

AGREEMENT ON THE SAFRAN EUROPEAN WORKS COUNCIL

By and between SAFRAN Company, being represented by Mr. Dominique-Jean CHERTIER, Deputy Vice-President, Social and Institutional Affairs, and by Ms. Dominique CASTERA, Vice-President, Human Resources,

On the one hand,

And the Special Negotiation Group, comprising the following representatives:

§ French delegation :

- for the CFDT Daniel RETAT
Marc AUBRY
- for the CFE-CGC Stéphane GARYGA
Gérard MARDINE
Daniel VERDY
- for the CFTC Dansou GBENOUVO
- for the CGT Pierre BARAUDON
Claude BERNARDI
- for the CGT-FO Patrick MALEYRIE

§ German delegation :

Heike CARLSSON (member of IG Metall)
Martin FREITAG (member of IG Metall)

§ English delegation :

- for UNITE Paul SMART
Ray SUTCLIFFE

§ Belgian delegation :

- for the FGTB/CMB Luis CASILLAS
- for the CNE/CSC Arlette PURAYE

§ Polish Delegation : Grzegorz SZPARA

§ Portuguese delegation :

- for SINDEL Ana Maria COSTA

§ Romanian delegation : Mihai LUNGU

On the other hand,

The following has been established and agreed:

PREAMBLE

The SAFRAN Group resulting from the merger between the SNECMA Group and SAGEM on May 11, 2005, caused a change to the perimeter of the Group requiring the set-up of Employee representative bodies at the European level, in order to ensure a balanced representation of all the business units.

The presence of the SAFRAN Group in many States, due to the development of its business activities and to the partnerships and co-operation programs it has built up in doing so, underlines its European focus.

The SAFRAN Group is a stakeholder in a leading European sector in propulsion, aeronautical equipment, Defense and Security equipment and telecommunications.

The Group wishes to assert its European ambitions, in particular by supporting dialogue between management and labor at the European level.

For this reason, with this agreement, the staff representatives who are members of the Special Negotiation Group and the SAFRAN Executive Management have set up a European Works Council, the purpose of which is to represent all the employees in the Group present in the European Economic Union.

CHAPTER I - SCOPE OF THE AGREEMENT

Pursuant to European Council Directive n°94/45/EC dated September 22, 1994, as transposed by the French law dated November 12, 1996, the perimeter of the SAFRAN European Works Council includes companies in the Group in which SAFRAN directly or indirectly holds more than 50% of the capital, and whose registered head offices are located in a Member State of the European Union.

It is hereby specified that the dominant company in the Group is SAFRAN, whose registered head office is located at 2 boulevard du Général Martial Valin, 75724 PARIS Cedex 15 - France.

The list of companies integrated into the scope of the agreement on the day of signature is included in the appendix (cf. Appendix 1).

The consequences of the changes in the perimeter of the companies in the Group or States within the European Union are covered in Chapter II – Section II - article 1 – 1.2.

CHAPTER II - COMPOSITION

Section I - Chair

The Chairperson of the SAFRAN Executive Board chairs the European Works Council. If the Chairperson cannot attend a meeting, he/she can be represented by the President delegated.

The Chairperson is assisted by staff selected by him/her (in particular members of the Executive Board, Branch Directors of the Group and the SAFRAN Director of Human Resources...) whose presence he/she considers to be necessary according to the agenda, and any manager in the Group retained for their expertise on any subject(s) included in the agenda.

Section II - Employee Representation

Article 1 - Rules for calculating the numbers of statutory members

1.1 - Calculation rules applicable to all the companies in the Group

The number of statutory employee representatives is calculated as follows:

Step 1

One statutory member per State in which the Group as defined in Chapter I of this agreement, has at least one plant.

Step 2

And "X" additional statutory members in proportion to the headcount present in each State according to the following distribution key:

1	20% of headcount
2	30% of headcount
3	40% of headcount
4	50% of headcount
5	60% of headcount
6	80% of headcount

Step 3

Provision is made for additional seats of statutory members, under the following conditions:

- For European delegations other than that of France: an additional seat is allocated to countries whose registered headcount is greater than 800 employees for 12 consecutive months.
If the headcount of the country falls under the threshold of 800 employees for 12 consecutive months, the additional representative loses their term of office ipso facto.
- For the French delegation: an additional seat is allocated to each representative trade-union organization at the level of the Group in France or at the national level according to the provisions in effect on the date of signature of the agreement (articles L 2121-1 and L 2122-1 of the French labor code), that has not obtained a seat, pursuant to the provisions described in article 2 – 1.2 – 1.2.2 of this section.
The present provisions cannot result in the attribution of more than two additional seats.
If several trade-union organizations satisfy the criteria defined above, the two additional seats are allocated to the trade-union organizations that have obtained the greatest number of elected representatives based on the results of labor elections as defined in article 2 – 1.2 – 1.2.2 of this section.

The concept of headcount covers employees registered in the headcount of companies included in the scope of the agreement (appendix 1).

1.2 - Changes during the term of office

1.2.1 - Changes to employee representation due to changes in the perimeter of the Group within the European Union:

- Any company which ceases to belong to the SAFRAN Group leaves the perimeter of the European Works Council as of the date of suspension of its membership and the representatives of the company concerned lose their term of office ipso facto.

- The following changes in the perimeter of the Group within the European Economic Union will incur an automatic change in the composition of the European Works Council defined according to the following conditions:

- Ø the integration of a new State covered by Directive 94-45/EC, provided that at least 100 employees are registered in the headcount of one of the companies in the State in question, for 12 consecutive months preceding the date of integration in the perimeter of the European Works Council: in this case, a statutory member can be appointed in accordance with the currently applicable local legislation.

An additional statutory member can be designated if the headcounts reach the threshold of 800 employees for 12 consecutive months prior to the date of integration in the perimeter of the European Works Council.

One or more other additional statutory members can be designated in proportion to the headcount present in each State according to the following distribution key:

1	20% of headcount
2	30% of headcount
3	40% of headcount
4	50% of headcount
5	60% of headcount
6	80% of headcount

or

- Ø integration in the SAFRAN Group of a company located in a State which is already a member of the European Economic Union on the date of signature of this agreement, but is not represented within the SAFRAN Group, provided that at least 100 employees are registered in the headcount of one of the companies of the State in question for 12 consecutive months preceding the date of integration in the perimeter of the SAFRAN Group. In this case, one or more seats will be allocated under the conditions defined in the above paragraph.

or

- Ø the adjustment in the representation of a State already represented, if the integration of a new company¹ or the increase in the headcount of one of the companies in the State means that the headcount falling within the perimeter of the European Works Council reaches the threshold of 800 employees for 12 consecutive months. In this case, in accordance with the provisions of article 1, 1.1 (Step 3) of this section an additional seat will be allocated to the State concerned. This representative will be appointed in accordance with the currently applicable local legislation.

The members of the European Works Council will be informed of any change in the composition of the European Works Council applicable under the conditions defined above.

- Any other change in the list of companies in appendix I of this agreement will be indicated by the management during the meeting of the European Works Council following the change.
- Furthermore, every four years, on expiry of the terms of office of the members of the European Works Council, a situation report will be made in order to update the scope of the agreement and integrate any new countries and/or companies.

1.2.2 - The loss of the elective or designative national term of office, as provided for by the applicable legislation and regulations in each State, incurs that of the European term of office. In this case, the methods for replacing representatives as defined in article 3 of this section shall apply.

¹ In the event of the integration of a new company, the threshold of 800 employees is calculated over the 12 consecutive months preceding the date of integration in the perimeter of the European Works Council.

1.3 - Maximum number of statutory members:

The maximum number of statutory members sitting at the European Works Council is fixed at 30 members. Statutory members can be appointed in the event of change in the perimeter of the Group, under the conditions specified above.

In the event of a change in the perimeter of the Group such that the number of members in the European Works Council is greater than 30, the parties shall meet to examine a possible adaptation of the composition of the European Works Council, by means of an endorsement.

1.4 - Number of statutory members on the date of signature of the agreement:

On the date of signature of this agreement, the European Works Council comprises 25 members.

The distribution of seats between the European countries is indicated in appendix 2.

Article 2 - Rules for appointing statutory members:

1.1 - Conditions to be met by staff representatives

Staff representatives must :

- Be members of the personnel of one of the European companies in the Group
- Have six months of seniority in their company of employ or the Group and have completed the probation period in countries where it lasts longer than six months.
- and, when there is a duly constituted employee representative body, staff representatives must hold an elective or trade-union term of office within said body, if provided for by the currently applicable local legislation.

1.2 - Methods for appointing members

1.2.1 - The members of the European Works Council are appointed in accordance with the legislation applicable within the State to which they belong.

1.2.2 With regard to the French delegation, the seats are distributed in accordance with the provisions of article L 2344-3 of the French labor code, on the basis of the results of labor elections to the Works Councils in the Group as defined in the present agreement (cf. appendix 3).

For the first term of office, the results of labor elections as at December 31, 2007 will be taken into account.

For following terms of office, the results of labor elections as at December 31 of the year preceding the date of expiry of the terms of office will be taken into account.

Trade-union organizations will appoint their representatives from among the statutory or substitute members of the Works Councils or Plant Councils of companies in the Group or from among the trade-union representatives to these same authorities.

1.2.3 - With regard to the other European delegations, the applicants presented by the trade-union organizations will be given priority, where possible, subject to compliance with the applicable local legislation.

1.2.4 - The parties hereto will ensure that the composition of the European Works Council is representative of the distribution of male and female employees within the headcount of the SAFRAN Group in Europe, as far as possible.

Article 3 - Term of office of Substitute members

The number of substitute members per country is equal to the number of statutory members in the country.

The rules for calculating the number of seats of substitute members and their appointment are the same as for the statutory members.

The substitute members attend the plenary sessions if the statutory members are prevented from doing so, in order to replace them.

When the seat of a statutory member becomes vacant, it is occupied for the remaining term of office either by a person formally appointed according to the regulations of the applicable local legislation, or by the substitute member. If necessary, a new person can be appointed to occupy the seat of the substitute member. The substitute member must belong to the same State as the statutory member.

The documents transmitted to statutory members are also addressed to substitute members.

CHAPTER III - TERM OF OFFICE

The term of office is four years.

The signatories hereby agree that the members of the European Works Council must be designated within three months after the signature of this agreement.

The first term of office takes effect as of the first day of the fourth calendar month after the signature of this agreement.

New appointments for following terms of office must be made on expiry of the four years of this term of office and at the latest within three months after expiry of the four years of the term of office. If necessary, the terms of office are prolonged during this period.

Pursuant to the provisions of section II, article 1 – 1.2 – 1.2.1, the terms of office of members of the European Works Council appointed during the current term of office will end on the date of expiry of the current term of office.

CHAPTER IV - PROTECTION DURING THE TERM OF OFFICE

All the members of the European Works Council benefit from the protection accorded by the legislation in their State of origin.

CHAPTER V – ROLE OF THE EUROPEAN WORKS COUNCIL

The European Works Council is a European information and consultation body.

The term of consultation is meant to include the discussion, exchange of viewpoints and establishment of dialogue between the members of the European Works Council.

The European Works Council does not replace the representative authorities of any company in the Group, each with their respective areas of competency. It does not constitute a negotiation and/or consultation body within the meaning of the currently applicable French legislative and statutory provisions. Similarly, exchanges concerning a transnational issue exclude taking the same initiative before the Group Council.

The European Works Council can issue its observations or motions during plenary sessions. These observations or motions represent the synthetic opinion of the European Works Council on information communicated to it. They can take the form of an advisory opinion of the institution, within the meaning of the consultation as provided for in the first subparagraph of this article, after a majority vote of the members present, organized in a meeting. The European Works Council receives a substantiated answer from the Management to these observations or motions as soon as possible.

The European Works Council receives transnational information which:

w is defined as being that information bearing on a topic involving at least two plants or two companies in the Group included in the perimeter of the European Works Council, as defined in article I of this agreement and located in two different States;

and

w involves issues at the European level in the economic, financial and social fields which, by their global and transnational character, are of interest to at least two plants or two companies in the Group falling in the perimeter of the European Works Council, as defined in Chapter I of this agreement, each of which is located in a different State.

The meetings relate to transnational issues concerning in particular the structure of the Group, its financial and economic standing, its activities and its prospects for growth, the current employment situation and probable changes to same, and to social issues, in particular equality of opportunity. This list is not restrictive.

These attributions are exerted through ordinary or special plenary sessions as specified below.

CHAPTER VI - PLENARY SESSIONS OF THE EUROPEAN WORKS COUNCIL

Section I - Ordinary Plenary session

In accordance with the provisions of article L 2343-3 of the French labor code, the European Works Council meets, in ordinary plenary sessions, for one day, once a year, convened by its Chairperson or his/her representative.

The time spent in ordinary plenary sessions is regarded as effective working time.

Section II - Special Plenary session

Exceptional circumstances are

- Ø when a transnational event at the European level has consequences considerably affecting the interests of the employees, in particular in the event of collective redundancies
- Ø when a transnational event at the European level involves the structure of the Group and has a significant influence on the headcount or the organization of the Group at the European level.

An event which meets the criteria defined in Chapter V is regarded as transnational.

Such exceptional circumstances are characterized when they :

- Ø concern more than 5% of the consolidated sales turnover of the Group of the former year
- OR
- Ø concern a total of 1,000 or more employees of the Group located in at least two States included in the perimeter of the authority.

When these criteria are satisfied, as stipulated in the provisions of article L 2343-3 of the French labor code, the Bureau may request the organization of a special plenary session as soon as possible after the event. Should Management refuse to hold such a meeting, it will have to substantiate its decision.

Management must inform the European Works Council when it is informed of exceptional circumstances considerably affecting the interests of the employees, subject to the conditions stipulated hereinabove.

The time spent in special plenary sessions is regarded as effective working time.

Section III - Information specific to the Bureau

The Bureau of the European Works Council may request and receive information, in the event of circumstances significantly affecting the interests of the employees, that does not meet the criteria of the exceptional circumstances cited above.

Section IV - In-house co-ordination meeting of the European Works Council

So that the statutory members the European Works Council can meet to exchange ideas and perfect their knowledge on European subjects, a one-day internal co-ordination meeting can be organized once a year for statutory members, in a European country of their choosing included within the scope of the agreement.

The time spent in the co-ordination meeting is regarded as effective working time.

CHAPTER VII - OPERATION

Section I - Council Secretary

The secretary of the European Works Council is elected during the first plenary session following a new term of office.

The secretary is elected from among the statutory members for the duration of the term of office according to the following methods. A uninominal voting system with two rounds is organized:

During the 1st round, the secretary is elected if there is an absolute majority of the voting rights of the members present (i.e. the majority of the voting rights + 1). In the absence of an absolute majority during the 1st round, a second round is organized. During the 2nd round, the secretary is elected by the relative majority of the voting rights of the members present (i.e. according to the greatest number of voting rights).

In the event of equal numbers of voting rights between several candidates, the secretary is elected on the basis of their age.

The secretary's term of office ends ipso jure with the renewal of the European Works Council.

The secretary coordinates the operation of the European Works Council and acts as the interface between this body and SAFRAN Executive Management.

The agenda is defined by the Chairperson, or his/her representative, and the secretary. However, in the absence of agreement on the contents of the agenda, it is defined by the Chairperson or his/her representative.

At least two weeks before the meeting, SAFRAN Executive Management sends the statutory and substitute members the convocation with the agenda together with the associated documents, as far as possible.

The staff representatives in the European Works Council can send a list of written questions to the Chairperson of the Council via the Council secretary in the days prior to the plenary sessions. A substantiated answer is provided during the plenary session or at the latest in the month following the meeting.

Section II - The Council Bureau

During the first plenary session after a new term of office, the Bureau of the European Works Council is appointed.

The Bureau is composed of the secretary, two assistant secretaries, a treasurer and an assistant treasurer, elected from among the statutory members, according to the following methods.

A uninominal voting system with two rounds is organized:

During the 1st round, each member of the Bureau is elected by an absolute majority of the voting rights of the members present (i.e. the majority of the voting rights + 1). In the absence of an absolute majority during the 1st round, a second round is organized. During the 2nd round, each member of the Bureau is elected by the relative majority of the voting rights of the members present (i.e. according to the greatest number of voting rights).

In the event of equal numbers of voting rights between several candidates, the members are elected on the basis of their age.

Of these members, three must belong to European companies other than those located in France.

The Bureau is constituted for the entire term of office and is dissolved ipso jure with the renewal of the European Works Council.

If a seat of the Bureau becomes vacant, a new election will be organized to fill the seat for the remaining term of office.

Section III - Minutes

The draft minutes for each plenary session are drawn up (in French and English) under the responsibility of the secretary, who submits same, within three months after the meeting, to the Chairperson or to his/her representative for observations and any corrections thereto.

These draft minutes are issued to all the statutory and substitute members of the European Works Council for observations and any corrections.

The minutes are adopted by the members of the European Works Council during the following plenary session.

The minutes are then issued by the secretary to the statutory and substitute members of the European Works Council.

SAFRAN Executive Management also issues it to the Management of the companies in the Group falling in the perimeter of the European Works Council, as defined in Chapter I of this agreement.

Should the text need to be interpreted, the French version shall serve as the reference.

CHAPTER VIII - MEANS

Section I - Preparatory meeting and staff meeting

The day before each plenary session (whether ordinary or special), the statutory members can meet for a preparatory meeting.

If required in order to fully understand certain items of information and properly carry out its tasks, the European Works Council can invite, if it considers it useful, a Management representative retained for their expertise and knowledge of the case, assisted by a representative from the Human Resources Division, to take part in the preparatory meeting preceding the examination of the case in particular.

In order to ensure the substitute members have the same level of information as the statutory members, the substitute members are entitled to attend the preparatory meeting prior to the annual ordinary plenary session.

After the plenary session (whether ordinary or special), a staff meeting can be organized by and between the statutory members of the European Works Council.

The overall length of the preparatory meeting and staff meeting shall not exceed one day.

The time spent in preparatory and staff meetings is regarded as effective working time.

Section II - Financial means and equipment required to carry out the tasks of the European Works Council

The expenses involved in organizing plenary sessions, as well as interpretation costs and the expenses involved in translating the institutional documents provided by Management (including the minutes), are to be borne by SAFRAN.

An annual operating budget of an amount of 25,000 Euros is allocated to the European Works Council. This budget covers the expenses incurred in assisting the European Works Council as defined in section III below i.e. documentation expenses, interpretation and translation costs for the preparatory meetings, any secretarial expenses, and so on.

This budget is updated once a year, based on the change in overall price levels in the French INSEE consumer price index (all household goods excluding tobacco).

Each year, the Bureau of the European Works Council will establish a financial balance sheet which it will present to the Management for scrutiny.

On request, the secretary, assistant secretaries, treasurer and assistant treasurer shall be entitled to an initial budget allocation covering the installation near their work place of a fax, access to an international telephone line enabling communications throughout Europe, as well as a portable computer with Internet access.

A post office box will be opened by the secretary of the Bureau in the name of the SAFRAN European Works Council at the address of the SAFRAN registered head office: 2 boulevard du Général Martial Valin, 75724 PARIS Cedex 15 - France.

Section III - Assistance of the European Works Council

If required in order to fully understand certain items of information and properly carry out its tasks, the European Works Council can be assisted by a person of their choice, from outside the company, appointed on the basis of their expertise on the subjects falling within the scope of the European Works Council.

Under strictly exceptional circumstances and further to the agreement of the Chairperson of the European Works Council, the person shall be entitled to attend the meetings of the European Works Council (without any deliberative voting rights) on a particular issue. The person will then be held to respect the obligations of confidentiality and professional secrecy under the same conditions as the members of the Council.

The expenses incurred by such assistance shall be charged to the annual operating budget as defined in section II above.

Section IV- Travel

The travel and accommodation expenses incurred by the members of the European Works Council in order to attend the plenary and preparatory sessions, as well as the travel and accommodation expenses incurred in order to take part in the internal co-ordination meetings of statutory members of the European Works Council are to be borne by their company of employ and managed in accordance with the rules or customs currently applicable within it.

If a difficulty occurs, the Vice-President, Human Resources, of SAFRAN may be informed in order to deal with the case.

A "travel" budget of 8,000 Euros a year is at disposal of the members of the Bureau. It is designed to allow members of the Bureau to cover their travelling expenses on the various sites of the companies included within the perimeter of the European Works Council.

This budget is revised once a year based on the change in the French INSEE consumer price index (all household goods except tobacco).

If travelling to companies included within the perimeter of the body is required by members of the Bureau, they shall give minimum prior notice of one week to the personnel department of the company concerned as well as to that of their company of employ.

Section V - Time credits

The secretary is allocated a time credit of 11 days a year.

The assistant secretaries, the treasurer and assistant treasurer each have a time credit of 6 days a year.

The statutory members each have a time credit of one day a year.

Travelling time related to activities of the European Works Council (for the purposes of plenary or preparatory sessions of the Council, internal co-ordination meetings of the European Works Council, travelling to sites within the perimeter of the European Works Council) is not deducted from time credits. Travelling time is remunerated in accordance with the rules in effect in the company employing each elected official of the European Works Council.

The use and calculation of time credits are controlled by the company of employ of each employee.

Section VI - "Group Information" Day

In order to improve knowledge about the Group, its various branches and business lines, a one-day "Group Information" session, organized by SAFRAN Executive Management, shall be provided for the statutory and substitute members before the first meeting of the European Works Council (if possible), and each time the authority is renewed.

During this "Group Information" day, the main policy options of the Group are presented to the members of the European Works Council.

The time spent at this "Group Information" meeting is regarded as effective working time.

Section VII - Training

Article 1 – Introductory language training

In order to facilitate exchange and understanding during meetings, at their request the statutory members may benefit from an introductory course on French or English. This training course may take up to 10 days per statutory member, during the first term of office.

The time spent on this training course is regarded as effective working time.

Article 2 – Business training

In order to facilitate exchange and understanding in carrying out their duties, the statutory and substitute members of the European Works Council may benefit from an introductory course on the economic, financial and industrial relations rules liable to apply to a Group of Community size.

This training is limited to one day per member. It will be held at the start of the term of office and when the body is renewed.

The time spent on this training course is regarded as effective working time.

CHAPTER IX - CONFIDENTIALITY

The members of the European Works Council are obliged to respect professional secrecy with regard to issues concerning manufacturing processes and to a strict obligation of confidentiality with regard to information expressly communicated to them and identified as such by Management. Confidential information will not be transcribed in the minutes of meetings. These duties remain valid even after the expiry of the term of office of the members of the European Works Council, whatever their location.

The present clause guarantees the quality of exchanges between Management and the European Works Council.

CHAPTER X – DISSOLUTION OF THE SPECIAL NEGOTIATION GROUP

As of the appointment of the members of the European Works Council, the Special Negotiation Group that signs this agreement shall be dissolved. The European Works Council, as an institution, shall replace the Special Negotiation Group in the future for any revision or termination of this agreement.

CHAPTER XI - TERM OF THE AGREEMENT, REVISION AND TERMINATION

This agreement is entered into by and between the representative(s) of the dominant company in the Group and the majority of the members of the SNG for an unspecified term.

The provisions of the agreement can be examined every four years, six months before the expiry of the term of office, in order to assess the activity and operation of the European Works Council and, if necessary, make adjustments. This partial revision of the agreement can be requested, by the Management or a majority of the Members of the European Works Council.

Any such revision shall be subject to an endorsement negotiated with the European Works Council. The revision agreement must be signed by the representative(s) of the dominant company of the Group, within the meaning of the Chapter I of this agreement, on the one hand, and by the majority of the members of the European Works Council representing the employees on the other, the names, first names and trade-union affiliation of whom will be indicated in the endorsement (if the elected representative to the European Works Council is designated by a trade-union organization).

In addition, in European Union countries in which the member(s) of the European Works Council is/are designated by a trade-union organization, signature of the endorsement to the revised agreement by the aforesaid member(s) must be authorized beforehand by the trade-union organization having appointed him/her.

In France, the Group trade union coordinators are entitled to grant that authorization.

The aforementioned trade-union organizations² may, if they so wish, sign the endorsement constituting the revised agreement; this formality, however, shall not affect the validity of the endorsement signed by the elected officials of the European Works Council, nor modify its qualities or characteristics.

The agreement may be terminated 6 months before the expiry of each term of office. Termination can be requested by the Management or a majority of the members of the European Works Council. It would then be notified to the other party by registered letter with acknowledgement of receipt.

The agreement will cease to be effective on expiry of six months' notice. In the month after notification of termination, the Chairperson will convene the members of the Council, who, pursuant to this clause, will constitute the members of the Special Negotiation Group, to an initial negotiation meeting in order to draft a new agreement.

The European body will continue to exist for a period of one year, in order to negotiate a new agreement with SAFRAN Executive Management.

Chapter XII: Representation of a European Trade Union Federation

A coordinator of a European Trade Union Federation may be appointed by the members of the European Works Council. The coordinator may participate in plenary meetings and preparatory meetings as a permanent guest. Their vote will not be of a deliberative nature, only advisory.

The coordinator of the European Trade Union Federation appointed in this way may sign endorsements to the revised agreement negotiated under the conditions set out in Chapter XI. However, this signature will not be taken into account in assessing the majority number of signatories of the aforesaid agreement.

Chapter XIII: Agreement Monitoring Committee

An agreement monitoring committee, consisting of the Director for Human Resources of the dominant company in the group and the Bureau of the European Works Council may meet, if necessary once a year (the day before or the day after a plenary meeting) in order to examine the conditions under which the agreement may be implemented.

CHAPTER XIV - APPLICABLE LEGISLATION, REGISTRATION AND CONCILIATION PROCEDURES

The text of this agreement, in French, shall serve as the reference in the event of litigation or difficulty in interpretation.

This agreement is governed by French legislation. It will be subject to the registration formalities according to the provisions specific to each country.

On the assumption that directive no. 94/45/EC, as transposed to French legislation, should be modified, Management and the members of the European Works Council will meet in order to make the provisions of this agreement comply with the modified rules as transposed.

² For France, this refers to the Group trade-union coordinators

Drawn up in Paris, this day on

FOR SAFRAN

Dominique-Jean CHERTIER
Deputy Vice-President
Social and Institutional affairs

Dominique CASTERA
Vice-President, Human Resources

And the Special Negotiation Group, represented by:

§ French delegation :

- for the CFDT Daniel RETAT
Alain GUILLAUME
- for the CFE-CGC Stéphane GARYGA
Gérard MARDINE
Daniel VERDY
- for the CFTC Dansou GBENOUVO
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§ Polish Delegation : Grzegorz SZPARA

§ Portuguese delegation :

- for SINDEL Ana Maria COSTA

§ Romanian delegation : Mihai LUNGU

APPENDIX I

PERIMETER OF THE COMPANIES IN THE GROUP, ON THE DATE OF SIGNATURE OF THE AGREEMENT

France

- Safran
- Aircelle
- Aircelle Europe Services
- CGTM
- Hispano-Suiza
- Labinal
- Messier Services
- Messier-Bugatti
- Messier-Dowty
- Microturbo
- Orga France
- Safran Conseil
- Safran Informatique
- Sagem Telecommunications
- Sagem Mobiles
- Sagem Defense Securite
- Sagem Sécurité
- Sagem Xelios
- SLCA
- SMA
- Sneema
- Sneema Propulsion Solide
- Sneema Services
- Sofrance
- Technofan
- Teuchos
- Teuchos Ingenierie
- Turbomeca

Germany

- Labinal GMBH
- Sagem Mobiles Germany GmbH
- Turbomeca GmbH
- Sagem Navigation GmbH
- Sagem Orga GmbH
- Teuchos GmbH

Belgium

- Sneema Services Brussels
- Techspace Aero

Bulgaria

- Sagem Mobiles Bulgaria

Spain

- Teuchos Espagne
- Sagem Mobiles Iberica

Finland

- Robonic Ltd

Hungary

- Sagem Mobiles Hungry

Italy

- Sagem Mobiles Italia

Netherlands

- Sagem Mobiles Benelux

Poland

- Sagem Mobiles Poland
- Hispano-Suiza Polska

Portugal

- Globe Motors
- Orgacard Portugal Cartoes e Sisemas Inteligentes

Czech Republic

- Sagem Mobiles Cz sro

Romania

- Sagem Orga SRL
- Sagem Mobiles

The United Kingdom

- Cinch connectors Ltd
- Aircelle UK Ltd
- Labinal Engineering Ltd
- Messier-Dowty Ltd
- Messier Services Ltd
- Turbomeca UK
- Sagem Mobiles UK
- Sagem Orga
- Sagem Sécurité

APPENDIX II

COMPOSITION OF THE EUROPEAN WORKS COUNCIL ON THE DATE OF SIGNATURE OF THE AGREEMENT

Illustration of the composition of the European Works Council SAFRAN, on the date of signature of the agreement, on the basis of the group headcount as at March 31, 2008.

Country	SAFRAN headcount	Proportion	Rounding (%)	Step 1: 1 statutory member per country represented	Step 2: 1 sub. stat. member proportional to headcount	Step 3: 1 sub. stat. member as per specific rules	Total
France	36 686	0,873809	87,4%	1	6	2	9
United Kingdom	2 201	0,052425	5,2%	1	0	1	2
Belgium	1 663	0,039610	4,0%	1	0	1	2
Germany	919	0,021889	2,2%	1	0	1	2
Poland	332	0,007908	0,8%	1	0	0	1
Portugal	105	0,002501	0,3%	1	0	0	1
Spain	43	0,001024	0,1%	1	0	0	1
Italy	12	0,000286	0,0%	1	0	0	1
Finland	9	0,000214	0,0%	1	0	0	1
Romania	5	0,000119	0,0%	1	0	0	1
Netherlands	5	0,000119	0,0%	1	0	0	1
Czech Republic	2	0,000048	0,0%	1	0	0	1
Bulgaria	1	0,000024	0,0%	1	0	0	1
Hungary	1	0,000024	0,0%	1	0	0	1
Total	41 984	100%	100%	14	6	5	25

APPENDIX III

Distribution of the seats within the French delegation

I. Distribution of the 7 seats further to steps 1 and 2 (cf. Chap.II-section II, art. 1 –1°)

Pursuant to article L 2344-3 of the French labor code "the seats allocated to each college are distributed between the trade-union organizations proportional to the number of elected representatives they obtained in these colleges. The system applied is that of proportional representation based on the largest remainder."

- Evaluation of the numerical importance of each electoral college

- Distribution of the 7 seats between the electoral colleges

- Distribution of the seats per college between trade-union organizations proportional to the number of elected officials (on the basis of the results of labor elections of the Works Councils of companies in the Group in France as at December 31, 2007: Statutory + Substitute)

-1st college

	Statutory	Substitute	Total	Ratio	Distribution of seats	Seats	Largest remainder	Total
CFDT	30	30	60	31,41%	0,63		1	1
CFE - CGC	0	1	1	0,52%	0,01			0
CFTC	1	1	2	1,05%	0,02			0
CGT	46	45	91	47,64%	0,95		1	1
CGT - FO	18	17	35	18,32%	0,37			0
SUD 27	0	0	0	0,00%	0,00			0
SUD 23	1	1	2	1,05%	0,02			0
	96	95	191	100%	2	0	2	2

- 2nd college

	Statutory	Substitute	Total	Ratio	Distribution of seats		Seats	Largest remainder	Total
CFDT	44	46	90	29,70%	0,89			1	1
CFE - CGC	26	27	53	17,49%	0,52			1	1
CFTC	3	3	6	1,98%	0,06				0
CGT	51	50	101	33,33%	1,00		1		1
CGT - FO	21	20	41	13,53%	0,41				0
SUD 27	3	2	5	1,65%	0,05				0
SUD 33	3	3	6	1,98%	0,06				0
SCT	0	1	1	0,33%	0				
	151	152	303	100%	3		1	2	3

- 3rd college:

	Statutory	Substitute	Total	Ratio	Distribution of seats		Seats	Largest remainder	Total
CFDT	15	10	25	13,81%	0,28				0
CFE - CGC	72	76	148	81,77%	1,64		1	1	2
CFTC	2	2	4	2,21%	0,04				0
CGT	2	2	4	2,21%	0,04				0
CGT - FO	0	0	0	0,00%	0,00				0
SUD 27	0	0	0	0,00%	0,00				0
SUD 33	0	0	0	0,00%	0,00				0
	91	90	181	100%	2		1	1	2

- Overview

	1st college	2nd college	3rd college	TOTAL
CFDT	1	1		2
CFE - CGC		1	2	3
CFTC				0
CGT	1	1		2
CGT - FO				0
SUD 27				0
SUD 33				0
SCT				0
Total	2	3	2	7

II – Distribution of additional seats allocated in step 3 (cf. Chap.II-section II, Article 1 –1.1)

Reminder of the principle: an additional seat is allocated per representative trade-union organization at the level of the Group in France or at the national level according to the provisions in effect on the date of signature of the agreement (articles L 2121-1 and L 2122-1 of the French labor code), that has not obtained a seat, pursuant to the provisions described in Chapter II section II article 2 – 1.2 – 1.2.2.

The present provisions cannot lead to the attribution of more than two additional seats.

If several trade-union organizations satisfy the criteria defined above, the two additional seats are allocated to the trade-union organizations that have obtained the greatest number of elected representatives based on the results of labor elections as defined in chapter II, section II, article 2 – 1.2.

In this way, based on the results of the labor elections as at December 31, 2007, an additional seat has been allocated to the trade-union organization FO, and an additional seat has been allocated to the trade-union organization CFTC, which respectively satisfy the criteria defined above.

	TOTAL STATUTORY SEATS	TOTAL SUBSTITUTE SEATS	TOTAL STATUTORY SUBSTITUTE SEATS	CORRESPONDING PERCENTAGES OF STATUTORY SUBSTITUTE SEATS
CFE - CGC	98.00	104.0	202.0	27.82%
CGT	99.00	97.00	196.0	27.00%
CFDT	89.00	86.00	175.0	24.10%
CGT - FO	39.00	37.00	76.00	10.47%
CFTC	6.00	6.00	12.00	1.65%
SUD 33	4.00	4.00	8.00	1.10%
SUD 27	3.00	2.00	5.00	0.69%
STC	0.00	1.00	1.00	0.14%
Unaffiliated	27.00	24.00	51.00	7.02%
	365.00	361.00	726.00	100%

APPENDIX IV

Version of the agreement in English

Version of the agreement in German