

## **INTERNAL RULES OF THE MANAGEMENT BOARD**

**Version of February 1<sup>st</sup> 2010**



**The purpose of these rules is to specify and complete the operational procedures and conditions stipulated by the articles of association in respect for the principle of collegiality of the Management Board, and to facilitate the mission of the Supervisory Board.**



### ***Article 1 – Number of members***

Pursuant to the articles of association, there may be no more than six members of the Management Board.

### ***Article 2 – Powers and distribution***

The members of the Management Board work to lead and monitor the group. All powers of the Management Board are exercised collegially. However, pursuant to Article 17 of the articles of association, the members of the Management Board divide the supervision of the business of the Euler Hermes Group and the Group functions:

The Chairman (CEO) Wilfried VERSTRAETE represents the company with third parties. He directs and coordinates the activities of all group companies and supervises relations with shareholders and the activities of the other members of the Management Board.

He is also the shareholder representative with Euler Hermes Kreditversicherung AG (Germany), Euler Hermes SFAC (France), Euler Hermes ACI (USA).

At the group-level, he also supervises the following areas: "Communications", "Human Resources" and "Internal Audit."

Gerd-Uwe BADEN is the member of the Management Board responsible for "Risk, Information & Claims".

Nicolas HEIN is the Chief Financial Officer and as member of the Management Board responsible for "Finance, Controlling, Legal & Tax, Asset Management and Reinsurance".

Michel MOLLARD is the member of the Management Board responsible for "Market Management, Commercial Underwriting and Distribution"

Dirk OEVERMANN is the Chief Operating Officer and as member of the Management Board responsible for "Operations & Administration, IT and Collection".

### ***Article 3 – Powers of the Chairman***

The Management Board is chaired by a Chairman appointed by the Supervisory Board.

The Chairman performs, temporarily, the specific responsibilities of a member of the Management Board who is absent or unable to do so, including supervision of the departments that report to the member of the Management Board in question.

### ***Article 4 – Decisions submitted to the Supervisory Board for prior authorisation***

Pursuant to Article 12 of the articles of association, the following decisions of the Management Board, when they exceed the amount set per operation, must be submitted to the Supervisory Board for prior authorisation:

- the sale of properties by type and the total or partial sale of equity interests and the creation of securities on corporate assets when the operation exceeds the amount of THIRTY MILLION (30,000,000) Euros;
- Operations to grant or contract all loans, credits or advances, when these exceed the amount of SEVENTY-FIVE MILLION (75,000,000) Euros;
- the issuance of sureties, securities, endorsements or pledges when they exceed the amount of THIRTY MILLION (30,000,000) Euros;
- direct operations or operations to acquire an interest which could materially affect the group's strategy and substantially modify its financial structure or business consolidation, when these operations exceed the amount of FIVE MILLION (5,000,000) Euros;

- issues of any securities whatsoever that could change the shareholders' equity, in any amount.

### ***Article 5 – Related-party Agreements***

In accordance with Article 13 of the bylaws, agreements entered into directly or through an agent between the Company and one of the members of the Supervisory Board or the Management Board, a shareholder who owns more than 5% of the voting rights or, in the case of a shareholder company, the company that controls it as defined by Article L 233-3 of the Commercial Code, must be submitted for the prior approval of the Supervisory Board.

This is also required for agreements in which one of the aforementioned persons has an indirect interest.

Agreements between the Company and an enterprise are also subject to prior approval if one of the members of the Management Board or the Supervisory Board is the owner, a full-liability partner, a manager, director, member of the supervisory board or, in general, an executive of the enterprise.

Agreements for current operations entered into under normal arm's length conditions shall be communicated by the interested party to the Chairman of the Supervisory Board. The list and purpose of such agreements shall be communicated by the Chairman to the members of the Supervisory Board and to the Auditors.

### ***Article 6 – Meetings of the Management Board – Agenda***

The Management Board shall meet as often as required by the interests of the company and shall be called by the Chairman or, if he cannot do so, by at least two members of the Board.

The location of the meeting shall be set and the meeting called in accordance with the provisions of Article 18 of the articles of association.

The members of the Management Board shall transmit to the Secretary of the Board, no later than two days before the date of the meeting, the items to be placed on the agenda and, as applicable, the name of the executive or executives whom they want to ask to participate in their work.

Agenda items relating to information to be provided to the members of the Management Board may be placed on the agenda without explanatory document. On the other hand, items relating to decisions to be made must include a memorandum from the member of the Management Board concerned.

The agenda and the expansion of the meeting to include other participants must be approved by the Chairman. If a member of the Management Board is absent, no subject directly concerning that member may be placed on the agenda.

To conduct valid deliberations, a quorum of at least half the current members must be present.

Decisions shall be made by a majority vote of the members present or represented.

In the event of a tie vote, the Chairman shall cast the deciding vote.

### ***Article 7 – Minutes of the Meetings***

The deliberations of the Management Board shall be recorded in minutes in a special register and shall be signed by the Chairman of the meeting and at least one member of the Management Board.

The minutes shall be approved at the next meeting, then transmitted for information purposes to the Chairman of the Supervisory Board.

Each member of the Management Board shall determine whether or not all or part of the minutes should be distributed to his immediate colleagues. Pursuant to Article 149 of the Law of 24 July 1966, persons informed of the contents of these minutes shall be bound by an obligation of discretion.

Copies or excerpts of the minutes shall be certified by the Chairman of the Management Board or any Board members.

Pursuant to Article 18 of the bylaws, the minutes must mention the deliberations and decisions of the Management Board, particularly those related to:

- the approval of the quarterly report of the Management Board to the Supervisory Board;
- the notice of meeting for an ordinary or extraordinary shareholders' meeting and the agenda for the meeting;
- the approval for closing the annual financial statements;
- the decision to submit an operation or an agreement to the Supervisory Board for prior authorisation pursuant to Articles 12 and 13 of the articles of association;
- the approval of the half-year report from the Management Board to the Supervisory Board;
- the internal rules of the Management Board.

## ***Article 8 – Committees***

Pursuant to Article 17 of the articles of association, the Management Board may decide to create committees and shall determine the members and responsibilities of such committees. The committees shall perform their activities under its responsibility; however, the Management Board may not delegate to the committees the powers attributed to the Board.

## ***Article 9 – Mutual Information***

The members of the Management Board have a duty to mutually inform each other about:

- the most important decisions made by the Board, or decisions made in the area of activity for which they are responsible within the group, particularly actions intended to develop or adapt the business of the Group;
- events, the scope of which, even if it lies within the scope of their responsibilities, involves several entities, particularly changes in procedures or operating methods which, without requiring formal approval from the members of the Management Board, could have repercussions in the other companies of the Group.

More generally, all actions related to the implementation of the Group's general strategy shall be referred to the Management Board in accordance with the procedure defined in these rules.

## ***Article 10 - Calendar***

At the end of each year, the secretary shall establish the calendar of meetings for the following year. It is the responsibility of the Secretary to be informed of the possible absence of a member of the Management Board from the meetings.

## ***Article 11 - Adoption of the Rules***

After an opinion from the Supervisory Board, these rules were adopted by the Management Board in its meeting of 28 November 1996, then updated at the meetings of 25 November 1997, 26 May 1998, 3 March 1999, 27 February 2001, 19 February 2002, 26 November 2002, 25 May 2004 and 30 August 2006.

## ***Article 12 – Amendments to the Rules***

At the initiative of the Chairman of the Supervisory Board, these rules may be amended or completed by a decision of the Supervisory Board in the presence, if necessary, of the members of the Management Board in an advisory capacity.