

**CHARTER AND INTERNAL REGULATIONS GOVERNING
THE SUPERVISORY BOARD OF EULER HERMES SA**

(as amended and approved in a decision by the Supervisory Board on November 5,
2013)

Euler Hermes SA (the "Company") is a public limited company under French Law with securities trading on Euronext Paris (Compartment A).

The Supervisory Board has decided to set out within a single document the duties, obligations and operating guidelines (members' charter and internal regulations) relating to the Supervisory Board.

This single document was adopted at the meeting of May 7, 2010.

This document was amended at the Supervisory Board meetings of February 15, 2011 and November 5, 2013.



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CHARTER OF THE MEMBERS OF THE SUPERVISORY BOARD OF THE COMPANY

This charter presents the duties and obligations of the members of the Supervisory Board (the “Board”) of the Company and the people attending its meetings.

Article 1. Administration and corporate interest

Each Supervisory Board member must be guided by the corporate interest of the Company. He or she must, irrespective of how he/she was appointed, consider himself/herself as representatives of all the Company’s stakeholders.

Article 2. Compliance with laws, Articles of Association, Charter and Internal regulations

Each Supervisory Board member and any person attending a Supervisory Board meeting must be fully conversant with his or her rights and obligations. He or she must comply and be familiar with the legal and regulatory provisions related to his/her duties, as well as with the Company’s own rules resulting from its Articles of Association and this charter and internal regulations.

Article 3. Performance of duties: guidelines

Each member of the Supervisory Board performs his or her duties independently, loyally and professionally.

Article 4. Profile of the Supervisory Board – Composition in general

According to the Company’s Articles of Association, the Supervisory Board has at least three and no more than twelve members. Some of the Supervisory Board’s members are renewed every year at the annual Ordinary Shareholders’ Meeting depending on the number of members in office, so that this renewal is as regular as possible and completed in a three-year cycle. Solely for the purpose of arranging for and staggering the terms of office of the Supervisory Board members, the Ordinary Shareholders’ Meeting may appoint one or more Supervisory Board members for a term of office of one (1) or two (2) years.

No member of the Supervisory Board may be over 70 years of age. If a member of the Supervisory Board reaches this age, this member must automatically resign.



In the selection of Supervisory Board members there will be a balance of nationality, gender and age. In addition, there will also be a balance in experience and affinity with the nature and culture of the business of the Company and its subsidiaries (the “Group”).

To achieve this balance in the representation of men and women, the Board will strive to maintain a representation rate of at least 20% for women and then reach a representation rate of at least 40% by the shareholders’ meeting held in 2016 at the latest, it being specified that the permanent representatives of the legal entities that are Supervisory Board members are taken into account in the calculation of these ratios.

The Supervisory Board will consist of a mix of persons with relevant and reasonable current executive experience in the management of complex multi-national enterprises, preferably gained in the private sector.

Among its members, there should be a proper array of specific know-how with respect to the various aspects of the business of the Group. Its members should have an open eye for and should be capable to evaluate international, social, economical and other development relevant to the Group.

Its members should be deemed (or, in the case of a reappointment, have proven) to be capable to operate as members of the Supervisory Board as a collegiate body and not as advocates of any specific person or group of person.

Article 5. Independence and duty to speak

Each member of the Supervisory Board must ensure that he or she retains his or her independence of judgment, decision and action. He or she undertakes not to be influenced by any element outside the Company’s corporate interest that it is their duty to defend.

He or she should disclose to the Board any matter that might come to his or her attention and which he/she considers might affect the Company’s interest. He or she is duty-bound to clearly express his/her questions and opinions.

He or she will strive to convince the Board of the relevance of their opinions and positions. Should there be disagreement, he or she may request that his/her positions be recorded in the meeting minutes.

Article 6. Independence and conflict of interest

All members of the Supervisory Board must do their utmost to avoid any conflict arising between their moral and material interests and the interest of the Company.

Where a conflict of interest arises or appears to arise between the corporate interest and the direct or indirect personal interest or the interest of a shareholder or a group of shareholders that he or she represents, the relevant Supervisory Board member must:



inform the Board as soon as he or she becomes aware of it,

and draw the relevant conclusions as far as fulfillment of his or her term of office is concerned. Depending on the circumstances, he or she must:

refrain from taking part in voting on the corresponding deliberations,
not take part in the Supervisory Board meetings during the period for which he or she faces a conflict of interest,
or resign from his or her duties as a Supervisory Board member.

Should he or she fail to comply with these rules on abstention or resignation, the relevant Supervisory Board member may be held liable.

In addition, the Chairman of the Supervisory Board shall not be obliged to pass on to Supervisory Board members, in respect of whom he has serious grounds to believe that they face a conflict of interest, information or documents pertaining to the issue at the heart of the conflict of interest, and shall inform the Supervisory Board that he has decided not to pass them on.

Furthermore, according to the AFEP-MEDEF code of June 2013, the criteria to be reviewed by the Supervisory Board in order to characterize a Board member as independent and to prevent risks of conflicts of interest between the member, the Company or the Group, are as follows:

- not to be an employee or executive director of the Company, or an employee or Board member of its parent or of a company that it consolidates, and not having been in such a position for the previous five years;
- Not to be an executive director of a company on the Board of which the Company serves directly or indirectly, or in which an employee appointed as such or an executive director of the Company (currently in office or having held such office going back five years) serves as a member of the Board;
- Not to be a customer, supplier, investment banker or commercial banker:
 - that is material for the Company or the Group;
 - or for a significant part of whose business the Company or the Group accounts;

Whether or not the relationship with the company or group is material has to be debated by the Board and the criteria used as the basis for this assessment explained in the registration document;

- Not to be related by close family ties to a corporate officer;
- Not to have been a Statutory Auditor of the Company within the previous five years;
- Not to have been a member of the Supervisory Board for more than twelve years.

On the proposal of the Nomination and Remuneration Committee, the Supervisory Board should review on a case-by-case basis the status of each of its members vis-à-vis the aforementioned criteria.



The Supervisory Board may consider that, although a particular member meets all the criteria, he or she cannot be held to be independent owing for specific circumstances of the person or the Company, due to its ownership structure or for any reason. Conversely, the Supervisory Board may consider that a member who does not meet the criteria is nevertheless an independent member of the Board.

Independent members of the Supervisory Board should account at least for a third.

Article 7. Loyalty and good faith

No member of the Supervisory Board or person attending Board meetings shall act in any way that might go against the interest of the Company and shall act in good faith in all circumstances.

All members of the Supervisory Board undertake to comply with all the decisions adopted by the Board in line with currently applicable rules and regulations.

Article 8. Confidentiality

All members of the Supervisory Board or people attending Board meetings are bound by professional secrecy with respect to discussions and deliberations of the Board and its committees as well as any information they may receive in the course of their duties. All members of the Supervisory Board or people attending Board meetings are bound to non-disclosure of any such information outside the Supervisory Board.

All members of the Supervisory Board or people attending Board meetings undertake not to use for their personal gain or for the benefit of any other person or business entity, the insider information to which they have access. In particular, should they be in possession of information that has not been made public, they shall not disclose it, use it to buy or sell shares in the Company either themselves or through a third party.

Article 9. Diligence

By accepting the office of Member of the Supervisory Board, members undertake to devote the necessary time, care and attention to their duties, in compliance with legal provisions applicable to plurality of offices. Unless genuinely unable to do so, they must attend all meetings of the Supervisory Board and of any committees of which they are members.

A Supervisory Board member must not hold more than four other corporate offices in listed non-Group companies, including those outside France. He or she must keep the Board informed of the corporate offices held in other companies.

All Board members undertake to offer their resignation to the Board when they consider they are no longer fully able to carry out their duties.



Article 10. Information - Disclosure

To enable the Group Management Board to produce high-quality information for shareholders and for investors, each Supervisory Board member is obliged to provide the following information to the Board's Secretary:

- Whenever payment is made or becomes due or a liability arises vis-à-vis a company controlled by the Company or a company controlling the latter in respect of:
 - any remuneration, attendance fees or benefits of any kind, including in the form of the allotment of equity or debt securities, securities conferring rights to the capital or options, paid or due to be paid in respect of the previous financial year, where appropriate, drawing a distinction between the fixed, variable and exceptional components and the criteria used to calculate them or the circumstances in which they were established;
 - any benefit of any kind corresponding to remuneration, indemnities or benefits due or likely to fall due by virtue of the acceptance, cessation or change in duties or subsequent thereto, irrespective of whether or not these benefits derive from an employment agreement;
 - any supplemental pension plan;
- Any corporate office or duty held in any other company during the previous financial year, including participation in committees.
- During the previous five years:
 - any corporate office held outside the group controlled by the Company,
 - any conviction for fraud,
 - any offence and/or official sanction and in particular any ban on acting as a member of a listed company's executive or supervisory body.
- Any acquisition, sale, subscription and/or exchange transactions in financial instruments issued by the Company or related financial instruments, irrespective of whether carried out directly or via an intermediary.

Where appropriate, each Supervisory Board member undertakes to inform his or her spouse where not separated, partner under a PACS civil pact, dependent children, relatives by blood or by marriage residing at his home for at least one year and/or any legal entity that he runs, administers, manages or controls, that they are subject to the same obligation.

This reporting obligation applies both to permanent representatives of legal entities that are members of the Supervisory Board and to the latter.



This said, transactions do not require notification where their aggregate amount does not exceed the amount provided for in the regulations for the current financial year. This threshold is calculated by adding together all the transactions by a director and the transactions performed by related parties.

The relevant person shall communicate the information by the deadline laid down in the Autorité des Marchés Financiers' regulations and communicate this information immediately to the Board's secretary.

Article 11. Professionalism

All members of the Board contribute to the collegiate administration and efficiency of the work of the Board and any related committees. They will make any recommendations they consider might improve Board procedures, in particular when the periodical performance evaluation of the Board is made.

The Board members jointly ensure that audit missions are accomplished efficiently and without hindrance.

They have a duty to ensure that the positions adopted by the Board are taken for the proper reasons and recorded in the minutes of the meetings.

Article 12. Inside information - Share transactions

As a listed company, all members of the Supervisory Board undertake to comply with rules relating to insider trading set out by the French Financial and Monetary code, in particular, with the provisions of Articles L.465-1 *et seq.* and by the French Autorité des Marchés ("AMF") in particular, with the provisions of Articles 621-1 to 622-2 of the General Regulation of the AMF.

Pursuant to the General Regulation of the AMF (Article 621-1), inside information with regard to the Group is defined as:

Any information of a precise nature,

- which has not been made public at the time it is used, relating directly or indirectly to the Company's or the Group, or to the Company's shares or to the Company's financial instruments;
- And which, if it was made public, would have a material influence on the price of the Company's shares or financial instruments.

Information is only considered to have been made public when it is included in a press release made to press agencies or when it is published in a document registered with the market authorities (AMF), such as the registration document.



When privy to inside information, a Supervisory Board member must refrain from:

- using this information by buying or selling, or by attempting to buy or sell, for his or her own account or on behalf of a third party, either directly or indirectly, the financial instruments to which this information relates or the financial instruments to which these instruments are linked;
- communicating this information to any person outside the normal course of his or her work, job or duties, or for purposes other than those for which it was communicated;
- recommending a third party to buy or sell or to have another person buy or sell said financial instruments.

Should these abstention rules be breached, the AMF may award a fine to the offenders of up to €100,000,000 or, where gains have been recorded, ten times the amount thereof.

In addition, such actions may also constitute insider trading. The criminal penalties applicable in such circumstances are as follows:

- Use of inside information carries a penalty of two years' imprisonment and a fine of the higher amount of €1,500,000 and ten times the amount of any gains recorded, it being specified that the fine may be no lower than the gains recorded.
- Communication of inside information carries a penalty of one year's imprisonment and a fine of €150,000.

In accordance with the AMF Guide on the prevention of insider trading dated November 3, 2010, Board members must refrain from trading in the Company's shares (including by exercising stock options, selling shares, including shares linked to the exercise of options or bonus share allotments, and purchasing shares):

- a minimum of **30 calendar days** prior to publication of the annual, interim (and quarterly) financial statements,
- a minimum of **15 calendar days** prior to publication of each (annual, interim or quarterly) revenue report.

Trading is authorized only on the day after publication of the relevant information, provided that the relevant person is not privy to any inside information.

A timetable of these closed periods given the periodic reporting dates scheduled is available on line on the Company's intranet. It should be referred to prior to any trading.



Furthermore, Supervisory Board members wishing to trade in the Company's shares must check that the information to which they are privy is not inside information.

To this end, outside the aforementioned closed periods, pre-clearance of transactions in the Company's shares or financial instruments with Euler Hermes Group Compliance is required prior to any transaction.

Article 13. Obligations related to the holding of financial instruments issued by the Company

Each member of the Supervisory Board must be a shareholder in a personal capacity and hold a relatively significant amount of shares in respect of the attendance fees paid. As such, he or she should hold at least five shares of the Company.

He or she shall hold the shares of the Company in the registered form.

Article 14. Board members' civil responsibility

Article L.225-257 of the French Commercial Code provides that *"members of the Supervisory Board shall be liable for negligent or tortuous acts committed by them in a personal capacity in performance of their duties. They shall incur no liability for acts of management or the result thereof."* This absence of liability with regard to the management of the Company follows on from members' non-involvement in the management.

While members are not liable for the management of the Company, they may be declared civilly liable for the misdemeanors committed by the managers if they were aware of these and did not reveal them to the General Meeting. They shall be liable for personal faults committed in the performance of their mandate.

The Company has taken out "Directors and Company Officers liability" insurance.



INTERNAL REGULATIONS OF THE SUPERVISORY BOARD

The purpose of these regulations is to provide more detail on and to supplement the operating procedures laid down in the Articles of Association.

These regulations are part of the framework of industry recommendations laid down to establish the fundamental corporate governance principles of the AFEP-MEDEF code, to which the Company has decided to adhere.

Article 15. Board operating procedures

The Supervisory Board elects a Chairman and a Vice-Chairman, who must be individuals, from among its members. The Chairman, and in his absence the Vice-Chairman, is responsible for convening Board meetings and chairing its deliberations.

If the Supervisory Board considers it useful, it may, when so proposed by its Chairman, appoint non-voting members of the Board (censors), for a term that it chooses. These non-voting members may be individuals or legal entities and may but need not be shareholders. The Board determines their responsibilities and the conditions of their remuneration.

Article 16. Supervisory Board missions and powers

Pursuant to its legal prerogatives, the Supervisory Board:

- appoints members of the Group Management Board responsible for laying down the Company's strategy and chooses a Chairman from among them,
- sets the remuneration of Group Management Board members,
- continuously monitors the Group Management Board's management of the Company,
- pays attention to the quality of the information provided to shareholders and investors,
- makes the checks and controls it considers appropriate and can arrange to receive documents that it considers useful for the fulfillment of its duties,
- allocates the aggregate amount of the attendance fees approved by the Shareholders' Meeting between Board members,
- presents to the General Meeting of shareholders its observations on the Management Board's report and on the annual financial statements for the financial year,
- approves the report of the Chairman of the Board on corporate governance and internal control,
- authorizes regulated agreements prior to their conclusion,
- proposes the appointment of the Statutory Auditors at the Annual Shareholders' Meeting,

- may co-opt members of the Board as provided for in the regulations in force,
- may set up specialized Committees, appointing their members, determining their duties and how they operate,
- has the option of calling a Shareholders' Meeting,
- determines the number of bonus shares or shares arising from the exercise of options that Group Management Board members are obliged to hold throughout their terms of office in the event of options or bonus shares being allotted,
- authorizes the sale of buildings by category, the complete or partial sale of participations, the granting of sureties, guarantees, deposits or other forms of security by companies other than those operating banks or financial institutions as provided for in Article R.225-53 of the French Commercial Code.

The Supervisory Board can decide to create committees and it sets their composition and duties. Their activity is exercised under the Board's responsibility, without the said duties being a delegation of the powers attributed to the Supervisory Board by law or the Articles of Association, nor having the effect of reducing or limiting the powers of the Management Board.

In addition, according to Article 12 of the Company's Articles of Association the following decisions of the Management Board, aside from those laid down in law and restated above, are subject to prior authorization from the Supervisory Board:

- Direct transactions or equity holdings that might significantly affect the group's strategy and materially modify its financial structure or scope of activity;
- The issue of securities, of any kind, that may result in a change in the share capital of the Company;
- Transactions aimed at granting or contracting any borrowings or loans, credits or advances.

The Supervisory Board authorizes the Management Board to carry out the above transactions within the limits of an amount it shall set for each such transaction. Where a transaction exceeds the specified amount, the approval of the Supervisory Board is required in each case.

Article 17. Supervisory Board meetings

The Supervisory Board meets as often as required in the interest of the Company and at least once per quarter. Meetings are convened by the Chairman, or, failing this, by the Vice-Chairman. Meetings are convened by any means, even verbally. However, the Chairman of the Supervisory Board must convene a meeting of the Board on a date which may not be more than fifteen days after the date on which a member of the Management Board or at least one third of the members of the Supervisory Board submit a request to him or her for a meeting to be convened. If the request has not been followed up, the authors of the request may convene a meeting themselves indicating the agenda.



The dates of the annual meetings are laid down no later than, for the coming financial year, during the last meeting preceding the close of the financial year.

Meetings should be sufficiently long to permit a review and in-depth discussion of the subjects within the remit of the Board.

Any member of the Supervisory Board may appoint another member to represent him or her. Each member may only hold one proxy.

Decisions are taken under the conditions with respect to quorum and majority provided for by law. In the event of a tie, the Chairman of the meeting shall have the casting vote.

Meetings are held in any place stated in the notice of the meeting, but preferably at the registered office.

Article 18. Notice of meeting and right to information

Meetings may be convened by any means. That said, except in special circumstances, notices of meetings should be sent out at least seven days prior to each meeting.

They should stipulate, where appropriate, whether participation is possible via video-conference or telephone link and, if so, the arrangements for these.

Wherever possible, all documents liable to inform them about the agenda and any matters subject to review by the Board are to be enclosed with the notice of meeting sent or handed to Supervisory Board members.

In addition, the Supervisory Board is kept informed at its meetings of the Company's financial position, cash position and commitments on a regular basis.

The draft minutes for each Board meeting are sent or handed to all Supervisory Board members no later than at the same time as the notice of the following meeting.

Article 19. Attending Supervisory Board meetings via telecommunication facilities

When calculating the quorum and majority in respect of Supervisory Board members attending meetings, those members attending a Supervisory Board meeting via video-conference, telephone link or any other means of communication provided for by law shall be taken into account subject to the following restriction:

- Members attending a Supervisory Board meeting via video-conference, telephone link or any other means of communication provided for by law may not take part in voting on resolutions concerning the verification and control of the Company and consolidated financial statements.



Attending a Supervisory Board meeting via video-conference, telephone link or any other means of communication provided for by law must remain an exceptional practice requiring specific dispensation.

Subject to the abovementioned restrictions, Board members may attend Board meetings via video-conference, telephone link or any other means of communication provided for by law on the understanding that the abovementioned restrictions shall not prevent Board members excluded from quorum and majority calculations from taking part in the meeting and giving their opinion on a consultative basis.

The means used must carry participants' voices and meet the technical criteria for allowing the continuous and simultaneous transmission of deliberations.

Supervisory Board meetings should include the names of the people attending via telecommunication facilities and the type of facility used. They should also note the occurrence of any incident relating to the use of such facilities.

Article 20. Assessment

Once a year, the Supervisory Board shall add to its agenda a debate on its composition, organization and *modus operandi*. It shall also conduct a formal assessment at least once every three years.

In addition, the assessment aims to ensure that appropriate preparations are made and discussion time allotted to major issues and to measure the contribution made by each member to the Board's work taking into account their skills and participation in deliberations.

At the same time as each annual assessment, the Board also conducts an assessment of the Audit and Risk Committee. Accordingly, it assesses the duties actually performed by the Committee in relation to the objectives assigned to it and formulates areas for improvement in the Committee's *modus operandi*.

Article 21. Special committees

The Supervisory Board may resolve to form internal standing and/or temporary committees to facilitate the smooth operation of Supervisory Board business and to enhance its decision-making process.

On the proposal of its Chairman and having consulted its members, the Board shall appoint the members of these committees as well as their chairmen, depending on the abilities, experience and availability of the Board members concerned.

The role of these committees is to study the subjects and projects that the Board or the Board's Chairman submits to them for examination, to carry out preparatory work and



draw up the resolutions for the Board on these subjects and projects, and to report to the Board on their findings via reports, proposals, opinions, memoranda and recommendations.

These committees shall carry out their duties under the Board's responsibility. They may not, on their own initiative, deal with any questions that fall outside the strict scope of their duties. They have no decision-making power.

More generally, each time that a subject concerns more than one committee, the committees concerned shall work together on that subject.

The following committees have been formed as of the date of this document:

- The Nomination and Remuneration Committee;
- The Audit and Risk Committee.

The regulations governing these committees, which have been drawn up by the Supervisory Board, appear in the appendices below.

If necessary, the Board may appoint a special committee to advise it on proposals made by the Management Board.

The role of the abovementioned committees is strictly consultative. The Supervisory Board alone shall decide on the action that it takes having received the recommendations, studies, findings and reports issued by these committees. Each Supervisory Board member remains free to vote as he or she sees fit, need not be influenced by such studies, findings or reports and shall be in no way bound by any recommendations issued by these committees.

Article 22. Attendance fees

On the proposal of the Nomination and Remuneration Committee, the Board shall distribute the amount of the annual attendance fees allotted by the annual Ordinary General Meeting as follows:

- Each Board member receives a fixed amount, it being specified that this is higher for the Chairman and members of the Audit and Risk Committee and of the Nomination and Remuneration Committee.
- Deductions are applied to the fixed amount allotted to each of the Board members in respect of any absences from Board meetings and, where appropriate, from meetings of the Audit and Risk Committee and of the Nomination and Remuneration Committee, it being specified that the variable portion linked to actual attendance by Board members and, where appropriate, Committee members, must be the largest.



Article 23. Effective date

This document and the rules therein became applicable when adopted by a majority vote of Board members.

Any change or addition is subject to a vote by the Board under the same conditions and comes into force the same day.

Before accepting his or her appointment, each member must familiarize himself or herself with the laws and regulations relating to his or her office, the Company's Articles of Association and this Charter and Internal Rules and Regulations.

Article 24. Appendices

The following appendices are an integral part of the Supervisory Board's Internal Regulations, as detailed above:

Appendix 1: Internal Regulations of the Nomination and Remuneration Committee

Appendix 2: Internal Regulations of the Audit and Risk Committee



ANNEXE 1

EULER HERMES SA NOMINATION AND REMUNERATION COMMITTEE CHARTER

(adopted by virtue of a decision by the Supervisory Board on November 5, 2013)

This Charter sets forth the scope, authority and responsibilities of the Nomination and Remuneration Committee (hereinafter the '**Committee**') of Euler Hermes (hereinafter the '**Company**') and describes its mode of operation, as a complement to the provisions laid down in the Company's Articles of Association, the decisions of the Supervisory Board (hereinafter the '**Board**') and its internal rules in the framework of the AFEP-MEDEF recommendations.

The Committee is an advisory body of the Board.

Committee members must be diligent and, unless unavoidably prevented, attend all Committee meetings so as not to delay the Board's work and hamper its deliberations.

I. Scope, authority and responsibilities

Article 1. Purpose

The Committee's role is to provide information, training and supervision.

It reviews the functioning of the Supervisory Board and its Committees and makes proposals to improve governance. It oversees the review of the committees responsible for preparing the Board's work. It supervises the Board's assessment methods.

The Committee reflects on the composition of the Company's governing bodies. It draws up succession plans for corporate officers and Supervisory Board members so as to be able to propose replacements to the Supervisory Board when a seat falls vacant.

The Committee makes proposals to the Board on all aspects of managers' remuneration, in particular with regard to recommendations relating to the putting in place of long-term incentive plans, providing for allocation of RSUs for example, and relating to the budget for directors' attendance fees and how it is distributed.

Article 2. Specific duties



As part of its purpose, the Committee has the following specific responsibilities:

a) In the area of appointments, the Committee:

- It gives its opinion on plans to appoint corporate officers (in particular the Chairman of the Group Management Board and the Chairman of the Supervisory Board) and of Supervisory Board members and the members and Chairman of each of the Board's committees with the exception of its own Chairman. It presents grounded proposals on its choice of candidates to the Board;
- with regard to selecting new members of the Supervisory Board, it is responsible for making proposals to the Supervisory Board after having fully examined all the factors that must be taken into account: desired balance of the Supervisory Board's composition in the light of the Company's share ownership structure, search and assessment of potential candidates, number of independent members required, each candidate's integrity, skill, experience and independence, and the suitability of renewing mandates. In particular it must organize a procedure for selecting the Supervisory Board's future independent members and perform its own assessment of the potential candidates before approaching them in any way;
- It is informed of draft regulated agreements and, if appropriate, gives its opinion to the Board;
- draws up succession plans for corporate officers;
- It reviews the independence of Supervisory Board members and of candidates for a position as member of the Board or of a Committee.
- assesses each Supervisory Board member's independence based on the AFEP-MEDEF criteria;
- ensures that corporate officers do not hold an unlawful combination of offices.

b) In the area of remuneration, the Committee:

- informs itself of the Group's human resources policy on an annual basis;
- Examines and makes proposals relating to the various components of corporate officers' remuneration, with regard to both the short-term fixed and variable portions, the allocation of incentive bonuses in the medium term, allotments of stock subscription and purchase options or of bonus shares, and all the provisions relating to retirement benefits and any other kind of benefit;
- ensures the consistency of these rules with the annual assessment of the corporate officer's performance and with the Company's medium-term strategy, and verifies that these rules are applied properly;
- advises the Board on the general RSU allocation policy proposed by the Group Management Board with regard to the applicable rules and recommendations;
- makes recommendations to the Supervisory Board relating to the overall amount of Supervisory Board directors' attendance fees to be proposed to the general meeting of shareholders. It proposes the distribution rules for these attendance fees and the individual amounts of the payments to be made to each Supervisory Board member;



- examines the Group Management Board's policy and projects with regard to rights issues reserved to employees;
- helps the Board draft the parts of the annual report that fall within its scope;
- reviews the information provided to shareholders in the annual report relating to corporate officers' remuneration and to the principles and methods applied for determining managers' remuneration, and for the allocation and exercise of share purchase or subscription options.

More generally, it advises on any subject, within the scope of its purpose, that is referred to it or that it considers useful.

II. Composition

Article 3. Members' status

The Committee must be composed of at least three Supervisory Board members or their permanent representatives. A majority of the Committee members must be independent Supervisory Board members appointed by the Board.

The Committee members are appointed by the Supervisory Board for a term equivalent to that of their terms of office as a member of the Supervisory Board.

The Group Management Board may be invited to attend Committee meetings, except for those dealing with corporate officers' remuneration.

On presentation of supporting documentation, Committee members are entitled to reimbursement of expenses incurred to fulfill their functions in accordance with the Company's expenses reimbursement policy and procedures.

The Supervisory Board may at any time remove one or more Committee members from office, without this giving rise to any compensation whatsoever.

Article 4. Chairman's status

The Supervisory Board, by majority of those attending, elects the Committee's Chairman.

The Committee is chaired by an independent member of the Supervisory Board.

The Board may change the Chairman at any time without any compensation.

III. Mode of operation



Article 5. Frequency and calling of meetings

The Committee meets as often as it considers necessary and at least four times a year, according to a predetermined schedule, convened by its Chairman or by the Chairman of the Supervisory Board.

A Committee member may request the Chairman to call a meeting. Meetings may also be convened at the request of the Chairman of the Supervisory Board or of the Group Management Board, but purely in an advisory capacity.

Any director may also refer a matter to the Committee, on a personal basis with regard to any issue relating to professional ethics or to the remuneration he receives and the benefits paid or received.

The Committee may also invite the Company's directors and managers and those of its subsidiaries, the statutory auditors and more generally any person useful to its purpose.

The Committee may obtain any internal document and information it requires to function properly by requesting it from the Board secretary or the Chief Executive Officer.

It may also request the assistance of an independent expert of its choice, at the Company's expense.

Meetings may be convened by any means and, except in emergency situations, at least seven days before the date of the meeting.

The documents required by the Committee to enable its members to form an opinion shall be sent to them, except in emergency situations, at least three days before the meeting.

Article 6. Organization of meetings

The Committee Chairman draws up the agenda for meetings and forwards it to the Supervisory Board Chairman for information. If the Committee is meeting at the request of the Supervisory Board Chairman, the latter will draw up the agenda.

The Committee collectively examines the business on the agenda and usually meets at the Company's registered office.

Committee meetings are valid only if attended by at least half the members. If the Chairman is absent, the meeting shall be chaired by the oldest independent member of the Supervisory Board member of the Committee.

Committee members may not be represented by another person. They must attend Committee meetings in person.



Article 7. Minutes

The Committee's secretariat functions are managed by/are the responsibility of Committee Chairman assisted by any person he chooses, or, if absent, of any person(s) appointed by the Board Secretary.

Minutes are drawn up after each Committee meeting and signed by the Committee Chairman and by another Committee member at the following meeting.

The items dealt with are reported individually and the minutes indicate whether the Committee was unanimous or not. If the Committee's opinion was not unanimous, the minutes report the different proposals. In the event of a tied vote, the Chairman has the casting vote.

The minutes are kept at the Company's registered office by the Board's secretary.

The Committee reports on its work to the next Supervisory Board meeting in the form of a presentation by the Committee Chairman, who based on the minutes, explains the Committee's deliberations, conclusions, and its recommendations and opinions, if any.

These conclusions may also result from a written consultation or from a document signed by all the Committee members.

Article 8. Assessment

The Committee shall perform a self-assessment once a year and review the adequacy of its composition, its organization and the performance of the tasks entrusted to it. It may to this end call on the services of an external expert once every three years. These assessments must be documented and communicated to the Board. The Committee must in particular compare the work carried out with the specific missions entrusted to it by the Board and described above.

The Chairman shall obtain an annual assessment by the Board of the Committee's performance of its tasks.

Article 9. Confidentiality

All Committee members and any outside person invited to attend a Committee meeting shall be bound by professional secrecy towards any person who is not a director with respect to all information communicated to the Committee or to which they had access in the course of their duties.



The Committee and its members shall be bound by professional secrecy with regard to the information they possess, which may only be used and disclosed for the purpose of communicating to the Board and to any of the Supervisory Board's other committees.



ANNEXE 2

EULER HERMES SA AUDIT AND RISK COMMITTEE CHARTER

(adopted by virtue of a decision by the Supervisory Board on November 5, 2013)

The Audit and Risk Committee's mode of operation and mission are in conformity with the Order of December 8, 2008 (transposing Directive 2006/43/EC of May 17, 2006 into French law), the AFEP-MEDEF Corporate Governance Code of Listed Companies, the work carried out by IFA and IFACI, and the June 14, 2010 report on Audit Committees. It draws more particularly on EPRA's work.

This Charter sets forth the scope, authority and responsibilities of the Audit and Risk Committee (hereinafter the '**Committee**') of Euler Hermes (hereinafter the '**Company**') and describes its mode of operation, as a complement to the provisions laid down in the Company's Articles of Association, the decisions of the Supervisory Board (hereinafter the '**Board**') and its internal rules.

The Committee is an advisory body of the Board.

I. Scope, authority and responsibilities

Article 1. Purpose

The Committee advises and issues recommendations to the Supervisory Board on:

- the preparation of the financial statements;
- the appointment of the Statutory Auditors, the independence of the Statutory Auditors and the performance of their statutory audit of the company financial statements and the consolidated financial statements;
- the appointment of independent valuers and the performance of their duties;
- financial reporting processes;
- financial policy;
- the internal audit department's mode of operation and duties; and
- the organization and effectiveness of internal control and risk management systems.

The Committee must present at least one report on each of these subjects to the Board each year.



Article 2. Specific duties

As part of its purpose, the Committee has the following specific responsibilities:

a) With regard to the company and consolidated financial statements, the Committee:

1. Reviews the draft quarterly, interim, annual and forecast company and consolidated financial statements (hereinafter the '**Financial Statements**'), monitors the preparation process, monitors the relevance and consistency of the accounting methods used, their proper application and their compliance with the applicable accounting standards. It also assesses the appropriateness of the methods chosen to account for significant transactions;
2. Analyses the financial statements in direct liaison with the Company's finance department and with the statutory auditors, and reports to the Supervisory Board on this matter. At the Chairman's request, the Committee may discuss matters with the finance department and/or the independent auditors at the end of the meeting outside the presence of the Group Management Board;
3. Reviews the draft interim and annual reports, and the activity reports and earnings reports prior to their publication as well as all the financial statements drawn up for the requirements of specific transactions (asset transfers, mergers, market transactions, interim dividend payments, etc.);
4. Examines the accounting and financial treatment of acquisition and disposal transactions, and of any material transactions that could give rise to conflict of interests;
5. Reviews the consolidation scope and, if appropriate, the reason why companies are not included in the consolidation scope;
6. Verifies that a procedure exists for listing disputes and off-balance sheet commitments.

b) With regard to the statutory auditors, the Committee:

7. Oversees the appointment of the statutory auditors and the renewal of their office at term, in particular making sure that the selection is based on quality rather than price;
8. Verifies each year:
 - the amount of the fees paid to the statutory auditors' firm by companies controlled by the Company, or by the entity that controls it, in respect of tasks not directly related to the statutory auditors' duties, and



- obtains a report on the services performed in respect of duties directly related to the statutory auditors' mission;
 - 9. Ensures that the amount of the fees paid by the Company or by its group, or the portion these represent of the audit firm's total turnover, are not such as to compromise the statutory auditors' independence;
 - 10. Examines with the statutory auditors any risks to their independence and the measures taken to safeguard against such risks;
 - 11. Issues an opinion on work that is secondary to, or that directly complements the audit of the accounts, such as acquisition audits (excluding valuation and advisory work), which could be entrusted to the Company's statutory auditors.
- c) With regard to valuation experts, the Committee:
- 12. Oversees the appointment and renewal of independent experts responsible for valuing assets;
 - 13. Ensures that the rules applicable to the Statutory Auditors (see paragraphs 7 to 11 above) are also applied in the case of independent experts;
 - 14. Verifies that the valuation methods used are homogeneous, appropriate and consistent.
- d) With regard to financial reporting, the Committee:
- 15. Monitors the preparation of financial information;
 - 16. Is kept informed by the Group Management Board as to the Company's financial situation and the methods used to define the financial policy;
 - 17. Examines any investment/divestment, financing and cash management plans, and their execution;
 - 18. Monitors compliance with the annual budget as well as the implementation of major decisions relating to assets (such as major works, investments and disposals);
 - 19. Verifies the clarity and accuracy of the information provided to the shareholders and the markets;
 - 20. Examines the Company's financial disclosure policy and the financial press releases before they are sent to the Supervisory Board and released to the market.
- e) With regard to the financial policy, the Committee:



21. Is kept informed by the Group Management Board as to the Company's financial situation and its financial policy;
 22. Examines the Company's debt situation (including its structure – floating rate/fixed rate – and hedging policy): it reviews financing and cash management plans and their execution;
 23. Issues an opinion on significant decisions relating to the allocation of financial resources, at the Group Management Board's request;
 24. Examines the Company's policy in terms of appropriation of income and dividend payouts and makes recommendations to the Board;
 25. Reviews the progress of the work carried out in the context of Solvency II.
- f) With regard to internal audit, the Committee:
26. Reviews the functioning and effectiveness of internal control systems, makes observations and monitors the follow-up measures implemented;
 27. Receives reports by the head of internal audit, and gives its opinion on the organization of the internal audit department, and monitors performance of the audit work schedule;
 28. Receives all the internal audit reports;
 29. Ensures that the internal audit department has the necessary resources for carrying out the audit plan;
 30. Asks the Group Management Board, if appropriate, for internal audit to perform specific missions, in particular those related to corporate governance.
- g) With regard to risk management and internal control, the Committee:
31. Oversees the organization of resources and skills put in place to identify the main risks to which the Company is exposed. *As an indication, these risks may be of a financial nature;*
 32. Verifies the adequacy of risk monitoring procedures in the light of the challenges facing the Company in its different business lines (*including the mapping of 'non-systemic' risks*) and in particular the separation of executive and control functions;
 33. Monitors the functioning of the rules and procedures designed to ensure compliance with the law and the regulations, compliance with the code of professional ethics, compliance with signature rules and the rules for delegation of powers;
 34. Reviews the decision-making procedure for Company commitments (*such as*



investments or any other significant contractual agreement), including the financial models used and the drawing up of business plans by asset;

35. Examines the Company's procedures for hedging risks involving its assets (reconstruction), its operations (operating losses, loss of rental income, worksite risks), and covering its civil liability through appropriate insurance policies. Reviews the criminal risk delegation procedure implemented;
36. Reviews the Company's crisis management plans and examines their relevance with regard to the main risks incurred.

II. Composition

Article 3. Members' status

The Committee must be composed of at least three Supervisory Board members with no management functions within the Company. At least two thirds of Committee members must be independent Supervisory Board members.

At least one of the members shall possess special expertise in financial and accounting matters and qualify as independent with respect to the criteria for independence laid down and made public by the Board.

The financial and accounting expertise required is assessed based on professional experience, academic training and/or knowledge of the Company's specific business activities.

A Committee member's term is the same as that of his or her term of office as a Supervisory Board member.

On appointment, Committee members may receive, if the Committee considers it necessary or if they so request, training in the Company's specific accounting, financial and operational practices. In addition, documentation is available to them from the Group Management Board and from the internal auditors.

On presentation of supporting documentation, Committee members are entitled to reimbursement of expenses incurred to fulfill their functions in accordance with the Company's expenses reimbursement policy and procedures.

The Board may at any time remove one or more Committee members from office, without this giving rise to any compensation whatsoever.

Article 4. Chairman's status

The Board appoints, by majority of those present, the Committee's Chairman from among the independent members.



The Board may change the Chairman at any time without any compensation.

Article 5. Relations with the Group Management Board and the Company's employees and with the Supervisory Board's other committees

• **Relations with the Group Management Board and the Company's employees**

The Committee performs its duties in direct liaison with the Group Management Board, the finance department, internal audit, the statutory auditors and more generally any other person it may be required to meet with in the performance of its duties. It reports regularly to the Board.

The Group Management Board member in charge of finance presents the annual and interim financial statements to the Audit and Risk Committee.

At the presentation to the Supervisory Board by the Group Management Board member in charge of finance, the Chairman of the Audit and Risk Committee presents any observations by the latter.

Committee meetings shall be attended regularly by the finance director. The Group Management Board may request to be heard at these meetings.

At the Chairman's request, the Committee may meet with members of the finance department and/or the statutory auditors and/or the internal audit and/or other people outside the presence of the Group Management Board.

With regard to internal auditing and risk control, the Committee shall review the significant risks and off-balance sheet commitments, receive reports by the head of internal audit, give its opinion on the organization of its department and is informed of its work schedule. It shall be sent internal audit reports or a regular summary of these reports.

III. Mode of operation

Article 6. Frequency and calling of meetings

The Committee meets as often as it considers necessary and at least four times a year, according to a predetermined schedule, convened by its Chairman or by the Chairman of the Supervisory Board, which may delegate the formalities for calling meetings to the Group's head of internal audit.

It shall in particular meet at least one day before any Board meeting whose business includes review or approval of the financial statements, the financial management report,



presentation of budgets for the coming year, or the review of risks and internal control procedures.

The Committee's review of the financial statements is accompanied by a presentation by the statutory auditors highlighting the key points not only of the results but also of the accounting choices made, and a presentation by the finance department of the Company's risk exposure and significant off-balance sheet commitments.

Additional time may be scheduled for holding a closed meeting.

The Group Management Board may request the Chairman to organize a meeting.

The statutory auditors and/or the internal audit may also ask the Chairman to call a meeting if they consider it necessary.

Meetings may be convened by any means and, except in emergency situations, at least seven days before the date of the meeting.

Generally speaking, the Committee shall, within a reasonable period of time prior to its meetings, be sent pertinent documents and analytical material covering all the points likely to have a material impact on the financial statements and related financial position.

The Committee may obtain any internal document and information it requires to function properly by requesting it from the Board secretary, the head of internal audit or the Chief Executive Officer.

It may also request the assistance of an independent expert of its choice, at the Company's expense using the budget allocated to it each year by the Supervisory Board. It may in particular obtain any details it considers useful from the statutory auditors.

The documents required by the Committee to enable its members to form an opinion shall be sent to them, except in emergency situations, at least five days before the meeting.

Article 7. Organization of meetings

The Committee Chairman draws up the agenda for the meeting and forwards it to the Supervisory Board Chairman for information. If the Committee is meeting at the request of the Supervisory Board Chairman, the latter will draw up the agenda.

The Committee collectively examines the business on the agenda and usually meets at the Company's registered office.

Committee meetings are valid only if attended by all the members.

Committee members may not be represented by another person. They must attend Committee meetings in person.



Article 8. Minutes of work performed

The Committee's secretarial functions are the responsibility of the Committee Chairman, assisted by any person he chooses, or, if absent, of any person(s) appointed by the Board Chairman.

Minutes are drawn up after each Committee meeting and signed by its Chairman and by another Committee member at the following meeting.

The items dealt with are reported individually and the minutes indicate whether the Committee was unanimous or not. If the Committee's opinion was not unanimous, the minutes report the different proposals. In the event of a tied vote, the Chairman has the casting vote.

The minutes are kept at the Company's registered office by the Board's secretary.

The Committee reports on its work to the next Supervisory Board meeting in the form of a presentation by the Committee Chairman, who based on the minutes, explains the Committee's deliberations, conclusions, recommendations and opinions, if any.

These conclusions may also result from a written consultation or from a document signed by all the Committee members.

Article 9. Assessment

The Committee shall perform a self-assessment once a year and review the adequacy of its composition, its organization and the performance of the tasks entrusted to it. It may to this end call on the services of an external expert once every three years. These assessments must be documented and communicated to the Board. The Committee must in particular compare the work carried out with the specific missions entrusted to it by the Supervisory Board and described above.

The Chairman shall obtain an annual assessment by the Supervisory Board of the Committee's performance of its tasks.

Article 10. Confidentiality

All Committee members and any outside person invited to attend a Committee meeting shall be bound by professional secrecy towards any person who is not a director with respect to all information communicated to the Committee or received in the course of their duties.



The Committee and its members shall be bound by professional secrecy with regard to the information they possess, which may only be used and disclosed for the purpose of communicating to the Board and to any of the Supervisory Board's other committees.