensation plans (performance share plans).

e) Exceptional compensation

The Board of Directors has decided against including an exceptional component in the compensation policy for the Chairman.

f) Benefits-in-kind

The Chairman of the Board of Directors has the use of a company car.

He is also entitled to be reimbursed for expenses incurred in connection with his role as Chairman and he is provided with the material resources required for performing his duties.

g) Supplementary pension system

Safran's policy is to align the post-employment benefits of the Chairman and the Chief Executive Officer with those of the Group's managerial-grade staff. This is in line with Safran's internal promotion policy built on helping in-house executives with considerable experience and expertise, often acquired during their many years' service with the Group, to move seamlessly into corporate officer positions and to grant corporate officers similar entitlements to those of the plans' other beneficiaries.

No specific supplementary pension system has been put in place for the Chairman of the Board of Directors.

However, the Chairman may be a beneficiary of the supplementary pension plans set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members, if the Board of Directors:

- authorizes the Chairman to join the plans; or
- authorizes him to continue to be a beneficiary if he was already a beneficiary prior to his appointment as Chairman.

At its meeting on May 23, 2019 following the re-appointment of the Chairman, the Board of Directors confirmed its decision taken upon his initial appointment to authorize the Chairman to continue to be a beneficiary of the plans and benefits described below. Before being approved by the shareholders in the say-on-pay vote related to the Chairman's compensation policy, some of the benefits described below for which the Chairman is currently eligible had already been submitted for shareholder approval by way of the special vote required by law for related-party commitments, in accordance with the procedure applicable at the date on which the Board decided to extend those benefits to the Chairman. He was already eligible for some of the benefits prior to his appointment as Chairman.

The supplementary pension plans applicable in France to the Group's managerial-grade staff, including the Chairman, are as follows:

Defined contribution plans – Mandatory retirement savings plans (PERO) (former Article 83)

Two "Article 83" defined contribution supplementary pension plans (Core Plan and Additional Plan) were in force for the Group's engineers and managerial-grade staff (see section 6.6.1.3 of the 2020 Universal Registration Document).

In order to comply with the Pacte Act⁽¹⁾ and following the signature of a Group agreement in November 2021, these plans were replaced as of January 1, 2022 by mandatory retirement savings plans (*plan d'épargne retraite obligatoire* – PERO), with no change to the contributions paid by Safran, which remain unchanged from those paid under the Article 83 plans:

- the "PERO – Core Plan", which is financed through employer contributions equal to 1.5% of salary Tranche 1, 4% of Tranche 2 and no contributions on Tranche 3⁽²⁾;
- the "PERO – Additional Plan", which provides for contribution rates of 6.5% on Tranche 1 and 4% on Tranche 2.

The Chairman is eligible for these plans under the same terms and conditions as the other plan members.

The "PERO – Core Plan" contributions are based on the compensation subject to social security contributions that the Chairman receives for his role as Chairman of the Board of Directors.

The "PERO – Additional Plan" contributions are based on the compensation subject to social security contributions that the Chairman receives for his role as Chairman of the Board of Directors, capped at eight times the annual social security ceiling (PASS).

As provided for in the Group's Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document), employer contributions to the Article 83 (now replaced by PERO) and Article 82 defined contribution supplementary pension plans were frozen for 2021. Consequently, no contributions were paid to either of those plans for the Chairman for 2021. These payments have been reactivated for 2022 for all beneficiaries, including the Chairman.

Information on the expenses recognized for 2021 by the Company in relation to the Article 83 plans (now replaced by PERO) of which the Chairman is a member (which corresponded to a nil amount as provided for in the Activity Transformation Agreement), as well as the estimated theoretical amount⁽³⁾ at December 31, 2021 of the annuity that could be paid to him under those plans are disclosed above in the section on the resolutions submitted to the Meeting and in section 6.6.2.1.d of the 2021 Universal Registration Document.

(1) French law no. 2019-486 of May 22, 2019 that notably introduced changes to defined contribution supplementary pension plans.

(2) To calculate the amount of pension contributions, the pension funds divide gross annual salary into two tranches: Tranche 1 and Tranche 2. The portion of salary attributed to each tranche determines the amount of the contributions. Tranche 1 corresponds to the portion of salary below the social security ceiling. Tranche 2 corresponds to the portion of salary between one and eight times the social security ceiling.

(3) Calculated based on the assumption that the annuity would be received as from January 1, 2022, irrespective of the eligibility conditions.

“Article 82” defined contribution plan

The Chairman is a beneficiary of Safran’s defined contribution supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 82 of the French Tax Code (the “Article 82 Plan”), subject to the same terms and conditions as the other plan members.

The contributions to the plan are based on the fixed compensation that Ross McInnes receives for his role as Chairman of the Board of Directors.

The Article 82 Plan was put in place to compensate for the closure of Safran’s Article 39 defined benefit plan as from January 1, 2017 (see below). Unlike the Article 39 defined benefit plan, the Article 82 Plan does not provide a guaranteed level of retirement benefits. It is a voluntary plan which eligible beneficiaries can decide whether or not to sign up to.

Eligible beneficiaries correspond to top executives (*hors statut*) whose reference compensation (fixed compensation and annual bonus) for the calendar year preceding the assessment date (Y-1) is equal to or higher than seven times the social security ceiling (PASS) for Y-1. The reference compensation for Y-1 is used to calculate the contributions to the plan. This reference compensation corresponds to the beneficiary’s full-time basic fixed compensation plus the short-term bonus for the year concerned and excludes any other components of compensation.

In order for entitlements to accrue under the plan, the Company is required to:

- pay monthly contributions to an insurer, the rate of which is set based on the beneficiary’s reference compensation for year Y-1 (Insurer Contribution) and which may represent up to 12.735% of that reference compensation; and
- pay a cash amount to the beneficiary corresponding to the Insurer Contribution (Additional Payment) so that the beneficiary can pay the applicable tax (the plan provides for up-front taxation so that the capital accrued and received on the beneficiaries’ retirement is net of tax and social security contributions).

The above payments are borne in full by the Company and are subject to social security contributions in the same way as salaries.

As provided for in the Group’s Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document), employer contributions to the Article 83 (now replaced by PERO) and Article 82 defined contribution supplementary pension plans were frozen for 2021. Consequently, no contributions were paid to either of those plans for the Chairman for 2021. These payments have been reactivated for 2022 for all beneficiaries, including the Chairman.

Information on the expenses recognized for 2021 by the Company in relation to the Article 82 Plan of which the Chairman is a member (which corresponded to a nil amount as provided for in the Activity Transformation Agreement), as well as the estimated theoretical amount⁽¹⁾ at December 31, 2021 of the annuity that could be paid to him under that plan are disclosed above in the section on the resolutions submitted to the Meeting (presentation of the 8th resolution) and in section 6.6.2.1.d of the 2021 Universal Registration Document.

“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)

The Chairman was previously a beneficiary of Safran’s defined benefit supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 39⁽²⁾ of the French Tax Code (the “Article 39 Plan”), subject to the same terms and conditions as the other plan members. Mr. McInnes was originally a beneficiary of this plan in his former capacity as Deputy Chief Executive Officer. The commitment given by the Company to enable Mr. McInnes to continue to be a beneficiary of this plan was approved at the Annual General Meeting of May 19, 2016.

This plan was closed to new entrants and existing entitlements frozen as from December 31, 2016. The Article 82 defined contribution plan described above was set up to compensate for this closure.

However, as decided by the Board at its meeting on March 23, 2017, the Chairman could still be eligible for the pension entitlement that he had accrued under the plan until December 31, 2016, provided the applicable terms and conditions are met, it being specified that:

- the reference compensation used to calculate the conditional entitlements will be calculated based on the average of beneficiaries’ gross fixed and variable compensation for the years 2014 to 2016 (revalued annually using the actuarial assumptions applied to calculate retirement benefit provisions);
- the seniority taken into account for the plan - which represents an additional 1.8% of the reference compensation per year of service, capped at 18% - will have a cut-off date of December 31, 2016 and no additional conditional entitlements will be accrued under the plan for any service after that date. Consequently the seniority taken into account for the Chairman will correspond to 14%;
- the overall replacement rate may not exceed 35% of the reference compensation;
- the supplementary pension annuity is capped at three times the annual social security ceiling (PASS) in force at the date that the general social security retirement pension is paid (the value of the PASS in 2022 is €41,136, unchanged from 2021);
- the payment of the supplementary pension annuity 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.

For information purposes, the estimated theoretical amount⁽³⁾ at December 31, 2021 of the annuity that could be paid to the Chairman under the frozen Article 39 plan is provided above in the section on the resolutions submitted to the Meeting (presentation of the 8th resolution) and in section 6.6.2.1.d of the 2021 Universal Registration Document.

(1) Calculated based on the assumption that the annuity would be received as from January 1, 2022, irrespective of the eligibility conditions.

(2) Defined benefit plan meeting the conditions set out in Article L.137-11 of the French Social Security Code (Code de la sécurité sociale).

(3) Calculated based on the assumption that the annuity would be received as from January 1, 2022, irrespective of the eligibility conditions.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Compensation policy for corporate officers – 2022

h) Personal risk insurance plan

The Chairman of the Board of Directors is a beneficiary of the personal risk insurance plan set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members.

The contributions to this plan are based on the compensation subject to social security contributions that Ross McInnes receives for his role as Chairman of the Board of Directors.

Information on the expenses recognized for 2021 by the Company in relation to the personal risk insurance plan of which the Chairman is a member is disclosed in section 6.6.2.1.c of the 2021 Universal Registration Document.

i) Indemnities or benefits payable for termination of office, change in duties or non-compete agreements

The Chairman of the Board of Directors is not eligible for any indemnities or benefits if his office is terminated or if there is a change in his duties. Similarly, he is not entitled to any non-compete indemnity.

Compensation policy for the Chief Executive Officer

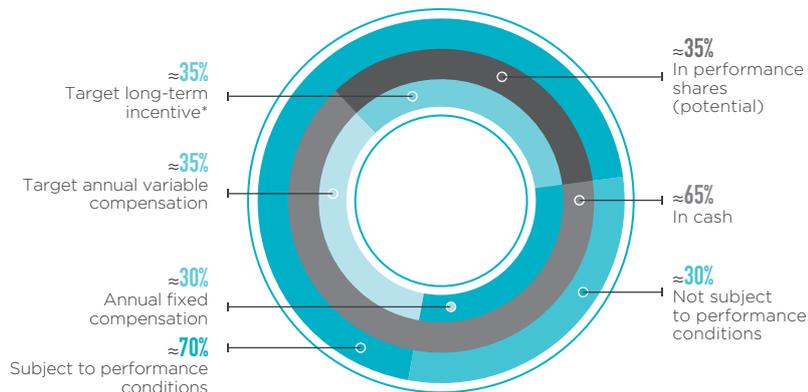
At the date hereof, this policy solely concerns Olivier Andriès, who has been the Group's Chief Executive Officer since January 1, 2021.

a) Compensation package structure

The structure of the Chief Executive Officer's compensation package comprises, on a recurring basis, annual fixed compensation (cash-settled), as well as annual variable compensation and performance shares awarded under a long-term incentive plan. This structure is applied to all of the Company's senior managers, adapted to each individual.

The underlying aim is to closely align the Company's interests with those of its shareholders by achieving a balance between short-term and long-term performance, as assessed by the Board of Directors. Compensation subject to performance conditions accounts for the largest proportion of the Chief Executive Officer's overall compensation package.

PRESENTATION OF THE CHIEF EXECUTIVE OFFICER'S RECURRING COMPENSATION STRUCTURE



* Value at grant date in accordance with IFRS.

The Chief Executive Officer is covered by the supplementary pension and personal risk insurance plans implemented by the Group.

The compensation and benefits awarded to the Chief Executive Officer or for which he is eligible are detailed below.

b) Annual fixed compensation

The Chief Executive Officer's annual fixed compensation takes into account the responsibilities required for this type of corporate office as well as the individual qualities of the holder of the position and the benchmark surveys carried out by the Company.

Consequently, it is set based on the following:

- the level and complexity of the assignments and responsibilities related to the position, in view of the fact that the Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name and to represent the Company in its dealings with third parties;
- the Chief Executive Officer's individual skills, experience, expertise and background;
- benchmark surveys related to compensation payable for comparable duties and companies.

The Board of Directors has decided that, as a general rule, the Chief Executive Officer's annual fixed compensation may only be revised on the expiration of his term of office.

However, as an exception to this rule, his compensation may be revised during his term and before his re-appointment if the scope of his duties as Chief Executive Officer changes significantly - which could be related to changes within the Company itself - or if a major difference is identified compared with market practices (which can happen if the compensation has not been revised for some time). Any adjustments made to his annual fixed compensation as a result of any specific circumstances would be publicly disclosed.

The Chief Executive Officer's annual fixed compensation is used as a reference for determining the target and maximum percentages of his annual variable compensation and the valuation of his compensation under the long-term incentive plan.

The Chief Executive Officer's annual fixed compensation for 2022 has not been increased and has been kept at €800,000, unchanged from 2021. This amount has stayed the same since 2018 for the office of Chief Executive Officer (see section 6.6.2.2.a of the 2021 Universal Registration Document).

c) Annual variable compensation

1. Objectives of and principles used to determine the Chief Executive Officer's annual variable compensation

The principle of annual variable compensation is used to incentivize the Chief Executive Officer to achieve the annual performance targets that are set for him by the Board of Directors in line with Safran's overall business strategy.

The potential amount of this variable compensation is determined taking into account market practices and corresponds to a percentage of his fixed compensation, as recommended in the AFEP-MEDEF Code.

It is contingent on achieving pre-defined performance levels based on a number of objectives which are collective and individual, financial and non-financial and quantitative and qualitative. The objectives relate to key indicators that reflect the Group's overall performance as well as the contribution expected from the Chief Executive Officer, in line with Safran's overall business strategy.

During the first quarter of each year, acting on the recommendations of the Committee responsible for compensation, the Board of Directors either confirms or sets these objectives as well as their weighting and the applicable performance levels, i.e.:

- the lowest performance level, under which no variable compensation is paid;
- the target level, corresponding to when an objective is reached; and
- the maximum level applicable if an objective is exceeded.

The quantitative financial performance objectives - which are based on financial indicators - are set precisely, by reference to the budget approved in advance by the Board of Directors (as adjusted, if necessary, to take into account exceptional circumstances or events), and are subject to the performance thresholds set out below.

The achievement rates of the performance objectives are assessed by the Board of Directors, based on the review and recommendations of the Appointments and Compensation Committee. The review is carried out on an objective-by-objective basis, for all of the financial and individual and qualitative and quantitative objectives, as well as on an aggregate basis. The results of this assessment are published in a press release.

An overall percentage achievement rate is calculated both for (i) the financial objectives and (ii) the individual objectives, based on the applicable metrics and weightings and the achievement rates for each objective. These overall percentages are then used to calculate the actual amount due.

2. Detailed description of the Chief Executive Officer's annual variable compensation

The Board of Directors has decided that the Chief Executive Officer's variable compensation will be based on the following:

Target annual variable compensation and maximum amount ("Cap")

The Chief Executive Officer's "target" variable compensation - i.e., the amount payable if the achievement rate is 100% for all of the financial and individual performance objectives set out below - corresponds to 120% of his annual fixed compensation (the "Target"), versus 100% previously.

If the Chief Executive Officer outperforms his objectives, his "maximum" variable compensation - i.e., the amount payable if the achievement rate is 130% for all of the financial and individual performance objectives set out below - will represent a maximum of 150% of his annual fixed compensation (the "Cap").

Structure - Criteria

The Chief Executive Officer's annual variable compensation is determined as follows:

- two-thirds is contingent on quantitative financial performance objectives based on recurring operating income (ROI)⁽¹⁾, free cash flow (FCF)⁽²⁾ and working capital (WC), calculated by reference to operating assets (Inventories)⁽³⁾ and Unpaid Receivables⁽⁴⁾;
- one-third is contingent on quantitative and qualitative individual objectives.

This annual variable compensation structure is also used for the Group's senior managers, adapted to each individual.

(1) Adjusted recurring operating income (see section 2.1.2 of the 2021 Universal Registration Document).

(2) Free cash flow (see section 2.2.3 of the 2021 Universal Registration Document) corresponds to cash flow from operating activities less changes in working capital and acquisitions of property, plant and equipment and intangible assets.

(3) Inventories and work-in-progress, as described in section 3.1, Note 3.0 of the 2021 Universal Registration Document and broken down in section 3.1, Note 19.

(4) Receivables unpaid at their due date, as measured at the end of the reference period.

Quantitative financial performance objectives – parameters

The following parameters apply:

- Weightings:
 - ROI: 60%;
 - FCF: 30%; and
 - working capital: 10%, with 5% based on Inventories and 5% based on Unpaid Receivables.
- Triggering thresholds (Thresholds) based on the objectives in the annual budget, which serves as the reference (Objective(s)):
 - 80% of the ROI Objective;
 - 65% of the FCF Objective;
 - 135% of each of the working capital Objectives, i.e., Inventories and Unpaid Receivables (if the level is higher than 135% for either of these Objectives, no variable compensation will be due as anything over 135% for these two metrics corresponds to underperformance).
- Calculation methods for the Thresholds, Target and Caps:
 - the Threshold for each performance metric triggers the entitlement to variable compensation (starting at 0 from the Threshold and reaching up to the Target if the budget Objective is achieved); if the achievement level of an Objective is 100%, the Target for the performance metric concerned will be payable;
 - if an Objective is exceeded, the variable compensation allocated in respect of that Objective will be increased beyond the Target in proportion to the extent to which the Objective is exceeded (but capped at a maximum of 130% irrespective of the extent to which the Objective is exceeded). Consequently:
 - if 130% (or more) of the ROI Objective is achieved, the Cap for this metric will be payable,
 - if 130% (or more) of the FCF Objective is achieved, the Cap for this metric will be payable,
 - if 70% (or less) of each of the working capital Objectives is achieved (Inventories and Unpaid Receivables), the Cap for each of these metrics will be payable.

Based on these indicators, an overall percentage achievement level of the financial objectives is obtained, which is then applied for determining the amount due.

For achievement levels between the Threshold and the Target and the Target and the Cap, the amounts payable will be calculated on a straight-line basis.

The applicable indicators are usually set by the Board of Directors in the first quarter of the year concerned and they may be changed from one year to the next.

Individual objectives (qualitative and quantitative)

These objectives are set by the Board of Directors and relate to strategic, business and managerial areas specific to the coming year. For example, they can be based on the implementation of strategic decisions validated by the Board of Directors, major industrial and commercial developments and programs, organizational and management measures or initiatives that factor in the Group's CSR and sustainable development policy.

These objectives are not related to routine tasks but to specific actions for which the Board of Directors expects a particular level of performance.

When setting these individual objectives, the Board is careful to factor in the Group's CSR and sustainable development targets and to ensure that some of the objectives are quantifiable, bearing in mind that two-thirds of the Chief Executive Officer's annual variable compensation is based on the achievement of quantitative objectives relating to financial performance.

An overall percentage achievement rate is calculated for the individual objectives based on the applicable weightings and the achievement rates for each objective. This overall percentage is then used to calculate the actual amount due.

Information on the current Chief Executive Officer's individual objectives for 2022 is provided in section 6.6.2.2.c of the 2021 Universal Registration Document.

Payment condition

In accordance with the law, the payment of the Chief Executive Officer's annual variable compensation for 2022 (payable in 2023) will be subject to approval by the shareholders at the Annual General Meeting to be held in 2023.

d) Long-term incentive plan (performance share grants)

1. Objective

The Board of Directors considers that the long-term incentive system – which also applies to other key positions within the Company – is particularly suited to the position of Chief Executive Officer in view of the direct contribution expected from him to the Group's long-term performance. In addition, the system is based on performance share grants which strengthen the motivation and teamwork of beneficiaries and foster their loyalty, while at the same time aligning their interests with those of the Company and its shareholders. These share grants are also in line with the Board's strategy of linking the incentives of senior managers to Safran's share performance – with the inherent risks and rewards that this involves – in order to encourage long-term reasoning in their actions.

The Board of Directors may only grant performance shares if it has been given the necessary authorizations by way of a two-thirds majority vote of shareholders in an Extraordinary General Meeting. Consequently, related resolutions will be submitted to the Annual General Meeting and the shareholders will be asked to approve the components of the long-term incentive system. If approved, these resolutions could be used to add to and adjust the policy applicable to the Chief Executive Officer in relation to long-term compensation.

2. Detailed description of the Chief Executive Officer's annual variable compensation

Performance share grants made to the Chief Executive Officer are subject to the following principles and criteria:

Cap

The number of performance shares granted to the Chief Executive Officer may not:

- represent more than the equivalent of 120% of his annual fixed compensation, based on the accounting value, in accordance with IFRS 2⁽¹⁾, estimated prior to the grant;
- exceed 5% of the total performance shares making up each grant. In addition, the resolutions submitted to shareholders in an Extraordinary Shareholders' Meeting for the purpose of authorizing such grants will set a maximum percentage of the Company's capital that the performance shares may represent.

Performance conditions

All performance shares granted to the Chief Executive Officer will only vest if the applicable internal and external performance conditions are met. The achievement of these conditions will be assessed over three full consecutive fiscal years, including the year in which the performance shares are granted. These performance criteria are also applied to the Group's other beneficiaries of performance shares, with appropriately adapted weightings where applicable.

a) Standard internal conditions

The standard internal performance conditions account in principle for 70% of the Chief Executive Officer's total vested shares and are based on the Group's financial and economic performance as well as its non-financial performance if decided by the Board of Directors.

■ Financial and economic performance

The two standard internal performance conditions relating to financial and economic performance account in principle for 50% of the total vested shares and are based on:

- recurring operating income (ROI), for 50%;
- free cash flow (FCF), for 50%.

The achievement levels for these conditions are measured by reference to the average of the ROI and FCF targets for the fiscal year in which the grant takes place and for the following two fiscal years, as set in the Group's most recent medium-term plan (MTP) or in the budget based on the MTP for the fiscal year in progress, as adjusted to factor in any exceptional circumstances or events and approved by the Board of Directors before the grant date (the "Reference Target"). The following achievement levels have been set for these conditions:

- lowest achievement level: if 80% of the Reference Target is achieved, 40% of the shares contingent on that target will vest;
- target achievement level: if 100% of the Reference Target is achieved, 80% of the shares contingent on that target will vest;
- highest achievement level (cap): if 125% of the Reference Target is achieved, 100% of the shares contingent on that target will vest;
- between the lowest achievement level and the target level, and between the target level and the highest achievement level, the number of shares that will vest will vary in linear fashion. Below the lowest achievement level, none of the shares contingent on the internal performance condition concerned will vest.

■ Non-financial performance

The internal conditions relating to non-financial performance count, in principle, for 20% of the total vested shares.

The non-financial conditions relate to CSR and sustainable development objectives. The conditions, defined by the Board of Directors prior to the grant date, could take into account the Group's medium-term priorities or strategic challenges on these issues.

They will be quantifiable or measurable, making it possible to objectively monitor them and identify the actual achievement rate at the end of the performance period. When the Board of Directors grants performance shares, these conditions are communicated along with their respective weightings and other essential parameters.

For example, they can be based on targets related to:

- environmental and climate issues (such as the reduction of CO₂ emissions);
- gender equality (such as the proportion of women senior managers within the Group); and
- safety (such as reducing the lost-time accident frequency rate).

The non-financial conditions applicable to the performance shares granted by the Board of Directors on March 24, 2022 were based on the above targets (see sections 6.6.2.2.d and 6.6.4.2.2 of the 2021 Universal Registration Document).

b) External performance condition

The external performance condition counts, in principle, for 30% of the total vested shares and is based on Safran's total shareholder return (TSR) performance as measured relative to a panel of companies or reference indices. The composition of this panel may change in order to factor in changes in the structure or operations of the Group or of the companies and indices concerned.

The following achievement levels have been set for this condition:

- lowest achievement level: if Safran's TSR is equal to that of the peer companies, 40% of the shares contingent on the external performance condition will vest;
- target achievement level: if Safran's TSR is 8 points higher than that of the peer companies, 80% of the shares contingent on the external performance condition will vest;

(1) See section 3.1, Note 3.r of the 2021 Universal Registration Document.

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- highest achievement level: if Safran's TSR is 12 points higher than that of the peer companies, 100% of the shares contingent on the external performance condition will vest;
- between the lowest achievement level and the target level, and between the target level and the highest achievement level, the number of shares that will vest will vary in linear fashion. Below the lowest achievement level, none of the shares contingent on the external performance condition will vest.

If allowed by the relevant shareholder authorization covering performance share grants, the Board of Directors may, at its discretion, revise the weighting of this external condition, but to no less than 20%, in order to increase the weighting of the standard internal conditions to 80% where required, particularly if the Board believes that it would be useful or necessary to do so in light of the Group's strategic priorities and/or medium-term imperatives. If the Board does decide to revise this weighting, it will disclose this fact via a press release.

c) Additional conditions

As well as the portion attributed to the standard performance conditions, the Board of Directors may, at its discretion, apply additional demanding and quantifiable performance conditions for which it would define the parameters, in order to take into account the Group's medium-term priorities and challenges. In such a case, the additional performance conditions and their parameters, as defined by the Board of Directors prior to the grant, would be disclosed and their weighting would reduce the weighting of the standard internal performance conditions.

Such additional performance conditions would not therefore affect the cap on the value of grants to be made as defined above.

d) Overall presentation – Illustration and weightings

Performance conditions*			Overall weighting (in principle)
Standard internal performance conditions	Financial and economic performance	ROI (adjusted recurring operating income).	25%
		FCF (free cash flow).	25%
	Non-financial performance	CSR and sustainable development objectives. The Group's medium-term priorities or strategic challenges on these issues.	20%
External performance condition	TSR	Safran's total shareholder return (TSR) compared with a panel of companies or benchmark indices.	30%
TOTAL			100%

* Excluding any additional performance conditions that may be included (see c) above).

The achievement rate of each performance condition is assessed by the Board of Directors, based on the review and recommendations of the Appointments and Compensation Committee. The results of this assessment are published in a press release.

Vesting and lock-up periods

The shares granted to the Chief Executive Officer are subject to a vesting period set by the Board of Directors, which may not be less than three years.

In addition, any shares granted to the Chief Executive Officer will be subject to a lock-up period of at least one year following their vesting date.

Other conditions

Holding requirement and undertaking not to use hedges

The Chief Executive Officer:

- is required to hold in registered form a proportion of his vested shares, as set by the Board of Directors, until his term of office as Chief Executive Officer ends.

The Board has decided that following the lock-up period and for the duration of his term of office, the Chief Executive Officer will be required to hold in registered form 40% of the vested performance shares delivered to him under performance share plans, until the number of shares he holds represents the equivalent of one year of his most recent annual fixed compensation.

In addition, the Chief Executive Officer will be required to hold in registered form, until his term of office as Chief Executive Officer ends, a minimum of 500 of the vested performance shares delivered to him under each of the performance share plans under which he is granted performance shares during his term of office as Chief Executive Officer;

- must give a formal undertaking to refrain from using instruments to hedge the risks related to these shares until after the end of the lock-up period.

Continuing service condition – principles and exceptions

Under the rules of the performance share plan, the shares will only vest if the beneficiary still forms part of the Group on the vesting date ("continuing service condition"), apart from in a limited number of usual cases (death, disability, retirement of the beneficiary and a specific decision by the Board of Directors).

In particular:

- In the event of his death before the end of the vesting period, the Chief Executive Officer's heirs or beneficiaries may ask for the performance shares to be attributed (and delivered) to them. If the achievement rate of the performance conditions is not yet known at that date, the performance conditions will be deemed to have been met.
- If the Chief Executive Officer retires before the end of the vesting period, and provided that he has been with the Group for at least one year before retirement, he will retain his rights proportionately to the time he was with the Group during the vesting period.
- The Board of Directors may grant exemptions from the continuing service condition and the requirements set out above, and may decide to maintain all or part of the beneficiary's entitlements, in accordance with terms and conditions set by the Board.

Information on performance share grants made to the Chief Executive Officer in 2021 and 2022 is provided in sections 6.6.2.2.d and 6.6.4.2 of the 2021 Universal Registration Document.

e) Multi-year variable compensation

The Board of Directors has decided not to put in place a multi-year variable compensation plan as it considers that share-based payments such as performance share grants are more in line with shareholders' interests (see the long-term incentive plan above).

f) Exceptional compensation

The Board of Directors has decided against including an exceptional component in the compensation policy for the Chief Executive Officer.

g) Directors' compensation (formerly "attendance fees")

The Chief Executive Officer does not receive any compensation in his capacity as a Director of the Company (formerly "attendance fees"). He is therefore not included in the allocation of Directors' compensation carried out in accordance with the rules provided for in the compensation policy for Directors (see below and section 6.6.1.5 of the 2021 Universal Registration Document).

h) Benefits-in-kind

The Chief Executive Officer has the use of a company car.

He is also entitled to be reimbursed for expenses incurred in connection with his role as Chief Executive Officer, as well as any specifically agreed personal travel expenses, and he is provided with the material resources required for performing his duties.

i) Supplementary pension system

Safran's policy is to align the post-employment benefits of the Chairman and the Chief Executive Officer with those of the Group's managerial-grade staff. This is in line with Safran's internal promotion policy built on helping in-house executives with considerable experience and expertise, often acquired during their many years' service with the Group, to move seamlessly into corporate officer positions and to grant corporate officers similar entitlements to those of the plans' other beneficiaries.

No specific supplementary pension plan has been put in place for the Chief Executive Officer.

However, the Chief Executive Officer may be a beneficiary of the supplementary pension plans set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members, if the Board of Directors:

- authorizes the Chief Executive Officer to join the plans; or
- authorizes him to continue to be a beneficiary if he was already a beneficiary prior to his appointment as Chief Executive Officer.

At its meeting on December 16, 2020, the Board of Directors decided that the Chief Executive Officer would continue to be a beneficiary of the plans and benefits described below, for which he was already eligible when he was an employee, i.e., before he was appointed as Chief Executive Officer.

The Chief Executive Officer is a beneficiary of the same plans as described above and in section 6.6.1.3.g of the 2021 Universal Registration Document concerning the compensation policy for the Chairman. These plans are as follows:

Defined contribution plans (PERO (former Article 83) - Core Plan, PERO (former Article 83) - Additional Plan and Article 82)

The Chief Executive Officer is a beneficiary of these plans under the same terms and conditions as the other plan members.

The "PERO - Core Plan" contributions are based on the compensation subject to social security contributions that the Chief Executive Officer receives for his role as Chief Executive Officer.

The "PERO - Additional Plan" contributions are based on the compensation subject to social security contributions that the Chief Executive Officer receives for his role as Chief Executive Officer, capped at eight times the annual social security ceiling (PASS).

The contributions to the Article 82 defined contribution plan are based on the annual fixed compensation and the annual variable compensation (subject to performance conditions) that the Chief Executive Officer receives for his role as Chief Executive Officer.

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As provided for in the Group's Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document), employer contributions to the Article 83 (now replaced by PERO) and Article 82 defined contribution supplementary pension plans were frozen for 2021. Consequently, no contributions were paid to either of those plans for the Chief Executive Officer for 2021. These payments have been reactivated for 2022 for all beneficiaries, including the Chief Executive Officer.

Information on the expenses recognized for 2021 by the Company in relation to the Article 83 plans (now replaced by PERO) of which the Chief Executive Officer is a member (which corresponded to a nil amount as provided for in the Activity Transformation Agreement), as well as the estimated theoretical amount⁽¹⁾ at December 31, 2021 of the annuity that could be paid to him under those plans are disclosed above in the section on the resolutions submitted to the Meeting (presentation of the 9th resolution) and in section 6.6.2.2.g of the 2021 Universal Registration Document.

Information on the expenses recognized for 2021 by the Company in relation to the Article 82 Plan of which the Chief Executive Officer is a member (which corresponded to a nil amount as provided for in the Activity Transformation Agreement), as well as the estimated theoretical amount⁽¹⁾ at December 31, 2021 of the annuity that could be paid to him under that plan are disclosed above in the section on the resolutions submitted to the Meeting (presentation of the 9th resolution) and in section 6.6.2.2.g of the 2021 Universal Registration Document.

“Article 39” defined benefit plan (closed to new entrants and entitlements frozen)

The Chief Executive Officer was previously a beneficiary of Safran's defined benefit supplementary pension plan set up in France for all Group managerial-grade staff pursuant to Article 39 of the French Tax Code (the “Article 39 Plan” – see the description of the Chairman's compensation policy above and section 6.6.1.3.g of the 2021 Universal Registration Document), subject to the same terms and conditions as the other plan members. Mr. Andriès was originally a beneficiary of this plan in his former capacity as a Company employee. This plan is now closed to new entrants and the benefit entitlements have been frozen, including for the Chief Executive Officer.

However, he could still be eligible for the pension entitlement that he had accrued under the plan until December 31, 2016, provided the applicable terms and conditions are met (see the description of the Chairman's compensation policy above and section 6.6.1.3.g of the 2021 Universal Registration Document). These terms and conditions notably include seniority, which accounts for an additional 15.9% of the reference compensation.

For information purposes, the estimated theoretical amount⁽¹⁾ at December 31, 2021 of the annuity that could be paid to the Chief Executive Officer under the frozen Article 39 plan is provided above in the section on the resolutions submitted to the Meeting (presentation of the 9th resolution) and in section 6.6.2.2.g of the 2021 Universal Registration Document.

j) Personal risk insurance plan

The Chief Executive Officer is a beneficiary of the personal risk insurance plan set up in France for all Group managerial-grade staff, subject to the same terms and conditions as the other plan members.

The contributions to this plan are based on the compensation subject to social security contributions that the Chief Executive Officer receives for his role as Chief Executive Officer.

k) Indemnities or benefits payable to the Chief Executive Officer for termination of office, change in duties or non-compete agreements

The Chief Executive Officer is not eligible for any indemnities or benefits if his office is terminated or if there is a change in his duties. Similarly, he is not entitled to any non-compete indemnity.

This approach is consistent with Safran's policy, described below, of suspending, rather than terminating, the employment contracts of any Group senior managers who are appointed as corporate officers of the Company, and is aimed at avoiding any potential cumulation of corporate officers' benefits and benefits attributable under employment contracts.

l) Suspension of the Chief Executive Officer's employment contract and related entitlements

Safran's policy is to suspend, rather than terminate, employment contracts when senior managers are appointed as corporate officers because, depending on their age and length of service with the Group, terminating their employment contract could deter them from moving into top executive positions on account of the rights they could lose upon such termination. This policy is aimed at favoring internal promotion of talent wherever possible, which enables Safran to propose corporate officer positions to its senior managers who have the highest level of *savoir-faire*, share and relay the Group's culture and values, and have in-depth knowledge of its markets. The objective of suspending, rather than terminating, employment contracts is not to avoid the AFEP-MEDEF Code's recommendations and guidelines relating to Chief Executive Officers (notably concerning corporate officers' departures), since reactivating an employment contract at the end of a corporate officer's term of office does not release him or her from the regulatory framework applicable to such officers.

The Chief Executive Officer has a permanent employment contract with Safran SA, which has been suspended but not terminated (see sections 6.4 and 6.6.2.3 of the 2021 Universal Registration Document). In accordance with the collective bargaining agreement applicable to Safran (engineers and managerial-grade employees in the metallurgy industry), the rights attached to a suspended employment contract may include benefits or indemnities provided for under French labor law. Consequently, when the Chief Executive Officer ceases to hold his corporate office and his employment contract resumes:

- On his retirement date, he may be eligible for a retirement bonus. This retirement bonus would be calculated based on (i) his seniority within the Company (taking into account the years during which his employment contract was suspended when he was a corporate officer), and (ii) his annual compensation (based on a reference salary corresponding to the salary he was earning when his employment contract was suspended), adjusted based on a percentage corresponding to the average of the individual salary increases applied at Safran SA during the contract suspension period.

(1) Calculated based on the assumption that the annuity would be received as from January 1, 2022, irrespective of the eligibility conditions.

- If the employment contract is terminated by Safran SA, the Chief Executive Officer may be entitled to a termination benefit and a six-month notice period. This termination benefit would be calculated based on (i) his seniority within the Company (taking into account the years during which his employment contract was suspended when he was a corporate officer), and (ii) his compensation (based on a reference salary corresponding to the salary he was earning when his employment contract was suspended), adjusted based on a percentage corresponding to the average of the individual salary increases applied at Safran SA during the contract suspension period.

m) Exceptional circumstances or events

If any significant exceptional circumstances or events occur, i.e., circumstances or events that are out of the ordinary or beyond the Company's control, whose effects are not taken into account or reflected in the original metrics, criteria or benchmarks or those on which the current compensation policy concerning annual variable compensation and long-term incentive bonuses is based, the Board of Directors may decide, on the recommendation of the Appointments and Compensation Committee, to adapt and adjust these metrics, criteria or benchmarks, notably by raising or lowering the performance targets, to take the impact of these circumstances or events into account. However, any caps on this type of compensation expressed in terms of a percentage of the Chief Executive Officer's fixed compensation may not be altered.

If any adjustments are made as a result of exceptional events or circumstances:

- the Board of Directors will ensure that these adjustments (i) are designed to restore, to a reasonable extent, the original balance or objective, as adjusted for the expected impact of the event over the period concerned and (ii) maintain alignment with the Company's interests, strategy and outlook;
- the adjustments and the reasons therefor will be disclosed in a press release.

n) Adaptation of the compensation policy for the Chief Executive Officer in the event of a new Chief Executive being appointed or the duties of an existing Chief Executive Officer ceasing during the year

If a new Chief Executive Officer is appointed or the duties of an existing Chief Executive Officer cease during the course of a year, the above principles will apply on a proportionate basis for the period during which he performs his duties.

In the case of a new appointment, these principles will be applied by taking as the reference point the annual fixed compensation decided by the Board of Directors when the new Chief Executive Officer is appointed.

However, if an appointment takes place during the second half of the year, the assessment of the Chief Executive Officer's performance for the purpose of calculating his annual variable compensation will be carried out by the Board of Directors on a discretionary basis, on the recommendation of the Appointments and Compensation Committee. The rationale underpinning the determination of the performance criteria achievement rate would be disclosed in a press release.

Concerning long-term incentive plans (which take the form of performance share grants), the plan rules provide for a limited number of exceptions to the continuing service condition, as stated above, notably the possibility for the Board of Directors to grant exemptions from the continuing service condition. Accordingly, the Board may decide that on the expiration of the Chief Executive Officer's term of office, he may retain all or some of his entitlement to the long-term incentive plan benefits he has accrued, based on terms and conditions set by the Board. The rationale underpinning this decision, as well as the decision about what happens to the vested rights under the plan, would be disclosed in a press release.

o) Adaptation of the policy for Deputy Chief Executive Officers

If the Company appoints any Deputy Chief Executive Officers, the compensation structure, principles and criteria provided for in the compensation policy for the Chief Executive Officer would apply to them. The Board of Directors would then adapt this policy in line with the specific situation of the Deputy Chief Executive Officer concerned in order to set the objectives, performance levels, indicators, and structure of their compensation packages and the maximum that their variable compensation may represent as a proportion of their annual fixed compensation (it being specified that this proportion and the amount of their annual fixed compensation may not be higher than those set for the Chief Executive Officer).

Compensation policy for Directors

The content of the compensation policy for Directors for 2022 is unchanged from that approved at the May 26, 2021 Annual General Meeting. However, the Board of Directors has decided that, at the next Annual General Meeting, it will recommend that the shareholders raise the Aggregate Compensation to be allocated among the Directors. This Aggregate Compensation is set as provided for in French company law and the principles thereof are described in this section on the Directors' compensation policy. In accordance with the law, any increase in Directors' compensation has to be voted on by the shareholders in a specific resolution at the Annual General Meeting, which must be separate from and not connected with the vote on the compensation policy for Directors. This vote will be put to the shareholders in the 11th resolution of the Annual General Meeting to be held on May 25, 2022 (see above in the section on the resolutions submitted to the Meeting and section 8.2.1.6 of the 2021 Universal Registration Document).

a) Principles

Article 17 of the Company's bylaws provides for compensation to be paid to the Directors.

In accordance with the law, the shareholders in a General Meeting set the aggregate annual amount of compensation that may be allocated to the Directors as consideration for their duties (the "Aggregate Compensation"). The Aggregate Compensation is set by way of a resolution put to the shareholders' vote. The Aggregate Compensation approved by the shareholders remains unchanged and applies for each successive fiscal year until decided otherwise by way of a new resolution adopted by the shareholders at a General Meeting.

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Compensation policy for corporate officers – 2022

The rules for allocating the Aggregate Compensation (the “Allocation Rules”) are set by the Board of Directors and are also submitted to shareholders via the vote to approve the Directors’ compensation policy.

The Allocation Rules take into account Directors’ actual attendance at meetings of the Board and its Committees, and therefore include a significant variable portion. The amount of compensation paid to each Director must be adapted to their specific level of responsibility and the time they devote to their duties.

The Aggregate Compensation is allocated between the Directors by the Board, by applying the Allocation Rules, resulting in the individual amounts provided for in accordance with said rules.

The individual amounts paid to each Director are set out in the corporate governance report (see section 6.6.3.1 of the 2021 Universal Registration Document).

The Chairman of the Board of Directors and the Chief Executive Officer do not receive any compensation amounts out of the Aggregate Compensation, as stipulated in their compensation policies since 2019 (see sections 6.6.1.2 and 6.6.1.3 of the 2018 Registration Document, sections 6.6.1.3 and 6.6.1.4 of the 2019 and 2020 Universal Registration Documents and sections 6.6.1.3.c and 6.6.1.4.g of the 2021 Universal Registration Document).

In accordance with the applicable regulations, the Directors’ compensation allocated to the representative of the French State and the Director put forward by the French State are paid to the French Treasury when those Directors act in the capacity of public agents.

The cases in which the payment of compensation to Directors must be suspended are also set out in the applicable regulations.

b) Allocation Rules

In accordance with the Allocation Rules set by the Board of Directors⁽¹⁾, the Aggregate Compensation is allocated as follows (which may not necessarily represent the full amount of the Aggregate Compensation):

- The representative of the French State appointed pursuant to Article 4 of *ordonnance* 2014-948 dated August 20, 2014 and the Director(s) appointed pursuant to Article 6 of said *ordonnance* do not directly receive Directors’ compensation when they act in the capacity of public agents. Instead, their portion of the Aggregate Compensation is paid directly by the Company to the French Treasury. For compensation allocated to Directors appointed pursuant to Article 6 of said *ordonnance* who are not public agents, the same applies to any amount that exceeds the cap set in the ministerial decree of December 18, 2014 implementing section V of Article 6 of said *ordonnance*.
- Irrespective of whether or not the role of Chairman of the Board of Directors is separate from that of Chief Executive Officer, the Chairman and the Chief Executive Officer (if he is a Director) are not entitled to Directors’ compensation and are not included in the allocation of compensation carried out by the Board in accordance with the Allocation Rules.
- For membership of the Board of Directors:
 - Annual fixed compensation:**
 - Each Director (excluding the Chairman and the Chief Executive Officer if he is a Director) and any Board Advisors (*censeurs*) is entitled to annual fixed compensation whose amount is set by the Board of Directors.
 - If a new Director is appointed (or elected) during a given year, or if a directorship ceases during a given year, this annual fixed compensation is calculated proportionately based on the number of Board meetings held during the year.
 - Variable compensation per Board meeting:**
 - Each Director (excluding the Chairman and the Chief Executive Officer if he is a Director) and any Board Advisors (*censeurs*) is entitled to variable compensation for each Board meeting he or she attends, the amount of which is set by the Board of Directors.
- For membership of the Board Committees – Variable compensation per Committee meeting:
 - Each Director (including the Chair(s) of temporary committees, but excluding the Chairman and the Chief Executive Officer if he is a Director) is entitled to variable compensation for each meeting he or she attends of any Committee(s) of which he or she is a member (or each meeting of any temporary committee that he or she chairs). The amount of this variable compensation is set by the Board of Directors.
 - Each Chair of a standing Board committee (excluding, where applicable, the Chairman and the Chief Executive Officer if he is a Director) is entitled to a higher amount of variable compensation for each standing Committee meeting that he or she chairs. The amount of this variable compensation is set by the Board of Directors.
- Additional compensation for geographical distance:
 - Directors residing outside Metropolitan France are entitled to an additional amount of variable compensation per Board and Committee meeting that he or she physically attends. The amount of this additional variable compensation is set by the Board of Directors.
- Cap and potential adjustment:
 - A maximum annual gross amount of Directors’ compensation is set per Director by the Board of Directors. If the application of the Allocation Rules leads to an individual annual gross amount of Directors’ compensation exceeding this cap, the individual allocation of the Director(s) concerned will be reduced to this cap, before any adjustment is made.
 - If the application of the Allocation Rules leads to a total amount of compensation to be allocated that is higher than the Aggregate Compensation set by the shareholders, said total amount will be decreased by reducing, on an equal proportionate basis, each individual allocation (rounded down to the nearest euro where necessary), such that the total amount allocated is equal to the Aggregate Compensation.

(1) Rules set on February 26, 2018 and applicable as from 2018.

- Each year, the Board of Directors places on record the overall and individual allocation of the Directors' compensation resulting from the application of the Allocation Rules. Where appropriate, the Board may decide to allocate any residual unallocated amount corresponding to the difference between the Aggregate Compensation set by the shareholders and the total allocated amount resulting from the application of the Allocation Rules.

c) Reimbursement of expenses

Each member of the Board of Directors is entitled to be reimbursed for travel expenses incurred in connection with their directorship, subject to providing the appropriate receipts.

d) Specific or one-off assignments

Directors may be allocated additional compensation if they carry out specific assignments, such as, by way of illustration, those performed by the Vice-Chairman or the Lead Independent Director. In such a case, the Board may decide to set specific amounts for this purpose that will be taken into account when applying the Allocation Rules for the Aggregate Compensation.

Directors may also be paid additional compensation for any one-off assignments they may carry out, in which case the payment of this additional compensation will be subject to the procedure applicable to related-party agreements.

e) Additional information

For information purposes, it is hereby disclosed that:

- The amount of the Aggregate Compensation to be allocated among the Directors, as approved by the shareholders at the 2020 Annual General Meeting, is €1,100,000. At its February 24, 2022 meeting, the Board of Directors decided that, at the next Annual General Meeting, it would recommend that the shareholders raise the Aggregate Compensation to €1,300,000. This proposed increase has to be voted on by the shareholders in a specific resolution at the Annual General Meeting, which must be separate from and not connected with the vote on the compensation policy for Directors. This vote will be put to the shareholders in the 11th resolution of the Annual General Meeting to be held on May 25, 2022 (see above and section 8.2.1.6 of the 2021 Universal Registration Document). The increase is intended to enable Safran to offer its Directors average compensation that is more in line with the practices of comparable French companies and therefore to continue to attract Board members of the highest quality. It would also take into greater account the Directors' commitment and involvement in the Board's work, which justify a fair level of compensation.
- The total amount of the allocations made to each Director may not exceed the maximum authorized amount of the Aggregate Compensation in effect, as set by the shareholders at the Annual General Meeting.
- The following table shows the amounts of fixed and variable compensation allocated to Directors based on attendance at Board and/or Committee meetings in accordance with the Allocation Rules set by the Board of Directors. These Allocation Rules have been used since 2020 and are unchanged compared with the rules referred to in the compensation policy for Directors approved at the 2020 and 2021 Annual General Meetings.

Amounts set for the purpose of applying the Allocation Rules:	Applicable since 2020 and remaining applicable for subsequent years (in €)
Annual fixed compensation per Director (full-year basis) (excluding the Chairman and the Chief Executive Officer)	11,000
For attendance at Board meetings:	
<ul style="list-style-type: none"> Variable compensation per Board meeting for the Directors (no Directors' compensation for the Chairman and the Chief Executive Officer) 	5,000
For attendance at meetings of the standing Board Committees and special temporary committees:	
<ul style="list-style-type: none"> Variable compensation per meeting for the Chairs of the standing Committees Variable compensation per meeting for Committee members (including for the Chairs of special temporary committees) 	9,000 5,000
Additional compensation for geographical distance, based on physical attendance per Board and/or committee meeting	
<ul style="list-style-type: none"> Cross-Atlantic travel or equivalent Travel from a European country 	+3,500 +1,250
Annual cap on individual Directors' compensation paid out of the Aggregate Compensation	130,000
Annual cap on the Aggregate Compensation* approved at the AGM for all the Directors	1,300,000*

* Provided that the shareholders vote to raise the Aggregate Compensation to €1,300,000 (1st resolution of the May 25, 2022 Annual General Meeting).

- If there are any major changes in the membership structure and work of the Board or the Board Committees or if their Chair changes during a given year, or if any significant exceptional circumstances or events occur, the Board may adjust these amounts accordingly, provided the weighting of the variable portion of Directors' compensation still represents the majority of the individual amounts allocated. In all circumstances, any such adjustments may not result in the total final allocation exceeding the amount of the Aggregate Compensation in effect at the time the adjustment(s) are made.

The table summarizing the Directors' compensation paid or payable to members of the Board of Directors for 2020 and 2021 is provided in section 6.6.3.1 of the 2021 Universal Registration Document.

SUMMARY TABLES SHOWING THE INDIVIDUAL COMPENSATION AND BENEFITS OF THE CORPORATE OFFICERS – 2021

Summary of the corporate officers' compensation for 2021

Summary tables showing the individual compensation and benefits of the Chairman of the Board of Directors

SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES GRANTED IN 2021 TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

Summary of compensation, stock options and performance shares granted	2020	2021
Compensation allocated for the year	€499,917.74 ⁽¹⁾	€455,713.46
Value of multi-year variable compensation allocated during the year	N/A	N/A
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A
TOTAL	€499,917.74	€455,713.46

(1) Including €43,752.56 corresponding to the Additional Payment under the Article 82 defined contribution plan (see section 6.6.2.1.d of the 2021 Universal Registration Document).

SUMMARY TABLE OF INDIVIDUAL COMPENSATION AND BENEFITS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Summary of compensation (gross)	2020		2021	
	Amounts allocated for the year	Amounts paid during the year	Amounts allocated for the year	Amounts paid during the year
Fixed compensation	€450,000	€450,000	€450,000	€450,000
Annual variable compensation	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Benefits-in-kind ⁽¹⁾	€6,155.18	€6,155.18	€5,713.46	€5,713.46
Additional Payment provided for under a defined contribution supplementary pension plan ⁽²⁾	€43,752.56	€43,752.56	0	0
Other	N/A	N/A	N/A	N/A
TOTAL	€499,917.74	€499,917.74	€455,713.46	€455,713.46

(1) Company car.

(2) Corresponding to the Additional Payment in 2020 under the Article 82 defined contribution plan, enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.1.d of the 2021 Universal Registration Document). As provided for in the Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document), employer contributions to the Group's defined contribution supplementary pension plans (including the Article 82 Plan) were frozen for 2021. Consequently, no contributions were paid to those plans for the Chairman for 2021. These payments have been reactivated for 2022 for all beneficiaries, including the Chairman.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Summary tables showing the individual compensation and benefits of the corporate officers – 2021

Summary tables showing the individual compensation and benefits of the Chief Executive Officer

SUMMARY TABLE OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES GRANTED IN 2021 TO THE CHIEF EXECUTIVE OFFICER

Summary of compensation, stock options and performance shares granted	2020 ⁽¹⁾	2021
Compensation allocated for the year	N/A	€1,824,100.61
Value of multi-year variable compensation allocated during the year	N/A	N/A
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year ⁽²⁾	N/A	€959,963.76
TOTAL	N/A	€2,784,064.37

(1) Olivier Andriès had an employment contract with Safran prior to his appointment as Chief Executive Officer on January 1, 2021.

(2) The value of the performance shares is estimated at the grant date in accordance with IFRS 2 (see section 3.1, Note 3.r of the 2021 Universal Registration Document) and does not correspond to compensation received by the beneficiary during the year.

SUMMARY TABLE OF COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

Summary of compensation (gross)	2020		2021	
	Amounts allocated for the year	Amounts paid during the year	Amounts allocated for the year	Amounts paid during the year
Fixed compensation	N/A	N/A	€800,000	€800,000
Annual variable compensation	N/A	N/A	€1,002,222	€263,004 ⁽¹⁾
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' compensation	N/A	N/A	N/A	N/A
Benefits-in-kind ⁽²⁾	N/A	N/A	€21,878.61	€21,878.61
Additional Payment provided for under a defined contribution supplementary pension plan ⁽³⁾	N/A	N/A	0	0
TOTAL	N/A	N/A	€1,824,100.61	€1,084,882.61

(1) Under the employment contract he held prior to becoming Chief Executive Officer on January 1, 2021.

(2) Company car and specific travel expenses.

(3) Corresponding to the Additional Payment under the Article 82 defined contribution plan, enabling payment of the tax due under this plan, which is taxed upfront (see section 6.6.2.2.g of the 2021 Universal Registration Document). As provided for in the Activity Transformation Agreement (see section 5.4.2.2 of the 2021 Universal Registration Document), employer contributions to the Group's defined contribution supplementary pension plans (including the Article 82 Plan) were frozen for 2021. Consequently no contributions were paid to those plans for the Chief Executive Officer for 2021. These payments have been reactivated for 2022 for all beneficiaries, including the Chief Executive Officer.

SUMMARY TABLE OF PERFORMANCE SHARES GRANTED DURING 2021 TO THE CHIEF EXECUTIVE OFFICER

	Plan date	Number of shares		Vesting date	End of lock-up period	Performance conditions
		granted	Value of shares			
Olivier Andriès	Board meeting of March 24, 2021	14,466	€959,963.76	March 25, 2024	March 27, 2025	All the shares are subject to the performance conditions described in section 6.6.2.2.d of the 2021 Universal Registration Document.

PERFORMANCE SHARES DELIVERED TO THE CHIEF EXECUTIVE OFFICER IN 2021

Performance shares delivered to the Chief Executive Officer in 2021	Plan date	Total number of shares delivered
Olivier Andriès	Board meeting of July 24, 2018	5,498 ⁽¹⁾

For the determination of the achievement rate of the 2018 Long-Term Incentive Plan, see section 6.6.4.3 of the 2020 Universal Registration Document.

(1) Granted to Olivier Andriès, in his capacity as a salaried employee and member of the Executive Committee, prior to his appointment as Chief Executive Officer.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Summary tables showing the individual compensation and benefits of the corporate officers – 2021

PERFORMANCE SHARES DELIVERED TO THE CHIEF EXECUTIVE OFFICER SINCE JANUARY 1, 2022

Performance shares delivered to the Chief Executive Officer since January 1, 2022	Plan date	Total number of shares delivered
Olivier Andriès	Board meeting of March 27, 2019	1,007 ⁽¹⁾
<p>The conditions (lowest achievement level, target achievement level, highest achievement level) of the 2019 Long-Term Incentive Plan are presented in section 6.6.4.2 of the 2019 Universal Registration Document.</p> <p>The overall achievement rate for the Plan's performance conditions for the Chief Executive Officer and the members of the Executive Committee was 17.08%⁽²⁾.</p>		

(1) Granted to Olivier Andriès, in his capacity as a salaried employee and member of the Executive Committee, prior to his appointment as Chief Executive Officer.

(2) The achievement rates for the performance conditions are provided in section 6.6.4.2.4 of the 2021 Universal Registration Document.

SUMMARY TABLE OF PERFORMANCE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER (IN VESTING PERIOD AT DECEMBER 31, 2021)

Grantee	Plan date	Total number of shares granted (currently in the vesting period)
Olivier Andriès	Board meeting of March 27, 2019	1,007 ⁽¹⁾⁽²⁾
Olivier Andriès	Board meeting of March 26, 2020	5,900 ⁽¹⁾
Olivier Andriès	Board meeting of March 24, 2021	14,466
TOTAL		21,373

(1) Granted to Olivier Andriès before he was appointed as Chief Executive Officer.

(2) Number of shares initially granted: 5,900 (see section 6.6.4.2.4 of the 2021 Universal Registration Document).

SUMMARY TABLE OF STOCK OPTIONS GRANTED IN 2021 TO THE CHIEF EXECUTIVE OFFICER

None

SUMMARY TABLE OF STOCK OPTIONS EXERCISED IN 2021 BY THE CHIEF EXECUTIVE OFFICER

None

SUMMARY TABLE OF EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION PLANS AND TERMINATION BENEFITS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

Name	Position	Employment contract	Supplementary pension plan	Indemnities or benefits payable for termination of office, change in duties, or non-compete agreements
Ross McInnes	Chairman of the Board of Directors	No ⁽¹⁾	Yes ⁽³⁾	No ⁽⁴⁾
Olivier Andriès	Chief Executive Officer as from January 1, 2021	Yes, suspended ⁽²⁾	Yes ⁽³⁾	No ⁽⁴⁾

(1) Employment contract suspended from April 21, 2011 until May 23, 2019 and terminated on May 23, 2019, when the Chairman's term of office was renewed (see section 6.6.2.1.e of the 2021 Universal Registration Document).

(2) Employment contract suspended since January 1, 2021, the date on which he took up office as Chief Executive Officer (see sections 6.6.2.2.i and 6.4 of the 2021 Universal Registration Document).

(3) No specific pension plans have been set up for the Chairman of the Board of Directors or the Chief Executive Officer. The Chairman and the Chief Executive Officer are beneficiaries under the Article 82 and PERO (former Article 83) defined contribution supplementary pension plans set up for the Group's managerial-grade staff, subject to the same terms and conditions as the other plan members. They remain potential beneficiaries of the defined benefit supplementary pension plan (Article 39 plan) which has now been closed and whose benefit entitlements were frozen at December 31, 2016 (see sections 6.6.2.1.d and 6.6.2.2.g of the 2021 Universal Registration Document).

(4) See sections 6.6.2.1.e, 6.6.2.2.h and 6.6.2.2.i of the 2021 Universal Registration Document.

COMPENSATION POLICY AND COMPENSATION PACKAGES FOR CORPORATE OFFICERS

Summary tables showing the individual compensation and benefits of the corporate officers - 2021

SAFRAN IN 2021

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

■ Safran's business model is anchored on solid foundations and strong leadership positions. Safran is rebounding from the Covid-19 crisis with strong profitable growth at the forefront of sustainable aviation. The Board of Directors is fully aware of the strategic importance of the climate challenge, and will be working with the Director responsible for monitoring climate issues to ensure the Group achieves its climate roadmap. ■■

ROSS McINNES

Chairman of the Board of Directors

2021 was an important year for Safran, marked by significant operational and financial progress.

As the market recovers from its low point in the first quarter, Safran delivered solid margin and cash performances in 2021, exceeding the forecasts made one year previously. We generated robust commercial orders across our businesses and gained traction from Rafale export programs.

Our performance in 2021 reflects a transition year before the anticipated recovery in 2022. The ongoing implementation of our adaptation plan has enabled the Group to mitigate the economic impact of the crisis and lower our breakeven point by optimizing our industrial footprint, adjusting our workforce, reducing our operating costs and controlling our investments. The crisis has not stopped us planning for, and investing strongly in, the future to maintain our position as a benchmark in our markets.

In the short term, our main challenge will be to increase production rates in line with the return to growth in air traffic, against a backdrop of tensions in the supply chain and the job market and shortages of certain components and raw materials.

After adjusting our workforce for more than a year, recruitment picked up strongly from the third quarter of 2021. We recruited a total of 8,000 people in 2021, notably internationally, and we plan to recruit 12,000 people per year over the next few years, including around 3,000 in France – which will support considerable growth in our workforce.

Another, longer-term challenge is the decarbonization of aviation, to which we are firmly committed,

with two main axes. The first relates to technologies for achieving the industry's collective goal of carbon neutrality by 2050. Our roadmap is clear. Work is progressing on ultra-optimized propulsion for future engine generations through our RISE technology program, which is targeting a more than 20% reduction in engine emissions by 2035 compared to today's most efficient engines, and will be compatible with 100% sustainable aviation fuel and hydrogen.

The second axis relates to the low-carbon project launched in late 2018, targeting CO₂ emissions reduction at our production sites. Here too, we have set the ambitious target of a 30% reduction by 2025 and 50% by 2030, in line with the 1.5°C trajectory.



“The strong commitment of our employees from the outset of the Covid-19 crisis has enabled Safran to demonstrate agility, resilience and discipline. The Group will leverage its operational excellence, notably through accelerated digitalization and a leaner organization, to deliver increased profitability and manage the forthcoming ramp-up in OE build rates and services. We are stepping up investments to reach the goal of carbon neutrality by 2050.”

OLIVIER ANDRIÈS

Chief Executive Officer

Safran is well placed to benefit from the positive trends in both aftermarket and original equipment as narrowbody traffic returns, we expect, to pre-crisis levels by the end of 2022. On that basis, Safran has published financial objectives for 2022 that reflect our confidence in a strong recovery and show very significant increases in all our business and investment indicators. We also intend to continue reinvesting capital from divested activities into complementary bolt-on acquisitions with growth potential.

The financial objectives do not take into account the impacts of the Russo-Ukrainian conflict, which are under review. The recent sanctions decided against Russia by the US and European authorities apply to all aerospace activities and products. In compliance with these decisions, Safran has suspended all exports and product and service deliveries to Russia and halted its manufacturing joint ventures' operations in the country until further notice.

With geopolitical tension accentuating the importance of self-reliance, Safran will strive to strengthen and protect our sovereign technologies in defense and space, and with our strategic suppliers.

From a longer-term perspective, Safran is well positioned to meet accelerating trends in the aerospace industry thanks to its global leadership positions, unique technology portfolio, operational excellence, strong employee engagement and solid financials.

We would like to thank you for your trust.

Regards,

**Ross McInnes
and Olivier Andriès**



● 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 in addition to its consolidated financial statements.

Readers are reminded that Safran:

- is the result of the May 11, 2005 merger of Sagem and Snecma, 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 IFRS 9 applicable to transactions not qualifying for hedge accounting (see section 3.1, Note 3.f of the 2021 Universal Registration Document).

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 remeasured at the time of the Sagem-Snecma merger. With effect from the first-half 2010 interim financial statements, the Group decided to restate:
 - the impact of purchase price allocations for business combinations, particularly amortization and depreciation charged against intangible assets and property, plant and equipment recognized or remeasured at the time of the transaction and amortized or depreciated over extended periods due to the length of the Group's business cycles, and the impact of remeasuring inventories, as well as
 - gains on remeasuring any previously held equity interests in the event of step acquisitions or asset contributions to joint ventures;
- 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 instruments hedging future cash flows are neutralized.

The resulting changes in deferred tax have also been adjusted.

Recurring operating income

In order to better reflect recurring economic performance, the recurring operating income subtotal excludes income and expenses that are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations, gains on remeasuring previously held equity interests in entities in which the Group has acquired a controlling interest, and other unusual and/or material non-operating items.

2021 BUSINESS REVIEW

(adjusted data)

Adjusted income statement (in Euro million)	FY 2020	FY 2021	% change
Revenue	16,498	15,257	(7.5)%
Recurring operating income	1,686	1,805	7.1%
% of revenue	10.2%	11.8%	1.6pt
Profit for the period attributable to owners of the parent	844	760	(10.0)%
Earnings per share attributable to owners of parent (basic in €)	1.98*	1.78**	(10.1)%

* Based on the weighted average number of shares of 426,035,732 as of December 31, 2020.

** Based on the weighted average number of shares of 426,650,425 as of December 31, 2021.

Safran in 2021

The global narrowbody capacity in 2021 has been uneven across geographies but increased throughout the year. In 2021, narrowbody ASK were at 63% (on average) of 2019, with Q4 2021 at 75% of Q4 2019.

2021 revenue amounted to €15,257 million, (7.5)% compared to 2020, (5.4)% organic. Change in scope was €(27) million⁽¹⁾. Currency impact was €(316) million reflecting a negative translation impact of USD revenues, with an average €/ \$ spot rate of 1.18 in 2021 (1.14 in 2020). €/ \$ hedge rate was stable at 1.16. Q4 2021 sales increased by 6.9% at €4,647 million (5.3% in organic) compared to Q4 2020.

Segment breakdown of adjusted revenue (in Euro million)	FY 2020	FY 2021	% change	% change in scope	% change currency	% change organic
Propulsion	7,663	7,439	(2.9)%	-	(1.8)%	(1.1)%
Equipment & Defense	6,893	6,325	(8.2)%	-	(1.9)%	(6.3)%
Aircraft Interiors	1,922	1,475	(23.3)%	(1.4)%	(2.0)%	(19.9)%
Holding company & Others	20	18	n/s	n/s	n/s	n/s
TOTAL GROUP	16,498	15,257	(7.5)%	(0.2)%	(1.9)%	(5.4)%

Segment breakdown of recurring operating income (in Euro million)	FY 2020	FY 2021	% change
Propulsion	1,192	1,342	12.6%
■ % of revenue	15.6%	18.0%	
Equipment & Defense	687	650	(5.4)%
■ % of revenue	10.0%	10.3%	
Aircraft Interiors	(174)	(167)	4.0%
■ % of revenue	(9.1)%	(11.3)%	
Holding company & Others	(19)	(20)	n/s
TOTAL GROUP	1,686	1,805	7.1%
■ % of revenue	10.2%	11.8%	

On an organic basis, revenue decreased by (5.4)%:

- **Propulsion:** slight decrease in sales by (1.1)% mainly due to civil OE volumes (high thrust and CFM56 engines). In 2021, combined shipments of CFM engines reached 952 units (845 LEAP and 107 CFM56), compared with 972 in the prior year. Military engine deliveries were up driven by Rafale. Civil aftermarket increased by 7.1% (in USD) thanks to a higher contribution from services contracts and to a lesser extent from spare parts sales for CFM56. Helicopter turbine activities registered a low single digit growth thanks to services, despite lower OE (Arrius and Makila families). Q4-21 sales increased by 13.7% due to civil aftermarket revenue, up 54% compared to Q4 2020 and up 32% compared to Q3 2021 (as a reminder civil aftermarket: (53)% in Q1-21, +55% in Q2-21, +44% in Q3-21);

(1) Divestment of EVAC in June 2021 and Safran Ventilation Systems Oklahoma (Enviro Systems) in November 2021.

- **Equipment & Defense** continued to suffer from a low level of activity in the widebody market, and notably on the 787 program. Revenue decreased by (6.3)% due to lower OE volumes for wiring, power distribution and landing gear activities. Sales for nacelles were flat thanks to LEAP-1A powered A320neo and despite A380 and A320ceo programs ending. Services slightly increased notably driven by landing gears and wheels and brakes. Q4-21 sales slightly decreased by (0.3)% compared to Q4 2020 mainly due to wiring activities and despite an increase in Defense (inertial navigation systems);
- **Aircraft Interiors** revenue dropped by (19.9)% impacted by Seats and Cabin activities both from OE and services. Positive contribution from IFE activities (mainly OE, including retrofit) in H2 2021 with a resumption of deliveries which were halted in preceding periods. Q4-21 sales decreased by (9.3)% compared to Q4 2020 due to Cabin activities whereas Seats held up better.

2021 recurring operating income reached €1,805 million, +7.1% compared to 2020 (+8.4% organic) driven by continued operational improvements and contained R&D expenses. It includes scope changes of €(7) million and a currency impact of €(16) million. Recurring operating margin improved by 160bps at 11.8% of sales (10.2% in 2020):

- Propulsion recurring operating margin increased by 2.4pts driven by civil aftermarket and military OE positive contributions. Profitability was impacted by lower CFM56 deliveries. Helicopter turbine activities had a stable contribution compared to 2020;
- Equipment & Defense recurring operating margin increased by 0.3pt due to operational improvements and growth in services and despite exposure to widebody programs, especially in landing gears, wiring and power businesses;
- Aircraft Interiors: a significant drop in revenue due to exposure to widebody programs led to a decrease of (2.2)pts in recurring operating margin despite continued operational improvements. Seats and IFE activities improved. Recurring operating loss in H2 halved compared to H1 confirming that the upswing is on track to target breakeven in 2022.

Adjusted net income – Group share was €760 million in 2021 (basic EPS of €1.78 and diluted EPS of €1.73) compared with €844 million in 2020 (Basic EPS of €1.98 and diluted EPS of €1.92). It includes:

- Net adjusted financial expense of €(204) million, including USD exchange revaluation of positions in the balance sheet of €(105) million and cost of debt of €(85) million;
- An adjusted tax expense of €(412) million (34.4% apparent tax rate, notably due to the impact of equity accounted joint ventures and tax on capital gains).

The reconciliation between the 2021 consolidated income statement and the 2021 adjusted income statement is provided in section 2.1 of Safran's 2021 Universal Registration Document.

Free cash flow of €1,680 million was driven by cash from operations of €2,186 million, a positive change in working capital and a lower capital expenditure (tangibles and intangibles) at €(756) million (€(793) million in 2020).

The favorable working capital evolution during the year (€250 million) has been driven by lower inventories, higher deferred income and significant customer advance payments.

Net debt was €1,544 million as of December 31, 2021 (€2,792 million as of December 31, 2020), as a result of free cash flow generation.

At the end of December 2021, cash and cash equivalent stood at €5,247 million, up from €3,747 million at the end of December 2020. In 2021, Safran continued to diversify, optimize and lengthen its debt maturity profile with several new transactions.

Adaptation plan

During 2021, Safran continued to improve its cost structure and to invest for the upcoming rise in production rate.

Human resources adaptation:

- Headcount (excluding temps) decreased by c.2,000 compared to 2020. Hiring restarted end of Q3 to prepare growth plans;
- Decreasing rate of short time working: 7% in France and c.5% worldwide on average;
- New agreement signed with French unions in October 2021: preservation of skills and jobs, headcount growth, wage increase in 2022 reflecting inflation. In 2022, the employee contribution will take the form of a reduction of the profit-sharing and the freeze of top-up contribution to invested employee savings. This agreement takes also into account a "Clawback clause" taking effect that some or all of the specified measures may be adjusted in 2022, depending on how the Group's recurring operating margin develops between 2021 and 2022.

Industrial footprint rationalization:

- Site closures at Aircraft Interiors (Bellingham and Ontario (US)) and Electrical & Power (Santa Rosa (US));
- Industrial plan optimization (Electrical & Power and Nacelles).

Cost savings level in line with FY 2020 achievements:

- OPEX down (27)% in 2021 versus 2019 & down (2)% versus 2020;
- CAPEX outflow slightly down due to the swift decrease of CAPEX commitments in 2020;
- R&D (as a % of sales) kept under control.

Research & Development

Total R&D, including R&D sold to customers, reached €1,430 million, compared with €1,213 million in 2020. R&D expenses before tax credit were up 6.9% at €924 million in 2021 including:

- Development expenses at €532 million (€526 million in 2020) driven by LEAP and helicopter engines;
- Research & Technology (R&T) self-funded expenses at €392 million (€338 million in 2020) increase +16%, focused on decarbonization (RISE program). R&T spending increase in 2021 has been supported by public funding.

The impact on recurring operating income of expensed R&D was €678 million, down (0.2) point of margin compared to 2020, due to lower amortization and depreciation related to R&D programs. It was 4.4% of sales, consistent with the mid-term target of 4.5% on average for 2021-2025.

Currency hedges

The hedge book amounted \$31.4 billion in January 2022. Safran started to hedge 2025 while lowering the risk of knock-out. The book is composed of options with knock-out barriers spanning from 1.2350 to 1.31, representing a risk on the size of the book and on targeted rates in case of a sudden increase of the euro.

2022 is hedged: targeted hedge rate of \$1.15, for an estimated net exposure of \$9.0 billion.

2023 and 2024 are hedged: targeted hedge rate from \$1.14-1.16, for a respective estimated net exposure of \$10.0 billion and \$11.0 billion.

2025 is partially hedged: targeted hedge rate from \$1.14-1.16; \$1.4 billion hedged out of an estimated net exposure of \$12.0 billion.

Portfolio management

As announced during the Capital Markets Day 2021, Safran is actively managing its asset portfolio.

The Group divested several businesses deemed non-core:

- Safran EVAC (vacuum toilet systems for railways), closed in June 2021;
- Safran Ventilation Systems Oklahoma (Enviro Systems), closed in November 2021;
- Safran Aerosystems Arresting Systems (closing expected in Q3 2022).

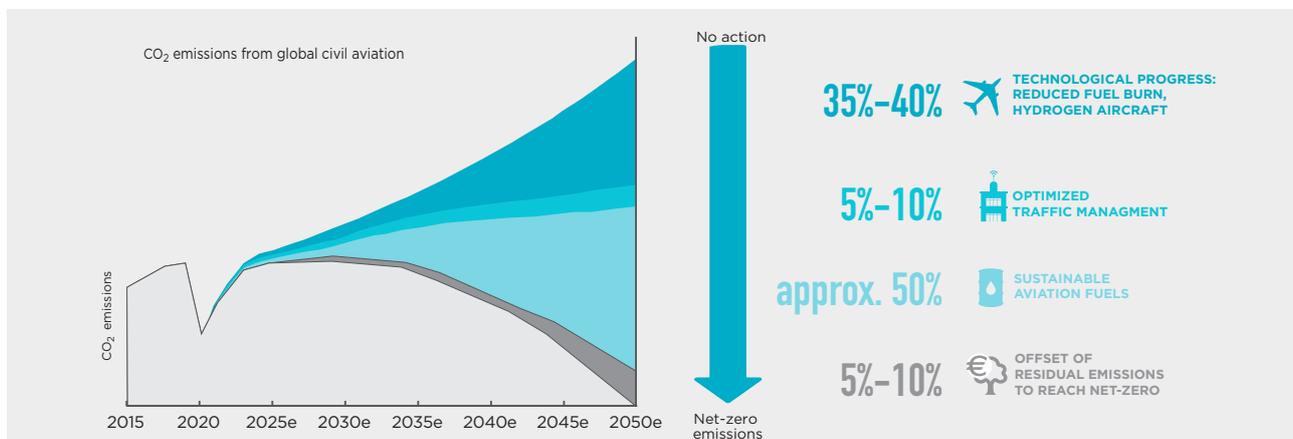
Safran announced several bolt-on acquisitions:

- Orolia, a world leader in Resilient Positioning, Navigation and Timing (PNT), strengthening Safran's capabilities in all aspects of PNT, inertial navigation, time and GNSS receivers and simulators, covering aerospace, governmental and high integrity applications (closing expected in Q2-Q3 2022);
- Safran and MBDA to own 63% of Cilas, a laser specialist (closing expected in Q2 2022);
- The signature of a MoU for the acquisition of Aubert & Duval in a consortium with Airbus and Tikehau Ace Capital, a strategic supplier of titanium, high performance steel and aluminum forgings (closing expected in Q4 2022).

SAFRAN'S CLIMATE STRATEGY

Safran's climate strategy addresses the challenge of climate change to offer customers innovative solutions at a competitive cost. With its position in most aircraft-system segments, and all energy systems in particular, the Group spearheads the technological response to the decarbonization of the aviation sector.

AN AMBITIOUS COMMITMENT FOR THE AVIATION SECTOR



Civil aircraft in operation accounted for 2.5% of total CO₂ emissions from human activities in 2019⁽¹⁾, plus additional climate change impacts from emissions other than CO₂⁽²⁾. Because of the significant expansion expected in air transport in the long term, the necessary transition to sustainable aviation is an absolute priority for Safran.

(1) Data from the International Energy Agency (IAE), the International Council on Clean Transportation (ICCT), including global emissions relating to land-use changes.
 (2) These effects concern NO_x and particulate emissions in particular, as well as contrails.

Climate change: risks and opportunities

Climate change poses two types of risk for Safran's businesses:

- physical risks concerning the impact of weather and climate phenomena on the Group's business; and
- transition risks resulting from decarbonization trends in the economy and the aviation sector.

On the other hand, the transition to low-carbon aviation calls for innovation in more efficient, more lightweight products, which presents opportunities for Safran.

Low-carbon aviation by 2035, towards net-zero emissions by 2050

In 2008, the aviation sector made a voluntary commitment to halve global CO₂ emissions by 2050 compared to 2005, which represents a 90% reduction in average emissions per passenger kilometer across the worldwide fleet, taking into account the expected growth in air traffic over the period. In October 2021, Safran joined the Air Transport Action Group (ATAG) in committing to a goal of net-zero carbon emissions by 2050 for the aviation industry. Ambitious and feasible, the new commitment seeks to contribute to worldwide efforts to comply with the Paris

Agreement and limit mean surface temperature warming to below 2°C, and preferably 1.5°C, by the end of the century. Industry-wide commitment will be essential, and disruptive innovations will be needed as early as the 2030s.

Governance adapted to challenges

In view of the challenges that climate change raises for Safran, the Group tightened its governance on the issue in 2021, with the Innovation, Technology & Climate Committee now responsible for overseeing the climate change strategy and action plan.

Safran intends to lead the way in the decarbonization of the aviation sector, through a climate strategy with two focuses:

- reducing emissions from its operations;
- reducing emissions from the use of its products, its essential mission.

Ambitious decarbonization objectives

2018 greenhouse gas emissions (reference year), in kt CO ₂ eq. ⁽¹⁾	Objectives
Scopes 1 & 2*	approx. 30% reduction by 2025 and 50% reduction by 2030 vs. 2018, in line with a 1.5°C scenario
Scope 3** Use of products sold	approx. 42.5% reduction in Scope 3 emissions from product use per passenger kilometer by 2035 vs. 2018***, i.e., an average of 2.5% per year 75% of R&T focused on the environmental performance of products
Scope 3** Purchases of goods and services	approx. 5,000 Mobilize our 400 main suppliers on meeting the commitments under the Paris Agreement (emissions trajectory compatible with keeping global warming below 2°C, or even 1.5°C)
Scope 3** Business travel and employee commuting	approx. 200 50% reduction by 2030 vs. 2018, in line with a 1.5°C scenario

* Direct (Scope 1) and indirect (Scope 2) emissions related to energy consumption from Safran's operations.

** Indirect emissions.

*** Scope 3 emissions (product use): 7.8 g CO₂/passenger kilometer in 2018.

Objectives aligned with the Paris Agreement

Safran set its objectives based on methodologies issued by SBTi⁽²⁾. In 2022, the Group will strive to have its objectives certified as being aligned with the Paris Agreement goals.

Reduction in CO₂ emissions from operations

To reduce emissions from its facilities and its energy consumption (Scopes 1 and 2), Safran is leveraging a number of drivers, including:

- reduction in sites' energy consumption, with a Group-wide energy management system, investments in energy efficiency, and definition of energy performance standards for new buildings;
- heat production from renewable sources such as biomass, urban heating networks and geothermal energy;
- on-site electricity production and self-consumption: solar photovoltaic production facilities were installed in 2021 (Sydney and Massy sites), with projects underway at various other sites;
- supply from low-carbon energy sources (solar energy contract for power supplies to all Group sites in Mexico and wind power supply contract in the United Kingdom).

By the end of 2021, 30% of the program of actions needed for reaching the 2025 objective had been achieved (measured as quantity of greenhouse gas emissions to be reduced).

As well as tackling emissions from its own sites, in 2021 Safran prepared a roadmap to reduce indirect emissions from its operations (Scope 3).

In particular, Safran will bring suppliers on board with a decarbonization process similar to the one adopted at its own sites, and aims to mobilize its 400 main suppliers on meeting the commitments under the Paris Agreement by 2025. Safran is working to improve the determination of emissions from its purchases and to set supplier CO₂ maturity requirements accordingly. The internal carbon price, already used for investment evaluation purposes, is also a criterion in supplier selection.

Sustainable fuels for engine testing

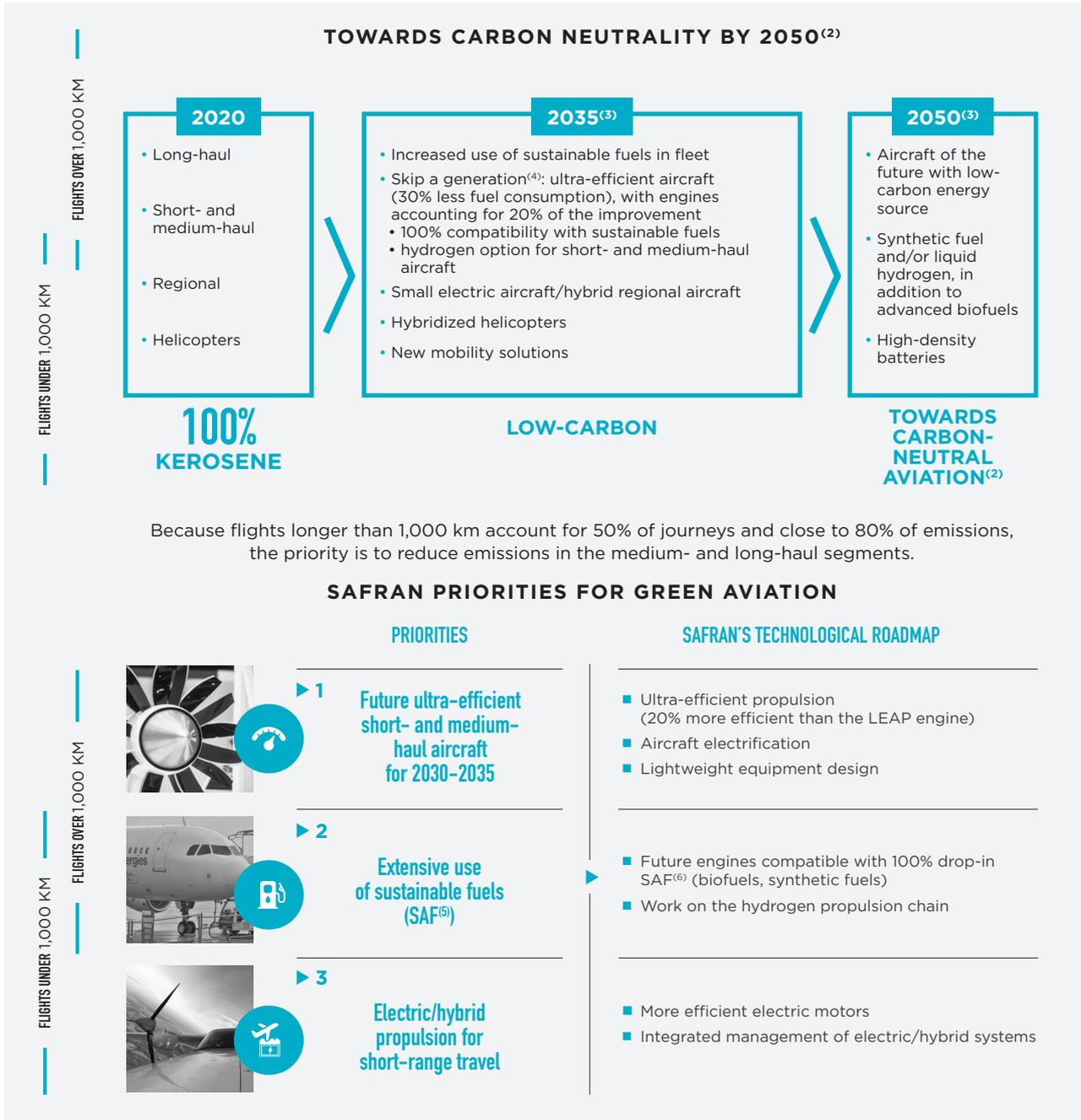
In 2021, Safran reached its goal of ensuring that 10% of fuels used in aircraft and helicopter engine approval tests are sustainable. The advanced biofuels used bring an 80% reduction in emissions compared to fossil fuels. The incorporation rate will reach 35% by 2025.

(1) Audited data. See sections 5.3.3.2, 5.3.3.3 and 5.3.3.4 of the 2021 Universal Registration Document.

(2) Science-Based Targets initiative.

Reduction in CO₂ emissions from products

Safran considers that its primary challenge is to reduce CO₂ emissions arising from the use of its products (referred to as Scope 3 indirect emissions in the GHG Protocol⁽¹⁾). For that reason, the Group dedicates 75% of its R&T efforts to improving the environmental performance of its products.



(1) Greenhouse Gas Protocol.
 (2) In-flight greenhouse gas emissions and emissions/capture related to fuel production and residual emissions offset by carbon sinks close to zero by 2050.
 (3) Target date for aircraft in service.
 (4) "Skip a generation": new aircraft release bringing twice the usual next-generation gain (15%).
 (5) Sustainable aviation fuel.
 (6) Drop-in fuels are fuels that can replace all or some of conventional kerosene without any operational impact, i.e., without requiring modification to infrastructures (at airports, for example) or to aircraft or engines, whether existing or under development.

1 - Contributing to the development of a new generation of ultra-efficient engines compatible with carbon neutrality

Accelerating the transition to carbon neutrality means “skipping a generation” in efficiency terms and going much further than the 10% to 15% improvement in fuel consumption usually achieved with each new generation of aircraft compared to the previous one. In June 2021, **Safran and its partner GE Aviation unveiled the Revolutionary Innovation for Sustainable Engines (RISE)** technology development program, paving the way for the next generation of engines for short- to medium-haul aircraft. **Working towards carbon neutrality by 2050, Safran is aiming for a 20% reduction in fuel consumption compared with the LEAP engine** (which is 15% more efficient than the CFM56) through a range of advanced technologies (materials, hybridization and open rotor architecture), **as well as an engine that is 100% compatible with sustainable fuel or hydrogen**. Safran is also helping to improve the efficiency of future aircraft through its equipment, cabin interiors and seats businesses. Lighter cabins made using new materials and optimized electrical systems are key to making progress in these areas.

A public commitment on the development of sustainable aviation fuels

In 2021, Safran supported initiatives to promote the development of sustainable fuels with public authorities, in France and at European level in particular, by advocating a 10% incorporation requirement by 2030 under the “Fit for 55” legislative package.

2 - Sustainable fuels: an important solution in the short term

As a supplier of engines and fuel system equipment, **Safran is working on lifting the technical obstacles to enable 100% incorporation of drop-in sustainable fuel** with forthcoming engine generations, and to cross the 50% threshold on present-day engines. This primarily involves evaluating the behavior of certain fuel-circuit equipment and ensuring optimum combustion performance. In 2021, Safran participated in several burn tests using 100% sustainable aviation fuels (H225 helicopter with the Makila 2 engine, A319neo with the LEAP-1A engine as part of the VOLCAN project, commercial flight of a Boeing 737 MAX equipped with LEAP-1B engines), and entered into a partnership with TotalEnergies to optimize the energy and environmental efficiency of future sustainable fuels. Besides the aircraft themselves, sustainable fuel development (currently three times more expensive than kerosene) requires public policies to boost investment in the production processes. **Safran supports technological innovation upstream in the fuel industry**, and early 2022 invested in the German start-up Ineratec, which develops reactors to produce synthetic fuels. Safran is also working on hydrogen technologies for 2035 for short- and medium-haul and smaller aircraft, in particular by harnessing the expertise available within the ArianeGroup. The hydrogen option is more ambitious in relation to CO₂ emissions reduction, and requires disruptive innovations in storage (in the form of liquid hydrogen) and the fuel circuit.



3 - Electric and hybrid propulsion: a solution for short distances

The short- and medium-term outlook for developments in battery energy density means electric and highly hybrid propulsion will be limited to short-distance flights in low-capacity aircraft: training aircraft, small shuttles, regional aircraft (in the medium term), and new VTOL⁽¹⁾ or STOL⁽²⁾ aircraft for urban or suburban transport. Hybrid propulsion for future aircraft and helicopters will contribute to meeting the highly ambitious objectives on reducing fuel consumption. **Safran holds a leading position in all-electric and hybrid architectures, developing a range of electric-system products** (engines, turbogenerators and energy management systems) and working with innovative companies on batteries. The Group also conducts research on fuel cell technologies. In particular, Safran is part of the EcoPulse project with Daher and Airbus, which aims to develop a distributed hybrid-propulsion demonstrator, with a maiden flight slated for 2022.

(1) Vertical Take-Off and Landing aircraft.

(2) Short Take-Off and Landing aircraft.

REQUEST ADDITIONAL DOCUMENTS AND INFORMATION

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

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 25, 2022

Request to be sent to:

BNP Paribas Securities Services

CTS Émetteurs Assemblées
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex

or to the following email address:
paris.bp2s.gis.assemblees@bnpparibas.com

I, the undersigned,

Last name, first name (or corporate name):

Address:

Email: @

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 25, 2022.

Signed in:, on: 2022

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 support our sustainable development efforts by signing up for the e-notice of meeting for subsequent meetings

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 25, 2022), all you need to do is:

- fill out the reply slip below (also available on www.safran-group.com) by clearly writing your last name, first 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> by **3.00 p.m. (CET) on May 24, 2022.**



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 correspondence 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 25, 2022.**

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: 2022

Signature:

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