



## Description of the 2019-2020 Share Buyback Program

### 1. INTRODUCTION

It is reminded that the Shareholders' Combined General Meeting of Coface SA (the Company) held on of 16 May 2018, had previously authorized the Board of Directors, in its fifth (5<sup>th</sup>) resolution, to carry out transactions on Coface SA's shares under the framework of the 2018-2019 Share Buyback Program. The main features and description of the said program are published on the Company's website and on the 2018 Registration Document.

The Company, listed on Euronext Paris - Compartment A -, wishes to continue to have a Share Buyback Program (the Program), pursuant to applicable regulation (See "Legal Framework" below).

To this end, the Shareholders' Combined General Meeting of 16 May 2019 reauthorized the Board of Directors, with the power to sub delegate in accordance with legislative and regulatory provisions, in its fifth (5<sup>th</sup>) resolution, to implement a new Share Buyback Program on the Company's shares (Code ISIN FR0010667147). This Program shall replace the existing one established by the Combined General Meeting of 16 May 2018.

### 2. MAIN CHARACTERISTICS OF THE 2019-2020 SHARE BUYBACK PROGRAM

#### **2.1 Date of Shareholders' General Meeting authorizing the Program**

The 2019-2020 Program was authorized by the Shareholders' Combined General Meeting of 16 May 2019, in its fifth (5<sup>th</sup>) resolution.

The Board of Directors of 25 July 2019, authorized Coface SA, with the power to sub delegate to the CEO, pursuant to the delegation given by the Shareholder's Combined General Meeting of 16 May 2019 in its fifth (5<sup>th</sup>) resolution, to trade on the Company's share through the "2019-2020 Share Buyback Program", whose main features are described below.

#### **2.2 Allotment by objective of shares held as of 31 July 2019**

COFACE SA held at 31 July 2019, 0.79% of its share capital or 1,204,041 common shares. At that date, the breakdown by objective of the number of shares held was as follows:

Objectives	Number of own shares held
<b>a)</b> ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently within the context of a liquidity contract in compliance with the Charter of Ethics recognized by the French Financial Markets Authority	39,173
<b>b)</b> allot shares to employees of the Company and in particular within the context: <b>(1)</b> of profit sharing; <b>(2)</b> any stock option plan of the Company, pursuant to the provisions of Articles L.225-177 et seq. of the French Commercial Code; <b>(3)</b> any savings plan in compliance with Articles L.3331-1 et seq. of the French Labour Code; <b>(4)</b> any allocation of bonus shares pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code; as well as performing all hedging operations relating thereto, 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	0 0 0 1,164,868
<b>e)</b> cancel all or part of the stock thus purchased	0
<b>TOTAL</b>	<b>1,204,041</b>

### **2.3 Objectives of the 2019-2020 Share Buyback Program**

Purchases and sales of the Company's shares may be made, by decision of the Board, to:

Authorized objectives
<b>a)</b> 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 the market practice accepted by the Autorité des marchés financiers on 2 July 2018,
<b>b)</b> allocate shares to the corporate officers and employees of the Company and of other Group entities, in particular within the context of: <b>(i)</b> employee profit sharing; <b>(ii)</b> any stock option plan of the Company, pursuant to Article L.225-177 et seq. of the French Commercial Code; <b>(iii)</b> any savings plan in compliance with Article L.3331-1 et seq. of the French Labour Code; <b>(iv)</b> 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 performing all hedging operations relating to these operations, 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 thereof
<b>c)</b> 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
<b>d)</b> keep the Company's shares and subsequently remit them as payment or trade within the context of any external growth operations
<b>e)</b> cancel all or part of the stock thus purchased



f) implement any market practice that may be authorised by the French Financial Markets Authority and, more generally, perform all operations in compliance with applicable regulations in particular with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)

## **2.4 Maximum percentage of the share capital, maximum number of shares, maximum purchase price and characteristics of the shares that Coface SA intends to buyback**

### **2.4.1 Characteristics of the shares that Coface SA intends to buyback**

Common shares of the Company traded on Euronext Paris:

<b>STOCK MARKET PROFILE</b>	
Trading	Euronext Paris (compartment A), eligible for deferred settlement service (SRD)
ISIN code	FR0010667147
Reuters code	COFA.PA
Bloomberg code	COFA FP
Stock market indexes	SBF 120, CAC All Shares, CAC All-Tradable, CAC Financials, CAC Mid & Small, CAC Small, Next 150

### **2.4.2 Maximum percentage of the share capital**

The Board of Directors can authorise, with the power to sub-delegate under the legal and regulatory conditions, in compliance with the provisions of Article L.225-209 et seq. of the French Commercial Code, the purchase of –in one or more instances and at the times to be determined by it - a number of shares of the Company not to exceed:

- (i) 10% the total number of shares composing the share capital, at any time whatsoever; or,
- (ii) 5% of the total number of shares subsequently composing the share capital if it concerns shares acquired by the Company in view of keeping them and transferring them as payment or exchange under a merger, spin-off or contribution operation.

These percentages apply to a number of shares adjusted, where appropriate, according to the operations that could impact the share capital subsequent to the Shareholders' Meeting of May 16<sup>th</sup> 2019.

### **2.4.3 Maximum number of shares**

COFACE SA is committed, by law, not to exceed the holding limit of 10% of its capital, the latter being, for information purposes, 15,203,195 shares as at 31 July 2019.



#### **2.4.4 Maximum purchase price**

According to the fifth (5<sup>th</sup>) resolution proposed and accepted by the Shareholder's Combined General Meeting of 16 May 2019, the maximum purchase price per unit may not exceed €12, excluding costs.

The Board of Directors may nevertheless, for operations involving the Company's capital, in particular 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 impact of these operations on the value of the Company's stock.

#### **2.4.5 Other information**

The acquisition, disposal or transfer of these shares may be completed and paid for by all methods authorised by the current regulations, on a regulated market, multilateral trading system, a 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 the times that the Board of Directors will determine.

The Board of Directors shall have all powers, with the power to sub delegate in compliance with legislative and regulatory conditions, in order to, in accordance with applicable legislative and regulatory provisions, proceed with the permitted reallocation of repurchased shares in view of one of the objectives of the programme, to one or more of its other objectives, or even their disposal, on or off the market.

### **2.5 Term of the 2019-2020 Share Buyback Program**

According to the fifth (5<sup>th</sup>) resolution proposed and accepted by the Shareholders' Combined General Meeting of 16 May 2019, this Program will have a maximum period of eighteen (18) months from the date of said Combined General Meeting and will therefore continue no later than 14 November 2020 (including) or until the date of its renewal by a Shareholders' General Meeting, the one occurring first.

This authorisation concludes the authorisation granted by the fifth (5<sup>th</sup>) resolution that was adopted by the Shareholders' Combined Meeting of 16 May 2018.

## **3. LEGAL FRAMEWORK**

### **Legal Framework**

The legal framework used for this document shall be that in force on 31 July 2019. It shall be noted that regulation may evolve during time and its updates shall be taken into consideration.

1. Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

2. Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures
3. Article L.225-206 and following of the French Commercial Code (and updates)
4. General Regulation of the French Market Authority: Article L.221-1 and seq. and Article L.241-1 and seq.
5. AMF Recommendation DOC-2017-04 Guide for issuers on their own shares transactions and for stabilisation measures
6. Approved market practice AMF No. 2011-07 – Liquidity Agreement on equities

## **Historical**

The main features of the Share Buyback Programs have been published on the website of the Company (<http://www.coface.com/Investors>) and are also described in the Registration Documents.

Share Buyback Program	General Assembly authorizing the Program	Decision to implement the Program by the Board of Directors	Transactions framework		
			Liquidity Agreement <sup>1</sup>	LTIP	Cancellation
2014 - 2015	June 2 <sup>nd</sup> 2014 (Res. 5)	June 26 <sup>th</sup> 2014	Yes	No	No
2015 - 2016	May 18 <sup>th</sup> 2015 (Res. 8)	July 28 <sup>th</sup> 2015	Yes	Yes <sup>2</sup>	No
2016 - 2017	May 19 <sup>th</sup> 2016 (Res. 5)	July 27 <sup>th</sup> 2016	Yes	No	No
2017 - 2018	May 17 <sup>th</sup> 2017 (Res. 5)	July 27 <sup>th</sup> 2017	Yes	Yes <sup>3</sup>	Yes <sup>4</sup>
2018 - 2019	May 16 <sup>th</sup> 2018 (Res. 5)	July 25 <sup>th</sup> 2018	Yes	Yes <sup>5</sup>	Yes <sup>6</sup>
2019 - 2020	May 16 <sup>th</sup> 2019 (Res 5)	July 25 <sup>th</sup> 2019	Yes	No	No

- (1) The Liquidity Agreement from July 2<sup>nd</sup> 2014, signed with Natixis, has been transferred as of 2 July 2018 to ODDO BHF (concluded for a period of twelve (12) months, tacitly renewable). For the implementation of the contract, the following resources have been allocated to ODDO BHF and assigned to the liquidity account as at 29 June 2018: 76,542 COFACE SA shares - € 2,161,049.81
- (2) Own shares transactions Agreement, signed with Natixis, from 31 July 2015 to 15 September 2015, to buy Coface's shares for their allocation under the "Long Term Incentive Plan" (LTIP). For more information, the reader should refer to the 2014 Registration Document.
- (3) Own shares transactions Agreement, signed with Kepler Cheuvreux, from 31 July 2017 to 30 September 2017 and from 17 November 2017 to 17 January 2018, to buy Coface's shares for their allocation under the LTIP. For more information, the reader should refer to the 2016 Registration Document.
- (4) Own shares transactions Agreement, signed with Kepler Cheuvreux, from 15 February 2018 to 15 October 2018, to buy Coface's shares for their cancellation. For more information, the reader should refer to the 2017 Registration Document.
- (5) Own shares transactions Agreement, signed with Kepler Cheuvreux, from 6 August 2018 to 15 August 2018 and from 8 May 2019 to 11 June 2019, to buy Coface's shares for their allocation under the LTIP. For more information, the reader should refer to the 2017 Registration Document.
- (6) Own shares transactions Agreement, signed with Exane BNP PARIBAS, from 26 October 2018 to 8 January 2019, to buy Coface's shares for their cancellation. For more information, the reader should refer to the 2018 Registration Document.