3.2.3 IMPLEMENTATION OF A LIQUIDITY AGREEMENT

With effect from July 7, 2014, the Coface Group appointed Natixis to implement a liquidity agreement for Company shares traded on Euronext Paris, in accordance with the Charter of Ethics of the French financial markets association (Association française des marchés financiers – AMAFI) dated March 8, 2011 and approved by the AMF on March 21, 2011. The independence of the teams in charge of the mandate is ensured by the implementation of a suitable internal structure at Natixis.

€5 million were allocated to the liquidity agreement with Natixis, which is for a period of 12 months subject to tacit renewal. 80,819 COFACE SA shares or €4,147,971.71 were in the liquidity account on the settlement date of December 31, 2014.

The liquidity agreement is part of the share buyback programme decided by the Board of Directors' meeting of June 26, 2014 (see buyback program description in section 7.2.1.2). This decision was further to the authorisation that was given to the Combined Annual Shareholders' Meeting of June 2, 2014, delegating all of the powers needed for that purpose to it.

3.2.4 SUBORDINATED DEBT ISSUANCE

On March 27, 2014, COFACE SA completed the issue of subordinated debt in the form of bonds for a nominal amount of €380 million.

The issue allowed the Coface Group to optimise its capital structure, which had previously been characterised by an extremely low debt ratio (less than 1% at end-2013), and to strengthen its regulatory equity.

The leverage effect of debt thus amounted to about 19%. The ratio is obtained by dividing the subordinated debt by the sum of equity and subordinated debt.

The issuance was welcomed by a diversified and international basis of investors and was 10-times oversubscribed. This level of demand demonstrates the confidence in the profitable growth model put in place by the Group over the last three years based on bolstered operating and financial fundamentals.

Finance costs linked to this debt totalled €12.1 million at December 31, 2014.

These securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur, the Coface Group's main operating entity.

On March 25, 2014, a joint guarantee was issued by Compagnie française d'assurance pour le commerce extérieur for €380 million, in favour of the investors in COFACE SA's subordinated bonds, applicable until the extinction of all liabilities in respect of said investors. The annual interest rate applicable is 0.2% on the basis of the total amount (due by COFACE SA).

This subordinated guarantee is recorded in off-balance sheet items. Since it is classified as an intra-group transaction, it is eliminated in consolidation and is not disclosed in the notes to the consolidated financial statements.

On March 27, 2014, COFACE SA granted a subordinated intra-group loan to Compagnie française d'assurance pour le commerce extérieur in the amount of €314 million, maturing on March 26, 2024 (10 years) and bearing annual interest at 4.125%, payable at the anniversary date each year.

3.2.5 FINANCIAL STRENGTH CONFIRMED

In March and then December 2014, rating agencies Fitch and Moody's confirmed the Group's Insurer Financial Strength (IFS) Ratings at AA- and A2 (outlook stable), respectively, taking into account both the subordinated note issue and the €227 million special dividend paid to Natixis during the period.

3.2.6 NEW COMMERCIAL AND MARKETING STRATEGY

With the implementation of its new streamlined operating organisation and solid financial structure, the Coface Group is focusing efforts on rolling out its commercial strategy, aiming at generating profitable growth throughout the world.

This strategy, a spearhead of the Strong Commitment II strategic plan, relies on two major cornerstones: innovation, and the roll-out of a multichannel distribution model.

As such, in 2014, Coface's product offering was rounded out with the following innovative solutions:

- ***Easyliner,*** launched on March 27, 2014: a credit insurance offering designed for SMEs, subscriptions are available online and have been developed as a portal that can also be customised as part of distribution partnerships with, for example, banks or general insurers;
- ***CofaServe,*** launched on April 30, 2014: a secure electronic data exchange solution allowing customers to manage their credit insurance contracts in real time, directly from their own in-house IT systems;
- ***PolicyMaster*** and ***CashMaster,*** launched May 27, 2014: two complementary tools designed to simplify customers' daily management of their credit insurance cover and increase reliability. By analysing the customer's accounting data with regard to the credit-limit cover provided by Coface, ***PolicyMaster*** suggests actions aimed at optimising customer credit risk management. Based on ***PolicyMaster*** management data, ***CashMaster*** is a certification system covering the customer's financial partners.

7.2 General information concerning the capital of COFACE SA

7.2.1 SHARE CAPITAL SUBSCRIBED AND SHARE CAPITAL AUTHORISED BUT NOT ISSUED

At the date of this registration document, the Company's share capital totals €786,241,160. It is divided into 157,248,232 shares with a par value of €5 (five), fully subscribed and paid-up, all of the same category.

In compliance with Article L.225-100, paragraph 7 of the French Commercial Code, the summary table below presents the valid delegations as of December 31, 2014 that have been granted by the Annual Shareholders' Meeting to the Board of Directors in the area of capital increases, by application of Articles L.225-129-1 and L.225-129-2 of the French Commercial Code.

The table below summarises the resolutions voted on during the Combined Shareholders' Meeting of the Company dated June 2, 2014, as concerns capital increases.

RESOLUTION	SUBJECT OF THE RESOLUTION	MAXIMUM FACE VALUE	DURATION OF AUTHORISATION	USE AS OF DECEMBER 31, 2014
9th	Delegation of authority to the Board of Directors to decide on an increase in share capital through the incorporation of premiums, reserves, benefits or other (1)	€200 million	26 months	No
10th	Delegation of authority to the Board of Directors to decide on increasing share capital through the issue of shares and/or securities which provide access to the capital, with the preferential subscription right (1)	€250 million concerning capital increases (1) €500 million concerning debt securities	26 months	No
11th	Delegation of authority to the Board of Directors to decide on increasing share capital through the issue of shares and/or securities which provide access to the capital by a public offer without preferential subscription right (1)	€250 million concerning capital increases (1) €500 million concerning debt securities	26 months	No
12th	Delegation of authority to the Board of Directors to decide on the issue without preferential subscription right, of shares and/or securities which provide access to the capital through private investment per Article L.411-2 II of the French Financial and Monetary Code (1)	€250 million concerning capital increases (1) €500 million concerning debt securities	26 months	No
13th	Authorisation to the Board of Directors in the event of issue without preferential subscription right, through public offers or private investments per Article L.411-2 II of the French Financial and Monetary Code, for the purpose of setting the issue price according to the terms established by the Annual Shareholders' Meeting.	Up to the limit of 10% share capital per 12 months	26 months	No
14th	Authorisation to the Board of Directors for the purpose of increasing the number of securities to be issued in the event of a capital increase with or without preferential subscription right (1)	Limit prescribed by applicable regulations (to date, 15% of the initial issue) (1)	26 months	No

RESOLUTION	SUBJECT OF THE RESOLUTION	MAXIMUM FACE VALUE	DURATION OF AUTHORISATION	USE AS OF DECEMBER 31, 2014
15th	Delegation of authority to the Board of Directors for the purpose of issuing shares or securities providing access to the capital, without preferential subscription right in compensation of contributions in kind concerning shares or securities which provide access to the capital (1)	€75 million concerning capital increases (1) €200 million concerning debt securities	26 months	No
16th	Delegation of authority to the Board of Directors in view of increasing the share capital through a share issue, without preferential subscription right, following the issuance by the Company's subsidiaries of securities providing access to the Company's shares (1)	€250 million (1)	26 months	No
18th	Delegation of authority to the Board of Directors to decide on the issuance of shares reserved to members of employee savings plan, without preferential subscription rate to the benefit of said members	€15 million (1)	26 months	Yes
19th	Delegation of authority to the Board of Directors in view of increasing the share capital through issuance of shares, eliminating the preferential subscription right in favour of a determined category of beneficiaries	€15 million (1)	18 months	Yes

(1) The maximum overall face value of the capital increases likely to be made by virtue of this delegation are attributed to the total cap set on the amount of €250 million, as concerns immediate and/or future capital increases.

7.2.1.1 Shares not representing capital

None.

7.2.1.2 Independent control, holding and acquisition by the Company of treasury shares

The Combined Shareholders' Meeting of June 2, 2014 authorised the Board of Directors, for a duration of 18 months from the date of the meeting, with power to subdelegate under the legal and regulatory conditions, in compliance with the provisions of Articles L.225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-5 of the General Regulations of the French Financial Markets Authority (AMF), European Commission (EC) Regulation No. 2273/2003 dated December 22, 2003, and the accepted market practices of the AMF, to purchase, in one or more instances and at the times to be determined by it, a number of shares of the Company not to exceed 10% the total number of shares comprising the share capital, at any time whatsoever, or 5% of the total number of shares comprising the share capital, if it concerns shares acquired by the Company in view of keeping them and subsequently remitting them as payment or a trade within the context of a merger, spin-off or contribution, it being specified that the number of shares held by the Company may under no circumstance lead the Company to hold more than 10% of the shares composing its share capital at any time.

The shares may be acquired, upon decision of the Board of Directors, in order to:

- ensure liquidity and boost the market for the Company's stock through an investment services provider acting independently within the context of a liquidity contract, in compliance with the Charter of Ethics recognised by the AMF;
- allocate shares to employees of the Company and in particular within the context (i) of participating in the Company's income, (ii) of any stock options plan of the Company, pursuant to the provisions of Articles L.225-177 *et seq.* of the French Commercial Code, or (iii) of any savings plan in compliance with Articles L.3331-1 *et seq.* of the Labour Code or any bonus shares pursuant to the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code; additionally, performing all hedge operations relating to these operations, under the conditions provided for by the market authorities, and at the times to be determined by the Board of Directors or person acting by delegation of the Board of Directors;
- remit the Company's shares when exercising the rights attached to securities entitling bearers through reimbursement, conversion, trade, presentation of a warrant or in any other manner the allocation of the Company's shares pursuant to the current regulations; additionally, performing all hedge operations relating to these operations, 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;

- keep the Company's shares and subsequently remit them as payment or trade within the context of any external growth operations, and in compliance with the AMF's accepted market practice;
- cancel all or part of the stock thus purchased;
- implement any market practice that comes to be authorised by the AMF and, more generally, perform all operations in compliance with the current regulations.

Within the context of this share buyback program, authorised by the Annual Shareholders' Meeting, shares that are independently held by the Company represent a total of 0.05% of the Company's capital, or 80,819 shares, as of December 31, 2014. The overall face value amounts to €887,392.62.

On July 7, 2014, the Company entered into a liquidity agreement with Natixis, in compliance with the provisions of the current legal framework and the Charter of Ethics established by Amafi.

The only purchases and sales made during the financial year were within the context of the liquidity agreement, and none of the Company's shares were held by one of its subsidiaries or by a third party on its own behalf.

Compensation of Natixis under the liquidity agreement amounts to €40,000 for 2014.

	NUMBER OF SHARES PURCHASED	AVERAGE PURCHASE PRICE	NUMBER OF SHARES SOLD	AVERAGE SALE PRICE
July	246,350	€1,129,611	122,468	€1,141,961
August	269,265	€1,078,336	250,373	€1,077,809
September	370,295	€1,063,776	285,262	€1,078,872
October	216,280	€994,744	199,926	€999,172
November	202,692	€1,038,712	264,220	€1,044,851
December	171,803	€1,068,448	273,617	€1,071,900
TOTAL - 2014	**1,476,685**		**1,395,866**	

7.2.1.3 Other instruments providing access to capital

None.

7.1.2.4 Conditions governing any right of acquisition and/or any obligation attached to the subscribed, but not paid-up capital

None.

7.1.2.5 Share capital of any company in the Group that is the subject of an option or agreement providing that it be placed under an option

None.

7.1.2.6 Pledge, guarantees and sureties granted on the Company's share capital

At the date of this registration document, the shares comprising the Company's capital are not the subject of any pledge, guarantee or surety.

7.1.2.7 History of capital

The Coface Group share capital has not evolved over the last three years.

The Company has established an employee stock ownership plan, which resulted in two capital increases during the Combined Shareholders' Meeting of June 2, 2014. The capital increases were decided on by the Company's Board of Directors on June 12, 2014, and recorded July 25, 2014, in the amount of €3,385,616, 2,034,625 of which were allocated to the share capital, with the balance recorded under the item "issue premiums".