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# Conflicts of Interest Charter

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## I. FOREWORD

*Our business enables us to play a vital role in ensuring the security and safety of people, companies and countries. This entails vast responsibilities of which we must never lose sight. This is primarily a question of ethics, which we consider a cardinal virtue. It is also about our competitiveness and the sustainability of our businesses, at a time when governments are paying more and more attention to trade compliance and due diligence.*

*Safran is committed to conducting its business with honesty and integrity in compliance with the laws of all the countries in which Safran operates.*

*As part of our efforts to protect Safran's reputation and to ensure we are acting in the best interest of the Group, we must avoid both actual and apparent conflicts of interest at all times. If we cannot avoid a conflict of interest, we must make it known to our supervisor.*

*It is important to systematically disclose any situation involving a conflict of interest in order to ensure that actions are taken to protect Safran's interests while also ensuring that confidentiality and privacy protections are maintained.*

*Transparency is essential in this matter.*

**Stéphane DUBOIS**  
**SVP Human Resources Group**

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## II. IDENTIFYING CONFLICTS OF INTEREST & DEFINITIONS

As set out in Safran's Code of Conduct for Detecting and Preventing Acts of Corruption, a conflict of interest exists when "an individual or legal entity – administration, enterprise, media or association – must choose between respecting its professional duties and its private interests."

For example, a conflict of interest occurs when the personal interest of an employee conflicts with the Group's interests. Personal interests may be direct or indirect, economic, financial, political or professional.

This could be the case if an employee has a friend or family member with private interests related to the Group's business, or in the case of activities outside the Group, with a customer or supplier.

It is important that each decision and associated action are based on Safran's interest, and not on personal interests. However, if employee Safran Person finds him or herself in a situation presenting a conflict of interest, he/she should immediately inform the respective supervisor.

### 1. Identifying a Conflict of Interest

A "**Conflict of Interest**" arises when:

- ✓ a Safran Person has some power to control the assets and/or the conduct of business of Safran and/or has knowledge of certain Safran confidential information; and
  - ✓ such Safran Person finds himself/herself in a situation where the exercise of such power and/or the use of such confidential information may be beneficial or detrimental to his/her own personal interests and/or the interests of a Related Person.
- **An Actual Conflict of Interest** is often considered to be situational in nature; the employee faces a real and existing Conflict of Interest.

Examples:

- ✓ Serving on the board or similar governing body of a competitor of Safran;
  - ✓ Hiring or supervising a Related Person;
  - ✓ Using assets of Safran for private benefit;
  - ✓ A Safran Person takes business opportunities, to which Safran is entitled, for himself/herself;
  - ✓ Purchasing assets or services on behalf of Safran from a supplier owned by a Related Person;
  - ✓ Close personal relationships influencing the decision of a Safran Person in a bidding process;
- **A Potential Conflict of Interest** which does not exist yet, but may occur.

Examples:

- ✓ A Safran Person serves on the board or similar governing body of a company without any activities involving Safran. This may create a Conflict of Interest in the event Safran and such company anticipate doing business together;

- ✓ A Safran Person is the brother or sister of the CEO of an IT supplier of Safran. . This could become a Conflict of interest if the Safran Person would become responsible for the Company's procurement process;
- ✓ A Safran Person is a board member of an NGO. This could become a Conflict of Interest if the NGO were to file a complaint against Safran for environmental damages.

## 2. Definitions

Capitalized terms and phrases used in this Charter are:

**"Safran"** means Safran SA and its subsidiaries.

**"Safran Person"** means the individuals designed in Article 111.2 of this Charter.

**"CCEAF"** means The Compliance, Ethics and Anti-Fraud Committee is composed of permanent members who are the Corporate Secretary, the Chief Financial Officer, the Senior Executive Vice President, International and Public Affairs, the Executive Vice President, Human Resources, the Group General Counsel, the Senior Vice President Group Compliance Officer, the Chief Security and Fraud Officer, the Head of Audit and Internal Control and the Head of Group Internal Control.

**"Conflict of Interest"** has the meaning given to it in §II of this Charter.

**"Disclosure Statement"** has the meaning given to it in APPENDIX 1 of this Charter.

**"Related Person"** means, in relation with an Safran Person, (i) a family member; and/or (ii) a non-Safran legal entity in which the Safran Person is a shareholder holding more than 5% equity, a director, an officer or an employee; and/or (iii) a person or legal entity that has a common interest(s) (whether of a financial, business or non-profit nature) with the Safran Person and such Safran Person is aware of this community of interests.

### III. POLICY APPLICATION

#### 1. Scope

This Charter, as well as the Safran Ethical Guidelines (GRP-0079) and the Safran Corruption risks prevention and detection program (GRP-0301), apply to all companies belonging to the Safran group without limitation, including joint ventures of Safran, to the extent that the shareholder agreement does not prevent such enforcement.

For the avoidance of doubt, nothing in this Charter is intended to modify or replace the existing policies and procedures but rather to provide some elements of a value basis in the conduct of employees' professional activities.

#### 2. Safran Persons Concerned

Some employees may – considering their specific duties and scope of responsibilities – be confronted with conflict of interest situations that may put them in a most uncomfortable position and prevent them from performing their duties in Safran's best interests.

To avoid this situation, the following employees have to declare any conflicts of interest when they take the position (see certificate in APPENDIX 1), the first one having to be fulfilled immediately after this procedure is released:

- ✓ Safran SA executive committee members and their direct reports,
- ✓ All Safran SA department directors and their direct reports,
- ✓ All Safran companies' executive committee members and their direct reports,
- ✓ All Safran plant Management directors and their direct reports,
- ✓ All Safran purchasing department employees<sup>1</sup>.

Above mentioned employees must complete the attached declaration in APPENDIX 1. This document, completed and signed, will be sent to the Human Resources department of each Safran company (either on paper or with electronic signature). Whenever this document identifies a conflict of interest, the Safran Human Resources department will contact the employee and his/her manager to define the appropriate solution to the conflict of interest.

Safran's Human Resources department is responsible for the process and shall record the declarations.

Safran's Purchasing department is responsible for the process and shall record the declarations for all employees of the Safran Purchasing Departments.

The Safran Executive Vice President Human Resources and the Safran Vice President Purchasing will report once a year to the **CCEAF**.

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<sup>1</sup> For Safran purchasing departments employees: the declaration is signed every year according to the applicable process (GRP-0245).

#### **IV. DISCLOSING & MONITORING CONFLICTS OF INTEREST**

In addition to completing the above mentioned Disclosure Statement, any Safran Person confronted with an actual or potential Conflict of Interest must promptly disclose the existence and the nature of same by completing a new Disclosure Statement (APPENDIX 1) on the existence of such Conflict of Interest..

When it deems appropriate, a member of the CCEAF may require any Safran Person to complete, sign and return the Disclosure Statement on the existence or absence of Conflict of Interest.

Each Disclosure Statement must be returned by nominative mail to the Safran Executive Vice President Human Resources of the concerned Safran Company or the Safran Purchasing Department, as applicable.

##### **1. Prohibition to act in Conflict of Interest & Confidentiality**

- a) A conflicted Safran Person must refrain from acting or using his/her influence or Safran confidential information in relation with the Conflict of Interest in which he/she is involved.
- b) A Safran Person who finds himself/herself in a Conflict of Interest must abstain from acting or influencing any actions as well as from using any Safran confidential information in relation to such Conflict of Interest.
- c) Such prohibition applies when, without limitation, a conflicted Safran Person is present and/or participates to a vote at a board or steering committee meeting where a matter that is within the scope of his/her Conflict of Interest is raised. In such a situation, the conflicted Safran Person shall disclose his/her Conflict of Interest to the other members of the board or committee and excuse himself/herself from the meeting while the matter is debated and decided upon.

#### **V. VIOLATION OF CONFLICT OF INTEREST POLICY**

- a) A Safran Person failing to disclose timely and fully a Conflict of Interest shall be subject to disciplinary action as set out in the Code of Conduct for Detecting and Preventing Acts of Corruption and may be subject to civil or criminal legal action to the extent that his or her behavior is in contravention of applicable law.
- b) If a manager of a Safran Person has reasonable cause to believe that such Safran Person has failed to disclose a Conflict of Interest, the manager shall afford the Safran Person an opportunity to explain the alleged failure to disclose or the alleged wrongful act. Minutes of the discussion shall be signed by the Safran Person and his or her manager and communicated to the CCEAF.
- c) If after hearing the Safran Person response and after making further investigation as required by the circumstances, the manager or the CCEAF determines that the Safran Person has failed to disclose a Conflict of Interest or has wrongfully acted on a Conflict of Interest, the manager shall take appropriate disciplinary, corrective and/or legal action against the said Safran Person.

## APPENDIX 1 – CONFLICT OF INTEREST DISCLOSURE STATEMENT

| Last Name | First | Empl N° | Company | BU/Department |
|-----------|-------|---------|---------|---------------|
|           |       |         |         |               |

Position (Director / Officer / Employee)(\*): \_\_\_\_\_

*To help you understand and comply with your responsibilities as set forth in Safran Ethical Charter and to avoid actual or perceived conflicts of interest in relation with Safran suppliers / customers, please answer the following questions, sign and return the Disclosure Statement either to your manager/supervisor (on paper) who will transmit it to the Human Resources Department or by the electronic signature workflow. This Disclosure Statement will be maintained through the end of your employment.*

- |   |                                 |                                |
|---|---------------------------------|--------------------------------|
| 1- Are you, or is any Family Member, an employee, officer, or director of any corporation, organized for profit, that does or seeks to do business with Safran group or its subsidiaries and affiliates   | YES<br><input type="checkbox"/> | NO<br><input type="checkbox"/> |
| 2- Do you, or does any Related Person own, directly or indirectly, a substantial financial interest in any supplier/customer or prospective supplier/customers? A substantial financial interest is any interest that represents:<br>- At least 10% of a non-listed company<br>- At least 5% interest in a listed company | YES<br><input type="checkbox"/> | NO<br><input type="checkbox"/> |
| 3- Have you, directly or indirectly, received any compensation, commissions, fees, payments of any kind or anything of significant value from a supplier/customer or prospective supplier/customer during the last calendar year?   | YES<br><input type="checkbox"/> | NO<br><input type="checkbox"/> |
| 4- Have you directly or indirectly revealed Company proprietary matters to any unauthorized persons or have you used Company proprietary information in any way to promote your own business or personal interests or those of a Related Person?  | YES<br><input type="checkbox"/> | NO<br><input type="checkbox"/> |
| 5- Do you, or does any Related Person hold an official function with decision making authority or a political office?   | YES<br><input type="checkbox"/> | NO<br><input type="checkbox"/> |
| 6- Do you have any other interest or arrangement, which may violate the Safran Ethical Charter?   | YES<br><input type="checkbox"/> | NO<br><input type="checkbox"/> |
| 7- Are you aware of anything that may place you in a situation where you might violate the Safran Ethical Charter?  | YES<br><input type="checkbox"/> | NO<br><input type="checkbox"/> |

## Certification

I have read the Safran Ethical Charter, the GRP-0153<sup>2</sup>, as well as the Code of Conduct Detecting and Preventing Acts of Corruption<sup>3</sup> and understand my responsibilities with respect to those standards.

I have complied with these standards during the past year and I will continue to comply with these standards in the coming year. I will update this information if any situation or fact arises that would make my responses incomplete.

In making this certification, I consent to the information contained in it being available for inspection by my manager, the CCEAF or any person acting on behalf of the CCEAF.

Signature \_\_\_\_\_

Location: \_\_\_\_\_

Date \_\_\_\_\_

### **Note:**

In the case of a YES answer, manager/supervisor must sign and date above.

Explanations of a YES answer by employee or comments by the manager/supervisor may be written on back of form or by separate memo and must be signed, dated and sent to the Human Resources Department.

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<sup>2</sup> <https://onesafraan.collab.group.safraan/SAFR/Lists/ApplicableDocuments/000363.pdf>

<sup>3</sup> <https://insite.collab.group.Safraan/Group-wideFunctions/compliance/Documents/SAF-CODE%20DE%20CONDUITE%202019-FR-EN-ESP-CHN-270519.pdf>