

## 8.1 DRAFT REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING

The purpose of this draft report is to present the draft resolutions to be submitted by the Board of Directors to your Combined Shareholders' Meeting of May 12, 2021.

The details of Coface's financial position, activity and results for the financial year ended, and the information required by current legal and regulatory provisions, are presented in this 2020 Universal Registration Document, to which you are invited to refer (available on the Coface website at [www.coface.com](http://www.coface.com)).

These resolutions can be broken down into two groups:

- I the first 23 resolutions (from the 1<sup>st</sup> to the 23<sup>rd</sup> resolution) fall under the authority of the Ordinary Shareholders' Meeting;
- I the next six resolutions (from the 24<sup>th</sup> to the 29<sup>th</sup> resolution), fall under the authority of the Extraordinary Shareholders' Meeting.

### 8.1.1 Ordinary resolutions

#### Approval of the 2020 financial statements (1<sup>st</sup> and 2<sup>nd</sup> resolutions)

In the first two resolutions, the Ordinary Shareholders' Meeting is asked to approve the parent company financial statements (1<sup>st</sup> resolution), followed by the consolidated financial statements (2<sup>nd</sup> resolution) of COFACE SA for 2020.

Comments on the parent company and consolidated financial statements of COFACE SA are set out in detail in the COFACE SA 2020 Universal Registration Document.

#### Earnings allocation - Dividend payment (3<sup>rd</sup> resolution)

The third resolution concerns COFACE SA's earnings allocation and the payment of the dividend.

At December 31, 2020, COFACE SA's parent company financial statements showed a net loss of €18,938,377 attributable to fact that its subsidiary Compagnie Française d'assurance pour le commerce externe paid no dividend for the 2019 financial year. Since retained earnings were positive at €155,852,291, and as the legal reserve holds more than legal requirements, the profit available for distribution amounts to €136,913,914.

The Company proposes paying out €82,900,339, or a dividend of €0.55 per share, which corresponds to a payout ratio of 100% of consolidated net income, in line with our capital management policy.

For individual shareholders resident in France for tax purposes, this dividend will be automatically subject to a single flat-rate withholding tax, as provided for in Article 200 A of the French Tax Code, unless they have opted to apply the progressive income tax scale. The paying institution will withhold the non-definitive flat-rate tax provided for in Article 117 *quater* of the French General Tax Code, except for natural persons resident in France for tax purposes who have applied for an exemption under the terms of Article 242 *quater* of the French Tax Code.

All shareholders - and particularly persons domiciled or established outside France with regard to regulations applicable in the country of residence or establishment - are advised to contact their usual advisor who can perform a detailed analysis to determine the tax consequences to be taken into account in consideration of the amounts received in respect of this distribution.

In compliance with the legal provisions, we specify that the dividends distributed for the three preceding financial years were as follows:

FINANCIAL YEAR	NUMBER OF SHARES ELIGIBLE FOR DIVIDENDS <sup>(1)</sup>	TOTAL AMOUNT (in €)
2017	155,574,817	52,895,437
2018	151,169,375	119,423,806
2019	0	0

(1) The number of shares eligible for dividends does not include treasury shares.

The shares will trade ex-dividend from May 19, 2021. The dividend will be paid from May 21, 2021.

## Ratification of the co-opting of six directors

(4<sup>th</sup> to 9<sup>th</sup> resolutions)

In the fourth to ninth resolutions, shareholders are asked to ratify the co-opting of six directors:

- I Nicolas Namias, on September 9, 2020, to replace François Riahi, for the remainder of his term of office, or until the end of this Shareholders' Meeting.

Nicolas Namias resigned on February 10, when the sale of 29.50% of the share capital to Arch Capital was finalised.

The following directors were co-opted after the sale of 29.50% of the COFACE SA's share capital to Arch Capital:

- I Bernardo Sanchez Incera, on February 10, 2021, to replace Anne Sallé Mongauze, for the remainder of her term of office, or until the end of this Shareholders' Meeting. Bernardo Sanchez Incera, an independent director, was appointed Chairman of the Board of Directors of COFACE SA on February 10, 2021, based on the proposal of the Nominations and Compensation Committee;
- I Nicolas Papadopoulou, on February 10, 2021, to replace Jean Arondel, for the remainder of his term of office, or until the end of this Shareholders' Meeting. Nicolas Papadopoulou is Chairman and Chief Executive Officer of Arch Worldwide Insurance Group. He is also Underwriting and Claims Director for Property and Casualty Operations;
- I Janice Englesbe, on February 10, 2021, to replace Daniel Karyotis, for the remainder of his term of office, or until the end of this Shareholders' Meeting. Janice Englesbe is Chief Risk Officer of Arch Capital Group;
- I Benoit Lapointe de Vaudreuil, on February 10, 2021, to replace Isabelle Rodney, for the remainder of her term of office, or until the end of this Shareholders' Meeting. Benoit Lapointe de Vaudreuil is a member of the Bar in Paris and Quebec. He works for BLV;
- I Christopher Hovey, on February 10, 2021, to replace Marie Pic Paris, for the remainder of her term of office, or until this Shareholders' Meeting. Christopher Hovey is Chief Operating Officer of Arch Capital Group.

## Reappointment of seven directors

(10<sup>th</sup> to 16<sup>th</sup> resolutions)

In the tenth to sixteenth resolutions, shareholders are asked to reappoint the following seven directors. These directorships will expire at the end of the Shareholders' Meeting convened in 2025 to approve the financial statements for the fiscal year ended December 31, 2024:

- I Bernardo Sanchez Incera;
- I Nathalie Lomon;
- I Isabelle Laforgue;
- I Nicolas Papadopoulou;
- I Janice Englesbe;
- I Benoit Lapointe de Vaudreuil;
- I Christopher Hovey.

## Authorisation granted to the Board of Directors to trade in the Company's shares

(17<sup>th</sup> resolution)

In the seventeenth resolution, the Board of Directors asks the Shareholders' Meeting to authorise it to purchase or arrange for the purchase of a number of shares in the Company that may not exceed 10% of the total number of shares composing the share capital or 5% of the total number of shares subsequently composing the share capital if they are shares acquired by the Company with a view to holding them and transferring them as payment or exchange within the context of a merger, spin-off or asset contribution, noting that acquisitions made by the Company may under no circumstances result in it holding more than 10% of the ordinary shares comprising its share capital at any time.

Shares may be purchased in order to: a) ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently within the context of a liquidity agreement in compliance with market practice accepted by the Autorité des marchés financiers dated July 2, 2018, b) allocate shares to corporate officers and to employees of the Company and other Group entities, and in particular within the context of (i) profit-sharing, (ii) any stock option plan of the Company, pursuant to the provisions of Article L.225-177 *et seq.* and L.22-10-56 *et seq.* of the French Commercial Code, or (iii) any savings plan in compliance with Article L.3331-1 *et seq.* of the French Labour Code or (iv) any allocation of free performance shares pursuant to the provisions of Article L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, as well as perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting upon its authority, c) transfer the Company's shares upon exercise of the rights attached to securities entitling their bearers, directly or indirectly, through reimbursement, conversion, exchange, presentation of a warrant or in any other manner, to the allocation of the Company's shares pursuant to current regulations; additionally, perform all hedge operations relating to these transactions, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors, d) keep the Company's shares and subsequently remit them as payment or exchange within the context of any external growth, merger, spin-off or asset contribution operations, e) cancel all or part of the securities thus purchased (in particular, under the thirteenth resolution of Shareholders' Meeting of May 14, 2020 authorising the Board of Directors to reduce the share capital) or f) implement all market practices accepted by the Autorité des marchés financiers and, more generally, execute all transactions in compliance with current regulations.

The maximum purchase price per unit may not exceed €14 per share, excluding costs. The Board of Directors may nevertheless, for operations involving the Company's capital, particularly a modification of the par value of the share, a capital increase by incorporation of reserves following the creation and allocation of free performance shares, a stock split or reverse stock split, adjust the aforementioned maximum purchase price in order to take into account the incidence of these operations on the value of the Company's stock.

The acquisition, disposal or transfer of these shares may be completed and paid for by any methods authorised by current regulations, on a regulated market, multi-lateral trading system, systematic internaliser or over the counter, in particular through the acquisition or disposal of blocks of shares, using options or other derivative financial instruments or warrants or, more generally, securities entitling their bearers to shares of the Company, at times that the Board of Directors will determine.

It is specified that, unless authorised by your Shareholders' Meeting, the Board of Directors may not use this delegation once a third party has filed a public offer for the Company's shares, and until the end of the offer period.

If your Shareholders' Meeting so authorises it, the Board of Directors shall have all powers, which it may in turn delegate, in compliance with prevailing legal and regulatory conditions, to proceed with the allocation and, if applicable, permitted reallocation of repurchased shares in view of one of the objectives of the programme, to one or more of its other objectives, or even their disposal, on or off the market.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the fifth resolution of the Shareholders' Meeting of May 14, 2020, be granted for a period of eighteen (18) months as from your Shareholders' Meeting.

In accordance with its obligations, the Board of Directors informs the Shareholders' Meeting that, on the basis of the authorisation granted by the Shareholders' Meeting of May 14, 2020 and pursuant to the provisions of Article L.22-10-62 of the French Commercial Code (formerly Article L.225-209 of the French Commercial Code), on October 26, 2020, it authorised a share buyback with a view to their cancellation by COFACE SA for up to €15 million. As such, the Company bought back 1,852,157 shares, representing 1.22% of the share capital. On February 10, 2021, the Board of Directors authorised the cancellation of all of these shares. The Company's share capital was thus reduced to €300,359,584.

## Commitments and related-party agreements (18<sup>th</sup> resolution)

The eighteenth resolution concerns the approval of related-party commitments and agreements pursuant to Articles L.225-38 *et seq.* of the French Commercial Code which were authorised by the Board of Directors during the 2020 financial year. These commitments and agreements are presented in the Statutory Auditors' special report, as are

those concluded prior to 2020 which remain valid and which do not require further approval by the Shareholders' Meeting (see Chapter 8, Section 8.3 of the 2020 Universal Registration Document).

## Approval of the compensation policy for corporate officers for the financial year ended December 31, 2020 (19<sup>th</sup> and 20<sup>th</sup> resolutions)

Pursuant to the provisions of the PACTE law as set out in Article L.225-100 of the French Commercial Code, your Shareholders' Meeting is called upon, in the nineteenth resolution, to decide on information relating to the compensation of non-corporate officers paid for the financial year ended December 31, 2020 and, in the twentieth resolution, to approve fixed, variable and exceptional components of total compensation and benefits of all kinds paid to the Chief Executive Officer during the financial year ended December 31, 2020, or awarded in respect of this financial year.

As a reminder, the previous Chairmen of the Board of Directors did not receive any compensation from the Company.

All these components are described in detail in the report on COFACE SA's corporate governance appended to the management report and included in Chapter 8, Section 8.1.3 of the Universal Registration Document.

## Approval of the compensation policy for corporate officers for the financial year ended December 31, 2021 (21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions)

In the twenty-first, twenty-second and twenty-third resolutions you are asked to approve the compensation policy for members of the Board of Directors, the Chief Executive Officer and the Chairman of the Board of Directors for the 2021 financial year.

In light of the changes in the Company's governance, it is proposed to pay compensation to the Chairman of the Board of Directors.

Details of these policies are provided in COFACE SA's corporate governance report appended to the management report and included in Chapter 8, Section 8.1.3 of the Universal Registration Document.

## 8.1.2 Extraordinary resolutions

### Amendments to the Articles of Association (24<sup>th</sup> and 25<sup>th</sup> resolutions)

In the twenty-fourth and twenty-fifth resolutions, the Board of Directors asks the Shareholders' Meeting to amend the Company's Articles of Association in order to take into account the amendments made by law No. 2019-744 of July 19, 2019 on the simplification, clarification and updating of company law (known as the "Soihili law") regarding the right for the Board of Directors to make decisions by consulting the directors in writing (twenty-fifth resolution) and by law No. 2019-486 of May 22, 2019 on business growth and

transformation (known as the "PACTE law"), and the compensation of corporate officers (twenty-sixth resolution).

In resolution twenty-four, to facilitate decision-making by your Board of Directors, we propose amending Article 18 of the Company's Articles of Association to enable your Board of Directors to make certain decisions that fall within its remit by means of simple written consultation of its members.

The new wording of Article L.225-37 of the French Commercial Code resulting from the "Soihili law" provides that: *"The Articles of Association may also provide that decisions made under the specific powers of the Board of Directors provided for in Article L.225-24 [co-opting of a director], in the last paragraph of Article L.225-35 [authorisation of guarantees,*

endorsements and warranties], *in the second paragraph of Article L.225-36* [compliance of the Articles of Association with the laws and regulations] *and in 1 of Article L.225-103* [convening of the Shareholders' Meeting] *as well as decisions to transfer the registered office within the same department may be made by written consultation of the directors."*

The twenty-fifth resolution asks you to decide on the amendment of Article 19 of the Company's Articles of Association to replace the term "attendance fees" with the term "compensation".

The new wording of Article L.225-45 of the French Commercial Code resulting from the "PACTE" law deleted the term "attendance fees" and replaced it with "compensation".

## Capital increases reserved for employees (26<sup>th</sup> and 27<sup>th</sup> resolutions)

In the twenty-sixth resolution, we propose that you authorise the Board of Directors, which may in turn delegate this authority, for a period of 26 months, to increase the share capital by issuing shares in the Company reserved for the members of a company savings plan, within the limit of a maximum nominal amount of three million, two hundred thousand euros (€3,200,000), on the understanding that the nominal amount for any capital increase carried out in application of this delegation would be charged against the maximum limit set for capital increases in the fifteenth resolution of the Shareholders' Meeting of May 14, 2020 and that the maximum limit for this delegation would be the same as that of the twenty-seventh resolution submitted for approval by this Meeting.

This decision would result in cancellation of the preferential subscription right of shareholders in favour of said employees, former employees and corporate officers eligible for the shares thus issued, allocated free of charge, as appropriate.

The subscription price of the issued shares shall be determined under the conditions specified by the provisions of Article L.3332-19 of the French Labour Code, on the understanding that the maximum discount calculated in relation to the average trading price of the share during the twenty trading sessions that precede the decision to allow such subscriptions may not exceed 30% (or 40% when the lock-in period provided for by the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labour Code is equal to or more than ten years). The Board of Directors may reduce or cancel the aforementioned discount, in particular if it considers it necessary in order to take into account the legal, accounting, tax and social treatments applicable in the country of residence of some beneficiaries. The Board of Directors may likewise decide to allocate free performance shares to subscribers of new shares, in substitution of the discount and/or as an employer contribution.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the nineteenth resolution of the Shareholders' Meeting of May 14, 2020, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

As a continuation of the twenty-sixth resolution, we propose that you authorise the Board of Directors, which may in turn delegate this authority, for a period of 18 months, under the conditions provided for by law, to make one or more capital increases reserved for (i) employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office based outside France; (ii) one or more French or foreign mutual funds or other entity, having a legal personality or not, subscribing on behalf of the persons described in paragraph (i) above, and (iii) one or more financial establishments mandated by the Company to propose to the persons described in paragraph (i) above a savings or shareholding scheme comparable to those proposed to the Company's employees in France.

This decision would involve the waiving of the preferential subscription rights of shareholders to the shares issued under this twenty-seventh resolution, for the benefit of the category of beneficiary defined above.

Such a capital increase would have the aim of allowing employees, former employees and corporate officers of the Group who reside in various countries to benefit, taking into account any regulatory or tax restrictions that might exist locally, from conditions that are as close as possible, in terms of economic profile, to those that would be offered to the other employees of the Group within the context of the use of the twenty-sixth resolution.

The nominal amount of the capital increase that may be held under this authorisation would be limited to three million, two hundred thousand euros (€3,200,000), on the understanding that the nominal amount of any capital increase carried out pursuant to this authorisation would be charged against the maximum limit set for capital increases in the fifteenth resolution of the Shareholders' Meeting of May 14, 2020 and that the maximum limit for this resolution would be the same as that of the twenty-sixth resolution.

The subscription price of the shares issued in application of this delegation may not be more than 30%, or 40% as applicable, below the average trading price of the share during the twenty trading sessions that precede the decision to allow such subscriptions, nor may it exceed this average. The Board of Directors may reduce or cancel the discount mentioned above if it deems it appropriate, in particular to take into account the legal, accounting, tax and corporate schemes applicable in the countries of residence of certain beneficiaries. Furthermore, in the event of a transaction carried out under this resolution at the same time as a transaction carried out in application of the twenty-sixth resolution, the subscription price of the shares issued under this resolution could be identical to the subscription price of the shares issued on the basis of the twenty-sixth resolution.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the twentieth resolution of the Shareholders' Meeting of May 14, 2020, be granted for a period of eighteen (18) months as from your Shareholders' Meeting.

## Award of free performance shares to employees and/or corporate officers of the Company or companies related to it (28<sup>th</sup> resolution)

In accordance with the provisions of Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, we ask shareholders to authorise the Board of Directors, for a period of 38 months from the date of your Shareholders' Meeting, to award, in one or more instalments, existing shares or shares to be issued by the Company to certain employees and corporate officers of the Company and companies related to it within the meaning of Article L.225-197-2 of the French Commercial Code.

The final award of these shares may be subject, in part or in whole, to performance conditions, it being specified that the final allocation of free performance shares awarded to the Company's Executive Directors will be subject to the achievement of performance conditions set by the Board of Directors.

The total number of shares awarded under this authorisation may not exceed 1% of the number of shares comprising the Company's share capital at the date of the Board of Directors' decision to grant them, and the cumulative nominal amount of any capital increases that may result from this authorisation will be deducted from the overall maximum limit provided for in paragraph 2 of the fifteenth resolution of the Shareholders' Meeting of May 14, 2020 or, where applicable, on the amount of any overall limit provided for by a similar resolution that

may replace said resolution during the period during which this authorisation applies. In addition, the total number of free performance shares awarded by virtue of this authorisation to the Company's Executive Directors may not represent more than 20% of the free performance shares awarded under this authorisation. It should be noted that, besides the corporate officers, the award of free performance shares in COFACE SA is reserved for the "regulated population" of employees within the meaning of Solvency II (fewer than 30 people) and for a limited number of employees with a view to their retention.

The award of performance shares under this proposed resolution would become final at the end of a vesting period of at least three years, and will not be subject to any minimum holding period. The objective of this vesting period for performance shares is to measure the performance required for the final acquisition of shares over a long period of time.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the twenty-fourth resolution of the Shareholders' Meeting of May 16, 2018, be granted for a period of thirty-eight (38) months from the date of your Shareholders' Meeting.

## Powers to complete formalities (29<sup>th</sup> resolution)

Finally, the twenty-ninth resolution concerns the granting of the powers needed to fulfil the publications and formalities relating to this Combined Shareholders' Meeting.

## 8.1.3 Extract of the COFACE SA corporate governance report (appendix relating to the 19<sup>th</sup>, 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions)

### 8.1.3.1 Compensation policy for corporate officers

In accordance with the terms of Decree No. 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under law No. 2019-486 of May 22, 2019 (the so-called PACTE law), the Board of Directors, at the request of the Nominations and Compensation Committee, draws up a compensation policy for corporate officers. This document describes the principles of the policy, which is in line with the Company's corporate interests, contributes to its long term viability and is part of its business strategy.

It describes all the components of fixed and variable compensation and explains the decision-making process followed to determine, review and implement it.

It is presented in a clear and understandable way as part of the corporate governance report and is the subject of draft resolutions submitted for approval by the Shareholders' Meeting each year and each time a significant change is made.

The compensation policy for corporate officers defines the principles, structure and governance rules applicable to the compensation paid to the Chief Executive Officer and to the directors.

### Compensation of the Chief Executive Officer

#### *Principles applicable to the compensation of the Chief Executive Officer*

The Board of Directors sets the various components of the Chief Executive Officer's compensation at the start of each financial year, based on a proposal by the Nominations and Compensation Committee. The Nominations and Compensation Committee proposes the compensation policy for the Chief Executive Officer in compliance with the rules laid down by the Solvency II Directive and the recommendations of the AFEP-MEDEF Code.

It thereby ensures that the principles of balance, external competitiveness, consistency and internal equity are observed in determining the components of compensation. It ensures a correlation between the responsibilities exercised, the results achieved and the level of compensation over a performance year.

It also ensures that compensation practices contribute to effective risk management within the Company and in particular to:

- I strict compliance with the laws and regulations applicable to insurance companies;
- I prevention of conflicts of interest and the management of risk-taking within the limits of the Company's risk tolerance;
- I consistency with the Company's strategy, interests and long-term results;
- I consideration of social and environmental issues.

The Chief Executive Officer's compensation is subject to a comparative analysis of the market each year by a compensation consultancy firm in order to ensure it is competitive within the market and that the structure offers the right balance of fixed, variable, short-term and long-term components. The results of this analysis are fed back to the Nominations and Compensation Committee as part of the annual review of the Chief Executive Officer's compensation.

Objectives, practices and governance in respect of compensation are clearly established and communicated. A transparent presentation of the components of the Chief Executive Officer's compensation is included in the corporate governance report submitted for approval by the Shareholders' Meeting.

**Components of the compensation of the Chief Executive Officer**

The compensation of the Chief Executive Officer comprises:

- | **fixed compensation:** determined at the start of his term of office in 2016, the fixed annual compensation was adjusted to €750,000 gross when the Chief Executive Officer's term of office was renewed in 2020 in order to take into account his responsibilities, performance and market practices (see detailed explanation in the fairness ratio section below);
- | **annual variable compensation ("bonus"):** the bonus is assessed on the basis of performance for a given year. The target is set at 100% of the base salary. It comprises 60% financial objectives and 40% strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives);
- | **long-term variable compensation:** in the form of free performance shares in the Company. They are contingent

upon presence and performance conditions and have a vesting period of three years. The final award of the Chief Executive Officer's free performance shares is subject to the same conditions as all beneficiaries; however, he must retain 30% of the shares awarded until expiry of his term of office. These Long-Term Incentive Plan (LTIP) schemes in the form of free performance shares are intended to ensure that the interests of the Chief Executive Officer are aligned with those of the shareholders over the long term;

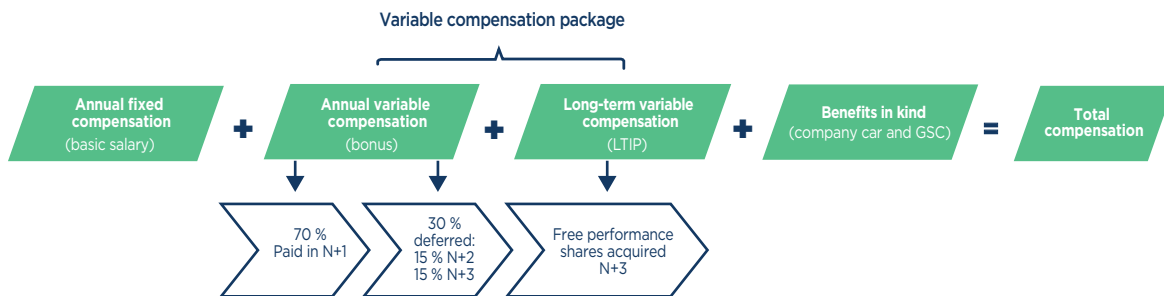
- | **benefits in kind:** the Chief Executive Officer is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers.

He is entitled to the Group healthcare and protection schemes in place for all employees and has no supplementary retirement scheme. A medical check-up will be proposed to the Chief Executive Officer and members of the Executive Committee in 2021.

Note:

- | the variable compensation package includes the annual variable compensation ("bonus") and the long term variable compensation (Long-Term Incentive Plan) in the form of free performance shares;
- | the payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 50% in N+2 and 50% in N+3. Deferred compensation is not paid if a loss is observed on the date of payment or in case of dismissal for serious misconduct or gross negligence;
- | deferred compensation, including the deferred bonus portion and the free performance shares awarded under the Long-Term Incentive Plan, accounts for more than 50% of the overall variable compensation;
- | all risk hedging transactions are prohibited.

The compensation of the Chief Executive Officer may be summarised as follows:



### a. Target total compensation for 2020

For 2020, on the recommendation of the Nominations and Compensation Committee, following a decision by the Board of Directors and based on the ninth resolution approved by the Shareholders' Meeting of May 14, 2020, the target compensation for Xavier Durand was set as follows:

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS																																							
Fixed compensation	€750,000	Gross annual compensation set at €750,000 on the renewal of the term of office of Xavier Durand and effective in May 2020 after the Shareholders' Meeting closing financial year 2019. The level of fixed compensation has been set taking into account responsibilities, performance and market practices (see detailed explanations in point c on the fairness ratio below).																																							
Target annual variable compensation ("bonus")	€750,000	Target variable compensation is maintained at 100% of fixed compensation, <i>i.e.</i> , €750,000. It comprises 60% financial objectives and 40% strategic and managerial objectives, defined as follows for 2020:																																							
<table border="1"> <thead> <tr> <th>FINANCIAL OBJECTIVES</th> <th>VARIATION LIMITS</th> <th>ALLOCATION KEY</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>-/+10%</td> <td>20%</td> </tr> <tr> <td>Net income</td> <td>-/+20%</td> <td>20%</td> </tr> <tr> <td>Cost ratio after reinsurance</td> <td>+/-3 pts</td> <td>10%</td> </tr> <tr> <td>Gross loss ratio excluding claims handling expenses</td> <td>+/-5 pts</td> <td>10%</td> </tr> <tr> <td><b>TOTAL (A)</b></td> <td></td> <td><b>60%</b></td> </tr> <tr> <th>STRATEGIC AND MANAGERIAL OBJECTIVES</th> <th>VARIATION LIMITS</th> <th>ALLOCATION KEY</th> </tr> <tr> <td>Continuation of cultural transformation, strengthening of employee engagement and customer satisfaction</td> <td>0/125%</td> <td>15%</td> </tr> <tr> <td>New strategic plan</td> <td>0/125%</td> <td>10%</td> </tr> <tr> <td>CSR strategy</td> <td>0/125%</td> <td>10%</td> </tr> <tr> <td>Strengthening of the succession plan for the Executive Committee</td> <td>0/125%</td> <td>5%</td> </tr> <tr> <td><b>TOTAL (B)</b></td> <td></td> <td><b>40%</b></td> </tr> <tr> <td><b>TOTAL (A + B)</b></td> <td></td> <td><b>100%</b></td> </tr> </tbody> </table>			FINANCIAL OBJECTIVES	VARIATION LIMITS	ALLOCATION KEY	Turnover	-/+10%	20%	Net income	-/+20%	20%	Cost ratio after reinsurance	+/-3 pts	10%	Gross loss ratio excluding claims handling expenses	+/-5 pts	10%	<b>TOTAL (A)</b>		<b>60%</b>	STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	ALLOCATION KEY	Continuation of cultural transformation, strengthening of employee engagement and customer satisfaction	0/125%	15%	New strategic plan	0/125%	10%	CSR strategy	0/125%	10%	Strengthening of the succession plan for the Executive Committee	0/125%	5%	<b>TOTAL (B)</b>		<b>40%</b>	<b>TOTAL (A + B)</b>		<b>100%</b>
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<p>The maximum achievement rate for variable compensation is 200%, broken down as follows:</p> <ul style="list-style-type: none"> <li>150% for financial objectives (<i>i.e.</i>, a maximum achievement rate of 250% per objective);</li> <li>50% for strategic and managerial objectives (<i>i.e.</i>, a maximum achievement rate of 125% per objective).</li> </ul> <p>The achievement rate for financial objectives is defined in the scope of variation limits, as follows:</p> <ul style="list-style-type: none"> <li>the lower end of the variation limit corresponds to the trigger threshold, <i>i.e.</i> 0% achieved;</li> <li>the objective level corresponds to 100% achievement;</li> <li>between the lower end of the variation limit and the objective, the achievement rate is set on a straight-line basis between 0% and 100% of achievement;</li> <li>between the objective and the upper end of the variation limit, the achievement rate is calculated on a straight-line basis between 100% and 250% of achievement.</li> </ul> <p>Thus, if the achievement rate for one of the financial objectives is at or below the lower end of the variation limit for this objective, no compensation will be paid for it.</p> <p><b>The payment of 30% of the annual variable compensation ("bonus") is deferred</b> and paid as follows: 50% in N+2 and 50% in N+3. A <b>penalty</b> system is applied in the event of dismissal for serious misconduct or gross negligence or observed losses prior to the payment date.</p>																																									

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS
Long-term variable compensation (allocation of free performance shares) - 2020 LTIP	€717,900 (IFRS fair value)	<p>75,000 shares are awarded under the 2020 Long-Term Incentive Plan (2020 LTIP), representing an IFRS fair value of €717,900 (€862,463 on award, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting).</p> <p>Free performance shares will be definitively vested on February 6, 2023, subject to presence and performance conditions measured over the term of the plan until December 31, 2022, as follows:</p> <ul style="list-style-type: none"> <li>● one third of the shares allocated will be vested subject to achievement of COFACE SA's RoATE (return on average tangible equity) level for the financial year ending December 31, 2022;</li> <li>● one third of the shares allocated will be vested subject to the relative performance of COFACE SA's shares, measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of companies comprising the Euro Stoxx Insurance index over the period from January 1, 2020 to December 31, 2022;</li> <li>● one third of the shares allocated will be vested subject to achievement of the net cost ratio at December 31, 2022.</li> </ul> <p>The trigger threshold is set at 80% of the objective for each criterion. Thus, if the achievement rate for one of the criteria is less than 80% of the objective, performance in respect of this criterion will be unfulfilled. The achievement rate may vary between 80% and 120%, and the achievement rates can offset each other. However, this offsetting cannot be applied if the rate of achievement for one of the criteria is less than 80% of the target and cannot result in the acquisition of more than 100% of the shares in total.</p> <p>The share vesting period is set at three years starting from February 5, 2020. The plan does not include a minimum holding period.</p> <p>The Board decided that 30% of the CEO's shares vested under the 2020 LTIP should be retained until the end of his term of office or of any other role that he might hold within Coface.</p> <p>The objective of long-term variable compensation is to provide a longer-term perspective on the Chief Executive Officer's action, as well as to retain their loyalty and to encourage the alignment of their interests with the corporate interests of the Company and the shareholders.</p>
Other benefits	€14,516	<p>Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers.</p> <p>He is entitled to the Group healthcare and protection schemes in place for all employees and has no supplementary retirement scheme.</p>
<b>Target total compensation 2020</b>	<b>€2,232,416</b>	



## b. Total compensation allocated and paid in 2020

I The compensation allocated to Xavier Durand for 2020, **including the assessment of the 2020 bonus**, is in line with the proposal by the Nominations and Compensation Committee meeting of January 25, 2021, subject to validation by the Board of Directors on February 10, 2021 and approval by the Ordinary Shareholders' Meeting that follows the close of the 2020 financial year.

I The compensation paid to Xavier Durand in 2020 is in line with the proposal by the Nominations and Compensation Committee meeting of January 20, 2020, which was approved by the Board of Directors on February 5, 2020 and by the Shareholders' Meeting of May 14, 2020 in its eighth and ninth resolutions.

COMPONENTS OF COMPENSATION	AMOUNT ALLOCATED	AMOUNT PAID	COMMENTS
Fixed compensation	€691,667	€691,667	Gross annual compensation set at €750,000 on the renewal of Xavier Durand's term of office and effective in May 2020, after the Shareholders' Meeting closing financial year 2019.  The amount of €691,667 corresponds to the <i>pro-rata</i> calculation over the period, <i>i.e.</i> : <ul style="list-style-type: none"> <li>• €575,000 in fixed annual compensation from January to April 2020;</li> <li>• €750,000 in fixed annual compensation since May 2020 (date of the Shareholders' Meeting closing fiscal year 2019).</li> </ul>
Annual variable compensation allocated ("2020 bonus")	€498,733		The achievement rate for the 2020 objectives, proposed by the Nominations and Compensation Committee meeting of January 25, 2021, approved by the Board of Directors at the meeting of February 10, 2021 and submitted for approval of the Shareholders' Meeting that approves the 2020 financial statements is 72.106%, broken down as follows:

FINANCIAL OBJECTIVES	VARIATION LIMITS	ALLOCATION KEY	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION (in €)
Turnover	-/+10%	20%	53.03%	73,358
Net income	-/+20%	20%	0%	0
Cost ratio after reinsurance	+/-3 pts	10%	140.00%	96,833
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%	0%	0
<b>TOTAL (A)</b>		<b>60%</b>	<b>24.606%</b>	<b>170,191</b>

STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	ALLOCATION KEY	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION (in €)
Continuation of cultural transformation, strengthening of employee engagement and customer satisfaction	0/125%	15%	125%	129,688
New strategic plan	0/125%	10%	125%	86,458
CSR strategy	0/125%	10%	100%	69,167
Strengthening of the succession plan for the Executive Committee	0/125%	5%	125%	43,229
<b>TOTAL (B)</b>		<b>40%</b>	<b>47.5%</b>	<b>328,542</b>
<b>TOTAL (A + B)</b>		<b>100%</b>	<b>72.106%</b>	<b>498,733</b>

The bonus due for financial year 2020 is therefore €498,733 and will be paid as follows:

- 70% of the total amount paid in 2021, *i.e.*, €349,113;
- 15% of the total amount deferred to 2022, *i.e.*, €74,810;
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COMPONENTS OF COMPENSATION	AMOUNT ALLOCATED	AMOUNT PAID	COMMENTS																																			
Annual variable compensation paid ("2019 bonus")		€609,507	The achievement rate for 2019 objectives is 151.43%, broken down as follows:																																			
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STRATEGIC AND MANAGERIAL OBJECTIVES	VARIATION LIMITS	ALLOCATION KEY	ACHIEVEMENT RATE	AMOUNT OF VARIABLE COMPENSATION (in €)																																		
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			The bonus due for financial year 2019 is therefore €870,723 and will be paid as follows: <ul style="list-style-type: none"> <li>● 70% of the total amount paid in 2020, i.e., €609,507;</li> <li>● 15% of the total amount deferred to 2021, i.e., €130,608;</li> <li>● 15% of the total amount deferred to 2022, i.e., €130,608.</li> </ul>																																			
Deferred variable compensation ("2017 bonus")		€131,109	Xavier Durand's 2017 bonus was €874,058, paid as follows: <ul style="list-style-type: none"> <li>● 70% of the total amount paid in 2018, i.e., €611,840;</li> <li>● 15% of the total amount deferred to 2019, i.e., €131,109;</li> <li>● 15% of the total amount deferred to 2020, i.e., €131,109.</li> </ul>																																			
Deferred variable compensation ("2018 bonus")		€136,130	Xavier Durand's 2018 bonus was €907,532, paid as follows: <ul style="list-style-type: none"> <li>● 70% of the total amount paid in 2019, i.e., €635,272;</li> <li>● 15% of the total amount deferred to 2020, i.e., €136,130;</li> <li>● 15% of the total amount deferred to 2021, i.e., €136,130.</li> </ul>																																			
Long-term variable compensation (allocation of free performance shares) - 2020 LTIP	€717,900 (IFRS fair value)		75,000 shares are awarded under the 2020 Long-Term Incentive Plan (2020 LTIP), representing an IFRS fair value of €717,900 (€862,463 on award, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting). Vesting is subject to conditions of presence and performance as detailed above in point a.																																			
Other benefits	€14,516	€14,516	Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers. He is entitled to the Group healthcare and protection schemes in place for all employees and has no supplementary retirement scheme.																																			
<b>Total compensation</b>	<b>€1,922,816</b>	<b>€1,582,929*</b>																																				

\* This amount does not take into account the shares allocated to Xavier Durand under the 2017 LTIP, which vested on February 9, 2020 and were delivered on February 10, 2020 as the performance condition was 100% achieved, i.e. 60,000 shares (IFRS fair value of €318,300 - €699,000 in capital gain on acquisition). As agreed under the Plan's regulations, Xavier Durand must retain 30% of the shares acquired under the 2017 LTIP until the end of his corporate term of office or of any other role that he might be required to hold within Coface, which corresponds to 18,000 shares under this Plan.

Note that payment of the 2020 bonus is subject to the approval of the Ordinary Shareholders' Meeting that approves the financial statements for the 2020 financial year.

### c. Fairness ratio between the level of compensation of the Chief Executive Officer and the average and median compensation of the Company's employees

In accordance with the terms of Decree No. 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under law No. 2019-486 of May 22, 2019 (the so-called PACTE law), the Company provides here the ratio of the level of compensation of the Chief Executive Officer to the average and median full-time equivalent compensation of the Company's employees.

This analysis was conducted taking into account the "guidelines on compensation multiples" issued by the AFEP (the French Association of Private Enterprises) on September 27, 2019 and updated in February 2021. The scope used for the analysis is the France scope (all employees established in France and continuously present during the

reference year), which is the Chief Executive Officer's market and is the most relevant for this comparison. It takes into account the gross components of compensation paid or awarded for financial year N (fixed pay, variable compensation paid during financial year N for year N-1, deferred variable portion paid during financial year N for previous financial years, free performance shares awarded for financial year N valued at IFRS fair value, and benefits in kind).

It concerns only the Chief Executive Officer; the Chairman of the Board of Directors received no compensation for his corporate office within COFACE SA.

FINANCIAL YEAR	2016	2017	2018	2019	2020	BENCHMARK SBF 120 <sup>(1)</sup>
Ratio to average employee compensation	12.3	17.8	23.7	24.1	29.1	40
Ratio to median employee compensation	13.8	21.2	29.2	29.0	35.2	55

#### / EXPLANATIONS FOR THE CHANGE IN THE RATIO OVER THE REFERENCE PERIOD

- | **Financial year 2016:** as regards the first year of the term of office of Xavier Durand, the compensation paid in 2016 does not include annual variable compensation for 2015. The ratio is therefore abnormally low for this financial year.
- | **Financial year 2017:** Xavier Durand's compensation includes the cash portion of the guaranteed bonus at 80% for 2016 (i.e., 70% of the bonus amount for 2016, 30% of the annual variable compensation being deferred and paid in years N+2 and N+3). Financial year 2017 does not therefore reflect a full year of compensation in terms of the rate of achievement and payment.
- | **Financial year 2018:** first full year of Xavier Durand's compensation, including a performance bonus for 2017 (152.01% achievement of the objectives set over the period) and the first deferred variable compensation amount paid in respect of the 2016 bonus.
- | **Financial year 2019:** Xavier Durand's compensation includes a performance bonus for 2018 (157.83% achievement of the objectives set over the period), comparable to 2017, and the second deferred variable compensation amount paid in respect of the 2016 bonus and the first for the 2017 bonus; the ratios were relatively stable between 2018 and 2019.

**Financial year 2020:** Xavier Durand's compensation includes a performance bonus for 2019 (151.43% achievement of the objectives set over the period), comparable to 2017 and 2018, the second deferred variable compensation amount paid in respect of the 2017 bonus and the first for the 2018 bonus. In addition, Xavier Durand's fixed compensation was revised from €575,000 to €750,000 in 2020, on his reappointment, in order to take into account:

- | Individual performance: Xavier Durand outperformed his objectives for the previous three financial years,

| Market practice: Xavier Durand's fixed compensation was voluntarily set below the market median at the time he took office in 2016 (17% below the market median<sup>(1)</sup> in base salary and -21% overall in 2019) and was not reviewed in his first four years in office, in accordance with the Company's policy and the recommendations of the AFEP-MEDEF code. This review allowed the Xavier Durand's compensation to be positioned at a competitive level, slightly above the market median (+7% compared to the median base salary and +9% overall). The fairness ratio therefore changed over the period but remains well below the benchmarks made up of SBF 120 companies.

(1) Average ratio - source Willis Towers Watson

## / ANNUAL CHANGES IN COMPENSATION, THE COMPANY'S PERFORMANCE, AVERAGE FULL-TIME EQUIVALENT COMPENSATION FOR THE COMPANY'S EMPLOYEES AND THE AFOREMENTIONED RATIOS DURING THE FIVE MOST RECENT FINANCIAL YEARS

	2016	2017	2018	2019	2020
Change in the compensation of the Chief Executive Officer (as a%)	(34%)	57%	41%	9%	22%
Change in the average compensation of employees (as a%)	(1%)	8%	6%	7%	1%
Ratio to average employee compensation	12.3	17.8	23.7	24.1	29.1
Change in ratio (as a%) vs. average employee compensation compared to the previous year	(33%)	45%	33%	2%	21%
Ratio to median employee compensation	13.8	21.2	29.2	29.0	35.2
Change in ratio (in%) vs. median compensation of employees compared to the previous financial year	(33%)	54%	37%	(1%)	21%
Change in net income	(67%)	100%	47%	20%	(44%)
Change in turnover	(5%)	(4%)	2%	7%	(2%)

**Note:** In an economic environment marked by a sharp slowdown in our policyholders' activity, operating performance remained very satisfactory; turnover was stable and net income remained positive over the period.

However, in order to take account of the economic situation, it was agreed:

- | To maintain the objectives set for Xavier Durand's annual variable compensation as defined before the health crisis; the 2020 bonus is down 43% compared to 2019 (from €870,723 for 2019 to €498,733 for 2020),
- | Not to modify the performance evaluation criteria of the 2018 Long-Term Incentive Plan measured at December 31, 2020, the delivery of which was scheduled for February 2021; 65,000 shares, or all of the shares awarded under the 2018 LTIP, will not be

delivered to Xavier Durand (value of €594,198 on the award date), resulting in a 40% decrease in total compensation paid in 2021 compared to 2020,

- | To set the maximum amount of the free performance shares allocated to Xavier Durand under the Long-Term Incentive Plans at 20% of the budget allocated for the fiscal year and 125% of his fixed compensation as from 2021,
- | Finally, in accordance with the recommendations of the AFEP-MEDEF Code, it was agreed that, except in exceptional circumstances, the compensation structure of the Chief Executive Officer, including fixed compensation, will only be reviewed at lengthy intervals; the review must be justified in light of changes in responsibilities, performance and market competitiveness.

#### d. Structure of the compensation of the Chief Executive Officer for financial year 2021

As part of the renewal of the Chief Executive Officer's term of office for a period of four years, at the proposal of the Nominations and Compensation Committee, after the decision

from the Board of Directors and **subject to approval by the Shareholders' Meeting**, the compensation for Xavier Durand for 2021 will comprise the following components:

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS																																							
Fixed compensation	€750,000	Gross annual compensation set at €750,000 on the renewal of Xavier Durand's term of office, <b>maintained for 2021</b> .																																							
Target annual variable compensation ("bonus")	€750,000	Target variable compensation is <b>maintained at 100% of fixed compensation</b> , i.e., €750,000. Its structure remains unchanged. It therefore comprises 60% financial objectives and 40% strategic and managerial objectives, defined as follows for 2021:																																							
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The objectives set reflect the Company's strategy. They uphold its corporate interests and contribute to its commercial strategy and long-term viability.

The maximum achievement rate for variable compensation is 200%, broken down as follows:

- 150% for financial objectives (i.e., a maximum achievement rate of 250%);
- 50% for strategic and managerial objectives (i.e., a maximum achievement rate of 125%).

The achievement rate for financial objectives is defined in the scope of variation limits, as follows:

- the lower end of the variation limit corresponds to the trigger threshold, i.e. 0% achieved;
- the objective level corresponds to 100% achievement;
- between the lower end of the variation limit and the objective, the achievement rate is set on a straight-line basis between 0% and 100% of achievement;
- between the objective and the upper end of the variation limit, the achievement rate is calculated on a straight-line basis between 100% and 250% of achievement.

Thus, if the achievement rate for one of the financial objectives is at or below the lower end of the variation limit for this objective, no compensation will be paid for it.

The payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 50% in N+2 and 50% in N+3. A penalty system is introduced in the event of dismissal for serious misconduct or gross negligence or observed losses prior to the payment date.

COMPONENTS OF COMPENSATION	TARGET AMOUNT	COMMENTS
Long-term variable compensation (allocation of free performance shares) - 2021 LTIP	€641,362 (value on award date)	<p>75,000 shares are awarded under the 2021 Long-Term Incentive Plan (2021 LTIP), representing €641,362 on award, based on the average opening share price for the last 20 stock market trading sessions preceding the date of the Board meeting.</p> <p>The maximum amount of the free performance shares allocated to Xavier Durand under the 2021 LTIP is set at 20% of the budget allocated for the fiscal year and 125% of his fixed compensation. For 2021, Xavier Durand's allocation corresponds to 16% of the maximum budget allocated for the fiscal year and 85% of his fixed compensation.</p> <p>Free performance shares will be definitively vested on February 12, 2024, subject to presence and performance conditions measured over the term of the plan until December 31, 2023, as follows:</p> <ul style="list-style-type: none"> <li>40% of the shares allocated will be vested subject to the relative performance of COFACE SA's shares, measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of companies comprising the Euro Stoxx Assurance index over the period from January 1, 2021 to December 31, 2023;</li> <li>40% of the shares allocated will be vested subject to achievement of net earnings per share at December 31, 2023.</li> <li>20% of the shares allocated will be vested subject to the achievement of the CSR criterion linked to increasing the proportion of women in senior management (Top 200) at December 31, 2023.</li> </ul> <p>A trigger threshold is set at 80% of the objective for each criterion. Thus, if the achievement rate for one of the criteria is less than 80% of the objective, performance in respect of this criterion will be unfulfilled.</p> <p>The share vesting period is set at three years starting from February 10, 2021. The plan does not include a minimum holding period.</p> <p>The Board decided that 30% of the CEO's shares vested under the 2021 LTIP should be retained until the end of his term of office or of any other role that he might hold within Coface.</p> <p>The objective of long-term variable compensation is to provide a longer-term perspective on the Chief Executive Officer's action, as well as to retain their loyalty and to encourage the alignment of their interests with the corporate interests of the Company and the shareholders.</p>
Other benefits	€14,516 (estimate excluding medical assessment)	<p>Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the social security regime for company managers and corporate officers.</p> <p>He is entitled to the Group healthcare and protection schemes in place for all employees and has no supplementary retirement scheme. A medical check-up will be offered to Xavier Durand in 2021.</p>
<b>Target total compensation 2021</b>	<b>€2,155,878</b>	<b>Subject to the approval of the shareholders' meeting</b>

\* The Board of Directors meeting of February 10, 2021 approving the financial statements for 2020 confirmed that the performance condition attached to the 2018 Long-Term Incentive Plan (2018 LTIP) was not met; the shares awarded to Xavier Durand under this plan that were to vest and be delivered on February 15, 2021, representing 65,000 shares for a value of €594,198 at the grant date (€463,320 at IFRS fair value) were therefore cancelled.

### Severance compensation

Should his term of office be terminated, Xavier Durand would be entitled to severance pay of an amount equal to two years' salary (fixed and variable). The reference used for the fixed portion will be the salary for the current financial year at the date his duties cease. The reference for the variable portion will be the average of the variable compensation received for the three financial years preceding the date of termination of his duties.

This severance pay will be due if the following performance criteria have been met:

- achievement of at least 75% of the average annual objectives during the three financial years preceding the departure date; and
- the Company's combined ratio after reinsurance is at most 95% on average for the three financial years preceding the departure date.

If just one of the two conditions above has been fulfilled, 50% of the severance pay will be due. If neither of the conditions above has been met, no severance pay will be due. No severance pay will be paid by the Company if the corporate term is ended at Xavier Durand's initiative or in the event of termination for serious misconduct or gross negligence. The compensation components and corporate benefits governed by the regulated agreements procedure in accordance with the provisions of the French Commercial Code are subject to the approval of the Company's Shareholders' Meeting.

## Directors' compensation

### Principles of directors' compensation

The Group's policy is not to allocate compensation to management representatives who perform the duties of directors in Group companies or to directors representing the principal shareholder, Natixis. The Chairman of the Board of Directors does not therefore receive any compensation for his corporate office within COFACE SA.

The compensation policy for corporate officers has been adapted to the usual practices of listed companies and guarantees the independence of directors.

Xavier Durand does not have an employment contract.

Following the renewal of his term of office in 2020, given his responsibilities as Chief Executive Officer and in order to preserve the Company's interests, the Board of Directors resolved to introduce a non-competitor clause.

It is understood that the total maximum amount paid to Xavier Durand in respect of the application of the severance compensation and the non-competitor clause may under no circumstances exceed two years' salary (fixed and variable).

### Components of directors' compensation

The total annual package allocated to the compensation of directors in 2020 amounted to €450,000, divided between the Board of Directors, the Audit and Accounts Committee, the Risk Committee and the Nominations and Compensation Committee. The rules for distributing attendance fees are as follows:

		FIXED PORTION (per year prorata temporis of the term of office)	VARIABLE PORTION (per meeting and capped*)
Board of Directors	Members	€8,000	€3,000
	Chairman	€17,000	€3,000
Audit and Accounts Committee	Members	€5,000	€2,000
	Chairman	€17,000	€3,000
Risk Committee	Members	€5,000	€2,000
	Chairman	€8,000	€3,000
Nominations and Compensation Committee	Members	€3,000	€2,000

\* Capped:

- at six meetings for the Board of Directors, the Audit and Accounts Committee and the Risk Committee;
- at five meetings for the Nominations and Compensation Committee.

## a. Compensation payable to directors for 2020

On the basis of six Board meetings per year; six Audit and Accounts Committee meetings; six Risk Committee meetings; five Nominations and Compensation Committee meetings	FINANCIAL YEAR 2020 - MAXIMUM GROSS COMPENSATION AMOUNTS		
	AMOUNT OF COMPENSATION	FIXED PORTION (in%)	VARIABLE PORTION (in%)
Member of the Board of Directors	€26,000	31	69
Member of the Board of Directors + Chairman of the Audit and Accounts Committee	€61,000	41	59
Member of the Board of Directors + Member of the Audit and Accounts Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Risk Committee	€61,000	41	59
Member of the Board of Directors + Member of the Risk Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Nominations and Compensation Committee	€49,000	33	67
Member of the Board of Directors + Member of the Nominations and Compensation Committee	€39,000	28	72

The table below presents the compensation due to the members of the Company's Board of Directors in 2019 and 2020.

NON-CORPORATE OFFICERS	FIRST APPOINTMENT <sup>(1)</sup>	EXPIRY OF THE TERM OF OFFICE <sup>(1)</sup>	AMOUNTS DUE FOR FINANCIAL YEAR 2020 <sup>(2)</sup>	AMOUNTS PAID IN FINANCIAL YEAR 2019 <sup>(2)</sup>
<b>Jean Arondel</b>	Nov. 21, 2012	2020 <sup>(3)</sup>	26,000	26,000
Other compensation			-	-
<b>Nathalie Bricker</b>	May 16, 2019	2022 <sup>(3)</sup>	- <sup>(4)</sup>	- <sup>(4)</sup>
Other compensation			-	-
<b>Éric Hémar</b>	Jul. 1, 2014	2021 <sup>(3)</sup>	58,000	55,000
Other compensation			-	-
<b>Daniel Karyotis</b>	Feb. 8, 2017	2020 <sup>(3)</sup>	26,000	23,000
Other compensation			-	-
<b>Isabelle Laforgue</b>	Jul. 27, 2017	2020 <sup>(3)</sup>	41,000	41,000
Other compensation			-	-
<b>Nathalie Lomon</b>	Jul. 27, 2017	2020 <sup>(3)</sup>	58,000	55,000
Other compensation			-	-
<b>Sharon MacBeath</b>	Jul. 1, 2014	2021 <sup>(3)</sup>	35,000	33,000
Other compensation			-	-
<b>Marie Pic-Pâris</b>	Oct. 23, 2019	2020 <sup>(3)</sup>	41,000	5,000
Other compensation			-	-
<b>Isabelle Rodney</b>	Nov. 3, 2016	2020 <sup>(3)</sup>	41,000	41,000
Other compensation			-	-
<b>Anne Sallé-Mongauze</b>	Nov. 3, 2016	2020 <sup>(3)</sup>	- <sup>(4)</sup>	- <sup>(4)</sup>
Other compensation			-	-
<b>Olivier Zarrouati</b>	Jul. 1, 2014	2021 <sup>(3)</sup>	43,000	40,000
Other compensation			-	-

(1) The dates of appointments and ends of terms of office for the Board of Directors are available in Section 2.1.1 "Mapping of the characteristics of the members of the Board of Directors for financial year 2020".

(2) In euros, on a gross basis (before social security contributions and tax).

(3) Shareholders' Meeting called to approve the financial statements for the financial year ending December 31 of the year in question.

(4) Nathalie Bricker, Chief Financial Officer of Natixis, waives her compensation for her participation on the Board of Directors of COFACE SA pursuant to the Natixis policy. The same applies to Anne Sallé-Mongauze, CEO of a wholly owned subsidiary of Natixis.

## b. Principles and components of directors' compensation for 2021

In accordance with the provisions of the PACTE law, which entered into force in November 2019, the attendance fees policy was replaced by the directors' compensation policy in January 2020.

Starting from his nomination on February 10 2021, the chairman of the Board of Directors M Bernardi Sanchez Incera, independent member of the Board, will be paid an annual compensation set at EUR 180,000. The other principles of the corporate officers' compensation policy will remain unchanged for 2021