



## **Description of the 2016-2017 Share Buyback Program**

### **1. INTRODUCTION**

It is reminded that the Shareholders' Combined General Meeting of Coface SA (the Company) held on of May 18<sup>th</sup>, 2015, had previously authorized the Board of Directors, in its eighth (8<sup>th</sup>) resolution, to carry out transactions on Coface SA's shares under the framework of the 2015-2016 Share Buyback Program. The main features and description of the said program are published on the Company's website and on the 2015 Registration Document.

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

To this end, the Shareholders' Combined General Meeting of May 19<sup>th</sup>, 2016 reauthorized the Board of Directors, in its fifth (5<sup>th</sup>) resolution, to implement a new Share Buyback Program on the Company's shares (Code ISIN FR0010667147). This Program shall replace the existing one established by the Combined General Meeting of May 18<sup>th</sup> 2015.

### **2. MAIN CHARACTERISTICS OF THE 2016-2017 SHARE BUYBACK PROGRAM**

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

The 2016-2017 Program was authorized by the Shareholders' Combined General Meeting of May 19<sup>th</sup>, 2016, in its fifth (5<sup>th</sup>) resolution.

The Board of Directors of July 27<sup>th</sup>, 2016, authorized Coface SA, pursuant to the delegation given by the Shareholder's Combined General Meeting of May 19<sup>th</sup>, 2016 in its fifth (5<sup>th</sup>) resolution, to trade on the Company's share through the "2016-2017 Share Buyback Program", whose main features are described below.

#### **2.2 Allotment by objective of shares held as of July 31<sup>st</sup> 2016**

COFACE SA held at July 31<sup>st</sup>, 2016, 0.41% of its share capital or 645,757 common shares. At that date, the breakdown by objective of the number of shares held was as follows:



Objectives	Number of own shares held
<b>a)</b> ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently within the context of a liquidity contract in compliance with the Charter of Ethics recognized by the French Financial Markets Authority	410,537
<b>b)</b> allot shares to employees of the Company and in particular within the context: <ul style="list-style-type: none"> <li><b>(1)</b> of profit sharing;</li> <li><b>(2)</b> any stock option plan of the Company, pursuant to the provisions of Articles L.225-177 et seq. of the French Commercial Code;</li> <li><b>(3)</b> any savings plan in compliance with Articles L.3331-1 et seq. of the French Labour Code;</li> <li><b>(4)</b> any allocation of bonus shares pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code;</li> </ul> as well as performing all hedging operations relating thereto, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting upon its delegation	0 0 0 235,220
<b>TOTAL</b>	<b>645,757</b>

### **2.3 Objectives of the 2016-2017 Share Buyback Program**

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

Authorized objectives
<b>a)</b> ensure liquidity and boost the market for the Company's stock through an investment service provider acting independently within the context of a liquidity contract in compliance with the Charter of Ethics recognized by the French Financial Markets Authority
<b>b)</b> allot shares to employees of the Company and in particular within the context: <ul style="list-style-type: none"> <li><b>(1)</b> of profit sharing;</li> <li><b>(2)</b> any stock option plan of the Company, pursuant to the provisions of Articles L.225-177 et seq. of the French Commercial Code;</li> <li><b>(3)</b> any savings plan in compliance with Articles L.3331-1 et seq. of the French Labour Code;</li> <li><b>(4)</b> any allocation of bonus shares pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code;</li> </ul> as well as performing all hedging operations relating thereto, under the conditions provided for by the market authorities and at the times to be determined by the Board of Directors or the person acting upon its delegation
<b>c)</b> transfer the Company's shares when the rights attached to the securities are exercised, which rights entitle their bearers 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
<b>d)</b> 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 accepted market practice of the French Financial Markets Authority
<b>e)</b> cancel all or part of the securities thus purchased



f) implement all market practices that have been accepted by the French Financial Markets Authority and, more generally, perform all operations in compliance with the current regulations

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

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

Common shares of the Company traded on Euronext Paris:

#### **MARKET PROFILE**

Trading	Euronext Paris (compartment A), eligible for deferred settlement service (SRD)
ISIN CODE	FR0010667147
Reuters Code	COFA.PA
Bloomberg Code	COFA FP

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

The Board of Directors can authorise the purchase of a number of shares of the Company not to exceed 10% the total number of shares composing the share capital, or 5% of the total number of shares subsequently composing the share capital if it concerns shares acquired by the Company in view of keeping them and transferring them as payment or exchange under a merger, spin-off or contribution operation, noting that the acquisitions made by the Company may under no circumstance result in it holding more than 10% of the ordinary shares comprising its share capital at any time.

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

COFACE SA is committed, by law, not to exceed the holding limit of 10% of its capital, the latter being, for information purposes, 15,724,823 shares as at July 31<sup>st</sup>, 2016.

### **2.4.4 Maximum purchase price**

According to the fifth (5<sup>th</sup>) resolution proposed and accepted by the Shareholder's Combined General Meeting of May 19<sup>th</sup>, 2016, the maximum purchase price per unit may not exceed €18, 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 allotment 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.

### **2.4.5 Other information**

The acquisition, disposal or transfer of these shares may be completed and paid for by all methods authorised by the current regulations, on a regulated market, multilateral trading system, a systematic internaliser, or over the counter, in particular through the acquisition or disposal of blocks of shares,



using options or other derivative financial instruments, or warrants or, more generally, securities entitling their bearers to shares of the Company, at the times that the Board of Directors will determine.

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

### **2.5 Term of the 2016-2017 Share Buyback Program**

According to the fifth (5<sup>th</sup>) resolution proposed and accepted by the Shareholders' Combined General Meeting of May 19<sup>th</sup>, 2016, this Program will have a maximum period of eighteen (18) months from the date of said Combined General Meeting and will therefore continue no later than November 18<sup>th</sup>, 2017 (including) or until the date of its renewal by a Shareholders' General Meeting, the one occurring first.

This authorisation concludes the authorisation granted by the eighth (8<sup>th</sup>) resolution that was adopted by the Shareholders' Combined Meeting of May 18<sup>th</sup>, 2015.

### 3. LEGAL FRAMEWORK

#### Legal Framework

1. Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
2. Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures
3. Article L.225-206 and following of the French Commercial Code
4. General Regulation of the French Market Authority: Article L.221-1 and seq. and Article L.241-1 and seq.
5. Instruction AMF No.2005-06 – Modalities of declaration for Share Buyback Programs on equities and stabilization transactions
6. Position AMF No. 2009-17 – Implementation of Share Buyback Program on equities
7. Approved market practice AMF No. 2011-07 – Liquidity Agreement on equities
8. Charter of Ethics established by the AMAFI of March 8<sup>th</sup>, 2011 relating to Liquidity Agreements

#### Historical

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

Share Buyback Program	General Assembly authorizing the Program	Decision to implement the Program by the Board of Directors	Transactions framework	
			Liquidity Agreement <sup>1</sup>	Own share transactions
2014 - 2015	June 2 <sup>nd</sup> 2014 (Res. 5)	June 26 <sup>th</sup> 2014	Yes	No
2015 - 2016	May 18 <sup>th</sup> 2015 (Res. 8)	July 28 <sup>th</sup> 2015	Yes	Yes <sup>2</sup>
2016 -2017	May 19 <sup>th</sup> 2016 (Res. 5)	July 27 <sup>th</sup> 2016	Yes	-

- (1) Liquidity Agreement from July 2<sup>nd</sup> 2014, signed with Natixis. Five million (€ 5,000,000.00) has been allocated to this Liquidity Agreement, concluded for a period of twelve (12) months, tacitly renewable.
- (2) Own shares transactions Agreement, signed with Natixis, from July 31<sup>st</sup> 2015 to September 15<sup>th</sup> 2015, to buy Coface's shares for their allocation under the "Long Term Incentive Plan" (LTIP). For more information, the reader should refer to the Registration Document for the year.