

CORPORATE OFFICER COMPENSATION (2022-2023)

Acting on the recommendation of the Appointments and Compensation Committee, on February 16, 2023 the Board of Directors reviewed and set certain components of the compensation packages and policies applicable to Safran's corporate officers.

1. Annual variable compensation set for the Chief Executive Officer for 2022

The Board of Directors set the amount of the annual variable compensation to be awarded for 2022 to Safran's Chief Executive Officer, Olivier Andriès, based on the terms and conditions of the compensation policy approved by the shareholders at the 2022 Annual General Meeting.

Based on the achievement levels of the applicable financial and individual objectives, the amount of Olivier Andriès' annual variable compensation for 2022 totals €1,072,671, representing 134% of his annual fixed compensation. Its payment will be subject to shareholders' approval at the 2023 Annual General Meeting.

This amount reflects:

- 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:
 - recurring operating income (ROI) (60% weighting): 103% achievement;
 - free cash flow (FCF) (30% weighting): 130% achievement;
 - working capital, comprising the following components:
 - operating assets (Inventories) (5% weighting): 74% achievement, and
 - unpaid receivables (5% weighting): 92% achievement.
- An overall achievement rate of 124.25% for the portion related to individual quantitative and qualitative performance objectives (accounting for one-third of the variable compensation).

The table below summarizes the main rules applicable to the Chief Executive Officer's variable compensation for 2022 as well as the underlying performance objectives, the achievement rates and the related amounts:

2022 annual variable compensation for the Chief Executive Officer – Olivier Andriès – Results (payment subject to shareholders' approval at the 2023 Annual General Meeting):

The compensation policy applicable to the Chief Executive Officer provides that his "target" variable compensation – i.e., the amount payable if the achievement rate is 100% for all of the financial and individual performance objectives – corresponds to 120% of his annual fixed compensation (the "Target").

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").

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

Objectives	Weighting	Achievement rate*	Comments**
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Financial performance objectives (quantitative financial objectives) (adjusted data)		Accounting for 2/3 of the CEO's annual variable compensation (67%)		
1	Recurring operating income (ROI)	60%	62.1%	<u>Objectives met or exceeded (overperformance)</u> <ul style="list-style-type: none"> ROI (after deducting the value-sharing bonus) was €2,442 million, in line with the 2022 budget. FCF (after deducting the value-sharing bonus) was €2,699 million, ahead of the 2022 budget. The favorable change in working capital during the year (€729 million) was driven by higher inventories, more than offset by higher deferred income and significant customer advance payments.
2	Free cash flow (FCF)	30%	39%	
3	Working capital, comprising the following components:	10%		
	- Operating assets (Inventories)	5%	3.7%	
	- Unpaid receivables (late customer payments)	5%	4.6%	
Sub-total (base: 100%)		100%	109%	(Potential range: 0% to 130%)
Amount (in €)			€688,000	Representing 129% of 2/3 of the CEO's reference fixed compensation of €800,000

Individual objectives (qualitative and quantitative individual performance objectives)**		Accounting for 1/3 of the CEO's annual variable compensation (33%)		
1	Relations with aircraft manufacturers and key partners (qualitative) <ul style="list-style-type: none"> Commercial and strategic campaigns 	20%	26%	<u>Objective exceeded (outperformance)</u> <ul style="list-style-type: none"> The outperformance reflects the commercial campaigns – identified during the year as strategic – that were secured and won, in particular due to the major work done with our partner in the CFM joint venture, as well as to relations with aircraft manufacturers and airlines. For confidentiality reasons, the details of these campaigns are not disclosed.
2	LEAP aftermarket activities (qualitative and quantitative) <ul style="list-style-type: none"> Management of LEAP engine service contracts and maintenance costs and related action plans 	20%	24%	<u>Objective exceeded (outperformance)</u> <ul style="list-style-type: none"> The action plans for the long-term development of the CFM and LEAP aftermarket were presented, together with their implementation. For confidentiality reasons, the details of these action plans are not disclosed.
3	Portfolio review (qualitative and quantitative) <ul style="list-style-type: none"> As announced at Safran's 2021 Capital Markets Day, active management of the Group's asset portfolio Related steps, progress and achievements (quantitative) 	10%	13%	<u>Objective exceeded (outperformance)</u> <ul style="list-style-type: none"> The objective was assessed as having been met, based on the proceeds from the selective divestment program. The objective was assessed as having been exceeded, based on the deployment and implementation of a restructuring plan for a strategic activity in 2022.
4	Digital/Cybersecurity (qualitative and quantitative) <ul style="list-style-type: none"> Setting up a "Digital Academy" focused on digital transformation Advancing on the development, organization and location of centers of excellence Pushing ahead with the Cyber plan 	15%	19.5%	<u>Objective exceeded (outperformance)</u> <ul style="list-style-type: none"> The Digital Academy was successfully created and launched in 2022, with a new fun learning platform and new Jump In modules (etc.). A ramp-up plan for offshore Digital/IT skills was developed, with a quick start-up and very strong adoption, including two centers opened and 200 people recruited (etc.). Implementation of the Cybersecurity plan continued apace, with new cyber protection measures for equipment and

				networks, thereby enhancing the level of security in 2022. A plan to strengthen the Active Directory (AD) was completed, with the architecture validated by the French cybersecurity agency ANSSI.
5	<p>CSR & human capital (qualitative and quantitative)</p> <ul style="list-style-type: none"> • Security: Frequency rate of occupational accidents and of lost-time accidents maintained at the same level, amid the ramp-up in business • Diversity & gender equality: Objectives linked to increasing the number of women among senior executives and within the Group Executive Committee and companies' management committees – Launch of an inclusion/diversity barometer and related action plan • Human capital: Initiatives to develop Safran talent and executives over the long term • Climate – Low-carbon: <ul style="list-style-type: none"> ▪ Extending the “Scopes 1 & 2” action plan to include the newly announced long-term objective of reducing emissions by 50% by 2030 (compared to 2018) ▪ Rolling out the energy management system ▪ Launching a Scope 3 plan for “Purchases”, targeting Safran’s main suppliers ▪ Setting an objective for reducing Scope 3 emissions from “Product Use” and achieving SBTi certification 	35%	41.75%	<p><u>Objectives met or exceeded (outperformance)</u></p> <ul style="list-style-type: none"> • Safety: the reduction in the frequency rate of occupational accidents at end-2022 compared to 2021 was the result of ongoing efforts to improve HSE performance. In addition, the frequency rate of lost-time accidents was maintained at the same level, in the context of the ramp-up in activity. • Diversity and gender equality: there are four women on the Group Executive Committee and one additional woman on the companies’ management committees, and 17% of senior executives are women versus 15% in 2021: objectives met; an inclusion/diversity barometer was launched and its results were communicated; an inclusion/diversity roadmap was validated. • Human capital: talent development pathways were accelerated (nearly half of the most senior positions were renewed). • Climate – Low-carbon: <ul style="list-style-type: none"> ▪ A macro study of the main levers for achieving the 50% reduction by 2030 was conducted; the objective was rolled out within the Group; and additional decarbonization actions that will put the Group well on track to meeting the 2025 objective and contribute to achieving the 2030 objective were identified. An Energy Sobriety Plan was developed, including actions scheduled between 2025 and 2030. ▪ The 2022 energy management system was launched at Group company level; site audits were structured and launched; 80% of the 169 sites concerned obtained Bronze status at end-December. ▪ A supplier decarbonization plan was launched in 2022, with an 83.5% supplier questionnaire response rate. ▪ The objective of a 42.5% reduction per passenger kilometer in Scope 3 emissions from “Product Use” was set and validated; SBTi certification was obtained on January 12, 2023, with the nuance of expressing the objective in terms of emissions per seat kilometer (capacity) rather than per passenger kilometer (passenger traffic).
Sub-total (base: 100%)		120%	124.25%	(Potential range: 0% to 130%)
Amount (in €)			€384,671	Representing 144% of 1/3 of the CEO’s reference fixed compensation of €800,000
TOTAL (in €)			€1,072,671	Representing 134% of the CEO’s reference fixed compensation of €800,000

* Corresponding to the relevant weighting multiplied by the achievement rate of the objective. For example, where an objective with a 30% weighting is 130% achieved (therefore corresponding to outperformance), the overall achievement rate is 39% (i.e., 30 x 130%).

** The precise content of each of the individual objectives and the achievement rates for the quantitative objectives were precisely pre-determined and defined, but cannot be disclosed in further detail for confidentiality reasons in view of their strategic and competitive sensitivity.

2. Fixed compensation set for the Chief Executive Officer for 2023

For 2023, the fixed compensation for the Chief Executive Officer has been increased from €800,000 to €840,000 i.e. an increase of 5%, consistent with the budget allocated of 5% in 2023 to salary increases for the Safran Group's top managers in France. This is the first increase since his appointment in 2021 and, in any case, since 2018 for the position of Chief Executive Officer. In 2022, a comparative study conducted by an independent third-party firm underlined that the remuneration of the Chief Executive Officer could be set at a significantly higher level. This increase should therefore constitute a first step.

This evolution will be included in the remuneration policy for the Chief Executive Officer, which will be submitted to the General Meeting of 25 May 2023 for approval.

3. Annual variable compensation set for the Chief Executive Officer

As from 2023, the variable compensation of the Chief Executive Officer will be set in accordance with the terms of the applicable compensation policy approved by the Annual General Meeting, with the exception of a change in the weighting of the financial performance objective linked to free cash flow, which is reduced from 30% to 25%, and the financial performance objective linked to working capital, which is increased from 10% to 15%. It will be determined as follows:

- Two-thirds will be contingent on the following quantitative financial performance objectives:
 - recurring operating income (ROI) (60% weighting);
 - free cash flow (FCF) (25% weighting); and
 - working capital (15% weighting), comprising operating assets (Inventories) and unpaid receivables.

The rest of the variable compensation policy remains unchanged, in particular as regards the overall weighting of the financial performance objectives (two-thirds), the triggering thresholds and the calculation methods.

- One-third will be contingent on quantitative and qualitative individual objectives set by the Board of Directors for 2023 (see table below).

The table below summarizes the main rules applicable to the Chief Executive Officer's annual variable compensation for 2023 as well as the underlying performance objectives and their respective weightings:

2023 annual variable compensation for the Chief Executive Officer – Olivier Andriès (payment subject to shareholders' approval at the 2024 Annual General Meeting):

The proposed compensation policy for the Chief Executive Officer (see below) provides that 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").
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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").

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| <ul style="list-style-type: none">▪ Target amount: €1,008,000, i.e., 120% of his fixed compensation if the achievement rate for all of the objectives is 100%▪ Maximum amount: €1,260,000, i.e., 150% of his fixed compensation if the achievement rate for all of the objectives is 130% |
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2023 financial performance objectives (quantitative financial objectives)* (adjusted data)		Weighting
Accounting for 2/3 of the CEO's annual variable compensation (67%)		
1	Recurring operating income (ROI)	60%
2	Free cash flow (FCF)	25%
3	Working capital, comprising the following components:	15%
	- Operating assets (Inventories)	10%
	- Unpaid receivables (late customer payments)	5%
Sub-total (base: 100%)		100%

2023 individual objectives (qualitative and quantitative individual performance objectives)*		Weighting
Accounting for 1/3 of the CEO's annual variable compensation (33%)		
1	Technological transition (qualitative and quantitative)	20%
2	Technological and industrial evolution of Seats and Cabin businesses (qualitative and quantitative)	15%
3	Expand and strengthen strategic partnerships in civil and military aeronautic (qualitative)	20%
4	Digital/Cybersecurity (qualitative and quantitative) <ul style="list-style-type: none"> ▪ Pursuing the Cyber plan ▪ Deploying the “Digital Academy” focused on digital transformation ▪ Drafting the High Performance Computing (HPC) 4.0 roadmap ▪ Pursuing the international expansion of digital centers of excellence 	10%
5	CSR & human capital (qualitative and quantitative) <ul style="list-style-type: none"> ▪ Security: Frequency rate of lost-time accidents maintained at the same level, amid the ramp-up in business ▪ Diversity & gender equality: Objectives linked to increasing the number of women among senior executives and within the Group Executive Committee and companies’ management committees – Implementation of the inclusion/diversity roadmap ▪ Human capital: Initiatives to develop Safran talent and executives over the long term ▪ Climate – Low-carbon: <ul style="list-style-type: none"> ▪ Ensure the rise in maturity of the energy management system, with the aim of all sites achieving Silver status (analysis of the main sources of consumption and energy performance, robust energy saving action plan) ▪ Implementing the Energy Sobriety Plan in Europe ▪ Taking ongoing steps to achieve the action plan to reduce CO₂ emissions by 30% by 2025 (compared to 2018), with 75% of the actions completed, the remaining 25% on track, and sufficient margins identified to deal with contingencies ▪ Establishing an action plan for each key company to achieve a 50% reduction in emissions by 2030 (compared to 2018) and integrating financing of the plans into the Group’s medium-term plan ▪ Mobilizing the main suppliers to increase their maturity on decarbonization, with the objective of conducting a carbon assessment for the 400 main suppliers 	35%
Sub-total (base: 100%)		100%

* The content of the individual qualitative objectives and the expected achievement rates for the quantitative objectives have been precisely pre-determined and defined, but cannot be disclosed in further detail for confidentiality reasons in view of their strategic and competitive sensitivity.

4. 2023 Long-Term Incentive Plan (performance share grants) for the Chief Executive Officer

The 2023 Long-Term Incentive Plan for the Chief Executive Officer will be presented at the end of the Board of Directors' meeting scheduled for March 2023.

5. 2023 compensation policies for corporate officers

These compensation policies will be submitted for shareholders' approval at the 2023 Annual General Meeting.

Compensation policy for the Chairman

The Board of Directors has decided that the compensation policy for the Chairman approved by the shareholders at the Annual General Meeting of May 25, 2022 will continue to apply in 2023, without any changes.

Compensation policy for the Chief Executive Officer

a. Fixed compensation for the Chief Executive Officer

The compensation policy for the Chief Executive Officer provides that, as from 2023, the Board of Directors may regularly review his fixed compensation, provided that any change is moderate and determined in line with changes in the fixed compensation of other Safran Group senior executives in France.

Moreover, it is reminded that the compensation policy for the Chief Executive Officer provides that his fixed 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 may result from the absence of previous revisions). Any adjustments made to his annual fixed compensation as a result of these specific circumstances, as well as the reasons for such adjustments, would be publicly disclosed.

b. Variable compensation for the Chief Executive Officer

The Board of Directors has decided to make a change to the variable compensation policy for the Chief Executive Officer. The weighting of the free cash flow objective has been reduced from 30% to 25% and the weighting of the working capital objective has been increased from 10% to 15%, with a 10% weighting now applying to Inventories. The rest of the variable compensation policy remains unchanged, in particular as regards the overall weighting of the financial performance objectives (two-thirds), the triggering thresholds and the calculation methods.

Should any subsequent adjustments to the compensation policies be deemed useful or necessary, they will be subject to a decision-making process prior to the notice of the 2023 Annual General Meeting, with all necessary and appropriate disclosures.

All matters pertaining to corporate governance and components of compensation awarded to Safran's corporate officers are set out in detail in the Universal Registration Documents.