7.5 / MATERIAL CONTRACTS

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

7.6 / DRAFT REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING

The purpose of this draft report is to present the draft resolutions to be submitted by the Board of Directors to your Combined Shareholders' Meeting of May 16, 2018.

The presentation of Coface's financial situation, activity and results for the year ended, in addition to the information required by current legislative and regulatory provisions, is set forth in this 2017 reference document, to which you are invited to refer (accessible *via* the Coface website: www.coface.com).

These resolutions can be broken down into two groups:

- the first thirteen resolutions (from the 1st to the 13th resolution), which fall under the authority of the Ordinary Shareholders' Meeting;
- the next twelve resolutions (from the 14th to the 26th resolution), which fall under the authority of the Extraordinary Shareholders' Meeting.

7.6.1 ORDINARY RESOLUTIONS

Approval of the 2017 financial statements – *(1st and 2nd resolutions)*

In the first two resolutions, the Ordinary Shareholders' Meeting is asked to approve the Company financial statements (1st resolution), followed by the consolidated financial statements (2nd resolution) of COFACE SA for 2017.

Comments on the individual and consolidated financial statements of COFACE SA are set out in detail in the COFACE SA 2017 registration document.

Appropriation of 2017 earnings Dividend payment – *(3rd resolution)*

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

COFACE SA's financial statements as of December 31, 2017 showed net income of €20,815,235. Given retained earnings of €54,983,310 and the fact that the legal reserve is above the legal requirements, the distributable profit stands at €75,798,545.

The third resolution therefore proposes to distribute to shareholders a total amount of €53,290,817, which represents a payment per share of €0.34.

For beneficiaries who are natural persons with their tax residence in France, this dividend will be automatically subject to the single lump-sum payment provided in Article 200 A of the French General Tax Code, except for the overall option for the progressive scale. The paying institution will deduct the flat rate withholding tax set out under Article 117 *quater* of the French General Tax Code, except for beneficiaries who are private individuals residing in France for tax purposes, who have applied for exoneration under the conditions of Article 242 *quater* of the French General Tax Code.

All shareholders, and in particular those domiciled or established outside of France, as concerns regulations applicable in the country of residence or establishment, are asked to contact their usual adviser to determine, through a detailed analysis, the tax consequences to be drawn in consideration of the amounts collected for this distribution.

In compliance with the legal provisions, we specify that the dividends distributed for the three preceding years were as follows:

Financial year	Number of remuneration shares (1)	Total amount (in €)
2014	157,209,284	75,460,456 (2)
2015	156,900,438	75,312,210
2016	156,905,819	20,397,756

(1) The number of remuneration shares does not include treasury shares.
(2) It is recalled that this entire dividend was paid in the form of an exceptional distribution of cash sums deducted from the issue premium.

The ex-dividend date will be May 24, 2018. Payment will start on May 28, 2018.

◆ Determination of the amount of directors' fees allocated to members of the Board of Directors – *(4th resolution)*

A proposal is submitted to the Shareholders' Meeting to make the sum of €450,000 available to the Board of Directors. This increase corresponds to the objective of reinforcing the attractiveness of the Board, since after analysis, the remuneration of directors appears to be less than that of directors of French companies of equivalent size.

◆ Authorisation given to the Board of Directors to trade its own shares – *(5th resolution of the ordinary session and 14th resolution of the extraordinary session)*

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 in the case of shares acquired by the Company with a view to keeping them and transferring them as payment or exchange under a merger, spin-off or contribution operation, noting that the 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 contract in compliance with the charter of ethics recognised by the French Financial Markets Authority, 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 hedging operations relating thereto, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting upon its delegation, c) transfer the Company's shares when the rights attached to the securities are exercised, rights which entitle their bearers, directly or indirectly through reimbursement, conversion, exchange, presentation of a warrant or in any other manner, to an allocation of shares of the Company within the context of the current regulations, as well as to perform all hedging operations relating thereto, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting by delegation of the Board of Directors, d) keep the Company's shares and transfer them subsequently as payment or exchange within the context of potential external growth operations, and in accordance with the market practices accepted by the French Financial Markets Authority, e) cancel all or part of the securities thus purchased or f) implement all market practices accepted by the French Financial Markets Authority and, more generally, perform all operations in compliance with current regulations.

The maximum purchase price per unit may not exceed €15 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 all methods authorised by current regulations, on a regulated market, multilateral trading system, a systematic internaliser or over the counter, in particular through the acquisition or disposal of blocks of shares, using options or other derivative financial instruments or warrants or, more generally, securities entitling their bearers to shares of the Company, at times to be determined by the Board of Directors.

In accordance with current legal and regulatory provisions, the Board of Directors, if your Shareholders' Meeting so authorises it, shall have all powers, with the authority to further delegate this authority, in order to proceed with the allocation and, if necessary, permitted reallocation of repurchased shares in view of one of the programme's objectives, or one or more of its other objectives, or even in view of their disposal on or off the market.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted by the fifth resolution of the Shareholders' Meeting of May 17, 2017, be granted for a period of eighteen (18) months as from your Shareholders' Meeting.

In accordance with its obligations, the Board of Directors informs the Shareholders' Meeting that on the basis of this authorisation, and by virtue of the provisions of Article L.225-209 of the French Commercial Code, on September 27, 2017, it authorised the repurchase by COFACE SA of 300,000 shares to cover the allocation of performance shares under the various LTIPs. In this connection, the Company bought back 214,215 shares.

Furthermore, on February 12, 2018, the Board of Directors authorised the Company to buy back shares in view of their cancellation, up to an amount of €30 million. This initiative falls within the scope of the second pillar of the Fit to Win strategic plan relating to capital management and has brought the income distribution rate to close to 100%.

With the fourteenth resolution, the Board of Directors is also requesting from the Shareholders' Meeting, for a 26-month period, the authorisation, which it may in its turn delegate, to reduce capital by cancelling shares, within the limit of 10% of share capital per 24-month period, on one or more occasions, of all or part of the Company's shares acquired under a share buyback programme authorised by the Shareholders' Meeting.

◆ Ratification of the co-opting of two directors – *(6th and 7th resolutions)*

In the sixth and seventh resolutions, it is proposed to the Shareholders' Meeting to ratify the co-opting of Ms Nathalie Lomon, voted by the Board meeting of July 27, 2017 to replace Ms Martine Odillard, who has resigned, and the co-opting of Ms Isabelle Laforgue to replace Ms Linda Jackson, who has resigned, voted at the same Board meeting of July 27, 2017.

The Appointments and Compensation Committee had issued a positive opinion for these co-options.

◆ Renewal of three directorships – *(8th to 10th resolutions)*

In the eighth to tenth resolutions, a proposal is submitted to the Shareholders' Meeting to renew the terms of three directors expiring on the date of the Shareholders' Meeting convened to approve the 2017 financial statements. Mr Éric Hémar, Ms Sharon MacBeath and Mr Olivier Zarrouati.

The terms of these directors would be renewed for four (4) years and would end at the end of the Ordinary Shareholders' Meeting convened in 2022 to approve the financial statements for the year ending December 31, 2021.

The Appointments and Compensation Committee approved the renewal of the term of Éric Hémar. It did not decide about the other renewals, given the conflict of interests of two of its members.

◆ Regulated commitments and agreements – *(11th resolution)*

The eleventh resolution concerns the approval of regulated commitments and agreements, in application of Article L.225-38 *et seq.* of the French Commercial Code, authorised by the Board of Directors in financial year 2017 and subsequent to this date until the Board meeting that approves the 2017 financial statements. These commitments and agreements are presented in the Statutory Auditors' special report, in addition to those concluded prior to 2017 which remain valid and which do not require further approval by the Shareholders' Meeting (see Section 7.8 of the 2017 Registration Document).

◆ Approval of components of the compensation due or allocated for the year ended December 31, 2017 to Xavier Durand, Chief Executive Officer *(CEO) – (12th resolution)*

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

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

◆ Approval of the principles and criteria for determining, distributing and allocating the components of compensation of Xavier Durand, Chief Executive Officer for financial year 2018 – *(13th resolution)*

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

The compensation due or allocated for the financial year ended December 31, 2018 will be subject to the approval of your Shareholders' Meeting in 2019.

7.6.2 RESOLUTIONS THAT FALL UNDER THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

For the fifteenth to twenty-fourth resolutions, the Shareholders' Meeting is requested to grant the Board of Directors several delegations to enable it to increase share capital and/or to issue equity securities that grant access to equity, if necessary. It is specified that, unless it is authorised by the 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 by the Company – *(14th resolution)*

The purpose of the fourteenth resolution is to authorise the Board of Directors to reduce share capital by cancelling treasury shares, within the limit of 10% of the amount of existing share capital on the date of cancellation per 24-month period, and to allocate the difference to the available premiums and reserves that it may choose.

◆ Delegations of authority and authorisations granted to the Board of Directors in view of carrying out operations involving the Company's capital – *(15th to 24th resolutions)*

For the fifteenth to twenty-fourth resolutions, the Board of Directors proposes that the Shareholders' Meeting renew the financial authorisations granted by the Shareholders' Meetings in 2016 and 2017.

Your Company would thus have new authorisations that enable it to quickly and seamlessly harness the financial resources it needs to implement the COFACE Group's development strategy, based on the opportunities offered by financial markets and on the interests of the Company and its shareholders.

The table below presents a summary of the financial delegations (excluding employee shareholding operations concerned by the twenty-second, twenty-third and twenty-fourth resolutions, that the Shareholders' Meeting is invited to adopt).

Resolution	Subject of the delegation	Maximum face value	Duration of authorisation
15th	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	€80,000,000	26 months
16th	Delegation of authority to the Board of Directors to increase the share capital by issuing, with 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	Concerning capital increases: €120,000,000 (1) 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, in connection with public offers	Concerning capital increases: €45,000,000 (1) (3) 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, 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 private placements specified in Article L.411-2 II of the French Monetary and Financial Code	Concerning capital increases: €30,000,000 (1) (3) Concerning issues of debt securities: €500,000,000 (2)	26 months
21st	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: €30,000,000 (1) (3) Concerning issues of debt securities: (2) €500,000,000	26 months

(1) Delegation subject to the total nominal cap of €120,000,000 for capital increases.
(2) Delegation subject to the total nominal cap of €500,000,000 for debt security issues.
(3) Delegation subject to the total nominal cap of €45,000,000 for capital increases without preferential subscription rights.

The corresponding draft delegations are set out below.

Capital increase through incorporation of reserves, profits or premiums – *(15th resolution)*

With the fifteenth resolution, your Board of Directors is asking the Shareholders' Meeting to grant it a delegation of authority to increase the Company's share capital through incorporation of reserves, profits or premiums, within the limit of a maximum nominal amount of eighty million euros (€80,000,000), an independent cap that is separate from the other resolutions submitted to the vote of the Shareholders' Meeting. The capital increase likely to result from this resolution could be carried out, as the Board of Directors may choose, either through the allocation of new bonus shares or through an increase in the par value of existing shares or according to a combination of these two methods according to the procedures that it determines.

The Board of Directors proposes that this authorisation, which supersedes the authorisation granted by the sixteenth resolution of the Shareholders' Meeting of May 19, 2016, 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 subscription rights of shareholders – *(16th resolution)*

With the sixteenth resolution, your Board of Directors is asking the Shareholders' Meeting to grant it a delegation of authority to issue 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 subscription rights, within the limit of a maximum nominal amount of one hundred and twenty million euros (€120,000,000).

The 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 under this delegation could in particular consist of debt securities or be associated with the issue of such securities, or enable their issue as intermediate securities.

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

Shareholders may exercise, under the conditions provided by the law, their preferential subscription right, as of right and, if necessary, for excess shares if the Board of Directors provides for this, when the shares are subscribed or the securities are issued.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted by the seventeenth resolution of the Shareholders' Meeting of May 19, 2016, 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 subscription rights of shareholders – *(17th, 18th and 19th resolutions)*

The Board of Directors is asking the Shareholders' Meeting to grant it 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 subscription rights of shareholders to the shares or securities thus issued. In accordance with the recommendations of the AMF, these issues are treated in two separate resolutions, depending on whether they are made under public offers (seventeenth resolution) or under the offers mentioned in Article L.411-2 II of the French Monetary and Financial Code, *i.e. via* private placements for qualified investors (eighteenth resolution).

This is because, depending on market conditions, the nature of investors concerned and the type of securities issued, and to be able to seize opportunities offered by the market, your Board of Directors believes that it could be useful to have the possibility of resorting to capital increases without preferential subscription rights of shareholders; however, more restrictive caps are set for this category than for capital increases with preferential subscription rights.

The nominal amount of the capital increases likely to be carried out by virtue of the seventeenth resolution may not exceed forty-five million euros (€45,000,000), bearing in mind that this cap would be factored into the total nominal cap specified for capital increases in the sixteenth resolution. This cap will also correspond to the nominal cap applicable to capital increases without preferential subscription rights carried out in accordance with the seventeenth resolution as well as the eighteenth and twenty-first resolutions submitted to your Shareholders Meeting.

The total nominal amount of capital increases liable to be carried out under the eighteenth resolution may not exceed thirty million euros (€30,000,000), bearing in mind that this cap would be factored into the total nominal cap specified for capital increases in the sixteenth resolution as well as the nominal cap specified for capital increases without preferential subscription rights specified in the seventeenth resolution.

The Board of Directors will have the option of issuing, through a public offer (seventeenth resolution) and/or private placements (eighteenth resolution), shares and/or equity securities that confer entitlement to other equity securities and/or transferable securities conferring entitlement to equity securities to be issued that could, in particular, consist of debt securities or be associated with the issue of such securities, or to enable their issue as intermediate securities. The nominal amount of debt securities that could be issued by virtue of the seventeenth and eighteenth resolutions will be factored into the cap of €500 million, specified by the sixteenth resolution.

Under the seventeenth resolution relating to the issue, through public offers, of shares and/or equity securities conferring entitlement to other equity securities and/or transferable securities conferring entitlement to equity securities to be issued, the Board of Directors could establish, in favour of shareholders, a subscription priority as of right and/or for excess shares under the conditions specified by the regulations.

The issue price of the shares issued on the basis of the seventeenth and eighteenth resolutions will be determined under the legislative and regulatory conditions in force at the time of the issue, which currently specify a price at least equal to the weighted average of the Company's share price at the last three stock market trading sessions prior to the fixing of the issue price, possibly less a maximum discount of 5%.

In accordance with the provisions of Article L.225-136 of the French Commercial Code, you are, however, being asked in the nineteenth resolution to authorise the Board of Directors, within the limit of 10% of equity capital per 12-month period, to set the issue price according to the following terms: the issue price may not be lower than, as the Board may choose, (a) the average price of the share on the Euronext Paris regulated market, weighted by the volumes of the last trading session prior to the setting of the issue price, less, as the case may be, a discount of up to 10%, or (b) the average price of the share on the Euronext Paris regulated market, weighted by the volumes, over a maximum period of six months prior to the day when the issue price is set, less, as the case may be, a discount of up to 10%.

The use of the option described above will enable your Company, given the market volatility, to benefit from possible opportunities to carry out share issues when market conditions do not make it possible to carry out an issue under the price conditions defined in the seventeenth and eighteenth resolutions.

The Board of Directors proposes that these delegations, which would supersede the delegations granted by the eighteenth, nineteenth and twentieth resolutions of the Shareholders' Meeting of May 19, 2016, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

◆ Authorisation given to the Board of Directors to increase the amount of issues with or without preferential subscription rights – *(20th resolution)*

Subject to the adoption of the sixteenth, seventeenth and eighteenth resolutions relating to capital increases with or without subscription rights, your Board of Directors proposes to the Shareholders' Meeting, in the twentieth resolution, to authorise it, for a period of twenty-six (26) months and with the power to delegate in its turn, under the legal and regulatory conditions, to decide to increase the number of securities to be issued for each issue that would be decided under the sixteenth, seventeenth and eighteenth resolutions of your Shareholders' Meeting under the conditions provided by the legal and regulatory provisions applicable on the day of the issue (*i.e.,* to date, within thirty days as from the closing of the subscription, within the limit of 15% of each issue and at the same price as the one chosen for the initial issue). It is specified that the total nominal amount of the capital increases likely to be carried out by virtue of this twentieth resolution will be factored into the resolution by virtue of which the issue is decided and into the total nominal cap provided for capital increases in the sixteenth resolution.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted by the twenty-first resolution of the Shareholders' Meeting of May 19, 2016, 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 within the limit of 10% of share capital – *(21st resolution)*

With the twenty-first resolution, the Board of Directors is asking your Shareholders' Meeting to grant it a delegation of authority to issue shares and/or equity securities conferring entitlement to other equity securities and/or transferable securities conferring entitlement to equity securities to be issued, as compensation for contributions in kind granted to the Company and made up of equity securities or transferable securities conferring entitlement to capital, within the limit of a nominal amount of capital increase of thirty million euros (€30,000,000), in addition to the legal limit of 10% of the Company's share capital, deducted from the total nominal amount provided for capital increases without preferential subscription rights specified in the seventeenth resolution.

The nominal amount of debt securities that could be issued by virtue of this resolution will be factored into the cap of five hundred million euros (€500,000,000) specified by the sixteenth resolution.

This delegation will entail the waiving, in favour of holders of securities or transferable securities concerned by the contributions in kind, of the preferential subscription rights of shareholders to the shares or securities thus issued.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted by the twenty-second resolution of the Shareholders' Meeting of May 19, 2016, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

◆ Capital increases reserved for employees – *(22nd and 23rd resolutions)*

With the twenty-second 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 to 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 factored into the total nominal cap specified for capital increases set out in the sixteenth resolution of the Shareholders' Meeting, and that the cap for this delegation would be the same as that of the twenty-third resolution.

This decision would result in cancellation of the preferential subscription right of shareholders in favour of the 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 twenty sessions preceding the decision setting the opening date of the subscription may not exceed 20%. The Board of Directors may reduce or cancel the aforementioned discount, in particular if it considers it necessary in order to take into account the legal, accounting, tax and social treatments applicable in the country of residence of some beneficiaries. The Board of Directors may likewise decide to allocate bonus shares to subscribers of new shares, in substitution of the discount and/or as an employer matching contribution.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted by the twenty-first resolution of the Shareholders' Meeting of May 17, 2017, be granted for a period of twenty-six (26) months as from your Shareholders' Meeting.

As a continuation of the twenty-second resolution, we propose, under the twenty-third 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) the 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, or (ii) one or more mutual funds or other entity, having a legal personality or not, subscribing on behalf of the persons described in paragraph (i) above, and (iii) one or several 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 the waiving of the preferential subscription rights of shareholders to the shares issued under this twenty-third 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 the regulatory or tax restrictions that could 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 twenty-second resolution.

The nominal amount of the capital increase likely to be issued in the context of this delegation would be limited to a nominal amount of three million two hundred thousand euros (€3,200,000) on the understanding that the nominal amount of any capital increase carried out in application of this delegation would be factored into the total nominal cap specified for capital increases described in the sixteenth resolution of your Shareholders' Meeting, and that the cap for this resolution would be the same as that of the twenty-second resolution.

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

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted by the twentieth resolution of the Shareholders' Meeting of May 17, 2017, be granted for a period of eighteen (18) months as from your Shareholders' Meeting.

◆ Allocation of bonus shares to employees and/or corporate officers of the Company or companies related to it *(24th resolution)*

Pursuant to the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code, we propose that you authorise the Board of Directors, who may, in turn, delegate such authority, for a period of 38 months as from the day of your Shareholders' Meeting, to allocate bonus shares, on one or more occasions, of existing or new shares of the Company to some employees and corporate officers of the Company and companies related to it as defined in Article L.225-197-2 of the French Commercial Code. The final allocation of these shares may be partially or totally subject to performance criteria.

The total number of shares allocated by virtue of this authorisation may not exceed 1% of the number of shares that make up the Company's share capital on the date the Board of Directors decides to allocate them, and the aggregate nominal amount of capital increases liable to result from the authorisation will be deducted from the total nominal amount provided for the capital increases in the sixteenth resolution of your Shareholders' Meeting.

The allocations of performance shares that would be made under this resolution would become final at the end of a vesting period of at least three years, with no retention period attached. The purpose of this vesting period for performance shares is to enable the measurement of the performance that is a condition of the final vesting of shares over a long period of time.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted by the twenty-fifth resolution of the Shareholders' Meeting of May 19, 2016, be granted for a period of thirty-eight (38) months as from your Shareholders' Meeting.

◆ Amendment to the Articles of Association *(25th resolution)*

The Board of Directors proposes to your Shareholders' Meeting to amend Article 23, 3°, paragraph 1 of the Articles of Association to bring it in line with legal provisions and regulations relating to the proof of ownership of securities by all shareholders in view of their participation in the Shareholders' Meeting.

Article 23 no longer refers to the "book entry" of securities (replaced in the law by a reference to the "registration in accounts") and refers only to the legal and regulatory provisions that apply on this matter.

◆ Powers – *(26th 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 12th AND 13th RESOLUTIONS)

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

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

At the start of each year, the Board of Directors, at the proposal of the Appointments and Compensation Committee, sets the various components of the Chief Executive Officer's (CEO) compensation. This includes a fixed and a variable portion, based on a certain number of objectives which are determined on an annual basis. The Appointments and Compensation Committee proposes the compensation policy for the Chief Executive Officer in compliance with the rules laid down within the Solvency II Directive.

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

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

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

In order to do this, the objectives, practices and governance in terms of compensation are clearly established and communicated within the Company, and the elements of the compensation for the Chief Executive Officer are reported in a transparent manner.

/ Components of the compensation of the Chief Executive Officer

a. *Target total compensation for 2017*

For 2017, on the proposal of the Appointments and Compensation Committee, after the agreement of the Board of Directors and based on the nineteenth resolution approved by the Shareholders' Meeting of May 17, 2017, the target compensation of Mr 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 is set at €575,000 since February 9, 2016, the date of the beginning of his term.</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 2017:
<table>
<tr><th>Financial objectives</th><th>Allocation key</th></tr>
<tr><td>Revenue</td><td>20%</td></tr>
<tr><td>Net income for the period</td><td>20%</td></tr>
<tr><td>Internal general overheads excluding exceptional 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>
</table>
<table>
<tr><th>Strategic and managerial objectives</th><th>Allocation key</th></tr>
<tr><td>Fit to Win strategic plan</td><td>20%</td></tr>
<tr><td>Talent management</td><td>10%</td></tr>
<tr><td>Solvency II projects</td><td>5%</td></tr>
<tr><td>Commercial plan</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 case of observed losses on the payment date.</td></tr>
<tr><td>Long-term variable compensation (allocation of free performance shares)</td><td>€370,080</td><td>60,000 shares are allocated under the Long-Term Incentive Plan 2017 (LTIP 2017), representing a value of €370,080 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.
The final vesting is subject to achieving the following performance conditions:
◆ 50% of shares allocated are vested under the condition of achieving COFACE SA's RoATE (return on average tangible equity) level for the financial year ending December 31, 2019;
◆ 50% of shares allocated are vested under the performance condition relating to the COFACE SA share, measured by the growth of COFACE SA's total shareholder return (TSR) compared to the TSR growth of the companies comprising the Euro Stoxx Assurance index over the same period.
The share vesting period is set at three years starting from February 8, 2017. The plan does not include a retention period.
The Board decided that 30% of the CEO's shares vested under the LTIP 2017 should be retained until the end of his corporate term or of any other function that he might hold within Coface.
It is specified that all risk hedging transactions are prohibited.</td></tr>
</table>

Compensation components	Target amount	Comments
Other benefits	€14,548	Xavier Durand benefits from a company vehicle and the payment of 62.5% of contributions due to the business managers and corporate officers social guarantee scheme (GSC). He benefits from the collective healthcare and pension schemes in force for all employees and has no additional pension scheme.
TARGET TOTAL COMPENSATION 2017	**€1,534,628**	

The total rate of deferred variable compensation will therefore represent more than 55% of the total variable compensation.

b. Total compensation allocated and paid in 2017

- The compensation allocated to Mr Durand for 2017, **comprising the assessment of the 2017 bonus**, is in line with the proposal of the Appointments and Compensation Committee meeting of February 6, 2018, validated by the Board of Directors and submitted for the approval of the Ordinary Shareholders' Meeting that follows the close of the 2017 financial year.
- The compensation paid to Mr Durand in 2017 is in line with the proposal by the Appointments and Compensation Committee meeting of January 30, 2017, approved by the Board of Directors and by the Shareholders' Meeting of May 17, 2017 in its eighteenth and nineteenth resolutions.

Compensation components	Amount allocated	Amount paid	Comments
Fixed compensation	€575,000	€575,000	Gross annual compensation set at €575,000 since February 9, 2016, the date of the beginning of his term.
Annual variable compensation allocated ("2017 bonus")	€874,058		The achievement rate of 2017 objectives proposed by the Appointments and Compensation Committee meeting of February 6, 2018, approved by the Board of Directors at the meeting of February 12, 2018 and submitted for the approval of the Shareholders' Meeting that closed the 2017 accounts was 152.01%, broken down as follows:

Financial objectives	Allocation key	Achievement rate	Amount of variable compensation
Revenue	20%	85.0%	97,750
Net income for the period	20%	250.0%	287,500
Internal general overheads excluding exceptional items	10%	131.1%	75,383
Gross loss ratio excluding claims handling expenses	10%	244.0%	140,300
TOTAL (A)		**104.51%**	**600,933**

Strategic and managerial objectives	Allocation key	Achievement rate	Amount of variable compensation
Fit to Win strategic plan	20%	125%	143,750
Talent management	10%	125%	71,875
Solvency 2 projects	5%	125%	35,938
Commercial plan	5%	75%	21,563
TOTAL (B)		**47.50%**	**273,125**
TOTAL (A+B)		**152.01%**	**874,058**

The bonus due for financial year 2017 is therefore €874,058 and will be 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.

<table>
<tr><th>Compensation components</th><th>Amount allocated</th><th>Amount paid</th><th>Comments</th></tr>
<tr><td>Annual variable compensation paid (“2016 bonus”)</td><td></td><td>€322,000</td><td>The achievement rate for 2016 objectives is 77.81%, broken down as follows:
<table>
<tr><th>Financial objectives</th><th>Allocation key</th><th>Achievement rate</th><th>Amount of variable compensation</th></tr>
<tr><td>Revenue</td><td>20%</td><td>88.9%</td><td>102,178</td></tr>
<tr><td>Net income for the period</td><td>20%</td><td>0.0%</td><td>0</td></tr>
<tr><td>Internal general overheads excluding exceptional items</td><td>10%</td><td>100.2%</td><td>57,730</td></tr>
<tr><td>Gross loss ratio excluding claims handling expenses</td><td>10%</td><td>0.0%</td><td>0</td></tr>
<tr><td>TOTAL (A)</td><td></td><td>27.81%</td><td>159,908</td></tr>
</table>
<table>
<tr><th>Strategic and managerial objectives</th><th>Allocation key</th><th>Achievement rate</th><th>Amount of variable compensation</th></tr>
<tr><td>Fit to Win and Management / Project management</td><td>40%</td><td>125.0%</td><td>287,500</td></tr>
<tr><td>TOTAL (B)</td><td></td><td>50.00 %</td><td>287,500</td></tr>
<tr><td>TOTAL (A+B)</td><td></td><td>77.81 %</td><td>447,408</td></tr>
</table>
As part of assuming his duties, it had been agreed that Mr Xavier Durand’s variable compensation for 2016 for would be guaranteed at the level of 80% of target variable compensation. The bonus due for financial year 2016 is therefore €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.</td></tr>
<tr><td>Long-term variable compensation (allocation of free performance shares)</td><td>€370,080</td><td></td><td>60,000 shares are allocated under the Long-Term Incentive Plan 2017 (LTIP 2017), representing a value of €370,080 on the allocation date, based on the average of the opening price for the last 20 stock market trading sessions preceding the date of the Board meeting.
The final vesting is subject to achieving the performance conditions defined above.</td></tr>
<tr><td>Other benefits</td><td>€14,548</td><td>€14,548</td><td>Xavier Durand benefits from a company vehicle and the payment of 62.5% of contributions due to the business managers and corporate officers social guarantee scheme (GSC).
He benefits from the collective healthcare and pension schemes in force for all employees and has no additional pension scheme.</td></tr>
<tr><td>TOTAL COMPENSATION</td><td>€1,833,686</td><td>€911,548</td><td></td></tr>
</table>

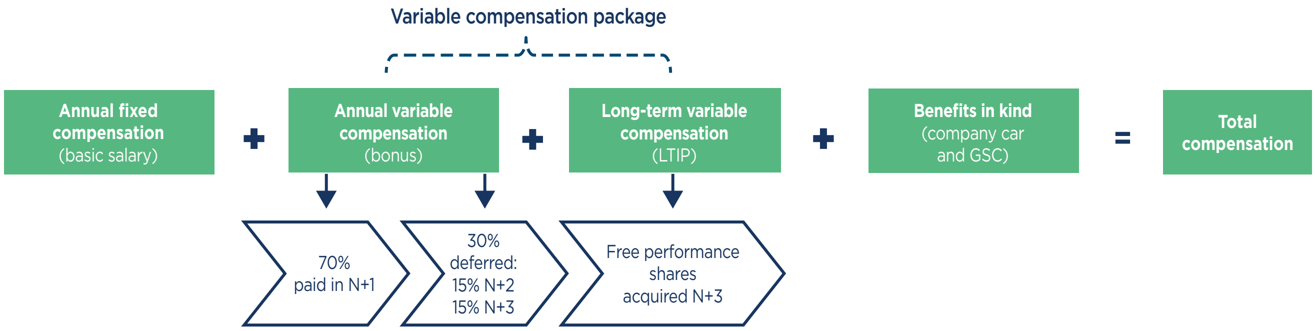
Note that the payment of the “2017 bonus” is conditional on the approval of the Ordinary Shareholders’ Meeting that follows the closing of financial year 2017.

c. *Structure of compensation of the Chief Executive Officer for financial year 2018*

For 2018, on the proposal of the Appointments and Compensation Committee, after agreement from the Board of Directors and subject to approval by the Shareholders' Meeting, the compensation for Xavier Durand will comprise the following elements:

<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 is maintained at €575,000 since February 9, 2016, the date of the beginning of his term.</td></tr>
<tr><td>Target annual variable compensation (“bonus”)</td><td>€575,000</td><td>The target annual variable compensation is maintained at 100% of fixed compensation, i.e. €575,000.
Its structure remains unchanged. It therefore comprises 60% financial objectives and 40% strategic and managerial objectives defined as follows for 2018:
<table>
<tr><th>Financial objectives</th><th>Allocation key</th></tr>
<tr><td>Revenue</td><td>20%</td></tr>
<tr><td>Net income for the period</td><td>20%</td></tr>
<tr><td>Internal general overheads excluding exceptional 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>
</table>
<table>
<tr><th>Strategic and managerial objectives</th><th>Allocation key</th></tr>
<tr><td>Fit to Win strategic plan</td><td>15%</td></tr>
<tr><td>Reinforcement of employee commitment</td><td>5%</td></tr>
<tr><td>Development of the internal model</td><td>5%</td></tr>
<tr><td>Reinforcement of sales dynamic</td><td>15%</td></tr>
<tr><td>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 malus system is introduced in case of observed losses on the payment date.</td></tr>
<tr><td>Long-term variable compensation (allocation of free performance shares)</td><td>€594,198</td><td>It is proposed that 65,000 shares be allocated to the CEO under the Long-Term Incentive Plan 2018 (LTIP 2018) for a value of €594,198 for the allocation, based on the average of the last 20 stock market trading sessions preceding the date of the Board meeting.
The final vesting is subject to achieving the following performance conditions:
◆ 50% of shares allocated are vested under the condition of achieving COFACE SA's RoATE (return on average tangible equity) level for the financial year ending December 31, 2020;
◆ 50% of shares allocated are vested under the performance condition relating to the COFACE SA share, measured by the growth of COFACE SA's total shareholder return (TSR) compared to the TSR growth of the companies comprising the Euro Stoxx Assurance index over the same period.
The share vesting period is set at three years starting from February 12, 2018. The plan does not include a retention period.
The Board decided that 30% of the CEO's shares vested under the 2018 LTIP should be retained until the end of his corporate term or of any other function that he might hold within Coface.
It is specified that all risk hedging transactions are prohibited.</td></tr>
<tr><td>Other benefits</td><td>€14,548 (estimate)</td><td>Xavier Durand benefits from a company vehicle and the payment of 62.5% of contributions due to the business managers and corporate officers social guarantee scheme (GSC).
He benefits from the collective healthcare and pension schemes in force for all employees and has no additional pension scheme.</td></tr>
<tr><td>TARGET TOTAL COMPENSATION 2018</td><td>€1,758,746</td><td>Subject to the approval of the Shareholders' Meeting</td></tr>
</table>

The total rate of deferred variable compensation will therefore represent more than 60% of the total variable compensation.



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

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

/ Severance pay

Xavier Durand benefits, in the event his corporate term ends, from severance pay in an amount equal to two years' (fixed and variable) salary. The reference amount used for the fixed portion shall be the salary for the current financial year at the date he stops his duties. The reference amount for the variable portion will be the average of the variable compensations received for the three years preceding the termination date of his duties (or of the one or two years concerned since he came into office in the event of departure before December 31, 2018).

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 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 compensation shall be due. If none of the conditions above has been met, no indemnity shall be due. No indemnity shall be paid by the Company if the corporate term is ended at Mr Xavier Durand's initiative or in the event of termination for serious misconduct or gross negligence. The compensation components and corporate benefits governed by the regulated agreements procedure in accordance with the provisions of the French Commercial Code are subject to the approval of the Company's Shareholders' Meeting.

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