

2.2.3 Other committees chaired by General Management

In addition to the Group General Executive Committee, Xavier Durand also chairs two other committees: the Executive Committee and the HQ Leaders Committee.

The Executive Committee is composed of the GEC and the regional directors (see also Section 1.7 “Group organisation”).

The Executive Committee has no formal decision-making power. It helps to prepare the Group’s strategy and with the study of key operational subjects or strategic initiatives.

Like the GEC, the Executive Committee pays particular attention to monitoring the efficiency of internal control, internal audit and risk management systems that are

considered essential to the Group’s smooth internal governance. They meet each month to review the progress of the Group’s cross-disciplinary projects and the implementation of the strategic plan.

Furthermore, the Executive Committee members contribute, as a team, to setting up and disseminating Coface’s managerial culture.

As regards the HQ Leaders Committee, the Chief Executive Officer (CEO) convenes the main managers of the various head office functions for a meeting of this committee once a month. This committee focuses on information and discussions relating to the main areas of reflection and action.

2.3 COMPENSATION AND BENEFITS PAID TO MANAGERS AND CORPORATE OFFICERS

The Company refers to the AFEP-MEDEF Code to prepare the report required by Article L.225-37 of the French Commercial Code.

The tables inserted in the sections below present a summary of compensation and benefits of any kind that are paid to corporate officers of the Company, and to members of the Company’s Board of Directors by (i) the Company, (ii) companies controlled, pursuant to Article L.233-16 of the French Commercial Code, by the company in which the mandate is performed, (iii) companies controlled, pursuant to Article L.233-16 of the French Commercial Code, by the Company or companies that control the company in which the mandate is performed and (iv) the Company or companies that, pursuant to the same article, control the company in which the mandate is exercised. Since the Company belongs to a group at the date of this registration document, the information concerns the amounts owed by all companies in the chain of control.

The Company is a limited corporation (société anonyme) with a Board of Directors. The duties of Board Chairman, performed by Mr François Riahi since June 15, 2018, and Chief Executive Officer (CEO), performed by Mr Xavier Durand, have been separated.

No form of compensation or benefit has been paid to the Chairman of the Board of Directors by the Company. The compensation paid by Natixis to Mr François Riahi for his term as Chief Executive Officer (CEO) of Natixis is described below (Sections 2.3.2 and 2.3.3).

Mr Xavier Durand was compensated by the Company for his term as Chief Executive Officer as described in Sections 2.3.2 and 2.3.3 below.

2.3.1 Employee compensation policy

Regulatory framework

The Company’s compensation policy falls under the provisions of the Solvency II Directive and the 2015/35 delegated regulation (Article 258 Section 1, Point 1 and Article 275).

Generally, compensation practices should contribute to effective risk management within the Company, and in particular:

- ◆ ensure strict compliance with the legal and regulatory provisions applicable to insurance companies;
- ◆ prevent conflicts of interest and not encourage risk-taking beyond the limits of the Company’s risk tolerance;
- ◆ be consistent with the Company’s strategy, interests and long-term results;
- ◆ guarantee the Company’s capacity to keep appropriate equity.

In this context, Coface’s compensation policy specifies general provisions applicable to all employees according to certain criteria and provisions specific to the population identified as regulated.

General principles

The compensation policy is a key instrument in implementing Coface’s strategy. It seeks to attract, motivate and retain the best talent. It encourages individual and collective performance and seeks to be competitive in the market while respecting the Group’s financial balance. It complies with the regulations in force, guarantees internal equity and professional equality, particularly between men and women. It includes social and environmental issues in its deliberations.

It is proposed by the Group’s HR Department and is subject to approval by the Nominations and Compensation Committee, and then by the Board of Directors. The HR function is responsible for implementing the policy at the country level to ensure practices are consistent within the Group, and to ensure each country is compliant with local regulations and remains competitive in the market.

Structured in a clear and transparent manner, compensation is intended to be adapted to the Group's objectives and to assist it in its long-term development strategy:

- ◆ **fixed compensation:** this is the principal component of individual compensation and depends on the abilities and expertise expected for a given position. It is set at the time of hiring and reviewed annually in light of market practices, individual contribution and internal equity in strict compliance with the constraints of the budgets allocated for the financial year;
- ◆ **annual individual variable compensation ("bonus"):** the Group's variable compensation policy takes individual and collective performance over a given year into account and is assessed on the basis of financial and non-financial criteria. The eligibility rules and variable compensation level are set by function, responsibility level and market under consideration.
For the Group's Senior Managers, the target variable compensation is set as a percentage of the base salary and may not exceed 100% of this. It comprises objectives set annually by the General Executive Committee and the managers of each function involved in supporting the Group's HR Department. This procedure ensures that individual objectives are consistent with the Company's strategic objectives:
 - 15% of the objectives set are purely quantitative and relate to the financial performance of the business entity,
 - 45% relate to the performance of the function in question and are mainly quantitative,
 - 40% are set individually at the annual performance review meeting. They may be quantitative and/or qualitative, provided that they comply with the SMART rules (specific, measurable, attainable, relevant and time-bound);
- ◆ **long-term individual variable compensation (Long-Term Incentive Plan):** each year since 2016, the Group has awarded free performance shares to an identified regulated population in the context of the Solvency II Directive (Executive Committee, key functions and employees with significant influence on the Company's risk profile), for whom a portion of variable compensation must be deferred, and to certain key employees as part of the reward and retention policy. This plan also ensures that the interests of the beneficiaries are aligned with those of the shareholders over the long term;
- ◆ **collective variable compensation (employee savings):** in France, the Group negotiated a three-year profit-sharing agreement in 2018. This agreement benefits all employees on a fixed or open-ended employment contract, who have more than three months' seniority within the companies forming part of the Compagnie française d'assurance pour le commerce extérieur - Fimipar economic and corporate unit (a wholly-owned subsidiary of the Group). Participation is handled according to the legal formula. Similar collective schemes exist in other Group entities depending on their legal obligations and seek to give employees a stake in the Company's performance;
- ◆ **corporate benefits:** corporate benefits are determined by each of the Group's entities in an effort to closely address local concerns. The Group ensures practices are consistent, and guarantees a level of social protection that is competitive in the market and respectful of its employees worldwide. In 2020, the Group will introduce a car policy aiming to harmonise practices and reduce the carbon impact of its vehicle fleet.

The compensation of employees is wholly or partly comprised of these components, depending on the position held, the level of responsibility and the reference market.

Special provisions applicable to the regulated population

Scope of the regulated population

Pursuant to the provisions of Article 275, Section 1, Point (c) of Regulation 2015/35, the Company has identified the following persons as falling within the scope of the regulated population:

- ◆ members of the Executive Committee who cover general management, finance, strategy, transformation, operations (business technology), legal, compliance and human resources, commercial, risk underwriting, information, claims and debt collection and regional managers;
- ◆ persons holding the key functions described in Articles 269 to 272 of Regulation 2015/35: audit, risk, compliance and actuarial;
- ◆ persons whose professional activity has a material impact on the Company's risk profile: risk underwriting, commercial underwriting, investment, reinsurance, human resources, economic research, financial communication, country managers where revenue exceeds a threshold determined each year with respect to the Company's overall revenue.

For 2019, 28 functions fell within the regulated population scope. The Nominations and Compensation Committee identifies these functions, then presents them to the Board of Directors for approval. This list is reviewed each year in order to guarantee a perfect match between the evolution of the Company's risk profile and that of its employees.

Specific provisions regarding compensation

The Group endeavours to ensure that the proportion and structure of variable compensation are balanced and that the goals set are in accordance with the Company's strategy and risk profile.

In addition to rules common to all employees, the Group sets specific compensation rules intended for the population identified as regulated:

- ◆ the variable compensation package therefore includes the annual variable compensation ("bonus") and the long-term variable compensation (Long-Term Incentive Plan) in the form of free shares of the Company;
- ◆ free shares make up the deferred portion of the variable compensation and represent at least 30% of overall variable compensation. They are contingent upon presence and performance conditions and have a vesting period of three years;
- ◆ all risk hedging transactions are prohibited.

Furthermore, to avoid any conflict of interest, for the control functions referred to in Articles 269 to 272 (audit, risk, compliance), the collective part of annual variable compensation based on financial objectives is assessed using the Group scope, irrespective of the employee's level of involvement, to prevent them from being directly assessed on the performance of the units placed under their control.

2.3.2 Compensation policy for corporate officers

In accordance with Decree No 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under the PACTE Law, the Board of Directors, at the request of the Nominations and Compensation Committee, draws up a compensation policy for corporate officers. This document describes the principles of the policy, which is in line with the Company's corporate interests, falls within its commercial strategy and contributes to its long-term viability.

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

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

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

Compensation of the Chief Executive Officer

Principles applicable to the compensation of the Chief Executive Officer

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. The Nominations and Compensation Committee proposes the compensation policy for the Chief Executive Officer in compliance with the rules laid down by the Solvency II Directive and the recommendations of the AFEP-MEDEF Code.

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

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

- ◆ strict compliance with the laws and regulations 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;
- ◆ consideration of social and environmental issues.

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

The objectives, practices and governance in terms of compensation are clearly established and communicated and the components of the Chief Executive Officer's compensation are presented transparently in the corporate governance report subject to approval by the Shareholders' Meeting.

Components of the compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer comprises:

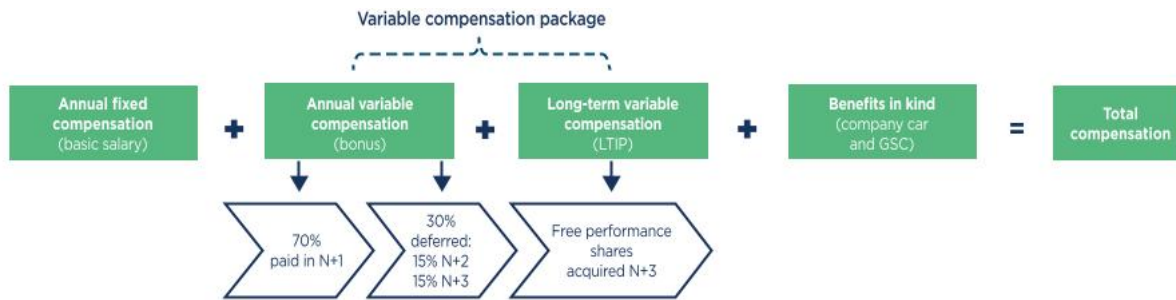
- ◆ **fixed compensation:** determined at the start of the term of office, it is agreed that any significant increase must be explained in terms of responsibilities exercised, performance and market practices;
- ◆ **annual variable compensation:** the bonus is assessed on the basis of performance for a given year. The target is set at 100% of the base salary. It comprises 60% financial objectives and 40% strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives);
- ◆ **long-term variable compensation:** in the form of free shares of the Company. They are contingent upon presence and performance conditions and have a vesting period of three years. The Chief Executive Officer's allocation meets the same conditions as all beneficiaries; however, he must retain 30% of the shares allocated until expiry of the term of office. These Long-Term Incentive Plan (LTIP) schemes are intended to ensure that the interests of the Chief Executive Officer are aligned with those of the shareholders over the long term;
- ◆ **benefits in kind:** the Chief Executive Officer is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the business managers and corporate officers social guarantee scheme (GSC).

He is entitled to the group healthcare and retirement schemes in place for all employees and has no additional retirement scheme.

Note:

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

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



Directors' compensation

Principles of directors' compensation

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

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

The components of directors' compensation are presented clearly and transparently in the corporate governance report and are subject to approval by the Shareholders' Meeting.

Components of directors' compensation

The total annual package allocated to the compensation of directors in 2019 amounted to €450,000, divided between the Board of Directors, the Accounts and Audit Committee, the Risk Committee and the Nominations and Compensation Committee. The rules on distribution of directors' fees are as follows:

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

* Capped:

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

On an annual basis of six Board meetings; six Audit and Accounts Committee meetings; six Risk Committee meetings; five Nominations and Compensation Committee meetings	Financial year 2019 - maximum gross compensation amounts		
	Amount of compensation	Fixed portion (in %)	Variable portion (in %)
Member of the Board of Directors	€26,000	31	69
Member of the Board of Directors + Chairman of the Audit and Accounts Committee	€61,000	41	59
Member of the Board of Directors + member of the Audit and Accounts Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Risk Committee	€61,000	41	59
Member of the Board of Directors + member of the Risk Committee	€43,000	30	70
Member of the Board of Directors + Chairman of the Nominations and Compensation Committee	€49,000	33	67
Member of the Board of Directors + member of the Nominations and Compensation Committee	€39,000	28	72

2.3.3 Summary of compensation of each executive corporate officer for financial years 2018 and 2019

In order to comply with regulations, the tables below present a summary of compensation and stock options and shares allocated during the financial years ended December 31, 2018 and December 31, 2019 to Mr François Riahi, Chairman of the Board of Directors, and Mr Xavier Durand, Chief Executive Officer.

No form of compensation or benefit has been paid to Mr François Riahi by Coface for his term as Chairman of the Board of Directors of COFACE SA. The compensation paid by Natixis to Mr François Riahi for his term as Chief Executive Officer (CEO) of Natixis is described below.

► **AMF nomenclature - Table 1 - Table summarising the compensation and stock options and shares allocated to each executive corporate officer**

	Financial year 2019 ⁽¹⁾	Financial year 2018 ⁽¹⁾
François Riahi, Chairman of the COFACE SA Board and Natixis CEO ⁽²⁾		
Compensation due for the financial year ⁽³⁾	1,790,646	996,245
Value of the multi-year variable compensation allocated during the financial year		
Value of options allocated during the financial year		
Value of performance shares allocated during the financial year ⁽⁴⁾	160,000	93,333
TOTAL	1,950,646	1,089,577
Xavier Durand, Chief Executive Officer		
Compensation due for the financial year ⁽⁵⁾ (presented in detail in Section 2.3.4 below)	1,460,526	1,497,179
Value of the multi-year variable compensation allocated during the financial year	-	-
Value of options allocated during the financial year	-	-
Value of performance shares allocated during the financial year (presented in detail in Section 2.3.8 below) ⁽⁶⁾	463,260	463,320
TOTAL	1,923,786	1,960,499

(1) In euros.

(2) The details of the compensation for Mr François Riahi are available in Section 2.4.2.4, of Chapter 2.4 of the 2019 Natixis Universal Registration Document filed with the Autorité des marchés financiers (French Financial Markets Authority) on March 6, 2020. They are also available on the website at www.natixis.com.

(3) Including €2,384 of family supplement for 2019.

(4) Corresponding to the value on the date it was awarded, for a fair value of €79,587 in 2019.

(5) Before social contributions and income tax.

(6) IFRS fair value (corresponding to a value on the allocation date of €594,198 for the 2018 LTIP plan and €564,445 for the 2019 LTIP plan).

2.3.4 Compensation of executive corporate officers for financial years 2018 and 2019

In order to comply with regulations, the tables below present a breakdown of the fixed and variable compensation along with other benefits awarded during the financial years ended December 31, 2018 and 2019 to Mr François Riahi, Chairman of the Board of Directors since June 15, 2018, and to Mr Xavier Durand, Chief Executive Officer.

No form of compensation or benefit has been paid to Mr François Riahi by the Company. The compensation paid by Natixis to Mr François Riahi for his term as Chief Executive Officer (CEO) of Natixis is described below.

Compensation due or allocated for the financial year ended December 31, 2018, to Mr François Riahi, Chairman of the COFACE SA Board of Directors since June 15, 2018

► AMF nomenclature - Table 2 - Summary of compensation of each executive corporate officer

	2019 ⁽¹⁾		2018 ⁽¹⁾	
	Amounts due	Amounts paid	Amounts due	Amounts paid
François Riahi, Chairman of the COFACE SA Board and Natixis CEO ⁽³⁾				
Fixed compensation for corporate office ⁽⁴⁾	800,000	800,000	466,667	466,667
Annual variable compensation	988,262	749,248 ⁽⁵⁾	528,190	827,706 ⁽⁵⁾
Extraordinary compensation	-	-	-	-
Compensation for participating in COFACE SA Board meetings	-	-	-	-
Benefits in kind ⁽⁶⁾	2,384	2,384	1,388	1,388
TOTAL	1,790,646 ⁽²⁾	1,551,632	996,245 ⁽²⁾	1,295,791

(1) In euros.

(2) François Riahi benefited at the Board meeting of August 2, 2018 from a free share allocation of 13,605 performance shares on a prorata temporis basis valued at €93,333 at their allocation date, and a free share allocation of 31,708 performance share valued at €160,000 at their allocation date at the Board meeting of May 28, 2019.

(3) The details of the compensation for Mr François Riahi are available in Section 2.4.2.4, of Chapter 2.4 of the 2019 Natixis Universal Registration Document filed with the Autorité des marchés financiers (French Financial Markets Authority) on March 6, 2020. They are also available on the website at www.natixis.com.

(4) On a gross basis before social contributions and income tax.

(5) This amount includes payment and delivery of securities relating to the variable remuneration deferred from previous years. Excluding collective variable compensation (employee profit-sharing) paid to François Riahi for the 2017 financial year for his role as Co-Head of Natixis Corporate & Investment banking. The delivery of securities relating to long-term compensation plans is presented in Section 2.4.3.3 in AMF table n°7.

(6) The deferred amount corresponds to the family supplement.

Compensation due or allocated for the financial year ended December 31, 2018, to Mr Xavier Durand, Chief Executive Officer (CEO) of COFACE SA

► AMF nomenclature - Table 2 - Summary of compensation of each executive corporate officer

	2019 ⁽¹⁾		2018 ⁽¹⁾	
	Amounts due ⁽²⁾	Amounts paid ⁽³⁾	Amounts due ⁽²⁾	Amounts paid ⁽³⁾
Xavier Durand, Chief Executive Officer				
Fixed compensation	575,000	575,000	575,000	575,000
Annual variable compensation	870,723 ⁽⁵⁾	635,272 ⁽⁴⁾	907,532 ⁽⁵⁾	611,840 ⁽⁴⁾
Multi-year variable compensation	-	-	-	-
Deferred variable compensation ⁽⁶⁾	-	200,109	-	69,000
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind ⁽⁷⁾	14,803	14,803	14,647	14,647
TOTAL ⁽⁸⁾	1,460,526	1,425,184	1,497,179	1,270,487

(1) Amount in euros, on a gross basis before social contributions and income tax.

(2) The amounts due correspond to the sums allocated for the financial year excluding long-term variable compensation and deferred variable compensation.

(3) The amounts paid correspond to the sums effectively paid during the financial year and include the amounts that were due for the previous financial year.

(4) Variable compensation paid in performance year N (portion due for N-1).

(5) Variable compensation for performance year N.

(6) Deferred variable compensation paid in year N for performance year N-2 and N-3.

(7) Mr Xavier Durand is entitled to the payment by the Company of 62.5% of the contributions payable to the business managers and corporate officers social guarantee scheme (GSC), and a company car.

(8) For the history of allocation of bonus shares, see Section 2.3.12.

Breakdown of the components of the compensation of Mr Xavier Durand, Chief Executive Officer (CEO) of COFACE SA for the financial year ended December 31, 2019 (see also Section 7.6.3 on the principles and components of the Chief Executive Officer's compensation)

Components of compensation	Amount	Comments																								
Fixed compensation	€575,000	Gross annual compensation set at €575,000 since the start of his term on February 9, 2016.																								
		Variable compensation is set at €575,000. It comprises 60% financial objectives and 40% strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives). The achievement rate for 2019 objectives proposed by the Nominations and Compensation Committee meeting of January 20, 2020, approved by the Board of Directors at the meeting of February 5, 2020 and submitted for approval of the Shareholders' Meeting that closes the 2019 accounts is 151.43%, 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</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>20%</td> <td>174%</td> <td>200,595</td> </tr> <tr> <td>Net income</td> <td>20%</td> <td>250%</td> <td>287,500</td> </tr> <tr> <td>Internal general overheads excluding exceptional items</td> <td>10%</td> <td>52%</td> <td>30,153</td> </tr> <tr> <td>Gross loss ratio excluding claims handling expenses</td> <td>10%</td> <td>163%</td> <td>93,725</td> </tr> <tr> <td>TOTAL (A)</td> <td></td> <td>106.43%</td> <td>611,973</td> </tr> </tbody> </table>	Financial objectives	Allocation key	Achievement rate	Amount of variable compensation	Turnover	20%	174%	200,595	Net income	20%	250%	287,500	Internal general overheads excluding exceptional items	10%	52%	30,153	Gross loss ratio excluding claims handling expenses	10%	163%	93,725	TOTAL (A)		106.43%	611,973
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		<p>The bonus due for financial year 2019 is therefore €870,723 and will be paid as follows:</p> <ul style="list-style-type: none"> ◆ 70% of the total amount paid in 2020, i.e. €609,507; ◆ 15% of the total amount deferred to 2021, i.e. €130,608; ◆ 15% of the total amount deferred to 2022, i.e. €130,608. <p>Note that payment of the 2019 bonus is conditional on the approval of the Ordinary Shareholders' Meeting that follows the closing of financial year 2019.</p> <p>A penalty scheme has also been introduced: therefore, in case of losses observed prior to the payment dates of the deferred amounts or dismissal for gross negligence or serious misconduct before the payment date, no payment will be made for these deferred amounts.</p>																												
Multi-year variable compensation	€0.00	N/A																												
Extraordinary compensation	€0.00	N/A																												
Long-term variable compensation (Allocation of stock options/ performance shares and any other component of long-term compensation)	(see Section 2.3.8)	<p>70,000 shares are allocated under the Long-Term Incentive Plan 2019 (LTIP 2019), representing an IFRS fair value of €463,260 (€564,445 at 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>Bonus shares will be definitively vested on February 14, 2022, subject to presence and performance conditions measured over the term of the plan until December 31, 2021, as follows:</p> <ul style="list-style-type: none"> ◆ One third 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; ◆ One third of the shares allocated will be vested subject to the relative performance of COFACE SA's shares, measured by COFACE SA's Total Shareholder Return (TSR) compared to the TSR of companies comprising the Euro Stoxx Assurance index over the period from January 1, 2019 to December 31, 2021; ◆ One third of the shares allocated will be vested subject to achievement of the net cost ratio for the financial years ended December 31, 2019, December 31, 2020 and December 31, 2021. <p>The share vesting period is set at three years starting from February 11, 2019. The plan does not include a retention period.</p> <p>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 of office or of any other role that he might be required to hold within Coface.</p>																												
No hedging	€0.00	To the Company's knowledge, no hedging instrument has been set up.																												
Supplementary retirement scheme	€0.00	Mr Xavier Durand is not entitled to any supplementary retirement scheme.																												
Directors' fees	€0.00	Mr Xavier Durand did not receive any directors' fee for financial year 2019 in connection with his duties within the Company.																												
Benefits in kind	€14,803	Xavier Durand is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the business managers and corporate officers social guarantee scheme (GSC).																												
TOTAL AMOUNTS DUE*	€1,460,526																													

* The amounts due correspond to the sums allocated for the financial year excluding long-term variable compensation.

2.3.5 Compensation of members of the Board of Directors for financial years 2018 and 2019

The table below shows the compensation received by members of the Company's Board of Directors for the financial year ended December 31, 2018 as well as compensation owed to them for the financial year ended December 31, 2019.

► **Table 3 - Table of compensation received by non-corporate officers (AMF nomenclature) ⁽¹⁾**

Non-corporate officers	First appointment	Expiry of the term of office ⁽³⁾	Amounts due for financial year 2019 ⁽²⁾	Amounts paid in financial year 2018 ⁽²⁾
Jean Arondel	21/11/2012	2020	26,000	24,000
Other compensation			-	-
Nathalie BRICKER Appointed on May 16, 2019	16/05/2019	2022	- ⁽⁴⁾	-
Other compensation			-	-
Jean-Paul DUMORTIER Resigned on Oct. 23, 2019	26/07/2013	2020	28,567	32,500
Other compensation			-	-
Éric HÉMAR	01/07/2014	2021	55,000	51,000
Other compensation			-	-
Daniel KARYOTIS	08/02/2017	2020	23,000	22,000
Other compensation			-	-
Isabelle LAFORGUE	27/07/2017	2020	41,000	32,500
Other compensation			-	-
Nathalie LOMON	27/07/2017	2020	55,000	43,000
Other compensation			-	-
Sharon MACBEATH	01/07/2014	2021	33,000	29,000
Other compensation			-	-
Marie PIC-PÂRIS Co-opted on Oct. 23, 2019	23/10/2019	2020	5,000	-
Other compensation			-	-
Isabelle RODNEY	03/11/2016	2020	41,000	30,500
Other compensation			-	-
Anne SALLÉ-MONGAUZE	03/11/2016	2020	- ⁽⁴⁾	- ⁽⁴⁾
Other compensation			-	-
Olivier ZARROUATI	01/07/2014	2021	40,000	40,000
Other compensation			-	-

(1) The dates of appointments and ends of terms of office for the Board of Directors are available in Section 2.1.1 "Mapping of the characteristics of the members of the Board of Directors for financial year 2019".

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

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

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

2.3.6 Stock options or warrants allocated in financial year 2019 to each executive corporate officer by the Company or by any company in the Group

No stock options or warrants were allocated for corporate officers during the financial year ended December 31, 2019.

2.3.7 Stock options or warrants exercised in financial year 2019 by each executive corporate officer

No stock options or warrants were exercised by a corporate executive officer during the financial year ended December 31, 2019.

2.3.8 Bonus shares allocated during financial year 2019 to each executive corporate officer

The conditions for bonus share allocation are described in Section 2.3.4. The table below restates the description of the bonus shares allocated to Mr Xavier Durand under the 2019 Long-Term Incentive Plan.

► **Table 6 – Shares allocated to each corporate officer (AMF nomenclature)**

	Plan date	Number of shares allocated during the financial year	Valuation of shares in euros according to the method used for the consolidated financial statements ⁽¹⁾	Vesting date	Availability date ⁽²⁾	Performance conditions
Xavier DURAND Chief Executive Officer (CEO)	2019 Long-Term Incentive Plan 11/02/2019	70,000	€463,260	14/02/2022	14/02/2022	See table in Section 2.3.4
TOTAL		70,000	€463,260			

⁽¹⁾ The value on the allocation date was €564,445 based on the average of the opening prices for the last 20 stock market trading sessions preceding the date of the Board meeting.

⁽²⁾ Mr Xavier Durand must retain 30% of the shares acquired under the LTIP 2019 until the end of his corporate term of office or of any other role that he might be required to hold within Coface.

2.3.9 Shares which have become available in financial year 2019 for each executive corporate officer

As the performance condition was met in full, all of the shares allocated to Mr Xavier Durand under the LTIP 2016, i.e., 50,000 shares, were definitively vested and delivered on November 4, 2019. As agreed under the Plan's regulations, Xavier Durand must retain 30% of the shares

acquired under the LTIP 2016 until the end of his corporate term of office or of any other role that he might be required to hold within Coface, which corresponds to 15,000 shares under this Plan.

2.3.10 History of allocation of stock options or warrants

No stock options or warrants were allocated during the financial years ended December 31, 2019, 2018, 2017 and 2016.

No plan to allocate stock options or warrants is pending at the date of this Universal Registration Document.

2.3.11 Stock options or warrants granted to the top ten employees who are not corporate officers

No stock options or warrants were allocated during the financial years ended 31 December 2019, 2018, 2017 and 2016 to the top ten employees who are not corporate officers.

No plan to allocate stock options or warrants is pending at the date of this Universal Registration Document.

2.3.12 History of bonus share allocation

298,997 performance shares were allocated under the LTIP 2016, out of the 399,932 available shares representing the total package allocated to this plan by the Board of Directors. 50,000 performance shares were allocated to the Chief Executive Officer for a value on the allocation date of €312,553 (an IFRS fair value of €258,950). The remainder of the 248,997 performance shares were allocated to members of the Executive Committee, to the "regulated" population and to a specific number of other employees, with a view to retaining such employees. In addition, in certain countries where the allocation of bonus was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (31,594 phantom shares). As the performance condition was met in full, the shares allocated under this plan were delivered on the final vesting date of November 4, 2019, subject to the condition of beneficiaries being present on that date, meaning that 268,602 shares were actually delivered.

366,146 performance shares were allocated under the LTIP 2017, out of the 405,317 available shares representing the total package allocated to this plan by the Board of Directors. 60,000 performance shares were allocated to the Chief Executive Officer for a value on the allocation date of €370,080 (an IFRS fair value of €318,300). The remainder of the 306,146 performance shares were allocated to members of the Executive Committee, to the "regulated" population and to a specific number of other employees, with a view to retaining such employees. In addition, in certain countries where the allocation of bonus was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (34,400 phantom shares).

298,132 performance shares were allocated under the LTIP 2018, out of the 382,869 available shares representing the total package allocated to this plan by the Board of Directors. 65,000 performance shares were allocated to the Chief Executive Officer for a value on the allocation date of €594,198 (an IFRS fair value of €463,320). The remainder of the 233,132 performance shares were allocated to members of the Executive Committee, to the "regulated" population and to a specific number of other employees, with a view to retaining such employees. In addition, in certain countries where the allocation of bonus was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (29,000 phantom shares).

372,268 performance shares were allocated under the LTIP 2019, out of the 434,055 available shares representing the total package allocated to this plan by the Board of Directors. 70,000 performance shares were allocated to the Chief Executive Officer for a value on the allocation date of €564,445 (an IFRS fair value of €463,260). The remainder of the 302,268 performance shares were allocated to members of the Executive Committee, to the "regulated" population and to a specific number of other employees, with a view to rewarding and retaining such employees. In addition, in certain countries where the allocation of bonus shares was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (28,520 phantom shares) – see Section 7.2.3 "Independent control, holding and acquisition of treasury shares by the Company".

► **Table 10 – History of bonus share allocations**

	Long-Term Incentive Plan *			
	2019	2018	2017	2016
Meeting date	16/05/2018	19/05/2016	19/05/2016	19/05/2016
Date of the Board of Directors' meeting	11/02/2019	12/02/2018	08/02/2017	03/11/2016
Total number of bonus shares allocated	372,268	298,132	366,146	298,997
of which allocated to Xavier Durand	70,000	65,000	60,000	50,000
Share vesting date	14/02/2022	15/02/2021	09/02/2020	04/11/2019
End-date of the retention period	N/A	N/A	N/A	N/A
Number of shares subscribed	-	-	-	-
Cumulative number of cancelled or lapsed shares	-	-	-	30,395
Remaining bonus shares allocated at financial year-end	372,268	298,132	366,146	268,602

* The performance conditions are described in Section 2.3.4 above. The amounts indicated do not take into account the shares cancelled for the plans that were not delivered by December 31st, 2019 (LTIP 2017).

2.3.13 Employment contracts, retirement indemnities and indemnities in the event of termination of the duties of the executive corporate officers

► **Table 11 - Employment contracts, retirement indemnities and indemnities in the event of termination of the duties of the executive corporate officers (AMF nomenclature)**

Executive corporate officers	Employment contract		Supplementary retirement scheme		Compensation or benefits due or which could be due as a result of a termination or change of duties		Indemnities related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
François RIAHI Chairman of the Board of Directors From June 15, 2018 until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2020		X		X ⁽¹⁾	√ ⁽²⁾		√ ⁽³⁾	
Xavier DURAND Chief Executive Officer (CEO) From February 9, 2016 until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2019		X		X ⁽²⁾	√			X

(1) François Riahi benefits from mandatory pension schemes as all other Natixis employees do, and does not benefit from any complementary pension scheme under Articles 39 or 83 of the French General Tax Code. Moreover, the Chief Executive Officer (CEO) of Natixis makes contributions to the life insurance policy under Article 82 of the French General Tax Code set up by the BPCE group. Contributions under this scheme are funded by the Chief Executive Officer and not by Natixis. Pursuant to this scheme, in 2018, in his role as Chief Executive Officer of Natixis, François Riahi made a payment of €117,333.

(2) The Chief Executive Officer benefits from all health, retirement and social security plans under the prevailing conditions of the Company.

(3) No compensation for severance or a change in position, or under a non-compete clause, was paid in 2019. No form of compensation or benefit has been paid to François Riahi by the Company.

Severance pay granted to Mr Xavier Durand

In the event that his corporate term ends, Mr Xavier Durand is entitled to an amount of severance pay equal to two years' salary (fixed and variable). The reference used for the fixed portion shall be the salary for the current financial year at the date his duties cease. The reference amount for the variable portion will be the average of the variable compensation received for the three financial years preceding the date his duties cease.

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

- ♦ achievement of at least 75% of the average annual objectives during the three financial years preceding the departure date; and

- ♦ the Company's combined ratio after reinsurance is at most 95% on average for the three financial years preceding the departure date.

If just one of the two conditions above has been fulfilled, 50% of the severance pay will be due. If none of the conditions above has been met, no severance pay will be due. No indemnity will be paid by the Company if the corporate term of office 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 by the Company's Shareholders' Meeting.

Mr Xavier Durand does not have an employment contract and is not entitled to any indemnity relating to a non-compete clause.

2.3.14 Amounts placed in reserve or otherwise recorded by the Company or its subsidiaries for the purposes of paying pensions, retirement or other benefits

As Mr Xavier Durand is entitled to the collective scheme within the Company, no particular amount was reserved or recorded by the Company or its subsidiaries for the purposes of paying pensions, retirement or other benefits to its corporate officers.