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

Pursuant to Article L.225-37-5 of the French Commercial Code, the Company notes the following points, which could 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 in respect of shares which exceed the portion that should have been declared, which may 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 failure to declare that the statutory threshold was exceeded;
- the Company is not aware of the existence of any signed shareholders' agreements;
- 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 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 14, 2020.

The details of Coface's financial position, activity and results for the financial year ended, and the information required by current legal and regulatory provisions, are presented in this 2019 universal registration document, to which you are invited to refer (available on the Coface website at www.coface.com).

These resolutions can be broken down into two groups:

the first 12 resolutions (from the 1st to the 12th resolution) fall under the authority of the Ordinary Shareholders' Meeting;

the next nine resolutions (from the 13th to the 22nd resolution), fall under the authority of the Extraordinary Shareholders' Meeting.

7.6.1 Ordinary resolutions

♦ Approval of the 2019 financial statements *(1st and 2nd resolutions)*

In the first two resolutions, the Ordinary Shareholders' Meeting is asked to approve the financial statements (1st resolution), followed by the consolidated financial statements (2nd resolution) of COFACE SA for 2019.

Comments on the individual and consolidated financial statements of COFACE SA are set out in detail in the COFACE SA 2019 universal registration document.

♦ Appropriation earnings *(3rd resolution)*

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

COFACE SA's financial statements as of December 31, 2018 showed net income of €132,677,046.

In order to take into account the uncertainty associated with the situation created by the coronavirus crisis, for the sake of prudence and with a view to preserving the company's agility, the Board of Directors deems it prudent – and shall make recommendations to the Shareholders' Meeting to this end – not to proceed with payment of a dividend at this stage. The Board reserves the right to review this situation in the coming months, depending on how things develop.

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 (1)	Total amount *(in €)*
2016	156,905,819	20,397,756
2017	155,574,817	52,895,437
2018	151,169,375	119,423,806

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

Ratification of the co-opting of a director *(4th resolution)*

In the fourth resolution, the Shareholders' Meeting is asked to ratify the co-opting of Ms Marie Pic-Pâris, voted by the Board meeting of October 23, 2019, to replace Mr Jean-Paul Dumortier, who has resigned.

Authorisation given to the Board of Directors to trade its own shares *(5th resolution)*

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, merger, spin-off or contribution operations, e) cancel all or part of the securities thus purchased (in particular, under the thirteenth resolution of this Shareholders' Meeting authorising the Board of Directors to reduce the share capital) or f) implement all market practices accepted by the Autorité des marchés financiers and, more generally, execute all transactions in compliance with current regulations.

The maximum purchase price per unit may not exceed €14 per share, excluding costs. The Board of Directors may nevertheless, for operations involving the Company's capital, particularly a modification of the par value of the share, a capital increase by incorporation of reserves following the creation and allocation of 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.

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

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the fifth resolution of the Shareholders' Meeting of May 16, 2019, be granted for a period of eighteen (18) months as from your Shareholders' Meeting.

In accordance with its obligations, the Board of Directors shall inform the Shareholders' Meeting that, on the basis of the authorisation granted by the Shareholders' Meeting of May 16, 2019 and pursuant to the provisions of Article L. 225-209 of the French Commercial Code, on April 24, 2019, it authorised a share buyback with a view to their cancellation by COFACE SA. For this reason, the Company conducted a buyback of 1,867,312 shares and correspondingly cancelled 1,867,312 shares, with the share capital thus being reduced to €304,063,898.

Commitments and regulated agreements *(6th resolution)*

The sixth 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 2019 financial year. These commitments and agreements are presented in the Statutory Auditors' special report, as are those concluded prior to 2019 which remain valid and which do not require further approval by the Shareholders' Meeting (see Section 7.8 of the 2019 universal registration document).

Approval of the compensation policy for corporate officers for the financial year ended December 31, 2019 *(7th and 8th resolutions)*

Pursuant to the provisions of the PACTE law as set out in Article L. 225-100 of the French Commercial Code, your Shareholders' Meeting is called upon to decide in the seventh resolution on information relating to the remuneration of non-corporate officers paid for the financial year ended December 31, 2019 and in the eighth resolution on fixed, variable and exceptional components of total remuneration and benefits of all kinds paid during the financial year ended December 31, 2019, or allocated for the same financial year to the Chief Executive Officer.

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 7 of the universal registration document.

Approval of the compensation policy for the Chief Executive Officer and non-corporate officers for the 2020 financial year *(9th and 10th resolutions)*

Pursuant to the provisions of the PACTE law as set out in Article L.225-37-2 of the French Commercial Code, you are asked in the ninth resolution to approve the compensation policy for Mr Xavier Durand in his capacity as Chief Executive Officer of the Company for the 2020 financial year and in the tenth resolution to approve the compensation policy for directors for the 2020 financial year.

All these policies are described in COFACE SA's corporate governance report appended to the management report and mentioned again in Chapter 7 of the universal registration document.

Appointment of a Statutory Auditor – Noting the expiry of the term of office of an alternate Statutory Auditor *(11th and 12th resolutions)*

In the eleventh resolution, with KPMG Audit's term of office expiring at the end of the Shareholders' Meeting of May 14, 2020, you are asked to approve the appointment of Mazars, for financial years 2020 to 2025.

You are also asked, in the twelfth resolution, to note the expiry of the term of office of the alternate auditors KPMG Audit 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

In the context of the thirteenth to twenty-first resolutions, it is proposed that your Shareholders' Meeting grants the Board of Directors various delegations in order to conduct, if necessary, capital increase transactions and/or the issue of transferable securities giving access to capital. It is specified that, unless authorised by your Shareholders' Meeting, the Board of Directors may not use these delegations once a third party has filed a public offer for the Company's shares, and until the end of the offer period.

♦ Reduction of share capital by cancellation of treasury shares *(13th resolution)*

The purpose of the thirteenth resolution is to authorise the Board of Directors to reduce the share capital by cancelling treasury shares, up to a limit of 10% of the amount of the existing share capital on the cancellation date per 24-month period, and charging the difference against premiums and available reserves as it chooses

♦ Delegations of authority and authorisations given to the Board of Directors with a view to conducting transactions on the Company's capital *(14th to 20th resolutions)*

In the context of the fourteenth to twentieth resolutions, it is proposed by the Board of Directors that your Shareholders' Meeting renews the financial authorisations agreed by the Shareholders' Meeting in 2018 and 2019, which have expired.

Your Company would thus have new authorisations allowing it to bring together, quickly and flexibly, the financial resources necessary to implement the Coface Group's development strategy, depending on the opportunities offered by the financial markets and the interests of the Company and its shareholders.

The table below presents a summary of financial delegations (excluding employee share ownership transactions, which are the subject of the nineteenth and twentieth resolutions, the adoption of which is proposed to your Shareholders' Meeting).

Resolution	Purpose of resolution	Maximum face value	Term of authorisation
14th	Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums, or any other sum that can be legally capitalised	€75,000,000 (*i.e.* 25% of the share capital on the date of this report)	26 months
15th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares, with preferential subscription rights, and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued	Concerning capital increases: €115,000,000 (1) (*i.e.* 38% of the share capital on the date of this report) Concerning issues of debt securities: €500,000,000 (2)	26 months
16th	Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, through public offers other than those specified in Article L.411-2 of the French Monetary and Financial Code	Concerning capital increases: €29,000,000 (1) (3) (*i.e.* 9.5% of the share capital on the date of this report) Concerning issues of debt securities: €500,000,000 (2)	26 months
17th	Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, through the public offers specified in Section I of Article L.411-2 of the French Monetary and Financial Code	Concerning capital increases: €29,000,000 (1) (3) (*i.e.* 9.5% of the share capital on the date of this report) Concerning issues of debt securities: €500,000,000 (2)	26 months
18th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued as compensation for contributions in kind	Concerning capital increases: €29,000,000 (1) (3) (*i.e.* 9.5% of the share capital on the date of this report) Concerning issues of debt securities: (2) €500,000,000	26 months

(1) Delegation subject to the overall nominal cap for capital increases of €115,000,000 (i.e. 38% of share capital on the date of this report).
(2) Delegation subject to the overall nominal cap for issues of debt securities of €500,000,000.
(3) Delegation subject to the nominal cap for capital increases without preferential subscription rights of €29,000,000 (i.e. 9.5% of the share capital on the date of this report).

The corresponding draft delegations are detailed below.

♦ Capital increase by incorporation of reserves, profits or premiums *(14th resolution)*

Through the fourteenth resolution, your Board of Directors asks your Shareholders' Meeting for a delegation of authority to increase the capital by incorporation of reserves, profits or premiums, within the limit of a maximum nominal amount of seventy-five million euros (€75,000,000), an independent cap separate from the cap of other resolutions submitted to the vote of your Shareholders' Meeting. The capital increases likely to result from this resolution could be carried out, at the discretion of the Board of Directors, either by free allocation of new shares or by raising the nominal value of the existing shares or by a combination of these two methods of implementation according to the terms and conditions that it will determine.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the fifteenth resolution of the Shareholders' Meeting of May 16, 2018, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

♦ Issue of shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued with preferential shareholder subscription rights *(15th resolution)*

Through the fifteenth resolution, your Board of Directors asks your Shareholders' Meeting for a delegation of authority to issue shares and/or equity securities which confer entitlement to other equity securities and/or conferring entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with preferential subscription rights, up to a maximum nominal amount of one hundred and fifteen million euros (€115,000,000).

Shares and/or equity securities which confer entitlement to other equity securities and/or giving entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued that would be issued under this delegation could in particular consist of debt securities or be associated with the issue of such securities or allow them to be issued as intermediate securities.

The nominal amount of debt securities that could be issued under this delegation may not exceed five hundred million euros (€500,000,000) on the date of the issue decision.

Shareholders may, under the conditions prescribed by law, exercise their preferential subscription rights, on an irreducible basis and, if applicable, on a reducible basis if the Board of Directors so provides, to subscribe to the shares or transferable securities issued.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the sixteenth resolution of the Shareholders' Meeting of May 16, 2018, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

♦ Issue of shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued without preferential shareholder subscription rights *(16th and 17th resolutions)*

The Board of Directors asks your Shareholders' Meeting for delegations of authority to issue shares and/or equity securities which confer entitlement to other equity securities and/or transferable securities giving access to equity securities to be issued, without preferential shareholder subscription rights to the shares or transferable securities thus issued. In accordance with the AMF's recommendations, these issues are the subject of two separate resolutions, depending on whether they are carried out in the context of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code (sixteenth resolution) or by public offers referred to in Section I of Article L.411-2 of the French Monetary and Financial Code, *i.e.* investments reserved for qualified investors (seventeenth resolution).

In fact, depending on the market conditions, the nature of the investors concerned and the type of securities issued, and in order to be able to seize the opportunities offered by the market, your Board of Directors considers that it might be of benefit to have the option of using capital increases without preferential shareholder subscription rights, by nevertheless setting lower caps for them than for capital increases with preferential shareholder subscription rights, the cap for capital increases without preferential shareholder subscription rights being set at 9.5% of the share capital on the date of this report.

The nominal amount of capital increases likely to be conducted under the sixteenth resolution could not exceed twenty-nine million euros (€29,000,000), bearing in mind that this cap would be charged against the overall nominal cap provided for capital increases in the fifteenth resolution. This cap will also correspond to the nominal cap applicable to capital increases without preferential subscription rights made pursuant to the sixteenth resolution, as well as the seventeenth and eighteenth resolutions submitted to your Shareholders' Meeting.

The total nominal amount of capital increases likely to be conducted under the seventeenth resolution could not exceed twenty-nine million euros (€29,000,000), bearing in mind that this cap would be charged against the overall nominal cap provided for capital increases in the fifteenth resolution, as well as against the nominal cap provided for capital increases without preferential subscription rights provided for in the sixteenth resolution.

The Board of Directors would be entitled to issue, by way of public offers other than those referred to in Article L. 411-2 of the French Monetary and Financial Code (sixteenth resolution) and/or public offers referred to in Section I of Article L. 411-2 of the French Monetary and Financial Code (seventeenth resolution), shares and/or equity securities which confer entitlement to other equity securities and/or transferable securities giving access to equity securities to be issued that could in particular consist of debt securities or be associated with the issue of such securities, or allow them to be issued as intermediate securities. The nominal amount of debt securities that could be issued under the sixteenth and seventeenth resolutions would be charged to the cap of €500 million, set by the fifteenth resolution.

In the context of the sixteenth resolution concerning the issue, by way of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code, of shares and/or equity securities which confer entitlement to other equity securities and/or transferable securities giving access to equity securities to be issued, the Board of Directors may establish, for the benefit of shareholders, a subscription priority right on an irreducible and/or reducible basis under the conditions set out in the regulations.

The issue price of shares issued on the basis of the sixteenth and seventeenth resolutions would be set in the legislative and regulatory conditions in force at the time of issue, which currently provide for a price at least equal to the weighted average of the prices the Company's share of the last three trading sessions preceding the start of the public offer within the meaning of Regulation (EU) No. 2017/1129 of June 14, 2017, potentially reduced by a maximum discount of 10%.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisations granted by the seventeenth and eighteenth resolutions of the Shareholders' Meeting of May 16, 2018, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

♦ Issue of shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, as compensation for contributions in kind up to the limit of 10% of the share capital *(18th resolution)*

Through the eighteenth resolution, your Board of Directors asks your Shareholders' Meeting for a delegation of authority to issue shares and/or equity securities which confer entitlement to other equity securities and/or transferable securities giving access to equity securities to be issued, as compensation for contributions in kind granted to the Company and consisting of equity securities or transferable securities giving access to the capital, within the limit of a nominal amount of capital increase of twenty-nine million euros (€29,000,000), in addition to the legal limit of 10% of the Company's share capital, being charged against the total nominal cap for capital increases set by the fifteenth resolution and the nominal cap for capital increases without preferential subscription rights provided for in the sixteenth resolution.

The nominal amount of debt securities that could be issued under this resolution would be charged against the cap of five hundred million euros (€500,000,000) set by the fifteenth resolution.

This delegation would entail the removal, for the benefit of the holders of securities or transferable securities subject to contributions in kind, of the preferential subscription rights of shareholders to the shares or transferable securities thus issued.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the twenty first resolution of the Shareholders' Meeting of May 16, 2018, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

♦ Capital increases reserved for employees *(19th and 20th resolutions)*

As a continuation of the nineteenth resolution, we propose 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, two hundred thousand euros (€3,200,000), on the understanding that the nominal amount for any capital increase carried out in application of this delegation would be charged against the total nominal cap specified for capital increases set out in the fifteenth resolution of your Shareholders' Meeting and that the cap for this delegation would be the same as that of the twentieth resolution.

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 30%. 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 fifteenth resolution of the Shareholders' Meeting of May 16, 2019, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

As a continuation of the nineteenth resolution, we propose, in the twentieth resolution, 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 French or foreign mutual funds or other entity, having a legal personality or not, subscribing on behalf of the persons described in paragraph (i) above, and (iii) one or more financial establishments mandated by the Company to propose to the persons described in paragraph (i) above a savings or shareholding scheme comparable to those proposed to the Company's employees in France.

This decision would mean waiving of the preferential subscription rights of shareholders to the shares issued under this twentieth 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 nineteenth resolution.

The nominal amount of the capital increase likely to be issued in the context of this delegation would be limited to three million, two hundred thousand euros (€3,200,000), on the understanding that the nominal amount of any capital increase carried out pursuant to this delegation would be charged against the total nominal cap specified for capital increases described in the fifteenth resolution of your Shareholders' Meeting and that the cap for this resolution would be the same as that of the nineteenth resolution.

The subscription price of the shares issued in application of this delegation may not fall more than 30% 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 30% 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 a transaction carried out in application of the nineteenth resolution, the subscription price of the shares issued under this resolution could be identical to the subscription price of the shares issued on the basis of the nineteenth resolution.

The Board of Directors proposes that this authorisation, which would cancel and replace the authorisation granted by the fourteenth resolution of the Shareholders' Meeting of May 16, 2019, be granted for a period of eighteen (18) months as from your Shareholders' Meeting.

♦ Amendment of the age limit for holding the office of Chairman of the board of directors provided in article 13 of the Articles of Association *(21st resolution)*

This change, which aims to raise the age limit of the chairman of the board of directors from 65 to 70, is intended to allow for greater possibilities when a chairman is appointed.

♦ Powers *(22nd 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 7th, 8th, 9th and 10th resolutions)

7.6.3.1. Compensation policy for corporate officers

In accordance with the terms of Decree No. 2019-1234 of November 27, 2019 relating to the compensation of corporate officers of listed companies provided for under Law No. 2019-486 of May 22, 2019 relating to business growth, the so-called PACTE Law, the Board of Directors, at the request of the Nominations and Compensation Committee, draws up a compensation policy for corporate officers. This document describes the principles of the policy, which is in line with the Company's corporate interests and contributes to its commercial strategy and 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 draft resolutions submitted for approval by the Shareholders' Meeting each year and each time a significant change is made.

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

Compensation of the Chief Executive Officer

Principles applicable to the compensation of the Chief Executive Officer

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

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

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

- 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.

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

Components of the compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer comprises:

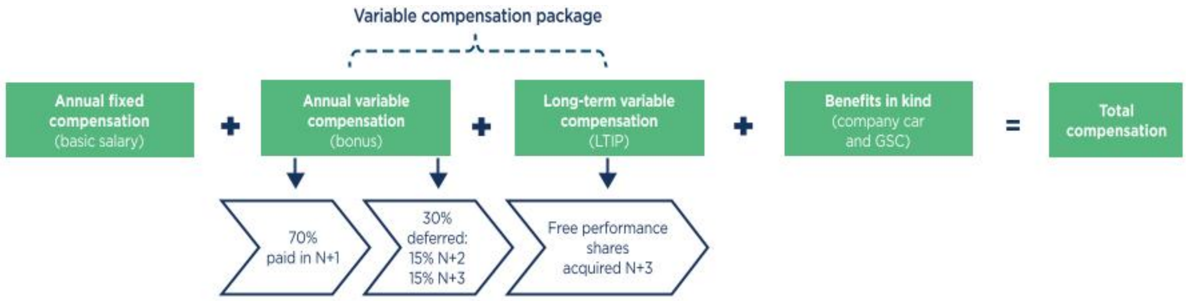
- **fixed compensation**: determined at the start of the term of office, it is agreed that any significant increase must be explained in terms of responsibilities exercised, performance and market practices;
- **annual variable compensation** ("bonus"): the bonus is assessed on the basis of performance for a given year. The target is set at 100% of the base salary. It comprises 60% financial objectives and 40% strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives);
- **long-term variable compensation**: fixed in the form of free Company shares. 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 in the form of free Company shares are intended to ensure that the interests of the Chief Executive Officer are aligned with those of the shareholders over the long term;
- **benefits in kind**: the Chief Executive Officer is entitled to a company vehicle and the payment of 62.5% of the contributions payable to the business managers and corporate officers social guarantee scheme (GSC).

The CEO 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 Company 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 when 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:



a. Target total compensation for 2019

For 2019, on the recommendation of the Nominations and Compensation Committee, with the decision of the Board of Directors and based on the ninth resolution approved by the Shareholders' Meeting of May 16, 2019, the target compensation for Xavier Durand has been defined as follows:

<table>
<tr><th>Compensation components</th><th>Target amount</th><th>Comments</th></tr>
<tr><td>Fixed compensation</td><td>€575,000</td><td>Gross annual compensation has been set at €575,000 since February 9, 2016, the date his term of office began.</td></tr>
<tr><td>Target annual variable compensation ("bonus")</td><td>€575,000</td><td>The target annual variable compensation is set at 100% of fixed compensation, i.e., €575,000.
It comprises 60% financial objectives and 40% strategic and managerial objectives, defined as follows for 2019:
<table>
<tr><th>Financial objectives</th><th>Allocation key</th></tr>
<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>TOTAL (A)</td><td>60%</td></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 for 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>TOTAL (B)</td><td>40%</td></tr>
<tr><td>TOTAL (A + B)</td><td>100%</td></tr>
</table>
The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for strategic and managerial objectives).
The payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 50% in N+2 and 50% in N+3. A penalty system is introduced in the event of dismissal for serious misconduct or gross negligence or observed losses prior to the payment date.</td></tr>
<tr><td>Long-term variable compensation (allocation of free performance shares) - LTIP 2019</td><td>€463,260 (IFRS fair value)</td><td>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).
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:
♦ One third of the shares allocated will be vested subject to achievement of COFACE SA's RoATE (return on average tangible equity) level for the financial year ending December 31, 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.
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 of office or of any other role that he might hold within Coface.</td></tr>
<tr><td>Other benefits</td><td>€14,803</td><td>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).
He is entitled to the group healthcare and retirement schemes in force for all employees and has no additional retirement scheme.</td></tr>
<tr><td>TARGET TOTAL COMPENSATION 2019</td><td>€1,628,063</td><td></td></tr>
</table>

b. Total compensation allocated and paid in 2019

- Compensation allocated to Mr Durand for 2019, **comprising the assessment of the 2019 bonus**, is in line with the proposal by the Nominations and Compensation Committee meeting of January 20, 2020, validated by the Board of Directors on February 5, 2020 and submitted for the approval of the Ordinary Shareholders' Meeting that follows the close of the 2019 financial year.
- Compensation paid to Mr Durand in 2019 is in line with the proposal by the Nominations and Compensation Committee meeting of January 16, 2019, which was approved by the Board of Directors on February 11, 2019 and by the Shareholders' Meeting of May 16, 2019 in its twelfth and thirteenth resolutions.

<table>
<tr><th>Compensation components</th><th>Amount allocated</th><th>Amount paid</th><th>Comments</th></tr>
<tr><td>Fixed compensation</td><td>€575,000</td><td>€575,000</td><td>Gross annual compensation set at €575,000 since February 9, 2016, the date his term of office began.</td></tr>
<tr><td>Annual variable compensation allocated (“2019 bonus”)</td><td>€870,723</td><td></td><td>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 signs off on the 2019 accounts is 151.43%, broken down as follows:
<table>
<tr><th>Financial objectives</th><th>Allocation key</th><th>Achievement rate</th><th>Amount of variable compensation (in €)</th></tr>
<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 extraordinary 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>
<tr><td>Strategic and managerial objectives</td><td>Allocation key</td><td>Achievement rate</td><td>Amount of variable compensation (in €)</td></tr>
<tr><td>New strategic plan</td><td>15%</td><td>100%</td><td>86,250</td></tr>
<tr><td>Internal model</td><td>15%</td><td>125%</td><td>107,813</td></tr>
<tr><td>Strengthening of the succession plan for the Executive Committee</td><td>5%</td><td>100%</td><td>28,750</td></tr>
<tr><td>Continuation of the cultural transformation, commercial processes and projects</td><td>5%</td><td>125%</td><td>35,938</td></tr>
<tr><td>TOTAL (B)</td><td></td><td>45.00%</td><td>258,750</td></tr>
<tr><td>TOTAL (A + B)</td><td></td><td>151.43%</td><td>870,723</td></tr>
</table>
The bonus due for financial year 2019 is therefore €870,723 and will be paid as follows:
♦ 70% of the total amount paid in 2020, i.e., €609,507;
♦ 15% of the total amount deferred in 2021, i.e., €130,608;
♦ 15% of the total amount deferred in 2022, i.e., €130,608.</td></tr>
<tr><td>Annual variable compensation paid (“2018 bonus”)</td><td></td><td>€635,272</td><td>The achievement rate for 2018 objectives is 157.83%, broken down as follows:
<table>
<tr><th>Financial objectives</th><th>Allocation key</th><th>Achievement rate</th><th>Amount of variable compensation (in €)</th></tr>
<tr><td>Turnover</td><td>20%</td><td>134%</td><td>153,852</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>178%</td><td>102,206</td></tr>
<tr><td>Gross loss ratio excluding claims handling expenses</td><td>10%</td><td>208%</td><td>119,600</td></tr>
<tr><td>TOTAL (A)</td><td></td><td>115.33%</td><td>663,157</td></tr>
</table></td></tr>
</table>

Compensation components	Amount allocated	Amount paid	Comments
			<table><tr><th>Strategic and managerial objectives</th><th>Allocation key</th><th>Achievement rate</th><th>Amount of variable compensation *(in €)*</th></tr><tr><td>Fit to Win strategic plan</td><td>15%</td><td>125%</td><td>107,813</td></tr><tr><td>Reinforcement of employee commitment</td><td>5%</td><td>75%</td><td>21,563</td></tr><tr><td>Development of the internal model</td><td>5%</td><td>100%</td><td>28,750</td></tr><tr><td>Reinforcement of sales momentum</td><td>15%</td><td>100%</td><td>86,250</td></tr><tr><td>**TOTAL (B)**</td><td></td><td>**42.50%**</td><td>**244,375**</td></tr><tr><td>**TOTAL (A + B)**</td><td></td><td>**157.83%**</td><td>**907,532**</td></tr></table>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.
Deferred variable compensation ("2016 bonus")		€69,000	Xavier Durand's 2016 bonus was €460,000, paid as follows: ♦ 70% of the total amount paid in 2017, *i.e.*, €322,000; ♦ 15% of the total amount deferred in 2018, *i.e.*, €69,000; ♦ **15% of the total amount deferred in 2019, *i.e.*, €69,000.**
Deferred variable compensation ("2017 bonus")		€131,109	Xavier Durand's 2017 bonus was €874,058, paid as follows: ♦ 70% of the total amount paid in 2018, *i.e.*, €611,840; ♦ **15% of the total amount deferred in 2019, *i.e.*, €131,109;** ♦ 15% of the total amount deferred in 2020, *i.e.*, €131,109.
Long-term variable compensation (allocation of free performance shares) - LTIP 2019	€463,260 (IFRS fair value)		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 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). Final vesting is subject to achievement of the performance conditions defined above.
Other benefits	€14,803	€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). The CEO is entitled to the group healthcare and retirement schemes in place for all employees and has no additional retirement scheme.
TOTAL COMPENSATION*	**€1,923,786**	**€1,425,184***	

** This amount does not take into account the shares allocated to Xavier Durand under the LTIP 2016, which were definitively vested and delivered on November 4, 2019, the performance condition having been achieved at 100%, i.e. 50,000 shares (IFRS fair value of €258,950 – €499,000 in capital gain on acquisition). 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.*

Note that the payment of the "2019 bonus" is conditional on the approval of the Ordinary Shareholders' Meeting that follows the approval of the account for the financial year 2019.

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

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

This analysis was conducted taking into account the "guidelines on compensation multiples" issued by the AFEP (the French Association of Private Enterprises) on September 27, 2019 and may change according to any further details released subsequently. The scope used for the analysis is France, the reference market for the Chief Executive Officer, which appears the most relevant for this study. It takes into account the components paid or allocated for financial year N (fixed portion, variable portion paid during financial year N for year N-1, deferred variable portion paid during financial year N for previous financial years, free performance shares allocated for financial year N valued at their IFRS value and benefits in kind).

It concerns only the Chief Executive Officer; the Chairman of the Board of Directors does not receive compensation for their corporate office within COFACE SA.

Explanations of the change in the ratio over the reference period

Financial year	2015	2016	2017	2018	2019
Ratio vs average compensation	18.4	12.3	17.8	23.7	24.1
Ratio vs median compensation	20.7	13.8	21.2	29.2	29.0

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

▸ **Annual changes in compensation, the Company's performance, average full-time equivalent compensation for the Company's employees and the aforementioned ratios during the five most recent financial years**

	2016-2015	2017-2016	2018-2017	2019-2018
Change in the compensation of the Chief Executive Officer	(34%)	57%	41%	9%
Change in the average compensation of employees	(1%)	8%	6%	7%
Change in the fairness ratio vs average compensation of employees	(33%)	45%	33%	2%
Change in the fairness ratio vs median compensation of employees	(33%)	54%	37%	(1%)
Change in net income	(67%)	100%	47%	20%
Change in turnover	(5%)	(4%)	2%	7%

Only financial years 2018 and 2019 enable a reliable analysis of the change in the compensation of the Chief Executive Officer (years of full compensation reflecting equivalent performance); over these two years, a consistent change is noted in all indicators used for the study. Fairness ratios are stable while the Company's performance is steadily improving and the compensation of employees in France is changing in proportion to that of the Chief Executive Officer over the period.

d. Structure of compensation of the Chief Executive Officer for financial year 2020

As part of the renewal of the Chief Executive Officer's term of office for a period of four years, at the proposal of the Nominations and Compensation Committee, after the decision from the Board of Directors and **subject to approval by the Shareholders' Meeting**, the compensation for Xavier Durand for 2020 will comprise the following components:

Compensation components	Target amount	Comments
Fixed compensation	€750,000	Gross annual compensation set at €750,000 as part of the renewal of the term of office of Xavier Durand and effective from the Shareholders' Meeting closing financial year 2019. The level of fixed compensation was determined taking into account responsibilities held, performance and market practices.
Target annual variable compensation ("bonus")	€750,000	Target variable compensation is maintained at 100% of fixed compensation, i.e., €750,000. Its structure remains unchanged. It therefore comprises 60% financial objectives and 40% strategic and managerial objectives, defined as follows for 2020:

Financial objectives	Variation limits	Allocation key
Turnover	-/+10%	20%
Net income	-/+20%	20%
Cost ratio after reinsurance	+/-3 pts	10%
Gross loss ratio excluding claims handling expenses	+/-5 pts	10%
TOTAL (A)		**60%**
Strategic and managerial objectives	**Variation limits**	**Allocation key**
Continuation of cultural transformation, strengthening of employee commitment and customer satisfaction	N/A	15%
New strategic plan	N/A	10%
CSR strategy	N/A	10%
Strengthening of the succession plan for the Executive Committee	N/A	5%
TOTAL (B)		**40%**
TOTAL (A + B)		**100%**

The objectives set reflect the Company's strategy. They uphold its corporate interests and contribute to its commercial strategy and long-term viability.

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

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

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

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

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

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

Compensation components	Target amount	Comments
Long-term variable compensation (allocation of free performance shares) - LTIP 2020	€862,463 (value on allocation date)	75,000 shares are allocated under the Long-Term Incentive Plan 2020 (LTIP 2020), representing a value of €862,463 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. Bonus shares will be definitively vested on February 6, 2023, subject to presence and performance conditions measured over the term of the plan until December 31, 2022, as follows: ♦ One third of the shares allocated will be vested subject to achievement of COFACE SA's RoATE (return on average tangible equity) level for the financial year ending December 31, 2022; ♦ 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, 2020 to December 31, 2022; ♦ One third of the shares allocated will be vested subject to achievement of the net cost ratio at December 31, 2022. A trigger threshold is set at 80% of the objective for each criterion. Thus, if the achievement rate for one of the criteria is less than 80% of the objective, performance in respect of this criterion will be unfulfilled. The share vesting period is set at three years starting from February 5, 2020. The plan does not include a retention period. The Board decided that 30% of the CEO's shares vested under the LTIP 2020 should be retained until the end of his corporate term of office or of any other role that he might hold within Coface. The objective of long-term variable compensation is to provide a longer-term perspective on the Chief Executive Officer's action, as well as to retain their loyalty and to encourage the alignment of their interests with the corporate interests of the Company and the shareholders.
Other benefits	€14,803 (estimate)	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). The CEO is entitled to the group healthcare and retirement schemes in place for all employees and has no additional retirement scheme.
TARGET TOTAL COMPENSATION 2020	**2,377,266***	**SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS' MEETING**

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

Severance pay

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

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

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

If just one of the two conditions above has been fulfilled, 50% of the severance pay will be due. If neither of the conditions above has been met, no severance pay will be due. No severance pay will be paid by the Company if the corporate term is ended at 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 the approval of the Company's Shareholders' Meeting.

Xavier Durand does not have an employment contract.

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

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

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 objectives, practices and governance in terms of compensation are clearly established and communicated and the components of directors' compensation are presented 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 pro rata temporis of the term of office)*	**Variable portion** *(per meeting and capped*)*
Board of Directors	Members	€8,000	€3,000
Audit and Accounts Committee	Chairman	€17,000	€3,000
	Members	€5,000	€2,000
Risk Committee	Chairman	€17,000	€3,000
	Members	€5,000	€2,000
Nominations and Compensation Committee	Chairman	€8,000	€3,000
	Members	€3,000	€2,000

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

a. Compensation payable to directors for 2019

Non-corporate officers	First appointment(1)	Expiry of the term of office (1)	Amounts due for financial year 2019 (2)	Amounts paid in financial year 2018 (2)
Jean Arondel	Nov. 21, 2012	2020 (3)	26,000	24,000
Other compensation			-	-
Nathalie Bricker **Appointed on May 16, 2019**	May 16, 2019	2022 (3)	- (4)	- (4)
Other compensation			-	-
Jean-Paul Dumortier **Resigned on Oct. 23, 2019**	Jul. 26, 2013	2020 (3)	28,567	32,500
Other compensation			-	-
Éric Hémar	Jul. 1, 2014	2021 (3)	55,000	51,000
Other compensation			-	-
Daniel Karyotis	Feb. 8, 2017	2020 (3)	23,000	22,000
Other compensation			-	-
Isabelle Laforgue	Jul. 27, 2017	2020 (3)	41,000	32,500
Other compensation			-	-
Nathalie Lomon	Jul. 27, 2017	2020 (3)	55,000	43,000
Other compensation			-	-
Sharon MacBeath	Jul. 1, 2014	2021 (3)	33,000	29,000
Other compensation			-	-
Marie Pic-Pâris Co-opted on Oct. 23, 2019	Oct. 23, 2019	2020 (3)	5,000	-
Other compensation			-	-
Isabelle Rodney	Nov. 3, 2016	2020 (3)	41,000	30,500
Other compensation			-	-
Anne Sallé-Mongauze	Nov. 3, 2016	2020 (3)	- (4)	- (4)
Other compensation			-	-
Olivier Zarrouati	Jul. 1, 2014	2021 (3)	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) Anne Sallé-Mongauze, Chief Executive Officer of a subsidiary wholly owned by 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 Nathalie Bricker, Financial Director of Natixis.

b. Principles and components of directors' compensation for 2020

In accordance with the provisions of the PACTE Law, which entered into force in November 2019, the attendance fees policy will be replaced by the directors' compensation policy as of January 2020. It is proposed that the package, components and amounts (fixed and variable) as defined in 2019 be maintained for 2020.