

## 2.1 / COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS AND ITS SPECIALISED COMMITTEES

### 2.1.1 MAPPING OF THE CHARACTERISTICS OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR FINANCIAL YEAR 2017 <sup>(1)</sup>

Name	Age	Start of term	End <sup>(1)</sup>	Shares	Gender	Nationality	Status	Membership of a committee		
								Audit	Appointments and compensation	
<b>Laurent Mignon</b>	54	Nov. 21, 2012	2020	500	♂	French	Non-independent		○	
<b>Jean Arondel</b>	67	Nov. 21, 2012	2020	1,000	♂	French	Non-independent			
<b>Jean-Paul Dumortier</b>	69	Jul. 26, 2013	2020	550	♂	French	Non-independent			
<b>Éric Hémar</b>	54	Jul. 1, 2014	2017	892	♂	French	Independent	●		
<b>Sharon MacBeath</b>	48	Jul. 1, 2014	2017	500	♀	British	Independent		○	
<b>Isabelle Rodney</b>	52	Nov. 3, 2016	2020	500	♀	French	Non-independent			
<b>Anne Sallé-Mongauze</b>	52	Nov. 3, 2016	2020	500	♀	French	Non-independent	○		
<b>Olivier Zarrouati</b>	59	Jul. 1, 2014	2017	500	♂	French	Independent		●	
<i>Resignation - Cooptation</i>										
<b>BPCE, represented by Marguerite Bérard-Andrieu</b> <b>Resignation on Feb. 8, 2017</b>	40	Nov. 21, 2012	2016	500	♀	French	Non-independent			
<b>Daniel Karyotis</b> <b>Cooptation on Feb. 8, 2017</b>	57	Feb. 8, 2017	2020	1,000	♂	French	Non-independent			
<i>Resignation - Cooptation</i>										
<b>Linda Jackson</b> <b>Resignation on Jun. 28, 2017</b>	59	May 5, 2015	2016	550	♀	British	Independent			
<b>Isabelle Laforgue</b> <b>Cooptation on Jul. 27, 2017</b>	37	Jul. 27, 2017	2020	500	♀	French	Independent			
<i>Resignation - Cooptation</i>										
<b>Martine Odillard</b> <b>Resignation on Jul. 1, 2017</b>	63	May 5, 2015	2016	500	♀	Belgian	Independent	○		
<b>Nathalie Lomon</b> <b>Cooptation on Jul. 27, 2017</b>	46	Jul. 27, 2017	2020	500	♀	French	Independent	○		
<b>Average</b>	<b>54 <sup>(2)</sup></b>							<b>45.5% <sup>(5)</sup></b>	<b>83.4% <sup>(6)</sup></b>	<b>100% <sup>(6)</sup></b>

Average attendance rate at Board meetings: 83.3%

For the purposes of their corporate mandates, the members of the Board of Directors are domiciled at the head office of the Company.

(1) Until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31 of the specified year.

(2) Average at December 31, 2017

(3) Percentage of women at December 31, 2017.

(4) Percentage of foreign national directors at December 31, 2017.

(5) Percentage of independent directors at December 31, 2017. As the Company is controlled by Natixis within the meaning of Article L.233-3 of the French Commercial Code, the recommendation of Article 8.3 of the AFEP-MEDEF Code which requires this committee to include at least one-third independent members has therefore been met (see Section 7.3.3 "Declaration relating to the Company's control by the majority shareholder").

(6) Average attendance rate.

● Chairman ○ Member ♀ Women ♂ Men

(1) In the interests of transparency, members whose terms of office expired during the financial year are also indicated.

## 2.1.2 EXPERIENCE AND TERMS OF OFFICE OF THE MEMBERS OF THE BOARD OF DIRECTORS



Laurent **MIGNON**  
**Chairman of the Board of Directors**  
 since November 21, 2012

### FRENCH NATIONALITY

54 years

### ATTENDANCE RATE

100%

### EXPIRATION DATE OF THE TERM

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

### CURRICULUM VITAE

Laurent Mignon is Chief Executive Officer (CEO) of Natixis and a member of the BPCE Management Board. Graduate of HEC and the Stanford Executive Program, Laurent Mignon worked for more than 10 years in various positions at Banque Indosuez, from the trading floor to corporate banking. In 1996, he joined Schroeders Bank in London, then AGF in 1997 as Chief Financial Officer. He was appointed to the Executive Committee in 1998, then became Deputy CEO in charge of Banque AGF, AGF Asset Management and AGF Immobilier in 2002. He became Chief Executive Officer (CEO) in charge of the Life and Financial Services and Credit Insurance Departments in 2003 and Chairman of the Executive Committee in 2006. From September 2007 to May 2009, he was Associate Manager at Oddo et Cie alongside Philippe Oddo.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ Chief Executive Officer (CEO) of Natixis <sup>(1)</sup>
- ▶ Member of the Management Board of BPCE
- ▶ Chairman of the Board of Directors of Natixis Global Asset Management
- ▶ Chairman of the Board of Directors of Natixis Assurances
- ▶ Director of: Arkema <sup>(1)</sup>, AROP (Association pour le rayonnement de l'opéra) and Peter J. Solomon Company LLC

#### During the past five years and which are no longer held

- ▶ Director of Sequana <sup>(1)</sup>, Lazard Ltd <sup>(1)</sup>
- ▶ Permanent representative of Natixis: non-voting member of BPCE

(1) Listed company.



## Jean **ARONDEL**

**Director**

since November 21, 2012

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### **FRENCH NATIONALITY**

67 years

### **ATTENDANCE RATE**

100%

### **EXPIRATION DATE OF THE TERM**

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

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### **CURRICULUM VITAE**

Jean Arondel, an engineer and HEC graduate, is the Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire-Centre. He has performed executive functions within various companies of the industrial sector, the cosmetics sector and the financial sector, and was also a director at Natixis Lease.

### **PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP**

#### **During financial year 2017**

- ▶ Chairman of the Steering and Supervisory Board of Caisse d'Epargne Loire-Centre
- ▶ Chairman of the Board of Directors of Société Locale d'Épargne Pays Chartrain et Drouais
- ▶ Director of CE Holding Participations of the BPCE group
- ▶ Non-voting member of the BPCE Supervisory Board
- ▶ Chairman of the Board of Directors of the Fédération Nationale des Caisses d'Epargne
- ▶ Chairman of the Compensation Committee of Caisse d'Epargne Loire-Centre
- ▶ Chairman of the Appointments Committee of Caisse d'Epargne Loire-Centre
- ▶ Member of the Board of Directors of the Caisse d'Epargne Loire-Centre corporate foundation
- ▶ Member of the Audit Committee of Caisse d'Epargne Loire-Centre
- ▶ Member of the Risks Committee of Caisse d'Epargne Loire-Centre
- ▶ Chairman of the Association pour l'Histoire des CEP
- ▶ Vice-Chairman of World Savings Bank Institute (WSBI)
- ▶ Co-manager: SNC Ecureuil - 5 rue Masseran

#### **During the past five years and which are no longer held**

- ▶ Director of NATIXIS LEASE (SA) for Caisse d'Epargne Loire-Centre
- ▶ Chairman of the Fondation Caisse d'Epargne Loire-Centre



## Jean-Paul DUMORTIER

**Director**

since July 26, 2013

### FRENCH NATIONALITY

69 years

### ATTENDANCE RATE

100%

### EXPIRATION DATE OF THE TERM

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

### CURRICULUM VITAE

Jean-Paul Dumortier, a graduate of the Institut d'études politiques de Paris and a former student of ENA, has been Chairman of the Board of Directors of Banque Populaire Rives de Paris since 2013. After starting his career in the financial sector, he became Chairman and Chief Executive Officer (CEO) of Foncière Paris France from 2005 to 2012, and has been director of Banque Populaire Rives de Paris since 2004.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ Chairman of Holding Wilson 250 SAS
- ▶ Chairman of the Board of Directors of SCM Habitat Rives de Paris
- ▶ Chairman of the Board of Directors of Banque Populaire Rives de Paris
- ▶ Chairman of Imocominvest OPC1
- ▶ Chairman of Imocominvest 2 OPC1
- ▶ Director of Crédit Foncier de France

#### During the past five years and which are no longer held

- ▶ Director of SOVAFIM



Éric **HÉMAR**  
Independent director

since July 1, 2014

**FRENCH NATIONALITY**

54 years

**ATTENDANCE RATE**

50%

**EXPIRATION DATE OF THE TERM <sup>(1)</sup>**

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2017

**CURRICULUM VITAE**

Éric Hémard, a former ENA student, began his career at the Cour des comptes before joining the Ministry of Equipment, Transportation and Tourism in 1993, where he served as Technical Adviser to minister Bernard Bosson. In 1995, he joined the Sceta group, and then Geodis as company secretary. He left Geodis Logistics in March 2001 to create the ID Logistics group. Mr Hémard has been Chairman and Chief Executive Officer (CEO) of the ID Logistics group <sup>(2)</sup> since 2010.

**PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP**

**During financial year 2017**

- ▶ Chairman and Chief Executive Officer (CEO) of ID Logistics group <sup>(2)</sup>
- ▶ Chief Executive Officer: IDL Supply Chain South Africa, IDL Fresh South Africa, ID Assets (Taiwan)
- ▶ Chairman: ID Logistics, ID Logistics France, ID Logistics France 3, ID Logistics Mayotte, ID Logistics Océan Indien, Ficopar, Timler, Les Parcs du Lubéron Holding, IDL Bucharest
- ▶ Chairman of the Board of Directors: France Paquets, ID Logistics (Nanjing) Business Consultation, ID Logistics Nanjing, ID Logistics Taiwan,
- ▶ Director: ID Logistics China Holding Hong Kong, ID Logistics Switzerland SA, ID Logistics Nanjing, ID Logistics Taiwan, ID Logistics (Nanjing) Business Consultation, France Paquets, ID Logistics group, ID Logistics Belgium, IDE Enterprise (Taiwan)
- ▶ Member of the Supervisory Board: Dislogis, ID Logistics Polska
- ▶ Permanent representative of Les Parcs du Luberon Holding, Chairman of SAS Les Parcs du Luberon 1
- ▶ Permanent representative of ID Logistics, Chairman of SAS ID Logistics France 9, SAS ID Logistics France 10, SAS IDL Logistics Selective 6, SAS ID Logistics Selective 7, SAS ID Logistics France 13, SAS ID Logistics France 14, SAS ID Logistics France 15
- ▶ Permanent representative of ID Projets to the Board of Directors of Froid Combi
- ▶ Manager: FC Logistique R&D, ID Logistics Maroc, ID Logistics Training

**During the past five years and which are no longer held**

- ▶ Chief Executive Officer: IDL Logistics (Mauritius)
- ▶ Director: ID Logistics, ID Logistics La Réunion, ID Logistics (Mauritius)

(1) Proposal to renew his term at the Shareholders' Meeting of May 16, 2018 (see Section 7.7 "Resolutions submitted to the Combined Shareholders' Meeting of May 16, 2018").

(2) Listed company.



## Sharon **MACBEATH**

**Independent director**

since July 1, 2014

### BRITISH NATIONALITY

48 years

### ATTENDANCE RATE

83.3%

### EXPIRATION DATE OF THE TERM <sup>(1)</sup>

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2017

### CURRICULUM VITAE

Sharon MacBeath has a degree in psychology and management from the University of Glasgow, holds a Master's Degree in Human Resources from the Sorbonne, and has an EMBA from INSEAD. After creating the EMDS consulting company, which specialises in the recruitment, selection and development of highly promising young people with international profiles, she has worked in France since 1991 in the field of human resources. She held the position of Director of Human Resources for the pharmacy and beauty line of the Rexam group before becoming the Director of Human Resources and Communications for Redcats, a company in the Kering group (formerly PPR) in 2005. Sharon MacBeath has been Head of Human Resources and member of the Executive Committee of the Rexel group since November 2013. She has been a member of the Tarkett group Management Board and Director of Human Resources since January 2017.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ Member of the Management Board and Executive Committee, Director of Human Resources and Communication for the Tarkett group <sup>(2)</sup> (since January 3, 2017)
- ▶ Director on the Supervisory Board of Hermes International <sup>(2)</sup>
- ▶ Member of the Hermes International Audit Committee <sup>(2)</sup>

#### During the past five years and which are no longer held

- ▶ Director of Group Human Resources, member of the Executive Committee of Rexel <sup>(2)</sup>
- ▶ Director of Human Resources and Communication, member of the Executive Committee of Redcats

(1) Proposal to renew his term at the Shareholders' Meeting of May 16, 2018 (see Section 7.7 "Resolutions submitted to the Combined Shareholders' Meeting of May 16, 2018").

(2) Listed company.



## Isabelle **RODNEY**

**Director**

since November 3, 2016

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### FRENCH NATIONALITY

52 years

### ATTENDANCE RATE

66.7%

### EXPIRATION DATE OF THE TERM

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

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### CURRICULUM VITAE

Isabelle Rodney has been a member of the Management Board of Caisse d'Epargne Côte d'Azur since August 2008. She is in charge of the finance and expertise division and oversees in this respect the Financial Department, the Accounting and Tax Department, the Commitments and Recovery Department as well as the Banking Back Office Department. A graduate of the Paris École supérieure de commerce and the Stanford Executive Program, holder of a degree in business law and an actuary diploma, she worked between 1986 and 1993 as broker, trader and treasurer in various financial organisations (Coficoba, BMF, Casden Banque Populaire). Inside the Banque Populaire group, she was later appointed Sub-director in the Casden group, in charge of the Treasury, ALM, planning and Management Control. In 2001, she joined the Caisse nationale des Caisses d'Epargne (CNCE), where she held the position of Director of the Planning and ALM Department. She then was appointed Director of the Financial Performance Department in 2007, after following the corporate officers course of the Caisse d'Epargne group.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ Chairman of CAZ Foncière 2 SAS
- ▶ Member of the Management Board of CECAZ SA
- ▶ Permanent representative of CECAZ on the Board of Directors of AEW Foncière Ecureuil
- ▶ Chairman of the Board of Directors of MURACEF SA

#### During the past five years and which are no longer held

- ▶ None
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## Anne SALLÉ-MONGAUZE

Director

since November 3, 2016

### FRENCH NATIONALITY

52 years

### ATTENDANCE RATE

83.3%

### EXPIRATION DATE OF THE TERM

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

### CURRICULUM VITAE

Anne Sallé-Mongauze graduated from the Paris Institut d'études politiques and holds a postgraduate degree in economics and finance. She started her career in 1987 at the AMF, in the inspection division. In 1995, she joined the Banque Populaire group as Deputy Manager for the organisation of the Equity Capital Markets Department and participated in the steering of various growth operations in 2001. In 2006, she was appointed M&A Manager at Natixis, before becoming Director of Strategy in 2013. On August 25, 2014, she was appointed Chief Executive Officer of Compagnie européenne de garanties et cautions, a subsidiary of Natixis.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ Chief Executive Director of Compagnie européenne de garanties et cautions (CEGC)
- ▶ Manager of: CEGC Conseil, SCI SACCEF Champs Élysées, SCI SACCEF La Boétie

#### During the past five years and which are no longer held

- ▶ Chief Executive Officer (CEO) of NATIXIS HCP
- ▶ Director of HCP NA LLC (United States)
- ▶ Permanent representative for Natixis HCP on the Board of Directors of: Kompass International Neuenschwander SA, ELLISPHERE
- ▶ Permanent representative for CEGC on the Board of Directors of SIAGI





## Olivier ZARROUATI

Independent director

since July 1, 2014

### FRENCH NATIONALITY

59 years

### ATTENDANCE RATE

100%

### EXPIRATION DATE OF THE TERM <sup>(1)</sup>

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2017

### CURRICULUM VITAE

Olivier Zarrouati, is a former student at the École polytechnique and an engineering graduate of the École nationale supérieure de l'aéronautique (SUPAERO) and of the Harvard Kennedy School of Cambridge. After beginning his career as an engineer in the armaments sector, he held the positions of engineer and Head of Major Projects at the CNES (Centre national d'études spatiales) from 1982 to 1988, and then at Matra Marconi Space from 1989 to 1994. He joined Intertechnique, which was purchased by Zodiac in 1999, as Head of External Development and Subsidiary Control. He subsequently performed various functions within the Zodiac Aerospace group, in particular as Chief Executive Officer (CEO) of the Aerosafety Systems segment and as CEO of aeronautical activities. From 2007 to 2017, he was Chairman of the Management Board and Director of the Executive Committee of the Zodiac Aerospace group. He has also been Chairman of the Fondation Institut supérieur de l'aéronautique et de l'Espace SUPAERO since 2011. In 2017 he founded his own company, Thélème.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ Chairman of Thélème SASU

#### During the past five years and which are no longer held

- ▶ Chairman of: Zodiac Aerotechnics, GEAD
- ▶ Director: Icore GmbH (Germany), HeathTechna (United States) and Chairman of the Management Board and member of the Executive Committee of Zodiac Aerospace <sup>(2)</sup>
- ▶ Chairman: Zodiac Engineering, Sicma Aero Seat Services (United States), Zodiac US Corporation (United States), Fondation ISAE-SUPAERO
- ▶ Director: Air cruisers Company LLC (United States), Avox Systems Inc. (United States), C&D Aerospace Canada Co. (Canada), C&D Zodiac inc. (United States), Esco (United States) formerly Engineering Arresting Systems (United States), Zodiac Interconnect UK Ltd (formerly Icore) (United Kingdom), Mag Aerospace Industries Inc. (United States), Zodiac Parachutes Industries of Southern Africa Pty (South Africa), Zodiac Aerospace UK Ltd (United Kingdom), Zodiac Seats France, Monogram Train LLC (United States), Sicma Aero Seat Services (United States)
- ▶ Member of the GIFAS Board
- ▶ Member of GEAD

(1) Proposal to renew his term at the Shareholders' Meeting of May 16, 2018 (see Section 7.7 "Resolutions submitted to the Combined Shareholders' Meeting of May 16, 2018")

(2) Listed company.

During 2017, three new directors – Daniel Karyotis, Isabelle Laforgue and Nathalie Lomon – were coopted for the remaining terms of BPCE, represented by Marguerite Bérard-Andrieu, Linda Jackson and Martine Odillard, following their resignation, as follows:

## BPCE, represented by Marguerite **BÉRARD-ANDRIEU**

**Resignation on February 8, 2017 <sup>(2)</sup>**

**Director**

since November 21, 2012

### FRENCH NATIONALITY

40 years

### ATTENDANCE RATE

0%

### EXPIRATION DATE OF THE TERM

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2016 <sup>(2)</sup>

### CURRICULUM VITAE

Marguerite Bérard-Andrieu (representative of BPCE) is Deputy CEO – Strategy, Legal Affairs, General Secretariat and Compliance for the BPCE group, and a member of its General Management Committee. A graduate of the Institut d'études politiques de Paris and of Princeton University, and an alumna of ENA, she began her career in 2004 at the French Tax Inspectorate. From 2007 to 2010, she was a Technical Adviser and then an Adviser to the French presidency, in charge of employment and social protection issues. She then directed the office of the Ministry of Labour, Employment and Health from November 2010 to May 2012.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ Member of the BPCE Management Board and CEO in charge of Group Finances, Strategy, Legal Affairs and General Secretariat for the management bodies
- ▶ Permanent BPCE representative: to the Board of Directors of Natixis and to the Board of Directors of Crédit Foncier de France
- ▶ Deputy CEO and permanent BPCE representative to the Board of Directors of CE Holding Participations
- ▶ Director of SCOR <sup>(1)</sup>, Havas <sup>(1)</sup>

#### During the past five years and which are no longer held

- ▶ Chairman of the Board of Directors and Chairman of Issoria
- ▶ Chairman of the Board of Directors of Meilleurtaux
- ▶ Chairman of: S-Money, Oterom Holding
- ▶ Permanent representative of the BPCE group: on the Board of Directors of Banque Palatine, on the Supervisory Board of FLCP, Chairman of the Board of Directors and Chairman of BPCE Domaines, Chairman of Issoria, Chairman of Issoria SAS, Chairman of Issoria International Trading SAS
- ▶ Permanent representative of CE Holding Promotion to the Board of Directors of Nexity <sup>(1)</sup>
- ▶ Director of: Maisons France Confort <sup>(1)</sup>, Natixis Coficiné, BPCE International et Outre-Mer
- ▶ Permanent representative of GCE Participations on the Board of Directors of Demain
- ▶ Deputy CEO – Strategy, Legal Affairs, General Secretariat and Compliance for the BPCE group
- ▶ Chairman of the Board of Directors of S-Money

(1) Listed company.

(2) BPCE, represented by Marguerite Bérard-Andrieu, resigned on February 8, 2017. In light of this, at the meeting of February 8, 2017, Mr Daniel Karyotis, CEO of Banque Populaire Auvergne Rhône Alpes, was coopted as director by the Board of Directors. During the Combined Shareholders' Meeting of May 17, 2017, the directorship of Mr. Daniel Karyotis was renewed for a period of four years expiring at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2020.



## Daniel **KARYOTIS**

**Coopted on February 8, 2017**

**Director**

since February 8, 2017

### **FRENCH NATIONALITY**

57 years

### **ATTENDANCE RATE**

100%

### **EXPIRATION DATE OF THE TERM**

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

### **CURRICULUM VITAE**

Daniel Karyotis is Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes. He graduated from Sciences Po Paris with a Master's degree in econometrics and also has a degree from Sorbonne University's Centre de Perfectionnement d'Analyse Financière in Paris. Daniel Karyotis is also a member of the Société française des analystes financiers (SFAF). After commencing his career with Société Générale in the financial markets from 1985 to 1987, he went on to hold financial analyst positions at Standard & Poor's. He then joined Caisse d'Epargne Champagne Ardennes (CECA), where he occupied various senior management positions from 1992 to 1997. He sat on the Management Board of Caisse d'Epargne du Pas de Calais from 1998 to 2001 and was Chairman of the Management Board of CECA from 2002 to 2007. In 2007, he was appointed Chief Executive Officer of Banque Palatine until 2012, when he was appointed member of the Management Board of BPCE in charge of Finance, Risks and Operations, a position he occupied until 2016.

### **PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP**

#### **During financial year 2017**

- ▶ Chief Executive Officer (CEO) of Banque Populaire Auvergne Rhône Alpes
- ▶ Non-voting member of the BPCE Supervisory Board
- ▶ Member of the Board of Directors, Chairman of Banque de Savoie
- ▶ Permanent representative of Banque Populaire Auvergne Rhône Alpes, director: i-BP, Pramex International
- ▶ Permanent representative of Banque Populaire Auvergne Rhône Alpes, non-voting member: Siparex
- ▶ Permanent representative of Banque Populaire Auvergne Rhône Alpes, Chairman: Garibaldi Capital Développement and SAS Sociétariat

#### **During the past five years and which are no longer held**

- ▶ Permanent representative of Banque Populaire Auvergne Rhône Alpes, director: Compagnie des Alpes <sup>(1)</sup>
- ▶ Permanent representative of BPCE, director of Natixis <sup>(1)</sup>, Crédit Foncier de France, CE Holding Promotion
- ▶ Member of the Board of Directors of Nexity <sup>(1)</sup>

<sup>(1)</sup> Listed company.

## Linda JACKSON

Resignation on June 28, 2017 <sup>(1)</sup>

Independent director

since May 5, 2015

**BRITISH NATIONALITY**

59 years

**ATTENDANCE RATE**

0%

**EXPIRATION DATE OF THE TERM**

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2016 <sup>(1)</sup>

**CURRICULUM VITAE**

Linda Jackson holds an MBA from the University of Warwick in the UK. She began her career in the automobile industry in 1977 with MG Rover Europe and has held several positions, including that of Chief Executive Officer France (2000-2003). In 2005, she joined Citroën as Chief Financial Officer for Citroën UK, and later for Citroën France (2009-2010). She then became Chief Executive Officer of Citroën UK and Ireland in July 2010. Linda Jackson has been Chief Executive Officer of the Citroën brand since June 1, 2014.

**PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP****During financial year 2017**

- ▶ Chairman of the Board of Directors and Chief Executive Officer (CEO) of Automobiles Citroën
- ▶ Chief Executive Officer (CEO) and director of Citroën UK Limited
- ▶ Director of Citroën Benelux
- ▶ Chairman of Citroën Italia Spa
- ▶ Director of Dongfeng Peugeot Citroën Sales Company Ltd
- ▶ Director of Dongfeng Peugeot Citroën Automobiles Company Ltd
- ▶ Director of Peugeot Citroën Automobiles UK Limited

**During the past five years and which are no longer held**

- ▶ Director of Citroën Motors Ireland Limited
- ▶ Director of Peugeot Citroën Retail UK Limited
- ▶ Director of Peugeot Citroën Ukraine

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<sup>(1)</sup> Linda Jackson resigned on June 28, 2017. In light of this, at the meeting of July 27, 2017, Ms Isabelle Laforgue, Director of Transformation at Econocom, was coopted as director by the Board of Directors.



## Isabelle **LAFORGUE**

**Coopted on July 27, 2017**

**Independent director**

since July 27, 2017

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### **FRENCH NATIONALITY**

37 years

### **ATTENDANCE RATE**

100%

### **EXPIRATION DATE OF THE TERM**

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

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### **CURRICULUM VITAE**

After graduating from École polytechnique and École des mines de Paris, Isabelle Laforgue commenced her career at SFR in 2006, where she occupied various roles in the Strategy and Finance Departments. She was appointed Director of Central Finance in 2011, in charge of management control, accounting, financial communication and consolidation. In 2012, she was appointed Chief of Staff to the Chairman and Chief Executive Officer of SFR, advising, analysing and supporting the decision-making processes during a period of change and market consolidation. In 2015, she joined Econocom, a European company specializing in the digital transformation of businesses, as Chief Transformation Officer. Since 2017 she has been Deputy CEO for France in charge of Finance and Strategy.

### **PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP**

#### **During financial year 2017**

- ▶ Chief Transformation Officer, Econocom <sup>(1)</sup>
- ▶ Deputy CEO for France in charge of Finance and Strategy, Econocom <sup>(1)</sup>

#### **During the past five years and which are no longer held**

- ▶ None

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(1) Listed company.

## Martine **ODILLARD**

**Resignation on July 1, 2017 <sup>(1)</sup>**

**Independent director**

since May 5, 2015

### **BELGIAN NATIONALITY**

63 years

### **ATTENDANCE RATE**

50%

### **EXPIRATION DATE OF THE TERM**

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2016 <sup>(2)</sup>

### **CURRICULUM VITAE**

Martine Odillard holds a degree in classical literature and a Master's in management from ECCIP. She began her career with Arjomari Prioux. In 1979, she joined the staff of the Chairman of the Pricel group, subsequently known as Chargeurs. In 1990, she was appointed Human Resources Director of Chargeurs. She became Head of the Communications Department of Chargeurs in 1996. In 2000, she was appointed Director of Human Resources and Communications at Pathé. In September 2010, she was appointed Chief Executive Officer of Chargeurs. She has been Chairman of Cinémas Gaumont Pathé since January 2016.

### **PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP**

#### **During financial year 2017**

- ▶ Chairman of: Cinémas Gaumont Pathé, Pathé SpA, Pathé Suisse SA
- ▶ Chairman of the Supervisory Board of Pathé Holding BV
- ▶ General Manager of: Cinémas Gaumont Pathé Services SNC, Pathé Romandie SARL
- ▶ Director of: Pathé Suisse SA, Flonplex, Pathé Ebikon, Pathé Riddes, Pathé Spreitenbach, Pathé Westside AG, Pathé Dietlikon, Pathé Küchlin AG
- ▶ Member of the Management Committee of Cinémas Gaumont Pathé SAS
- ▶ Permanent representative of Cinémas Gaumont Pathé SAS: on the Supervisory Board of Cezanne, the Executive Committee of Grands Écrans du Genevois, on the Management Committee of Cinémas la Valentine
- ▶ Permanent representative of Cinémas Gaumont Pathé Services SNC: on the Executive Committee of Cinésavoie, on the Board of Directors of Talent Group Communication, director of GIE Carte LP, director of GIE Les Cinémas Gaumont Pathé Actions commerciales, director of GIE Les Cinémas Gaumont Pathé Cartes de Fidélité, director of GIE Cinémas Gaumont Pathé Programmation

#### **During the past five years and which are no longer held**

- ▶ Chairman and Chief Executive Officer (CEO) of Chargeurs Entoilage SA
- ▶ Chairman of: Chargeurs Textiles SAS, Fitexin SAS, Lainière de Picardie BC SAS, Chargeurs Wool (Eurasia) SAS
- ▶ Director of: Union des Industries Textiles (UIT), Lanás Trinidad SA (Uruguay), Zhangjiagang Yangtse Wool Combing Co. Ltd (China)
- ▶ Chief Executive Officer and director of Chargeurs SA <sup>(2)</sup>
- ▶ Chairman and director of CMI (Chargeurs Management International)
- ▶ General Manager of Chargeurs Boissy SARL
- ▶ General Manager of Soparic SNC
- ▶ Permanent representative of Chargeurs SA on the Board of Directors of Chargeurs Entoilage SA
- ▶ Permanent representative of Chargeurs SA on the Management Committee of Lanière Picardie BC SAS

(1) Martine Odillard resigned on July 1, 2017. In light of this, at the meeting of July 27, 2017, Ms Nathalie Lomon, Group Chief Financial Officer and member of the Executive Committee of Ingénico, was coopted as director by the Board of Directors.

(2) Listed company.



## Nathalie LOMON

Coopted on July 27, 2017

Independent director

since July 27, 2017

### FRENCH NATIONALITY

46 years

### ATTENDANCE RATE

100%

### EXPIRATION DATE OF THE TERM

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2020

### CURRICULUM VITAE

Nathalie Lomon has been EVP Finance, Legal & Governance of the Ingenico group since early 2017. She joined the Ingenico group in 2010 as Director of Management Control and was appointed Finance Director for the Europe-SEPA region in 2014, then Chief Financial Officer in 2015, in charge of the Group financial function. Previously, she worked as an auditor at Mazars in 1995 before joining General Inspection at BNP Paribas in 1999. In 2002, she joined Pechiney, where she occupied several positions, including that of Finance Director of the Aeronautical, Transport and Industry division of Rio Tinto Alcan. Nathalie Lomon is a graduate of the NEOMA business school.

### PRINCIPAL TERMS OF OFFICE AND DUTIES OUTSIDE THE COFACE GROUP

#### During financial year 2017

- ▶ EVP Finance, Legal & Governance, Ingenico group SA <sup>(1)</sup>
- ▶ Director, Ingenico Holdings Asia Limited (HK)
- ▶ Director, Fujian Landi Commercial Equipment Co., Ltd.
- ▶ Managing Director, Ingenico e-Commerce Solutions BVBA/SPRL (BE)
- ▶ Director, Ingenico Financial Solutions NV/SA (BE)
- ▶ Director, Ingenico do Brasil Ltda.
- ▶ Director, Ingenico Holdings Asia II Limited (HK)
- ▶ Director, Ingenico Japan Co. Ltd.
- ▶ Director, Stichting Beheer Derdengelden Ingenico Financial Solutions (IFS Fondation)
- ▶ Member of the Supervisory Board and Audit Committee, Global Collect Services B.V.
- ▶ Director, Ingenico International (Singapore) Pte. Ltd.
- ▶ Director, Fixed & Mobile Pte. Ltd.
- ▶ Director, Ingenico Corp.
- ▶ Chairman, Ingenico Business Support S.A.S.
- ▶ Chairman, Ingenico 5 S.A.S.
- ▶ Director, Bambora Top Holding AB

#### During the past five years and which are no longer held

- ▶ Director, Ingenico Inc. (Oct. 13, 2015 - Dec. 31, 2017)
- ▶ Chairman, Ingenico France S.A.S. (Dec. 13, 2011 - May 31, 2016)
- ▶ Chairman, Ingenico Terminals S.A.S. (Dec. 13, 2011 - May 31, 2016)
- ▶ Director, Ingenico México, S.A. de C.V. (Jun. 03, 2015 - Oct. 24, 2017)
- ▶ Director, Ingenico (Latin America) Inc. Jun. 8, 2015 - May 19, 2017)
- ▶ Director, GCS Holding BV (Jan. 25, 2016 - Oct. 25, 2017)

(1) Listed company.

## 2.1.3 OPERATION OF THE BOARD OF DIRECTORS

The Board of Directors has drafted a Charter of Internal Regulations which can be consulted on the website <http://www.coface.com/Group/Our-organisation> in the tab on the Board of Directors.

### Convening notice of the Board of Directors

The Board of Directors meets as often as it is required in the interests of the Company, and at least once per quarter.

Board meetings are convened by the Chairman. However, directors representing at least one third of the Board members may convene a meeting of the Board, detailing the agenda, if there has been no meeting for more than two months. Where the duties of the Chief Executive Officer (CEO) are not performed by the Chairman, the Chief Executive Officer (CEO) may also ask the Chairman to convene a Board meeting to consider a fixed agenda.

Board meetings are held either at the head office or any other location indicated in the convening notice. The convening notice is in the form of a simple letter or e-mail, sent to the Board members within a reasonable period of time before the date of the meeting scheduled. It is issued by the Board Secretary.

In case of urgency, as defined below (“Urgency”), the following accelerated procedure may be applied.

An Urgency is defined as an exceptional situation (i) marked by the existence of a brief period of time, imposed by a third party on penalty of being time-barred, and for which a failure to comply could result in damage for the Company or one of its subsidiaries or (ii) which requires a quick response from the Company which is incompatible with the application of the Board of Directors’ usual time frame for a convening notice.

In case of Urgency, the convening notice may be transmitted using all appropriate methods, even verbally, and the time frames for the convening notice and for holding the meeting of the Board of Directors shall not be subject to the provisions described above, insofar as the Chairman of the Board of Directors of the Company has:

- ◆ first sent notice to the directors providing the basis for the Urgency per the definition above; and
- ◆ sent all directors, with the convening notice for said Board meeting, all items needed for their analysis.

### Holding of the Board of Directors’ meetings

Meetings of the Board of Directors are presided over by the Chairman of the Board of Directors or, in his absence, by the eldest director, or by one of the Vice-Chairmen, as the case may be.

In accordance with the legal and regulatory provisions, and except when adopting decisions relating to the review and closing of the annual corporate and consolidated financial statements, the directors participating in the Board meeting by video conference or telecommunication are deemed to be present for the purpose of calculating the quorum and majority, thereby satisfying the technical criteria set by the current legislative and regulatory provisions.

Each meeting of the Board of Directors must be of a sufficient duration to have a useful and in-depth debate on the agenda. Decisions are made by a majority of the votes of the directors who are present or represented. In the event of a tie, the vote of the Chairman of the Board of Directors shall prevail.

In the event of a malfunction in the video conference or telecommunications system, as noted by the Chairman of the Board of Directors, the Board may validly deliberate and/or move forward with just the members who are physically present, provided that the quorum conditions have been met.

### Informing the Board of Directors

Pursuant to the terms of Article 21 of the Company’s Articles of Association, and pursuant to Article 3.4 of the Board of Directors’ Charter of Internal Regulations, said Board carries out the inspections and verifications which it judges necessary. The Chairman or the Chief Executive Officer (CEO) must send to all directors all the documents and information needed for the accomplishment of their duty.

The directors must, prior to the meeting of the Board of Directors and within a sufficient period of time, have access to the information that will allow them to make an informed decision. However, in the event of an emergency, or when respecting confidentiality so requires, and in particular when sensitive strategic, commercial or financial information is at issue, this information may be provided during the meeting. Directors shall likewise receive, if they so request, a copy of the minutes from the Board of Directors’ deliberations.

Furthermore, the directors receive all useful information on the events or operations which are significant for the Company in between meetings.

The Company has set up a Group-level governance system based on a clear separation of responsibilities with an information transmission mechanism. This governance system includes the following key functions: risk management, verification of compliance, internal audit and actuarial functions (see Section 5.1.2 “Organisation”). Each key function operates under the ultimate responsibility of the Board of Directors, to which it reports.

- ◆ Information at the initiative of the Board of Directors.

The Board of Directors consults key function managers, directly and at its own initiative, each time it deems this necessary and at least once a year. This consultation can take place in the absence of the Chief Executive Officer (CEO) if the Board members consider it necessary. The Board of Directors may refer this consultation to a specialised Board committee.

- ◆ Information at the initiative of a key function manager.

Key function managers may inform the Board of Directors, directly and at their own initiative, of the occurrence of certain events that warrant this action. They must do so immediately as soon as they encounter a major problem that falls within their purview. The key function manager must send a written report of the problem to the Chairman. The report must include a detailed explanation of the problem as well as all the elements required to understand it. The report must include recommendations for resolving the problem. The Chairman then communicates this report to the Board members.



## 2.1.4 ACTIVITIES OF THE BOARD OF DIRECTORS IN 2017

The Board of Directors met six times in 2017.

The average participation rate was 83.3%.

The main subjects reviewed by the Board of Directors in 2017 included the following in particular:

Financial position, cash and commitment of the Company	<ul style="list-style-type: none"> <li>◆ Approval of the 2016 annual financial statements (parent company and consolidated)</li> <li>◆ Review of quarterly and half-yearly financial statements</li> </ul>
Internal control/Risks	<ul style="list-style-type: none"> <li>◆ 2017 audit plan</li> <li>◆ Solvency II: modification of the ORSA policy, approval of the <i>Risk appetite statement</i>, presentation of the actuarial report, approval of all written policies as drafted or revised in 2017</li> <li>◆ Regulatory reports: RSR (report to the supervisor) and SFCR (solvency and financial condition report)</li> <li>◆ Risk mapping, mechanism to reinforce level 1 controls, compliance action plan</li> <li>◆ Partial internal model project</li> </ul>
Corporate governance	<ul style="list-style-type: none"> <li>◆ Three-year assessment of the Board's work by an independent consultant</li> <li>◆ Cooptation of three directors</li> </ul>
Compensation	<ul style="list-style-type: none"> <li>◆ Directors' fees allocation principles</li> <li>◆ Compensation of the Chief Executive Officer, Xavier Durand</li> <li>◆ Approval of the <i>2017 Long-Term Incentive Plan</i></li> </ul>
Financial operations	<ul style="list-style-type: none"> <li>◆ Authorisation to issue guarantees as part of its factoring business</li> <li>◆ Renewal of the share buyback programme</li> <li>◆ Approval of regulated agreements</li> </ul>
Corporate strategy	<ul style="list-style-type: none"> <li>◆ Progress on the Fit to Win strategic plan</li> </ul>

## 2.1.5 DIVERSITY POLICY APPLIED TO MEMBERS OF THE BOARD OF DIRECTORS

The Company is vigilant with regard to the diversity of the members of its Board of Directors, in order to ensure that the latter operates in a manner appropriate to the Company's business and development, in compliance with applicable regulations. The Company also refers to the provisions of the AFEP-MEDEF Code in implementing its diversity policy. Several criteria are applied:

◆ **Number of directors**

The number must reflect the size of the Company and the aforementioned diversity. In 2017, there were 11 directors.

◆ **Seniority and age of directors**

The Company complies with the regulations as concerns the term of corporate offices, and strives to have a wide range of ages represented on its Board. In 2017, the average age of directors was 54 years.

◆ **Proportion of independent and non-independent members**

The Company complies with the rules applicable to narrowly held and controlled companies. 45% of the members of the Board of Directors are independent directors. Two-thirds of the members sitting on the Audit and Appointments and Compensation Committees are independent directors.

◆ **International diversity**

The Company takes into account international diversity, which stood at 9% in 2017.

◆ **Gender equality**

The Company strives to maintain a gender balance on its Board of Directors. In 2017, the proportion of women on the Board was higher than that required by the legislation: 45.45%

◆ **Skills and expertise**

The Company ensures its directors possess specific skills in certain fields, in order to ensure that the Board has the requisite expertise in terms of financial skills, insurance regulations, human resources and digital technology.

## 2.1.6 ASSESSMENT OF THE BOARD'S WORK

Coface assessed the work of the Board and of the specialised committees for the third time in 2017. In accordance with the recommendations of the AFEP-MEDEF Code, this assessment was conducted by an external firm. COFACE SA conducted assessments internally for the 2015 and 2016 financial years, based on a questionnaire.

The external assessment was based on six themes:

- ◆ the composition of the Board;
- ◆ the role and work of the Board;
- ◆ the organisation and operation of the Board;
- ◆ relations and interaction within the Board;
- ◆ the specialised committees;
- ◆ the individual contributions of directors.

Each member of the Board answered a questionnaire prepared by the firm during an individual interview. The results of these interviews led to preparation of a detailed report, the summary of which was presented to the Board of Directors on February 12, 2018.

This report showed that the directors deem the Board's performance very satisfactory. Over 80% of directors found the Board's performance equal to that of other Boards. All members of the Board present at the time of the previous assessment found that the performance had further improved since that time.

A certain number of suggestions were put forward.

Regarding the composition of the Board, certain members suggested including more directors with technical knowledge, due to the increasing complexity of the regulations applicable to the credit insurance business.

Regarding matters addressed by the Board, members wished more time to be given over to strategy and human resources.

As regards the organisation and operation of the Board, directors expressed a desire to see more presentations by business line managers.

Lastly, it was deemed necessary to increase the number or duration of Audit Committee meetings given the extent of the work required, and to consider the possibility of creating a Risks Committee to handle certain matters currently covered by the Audit Committee.

### Training

The Company has set up a training programme for new directors joining the Company. This training is provided over one day, with the main objectives of presenting the Group, its products strategy, its organisation and its commercial objectives, the main components of its balance sheet as well as key business indicators.

## 2.1.7 ANALYSIS OF THE INDEPENDENCE OF MEMBERS OF THE BOARD OF DIRECTORS

Pursuant to the AFEP-MEDEF Code, the Board of Directors must review the status of independent directors every year. At its meeting of February 12, 2018, the COFACE SA Board of Directors reviewed the situation of each director with respect to the criteria recommended in the AFEP-MEDEF Code and the analysis of the Corporate Governance High Committee, (HCGE) in the AFEP-MEDEF Code application guide revised in December 2016.

In order to evaluate the independence of directors and in the absence of any other dependency criteria, Coface attaches particular importance to any business relationship with a company in which the directors hold senior management positions.

In the event of the existence of any such relationship, Coface assesses any impact it could have on the independent judgement of the director. In order to do this, Coface analyses a body of evidence and parameters, including in particular the nature of the activity, the place of credit insurance in the strategy of the Company, the importance of the contract with regard to the Company's turnover and the existence of an alternative offering at comparable conditions on the market. Comparable criteria are applied for relationships in which there is a contract for the supply of goods or services.

Three directors do not meet any dependency criteria: Éric Hémar, Olivier Zarrouati and Nathalie Lomon. One director holds a senior management position in a company that has taken out a credit insurance policy with Coface. This is Sharon MacBeath, who holds a senior management position at Tarkett.

Given the extremely competitive nature of the market, the analysis of the policy taken out by Tarkett concluded that this company would have no difficulty in obtaining cover under equivalent terms from our main competitors.

Furthermore, the amount of premiums paid for this period represented less than 0.040% of Coface's revenue.

The existence of this policy does not therefore affect the independence of Sharon MacBeath.

Coface has a business relationship with the company Econocom, in which Isabelle Laforgue holds a senior management position. These services concern products that Coface could easily obtain elsewhere on the market and represent less than 0.2% of Econocom's revenue. The existence of this relationship does not therefore affect the independence of Isabelle Laforgue.

Criteria to be assessed	Éric Hémar	Nathalie Lomon	Sharon MacBeath	Isabelle Laforgue	Olivier Zarrouati
Not to have held an employee position or a corporate mandate within the past five years in Natixis, Coface, or one of its subsidiaries.	✓	✓	✓	✓	✓
Not to be a corporate officer of a company in which Coface directly or indirectly holds a director's mandate or in which an employee or corporate officer of Coface holds or has held a director's mandate within the past five years.	✓	✓	✓	✓	✓
Not to be a client, supplier, corporate banker, significant investment banker of the Company or its group, or for which the Company or its group represents a significant portion of the business.	✓	✓	✓	✓	✓
Not to have a close family tie to a corporate officer.	✓	✓	✓	✓	✓
Not to have been an auditor of Coface over the past five years.	✓	✓	✓	✓	✓
Not to have been a director of Coface during the last 12 years.	✓	✓	✓	✓	✓
Not to be a director representing a significant shareholder of Coface or Natixis.	✓	✓	✓	✓	✓
Not to receive or have received significant supplementary compensation from Coface or from the Group outside of directors' fees, including for participation in any form of options on shares, or any other form of performance-linked compensation.	✓	✓	✓	✓	✓

The percentage of independent directors on the Board is 45.5% to date.

## 2.1.8 SPECIALISED COMMITTEES, OFFSHOOTS OF THE BOARD OF DIRECTORS

Pursuant to Article 18 of the Company's Articles of Association, the Board of Directors may decide to form, with or without the participation of individuals who are not directors, committees or commissions to examine issues that itself or its Chairman refers for their assessment. These committees or commissions perform their duties under its responsibility.

Within this context, the Board of Directors has established an Audit Committee and an Appointments and Compensation Committee, whose composition, powers and rules of operation are described below.

### Audit Committee

On the date of this report, the Audit Committee was composed of Mr Éric Hémar (Chairman), Ms Anne Sallé-Mongauze and Ms Nathalie Lomon since July 27, 2017 (replacing Ms Martine Odillard).

Two-thirds of the members of the Audit Committee are independent members of the Board of Directors. The recommendation of the AFEP-MEDEF Code, according to which this committee must have a majority of independent members, has thus been complied with.

#### **Composition (Article 1 of the Audit Committee by-laws)**

##### ◆ Members

The Audit Committee will be composed of three members having the necessary qualifications to exercise their functions effectively, in particular with expertise in financial or accounting matters, appointed from among the directors of the Company for the duration of their term as members of the Board of Directors.

At least two-thirds of the Audit Committee will be independent members, chosen from among the members of the Board of Directors.

##### ◆ Chairman

The Chairman of the Audit Committee will be one of the members nominated by the Board of Directors from among the independent members and for the duration of his/her term as a director.

The Chairman of the Audit Committee will exercise his/her functions in accordance with the by-laws of the Audit Committee.

The Chairman of the Audit Committee will set the dates, times and places of the meetings of the Audit Committee, establish the agenda and preside at its meetings. The convening notices for the meetings will be sent by the Audit Committee Secretary.

The Chairman of the Audit Committee will report to the Board of Directors on the opinions and recommendations expressed by the Audit Committee for the Board of Directors to consider.

The Chairman of the Audit Committee will ensure the monitoring of the preparation and due process of the work of the Audit Committee between each of its meetings.

#### **Duties (Article 3 of the Audit Committee by-laws)**

The role of the Audit Committee is to ensure the monitoring of matters concerning the development and verification of accounting and financial information and to ensure the effectiveness of the monitoring of risks and internal operational control in order to facilitate the Board of Directors' duties of control and verification.

Accordingly, the Audit Committee will in particular exercise the following principal functions:

##### ◆ Monitoring of the preparation of financial information

The Audit Committee must examine, prior to their presentation to the Board of Directors, the annual or half-year parent company and consolidated financial statements, to ensure the relevance and the consistency of the accounting methods used to prepare these financial statements. The Audit Committee will examine, where necessary, major transactions where a conflict of interest could exist.

The Audit Committee reviews in particular the level of technical provisions and all situations that could create a significant risk for the Group, as well as all financial information or quarterly, half-year or annual reports on the Company's business, or produced as a result of a specific transaction (such as asset contribution, merger or market transaction).

The examination of the financial statements should be accompanied by a presentation by the Statutory Auditors indicating the key points not only of the results of the statutory audit, in particular the audit adjustments and significant weaknesses in the internal control identified during the conduct of the audit, but also the accounting methods used, as well as a presentation by the Chief Financial Officer describing the Company's risk exposure and its material off-balance sheet commitments.

##### ◆ Monitoring the effectiveness of the internal control, internal audit and risk management systems relating to financial and accounting information

The Audit Committee must ensure the relevance, reliability and implementation of the procedures for internal control, identification, hedging and management of the Company's risks in relation to its activities and to the accounting and financial information.

The Audit Committee should also examine the material risks and off-balance sheet commitments of the Company and its subsidiaries. The Audit Committee should in particular listen to the internal audit managers and regularly review business risk mapping. The Audit Committee should in addition give its opinion on the organisation of the service and be informed of its working schedule. It should receive the internal audit reports or a summary of such reports.

The Audit Committee is informed of any loopholes in the internal control system and of the corrective actions implemented to correct them. It is informed of the actual implementation of these corrective actions.

##### ◆ Monitoring of the legal control of the parent company and consolidated financial statements by the Company's Statutory Auditors

The Audit Committee should have regular discussions with the Statutory Auditors during the Audit Committee meetings dealing with the review of the procedures for preparing financial information and the review of the financial statements in order to report on their performance and the conclusions of their work.

The Audit Committee should also monitor the Company's Statutory Auditors (including with and without the presence of the executives), in particular their working schedule, potential difficulties encountered in the exercise of their duties, modifications which they believe should be made to the Company's financial statements or other accounting documents, irregularities, anomalies or accounting irregularities which they may have discovered, uncertainties and material risks relating to the preparation and treatment of accounting

and financial information, and material weaknesses in internal control that they may have discovered.

- ◆ Monitoring the independence of the Statutory Auditors and compliance with the professional code of conduct

The Audit Committee shall meet the Statutory Auditors at least once a year without the presence of the executives. In this respect, the Audit Committee should also review, with the Statutory Auditors, the risks affecting their independence and the preventive measures taken to mitigate such risks. It must, in particular, ensure that the amount of the fees paid by the Company and the Group, or the share of such fees in the revenues of the firms and their networks, would not impair the independence of the Statutory Auditors.

On this occasion, the Statutory Auditors will also present to the Audit Committee a report on compliance with their obligations regarding the professional code of conduct for Statutory Auditors and with professional auditing standards.

To this end, the Audit Committee must, in particular, ask to receive each year:

- the Statutory Auditors' statement of independence;
  - the amount of the fees paid to the network of Statutory Auditors by the companies controlled by the Company or the entity controlling the Company in respect of services that are not directly related to the Statutory Auditors' mission; and
  - information concerning the benefits received for services directly related to the Statutory Auditors' mission.
- ◆ Selection and renewal of the Statutory Auditors

The Audit Committee must oversee the selection and renewal of the Statutory Auditors, and must submit the result of this selection to the Board of Directors. Upon expiration of the term of the Statutory Auditors, the selection or the renewal of the Statutory Auditors may be preceded, upon proposal of the Audit Committee and decision of the Board of Directors, by a call for tenders supervised by the Audit Committee that will approve the specifications and choice of firms consulted, and ensure the selection of the "best bidder" and not the "lowest bidder".

The Audit Committee reports regularly on the exercise of their duties to the Board of Directors and informs it without delay of any difficulties encountered.

#### **Operation (Article 2 of the Audit Committee by-laws)**

- ◆ Frequency of meetings and procedures for convening meetings

The Audit Committee will be convened whenever necessary and at least four times a year. The Audit Committee will in particular meet prior to each Board meeting if the agenda consists of the examination of a matter related to their mission and sufficiently in advance prior to any Board meeting for which it prepares the resolutions.

- Ordinary convening of meetings:

The Audit Committee meets upon a written convening notice issued by its Secretary and sent to each of the members. The Chairman of the Company's Board of Directors may, as necessary, refer a matter to the Chairman of the Audit Committee and ask him to meet with said committee to discuss a specific agenda.

- Extraordinary convening of meetings:

Two members of the Audit Committee may ask its Chairman to convene a meeting of the committee to discuss a certain agenda or to add one or more points to the agenda in accordance with the limits and powers of said committee. In the event that the Chairman of the Audit Committee does not grant this request within a period of 15 days, the two members may convene the Audit Committee and set the agenda thereof.

The Company's Statutory Auditors may, if they consider there is an event which exposes the Company or its subsidiaries to a significant risk, ask the Chairman of the Audit Committee to convene a meeting of said committee.

- Form and timing of the convening of meetings:

The convening notice of the Audit Committee is sent to the members of the Audit Committee with reasonable prior notice, and contains the detailed agenda for the meeting. The information allowing the members of the Audit Committee to issue informed advice during this meeting is sent to the members of said committee, to the extent possible, within a sufficient period prior to the meeting.

In case of emergency, the Audit Committee may be convened at any time by its Chairman, acting within the context of an exceptional procedure. In this case, the Audit Committee meeting does not need to comply with the time limits for the above convening notice as long as the emergency is declared in the convening notice and the information allowing the members of the Audit Committee to issue informed advice has been sent prior to the meeting.

- ◆ Attendance at Audit Committee meetings

If any member is prevented from attending an Audit Committee meeting, such member may participate by telephone or video conference.

Only the members of the Audit Committee, as well as the Secretary of the Audit Committee, have the right to attend the Audit Committee meetings.

At the Chairman's proposal, the Audit Committee may invite to any of its meetings any executive of the Company (including an executive of any of the principal subsidiaries) capable of having a bearing upon the work of the Audit Committee, as well as the Statutory Auditors of the Company.

- ◆ Quorum and majority rule

The Audit Committee may not validly express its opinions and recommendations unless at least half of its members (including the Chairman) are present.

No member of the Audit Committee may represent another member.

The opinions and recommendations of the Audit Committee will be adopted if the Chairman and the majority of members present at the meeting vote in favour of such opinions and recommendations.

- ◆ Secretariat and minutes of meetings

The Secretary of the Company's Board of Directors will be responsible for the secretariat of the Audit Committee.

The opinions and recommendations of the Audit Committee will be written in a report, one copy of which will be addressed to all members of the Audit Committee and another, if required, by the Chairman to the executives of the Company.

#### **Activity of the Audit Committee**

The Audit Committee met six times in 2017. The average participation rate was 83.4%.

The main work notably addressed:

- approval of the annual financial statements for the year 2016;
- examination of the quarterly and half-yearly financial statements for the year 2017;
- examination and approval of the 2017 audit plan;
- the Solvency II Directive: modification of the ORSA policy, approval of the Risk appetite statement, presentation of the actuarial report, approval of all written policies as drafted or revised in 2017;

- regulatory reports: RSR (report to the supervisor) and SFCR (solvency and financial condition report);
- risk mapping, mechanism to reinforce level 1 controls, compliance action plan;
- partial internal model project.

## The Appointments and Compensation Committee

The principle of an Appointments and Compensation Committee was decided by the Board of Directors during its meeting of July 15, 2014. Since that date, and at the date of this report, the Appointments and Compensation Committee consists of Mr Olivier Zarrouati (Chairman), Ms Sharon MacBeath and Mr Laurent Mignon.

The Appointments and Compensation Committee is chaired by an independent director, and two thirds of it consists of independent members of the Board of Directors. The recommendation of the AFEP-MEDEF Code, according to which this committee must have a majority of independent members, has thus been complied with.

### **Composition (Article 1 of the Appointments and Compensation Committee by-laws)**

#### ◆ Members

The Appointments and Compensation Committee will be composed of three members appointed from among the members of the Company's Board of Directors for the duration of their term as director.

The Appointments and Compensation Committee shall have a majority of independent members of the Board of Directors who are competent to analyse compensation-related policies and practices.

#### ◆ Chairman

The Chairman of the Appointments and Compensation Committee will be one of the members of the Appointments and Compensation Committee nominated by the Company's Board of Directors from among the independent members for the duration of his/her term of appointment as director.

The Chairman of the Appointments and Compensation Committee will convene the meetings of the Appointments and Compensation Committee, determine the agenda and chair the meetings.

The Chairman will report to the Board of Directors on the proposals and recommendations put forward by the Appointments and Compensation Committee in order for the Board of Directors to consider them, and ensure the continuity of the preparation and due process of the work of the Appointments and Compensation Committee between each of its meetings.

### **Duties (Article 3 of the Appointments and Compensation Committee by-laws)**

#### ◆ Duties of the Appointments and Compensation Committee

In all matters relating to the appointment of executives (and separate from any difficulty related to their compensation), the Chief Executive Officer (CEO) will be involved in the work of the Appointments and Compensation Committee.

The Appointments and Compensation Committee shall prepare the resolutions of the Company's Board of Directors on the following topics:

- Compensation conditions  
The Appointments and Compensation Committee is responsible for formulating proposals for the Company's Board of Directors concerning:

- the level and terms of compensation of the Chief Executive Officer (CEO), and, as the case may be, the Deputy CEO, including benefits in kind, retirement plans and pension contributions, as well as the potential grants of stock options;
- the rules for the distribution of directors' attendance fees to be allocated to the Company's directors and the total amount to be submitted to the approval of the Company's shareholders; and
- compensation policy.

#### • Appointment conditions

The Appointments and Compensation Committee:

- makes proposals to the Board of Directors regarding the appointment of members of the Board of Directors and of the members of the General Management;
- establishes and keeps an up-to-date succession plan for the key executives of the Company and the Group;
- issues proposals to the Board of Directors regarding the appointment of directors by the Annual Ordinary Shareholders' Meeting.

In its specific function of appointing members of the Board of Directors, the Appointments and Compensation Committee shall take the following criteria into account: (i) the desired balance in the composition of the Board of Directors with regard to the composition and evolution of the Company's ownership; (ii) the desired number of independent Board members; (iii) the proportion of men and women required by current regulations; (iv) the opportunity to renew terms; and (v) the integrity, competence, experience and independence of each candidate. The Appointments and Compensation Committee must establish a procedure for selecting future independent members and undertake its own evaluation of potential candidates before the latter are approached in any way.

The qualification of an independent member of the Board of Directors is discussed by the Appointments and Compensation Committee, which drafts a report on this subject for the Board. Each year, the Board of Directors will review, in the light of this report, prior to the publication of the annual report of directors, the situation of each of the directors with regard to the criteria of independence as defined by the Charter of Internal Regulations of the Board of Directors.

#### ◆ Resources and prerogatives of the Appointments and Compensation Committee

The Appointments and Compensation Committee leaves at the disposal of the Chief Executive Officer (CEO) all documents and information required for the completion of their tasks. It may, moreover, upon request of the Company's Board of Directors, order any study or analysis by experts outside of the Company relating to the compensation conditions of corporate officers from comparable companies in the banking sector.

### **Operation (Article 2 of the Appointments and Compensation Committee by-laws)**

#### ◆ Frequency of meetings and procedures for convening meetings

The Appointments and Compensation Committee will be convened whenever necessary and at least once a year. The Appointments and Compensation Committee will in particular meet prior to each Board meeting if the agenda consists of the examination of a matter related to their mission and sufficiently in advance prior to any Board meeting for which it prepares the resolutions.

#### • Ordinary convening of meetings:

The Appointments and Compensation Committee meets upon a written convening notice issued by its Chairman and sent to each of the members. The convening notice for the meetings will be sent by the Appointments and

Compensation Committee Secretary. The Chairman of the Company's Board of Directors may, as necessary, refer a matter to the Chairman of the Appointments and Compensation Committee and ask him to meet with said committee to discuss a specific agenda.

- Extraordinary convening of meetings:

Two members of the Appointments and Compensation Committee may ask its Chairman to convene a meeting of the committee to discuss a certain agenda or to add one or more points to the agenda in accordance with the limits and powers of said committee. In the event that the Chairman of the Appointments and Compensation Committee does not grant this request within a period of 15 days, the two members may convene the Appointments and Compensation Committee and set the agenda thereof.

- Form and timing of the convening of meetings:

The convening notice of the Appointments and Compensation Committee is sent to the members of the Appointments and Compensation Committee with reasonable prior notice and contains the detailed agenda for the meeting. The information allowing the members of the Appointments and Compensation Committee to issue informed advice during this meeting is sent to the members of said committee, to the extent possible, within a sufficient period prior to the meeting.

In case of emergency, the Appointments and Compensation Committee may be convened at any time by its Chairman, acting within the context of an exceptional procedure. In this case, the Appointments and Compensation Committee meeting does not need to comply with the time limits for the above convening notice as long as the emergency is declared in the convening notice and the information allowing the members of the Appointments and Compensation Committee to issue informed advice has been sent prior to the meeting.

- ◆ Attendance at meetings of the Appointments and Compensation Committee

Only members of the Appointments and Compensation Committee may, as a matter of right, attend said committee's meetings. The Secretary of the Appointments and Compensation Committee also participates in these meetings.

If any member is unable to attend a meeting of the Appointments and Compensation Committee, he or she may participate in it by phone or video conference.

- ◆ Quorum and majority rule

The Appointments and Compensation Committee cannot validly express its opinions and proposals unless at least half of its members (including the Chairman) are present.

No member of the Appointments and Compensation Committee may represent another member.

The opinions and proposals of the Appointments and Compensation Committee will be adopted if the majority of the members present, including the Chairman, vote in favour of adopting them.

- ◆ Secretariat and minutes of meetings

The Secretary of the Company's Board of Directors is responsible for the secretariat of the Appointments and Compensation Committee.

The opinions and proposals of the Appointments and Compensation Committee will be written in a report, one copy of which will be addressed to all the members of the Appointments and Compensation Committee and, if necessary, to the directors of the Company.

### **Activity of the Appointments and Compensation Committee**

The committee met three times in 2017. The average participation rate was 100%.

It examined and/or set:

- ◆ compensation of the Chief Executive Officer;
- ◆ a Long-Term Incentive Plan for the Chief Executive Officer and certain employees;
- ◆ examination of a succession plan;
- ◆ talent review; and
- ◆ the cooptation of two new directors to the Board of Directors, one of which sits on the Audit Committee.

## **2.1.9 FITNESS AND PROBITY POLICY**

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### **Fitness**

All persons that perform functions as director, effective manager, head of key functions, general manager of a branch, or who have the authority to sign on behalf of the Company, should be fit, under all circumstances, to implement a sound and prudent management based on their professional qualifications, knowledge and experiences.

The evaluation of fitness includes an evaluation of the professional diplomas and qualifications, relevant knowledge and experience in the insurance sector, as well as in the sectors of finance, accounting, actuarial services and management. The evaluation takes into account the different entrusted tasks.

Furthermore, to evaluate the fitness of members of the Board of Directors, their training and their experience with respect to their responsibilities are taken into account, in particular the

experience acquired as Chairman of a Board or a committee. In assessing each person, the evaluation also takes into account the fitness, experience and responsibilities of the other members of the Board of Directors. When terms of office have been previously exercised, fitness is presumed owing to the experience acquired. For new members, the evaluation takes into account the training that they can have throughout their term of office.

### **Probity**

Evaluating the probity of a person includes an evaluation of his/her honesty and financial strength, based on tangible elements concerning his/her character, personal behaviour and professional conduct, including any relevant element of a criminal, financial or prudential nature, for the purpose of this evaluation.

The functions of director, effective manager, head of key functions, general manager of a branch, or the authority to sign on behalf of the Company cannot be performed by any person who has been the subject less than ten years previously of:

- ◆ a final sentence;
- ◆ a final measure of personal bankruptcy or any other final prohibition measure.

Persons performing the functions of director, effective manager, head of key functions, general manager of a branch, or who have

the authority to sign on behalf of the Company, are required to provide as proof, for citizens of other Member States, a declaration of absence of bankruptcy and a police record or, failing that, an equivalent document issued by a competent judicial or administrative authority of the original Member State or origin of these foreign citizens.

This fitness and probity policy will be applied by all direct or indirect subsidiaries of Coface and may be adapted in line with any stricter local regulations in this area.

## 2.1.10 PREVENTION RULES APPLICABLE TO DIRECTORS IN RESPECT OF CONFLICTS OF INTEREST

Pursuant to the Director's Ethics Charter, which can be consulted on the website <http://www.coface.com/Group/Our-organisation> in the tab on the Board of Directors, the director must inform the Board of Directors of any conflict of interests, including potential ones, in which he or she may be directly or indirectly involved. The director shall refrain from participating in debates and decision-making on the subjects concerned.

The director shall also inform the Chairman of the Appointments and Compensation Committee of any intention to accept a new term of office in a listed company that does not belong to a

group of which the director is an executive, in order to allow the Board of Directors, at the proposal of the Appointments and Compensation Committee, to decide, if necessary, whether such an appointment would be incompatible with being a director of COFACE SA.

The director shall inform the Chairman of the Board of Directors of any conviction for fraud, any indictment and/or public sanction, and any prohibition to manage or govern that may have been issued against him/her, as well as any bankruptcy, sequestration or winding-up proceedings in which he/she may have been involved.

## 2.1.11 STATEMENT OF CONFLICTS OF INTEREST

To the Company's knowledge, there is no service contract binding the members of the Board of Directors to the Company or to one of its subsidiaries and providing for the award of benefits.

To the Company's knowledge, there are no familial ties between the members of the Board of Directors and the other executive corporate officers of the Company.

To the Company's knowledge, none of the members of the Board of Directors have been convicted of fraud during the last five years. None of these people have participated as a manager in a bankruptcy, sequestration or winding-up proceedings during the last five years, and none of these people were subject to an incrimination and/or an official public sanction pronounced by a statutory or regulatory authority (including designated professional bodies). None of these people were prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, nor from taking part in the management or performance of business of an issuer during the last five years.

To the Company's knowledge there are not, as of the date of this registration document, any potential conflicts of interest between the duties of the members of the Board of Directors and the executive officers of the Company, as regards the Company and their private interests.

To the Company's knowledge, no pact or agreement has been entered into with any shareholders, customers, suppliers or other parties by virtue of which any member of the Board of Directors or any executive officer of the Company has been appointed in such capacity.

As of the date of this registration document, no restrictions have been accepted by the members of the Board of Directors or the managing corporate officers of the Company as concerns the disposal of their interests in the Company's share capital, with the exception of the rules relating to the prevention of illegal insider trading and the recommendations of the AFEP-MEDEF Code imposing a share retention obligation.



## 2.1.12 CORPORATE GOVERNANCE CODE

The Company voluntarily refers to all recommendations of the Corporate Governance Code for listed companies of the AFEP and MEDEF (the "AFEP-MEDEF Code" <sup>(1)</sup>). The Company makes

copies of the AFEP-MEDEF Code available for the members of its corporate bodies at all times.

Within the context of the rule to "apply or explain" provided for by Article L.225-37 of the French Commercial Code, and by Article 27.1 of the AFEP-MEDEF Code, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code. However, on the date of publication of the registration document, certain recommendations are not applied, for the reasons presented in the following table:

<p>The Board of Directors' rules must specify that any significant operation not covered by the Company's announced strategy must receive the prior approval of the Board (Article 3.2).</p>	<p>The wording of the Board of Directors' Charter of Internal Regulations, although slightly different, results in a comparable outcome. It provides that the following are subject to the prior authorisation of the Board of Directors, ruling by a simple majority of the members present or represented:</p> <ul style="list-style-type: none"> <li>◆ extension of the activities of the Company to significant businesses not performed by the Company; and</li> <li>◆ any interest, investment, disposal or any establishment of a joint venture carried out by the Company or one of its significant subsidiaries, for a total amount that is greater than €100 million.</li> </ul>
<p>The Compensation Committee must not contain any managing corporate officer (Article 17.1).</p>	<p>The Chairman of the Board of Directors is a member of the Compensation Committee. The Chairman of the Board of Directors has no executive role. Furthermore, there is no risk of a conflict of interest, to the extent that the role of Chairman is not compensated, and that Mr Laurent Mignon does not collect directors' fees either as Chairman or as a member of the Compensation Committee.</p>
<p>The Board of Directors must periodically set a minimum quantity of shares that must be retained by the Chairman of the Board and the Chief Executive Officer in registered form, until the end of his duties (Article 22).</p>	<p>The Articles of Association set the number of shares that must be held by any director. The LTIP plans set the number of shares that must be held by the Chief Executive Officer until the end of his duties.</p>

## 2.1.13 LIMITATIONS TO THE POWERS OF THE GENERAL MANAGEMENT

The Board of Directors has established specific procedures in its Charter which are aimed at guiding the powers of the Company's general management.

Pursuant to the terms of Article 1.2 of the Board of Directors' Charter, the following are subject to the prior authorisation from said Board, ruling by a simple majority of the members present or represented:

- ◆ extension of the activities of the Company to significant businesses not performed by the Company; and
- ◆ any interest, investment, disposal or any establishment of a joint venture carried out by the Company or one of its significant subsidiaries, for a total amount that is greater than €100 million.

### Factors that may have an impact in the event of a public offer

These factors are published in Section 7.4 "Factors that may have an impact in the event of a public offer".

(1) [http://www.afep.com/wp-content/uploads/2016/11/Code\\_de\\_gouvernement\\_d\\_entreprise\\_des\\_societes\\_cotees\\_novembre\\_2016.pdf](http://www.afep.com/wp-content/uploads/2016/11/Code_de_gouvernement_d_entreprise_des_societes_cotees_novembre_2016.pdf)