

Thales: Launch of the 2019 Employee shareholding plan

Thales (Euronext Paris: HO) announces the launch of its 2019 employee shareholding plan. This offer is available to the employees of the Group in 34 countries and will cover nearly 80,000 Group employees and retirees.

The purpose of this plan is to strengthen the relationship between Thales and its employees by offering them the opportunity to be more closely involved in the Group's future objectives, performance and successes.

The plan consists of offering existing shares held in treasury previously repurchased by Thales.

The terms and conditions of this offer are detailed below.

For any question regarding this offer, beneficiaries may contact their Human Resources Manager and/or any other person as specified in the documents delivered to the beneficiaries of the offer.

This is the press release required by the AMF pursuant to Article 212-4 5° of the AMF General Regulation and Article 19 of Instruction 2016-04.

2019 Employee Shareholding Plan: terms and conditions

This shareholding plan is available to Group employees in France, Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Finland, Germany, Hong Kong, India, Italy, Israel, Japan, Mexico, Norway, Netherlands, Philippines, Poland, Portugal, Qatar, Romania, Saudi Arabia, South Africa, Singapore, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, and United States of America, who will be eligible and members of the Group's savings plan and under a Share Incentive Plan ("SIP") scheme in the United Kingdom.

Available shares

The employee shareholding plan will consist in offering existing treasury shares previously repurchased by Thales as part of a share buyback program authorized by the general shareholders' meeting pursuant to Article L. 225-209 of the French Commercial Code. The sale of the shares to employees and retirees who are members of the Group's savings plan will be implemented in accordance with the provisions of Articles L. 3332-18 et seq. of the French Labour Code, with the exception of the offer made in the United Kingdom, where it is carried out as part of a SIP.

On 27 November 2018, the Board of Directors decided to implement this employee shareholding plan and delegated to the Chairman and Chief Executive Officer the powers necessary for its implementation. In accordance with the decision of the Board of Directors, the offer will cover a maximum number of 550,000 shares.

The Chairman and Chief Executive Officer, on the authority of the Board of Directors, set the dates of the subscription period and set the purchase price by decision dated 11 October 2019. The acquisition price is equal to 80% of the reference price.

The reference price, noted by the Chairman and Chief Executive Officer on 11 October 2019 and equal to the average of the opening prices of the Thales share on the Euronext Paris market during the twenty (20) trading days preceding this date is 103,61 €. The acquisition price is therefore 82,89€. For the offer made in the United Kingdom, the acquisition price will be determined in accordance with the rules applicable in the context of a SIP.

As the shares acquired by employees are existing ordinary shares, they are fully comparable to the existing ordinary shares comprising Thales' share capital.

Conditions of the plan

- **Employee Shareholding Plan Beneficiaries:** the beneficiaries of the offer are employees of companies in the scope of consolidation who have joined the group's savings plan, regardless of the nature of their employment contract (fixed-term or permanent, full-time or part-time) and who have three months of employment. Retirees and early retirees of the Group's French companies who joined the savings plan before they ceased to operate are beneficiaries of the offer, provided they have retained assets in the Group's savings plan since their retirement or early retirement.

In the United Kingdom, the Thales shareholding plan is implemented as part of a Share Incentive Plan ("SIP").

- **Companies within the scope of the offer:**
 - Thales, a company with a share capital of 639,312,243 euros, whose registered office is located Tour Carpe Diem, place des Corolles, esplanade nord, 92400 Courbevoie, and
 - Companies of the Thales group, in which Thales directly or indirectly holds more than 50% of the share capital, having their registered office in France, Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Finland, Germany, Hong Kong, India, Italy, Israel, Japan, Mexico, Norway, Netherlands, Philippines, Poland, Portugal, Qatar, Romania, Saudi Arabia, South Africa, Singapore, Spain, Sweden, Switzerland, Turkey, United Arab Emirates and United States of America and which have joined the group savings plan and in the United Kingdom via the SIP.
- **Terms of participation:** the shares will be acquired through a Fonds Commun de Placement d'Entreprise or directly depending on the country, and through a Trust under the SIP.
- **Formulas for acquiring Thales shares:** employees will be able to acquire Thales shares within the framework of a "classic subscription formula". Employees will receive a matching contribution from their employer corresponding to one free share for every four shares acquired, up to a maximum of ten matching shares for forty shares acquired.
- **Voting rights:** the voting rights attached to the shares will be exercised by the Supervisory Board of the shareholding fund (FCPE) and directly by the employees

when the shares are held directly. Under the SIP, the voting rights attached to the shares may be exercised by the beneficiaries.

- **Subscription's cap:** the annual payments of the beneficiaries of the offer into the group savings plan may not exceed, pursuant to Article L. 3332-10 of the French Labour Code, one quarter of their gross annual compensation for 2019.
- **Holding / Lock-Up period:** the employees participating in the offer must keep the corresponding FCPE units or shares held directly for a period of five years, unless an early exit event occurs as provided for in Article R. 3334-22 of the Labour Code or by local regulations. Concerning the vested shares in the SIP in the United-Kingdom, the keeping terms are different and depend on the nature of the share (*partnership share* or *matching share*).

Indicative timetable of the plan

- Subscription period: from October 24 2019 (inclusive) to November 15, 2019 (inclusive).
- Settlement of the offer: Scheduled for December 19, 2019.

These dates are provided for information purposes only and are subject to change.

Quotation

Thales shares are admitted to trading on Euronext Paris (ISIN Code: FR0000121329).

Legal Notice

This press release does not constitute an offer to sell or a solicitation to acquire Thales shares. The offer of Thales shares reserved for employees will be made only in countries where such an offer has been registered or notified to the competent local authorities and/or following the approval of a prospectus by the competent local authorities, or in consideration of an exemption from the obligation to prepare a prospectus or to register or notify the offer. More generally, the offer will only be made in countries where all required registration procedures and/or notifications have been completed and the necessary authorizations have been obtained.

About Thales


Thales (Euronext Paris: HO) is a global technology leader shaping the world of tomorrow today. The Group provides solutions, services and products to customers in the aeronautics, space, transport, digital identity and security, and defence markets. With 80,000 employees in 68 countries, Thales generated sales of €19 billion in 2018 (on a pro forma basis including Gemalto).

Thales is investing in particular in digital innovations — connectivity, Big Data, artificial intelligence and cybersecurity — technologies that support businesses, organisations and governments in their decisive moments.

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