

## **EULER HERMES**

*Public limited company (société anonyme) with a Group Management Board and Supervisory Board  
and share capital of €14,384,357.76*

*Registered office: 1,3,5 rue Euler, Paris – Paris Trade and Companies Registry: B 552 040 594*

### **ORDINARY AND EXTRAORDINARY GENERAL MEETING of 9 May 2007**

#### **Draft resolutions**

##### *Ordinary resolutions*

##### **First resolution**

*Approval of the company financial statements for the year ended 31 December 2006*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, and after taking cognisance of the Group Management Board's management report, the Supervisory Board's observations and the independent auditors' general report, the General Meeting approves the financial statements for the year ended 31 December 2006, including the balance sheet, the income statement and the notes appended thereto, as presented to it, together with the transactions recorded in the financial statements and summarised in the reports. It records that the net income for the financial year is €214,151 thousand.

##### **Second resolution**

*Approval of the consolidated financial statements for the year ended 31 December 2006*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, and after taking cognisance of the Group Management Board's management report, the Supervisory Board's observations and the independent auditors' report on the consolidated financial statements for the year ended 31 December 2006, the General Meeting approves the consolidated financial statements presented to it, which show net income of €326,054 thousand, together with the transactions recorded in the financial statements and summarised in the reports.

##### **Third resolution**

*No non-deductible charges*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, and after taking cognisance of the Group Management Board's report and the Supervisory Board's observations, as required by Article 223 quater of the General Tax Code (Code Général des Impôts), the General Meeting records that no non-deductible expenses or charges were incurred over the past financial year.

#### **Fourth resolution**

*Release for the members of the Group Management Board and discharge for the members of the Supervisory Board and the independent auditors*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, the General Meeting releases each of the members of the Group Management Board as regards the performance of their duties over the past financial year, and also discharges each of the members of the Supervisory Board and each of the independent auditors as regards the performance of their duties.

#### **Fifth resolution**

*Allocation of income for the financial year ended 31 December 2006 and distribution of dividend*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, after taking cognisance of the Group Management Board's report and the independent auditors' general report, and after listening to the Supervisory Board's observations, the General Meeting records that the following amount is available for distribution:

(€'000)		
- retained earnings	.....	88,254.2
- net income for the financial year	.....	214,151.3
		<hr/>
i.e.	.....	302,405.5

and resolves to allocate the distributable income as follows:

- legal reserve	.....	3.9
- proposed dividend: €4.00 per share	.....	179,804.5
- retained earnings	.....	122,597.1
		<hr/>
i.e.	.....	302,405.5

Accordingly, the General Meeting resolves to distribute a net dividend of €4.00 per share for the past financial year. The total number of shares is 44,951,118 on the date of this General Meeting. The dividend will be paid in cash on 11 May 2007.

Dividend tax credits were abolished by the 2004 Finance Act and, in accordance with Article 243 bis of the General Tax Code, the dividend distributed pursuant to this resolution, i.e. €179,804.5 thousand, is eligible for the 40% tax reduction provided in Article 158.3-2 of the General Tax Code, for the part distributed to individuals. In accordance with Article 243 ter of the General Tax Code, shareholders are reminded that the company has not made any distribution that is not eligible for the deduction pursuant to the aforementioned Article 158.3-2 since the deduction came into effect.

In the event the company holds treasury shares at the time the dividend is paid, the distributable income corresponding to the unpaid dividend on such treasury shares shall be allocated to retained earnings.

As required by law, shareholders are reminded that the following dividends were distributed over the past five financial years:

	2006 (1)	2005 (2)	2004 (2)	2003 (2)	2002 (2)
Total amount (in €'000)	179,805	156,906	107,764	75,624	32,232
Amount per share before tax credit (3)	€4.00	€3.50	€2.50	€1.82	€0.80
Tax credit (4)	-	-	-	€0.91	€0.40
Amount per share after tax credit	€4.00	€3.50	€2.50	€2.73	€1.20

- (1) *Dividend proposed to the General Meeting*
- (2) *Dividend for the year, paid in the following year*
- (3) *The dividend per share is calculated on the basis of the total number of shares*
- (4) *At the historical rate of 50% for individuals and legal entities eligible for parent-daughter company treatment*

#### **Sixth resolution**

##### *Adjustment of treasury shares reserve*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, the General Meeting takes note that the company did not purchase or sell any treasury shares over the past financial year under the company's share buyback programme authorised by the Ordinary General Meeting of 22 May 2006, and further notes the terms and conditions governing the purchase of treasury shares by the company pursuant to Articles L.225-209 et seq. of the Commercial Code (Code de Commerce). The General Meeting resolves to adjust the treasury shares reserve by writing back a provision of €6,595.1 thousand to take into account sales made to satisfy share options exercised over the past year, in accordance with Article L.225-210-3 of the Commercial Code. The write-back shall be posted to the "other reserves" account.

Accordingly, the General Meeting records that the treasury shares reserve, which totalled €81,307,936 on 31 December 2005 will be adjusted to €74,712,880.

#### **Seventh resolution**

##### *Approval of regulated agreements pursuant to Article L. 225-86 of the Commercial Code*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, and after taking cognisance of the independent auditors' special report on

transactions referred to in Article L.225-86 of the Commercial Code, the General Meeting approves the agreements mentioned in the report.

**Eighth resolution**

*Renewal of the appointment of Mr François Thomazeau as a member of the Supervisory Board*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, the General Meeting resolves to renew the appointment as a member of the Supervisory Board of Mr François Thomazeau, who was born on 7 June 1949 in Neuilly-sur-Seine and who has French nationality, electing to reside at 88 rue de Richelieu, 75002 Paris, for a term of three financial years, i.e. until the General Meeting called to vote on the financial statements for the year ending 31 December 2009.

Mr François Thomazeau is also General Manager of AGF.

**Ninth resolution**

*Renewal of the appointment of Mr Laurent Mignon as a member of the Supervisory Board*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, the General Meeting resolves to renew the appointment as a member of the Supervisory Board of Mr Laurent Mignon, who was born on 29 December 1963 in Paris (16<sup>th</sup> district) and who has French nationality, electing to reside at 88 rue de Richelieu, 75002 Paris, for a term of three financial years, i.e. until the General Meeting called to vote on the financial statements for the financial year ending 31 December 2009.

Mr Laurent Mignon is also General Manager of AGF.

**Tenth resolution**

*Renewal of the appointment of Mr Clement Booth as a member of the Supervisory Board*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, the General Meeting resolves to renew the appointment as a member of the Supervisory Board of Mr Clement Booth, who was born on 16 July 1954 in Kapstadt (South Africa) and who has South African nationality, electing to reside at 27 Leadenhall Street, London EC3A 1AA (UK), for a term of three financial years, i.e. until the General Meeting called to vote on the financial statements for the financial year ending 31 December 2009.

Mr Clement Booth is also a member of the Management Board of Allianz AG.

**Eleventh resolution**

*Renewal of the appointment of Mr Charles de Croisset as a member of the Supervisory Board*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, the General Meeting resolves to renew the appointment as a member of the Supervisory Board of Mr Charles de Croisset, who was born on 28 September 1943 in New York (US) and who has French nationality, residing at 13 Warwick Square, London SW1V 2AB (UK), for a term of three financial years, i.e. until the General Meeting called to vote on the financial statements for the financial year ending 31 December 2009.

Mr Charles de Croisset is also a member of the Board of Directors of various companies, including Bouygues, Renault and Thalès.

### **Twelfth resolution**

#### *Renewal of the appointment of Mr Robert Hudry as a member of the Supervisory Board*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, the General Meeting resolves to renew the appointment as a member of the Supervisory Board of Mr Robert Hudry, who was born on 5 April 1946 in Argentière la Besse (France) and who has French nationality, residing at 13 impasse des Pêcheurs, 74290 Veryier du Lac, for a term of three financial years, i.e. until the General Meeting called to vote on the financial statements for the financial year ending 31 December 2009.

Mr Robert Hudry is also a member of the Board of Directors of AGF.

### **Thirteenth resolution**

#### *Authorisation to be given to the Group Management Board in the context of the company's share buyback programme*

Voting in accordance with the majority and quorum requirements applying to ordinary general meetings, and having taken cognisance of the Group Management Board's report and the Supervisory Board's observations, and in accordance with Article L.225-209 of the Commercial Code, European Commission Regulation 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of 28 January 2003, and Articles 241-1 to 241-6 of the General Regulations of the AMF (Autorité des Marchés Financiers – France's securities regulator), the General Meeting authorises the Group Management Board to purchase, sell or transfer a number of shares representing no more than 10% of the share capital on the date of this General Meeting, i.e. 4,495,111 shares, under the following terms:

- This authorisation is valid for a maximum period of eighteen months from the date of this General Meeting, i.e. until 8 November 2008, or until it is renewed by an Ordinary General Meeting held before that date; it brings an end to the authorisation given by the Ordinary General Meeting of 22 May 2006 in its eleventh resolution;
- The total amount that the company can allocate to the buyback of its shares during the validity of this authorisation is €149.8 million;
- The maximum purchase price is set at €190 per share, which corresponds to the share price as at 31 December 2006 multiplied by a factor equal to the greatest increase in the

share price over any given year since its listing, i.e. 73% in 2003, it being stipulated that in the event of transactions involving the company's capital, in particular the capitalisation of premiums, reserves or profits resulting in an increase in the nominal value of the shares, the issue and allocation of bonus shares, reverse share splits or the division of the nominal value of shares, the Group Management Board shall have full power, as required, to adjust these prices and the number of shares accordingly, and if the shares thus purchased are used to allocate bonus shares in accordance with Article L.443-5 of the Employment Code (Code de Travail), the pecuniary equivalent of the shares allocated shall be determined in accordance with the applicable legal provisions;

- Shares purchased by the company pursuant to this authorisation cannot, under any circumstances, result in it holding more than 10% of the company's share capital;
- These shares may be purchased, sold, transferred or exchanged under the conditions determined by the market authorities and in accordance with the applicable laws and regulations, by any means including by the purchase or sale of blocks of shares (including off-market, over-the-counter, or through derivatives transactions, namely options or warrants, in compliance with applicable regulations) and at the times set by the Group Management Board or the person authorised by the Group Management Board for that purpose;
- Share buybacks are authorised for any of the purposes allowed by the applicable laws, notably to:
  - (i) boost the market for the shares, namely by improving the share's liquidity via an investment service provider acting independently within the framework of a liquidity contract, in accordance with a code of conduct recognised by the AMF;
  - (ii) allocate shares to employees and/or officers of the company and its subsidiaries in accordance with the terms and conditions specified by law, in particular within the framework of a profit-sharing scheme, share purchase options, the allocation of existing bonus shares or a company savings plan;
  - (iii) buy shares to keep them and subsequently deliver them as payment or in exchange, within the framework of any acquisition transaction, as allowed by the stock market regulations, with the proviso that the number of shares purchased by the company to be kept and subsequently delivered as payment or in exchange within the framework of a merger, demerger or capital contribution shall not exceed 5% of its capital;
  - (iv) deliver shares in connection with the exercise of rights attached to securities giving access to the company's capital;
  - (v) cancel these shares subject to approval by this General Meeting in the fourteenth resolution;
  - (vi) make use of any market practices allowed by the law and the AMF, in which case the company will inform the general public of any changes to its

programme and its new objectives, as required by the applicable laws and regulations.

The company may undertake the transactions in (i) to (vi) above during a takeover bid or exchange offer in accordance with the applicable legislation.

In accordance with paragraph 4 of Article L.225-209 of the Commercial Code, the company will inform the AMF every month of the purchases, sales, transfers and cancellations made. This information will be published by the AMF.

In addition, in accordance with Article 12 of the Articles of Association, the Group Management Board will seek the approval of the Supervisory Board for the policy it intends to follow with regard to share buy-backs pursuant to this resolution.

The Group Management Board, which may delegate to its Chairman or, with his approval, to one or more of its members, is granted full powers to give orders on the stock markets or off-market, allocate or re-allocate the shares purchased for various purposes as allowed by the applicable laws and regulations, sign any agreements, notably with a view to keeping registers of share purchases and sales, compile information documents, make declarations to the AMF and any other authorities, and generally do anything that may be necessary.

The Group Management Board shall inform the General Meeting of all transactions carried out pursuant to this authorisation.

### ***Extraordinary resolutions***

#### **Fourteenth resolution**

*Authorisation to be given to the Group Management Board to reduce the share capital by cancelling shares purchased within the framework of the share buyback programme*

Voting in accordance with the majority and quorum requirements applying to extraordinary general meetings, and after taking cognisance of the Group Management Board's report, the Supervisory Board's observations and the independent auditors' special report, and in accordance with Article L.225-209 of the Commercial Code and also in view of the vote on the thirteenth resolution, the General Meeting authorises the Group Management Board to reduce the share capital on one or more occasions over a twenty-four month period from the date of this General Meeting, within a maximum limit of 10% of the share capital, by the cancellation of treasury shares purchased within the framework of the share buyback programmes approved by the company's shareholders prior to or after this General Meeting.

The General Meeting authorises the Group Management Board to charge the difference between the purchase price of the cancelled shares and their nominal value, calculated at the time of cancellation, to the available premiums and reserves.

The General Meeting grants full powers to the Group Management Board, which may sub-delegate, in order to define the terms and conditions of such cancellation or cancellations, amend the Articles of Association if necessary, file all statements and declarations, carry out all other formalities, and generally to do anything that may be necessary.

This authorisation replaces the authorisation given by the Ordinary and Extraordinary General Meeting of 22 May 2006 in its twelfth resolution.

In accordance with Article 12 of the Articles of Association, the transactions decided by the Group Management Board pursuant to this resolution shall require prior authorisation from the Supervisory Board.

### **Fifteenth resolution**

*Amendments to be made to the company's Articles of Association as a result of legislative changes*

Decree No. 2006-1566 of 11 December 2006 modified Decree No. 67-236 of 23 March 1967 on commercial companies. As a result, for companies whose shares are either fully or partially in bearer form, the procedure requiring proof of the temporary immobilisation of the shares is abandoned in favour of a system based on the record date, i.e. a snapshot of the shareholder structure on the third working day (at midnight) prior to the Meeting. Voting in accordance with the majority and quorum requirements applying to extraordinary general meetings, after taking cognisance of the Group Management Board's report, the General Meeting resolves to amend the current drafting of Article 20 of the Articles of Association.

Paragraph 6 of Article 20 of the Articles of Association was previously drafted as follows:

“Subject to the above provisions, any shareholder has the right, on providing proof of identity, to participate in General Meetings, either by attending in person, returning a postal voting form or appointing a proxy (his spouse or another shareholder), provided that:

- for registered shareholders, their shares are entered in the company's register on their behalf,
- for bearer shareholders, a certificate issued by the custodian is deposited at the address indicated in the meeting notice, stating that the shares have been placed in a non-transferable account until after the Meeting.

These formalities must be completed at least five days before the date of the Meeting.”

Paragraph 6 of Article 20 of the Articles of Association will now be drafted as follows:

“Subject to the above provisions, any shareholder has the right, on providing proof of identity, to participate in General Meetings, either by attending in person, returning a postal voting form or appointing a proxy (his spouse or another shareholder), provided that the shares are recorded for accounting purposes in the name of the shareholder or that of the custodian on his behalf:

- for registered shareholders, their shares must be entered in the company's register,
- for bearer shareholders, in the bearer share accounts held by the custodian.

These formalities must be completed by the third working day prior to the General Meeting by midnight, Paris time.”

**Sixteenth resolution (voting as an ordinary meeting)**

*Powers for formalities*

The General Meeting grants full powers to the bearer of an original or copy of, or an excerpt from, the minutes of this Meeting in order to carry out all legal or administrative formalities and make any filings or registrations required by the applicable law.

