

2.2 Compensation and benefits paid to managers and corporate officers

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

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

The Company is a corporation (*société anonyme*) with a Board of Directors. The duties of Board Chairman, performed by Mr Laurent Mignon, and Chief Executive Officer (CEO), performed by Mr Xavier Durand, until February 9, 2016 (function previously performed by Mr Jean-Marc Pillu) have been separated.

No form of compensation or benefit has been paid to Mr Laurent Mignon by the Company. The compensation paid by Natixis to Mr Laurent Mignon for his term as Chief Executive Officer (CEO) of Natixis is described below (Sections 2.2.2 and 2.2.3).

Mr Xavier Durand and Mr Jean-Marc Pillu were compensated by the Company for their respective terms as Chief Executive Officer as described in Sections 2.2.2 and 2.2.3 below.

2.2.1 COFACE COMPENSATION POLICY

◆ 2.2.1.1 Regulatory framework

Coface's compensation policy falls under the provisions of the Solvency II Directive and of the 2015/35 delegated regulation (Article 258 paragraph 1, point 1 and Article 275).

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

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

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

◆ 2.2.1.2 General principles

The compensation policy is a key instrument in implementing Coface's strategy. It seeks to attract, motivate and retain the best talents. It encourages individual and collective performance and seeks to be competitive on the market while respecting the Group's financial balance. It complies with the regulations in force, guarantees internal fairness and

professional equality, particularly between men and women. It is managed by the Group's HR Department and passed along in Coface regions and countries.

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

- **fixed compensation:** principal component of individual compensation, it is according to the abilities and expertise expected for a given position. It is fixed at the time of hiring and reviewed annually with regard to market practices, individual contribution and internal equity in strict compliance with the constraints of the budgets allocated for the financial year;
- **annual individual variable compensation ("bonus"):** the Group's variable policy takes individual and collective performance into account over a given year and is assessed on the basis of financial and non-financial criteria. The eligibility rules and variable compensation level are set by business line, responsibility level and market under consideration. For the Group's key managers, the target variable compensation is set as a percentage of the base salary;
- **long-term individual variable compensation (Long-Term Incentive Plan):** since 2014, the year of its initial public offer, the Group has set up an annual plan for the allocation of free performance shares to its Executive Committee and aimed at ensuring that the interests of

beneficiaries are aligned with those of shareholders over the long term. In 2016, the Group extended the allocation of free of performance shares to certain target populations in order to meet the regulation requirements of Solvency II, but also for purposes of retaining key employees;

- **collective variable compensation (employee savings):** in France, the Group negotiated a three-year participation agreement in 2015. This agreement benefits all employees working under a fixed or open-ended employment contract, who provide proof of more than three months' seniority within the companies forming part of the economic and corporate unit Compagnie française d'assurance pour le commerce extérieur - Fimipar (a fully-owned subsidiary of the Group). The incentive scheme is calculated based on five cumulative criteria linked to the evolution of certain financial indicators. The participation is handled according to the legal formula. Similar collective schemes exist in other Group entities depending on their legal obligations and seek to associate employees with the Company's performance;
- **corporate benefits:** corporate benefits are determined by each of the Group's entities in an effort to closely address local concerns. The Group ensures practices are consistent, and guarantees a competitive level of social protection on the market, which is respectful of its employees worldwide.

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

◆ 2.2.1.3 Special provisions applicable to the regulated population

Scope of the regulated population

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

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

For 2016, 25 functions fall within the regulated population scope. The Appointments and Compensation Committee

identifies these functions then presents them to the Board of Directors for approval. This list is reviewed each year in order to guarantee a perfect match between the evolution of the Company's risk profile and that of its employees.

Specific provisions regarding compensation

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

- In addition to rules common to all managers, the Group sets specific compensation rules intended for the population identified as regulated:
 - the variable compensation package includes the annual variable compensation ("bonus") and the long-term variable compensation (Long-Term Incentive Plan) in the form of the Company's free shares;
 - free shares represent the deferred portion of the variable compensation and represent at least 30% of overall variable compensation. They are contingent upon presence and performance conditions and have a vesting period of three years.

Any individual coverage or insurance strategy is forbidden.

- The following specific provisions have been defined for the Company's corporate executive officers:
 - the variable compensation package includes the annual variable compensation ("bonus") and the long-term variable compensation (Long-Term Incentive Plan) in the form of the Company's free shares;
 - the deferred variable compensation comprises two components:
 - free shares which represent at least 30% of the variable compensation package. They are contingent on presence and performance conditions and have a vesting period of three years; the corporate executive officer is further required to hold 30% of the awarded shares until expiry of his term of office,
 - the payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 15% in N+2 and 15% in N+3. A penalty system is introduced in case of observed losses on the payment date.

Any individual coverage or insurance strategy is forbidden.

The overall rate for deferred compensation thus represents more than 50% of the variable remuneration package.

All the specific provisions, applicable to the regulated population and to the Company's corporate executive officer, are validated by the Appointment and Compensation Committee, then presented to the Board of Directors for approval.

2.2.2 SUMMARY OF COMPENSATION OF MANAGING CORPORATE OFFICERS FOR 2015 AND 2016

In order to comply with the regulations, the tables below present a breakdown of the summary of compensation and stock options and shares awarded during the financial years ended December 31, 2015 and 2016 to Mr Laurent MIGNON, Chairman of the Board of Directors, to Mr Xavier DURAND, Chief Executive Officer since February 9, 2016 and to Mr Jean-Marc PILLU, Chief Executive Officer until February 9, 2016.

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

TABLE 1 - TABLE SUMMARISING THE COMPENSATION, AND OPTIONS AND SHARES ALLOCATED TO EACH MANAGING CORPORATE OFFICER (AMF NOMENCLATURE)

	FISCAL YEAR 2016 ⁽¹⁾	FISCAL YEAR 2015 ⁽¹⁾
Laurent MIGNON, Chairman of the COFACE SA Board and Natixis CEO ⁽²⁾		
Compensation due for the year ⁽³⁾	1,754,761	1,899,372
Value of the multi-year variable compensation allocated during the financial year	-	-
Value of options allocated during the financial year	-	-
Value of performance shares allocated during the financial year ⁽⁴⁾	160,000	160,000
TOTAL	1,914,761	2,059,372
Xavier DURAND, Chief Executive Officer (CEO) since February 9, 2016		
Compensation due for the year ⁽⁵⁾ (detailed in Section 2.2.3 below)	985,795	-
Value of the multi-year variable compensation allocated during the financial year	-	-
Value of options allocated during the financial year	-	-
Value of performance shares allocated during the financial year (detailed in Section 2.2.7 below)	312,553	-
TOTAL	1,298,348	-
Jean-Marc PILLU, Chief Executive Officer (CEO) until February 9, 2016		
Compensation due for the year ⁽⁵⁾ (detailed in Section 2.2.3 below)	2,034,206	878,840
Value of the multi-year variable compensation allocated during the financial year	-	-
Value of options allocated during the financial year	-	-
Value of performance shares allocated during the financial year (detailed in Section 2.2.7 below)	-	305,977
TOTAL	2,034,206	1,184,817

(1) In euros.

(2) The details of the compensation for Mr Laurent Mignon, Chairman of the COFACE SA Board of Directors and Chief Executive Officer (CEO) of Natixis, are available on pages 84 to 96 of the 2016 Natixis registration document registered with the Autorité des marchés financiers (French Financial Markets Authority) on March 21, 2017 and are available on the website: www.natixis.com.

(3) Including €126 car benefit + €2,967 of family supplement for 2015; and €2,969 of family supplement for 2016.

(4) Valuation of the shares at the allocated price.

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

2.2.3 COMPENSATION OF MANAGING CORPORATE OFFICERS FOR FINANCIAL YEARS 2015 AND 2016

In order to comply with the regulations, the tables below present a breakdown of the fixed and variable compensation, along with the other benefits awarded during the financial years ended December 31, 2015 and 2016 to

Mr Laurent Mignon, Chairman of the Board of Directors, to Mr Xavier Durand, Chief Executive Officer since February 9, 2016 and to Mr Jean-Marc Pillu, Chief Executive Officer until February 9, 2016.

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

◆ 2.2.3.1 **Compensation due or allocated for the year ended December 31, 2016, to Mr Laurent MIGNON, Chairman of the COFACE SA Board of Directors**

TABLE 2 - SUMMARY OF COMPENSATION OF EACH MANAGING CORPORATE OFFICER (AMF NOMENCLATURE)

	2016 ⁽¹⁾		2015 ⁽¹⁾	
	AMOUNTS DUE ⁽³⁾	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Laurent MIGNON, Chairman of the COFACE SA Board and Natixis CEO ⁽²⁾				
Fixed compensation for corporate office ⁽⁶⁾	800,000	800,000	800,000	800,000
Annual variable compensation	951,792	984,113 ⁽³⁾	1,096,279	1,083,450 ⁽³⁾
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	2,969 ⁽⁴⁾	2,969 ⁽⁴⁾	3,093 ⁽⁴⁾	3,093 ⁽⁴⁾
TOTAL	1,754,761	1,787,082	1,899,372	1,886,542

(1) In euros.

(2) The details of the compensation for Mr Laurent Mignon, Chairman of the COFACE SA Board of Directors and Chief Executive Officer (CEO) of Natixis, are available in the 2016 Natixis registration document registered with the Autorité des marchés financiers (French Financial Markets Authority) on March 21, 2017 on pages 84 to 96 and are available on the website: www.natixis.com.

(3) This amount includes payment relating to the variable remuneration deferred from previous years.

(4) Including €126 car benefit + €2,967 of family supplement for 2015; and €2,969 of family supplement for 2016.

(5) Mr Laurent Mignon also benefited at the Board meetings of February 18, 2015 from a free allocation of 27,321 performance shares valued at €160,000 and on July 28, 2016, from the free allocation of 47,463 performance shares valued at €160,000.

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

◆ 2.2.3.2 **Compensation due or allocated and elements of compensation for the year ended December 31, 2016, to Mr Xavier DURAND, Chief Executive Officer (CEO) of COFACE SA starting from February 9, 2016**

TABLE 2 - SUMMARY OF COMPENSATION OF EACH MANAGING CORPORATE OFFICER (AMF NOMENCLATURE)

	2016 ⁽¹⁾		2015 ⁽¹⁾	
	AMOUNTS DUE ⁽³⁾	AMOUNTS PAID ⁽⁴⁾	AMOUNTS DUE ⁽³⁾	AMOUNTS PAID ⁽⁴⁾
Xavier DURAND, Chief Executive Officer				
Fixed compensation ⁽²⁾	513,865	513,865	-	-
Annual variable compensation ⁽²⁾⁽⁶⁾	460,000	-	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation ⁽²⁾	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind ⁽⁵⁾	11,930	11,930	-	-
TOTAL ⁽⁷⁾	985,795	525,795		

(1) In euros.

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

(3) Amounts due correspond to sums allocated for the financial year.

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

(5) Mr Xavier Durand benefits from the payment by the Company of 62.5% of contributions due for the business managers and corporate officers social guarantee scheme (GSC) and a company car.

(6) Variable compensation for performance year N paid in N+1, N+2 and N+3.

(7) For the history of allocation of bonus shares, see Section 2.2.11.

BREAKDOWN OF THE COMPONENTS OF THE COMPENSATION OF MR XAVIER DURAND, CHIEF EXECUTIVE OFFICER (CEO) OF COFACE SA FOR THE YEAR ENDED DECEMBER 31, 2016

COMPENSATION COMPONENTS	AMOUNT	COMMENTS																																								
Fixed compensation	€513,865	Gross annual compensation set at €575,000 and paid in proportion to presence in 2016.																																								
Annual variable compensation ("bonus")	€460,000	<p>Variable compensation is set at €575,000. It is made up of 60% of financial objectives, and 40% of strategic and managerial objectives. The maximum achievement rate for variable compensation is 200% (150% for financial objectives and 50% for managerial objectives). The achievement rate for 2016 objectives is 77.81%, broken down as follows:</p> <table border="1"> <thead> <tr> <th>FINANCIAL OBJECTIVES</th> <th>ALLOCATION KEY</th> <th>ACHIEVEMENT RATE</th> <th>AMOUNT OF CORRESPONDING VARIABLE COMPENSATION</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>20%</td> <td>88.9%</td> <td>102,178</td> </tr> <tr> <td>Net income</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> </tbody> </table> <table border="1"> <thead> <tr> <th>STRATEGIC AND MANAGERIAL OBJECTIVES</th> <th>ALLOCATION KEY</th> <th>ACHIEVEMENT RATE</th> <th>AMOUNT OF CORRESPONDING VARIABLE COMPENSATION</th> </tr> </thead> <tbody> <tr> <td><i>Fit to win</i> strategic plan 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> </tbody> </table> <p>As part of assuming his duties, it has been agreed that Mr Xavier Durand's variable compensation for 2016 for will be guaranteed at the level of 80% of target variable compensation. The bonus due for financial year 2016 is therefore €460,000. The payment of 30% of the annual variable compensation ("bonus") is deferred and paid as follows: 15% in N+2 and 15% in N+3. A malus scheme was introduced: therefore, in case of losses observed prior to the payment dates of the deferrals, i.e. in N+2 and N+3 for year of performance N, no payment will be made for these deferrals.</p>	FINANCIAL OBJECTIVES	ALLOCATION KEY	ACHIEVEMENT RATE	AMOUNT OF CORRESPONDING VARIABLE COMPENSATION	Revenue	20%	88.9%	102,178	Net income	20%	0.0%	0	Internal general overheads excluding exceptional items	10%	100.2%	57,730	Gross loss ratio excluding claims handling expenses	10%	0.0%	0	TOTAL (A)		27.81%	159,908	STRATEGIC AND MANAGERIAL OBJECTIVES	ALLOCATION KEY	ACHIEVEMENT RATE	AMOUNT OF CORRESPONDING VARIABLE COMPENSATION	<i>Fit to win</i> strategic plan Management/Project management	40%	125.0%	287,500	TOTAL (B)		50.00%	287,500	TOTAL (A+B)		77.81%	447,408
FINANCIAL OBJECTIVES	ALLOCATION KEY	ACHIEVEMENT RATE	AMOUNT OF CORRESPONDING VARIABLE COMPENSATION																																							
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Gross loss ratio excluding claims handling expenses	10%	0.0%	0																																							
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TOTAL (B)		50.00%	287,500																																							
TOTAL (A+B)		77.81%	447,408																																							
Multi-year variable compensation	€0.00	N/A																																								
Exceptional compensation	€0.00	N/A																																								
Long-term variable compensation (Allocation of stock options/performance shares and any other long-term compensation component)	(see Section 2.2.7)	<p>50,000 shares are allocated under the Long-Term Incentive Plan 2016 (LTIP 2016), representing a value of €312,553 for the allocation, based on the average of the last 20 stock market trading sessions preceding the date of the Board meeting. Bonus shares will be definitively vested on November 4, 2019, under presence and performance conditions measuring over the term of the plan until December 31, 2018, as follows:</p> <ul style="list-style-type: none"> ■ 60% of the allocated shares will be vested subject to the achievement of the savings described in the <i>Fit to Win</i> strategic plan, duly noted as of December 31, 2018; ■ 20% of the allocated shares will be vested subject to the achievement of the RoATE (Return on Average Tangible Equity) level of COFACE SA for the financial year ended on December 31, 2018; ■ 20% of the allocated shares will be vested subject to a performance condition relating to the COFACE SA share, measured by the growth of the total shareholder return (TSR) ⁽¹⁾ of COFACE SA compared to the growth of the TSR of institutions in the Euro Stoxx Insurance index over the same period. <p>The share vesting period is set at three years, starting from November 3, 2016. The plan does not provide for any holding period. The Board decided that 30% of the CEO's shares vested under the 2016 LTIP should be retained until the end of his corporate term or of any other function that he might hold within Coface.</p>																																								

COMPENSATION COMPONENTS	AMOUNT	COMMENTS
No hedging	€0.00	To the Company's knowledge, no hedge instrument has been set up.
Supplementary retirement scheme	€0.00	Mr Xavier Durand does not benefit from any supplementary retirement scheme.
Directors' fees	€0.00	Mr Xavier Durand did not receive any directors' fee for 2016 in connection with his duties inside the Company.
Benefits in kind	€11,930	Mr Xavier Durand benefits from a company car and the payment by the Company of 62.5% of contributions due for the business managers and corporate officers social guarantee scheme (GSC).
TOTAL AMOUNTS DUE*	€985,795	

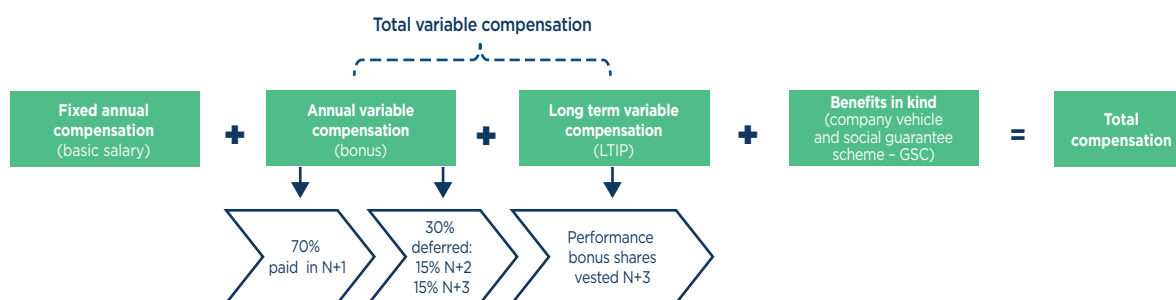
* The amounts due correspond to the sums allocated for the financial year.

(1) TSR is calculated as follows:

$TSR = [\text{end of period price} - \text{start of period price} + \text{sum of dividends per distributed share during the period}] / \text{price at start of period}$.

The compensation for the current CEO, Mr Xavier Durand, for 2016 can be summarised as follows:

VARIABLE COMPENSATION PACKAGE



2.2.3.3 Compensation due or allocated and components of the compensation for the year ended December 31, 2016, to Mr Jean-Marc Pillu, Chief Executive Officer (CEO) of COFACE SA until February 9, 2016

TABLE 2 - SUMMARY OF COMPENSATION OF EACH MANAGING CORPORATE OFFICER (AMF NOMENCLATURE)

	2016 ⁽¹⁾		2015 ⁽¹⁾	
	AMOUNTS DUE ⁽³⁾	AMOUNTS PAID ⁽⁴⁾	AMOUNTS DUE ⁽³⁾	AMOUNTS PAID ⁽⁴⁾
Jean-Marc Pillu, Chief Executive Officer (CEO)				
Fixed compensation ⁽²⁾	54,597	54,597	500,000	500,000
Annual variable compensation ^{(2) (6)}	-	370,521	370,521	680,400
Multi-year variable compensation	-	-	-	-
Exceptional compensation ⁽²⁾	1,978,804 ⁽⁸⁾	1,978,804 ⁽⁸⁾	-	-
Directors' fees	-	-	-	-
Benefits in kind ⁽⁵⁾	805	805	8,319	8,319
TOTAL ⁽⁷⁾	2,034,206	2,404,727	878,840	1,188,719

(1) In euros.

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

(3) The amounts due correspond to the sums allocated for the previous financial year.

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

(5) Mr Jean-Marc Pillu benefited from a company vehicle.

(6) Variable compensation for performance year N paid in N+1.

(7) For the history of allocation of bonus shares, see Section 2.2.11.

(8) This amount corresponds to the severance package paid to Jean-Marc Pillu.

BREAKDOWN OF THE COMPONENTS OF THE COMPENSATION OF MR JEAN-MARC PILLU, CHIEF EXECUTIVE OFFICER (CEO) OF COFACE SA FOR THE YEAR ENDED DECEMBER 31, 2016

COMPENSATION COMPONENTS	AMOUNT	COMMENTS
Fixed compensation	€54,597	Gross annual compensation set at €500,000 in January 2015 and paid in proportion to the actual presence time in 2016.
Variable compensation	€0.00	Variable compensation is set at €500,000. No variable compensation is due for 2016.
Multi-year variable compensation	€0.00	N/A
Exceptional compensation	€1,978,804	<p>Mr Jean-Marc Pillu benefited from a severance package due in the event of forced departure (except for serious misconduct or gross negligence), on condition that the two performance criteria below are fulfilled:</p> <ul style="list-style-type: none"> ■ achievement of at least 75% of the average annual objectives during the three years preceding the departure date, and ■ provided that the combined ratio after reinsurance of the Company is at most 95% on average for the three financial years preceding the departure date. <p>On January 15, 2016, the Board of Directors ascertained that (i) the first condition had been met, the average performance rate by Mr Jean-Marc Pillu of the objectives during financial years 2013, 2014 and 2015 was 106%, i.e., above the 75% target and (ii) the second condition had been met, the Company's average combined ratio after reinsurance for 2013, 2014 and 2015 was lower than 95%.</p> <p>Consequently, the Board decided to pay Mr Jean-Marc Pillu severance pay in the amount of €1,978,804 gross corresponding to two years of compensation (fixed and variable). The reference salary for the fixed portion is the salary of the current year at the date he stops his duties (€500,000) and the reference salary for the variable portion is the average of the variable portions of his compensation for the preceding three financial years.</p>
Allocation of stock options/performance shares and any other long-term compensation component	(see Section 2.2.7)	<p>Mr Jean-Marc Pillu did not benefit from the allocation of any performance shares for 2016.</p> <p>The following was agreed when his duties were terminated:</p> <p>maintenance of the rights to the free allocation of 43,269 COFACE shares. Pursuant to the provisions of the exceptional allocation plan which he benefited from in 2014 in the context of the initial public offering of COFACE SA, these shares were vested on July 1, 2016. Mr Jean-Marc Pillu is required to hold these shares for two years in accordance with the plan stipulations, i.e., until June 30, 2018;</p> <p>maintenance of the performance share rights allocated under the Long-Term Incentive Plan in 2014 and in 2015, regarding a maximum total number of 53,179 COFACE shares, on the understanding that the final vesting of the shares at the end of the vesting period is contingent on the performance conditions and on the dates set out in the plans. Mr Jean-Marc Pillu is required to hold any vested shares for a period of two years, in accordance with the plan stipulations.</p>
No hedging	€0.00	To the Company's knowledge, no hedge instrument has been set up.
Supplementary retirement scheme	€0.00	In 2016, Mr Jean-Marc Pillu was not covered by any supplementary pension scheme.
Directors' fees	€0.00	Mr Jean-Marc Pillu did not receive any directors' fee for 2016 in connection with his duties in the Company.
Benefits in kind	€805	Mr Jean-Marc Pillu benefited from a company car until the date of his departure from the Company.
TOTAL AMOUNTS DUE*	€2,034,206	

* Compensation allocated for duties performed during the previous financial year, regardless of the payment date.

2.2.4 DIRECTORS' FEES AND OTHER COMPENSATION COLLECTED BY THE MEMBERS OF THE BOARD OF DIRECTORS DURING 2015 AND 2016

The table below shows the directors' fees and other types of compensation collected by members of the Company's Board of Directors in 2015 and 2016.

TABLE 3 - TABLE REGARDING THE DIRECTORS' FEES AND OTHER COMPENSATION COLLECTED BY NON-MANAGING CORPORATE OFFICERS (AMF NOMENCLATURE) ⁽²⁾

NON-MANAGING CORPORATE OFFICERS	FIRST APPOINTMENT	EXPIRY OF THE TERM OF OFFICE	AMOUNTS PAID IN 2016 ⁽¹⁾	AMOUNTS PAID IN 2015 ⁽¹⁾
BPCE				
Directors' fees COFACE SA	Nov. 21, 2012	SM Dec. 31, 2016 ⁽³⁾	28,000 ⁽⁵⁾	14,000
Other compensation			-	-
Marguerite BÉRARD-ANDRIEU, permanent representative of BPCE				
Other compensation:				
BPCE fixed compensation			460,256.46	330,000.06
BPCE annual variable compensation			299,693.33	170,153
Multi-year variable compensation			-	-
BPCE exceptional compensation			-	-
Benefits in kind from BPCE			-	2,002.21
Jean ARONDEL				
Directors' fees COFACE SA	Nov. 21, 2012	SM Dec. 31, 2016 ⁽³⁾	20,000	14,000
Other compensation			-	-
Jean-Paul DUMORTIER				
Directors' fees COFACE SA	Jul. 26, 2013	SM Dec. 31, 2016 ⁽³⁾	20,000	16,000
Other compensation			-	-
Éric HÉMAR				
Directors' fees COFACE SA	Jul. 1, 2014	SM Dec. 31, 2017 ⁽³⁾	41,000	41,000
Other compensation			-	-
Linda JACKSON				
Directors' fees COFACE SA	May 5, 2015	SM Dec. 31, 2016 ⁽³⁾	16,000	9,333
Other compensation			-	-
Sharon MACBEATH				
Directors' fees COFACE SA	Jul. 1, 2014	SM Dec. 31, 2017 ⁽³⁾	26,000	22,000
Other compensation			-	-
Pascal MARCHETTI				
Directors' fees COFACE SA	Nov. 21, 2012	SM Dec. 31, 2016 ⁽³⁾ Resignation on Oct. 10, 2016	21,834	27,000
Other compensation			-	-
Martine ODILLARD				
Directors' fees COFACE SA	May 5, 2015	SM Dec. 31, 2016 ⁽³⁾	27,000	16,667
Other compensation			-	-
Isabelle RODNEY				
Directors' fees COFACE SA	Nov. 3, 2016	SM Dec. 31, 2016 ⁽³⁾	3,333 ⁽⁶⁾	-
Other compensation			-	-

Laurent ROUBIN						
Directors' fees COFACE SA	Jul. 26, 2013	SM Dec. 31, 2016 ⁽³⁾ Resignation on Oct. 25, 2016	4,667	16,000		
Other compensation			-	-		
Anne SALLÉ-MONGAUZE						
Directors' fees COFACE SA	Nov. 3, 2016	SM Dec. 31, 2016 ⁽³⁾	-	-		
Other compensation			-	-		
Olivier ZARROUATI						
Directors' fees COFACE SA	Jul. 01, 2014	SM Dec. 31, 2017 ⁽³⁾	34,000	30,000		
Other compensation			-	-		

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

(2) The dates of appointments and end of appointments for the Board of Directors are available in Section 2.11.1.

(3) Shareholders' Meeting held to approve the financial statements for the previous fiscal year.

(4) Effective expiration date of term.

(5) Of which €10,000 for Mr Laurent Roubin in accordance with BPCE's policy.

(6) The fees of Ms Isabelle Rodney are paid directly to the Caisse d'Épargne Côte d'Azur in accordance with their policy.

2.2.5 STOCK OPTIONS OR WARRANTS ALLOCATED IN 2016 TO EACH MANAGING CORPORATE OFFICER OR BY ANY COMPANY IN THE GROUP

No allocation of stock options or warrants occurred for managing corporate officers during the year ended December 31, 2016.

2.2.6 STOCK OPTIONS OR WARRANTS EXERCISED IN 2016 BY EACH MANAGING CORPORATE OFFICER

No stock options or warrants were exercised by a managing corporate officer during the year ended December 31, 2016.

2.2.7 FREE SHARES ALLOCATED DURING 2016 TO CORPORATE OFFICERS

The conditions for bonus share allocation are described in Section 2.2.3. The table below restates the description of the shares allocated free of charge to Mr Xavier Durand under the 2016 Long-Term Incentive Plan.

TABLE 6 - SHARES ALLOCATED TO EACH CORPORATE OFFICER (AMF NOMENCLATURE)

	PLAN DATE	NUMBER OF SHARES ALLOCATED DURING THE YEAR	VALUATION OF SHARES IN EUROS ACCORDING TO THE METHOD USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS	VESTING DATE	AVAILABILITY DATE	PERFORMANCE CONDITIONS
Xavier Durand Chief Executive Officer	2016 Long-Term Incentive Plan Nov. 3, 2016	50,000	€312,553	Nov. 4, 2019	Nov. 4, 2019	See table in Section 2.2.3.2
TOTAL		50,000	€312,553			

2.2.8 SHARES WHICH HAVE BECOME AVAILABLE IN 2016 FOR EACH CORPORATE OFFICER

Pursuant to the provisions relating to the exceptional allocation plan under which Mr Jean-Marc Pillu received bonus shares in 2014 in the context of the COFACE SA initial

public offering, his 43,269 Coface shares vested on July 1, 2016. Mr Jean-Marc Pillu is required to hold these shares for two years, *i.e.*, until June 30, 2018.

2.2.9 HISTORY OF ALLOCATION OF STOCK OPTIONS OR WARRANTS

No allocation of stock options or warrants took place during the years ended December 31, 2016, 2015 and 2014.

No plan to allocate stock options or warrants is pending at the date of this registration document.

2.2.10 STOCK OPTIONS OR WARRANTS GRANTED TO THE TOP TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS

No stock options or warrants were allocated during the years ended December 31, 2016, 2015 and 2014 to the top ten non-corporate officer employees.

No plan to allocate stock options or warrants is pending at the date of this registration document.

2.2.11 HISTORY OF PERFORMANCE SHARES ALLOCATION

78,842 performance shares were allocated under the 2014 LTIP, representing the entire package allocated by the Board of Directors. 21,635 performance shares were allocated to the corporate officer for a value on the allocation date of €225,000 during the financial year ended December 31, 2014. The remaining performance shares, *i.e.* 57,207, were allocated to members of the Executive Committee.

For financial year 2014, an exceptional compensation linked to the IPO was implemented, in the form of bonus share allocation. In this respect, 43,269 shares were allocated to the corporate officer for a value on the allocation date of €450,000 during the financial year ended December 31, 2014. These shares, vested on July 1, 2016, should be held until June 30, 2018.

106,800 performance shares were allocated under LTIP 2015, out of the 113,109 shares representing the total package allocated by the Board of Directors. 31,544 performance shares were allocated to the corporate officer for a value

on the allocation date of €350,000 during the financial year ended December 31, 2015. The remainder of the 106,800 performance shares, *i.e.* 75,256 shares, were allocated to members of the Executive Committee.

302,196 performance shares were allocated under the 2016 LTIP, out of the 399,932 available shares representing the total package allocated to this plan by the Board of Directors. 50,000 performance shares were allocated to the corporate officer for a value on the allocation date of €312,553 during the financial year ended December 31, 2016. The remainder of the 252,196 performance shares were allocated to members of the Executive Committee, to the "regulated" population and to a specific number of other employees, with a view to retaining such employees. In addition, in certain countries where the allocation of free shares was too complicated or impossible, a "phantom shares" solution was implemented for some beneficiaries (28,395 phantom shares) – see Section 7.2.1.2.

TABLE 10 – HISTORY OF BONUS SHARE ALLOCATION

	LONG TERM INCENTIVE PLAN ⁽¹⁾		EXCEPTIONAL ALLOCATION OF BONUS SHARES	
	2016	2015	2016	2015
Meeting date	May 19, 2016	May 18, 2015	-	-
Date of the Board of Directors' meeting	Nov. 3, 2016	Feb. 17, 2015	-	-
Total number of bonus shares allocated	302,196	106,800	-	-
of which allocated to Xavier Durand	50,000	-	-	-
of which allocated to Jean-Marc Pillu	-	31,544	-	-
Share vesting date	Nov. 4, 2019	Feb. 18, 2018	-	-
End-date of the retention period	N/A	Feb. 18, 2020	-	-
Number of stock options	-	-	-	-
Cumulative number of cancelled or lapsed shares	-	-	-	-
Remaining bonus shares allocated at year-end	302,196	106,800	-	-

(1) The performance conditions are described in Section 2.2.3.2 above.

2.2.12 EMPLOYMENT CONTRACTS, RETIREMENT INDEMNITIES AND INDEMNITIES IN THE EVENT OF TERMINATION OF THE DUTIES OF THE MANAGING CORPORATE OFFICERS

TABLE 11 – EMPLOYMENT CONTRACTS, RETIREMENT INDEMNITIES AND INDEMNITIES IN THE EVENT OF TERMINATION OF THE DUTIES OF THE MANAGING CORPORATE OFFICERS (AMF NOMENCLATURE)

MANAGING CORPORATE OFFICERS	EMPLOYMENT CONTRACT		SUPPLEMENTARY RETIREMENT SCHEME		COMPENSATION OR BENEFITS DUE OR WHICH COULD BE DUE AS A RESULT OF A TERMINATION OR CHANGE OF DUTIES		COMPENSATION RELATED TO A NON COMPETE CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
Laurent MIGNON Chairman of the Board of Directors Since November 21, 2012 until the Ordinary Annual Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2016		X		X ⁽¹⁾	✓ ⁽³⁾		✓ ⁽³⁾	
Xavier DURAND Chief Executive Officer Since February 9, 2016, until the Ordinary Annual Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2019		X		X ⁽²⁾	✓			X
Jean-Marc PILLU Chief Executive Officer Between January 3, 2011 and February 9, 2016		X		X ⁽²⁾	✓			X

(1) Benefits from the coverage of the pension plan as all Natixis personnel do.

(2) The Chief Executive Officer (CEO) of the Company, benefits from all health, pension and providence plans under the prevailing conditions of the Company.

(3) Paid by Natixis. No form of compensation or benefit has been paid to Mr Laurent Mignon by the Company.

◆ Severance pay granted to Mr Xavier Durand

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

2.2.13 AMOUNTS PUT IN RESERVE OR OTHERWISE RECORDED BY THE COMPANY OR ITS SUBSIDIARIES FOR THE PURPOSES OF PAYING PENSIONS, RETIREMENT, OR OTHER BENEFITS

Since Mr Xavier Durand and Mr Jean-Marc Pillu benefit from the joint scheme within the Company, no particular amount was put in reserve or recorded by the Company or its subsidiaries for the purposes of paying pensions, retirement or other benefits to its managing corporate officers.

2.3 Conflicts of interest

2.3.1 PREVENTION RULES APPLICABLE TO DIRECTORS IN RESPECT OF CONFLICTS OF INTEREST

Pursuant to the Director's Ethics Charter which can be consulted on the website <http://www.coface.com/Group/Our-organisation> in the tab on the Board of Directors, the director must inform the Board of Directors of any conflict of interests, including potential ones, in which he or she may be directly or indirectly involved. The director shall refrain from participating in debates and decision making on the subjects concerned.

The director shall also inform the Chairman of the Appointments and Compensation Committee of any intention to accept a new term of office in a listed company that does not belong to a group of which the director is

an executive, in order to allow the Board of Directors, at the proposal of the Appointments and Compensation Committee, to decide, if necessary, whether such an appointment would be incompatible with being a director of COFACE SA.

The director shall inform the Chairman of the Board of Directors of any conviction for fraud, any indictment and/or public sanction, and any prohibition to manage or govern that may have been issued against him/her, as well as any bankruptcy, sequestration or liquidation in which he/she may have been involved.

2.3.2 STATEMENT OF CONFLICTS OF INTEREST

To the Company's knowledge, there is no service contract binding the members of the Board of Directors to the Company or to one of its subsidiaries, and providing for the award of benefits.

To the Company's knowledge, there is no familial ties between the members of the Board of Directors and the other executive corporate officers of the Company.

To the Company's knowledge, none of the members of the Board of Directors have been convicted of fraud during the last five years. None of these people have participated as a manager in a bankruptcy, sequestration or liquidation during the past five years, and none of these people were subject to an incrimination and/or an official public sanction pronounced by a statutory or regulatory authority (including designated professional bodies). None of these people were prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, nor from taking part in the management or performance of business of an issuer during the past five years.

To the Company's knowledge there are not, as of the date of this registration document, any potential conflicts of interest between the duties of the members of the Board

of Directors and the executive officers of the Company, as regards the Company and their private interests.

To the Company's knowledge, no pact or agreement has been entered into with any shareholders, customers, suppliers or other parties by virtue of which any member of the Board of Directors or executive officers of the Company has been appointed in such capacity.

As of the date of this registration document, no restrictions have been accepted by the members of the Board of Directors or the managing corporate officers of the Company as concerns the disposal of their interests in the Company's share capital, with the exception of the rules relating to the prevention of illegal insider trading and the recommendations of the AFEP-MEDEF Code imposing a share retention obligation.

2.4 Chairman's report on corporate governance, internal control and risk management procedures

Pursuant to Article L.225-37 of the French Commercial Code, the subject of this report is to report on the composition and functioning of the Board of Directors and its committees, any potential limitation in powers of general executive management, the application of a Corporate Governance Code prepared by the organisations representing the companies and the rules for determining compensation of corporate officers.

It is the responsibility of the Chairman of the Board of Directors to report on the internal control and risk management procedures set up by the Group, by detailing those regarding the preparation and processing of accounting information. COFACE SA (the "Company"), is subject to the legislative and regulatory provisions of the French Insurance Code. Furthermore, since January 1, 2016, the Group is subject to European Solvency II Directive and to its application regulations. This report presents an overview and is not intended to provide a detailed description of all the internal control mechanisms rolled out inside the Group and its subsidiaries. To the Group's knowledge, this information is currently accurate.

This report has been examined by the Audit Committee before being reviewed and approved by the Board of Directors on its meeting dated on February 8, 2017. It is attached to the Board of Directors' report and presented at the Annual General Shareholders' Meeting.

2.4.1 CORPORATE GOVERNANCE

◆ 2.4.1.1 Board of Directors

Composition (see Section 2.1.1)

Until the date of its meeting of February 8, 2017, the Board of Directors was composed of eleven members, 54% of which are women and 45% of which are independent ⁽¹⁾:

- Mr Laurent MIGNON, Chairman;
- Mr Jean ARONDEL;
- BPCE represented by Ms Marguerite BÉRARD-ANDRIEU ⁽²⁾;
- Mr Jean-Paul DUMORTIER;

- Mr Éric HÉMAR;
- Ms Linda JACKSON;
- Ms Sharon MACBEATH;
- Ms Martine ODILLARD;
- Ms Isabelle RODNEY, coopted to the seat of Mr Pascal MARCHETTI, who resigned;
- Ms Anne SALLÉ-MONGAUZE, coopted to the seat of Mr Laurent ROUBIN, who resigned;
- Mr Olivier ZARROUATI.

(1) As the Company is controlled by Natixis as set out under Article L.233-3 of the French Commercial Code, the recommendation of Article 8.3 of the AFEP-MEDEF Code which requires this board to include at least one third independent members has therefore been met.

(2) BPCE, represented by Marguerite Bérard-Andrieu, resigned on February 8, 2017. In this respect, at its meeting of February 8, 2017, the Board of Directors co-opted Mr Daniel Karyotis, CEO of Banque Populaire Auvergne Rhône Alpes, as director.