

## 7.4 FACTORS THAT MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

In application of Article L.225-37-5 of the French Commercial Code, we specify to you the following points, which are likely to have an impact on a public offer:

- ◆ the Company's capital structure as well as its known direct or indirect interests and all the corresponding information are described in Section 7.3;
- ◆ there is no statutory restriction on the exercise of voting rights, with the exception of the elimination of voting rights, as concerns shares which exceed the portion that should have been declared, which is likely to be requested by one or more shareholders holding an interest which is at least equal to 2% of the capital or voting rights, in the event of a failure to declare that the statutory threshold was exceeded;
- ◆ to the Company's knowledge, there are no agreements or other commitments that have been signed between shareholders;
- ◆ there are no instruments entailing special control rights;
- ◆ the voting rights attached to the shares of the Company held by staff through the Company's Coface Actionnariat mutual fund are exercised by an authorised representative designated by the fund's Supervisory Board to represent it at the Annual Shareholders' Meeting;
- ◆ the rules on appointment and revocation of members of the Board of Directors are the legal and statutory rules described in Section 7.1.5;
- ◆ the Company's Articles of Association are amended in compliance with legal and regulatory provisions;
- ◆ there is no significant agreement entered into by the Company that would be amended or terminated in the event of a change in the Company's control.

## 7.5 MATERIAL CONTRACTS

No contract (other than those entered into in the normal course of business) has been signed by any entity of the Group that contains a significant obligation or commitment for the Group as a whole.

## 7.6 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 16, 2019.

The presentation of Coface's financial situation, activity and results for the financial year ended, in addition to the information required by current legal and regulatory provisions, is set forth in this 2018 registration document, to which you are invited to refer (available on the Coface website: [www.coface.com](http://www.coface.com)).

These resolutions can be broken down into two groups:

- ◆ the first thirteen resolutions (from the 1<sup>st</sup> to the 13<sup>th</sup> resolution), which fall under the authority of the Ordinary Shareholders' Meeting;
- ◆ the next three resolutions (from the 14<sup>th</sup> to the 16<sup>th</sup> resolution), which fall under the authority of the Extraordinary Shareholders' Meeting.

### 7.6.1 Ordinary resolutions

#### ◆ Approval of the 2018 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 financial statements (1<sup>st</sup> resolution), followed by the consolidated financial statements (2<sup>nd</sup> resolution) of COFACE SA for 2018.

Comments on the individual and consolidated financial statements of COFACE SA are set out in detail in the COFACE SA 2018 registration document.

#### ◆ Appropriation of 2018 earnings and dividend payment (3<sup>rd</sup> resolution)

The purpose of the third resolution is to allocate COFACE SA's corporate results and approve the payment of the dividend.

COFACE SA's financial statements as of December 31, 2018 showed net income of €122,604,984. Given retained earnings of €22,903,107 and the fact that the legal reserve is above the legal requirements, the distributable profit stands at €145,508,091.

The third resolution therefore proposes to distribute to shareholders a total amount of €122,332,846, which represents a payment per share of €0.79.

For beneficiaries who are natural persons with their tax residence in France, this dividend will be automatically subject to the single lump-sum payment provided in Article 200 A of the French General Tax Code, except for the overall option for the progressive scale. The paying institution will deduct the flat rate withholding tax set out under Article 117 *quater* of the French General Tax Code, except

for beneficiaries who are private individuals residing in France for tax purposes, who have applied for exoneration under the conditions of Article 242 *quater* of the French General Tax Code.

All shareholders, and in particular those domiciled or established outside of France, as concerns regulations applicable in the country of residence or establishment, are asked to contact their usual adviser to determine, through a detailed analysis, the tax consequences to be drawn in consideration of the amounts collected for 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 remuneration shares <sup>(1)</sup>	Total amount (in €)
2015	156,900,438	75,312,210
2016	156,905,819	20,397,756
2017	155,574,817	52,895,437

(1) The number of remuneration shares does not include treasury shares.

The ex-dividend date will be May 22, 2019. Payment will start on May 24, 2019.

#### ◆ Determination of the amount of directors' fees allocated to members of the Board of Directors (4<sup>th</sup> resolution)

The Shareholders' Meeting is asked to retain the total amount for the 2018 financial year, namely €450,000.

It is noted that the Board decided during financial year 2018 to increase by €1,000 per session the variable component of the compensation of the directors and members of the Board's committees, in order to make said Board more attractive.

For the 2018 financial year, payment was made of an amount of €304,500 as directors' fees for meetings of the Board and its committees.

#### ◆ Authorisation given to the Board of Directors to trade its own shares (5<sup>th</sup> resolution of the ordinary meeting)

In this fifth resolution, the Board of Directors requests 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 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.* 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 bonus shares pursuant to the provisions of Article L.225-197-1 *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 delegation, 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 trade within the context of any external growth operations, e) cancel all or part of the securities thus purchased (in particular, under the fourteenth resolution of the Shareholders' Meeting of May 16, 2018 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 €12 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 bonus 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.

◆ **Ratification of the co-opting of a director**  
(6<sup>th</sup> resolution)

In the sixth resolution, the Shareholders' Meeting is asked to ratify the co-opting of Mr François Riahi, voted by the Board meeting of June 15, 2018 to replace Mr Laurent Mignon, who has resigned.

◆ **Regulated commitments and agreements**  
(7<sup>th</sup> resolution)

The seventh resolution concerns the approval of regulated 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 2018 financial year. These commitments and agreements are presented in the Statutory Auditors' special report, in addition to those concluded prior to 2018 which remain valid and which do not require further approval by the Shareholders' Meeting (see Section 7.2.1 of the 2018 registration document).

◆ **Approval of components of the compensation due or allocated for the financial year ended December 31, 2018 to Xavier Durand, Chief Executive Officer (CEO)** (8<sup>th</sup> resolution)

Pursuant to the provisions of the Sapin II Act as set out in Article L.225-100-II of the French Commercial Code, your Shareholders' Meeting is asked to approve the fixed, variable and extraordinary compensation and benefits of all kinds paid or allocated to the Chief Executive Officer for the previous financial year.

All these components are set out in detail in the report on COFACE SA's corporate governance appended to the management report and mentioned again in Chapter 2 of the registration document.

◆ **Approval of the principles and criteria for determining, distributing and allocating the components of compensation of Xavier Durand, Chief Executive Officer, for financial year 2019** (9<sup>th</sup> resolution)

Pursuant to the provisions of the Sapin II Act as set out in Article L.225-37-2 of the French Commercial Code, you are being asked, in the ninth resolution, to approve the principles and criteria for determining, distributing and allocating variable and extraordinary elements comprising the total compensation and benefits of all kinds attributable to Xavier Durand in his capacity as CEO for the 2019 financial year, as described in the report on COFACE SA's corporate governance appended to the management report and set out in Chapter 2 of the registration document.

The compensation due or allocated for the financial year ended December 31, 2019 will be subject to the approval of your Shareholders' Meeting in 2020.

◆ **Appointment of two directors**  
(10<sup>th</sup> and 11<sup>th</sup> resolutions)

In the tenth resolution, the Shareholders' Meeting is asked to appoint Mr Nicolas Moreau as an independent director, for a period of four (4) years which will expire at the close of the Shareholders' Meeting called in 2023 to approve the financial statements for the financial year ending December 31, 2022. Nicolas Moreau spent the majority of his career at the AXA group. He was Chairman and Chief Executive Officer of AXA France between 2010 and 2016.

In the eleventh resolution, the Shareholders' Meeting is asked to appoint Ms Nathalie Bricker as a director, for a period of four (4) years which will expire at the close of the Shareholders' Meeting called in 2023 to approve the financial statements for the financial year ending December 31, 2022. Nathalie Bricker is Natixis' Finance Director. She will be appointed as a non-independent director.

The purpose of these appointments is to extend the expertise within the Board.

The Appointments and Compensation Committee is in favour of these appointments.

If the Shareholders' Meeting approves these two appointments, the balance within the Board will be maintained in both terms of the percentage of female directors and the percentage of independent and non-independent directors.

◆ **Renewal of a permanent Statutory Auditor - Observation of the expiry of the term of office of an alternate Statutory Auditor**  
(12<sup>th</sup> and 13<sup>th</sup> resolutions)

In the twelfth resolution, since Deloitte & Associés' term of office expires at the end of the May 16, 2019 meeting, you are asked to approve the renewal of its term of office, for the 2019 to 2024 financial years.

You are also asked, in the thirteenth resolution, to note the expiry of the term of office of the alternate auditors BEAS at the end of this meeting and to resolve not to renew the term of office or replace it. Pursuant to the law, it is no longer mandatory to appoint an alternate auditor, unless the company appoints an individual or a one-person company as its Statutory Auditor.

## 7.6.2 Extraordinary resolutions

### ◆ Capital increases reserved for employees (14<sup>th</sup> and 15<sup>th</sup> resolutions)

As a continuation of the fourteenth resolution, we propose that you delegate to the Board of Directors, for a period of 18 months, which may in turn delegate this authority, under the conditions provided for by law, your authority 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 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 mean waiving of the preferential subscription rights of shareholders to the shares issued under this fourteenth 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 fifteenth resolution.

The nominal amount of the capital increase likely to be issued in the context of this delegation would be limited to three million, one hundred thousand euros (€3,100,000 or 1% of the Company's share capital) on the understanding that the nominal amount of any capital increase carried out in application of this delegation would be factored into the total nominal cap specified for capital increases described in the sixteenth resolution of the Shareholders' Meeting of May 16, 2018, and that the cap for this resolution would be the same as that of the fifteenth resolution of your Shareholders' Meeting.

The subscription price of the shares issued in application of this delegation may not fall more than 20% below the average price of the listed share during the 20 trading sessions prior to the decision determining the opening date of the subscription, nor may it exceed this average. The Board of Directors may reduce or cancel the 20% discount mentioned above if it deems it appropriate in order to, in particular, take into account the legal, accounting, tax and corporate schemes applicable in the countries of residence of some beneficiaries. Furthermore, in the event of a transaction carried out under this resolution at the same time as

an operation carried out in application of the fifteenth resolution of your Shareholders' Meeting, the subscription price of the shares issued under this resolution may be identical to the subscription price of the shares issued on the basis of the fifteenth resolution.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the twenty-third resolution of the Shareholders' Meeting of May 16, 2018, be granted for a period of eighteen (18) months as from your Shareholders' Meeting.

As a continuation of the fourteenth resolution, we propose in the 15<sup>th</sup> resolution that you delegate your authority to the Board of Directors, for a period of twenty-six (26) months, who may in turn delegate this authority, for the purpose of increasing the share capital by issuing the Company's shares reserved for the members of a company savings plan, within the limit of a maximum nominal amount of three million, one hundred thousand euros (€3,100,000), on the understanding that the nominal amount for any capital increase carried out in application of this delegation would be factored into the total nominal cap specified for capital increases set out in the sixteenth resolution of the Shareholders' Meeting of May 16, 2018, and that the cap for this delegation would be the same as that of the 15<sup>th</sup> resolution of your Shareholders' 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 of the share's traded prices during the last 20 sessions preceding the decision setting the opening date of the subscription may therefore not exceed 20%. 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 bonus 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 22<sup>nd</sup> resolution of the Shareholders' Meeting of May 16, 2018, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

### ◆ Powers (16<sup>th</sup> resolution)

This resolution is intended to grant the powers required to complete the formalities consecutive to your Shareholders' Meeting.

### 7.6.3 Extract of the COFACE SA corporate governance report (appendix relating to the 8<sup>th</sup> and 9<sup>th</sup> resolutions)

---

#### Principles and components of compensation of the Chief Executive Officer (CEO)

##### Principles of the compensation of the Chief Executive Officer (CEO)

At the start of each financial year, the Board of Directors, at the proposal of the Nominations and Compensation Committee, sets the various components of the Chief Executive Officer's (CEO) compensation. This includes a fixed portion, an annual variable portion and a long-term variable portion in the form of free performance shares of the Company. 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.

Thus, it guarantees respect for the principles of balance, external competitiveness, consistency and internal equity in determining the elements comprising the compensation. It ensures a correlation between the responsibilities exercised, the results obtained and the level of compensation over a performance year.

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

- ◆ strict compliance with legal and regulatory provisions applicable to insurance companies;
- ◆ prevention of conflicts of interest and the management of risk-taking within the limits of risk tolerance for the Company;
- ◆ consistency with the Company's strategy, interests and long-term results.

In order to do this, the objectives, practices and governance in terms of compensation are clearly established and communicated within the Company, and the compensation components of the Chief Executive Officer are reported transparently.

## Components of the compensation of the Chief Executive Officer

### a. Target total compensation for 2018

For 2018, on the recommendation of the Nominations and Compensation Committee, with the consent of the Board of Directors and based on the thirteenth resolution approved by the Shareholders' Meeting of May 16, 2018, the target compensation of Mr Xavier Durand has been defined as follows:

Compensation components	Target amount	Comments																										
Fixed compensation	€575,000	Gross annual compensation has been set at €575,000 since February 9, 2016, the date of the beginning of his term of office.																										
Target annual variable compensation ("bonus")	€575,000	The target annual variable compensation is set at 100% of fixed compensation, <i>i.e.</i> , €575,000. It comprises 60% financial objectives and 40% strategic and managerial objectives defined as follows for 2018:																										
		<table border="1"> <thead> <tr> <th>Financial objectives</th> <th>Allocation key</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>20%</td> </tr> <tr> <td>Net income</td> <td>20%</td> </tr> <tr> <td>Internal general overheads excluding extraordinary items</td> <td>10%</td> </tr> <tr> <td>Gross loss ratio excluding claims handling expenses</td> <td>10%</td> </tr> <tr> <td><b>TOTAL (A)</b></td> <td><b>60%</b></td> </tr> <tr> <th>Strategic and managerial objectives</th> <th>Allocation key</th> </tr> <tr> <td>Fit to Win strategic plan</td> <td>15%</td> </tr> <tr> <td>Reinforcement of employee commitment</td> <td>5%</td> </tr> <tr> <td>Development of the internal model</td> <td>5%</td> </tr> <tr> <td>Reinforcement of sales dynamic</td> <td>15%</td> </tr> <tr> <td><b>TOTAL (B)</b></td> <td><b>40%</b></td> </tr> <tr> <td><b>TOTAL (A+B)</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Financial objectives	Allocation key	Turnover	20%	Net income	20%	Internal general overheads excluding extraordinary items	10%	Gross loss ratio excluding claims handling expenses	10%	<b>TOTAL (A)</b>	<b>60%</b>	Strategic and managerial objectives	Allocation key	Fit to Win strategic plan	15%	Reinforcement of employee commitment	5%	Development of the internal model	5%	Reinforcement of sales dynamic	15%	<b>TOTAL (B)</b>	<b>40%</b>	<b>TOTAL (A+B)</b>	<b>100%</b>
Financial objectives	Allocation key																											
Turnover	20%																											
Net income	20%																											
Internal general overheads excluding extraordinary items	10%																											
Gross loss ratio excluding claims handling expenses	10%																											
<b>TOTAL (A)</b>	<b>60%</b>																											
Strategic and managerial objectives	Allocation key																											
Fit to Win strategic plan	15%																											
Reinforcement of employee commitment	5%																											
Development of the internal model	5%																											
Reinforcement of sales dynamic	15%																											
<b>TOTAL (B)</b>	<b>40%</b>																											
<b>TOTAL (A+B)</b>	<b>100%</b>																											
		<p>The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives).</p> <p><b>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.</b> A penalty system is introduced in the event of dismissal for serious misconduct or gross negligence or observed losses prior to the payment date.</p>																										
Long-term variable compensation (allocation of free performance shares)	€594,198	<p>65,000 shares are allocated under the Long-Term Incentive Plan 2018 (LTIP 2018), representing a value of €594,198 for the allocation, based on the average of the opening price for the last 20 stock market trading sessions preceding the date of the Board meeting.</p> <p>Final vesting is subject to achieving the following performance conditions:</p> <ul style="list-style-type: none"> <li>◆ 50% of shares allocated are vested subject to the condition of achieving COFACE SA's RoATE (return on average tangible equity) level for the financial year ending December 31, 2020;</li> <li>◆ 50% of shares allocated are vested under the performance condition relating to the COFACE SA share, measured by the growth of COFACE SA's total shareholder return (TSR) compared to the TSR growth of the companies comprising the Euro Stoxx Assurance index over the same period.</li> </ul> <p>The share vesting period is set at three years starting from February 12, 2018.</p> <p>The plan does not include a retention period.</p> <p>The Board decided that 30% of the CEO's shares vested under the LTIP 2018 should be retained until the end of his corporate term or of any other function that he might hold within Coface. It is specified that all risk hedging transactions are prohibited.</p>																										
Other benefits	€14,647	<p>Xavier Durand benefits from a company vehicle and the payment of 62.5% of contributions due to the business managers and corporate officers social guarantee scheme (GSC).</p> <p>He benefits from the group healthcare and retirement schemes in force for all employees and has no additional retirement scheme.</p>																										
<b>TARGET TOTAL COMPENSATION 2018</b>	<b>€1,758,845</b>																											

The total rate of deferred variable compensation will therefore represent more than 50% of total variable compensation.

### **b. Total compensation allocated and paid in 2018**

- ◆ Compensation allocated to Mr Durand for 2018, **comprising the assessment of the 2018 bonus**, is in line with the proposal of the Nominations and Compensation Committee meeting of January 16, 2019, validated by the Board of Directors on February 11, 2019 and submitted for the approval of the Ordinary Shareholders' Meeting that follows the close of the 2018 financial year.
- ◆ Compensation paid to Mr Durand in 2018 is in line with the proposal by the Nominations and Compensation Committee meeting of February 6, 2018, which was approved by the Board of Directors on February 12, 2018 and by the Shareholders' Meeting of May 16, 2018 in its twelfth and thirteenth resolutions.

Compensation components	Amount allocated	Amount paid	Comments
Fixed compensation	€575,000	€575,000	Gross annual compensation set at €575,000 since February 9, 2016, the date of the beginning of his term.
Annual variable compensation allocated ("2018 bonus")	€907,532		The achievement rate of 2018 objectives proposed by the Nominations and Compensation Committee meeting of January 16, 2019, approved by the Board of Directors at the meeting of February 11, 2019 and submitted for approval of the Shareholders' Meeting that closed the 2018 accounts was 157.832%, broken down as follows:

Financial objectives	Allocation key	Achievement rate	Amount of variable compensation (in €)
Turnover	20%	134%	153,852
Net income	20%	250%	287,500
Internal general overheads excluding extraordinary items	10%	178%	102,206
Gross loss ratio excluding claims handling expenses	10%	208%	119,600
<b>TOTAL (A)</b>		<b>115.33%</b>	<b>663,157</b>

Strategic and managerial objectives	Allocation key	Achievement rate	Amount of variable compensation (in €)
Fit to Win strategic plan	15%	125%	107,813
Reinforcement of employee commitment	5%	75%	21,563
Development of the internal model	5%	100%	28,750
Reinforcement of sales dynamic	15%	100%	86,250
<b>TOTAL (B)</b>		<b>42.50%</b>	<b>244,375</b>
<b>TOTAL (A + B)</b>		<b>157.83%</b>	<b>907,532</b>

The bonus due for financial year 2018 is therefore €907,532 and will be paid as follows:

- ◆ **70% of the total amount paid in 2019, i.e., €635,272;**
- ◆ 15% of the total amount deferred in 2020, i.e., €136,130;
- ◆ 15% of the total amount deferred in 2021, i.e., €136,130.



Compensation components	Amount allocated	Amount paid	Comments																												
Annual variable compensation paid ("2017 bonus")		€611,840	The achievement rate for 2017 objectives is 152.01%, broken down as follows:																												
			<table border="1"> <thead> <tr> <th>Financial objectives</th> <th>Allocation key</th> <th>Achievement rate</th> <th>Amount of variable compensation (in €)</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>20%</td> <td>85%</td> <td>97,750</td> </tr> <tr> <td>Net income</td> <td>20%</td> <td>250%</td> <td>287,500</td> </tr> <tr> <td>Internal general overheads excluding extraordinary items</td> <td>10%</td> <td>131%</td> <td>75,383</td> </tr> <tr> <td>Gross loss ratio excluding claims handling expenses</td> <td>10%</td> <td>244%</td> <td>140,300</td> </tr> <tr> <td><b>TOTAL (A)</b></td> <td></td> <td><b>104.51%</b></td> <td><b>600,933</b></td> </tr> </tbody> </table>	Financial objectives	Allocation key	Achievement rate	Amount of variable compensation (in €)	Turnover	20%	85%	97,750	Net income	20%	250%	287,500	Internal general overheads excluding extraordinary items	10%	131%	75,383	Gross loss ratio excluding claims handling expenses	10%	244%	140,300	<b>TOTAL (A)</b>		<b>104.51%</b>	<b>600,933</b>				
Financial objectives	Allocation key	Achievement rate	Amount of variable compensation (in €)																												
Turnover	20%	85%	97,750																												
Net income	20%	250%	287,500																												
Internal general overheads excluding extraordinary items	10%	131%	75,383																												
Gross loss ratio excluding claims handling expenses	10%	244%	140,300																												
<b>TOTAL (A)</b>		<b>104.51%</b>	<b>600,933</b>																												
			<table border="1"> <thead> <tr> <th>Strategic and managerial objectives</th> <th>Allocation key</th> <th>Achievement rate</th> <th>Amount of variable compensation (in €)</th> </tr> </thead> <tbody> <tr> <td>Fit to Win strategic plan</td> <td>20%</td> <td>125%</td> <td>143,750</td> </tr> <tr> <td>Talent management</td> <td>10%</td> <td>125%</td> <td>71,875</td> </tr> <tr> <td>Solvency 2 project</td> <td>5%</td> <td>125%</td> <td>35,938</td> </tr> <tr> <td>Commercial plan</td> <td>5%</td> <td>75%</td> <td>21,563</td> </tr> <tr> <td><b>TOTAL (B)</b></td> <td></td> <td><b>47.50%</b></td> <td><b>273,125</b></td> </tr> <tr> <td><b>TOTAL (A + B)</b></td> <td></td> <td><b>152.01%</b></td> <td><b>874,058</b></td> </tr> </tbody> </table>	Strategic and managerial objectives	Allocation key	Achievement rate	Amount of variable compensation (in €)	Fit to Win strategic plan	20%	125%	143,750	Talent management	10%	125%	71,875	Solvency 2 project	5%	125%	35,938	Commercial plan	5%	75%	21,563	<b>TOTAL (B)</b>		<b>47.50%</b>	<b>273,125</b>	<b>TOTAL (A + B)</b>		<b>152.01%</b>	<b>874,058</b>
Strategic and managerial objectives	Allocation key	Achievement rate	Amount of variable compensation (in €)																												
Fit to Win strategic plan	20%	125%	143,750																												
Talent management	10%	125%	71,875																												
Solvency 2 project	5%	125%	35,938																												
Commercial plan	5%	75%	21,563																												
<b>TOTAL (B)</b>		<b>47.50%</b>	<b>273,125</b>																												
<b>TOTAL (A + B)</b>		<b>152.01%</b>	<b>874,058</b>																												
			<p>The bonus due for financial year 2017 is therefore €874,058 paid as follows:</p> <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 in 2019, i.e., €131,109;</li> <li>◆ 15% of the total amount deferred in 2020, i.e., €131,109.</li> </ul>																												
Deferred variable compensation (2016 bonus)		€69,000	<p>Mr Xavier Durand's 2016 bonus was €460,000, paid as follows:</p> <ul style="list-style-type: none"> <li>◆ 70% of the total amount paid in 2017, i.e., €322,000;</li> <li>◆ 15% of the total amount deferred in 2018, i.e., €69,000;</li> <li>◆ 15% of the total amount deferred in 2019, i.e., €69,000.</li> </ul>																												
Long-term variable compensation (allocation of free performance shares)	€594,198		<p>65,000 shares are allocated under the Long-Term Incentive Plan 2018 (LTIP 2018), representing a value of €594,198 on the allocation date, based on the average of the opening price for the last 20 stock market trading sessions preceding the date of the Board meeting.</p> <p>Final vesting is subject to achieving the performance conditions defined above.</p>																												
Other benefits	€14,647	€14,647	<p>Xavier Durand benefits from a company vehicle and the payment of 62.5% of contributions due to the business managers and corporate officers social guarantee scheme (GSC).</p> <p>He benefits from the group healthcare and retirement schemes in force for all employees and has no additional retirement scheme.</p>																												
<b>TOTAL COMPENSATION</b>	<b>€2,091,377</b>	<b>€1,270,487</b>																													

Note that the payment of the "2018 bonus" is conditional on the approval of the Ordinary Shareholders' Meeting that follows the closing of financial year 2018.

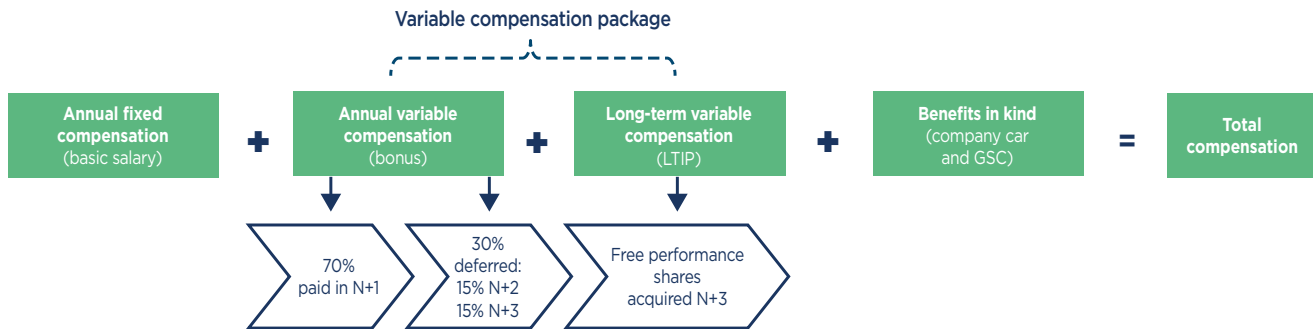


### c. Structure of compensation of the Chief Executive Officer for financial year 2019

For 2019, at the proposal of the Nominations and Compensation Committee, after agreement from the Board of Directors and subject to approval by the Shareholders' Meeting, the compensation for Xavier Durand will comprise the following elements:

Compensation components	Target amount	Comments																										
Fixed compensation	€575,000	Gross annual compensation is maintained at €575,000 since February 9, 2016, the date of the beginning of his term.																										
Target annual variable compensation ("bonus")	€575,000	<p>Target variable compensation is maintained at 100% of fixed compensation, i.e., €575,000. Its structure remains unchanged. It therefore comprises 60% financial objectives and 40% strategic and managerial objectives defined as follows for 2018:</p> <table border="1"> <thead> <tr> <th>Financial objectives</th> <th>Allocation key</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>20%</td> </tr> <tr> <td>Net income</td> <td>20%</td> </tr> <tr> <td>Internal general overheads excluding extraordinary items</td> <td>10%</td> </tr> <tr> <td>Gross loss ratio excluding claims handling expenses</td> <td>10%</td> </tr> <tr> <td><b>TOTAL (A)</b></td> <td><b>60%</b></td> </tr> <tr> <th>Strategic and managerial objectives</th> <th>Allocation key</th> </tr> <tr> <td>New strategic plan</td> <td>15%</td> </tr> <tr> <td>Internal model</td> <td>15%</td> </tr> <tr> <td>Strengthening of the succession plan of the Executive Committee</td> <td>5%</td> </tr> <tr> <td>Continuation of the cultural transformation, commercial processes and projects</td> <td>5%</td> </tr> <tr> <td><b>TOTAL (B)</b></td> <td><b>40%</b></td> </tr> <tr> <td><b>TOTAL (A + B)</b></td> <td><b>100%</b></td> </tr> </tbody> </table> <p>The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives).  <b>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.</b> A penalty system is introduced in the event of dismissal for serious misconduct or gross negligence or observed losses prior to the payment date.</p>	Financial objectives	Allocation key	Turnover	20%	Net income	20%	Internal general overheads excluding extraordinary items	10%	Gross loss ratio excluding claims handling expenses	10%	<b>TOTAL (A)</b>	<b>60%</b>	Strategic and managerial objectives	Allocation key	New strategic plan	15%	Internal model	15%	Strengthening of the succession plan of the Executive Committee	5%	Continuation of the cultural transformation, commercial processes and projects	5%	<b>TOTAL (B)</b>	<b>40%</b>	<b>TOTAL (A + B)</b>	<b>100%</b>
Financial objectives	Allocation key																											
Turnover	20%																											
Net income	20%																											
Internal general overheads excluding extraordinary items	10%																											
Gross loss ratio excluding claims handling expenses	10%																											
<b>TOTAL (A)</b>	<b>60%</b>																											
Strategic and managerial objectives	Allocation key																											
New strategic plan	15%																											
Internal model	15%																											
Strengthening of the succession plan of the Executive Committee	5%																											
Continuation of the cultural transformation, commercial processes and projects	5%																											
<b>TOTAL (B)</b>	<b>40%</b>																											
<b>TOTAL (A + B)</b>	<b>100%</b>																											
Long-term variable compensation (allocation of free performance shares)	€564,445	<p>It is proposed that 70,000 shares be allocated to the CEO under the Long-Term Incentive Plan 2019 (LTIP 2019) for a value of €564,445 for the allocation, based on the average of the opening price for the last 20 stock market trading sessions preceding the date of the Board meeting. Final vesting is subject to achieving the following performance conditions:</p> <ul style="list-style-type: none"> <li>◆ 50% of shares allocated are vested subject to the condition of achieving COFACE SA's RoATE (return on average tangible equity) level for the financial year ending December 31, 2021;</li> <li>◆ 50% of shares allocated are vested under the performance condition relating to the COFACE SA share, measured by the growth of COFACE SA's total shareholder return (TSR) compared to the TSR growth of the companies comprising the Euro Stoxx Assurance index over the same period.</li> </ul> <p>The share vesting period is set at three years starting from February 11, 2019. The plan does not include a retention period. The Board decided that 30% of the CEO's shares vested under the LTIP 2019 should be retained until the end of his corporate term or of any other function that he might hold within Coface. It is specified that all risk hedging transactions are prohibited.</p>																										
Other benefits	€14,647 (estimate)	Xavier Durand benefits from a company vehicle and the payment of 62.5% of contributions due to the business managers and corporate officers social guarantee scheme (GSC). He benefits from the group healthcare and retirement schemes in force for all employees and has no additional retirement scheme.																										
<b>TARGET TOTAL COMPENSATION 2019</b>	<b>€1,729,092</b>	Subject to the approval of the Shareholders' Meeting																										

The total rate of deferred variable compensation will therefore represent more than 50% of the total variable compensation.



**Note:** deferred compensation is not paid when a loss is observed on the date of payment or in case of dismissal for serious misconduct or gross negligence.

The Chief Executive Officer's compensation has been subject to a comparative analysis of the market each year by a compensation consultancy firm in order to guarantee its competitiveness on the market, its internal consistency and the structural balance.

### Severance pay

Xavier Durand benefits, in the event his corporate term ends, from severance pay in an amount equal to two years' (fixed and variable) salary. The reference amount used for the fixed portion shall be the salary for the current financial year at the date he stops his duties. The reference amount for the variable portion will be the average of the variable compensation received for the three financial years preceding the termination date of his duties.

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

- ◆ achievement of at least 75% of 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 shall be due. If none of the conditions above has been met, no severance shall be due. No severance shall be paid by the Company if the corporate term is ended at Mr 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 approval of the Company's Shareholders' Meeting.

Xavier Durand does not have an employment contract and does not benefit from any indemnity relating to a non-compete clause.

## 7.7 RESOLUTIONS SUBJECT TO THE APPROVAL OF THE COMBINED SHAREHOLDERS' MEETING OF MAY 16, 2019

### 7.7.1 Draft agenda

For details of this draft, please refer to Section 7.6 "Draft report of the Board of Directors on the draft resolutions submitted to the Combined Shareholders' Meeting" of this registration document.

#### Within the authority of the Ordinary Shareholders' Meeting

- ◆ Reports of the Board of Directors and the Statutory Auditors on the Company's operations during the financial year ended December 31, 2018.
- ◆ Approval of the parent company financial statements for 2018.
- ◆ Approval of the consolidated financial statements for 2018.
- ◆ Allocation of earnings and dividend payment.
- ◆ Determination of the annual directors' fees package allocated to members of the Board of Directors.
- ◆ Authorisation given to the Board of Directors to trade the Company's shares.
- ◆ Ratification of the co-opting of one director.
- ◆ Approval of the special report of the Statutory Auditors on the agreements and commitments mentioned in Articles L.225-38 et seq. of the French Commercial Code.
- ◆ Approval of the compensation components paid or allocated to Xavier Durand, Chief Executive Officer for financial year 2018.
- ◆ Approval of the principles and criteria for determining, distributing and allocating the components of compensation of the Chief Executive Officer for financial year 2019.
- ◆ Appointment of two directors.
- ◆ Renewal of a permanent Statutory Auditor.
- ◆ Noting the expiry of the term of office of an alternate Statutory Auditor and decision not to replace it.