2018

REGISTRATION DOCUMENT

Getlink SE

GETLINK

CONTENT

REGISTRATION DOCUMENT*

2018

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the *Autorité des marchés financiers* (the French financial market regulator, or AMF), in accordance with article 212-13 of its General Regulations on 15 March 2019. This document can only be used to support a financial transaction when accompanied by a securities note endorsed by the AMF. This document was prepared by the issuer and is binding on its signatories.
Copies of this Registration Document are available free of charge from the registered office of Getlink SE.
This Registration Document can also be viewed on the websites of the AMF (www.amf-france.org) and Getlink SE (www.getlinkgroup.com).
Unless indicated otherwise, all the figures in this Registration Document have been calculated by applying either the euro/sterling exchange rate on 31 December 2018 (£1=€1.118) for balance sheet items, or the average rate for 2018 (£1=€1.128) for elements of the income statement.
In application of article 28-1 of EC Regulation 809/2004 of the European Commission, the following information is included in this Registration Document by reference:
— Getlink SE's consolidated accounts for the year ended 31 December 2017 prepared in accordance with IFRS and the report of the statutory auditors thereon, as well as the Group's operating and financial review for the year ended 31 December 2017, are included in Getlink SE's Registration Document for 2017 filed with the AMF on 13 March 2018;
— Getlink SE's parent company accounts for the year ended 31 December 2017 prepared in accordance with French accounting standards and the report of the statutory auditors thereon are included in Getlink SE's Registration Document for 2017 filed with the AMF on 13 March 2018;
— Getlink SE's consolidated accounts for the year ended 31 December 2016 prepared in accordance with IFRS and the report of the statutory auditors thereon, as well as the Group's operating and financial review for the year ended 31 December 2016, are included in Getlink SE's Registration Document for 2016 filed with the AMF on 17 March 2017; and
— Getlink SE's parent company accounts for the year ended 31 December 2016 prepared in accordance with French accounting standards and the report of the statutory auditors thereon are included in Getlink SE's Registration Document for 2016 filed with the AMF on 17 March 2017.

The term "Getlink SE" in this Registration Document refers to the holding company which is governed by French law. The term "Group" refers to the economic grouping consisting of Getlink SE and all its subsidiaries.

* *This document (the "2018 Registration Document") is a free English language translation of Getlink SE's "Document de Référence 2018" filed with the AMF on 15 March 2019. In the event of any inconsistencies between this document and the original French document, the text of the French document shall be considered authoritative.*

Getlink: the Vital Link for 25 years

Getlink is a key player in mobility infrastructures and international transport, a leader in eco-responsible transport which regroups the following commercial brands:

Eurotunnel, the leader in cross-Channel transport for passenger vehicles and trucks;

Europorte, France's leading private rail freight operator;

ElecLink, the future electrical interconnector between the United Kingdom and France;

CIFFCO, the number one private railway training centre.

"The Group has seen its ninth consecutive year of growth and has had an exceptional 2018 from both operational and financial perspectives. The Group is focusing on Brexit from a solid foundation in order to provide our customers with the best possible service whilst increasing our competitiveness."

Jacques Gounon – Chairman and Chief Executive Officer of Getlink

2018:

another very good year

The Group's consolidated revenue for the 2018 financial year amounts to €1.079Bn, an increase of €51M (+5%) compared to 2017. Operating costs amounted to €510M, an increase of only €5M compared to 2017. Consolidated EBITDA amounted to €569M, an improvement of €46M compared to 2017 at constant exchange rates, of which €19M is due to the application of the new IFRS 16 standard. After taking into account the impact of IFRS 16 on depreciation charges (+€18M) which offsets the improvement in EBITDA, the trading profit increased by €24M to €395M (+6%). The Group's consolidated net result for the 2018 financial year is a profit of €130M, compared to €112M in 2017, up 16%.

2019:

an effective business model

The current political situation, particularly in the United Kingdom, is likely to generate uncertainty about the short-term impact of the exit of the United Kingdom from the European Union on 29 March 2019. The Group considers that this uncertainty is likely to affect its activity in the first weeks following this date but trusts the commitment of both States to quickly set up effective border control procedures without any operational discontinuity. The Group remains very confident in the solidity of its various businesses and their medium-term growth potential.

An outstanding performance in 2018*

€1.079Bn
Revenue
(+5%)

€569M
EBITDA
(+9%)

€393M
EBIT
(+9%)

€130M
Net consolidated profit
(+16%)

€252M
free cash flow
generated in 2018 (+7 %)

€607M
cash balances
at 31 December 2018

+20%
increase in dividend,
at €0.36 per share in 2018
€198M total dividend amount
for 2018 to be paid in 2019

Objectives

EBITDA 2019: **€560M** (if no deal Brexit)
or **€575M** (if an agreement is reached)
(at the 2018 exchange rate and current scope)

EBITDA 2022: **over €735M,** following the start of ElecLink operations in 2020
(at the exchange rate of £1=€1.14 and current scope)

Dividend policy: **an increase of €0.05** per share per year

* At the 2018 exchange rate of £1=€1.128 for the income statement and at £1=€1.118 for the balance sheet.

€1.079Bn

in revenue from 4 main activities

88.6%

EUROTUNNEL (Channel Tunnel Concession)

66.5%

EUROTUNNEL SHUTTLES

Le Shuttle Passenger
2.7M passenger vehicles

Le Shuttle Freight
1.7M trucks

32%

RAILWAY NETWORK

11 M Eurostar passengers
2,077 rail freight trains

1.5%

OTHER ACTIVITIES

(retail in Eurotunnel terminals, fees paid for telecommunications lines, property related income and sale of travel insurance products)

GETLINK

0.2%

GETLINK (subsidiaries, including CIFFCO, the railway training centre)

11.2%

EUROPORTE (rail freight)

ELECLINK (electrical interconnector, under construction)

Responsible governance

In line with tomorrow's challenges

The governance structure of Getlink is adapted to the specific needs of the business arising from its binational nature and is part of a continuous improvement process in accordance with the Afep/Medef Code, in order to support the overall vision for the development of the company. It is based on a responsible and expert Board of Directors which is also international and diversified in its composition enabling it to set long-term strategic orientation and to oversee its implementation.

46%
of the Board are women*

46%
Directors* not resident in France

77%
Independence rate*

1
Senior Independent Director

BOARD OF DIRECTORS OF GETLINK SE

As at 20 February 2019, the Board is composed of 15 members, including 2 staff representative Directors and 10 independent Directors in accordance with the criteria set out in the Afep/Medef Code:

Jacques Gounon
Chairman and Chief Executive Officer

Corinne Bach
Independent Director

Bertrand Badré
Independent Director

Giovanni Castellucci
Director

Elisabetta De Bernardi di Valserra
Director

Patricia Hewitt
Independent Director

Peter Levene
Independent Director

Colette Lewiner
Independent Director

Colette Neuville
Independent Director

Perrette Rey
Independent Director

Stéphane Sauvage
Staff representative Director

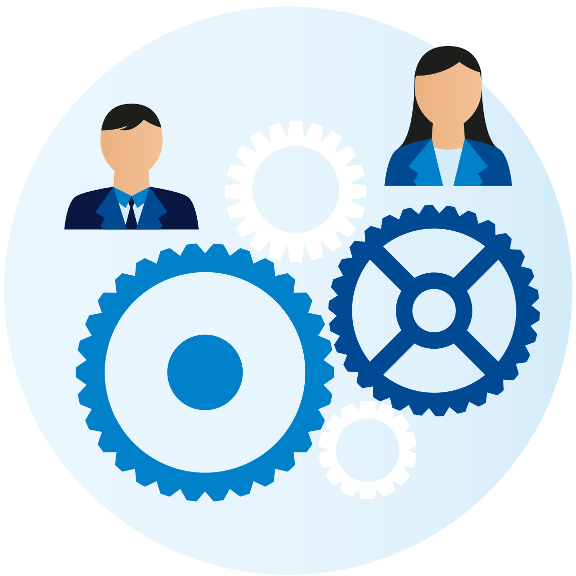
Jean-Pierre Trotignon
Independent Director

Philippe Vanderbec
Staff representative Director

Philippe Vasseur
Independent Director

Tim Yeo
Independent Director

* Excluding the staff representative Directors.



As at 20 February 2019, the Board of Directors is organised into 6 Committees with complementary expertise:

	Committee Chairman/ Chairwoman	Total number of members	Number of meetings in 2018
Audit Committee	Colette Lewiner	6	6*
Nominations Committee	Perrette Rey	5	4
Remuneration Committee	Colette Neuville	5	4
Corporate Committee	Tim Yeo	9	2
Safety and Security Committee	Jean-Pierre Trotignon	5	8
Economic Regulations Monitoring Committee	Patricia Hewitt	5	3

* Plus a preparatory meeting

10
Board meetings in 2018

95%
Attendance rate (Board of Directors)

28
Board Committee meetings in total

EXECUTIVE COMMITTEE OF GETLINK SE

Jacques Gounon
Chairman and Chief Executive Officer

François Gauthey
Deputy Chief Executive Officer

Michel Boudoussier
Chief Corporate Officer

Patrick Etienne
Director of Rolling Stock, Supply Chain and Energy Unit

Laurent Fourtune
Chief Operating Officer Eurotunnel

Philippe de Lagune
Chief Operating Officer Security

Steven Moore
Chief Executive Officer ElecLink

Claire Piccolin
Company Secretary to the Getlink Board of Directors, Compliance Officer

Pascal Sainson
Chief Operating Officer Chairman of Europorte

Josephine Willacy
Commercial Director Eurotunnel

GET COMPLIANT PROGRAMME

For the past 25 years, the Group has built itself around core values which guarantee its development and sustainability. To incorporate them on a daily basis, Getlink has launched a new *Get compliant* programme which will run throughout 2019. It started with the publishing of a new version of the **Charter of Ethics and Conduct** – more comprehensive, more illustrative and educational – based on 13 principles and rules of behaviour, for all the Group's employees as well as all subcontractors and stakeholders.

Getlink's non-financial performance

Even before the emergence of the concept of CSR, the integration of corporate responsibility in the company's strategy and all its activities has always been one of the key drivers of the Group: respect for the environment, links with the local regions, economic and cultural links, stakeholder relations, governance, ethics and integrity, health and safety of its employees and subcontractors... As a leader in environmentally-friendly transport, Getlink carries out a long-term mission and public service as a transport operator and infrastructure manager for the benefit of all of its stakeholders: customers, employees, suppliers, shareholders, community.

BUSINESS MODEL

Getlink is a major player in mobility infrastructure, international exchanges and a leader in environmentally-friendly transport. Its commercial brands are:

- **Eurotunnel,** the leader in cross-Channel transport for cars, passengers and trucks with its unique integrated Shuttle service and the holder of a Concession of very long duration; the manager of the railway operations and of the infrastructure (high-speed and rail freight) of the Tunnel and its system;
- **Europorte,** the leading private rail freight operator in France;
- **ElecLink,** the future electrical interconnector between Great Britain and France (under construction);
- **CIFFCO,** the number one private railway training centre.

CSR

STRATEGY

PERFORMANCE

OPPORTUNITIES & RISKS

GOVERNANCE: AT THE SERVICE OF BUSINESS DEVELOPMENT

> A Board of Directors grounded in principles of diversity and complementary skills. Inspired by a shared long-term vision, it sets the strategic direction of the business;
> Specialised committees drawing the various skills and expertise together.

ACTIVITIES

- **Operation and commercialisation** of Passenger and Truck Shuttle services through the Channel Tunnel
- Manager of the railway infrastructure
- **Rail freight operator**
- Future operation of an **electrical interconnector** between France and Great Britain
- **Training** for driving and safety roles in the rail sector

EXTERNAL STAKEHOLDERS

- Shareholders and investors
- Eurostar
- Customers
- Authorities and regulators
- EDF (*French electric utility company*)
- Suppliers (facility services)
- IGC (InterGovernmental Commission)
- Samphire Hoe (nature reserve)

INTERNAL STAKEHOLDERS

- Employees
- Employee representative bodies
- Board of Directors

PRINCIPAL MARKETS

- **Freight market:** goods traffic between continental Europe and the United Kingdom
  Competitive environment: ferry operators in respect of the Truck Shuttle service
- **Passenger market** in vehicles between Coquelles and Folkestone with Le Shuttle and without vehicles by high-speed Passenger Trains (Eurostar)
  Competitive environment: ferry operators and indirectly airlines and Eurostar
- **Rail freight market** (transport of goods)
  Competitive environment: SNCF and other rail freight operators
- **Electricity market**

CSR

- Build a working environment that fosters employees' personal development and growth.
- Contribute to the dynamism of the local economy and to the sharing of knowledge.
- Limit the impact of the Group's activities on the environment
- Maintain a high level of safety and security.

STRATEGY

- Ensure sustainable growth, while permanently improving quality of service.
- Follow through on the digital transformation and support employees in the changes to come.
- Be an active player in the changes related to energy transition and digitalisation of the economy.
- Controlled diversification of revenue.

PERFORMANCE

(Key figures at 31/12/2018)

- €1,079 million consolidated revenue
- 3,517 employees
- 1.7 million trucks transported
- 2.7 million cars transported
- 107,641 hours of training delivered
- 94,627 tonnes of CO_2 equivalent.

OPPORTUNITIES & RISKS

- Anticipate and monitor the principal risks, including those linked to Brexit and make strategic adjustments as needed
- Adapt the commercial strategy to the competitive environment and make quality of service the paramount distinguishing factor
- Strengthen the diversity of the portfolio of activities in order to help diminish exposure to the Brexit risk.

1 PRESENTATION OF THE GROUP AND ITS BUSINESSES

PRESENTATION OF THE GROUP AND ITS BUSINESSES

1.1 PROFILE

1.1.1 GETLINK TODAY

Initially the promoter of the Tunnel, which is a historic and technological feat, the Group has transformed itself to provide solutions to the new demands for mobility.

In 25 years, the Tunnel has fundamentally changed the way in which commercial exchanges between the United Kingdom and continental Europe are undertaken by enabling the development of new integrated cross-border logistics chains, as well as access to new markets: 26% of British exports to the European Union (€68.8 billion by value) and 21% of imports from the European Union (approximately €69 billion by value) depend on the rapidity and the reliability of the Tunnel[1]. Exports transiting through the Tunnel alone help to support 220,000 jobs in the United Kingdom[2]. Goods worth nearly €140 billion pass through the Tunnel each year, supporting hundreds of thousands of jobs on both sides of the Channel, while millions of passengers take the Tunnel, either with their car or on trains[1].

The Group was created in 1986 with the signing of the Concession Agreement, which awarded the construction, financing and operation of the Channel Tunnel to the Franco-British consortium of France Manche SA and The Channel Tunnel Group Limited. The operation of the Tunnel started in 1994. In 2007 a new holding company, Groupe Eurotunnel SA, was set up that proposed to all shareholders of the former Eurotunnel structure, to exchange their twinned shares for ordinary shares of Groupe Eurotunnel SA. This offer was accepted by more than 93% of shareholders. In late 2007, Eurotunnel PLC and Eurotunnel SA became TNU PLC and TNU SA and were absorbed by Groupe Eurotunnel SA in May 2009 and October 2010 respectively.

On 20 November 2017, the Group announced that it was changing its name to Getlink and on 18 April 2018, the shareholders' General Meeting formally voted to change the company's name from Groupe Eurotunnel SE to Getlink SE. This new name, which evokes the dynamism of exchanges and links, marks the Group's entry into a new era of mobility infrastructures. Much more than merely a new page in its history, this new name is a true commitment to the future with the development and management of safe, modern and environmentally-friendly mobility infrastructures. All Getlink's businesses build and strengthen each day the promise made by this new identity to all of Getlink's customers: Safe, Smart & Green:

- Safe: since its creation, Getlink has chosen never to compromise on security and is still the safest way to cross the Channel and to transport goods.
- Smart: digital investment over more than five years has brought Getlink into the era of Smart infrastructure and enables it to offer customers an experience that is being constantly enriched, whether in terms of service quality, information accuracy or the proactivity of its teams.
- Green: Getlink operates some of the most environmentally-friendly mobility solutions and infrastructures and the Group is today a leader in eco-responsible transport, contributing fully to energy transition.

With this new name, the company confirms its commitment to energy transition, its next generation public service mission and a new connected business model, that is more innovative and collaborative.

1.1.2 BUSINESS MODEL AND GROUP STRATEGY

Since the Tunnel was brought into service, the Group has continually evolved guided by an entrepreneurial spirit and the search for growth and the creation of value.

In 2018, Getlink, is:

- A company resolutely focused on digitalisation;
- A resilient business model;
- A high-performing and competitive Group;
- An environmentally-friendly transport service;
- A sustainable regional foothold.

Fundamentals: long-term growth businesses and diversification of activities

Getlink operates a concession of extremely long duration (until 2086) built around an integrated underwater rail system enabling:

- Third-party rail operators to provide end-to-end high-speed passenger links between continental European and the United Kingdom, without changing trains, and rail freight operators to move their trains within a regulated tariff framework;
- Eurotunnel to offer its own piggyback Shuttle service providing cars, coaches and trucks with a rapid and safe link between the French and English road networks.

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[1] *Source: "Economic Footprint of the Channel Tunnel in the EU. An analysis of the value of trade travelling through the Channel Tunnel between the UK and EU countries" June 2018. This report is an extension of the 2016 analysis, which accented the role played by the Channel tunnel to support trade and economic activity in the UK: www.getlinkgroup.com/uploadedFiles/assets-uk/the-channel-tunnel/180604-EY-Channel-Tunnel-Footprint-Report.pdf.*

[2] *Source: "Economic footprint of the Channel Tunnel fixed link: An analysis of the economic value of trade and passenger traffic travelling through the Channel Tunnel", October 2016: www.getlinkgroup.com/uploadedFiles/assets-uk/the-channel-tunnel/EY-Channel-Tunnel-UK.pdf.*

Eurotunnel provides transport services for passengers, cars, coaches and trucks aboard Shuttles between Calais and Folkestone and a Railway Network through which Railway Companies can run goods trains and High-Speed Passenger Trains. These services operate in the transport market between continental Europe and the United Kingdom and are described in section 1.2 of this Registration Document:

- The Truck Shuttles transport heavy goods vehicles, while the Passenger Shuttles transport passengers in vehicles (cars, coaches, motorbikes, motor homes). The Shuttle Services are in direct competition with the ferry services and compete indirectly with airlines, as set out in section 1.2.1 c) of this Registration Document. The Truck Shuttle activity recorded a new traffic record in 2018, transporting over 1.693 million trucks, a 3% rise on 2017 in a market down by 1.1%. Le Shuttle Freight has therefore confirmed its position as market leader, with a market share of 40.9% over the year.
- High-Speed Passenger Trains and Train Operators' Rail Freight Services may also travel through the Tunnel in return for payment of a toll. Eurotunnel does not operate these services but manages their passage on the Railway Network through the Fixed Link. Eurostar's High-Speed Passenger Train services are operated by Eurostar International Limited. As indicated in section 1.2.2.b) of this Registration Document, in 2018, the Group earned 28% of its revenue (32% of Eurotunnel's revenue) from the use of the Tunnel Railway Network by High-Speed Passenger Trains and Train Operators' Rail Freight Services.

Attractiveness of a unique infrastructure

Eurotunnel has seen outstanding growth in its Shuttle Services since 2010. During that time average prices (yields) have evolved, thereby demonstrating the attractiveness of the transport system and the dynamism of the pricing structure. The high-speed railway business has also enjoyed sustained growth, with a resulting increase in revenue. The Tunnel has accommodated the new Amsterdam – London service in 2018 and is willing and able to accommodate further services with annual passenger numbers potentially in excess of 15 million. At an industrial level, the Group has been able to absorb this growth while maintaining the high quality of service that has underpinned its success for nearly 25 years.

This period of renewal was also accompanied by the diversification of the Group's activities beyond the Concession:

- In rail freight with Europorte: the clean-up of the market is under way with the restructuring of Fret SNCF (the freight arm of the SNCF) and a new profitable business model for a virtuous economy. Europorte, the leading private rail operator in the market, is ideally positioned to become the rail freight benchmark in France
- ElecLink, the electrical interconnector development project to build a 1GW electricity interconnector between France and the United Kingdom that the Group is currently constructing is a key component of the Group's development strategy. ElecLink benefits from a 25-year exemption from the application of certain European regulations namely article 17 of European Directive 714/2009. ElecLink can therefore forward sell capacity and above all has control over all of its assets and revenue.

These main Group businesses are presented in detail in sections 1.2, 1.3 and 1.4 of this Registration Document.

A mobility player of its time

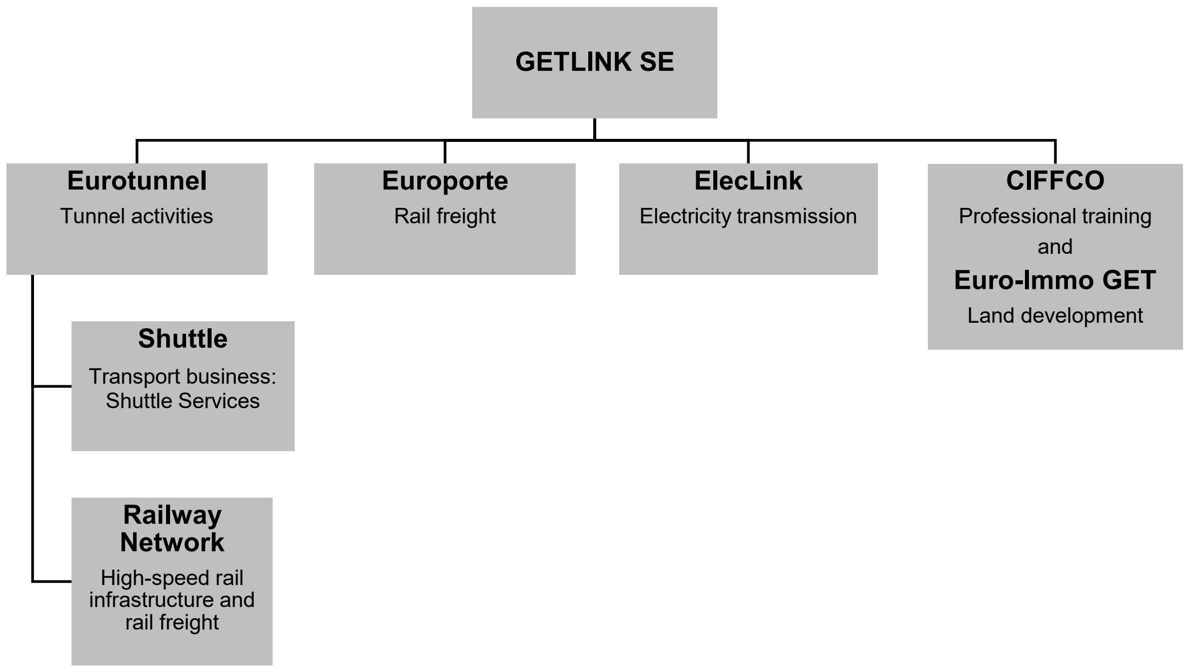
Eurotunnel is a major mobility player in Europe transporting over 2.6 million passenger cars and 1.7 million trucks each year. Eurotunnel enabled nearly 22 million passengers (including passengers in High-Speed Passenger Trains) to travel between the United Kingdom and continental Europe in 2018. In the freight sector, Eurotunnel transports over 25% of trade between the United Kingdom and European countries[3].

Getlink, a major player in mobility infrastructures and international exchanges and a leader in eco-responsible transport

Getlink groups together the activities of four commercial brands:

- Eurotunnel, the cross-Channel leader in the transportation of passenger vehicles and trucks, with its unique, integrated Shuttle service and operator of an extremely long Concession; it manages the high-speed rail infrastructure and rail freight in the Tunnel and its System;
- Europorte, the leading private rail freight operator in France;
- ElecLink, the future electrical interconnector between the United Kingdom and France (under construction); and
- CIFFCO, the first private training centre dedicated to rail industry professions.

[3] *Source: "Economic Footprint of the Channel Tunnel in the EU. An analysis of the value of trade travelling through the Channel Tunnel between the UK and EU countries" June 2018. This report is an extension of the 2016 analysis, which accented the role played by the Channel tunnel to support trade and economic activity in the UK: https://www.getlinkgroup.com/uploadedFiles/assets-uk/the-channel-tunnel/180604-EY-Channel-Tunnel-Footprint-Report.pdf.*



Fundamentals and strategic levers

Led by its Chairman and Chief Executive Officer Jacques Gounon and its Deputy Chief Executive Officer François Gauthey, the Getlink SE Board of Directors determines the business's strategic direction through the inspiration of a shared long-term vision.

A mobility player of its time: main challenges

Passenger and goods transport and mobility businesses face significant digital challenges. The digital transformation of these sectors generates changes in daily practices and processes as well as future perspectives. Getlink and the Concession are at the very heart of the changes facing passenger and goods transport this century, with two key challenges emerging: the digitalisation of the economy and of the customer relationship, notably in the specific context of Brexit. Furthermore, while transport and logistics have progressively become strategic businesses with the globalisation of trade, changing consumption patterns, ecological transition and technological progress, employers face difficulties attracting people to these businesses despite this favourable outlook.

High-Speed Passenger Train services are faced with barriers to development such as difficulties implementing efficient border controls, interoperability and obtaining rolling stock authorisations, which can delay, restrict or stop the development of services to new destinations.

The Tunnel: a unique and essential mobility player, ready to meet the mobility challenges of tomorrow

Getlink is determined to transform these challenges into opportunities through:

- its strategic transformation plan reflected by its name change;
- its key financial resources (including debt management, which demonstrates the markets' recognition of the Group's financial solidity) and non-financial resources;
- its customer satisfaction approach.

Strategic transformation plan initiated by the name change

The change in Eurotunnel's name to Getlink recognised the Group's transformation to a major mobility player. In a context marked heavily by ecological transition and the digital revolution and alongside the changes in its shareholding structure, Getlink has strengthened its position as a manager of safe and modern infrastructure. The Group is developing in businesses in which growth is driven by constantly changing fundamental needs (procurement, travel). In this context, Getlink has drawn up a strategic plan based, for the Concession business, on two key pillars:

- a dynamic pricing policy; and
- constant improvements to the railway system, taking account of the need to anticipate and accompany new market trends to incorporate them into a sustainable value creation strategy.

With Brexit comes the need to provide a tailored response for each flow, while integrating the proper understanding of situations and resources. Getlink is committed to raising awareness and adapting the management of cross-border flows, working jointly with its stakeholders. The Group is mobilised to provide solutions supporting innovative cross-Channel transport and rail freight transport services while placing customers at the heart of its business model.

For the past two years, Eurotunnel has been preparing for the consequences of Brexit and to offer all its customers the best possible service, by developing innovative solutions. The investment policy accompanying this plan aims to adapt the product and service offering in line with market needs and specific customer expectations.

The risk factors associated with the Group's businesses and its environment are presented in chapter 3 of this Registration Document.

Customer satisfaction

As presented in section 1.2.2.a)ii) of this Registration Document, Getlink places the customer at the heart of its strategy and implements ways to enhance their satisfaction and loyalty, notably by strengthening communication of real-time information and adapting services to the specific needs of customer segments, such as owners of electric vehicles, passengers travelling with pets and customers with reduced mobility.

Key role of transport infrastructure manager

The Group pursues its long-term efforts with national authorities and rail participants to progressively resolve the barriers to the development of new services and has developed various actions to bring these opportunities to fruition, as set out in section 1.2.2 of this Registration Document.

Key resources

Getlink is able to offer Eurotunnel services thanks to an investment of over €15 billion (at 2012 exchange rates), financed by private funds, in a unique under-water rail infrastructure. This infrastructure is constantly maintained and improved, such as the addition of 4G services in the Tunnel. Revenue from rail tolls (regulated activity) and the Shuttle business over the Concession period is sufficient to cover the repayment of bank borrowings and remunerate equity contributed by investors through dividend flows. In addition, as a listed company, Getlink allows investors to trade in the shares based on their own expectations of traffic levels and fluctuations in exchange rates and borrowing rates over the remaining Concession period.

Eurotunnel's revenue is currently nearing €1 billion, with an EBITDA margin of 58%. This covers infrastructure maintenance and improvements, debt service and shareholder remuneration, with the payment of a steadily increasing dividend.

Eurotunnel's performance is only possible thanks to the 2,700 men and women, British and French, who provide a high quality professional service 24 hours out of 24 and 365 days of the year. For 25 years, Eurotunnel has trained (and continues to train) employees with unique experience and expertise, without which the infrastructure would not be a success. In total, Getlink brings together more than 3,500 team members.

In addition to its employees, who play an essential role in Eurotunnel's foothold in the Kent and Calais areas, the company contributes significantly to the development of the regional economy through local sub-contractors.

Furthermore, among the Group's resources that contribute to the proper running of the company and in addition to the Concession Agreement that provides the company with a secure legal framework and an extremely long Concession period (described in section 8.1.2 of this Registration Document), its financing (with the recent developments described notably in section 8.1.4 of this Registration Document) and the rolling stock (described in sections 1.2.3 and 1.2.4 of this Registration Document), the company's internal culture is a key resource, whether with regard to ethics, collective commitment or the importance placed on the customer relationship.

Getlink is managing its debt dynamically and with a view to optimising costs and improving agility. The Group's debt was put in place during the 2007 financial restructuring. The successful refinancing of part of the debt in June 2017 enabled financial costs to be optimised and the recognition by the markets of the Group's financial solidity. In 2018, Getlink completed the third step in its financial reorganisation when it completed the purchase of the G2 notes, enabling it to clarify its structure and thereby optimise its financing. This transaction was undertaken to enable the issue of the Senior Secured Notes, issued as Green Bonds, a category of bonds issued on the market to finance environmentally-friendly projects, often of an energy transition nature: development of renewable energies, energy efficiency improvements, development of transport infrastructures with low greenhouse gas emissions and so on.

Robust outlook buoyed by collective goals

Getlink's investment policy aims to support and amplify growth in the Group's markets and focuses on investments that are complementary to existing assets. It aims to develop synergies within the Group and to leverage the specialist expertise of its teams in managing complex infrastructures and particularly the Tunnel.

Alongside operating the Concession, which will remain its core business, Getlink aims to continue the controlled diversification of its revenues by operating a profitable rail freight business in France and completing the construction of the ElecLink electricity interconnector which is already well under way. This project will be an appreciable driver of growth in Group revenues and margins from 2020. Getlink may also perform focused acquisitions, alone or in partnership, in the transport infrastructure sector that are capable of generating synergies with current businesses while strengthening the diversification of the Group's business portfolio and contributing to a reduction in its risk profile including the Group's exposure to Brexit.

Sustainable development

In an environment marked by numerous geopolitical factors, the Group has demonstrated the relevance of its model. True to its entrepreneurial and responsible vision, Getlink will continue to promote long-term value creation, while maintaining its commitment to social development, inseparable from its long-term goals and continue to share this value with its stakeholders. Getlink is convinced that the ability to connect to its ecosystem is a source of innovation, value creation and sustainable growth; it therefore favours an equitable approach to sharing value that combines economic, financial and non-financial performance, while investing to ensure the long-term success of the Group.

The Tunnel contributes to the organisation of regions and the mobility of individuals and helps bring people together. The Tunnel accompanies, directs and highlights flow momentum. Rail transport contributes to regional development and rail freight transport helps free-up roads. The Tunnel's economic footprint is referred to in chapter 6 of this Registration Document, both in terms of employment and as a driver of corporate growth.

Alongside its main business as the Tunnel's Concessionaire, Getlink has sought to further enhance its infrastructure by developing an electricity interconnector project. The investment is currently under construction (it is scheduled to commence operations in 2020) by ElecLink, the only fully private cross-Channel electricity interconnector benefiting from an exemption; that should enable Getlink to retain all of the economic value generated by the asset. This link should also play a key societal role by enhancing the European power grid, optimising capacity production and securing electricity supply to consumers. ElecLink could make a significant contribution to opening up the UK electricity market and could benefit from the congestion income resulting from the price difference between the electricity wholesale markets on both sides of the Channel.

The entry into service of ElecLink in 2020 will represent a marked acceleration in the profitability of the Group.

Building on its experience in the rail sector, Getlink controls, through its subsidiary Europorte, the leading private rail freight operator in France. With over 800 team members, it is well positioned to federate European independent operators in a promising market and in a context of increasing environmental restrictions.

With its subsidiary CIFFCO, the first training centre dedicated to rail industry professions, Getlink possesses the technical expertise necessary to accompany growth in its Tunnel Concessionaire and railway company businesses.

By combining its growth potential and the diversity of its businesses, Getlink aims to generate recurring cash flow enabling it to share value with its stakeholders, employees, shareholders and suppliers and ensure the Group's development.

1.1.3 THE GROUP'S STRUCTURE

Getlink SE is a European company regulated by French law with a Board of Directors, incorporated in Paris, France and is governed by the relevant provisions of prevailing French and EU laws and regulations. Getlink SE is registered with the Paris Trade and Companies Registry under registration number 483 385 142 (SIRET: 483 385 142 00052, principal activity (APE) code: 701OZ, LEI: 9695007ZEQ7M0OE74G82). The registered office of Getlink SE is located at 3 rue La Boétie, 75008 Paris, France.

The legal structure of Getlink SE was incorporated on 6 July 2005 for a fixed period of 99 years from the date of its registration in the Paris Trade and Companies Registry, i.e. until 3 August 2104. The company was converted on 26 December 2014 to a European company and its name changed to Groupe Eurotunnel SE at that time and then again to Getlink SE by a decision of the General Meeting of 18 April 2018. As a European company, Getlink SE is a member of ASEP, the Alliance for the Promotion of European Companies.

The ordinary shares issued by Getlink SE are listed on Euronext Paris and with the UK Listing Authority in London (standard listing) and are traded on Euronext Paris and Euronext London.

Getlink SE's role with regards to its subsidiaries is set out in the introduction to the notes to the Getlink SE parent company accounts in section 2.2.2 of this Registration Document.

As shown in the following chart, the Group consists of a total of 54 subsidiaries as at 31 December 2018, including 21 located in France and 30 located in the United Kingdom.

In 2018, the structure of the Group was organised around the four following sectors of activity:

- the Eurotunnel segment (cross-Channel Fixed Link Concession);
- the Europorte rail freight segment;
- the ElecLink segment, the future electricity interconnector between France and Great Britain; and
- the Getlink segment, which brings together the Group's corporate services and notably CIFFCO, the rail freight training centre, as disclosed in note D.1 to the consolidated financial statements in section 2.2.1 of this Registration Document.

Internal legal reorganisation of the Group

In order to pursue its development and ensure its capacity to create value in the long term, the Group adapted its legal structure in 2018, to create a separate "Eurotunnel" sub-group for the operation of the Fixed Link, distinct from the Group's other business sectors which are managed and financed separately from Eurotunnel's business.

This legal reorganisation enabled Getlink SE to be released from its guarantor commitments under the Term Loan described in section 8.1.4 of this Registration Document enabling a more flexible funding structure to be put in place that is more suitable for the Group's development needs.

This reorganisation involved the transfer of the Concessionaire companies to Eurotunnel Holding SAS (in the Getlink SE consolidated tax group), which became the new holding company for the Eurotunnel sub-group and replaced Getlink SE as guarantor in respect of the Term Loan.

The shares held by Getlink SE in the Concessionaires, FM and CTG, were transferred via an intra-Group contribution in kind to Eurotunnel Holding SAS. This operation was accompanied by other reclassifications, in particular of the ESGIE and EFL shares, as well as of certain other intra-Group loans.

The Getlink segment

Getlink SE is the Group's listed umbrella parent company.

The Centre International de Formation Ferroviaire de la Côte d'Opale (CIFFCO) supplies professional training services in the rail sector as described in section 1.5 of this Registration Document. On 27 December 2018, this entity was transferred from FM to Getlink SE.

Euro-Immo GET SAS manages and develops property assets and performs associated activities.

London Carex Limited is involved in a potential project for the development of rail freight in the United Kingdom, as explained in section 1.5 of this Registration Document. The Cheriton Resources companies are finance or investment companies and are mostly inactive.

Eurotunnel Agent Services Limited is the structure that holds the G2 notes as mentioned in note G.7 of the consolidated financial statements contained in section 2.2.1 of this Registration Document.

Eurotunnel Developments Limited and its subsidiary Orbital Park Limited were responsible for the development of property in the United Kingdom which was not used in connection with the operation of the System. These companies are no longer active.

The Eurotunnel segment

Since the internal legal reorganisation of the Group in 2018, Eurotunnel Holding SAS is the parent company of the Eurotunnel sub-group.

France Manche SA (FM) and The Channel Tunnel Group Limited (CTG) operate the Tunnel as Concessionaires in accordance with the Treaty of Canterbury and the Concession Agreement as described in chapter 8 of this Registration Document. FM and CTG, whose shares are twinned, are the borrowing entities under the Term Loan.

Eurotunnel Services GIE (ESGIE) and Eurotunnel Services Limited (ESL) employ and manage the Group's personnel mainly for the activities of the Concession. Relations between the employing companies of the Group and the Group's subsidiaries are described in section 6.3 of this Registration Document.

Eurotunnel SE heads the distribution business in continental Europe (excluding France) of the Truck Shuttle Service activity.

Eurotunnel Financial Services Limited is authorised by the Financial Conduct Authority (registration no. 490713) to resell insurance products offered to passengers when they make their reservations. CTG acts as a representative of Eurotunnel Financial Services Limited for these requirements.

Gamond Insurance Company Limited, a wholly-controlled subsidiary of CTG, is registered in Guernsey and its sole purpose is to provide insurance against acts of terrorism. Gamond Insurance Company Limited takes out reinsurance with Pool Re. Eurotunnel Trustees Limited is now dormant.

The Europorte rail freight segment

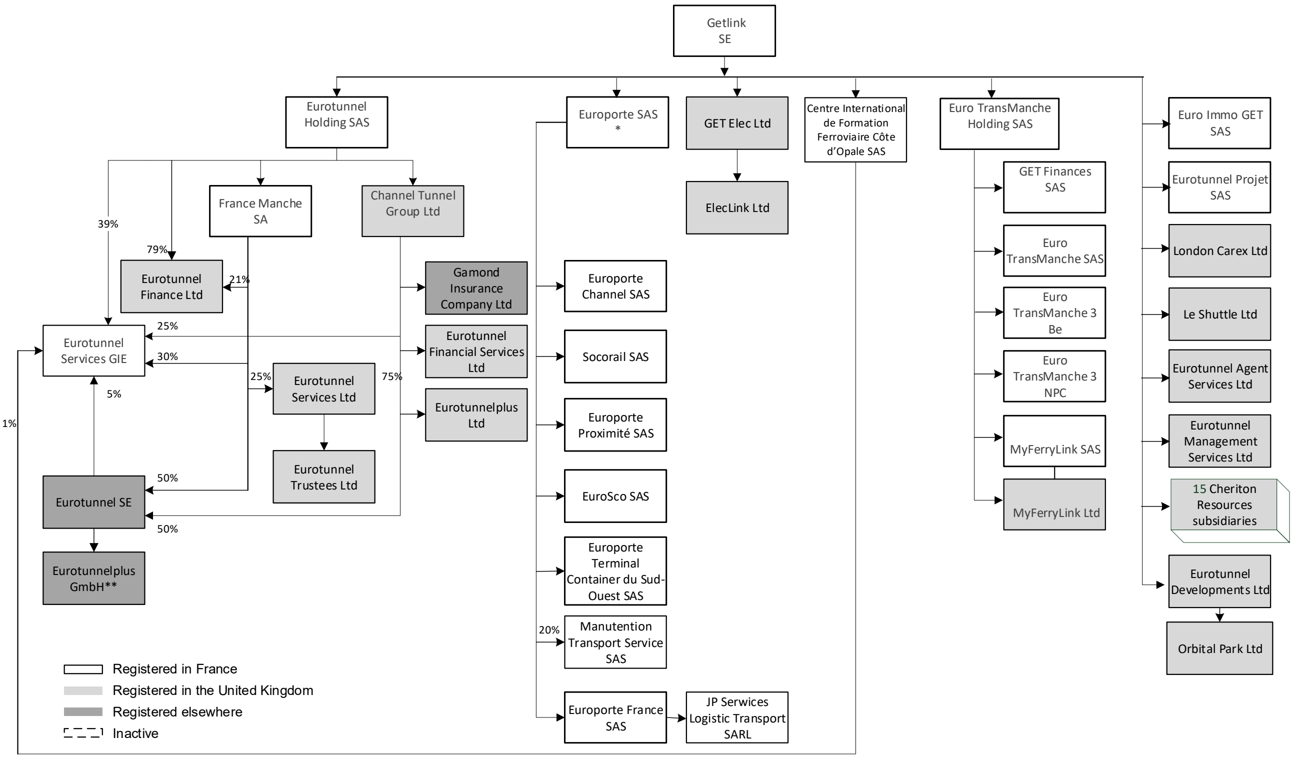
The holding company Europorte SAS groups together all the rail freight transport subsidiaries (Europorte segment) providing a wide range of integrated rail freight services, including national and international haulage, local services for secondary lines, and services to industry (individual junction management, infrastructure maintenance and wagon loading and unloading).

The activities of the Europorte segment are carried out by various subsidiaries of the holding company Europorte SAS including Europorte France (EPF), Europorte Proximité (EPP), Socorail, Europorte Channel (EPC) and EuroSco (management of the rolling stock belonging to the Europorte companies). Europorte SAS also owns 20% of the share capital of Manutention Transport Service SAS (MTS).

The ElecLink segment

ElecLink's corporate purpose is the construction and operation of a 1GW electricity interconnector between the UK and France. Preliminary work began towards the end of 2016 and the interconnector is scheduled to be brought into service in 2020. GET Elec Limited, a subsidiary of Getlink SE, holds the entire share capital of ElecLink Limited.

Simplified legal chart of the Group on the date of this Registration Document



Unless mentioned otherwise, all of the subsidiaries are fully owned in terms of capital and voting rights.

* *Europorte SAS is in the process of setting up a British subsidiary.*
** *Eurotunnelplus GmbH is in the process of being wound up.*

1.1.4 SELECTED FINANCIAL INFORMATION

The tables below are extracted from the Getlink SE consolidated income statements, statements of financial position and cash flow statements for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016. For more information, see chapter 2 of this Registration Document.

As at 31 December 2018, the Group has opted for the early adoption of the new standard IFRS 16 on leasing contracts The Group has applied the modified retrospective transition method and therefore the comparative information for the 2017 and 2016 financial years has not been restated. Further information on the application of this standard is set out in note B.2.2 to the Group's consolidated financial statements as at 31 December 2018 contained in section 2.2.1 of this Registration Document.

Following the completion of the Group's internal legal reorganisation explained in section 1.1.3 above, the Fixed Link segment as previously reported has been split into two with the Group's corporate services now being presented in the "Getlink" segment, separately from those of the Eurotunnel segment.

Consolidated revenue

Group consolidated revenue for 2018 comprises the following main sources of income:

- the Eurotunnel segment activities and mainly:
  - the Shuttle Service (Le Shuttle) for both the transport of trucks and the transport of cars, motor homes, caravans, coaches, motorcycles and trailers on its Passenger Shuttles;
  - payments received for use of the Tunnel Railway Network by High-Speed Passenger Trains (Eurostar) and by Train Operators' Rail Freight Services;
- the Europorte rail freight segment; and
- the Getlink segment, including the revenue of the rail freight training subsidiary CIFFCO.

The 2018 Group revenue breakdown is as follows:

€ million	31 December 2018	31 December 2017*	31 December 2016*
Exchange rate €/£	1.128	1.140	1.216
Shuttle Services	636	604	603
Railway Network	306	293	290
Other revenue	14	16	13
Sub-total Eurotunnel	**956**	**913**	**906**
Europorte	121	118	116
Getlink	2	2	1
Revenue	**1,079**	**1,033**	**1,023**

* *The revenue published for the Fixed Link segment was €915 million in 2017 and €907 million in 2016.*

Summary income statements

€ million	31 December 2018	31 December 2017*	31 December 2016*
Exchange rate €/£	1.128	1.140	1.216
Revenue	1,079	1,033	1,023
Operating costs	(510)	(507)	(509)
Operating margin (EBITDA)	**569**	**526**	**514**
Depreciation	(174)	(152)	(150)
Trading profit	**395**	**374**	**364**
Other net operating (charges)/income	(2)	(9)	37
Operating profit (EBIT)	**393**	**365**	**401**
Share of net result of equity accounted companies	–	–	(1)
Net finance cost	(269)	(270)	(262)
Net other financial income/(charges)	5	(43)	16
Pre-tax profit from continuing operations	**129**	**52**	**154**
Income tax expense of continuing operations	1	56	(18)
Net profit from continuing operations	**130**	**108**	**136**
Net profit from discontinued operations	–	5	64
Net profit for the year	**130**	**113**	**200**

* *The 2016 and 2017 data have not been restated following the application of IFRS 16 in 2018.*

Summary statements of financial position

€ million	31 December 2018	31 December 2017*	31 December 2016*
Exchange rate €/£	1.118	1.127	1.168
Intangible assets and property, plant and equipment	6,657	6,493	6,366
Other non-current assets	569	229	280
Total non-current assets	**7,226**	**6,722**	**6,646**
Trade and related receivables	97	96	94
Other current assets	65	61	172
Cash and cash equivalents	607	613	347
Total current assets	**769**	**770**	**613**
Total assets	**7,995**	**7,492**	**7,259**
Total equity	2,006	2,051	1,812
Total financial liabilities	4,907	4,346	3,786
Interest rate derivatives	748	716	1,309
Other liabilities	334	379	352
Total equity and liabilities	**7,995**	**7,492**	**7,259**

* *The 2016 and 2017 data have not been restated following the application of IFRS 16 in 2018.*

Summary cash flow statements

€ million	31 December 2018	31 December 2017 *	31 December 2016 *
Exchange rate €/£	1.118	1.127	1.168
Net cash inflow from trading	588	539	532
Other operating cash flows and taxation	(15)	(7)	(32)
Net cash inflow from operating activities	**573**	**532**	**500**
Net cash outflow from investing activities	(269)	(277)	(94)
Net cash inflow from financing activities	(307)	16	(425)
(Decrease)/increase in cash in year	**(3)**	**271**	**(19)**

* *The 2016 and 2017 data have not been restated following the application of IFRS 16 in 2018.*

1.2 EUROTUNNEL: CROSS-CHANNEL ACTIVITIES

Under the terms of the Concession Agreement, the States have granted the Concessionaires the right and obligation to design, finance, construct and operate the Fixed Link between France and the United Kingdom without prejudice to the sovereign role of the States in terms of control and border enforcement. The Concession Agreement, which is described in chapter 8 of this Registration Document, will expire in 2086.

The Fixed Link is an integrated transport system that includes shuttle services (for cars and trucks) and a rail service (passenger and freight trains). The Concessionaires FM and CTG operate the transport system with Shuttles and make paths available to companies in possession of a licence, allowing them to operate cross-Channel High-Speed Passenger Trains and Train Operators' Rail Freight Services.

The Fixed Link comprises three tunnels of a length of about 50 kilometres each under the English Channel, as well as the two terminals at Folkestone in the United Kingdom and Coquelles in France, the fixed equipment and the related installations:

- Two rail tunnels with a single track are, during normal service, each used by the trains moving in a single direction.
- The third tunnel, located for most of its length between the two main rail tunnels, is a secure means for evacuation and is also used for Tunnel maintenance.
- Two cross over points between the rail tunnels allow trains to change between tunnels during maintenance work on certain sections of the tunnels.

The Fixed Link is directly connected to the British and French motorway networks, via the Folkestone and Coquelles terminals which are the departure and arrival points. Retail and food service areas are available to customers at each terminal. The Fixed Link is also connected to the national French and British rail networks and more particularly to the high-speed lines.

1.2.1 EUROTUNNEL'S MAIN MARKETS

Eurotunnel offers both a Shuttle Service between Calais and Folkestone for the transport of passengers, cars, coaches and trucks and a Railway Network through which Railway Companies can run rail freight trains and High-Speed Passenger Trains. These services operate in the transport market between continental Europe and the United Kingdom.

a) Freight market

Freight traffic between continental Europe and the United Kingdom is commonly divided into four distinct modes:

- Roll-On/Roll-Off accompanied: trucks and trailers crossing the Channel or the North Sea on Shuttles or ferries at the same time as the road tractor and driver, mostly via the Short Straits;
- Roll-On/Roll-Off unaccompanied: trailers crossing the Channel or the North Sea independently of the road tractor, mostly via North Sea routes;
- rail freight: conventional or Intermodal trains running through the Tunnel; and
- Lift-On/Lift-Off: moveable containers or swap bodies loaded on Lift-On/Lift-Off container ships, mostly on the North Sea routes.

The market is based on three corridors:

- the Short Straits: all routes from continental Europe to Dover, Folkestone and Ramsgate (including the Tunnel);
- the English Channel: all routes from continental Europe to ports on the south coast of the United Kingdom south west of Folkestone; and
- the North Sea: all routes from continental Europe to ports on the east coast of the United Kingdom north of Ramsgate (including the Thames estuary).

The modal distribution varies by geographic zone. The shorter crossing times of the Short Straits are more suitable to time-sensitive traffic and attract most of the Roll-On/Roll-Off accompanied traffic, whereas the longer crossings of the English Channel or the even longer crossings of the North Sea makes these routes more suitable for Roll-On/Roll-Off unaccompanied and Lift-On/Lift-Off solutions.

Short Straits

In the freight market, the Truck Shuttle Service is in competition with ferry operators in the accompanied road transport route across the Short Straits. Over the last 20 years, there has been a marked shift towards the use of accompanied trucks between continental Europe and the United Kingdom. The market share between the different routes is currently relatively stable. The Roll-On/Roll-Off accompanied mode on the Short Straits routes still continues to grow because it provides the shortest and quickest route for crossing the Channel. The Short Straits' share of the freight market (both Truck Shuttles and ferries) rose due to the success of the Roll-On/Roll-Off accompanied mode due to various factors such as capacity increases and changes in the various operators' pricing policies.

b) Passenger market

The international passenger transport market departing to and from the United Kingdom has grown steadily since 2011 following the economic crash of 2008. It surpassed 2007 pre-crash numbers in 2016 and continued this growth into 2017. Estimates for 2018 show a reduction of 4%[4] which is possibly linked to economic uncertainties surrounding the impact of Brexit.

The Shuttles and the Short Straits ferries carry passengers travelling with their vehicles between Calais in France and Kent in the United Kingdom (Folkestone for the Shuttles or Dover for the ferries). Transport services for passengers travelling without their vehicles are provided by airlines or by High-Speed Passenger Trains and they represent a marginal and indirect source of competition to this service. Eurostar services principally operate in the transport market for passengers travelling, without their vehicles, between Paris and London and between Brussels and London. Eurostar's main competitors are the airlines.

Short Straits

The Short Straits market was heavily driven by day trips and duty free retail opportunities until the end of duty free in 1999. The business model has since changed to more broadly reflect trends in the international market (holidays, weekend breaks and closer business ties).

c) Competitive position in the Short Straits market

The Shuttle Services are in direct competition with the ferry services and compete indirectly with airlines and, to a lesser extent, with Eurostar.

i) Ferry operators

Cross-Channel ferry operators are using larger ships to handle greater volumes of traffic and to achieve economies of scale over the long term, looking for growth in the freight market rather than in the passenger market (cars).

A public service delegation contract was signed by the Hauts-de-France region on 19 February 2015 for the Calais Port 2015 project, aimed at merging the ports of Calais and Boulogne-sur-Mer and extending the port of Calais and in particular its ferry terminal. Work is under way with the creation of a platform on which future buildings, roads and bridges will be built[5]. On 10 April 2015, Getlink filed with the Administrative Court of Lille an application for the annulment of the public service delegation contract. The Administrative Court of Lille rejected this application in a judgment handed down on 8 November 2018. Getlink appealed this ruling to the Douai Administrative Court of Appeal on 8 January 2019.

Construction has begun on a project to create a new terminal in the Western Docks at the port of Dover to accommodate larger ferries.

Since 2015, two ferry companies operate on the Short Straits (P&O Ferries and DFDS Seaways), offering reduced capacity compared to that available previously.

P&O

P&O Ferries ("P&O") is a worldwide operator of port facilities and the biggest ferry operator on the Short Straits. It is in direct competition with Eurotunnel in both the freight market and the passenger market. It operates up to six vessels, two of which, at 210 metres, are the longest ships deployed on routes to and from Dover.

P&O have announced that they intend to acquire two new cross-Channel ferries for operation on the Dover-Calais route.[6]

DFDS Seaways

DFDS Seaways is owned by the Danish company DFDS. In 2018, DFDS Seaways deployed three vessels on the Dover-Dunkirk route and three on the Calais-Dover route.

In 2018, DFDS announced its intention to increase the capacity of two of its Roll-On/Roll-Off ferries and that a chartered combined freight and passenger ferry would be delivered in 2021 for deployment on the English Channel routes.[7]

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[4] *Source: provisional estimate based on data published by International Passenger Survey at the end of October 2018.*
[5] *Source: www.spd-calais.com.*
[6] *Source: www.kentonline.co.uk/dover/news/two-new-ferries-due-184490.*
[7] *Source: www.dfdsseaways.co.uk/about-us/press-centre/new-freight-ferry-ordered-to-accommodate-growth-in-route-network.*

ii) Shuttle Services

Competitive advantages of the Shuttle Service

The Group considers that, under normal operating conditions, its Shuttle Service benefits from the following competitive advantages over ferries:

- safety: the Group offers a reinforced safety system at the site of Coquelles and additional means of control before boarding that reassure Truck Shuttle customers;
- speed: the standard travel time between the French and British motorways is much shorter than that of its competitors;
- departure frequency: the Shuttle Service runs more frequently than any of its competitors, and it runs every day of the year;
- convenience: with the GSM-P system, Shuttle Services customers have uninterrupted access to GSM and 4G services in the Tunnel as well as free WiFi access across the whole of the Terminals;
- reliability: unlike the ferries, the Shuttle Service is not affected by sailing conditions and is not dependent on the weather; and
- environmentally-friendly: the electric power it uses for traction generates much lower greenhouse gas emissions than fossil fuels.

The Group is further enhancing these advantages by implementing a digital transformation plan focussing on six key areas including service fluidity; customer experience; maintenance and IT systems.

Eurotunnel's Shuttle Service also offers:

- a freight service that is independent of the passenger service, which is subject to the seasonality of tourist traffic;
- more efficient management of loading/unloading; and
- the direct management of its terminals, in contrast to the ferries, for which port operations are managed by third parties.

iii) Airlines

Airlines, and particularly low cost airlines, also have an indirect impact on the Short Straits market. These companies serve many destinations in continental Europe and thus compete with operators in the Short Straits, including the Passenger Shuttle Service in the short stay leisure market. What is more, many destinations in France are now served by low cost airlines offering an alternative means of transport between France and the United Kingdom.

iv) Eurostar

To a lesser extent, Eurostar's High-Speed Passenger Trains compete indirectly with the Passenger Shuttle Service in the leisure market.

1.2.2 EUROTUNNEL ACTIVITIES

Eurotunnel operates and directly markets its Tunnel Shuttle Services. High-Speed Passenger Trains and Train Operators' Rail Freight Services may also travel through the Tunnel in return for payment of a toll: Eurotunnel does not operate these services, but manages their passage through the Fixed Link Railway Network.

a) Shuttle transport activities

Eurotunnel operates Truck Shuttles transporting heavy goods vehicles and Passenger Shuttles transporting passengers in their vehicles (cars, coaches, motorbikes, motor homes).

i) Truck Shuttle Service

The Truck Shuttle Service carries trucks between France and the United Kingdom on Shuttles. At each terminal, drivers pass through dedicated check-in, security and border control facilities. Real time information has been improved in 2018 with on-board information screens, customer information panels on the approach routes, the "Elite" customer information processing software and a smartphone application for drivers. Other facilities for trucks are located close to the terminals. Drivers and passengers do not remain in their vehicles during the crossing, but travel in a separate carriage ("Club-Cars") specially designed for this purpose.

Strategy

Truck service marketing strategy

The strategy is based on optimising Truck Shuttle revenue and a pricing policy that reflects the fair value of the service provided by Eurotunnel - its speed, ease and reliability.

Eurotunnel has put in place a mechanism to optimise Truck Shuttle revenue based on a pricing policy consisting of more flexible prices, adjustable according to demand and available capacity. The aim is to encourage an improved distribution of truck flows at all times of day and all week long, so that capacity and load factors can be optimised whilst maintaining service quality during peak days. Throughout the year, Eurotunnel gives priority to customers under contract, only providing transport to occasional customers as available capacity allows.

Truck Shuttle Service market share

Eurotunnel estimates that its share of the Truck Shuttle Service market on the Short Straits corridor has evolved as follows:

	2018		2017	
	Vehicles	Market share (estimate)	Vehicles	Market share
Accompanied trucks *	1,693,462	40.9%	1,637,280	39.1%

* *Number of accompanied trucks transported by the Truck Shuttle Service. The Short Straits market share percentages are derived by calculating the Truck Shuttle Service's truck traffic as a proportion of the total accompanied truck traffic on the Short Straits market as reported by IRN Services Limited.*

The Truck Shuttle activity recorded a new record high in 2018, transporting over 1.693 million trucks, a 3% rise on 2017 in a market down 1.1%. Le Shuttle Freight therefore confirmed its position as market leader, with a market share of 40.9% over the year, a year-on-year increase of 1.8 points.

ii) Passenger Shuttle Service (Le Shuttle)

The Passenger Shuttle Service carries cars, motor homes, caravans, coaches, motorcycles and trailers between France and the United Kingdom on Shuttles. Customers remain in their vehicle throughout the crossing, which normally lasts approximately 35 minutes from platform to platform. Each Passenger Shuttle has two sections: a double deck section mainly for cars and motorcycles and a single deck section reserved for vehicles higher than 1.85 metres, mainly coaches, minibuses and cars with roof boxes or towing caravans.

The Passenger Shuttle Service can operate up to five departures per hour in each direction.

Strategy

Against the context of the business model, the objective to improve Passenger Shuttle revenue is achieved by optimising the average revenue per Shuttle departure.

Since 2016, small commercial vehicles can travel on the Passenger Shuttles with a booked reservation. Scanners on the passenger terminals reinforce security measures for this service.

Pricing policy: Dynamic Pricing

The pricing system adjusts ticket prices according to departure time and Shuttle load factor, thereby optimises passenger revenue and the average ticket price for passenger vehicles (cars, motor homes, caravans, motorcycles, and so on).

Tickets can be bought in advance from the website (www.eurotunnel.com), by telephone from the customer service centre, from travel agents and on arrival at check-in. More than 85% of Le Shuttle customer bookings are made online.

Adapting capacity to demand

The capacity of the Passenger Shuttle Service is regularly adjusted to improve the load factor and reduce costs. Operational adjustments are made to enable this such as a better distribution of Shuttle departures during the day, with limited Passenger Shuttles at off peak times, increased services during peak times and the optimisation of train crew management. This policy has helped optimise the load factor.

The Customer Experience

As a service business, Eurotunnel Le Shuttle puts the customer at the heart of its strategy and implements ways to enhance their satisfaction and loyalty:

- Actions and developments, with Brexit in mind, aimed at strengthening safety while speeding up passenger flows at borders, both on boarding and arrival, and contributing to improved customer satisfaction.
- Improved communication of real-time information, for each customer at every stage of their experience with Eurotunnel, with the roll-out of the digital transformation plan.
- Tailoring services to take account of the specific needs of each customer segment, such as owners of electric vehicles, those travelling with their pets, or customers with restricted movement.
- The service offered to Flexiplus customers has been enhanced. The creation of two buildings with a revised and modernised service offering has energised sales of this product.
- The check-in plazas are equipped with automatic terminals for all pre-reserved customers as well as an ANPR system to identify customers.
- The Group decided to speed up the company's digital transformation, with the main objectives of improving the customer experience, increasing the fluidity of customer service and optimising Tunnel and Shuttle maintenance. These measures were founded on two pillars: the creation of a digital culture within the business and the installation of a high-performing and extremely secure IT technical platform. The first stages were completed in 2017 and 2018. To further accelerate roll-out in 2019, a Chief Digital Officer was recruited to head Getlink's digitalisation for all the Eurotunnel, Europorte, ElecLink and CIFFCO subsidiaries.

In order to prepare for the vagaries linked to a no deal Brexit, Eurotunnel has put a set of arrangements in place as described in section 1.2.4.d) below.

Passenger Shuttle Service market share

Eurotunnel estimates its share of the car and coach passenger markets on the Short Straits as follows:

	2018		2017	
	Vehicles	Market share (estimate)	Vehicles	Market share
Cars *	2,660,414	54.6%	2,595,247	54.9%
Coaches **	51,300	39.7%	51,229	39.1%

* *Number of vehicles transported by the Passenger Shuttle Service. The market share percentages are calculated by converting the number of vehicles transported into Car Equivalent Units ("CEU") and determining the Passenger Shuttle Service's share of total CEU transported on the Short Straits as reported by IRN Services Limited.*

** *Number of vehicles transported by the Passenger Shuttle Service. The market share percentages are calculated by determining the Passenger Shuttle Service's share of the total number of coaches transported on the Short Straits as reported by IRN Services Limited.*

In contrast to the trend in the overall market which decreased by an estimated 4% in 2018, the Short Straits car market grew by 3% recovering its previous position following a few years marked by the influx of migrants and the impact of terrorist attacks. Car market share remained relatively stable compared to the previous year, at 54.6%. The cross-Channel coach market contracted by 1.1% in 2018. The Passenger Shuttle coach market share increased compared to the previous year to 39.7%.

b) Railway Network

In 2018, the Group earned 28% of its revenue (32% of Eurotunnel's revenue) from the use of the Railway Network by High-Speed Passenger Trains and Train Operators' Rail Freight Services. The Group does not operate these trains but manages their safe and efficient passage through the Tunnel infrastructure.

The use of the Tunnel by the Railway Companies is governed by the Railway Usage Contract with the national Railways, which is in force until 2052. Under this charging framework, the Railways are obliged to pay to the Group variable charges according to the number of passengers on High-Speed Passenger Trains as well as fixed annual charges. The variable charges are determined on the basis of a toll formula that applies throughout the life of the Railway Usage Contract, and which takes into account the effects of inflation to a certain extent. In addition, the Railways are required to contribute to the operating costs of the System, as well as to investment costs relating to the renewal of equipment.

This long-term pricing framework for the Railway Usage Contract is applied and published every year by the Concessionaires in the Fixed Link's Network Statement which sets out access conditions to its Railway Network for all Railway Companies, for the operation of High-Speed Passenger Trains and freight trains, as well as the pricing scale for the year under consideration. In this framework, a simplified pricing mechanism for freight trains was put in place, with charging per freight train instead of charging per tonne of freight.

The Group's revenue from its Railway Network is generated from variable charges received based on the number of passengers transported by Eurostar High-Speed Passenger Trains and the number of freight trains, annual fixed charges and the contribution to the operating costs of the Railway Network.

In 2018, the Group generated revenue €306 million from the use of its Railway Network, up 5% on 2017.

i) High-Speed Passenger Trains (Eurostar and new market entrants)

Market developments

The market for High-Speed Passenger Train services (Eurostar and future new entrants) comprises business and leisure passengers travelling between the United Kingdom and continental Europe. The market is geographically diverse and includes on the one hand inter-capital travel between London and Paris or London and Brussels and Amsterdam, and on the other hand a wider flow of passengers travelling between the United Kingdom and France, Belgium, the Netherlands, Germany and Switzerland. Eurostar also operates a direct service to Disneyland Paris, and to Lyon, Avignon and Marseille during the spring and summer and a service to Bourg-Saint-Maurice in winter.

Combined data on market growth for Eurostar and the airlines is presented below.

	2018 (estimate)		2017 *	
Air and rail	Passengers (thousands)	Growth	Passengers (thousands)	Growth
London-Paris	9,625	+1.4%	9,492	n/a
London-Brussels/Amsterdam	9,194	+6.6%	8,623	n/a

* *Following the opening of the Eurostar London to Amsterdam service in 2018, the 2017 figures were restated to include airline passengers on London-Amsterdam services.*

Sources: BRB, SNCF and CAA.

Eurostar recorded an average growth in traffic of 2% over five years (from 2009 to 2014) followed by a contraction of 4% after the shock of the terrorist attacks in 2015/2016. A recovery in 2017/2018 saw volumes grow beyond those of 2014 and 2015 on existing routes (London to Paris and Brussels), with growth further boosted by the launch of new services to Amsterdam in April 2018, resulting in traffic increasing by 7% in 2018.

Market share

The data below summarises Eurostar's High-Speed Passenger Trains' share of the market on the Paris-London and Brussels/Amsterdam-London routes.

	2018 (estimate)		2017 *	
High-Speed Passenger Train market share (Eurostar)	**Passengers (thousands)**	**share**	**Passengers (thousands)**	**** Market share**
London-Paris	7,449	77.4%	7,191	75.8%
London-Brussels/Amsterdam	3,523	38.3%	3,109	36.1%

* *Following the opening of the Eurostar London to Amsterdam service in 2018, the 2017 figures were retreated to include airline passengers on London-Amsterdam services.*

** *The market share percentages were established by calculating the share of the volume of rail passengers in the total rail and air traffic between Paris and London and between Paris, London and Amsterdam as communicated by CAA, BRB and SNCF.*

Sources: BRB, SNCF and CAA.

The competitive environment of High-Speed Passenger Trains (Eurostar)

Eurostar's High-Speed Passenger Trains connect London with the centre of Paris, Brussels and Amsterdam and compete directly with airlines (both traditional and low-cost) operating these routes in the business and leisure segments, in terms of travel time, frequency, comfort and price. In addition, for short-stay leisure trips, Eurostar also competes with low-cost airlines in terms of price, capacity and choice of destination, not only for destinations served by Eurostar but also for other short-haul destinations. Within the framework of the liberalisation of the international rail passenger transport market on 1 January 2010, the Group published its efficient and non-discriminatory conditions for access in its Network Statement thereby offering all railway companies including new entrants the opportunity to operate cross-Channel High-Speed Passenger Train services to existing or new destinations in competition with each other and with the airline sector.

High-Speed Passenger Trains (Eurostar)

Eurostar's High-Speed Passenger Train services are operated by Eurostar International Limited, owned 55% by SNCF, 5% by SNCB, and 40% by a consortium comprising CDPQ, the Caisse de Dépôt et Placement du Québec and Hermes Infrastructure.

Since 2007, the High-Speed Passenger Trains services have benefitted from the high-speed line between London and the Tunnel which has reduced the transit time between Paris and London or Brussels and London by around 20 minutes and London's St Pancras International station which improves rail links with northern England (proximity of rail services from St Pancras, King's Cross and Euston stations). Ebbsfleet International station, located near the M25 London orbital motorway, also allows Eurostar to expand its catchment area.

In 2018, Eurostar ran 13 to 18 departures in each direction between Paris and London and 7 to 10 trains in each direction between London and Brussels (including 2 daily services from London to Amsterdam from April 2018) on business days, with adjustments depending on the day, the season and the destination. Some trains make intermediate stops at Ebbsfleet or Ashford International in the United Kingdom and at Calais-Fréthun or Lille-Europe in France. Eurostar also runs a service to Disneyland Paris four to seven days a week (except in January) and seasonal services from London and Ashford to Bourg-Saint-Maurice with two return journeys a week (from December to April) as well as a spring/summer seasonal service (May to September) from London to Lyon, Avignon and Marseille with three or four return journeys a week.

In 2018, the number of Eurostar passengers (travelling through the Tunnel) increased by 7% on average over the year to 11.0 million (source Eurostar) following a recovery in demand after a market context strongly affected in 2016 by the terrorist attacks in Paris, Brussels and Nice. This recovery led to record traffic volumes in 2018 for nine months out of 12 and to three record quarters (the exception being the second quarter due to the SNCF strikes). Calculated in accordance with the pricing framework indexing formula set-out in the Railway Usage Contract, the unit toll per passenger paid by Eurostar increased by 1.4% in 2018.

Since 2015, Eurostar has been using new e320 distributed drive trains ordered from Siemens. More comfortable (with on-board WiFi and individual sockets) and powerful than the previous trains (top speed of 320km/h), they can accommodate 900 passengers (20% more than the original fleet) and are equipped with interoperable systems that are compatible with the development of services to new destinations. These trains are gradually replacing the majority of first generation trains after the test periods needed to eliminate any residual defects, in a Eurostar rolling stock fleet that also includes modernised Alstom e300 trains with a similar level of comfort to that of the e320.

On 4 April 2018, Eurostar launched its new direct service between London and Amsterdam, which marks a historic milestone in the expansion of high-speed international rail travel. For the first time, passengers can travel from the heart of London directly to the Netherlands in only three hours at a speed of 300km/h (and in under four hours to the centre of Amsterdam). Initially, passengers travel direct from London to Amsterdam and Rotterdam. In the direction Amsterdam to London, they change at Brussels where passport and security checks are carried out. This is a temporary measure while the UK and Dutch governments reach an agreement regarding juxtaposed passport checks on departure from the Netherlands, in the same way as happens for the other main Eurostar destinations. The governments have committed to putting in place an agreement by the end of 2019 in order to allow Eurostar to run a direct service in both directions.

Development of new destinations

To help accelerate the development of new cross-Channel passenger rail links and to accelerate the realisation of these new service opportunities, the Group has developed the ETICA-Pax (Eurotunnel Incentive for Capacity Additions - Passengers), a financial assistance mechanism for the launch of new cross-Channel High-Speed Passenger Train services. Through the ETICA-Pax programme, the Group contributes to creating direct services to new destinations by reducing the launch cost of these new services and increasingly rewarding Railway Companies for their market development efforts.

Since 2015, Eurostar has been operating a direct seasonal service from London to Lyon, Avignon and Marseille in the spring and summer months. However, this service requires passengers to disembark at the Lille station on the return trip for border controls and therefore there remains significant potential for improving competitiveness.

The new direct service between London, Rotterdam and Amsterdam was launched in April 2018, with two daily frequencies on weekdays. Following strong demand for these services, Eurostar announced the addition of a third daily frequency on this service from June 2019. The key to achieving the full development potential of this service lies in the introduction of juxtaposed controls (Dutch and UK) on departure from the Netherlands, requiring efficient cooperation between the national authorities. Eurostar has announced its intention to launch four or five daily frequencies on its Amsterdam services once direct services from the Netherlands are made possible by the delivery of juxtaposed border controls. Eurotunnel contributes to the launch and accelerated development of these services with the ETICA-Pax incentive scheme.

Further opportunities for direct services exist notably to Germany (Cologne, Frankfurt), southern France (Marseille, the French Riviera, Bordeaux) and Switzerland (Geneva). As for the Amsterdam service, these service development projects require the resolution of all the associated technical and equipment requirements (approval of trains, modification of stations, train paths, etc), as well as the development of efficient border controls and cooperation between the relevant national authorities.

In 2010, Deutsche Bahn stated its intention to launch ICE High-Speed Passenger Train services from London to Cologne and Frankfurt. The operating model for these services was authorised by the IGC in June 2013, but a development plan is yet to be confirmed due to project delays.

The Group continues its long-term efforts with national authorities and rail organisations to progressively eliminate the barriers to the development of new destinations (efficient security and border controls, rolling stock authorisations, investment in interoperability, improved access to stations, long-term visibility, and so on). Significant progress has been achieved with the implementation of “open access” for international passenger services across Europe and the increasing application of interoperability standards, notably with efforts to standardise IGC technical requirements for cross-Channel High-Speed Passenger Trains. Further progress remains necessary, in particular with regards to border controls, to develop solutions that are efficient and tailored to the type of destination (juxtaposed controls for frequent services between capital cities and on-board control or controls on arrival for regular regional services) and thereby preserve the benefits of speed and convenience essential to the competitiveness of High-Speed Passenger Train services.

The Group is working in close cooperation with rail infrastructure managers to facilitate the elimination of these barriers and the development of new direct destinations (notably on interoperability investments and boarding areas in stations). Against the background of initiatives aimed at reducing barriers to the development of existing and new services (security and border controls, rolling stock authorisation, investment in interoperability and so on), in 2018 Getlink intensified and strengthened its cooperation with other infrastructures. This joint initiative led to concrete efforts to resolve and lower barriers to the development of the Bordeaux-London market, notably with regard to the development of spaces in stations and the development of border controls. During 2018, the Group announced joint cooperation initiatives with infrastructure managers for the development of international station areas (at Bordeaux Saint Jean), and for the development of interoperable signalling systems across the London-Paris-Brussels routes (ERTMS).

A study carried out by an internationally renowned firm in 2018, highlighted the development potential of alternative low cost rail services between secondary stations in Paris and London such as, for example, Charles de Gaulle and Stratford International. This study confirmed both the complementary nature of such a link with the line currently operated and its potential profitability.

ii) Train Operators’ Rail Freight Services

Market developments

Train Operators’ Rail Freight Services compete with most modes of sea and rail transport between continental Europe and the United Kingdom, offering their own advantages of efficiency and attractiveness with a Channel crossing without the need for modal shift, in a particularly environmentally-friendly means of transport and potentially a quality of service not affected by roadworks or weather conditions.

After a significant surge in traffic from 2010 to mid-2015, Train Operators’ Rail Freight Services traffic abruptly dropped by half in the second half of 2015 due to disruption by migrants in the Calais area, before stabilising in 2016 and returning to growth in 2017 and 2018.

The freight volume transported by the Train Operators’ Rail Freight Services is summarised below:

Train Operator's Rail Freight Services	2018	2017
Cross-Channel rail freight (million tonnes)	1.30	1.22
Number of train crossings	2,077	2,012

Sources: Eurotunnel, DB Cargo on behalf of BRB, SNCF and its subsidiaries, GB Railfreight, Rail Operations Group, RailAdventure and Europorte.

Competitive environment of the Train Operators' Rail Freight Services

Rail freight through the Tunnel, originally developed by state-run Railways, has had a history of disappointing results and organisational difficulties. International rail freight is also held back by inadequate national infrastructure (in particular train gauge, length and weight restrictions in the UK, quality and availability of paths in France), distortions in favour of sea and road transport and excessive constraints (regulatory, workforce and technical).

Rail freight trains are in competition with most modes of freight transport in operation between continental Europe and the United Kingdom and, in particular, with unaccompanied maritime services via the North Sea, with onward road or rail transport in continental Europe.

Train Operators' Rail Freight Services

Train Operators' Rail Freight Services between continental Europe and the United Kingdom are run by Railway Companies including DB Cargo (on behalf of BRB), SNCF and its subsidiaries, GB Railfreight, Europorte, Rail Operations Group, RailAdventure and potentially any goods train operator in open access. Three different types of Freight Trains use the Railway Network:

- Intermodal trains, composed of platform wagons transporting containers or swap bodies;
- conventional trains (carrying palletised goods in enclosed wagons or bulk loads in adapted wagons such as tankers, hoppers, platforms, and so on) carried as a trainload; and
- trains with specialised wagons for transporting new cars.

In order to revive cross-Channel rail freight, the Group adopted in 2007 a strategy based on three themes: (i) development of open access for rail freight operators, (ii) efficient processing of border constraints, and (iii) a simplified and competitive pricing policy.

Since 2013, with the aim of promoting the development of Train Operators' Rail Freight Services traffic in the Tunnel, the Group has put in place a programme to help the launch of new services (ETICA-Freight). These initiatives demonstrated their pertinence with a sustained period of traffic growth between 2010 and mid-2015 and a total increase of more than 40% in the number of trains, including the creation of new intermodal services and an increase in the flow of aluminium and automobile components.

This growth dynamic was halted abruptly in the summer of 2015 by the intrusion of migrants on the SNCF tracks in Fréthun during the peak of the migrant crisis in the Calais area, leading to a protracted period of severe disruption to Train Operators' Rail Freight Services until the situation was remedied at the end of October 2015. This resulted in the loss of half of the cross-Channel rail freight services which shifted either to unaccompanied services or to container transport via the North Sea, or more generally to transportation by road.

In 2016, the set-up of effective security for cross-Channel rail freight operations allowed traffic to stabilise at the level reached at the end of 2015, followed by a return to growth thanks to the ramp-up of services assisted by ETICA-Freight during 2017 and 2018. In 2018, rail freight traffic recorded growth both in train numbers (+3%) and tonnage transported (+7%), despite the SNCF strikes which created prolonged disruption to services during the second quarter. Development efforts were also rewarded with the launch of two new intermodal rail freight services (UK to Germany and UK to Italy) in early 2018.

Development of services and competitiveness

Following the setback in 2015, with the loss of half of cross-Channel rail freight services, the Group informed the European Commission that the common rail freight growth objectives could not be attained. The Group continues to work with the governments and the Railway Companies on implementing solutions to stimulate the revival of this traffic.

In 2018, the Group completed the construction of a full-train scanner on the national railway network in Fréthun, representing an investment of over €6 million. This scanner will enable customs officials to control freight trains moving at a speed of 20km/h, thereby enhancing the security and fluidity of cross-Channel rail freight and consequently its attractiveness. The Group also participated in working groups with the authorities and rail freight players to organise the fluidity of cross-Channel rail freight services in various Brexit scenarios, offering an attractive means of transport independent of road infrastructure. In addition, the Group extended its ETICA-Freight financial aid programme to support the launch of new destinations, creating a growing interest in the development of new services.

In order for these growth efforts to produce their full effect, the Group continues to draw the attention of authorities to the need to progressively address the barriers to development existing on the national networks (train gauge, length and tonnage limits, network quality and availability, border constraints, etc). These barriers continue to hold back the development of cross-Channel rail freight, and represent a considerable potential for efficiencies waiting to be unlocked.

c) Other revenue

In 2018, Eurotunnel's other revenue was €14 million, representing 2% of the Group's total revenue. This other revenue consists mainly of (i) revenue from third party retail businesses in the terminals on both sides of the Tunnel, (ii) revenue for telecommunication lines in the Tunnel, (iii) revenue related to the property business and (iv) the sale of travel insurance products in the United Kingdom.

i) Revenue from third party retail businesses

At its two terminals, in France and the United Kingdom, Eurotunnel welcomes its customers in buildings containing shops and other retail outlets.

Eurotunnel's strategy is to offer travellers who choose to stop before making the crossing a choice and level of service consistent with the overall quality and value of service offered by Eurotunnel. The Victor Hugo passenger terminal building in Folkestone and the Charles Dickens building in Coquelles offer the highest international airport standards to welcome customers in a pleasant environment, especially following the opening of the new Flexiplus buildings.

Access to the shops, bars and restaurants is available only to customers travelling on the Shuttle Services. They are located inside the terminals, after check-in and are operated by third parties.

ii) Property business

The Group owns and manages plots of land near its French and British terminals.

From the outset of the Fixed Link project, the Group was given responsibility for local land development as an extension of its mission to design, build and operate the Fixed Link. The Fixed Link is not just a transport infrastructure: it was also designed as a platform for the future economic development of the Kent and Calais regions. The Group, in the interests of sustainable development, restored the site of the former factory where the tunnel lining segments were made. This restoration work paved the way for a major commercial and tourism development project to stand alongside the Cité de l'Europe shopping centre in Coquelles which is described in section 1.5 below.

1.2.3 EUROTUNNEL: CAPACITY OF THE FIXED LINK

a) The System

i) The Tunnel

The number of trains or Shuttles that can pass through the Tunnel every hour is limited. Tunnel capacity is expressed in terms of the number of standard paths per hour in each direction. A standard path is defined as the time it takes a Shuttle train operating at 140km/h to cover that part of the System which, under normal operating conditions, is used by all other trains travelling through the Tunnel. One of the key factors determining the Tunnel's capacity is the signalling system. At the date of this Registration Document, the System permits 20 standard paths per hour in each direction.

Under the Railway Usage Contract, trains using the Railway Network are entitled to use up to 50% of the hourly capacity of the Tunnel that is allowed by the signalling system. This currently amounts to ten standard paths per hour in each direction for High-Speed Passenger Trains (Eurostar and new entrants) and Train Operators' Rail Freight Services. High-Speed Passenger Trains and Train Operators' Rail Freight Services, because of their faster or slower speeds relative to the Eurotunnel's Truck and Passenger Shuttle Services, use more than one standard path to travel through the Tunnel. At peak times, speeds can be adjusted to maximise the number of trains and Shuttles travelling through the Tunnel.

Goods trains currently transport an average load of about 500 to 600 tonnes each, although some of them can transport more than 1,000 tonnes of freight, and travel at speeds varying between 100 and 120km/h. An increase in the average load or travel speed of these trains would allow the Railway Companies to increase rail freight traffic without additional use of the Tunnel's capacity. Similarly, increasing unit capacity and occupancy on High-Speed Passenger Trains (those of Eurostar and new market entrants) and, for example, synchronising them so that they run in sequence would enable more passengers to be transported without using additional Tunnel capacity. For both types of traffic, the increased unit occupancy rate of the trains enables Railway Companies to increase the economic efficiency of their services, thus creating a natural incentive to make optimum use of the Tunnel capacity. In this context, the new e320 trains put into service by Eurostar from November 2015 offer a 20% increase in unit capacity compared to the original fleet, leading to a proportional increase in the Tunnel capacity in terms of the number of passengers. In the same way, the introduction in 2007 of a pricing structure by goods trains has led to a substantial increase in the average load factor.

Under the terms of the Railway Usage Contract, Eurotunnel may use any surplus capacity not used by the Railway Companies if they have not confirmed their capacity requirement by the previous day. Use of this surplus capacity provides the Group with additional flexibility in optimising the flow of traffic and scheduling passenger and freight trains and Shuttle Service departures.

At the date of this Registration Document, the Tunnel's capacity under normal operating conditions does not constitute a significant constraint limiting growth in the different types of traffic. The average path occupancy rate, which corresponds to the total current consumption of paths (Eurotunnel Shuttles and Railways) to the total capacity available, is 58.7%, which allows for substantial traffic growth in the future.

As part of its mid-term strategic thinking for Eurotunnel, and as indicated in section 1.1.2 of this Registration Document, the Group is working on optimising availability of the Tunnel itself. In the medium or long term, the Group believes that it will be possible to increase the Tunnel's capacity by the following means:

- setting uniform operating speeds for all trains, which would allow more trains to run on the same number of standard paths. Currently, goods trains travel in the Tunnel at a speed of 100 or 120km/h, while High-Speed Passenger Trains can reach a speed of 160km/h in the Tunnel. These speed differentials use a large part of the System capacity, because they require Eurotunnel to leave greater intervals between trains than would be necessary if they all travelled at the same speed. Use of the System's capacity could therefore be improved by shifting slow or infrequent freight trains to off-peak times, and by scheduling trains that travel at speeds higher (160km/h) or lower (120km/h) than the standard path (140km/h) so that they run in sequence during peak hours;
- increasing the power of the locomotives pulling the Shuttles to allow the use of longer trains or reduce transit times;
- improving the electrical power supply by replacing the booster with better and more powerful equipment, aimed at improving the quality of the electrical signal;
- reducing the headway between trains using the Tunnel (to 2 minutes 30 seconds instead of 3 minutes as it is at present) so as to raise System capacity to 24 standard paths per hour in both directions. This would, however, mean improving

the fixed equipment and installing an ATO (Automatic Train Operation) on board trains to reduce the impact of safety rules specific to the Tunnel on the practical interval; and

- improving the signalling system, notably with the European Train Control System (ETCS) that aims to optimise border crossings while guaranteeing traffic safety.

Some of these measures require approval by the IGC, which has supervisory authority over Tunnel operation.

As part of the strategy to continually improve and modernise the infrastructure to offer total interoperability over the entire trans-European rail network, Eurotunnel has installed GSM-R (Global System for Mobile Communications – Railway), a ground to train radio communications network in the Tunnel. A dedicated relay system using 2G, 3G and 4G telephone and GSM-P mobile internet networks enables passengers on Shuttle Services and High-Speed Passenger Trains to use their mobile phones both to make calls and access the internet is available in the Tunnel.

ii) Terminals

Currently, 10 boarding platforms are in service on the French terminal and 10 on the British terminal. Both terminals were designed so that the number of boarding platforms could be increased to 16 on each terminal.

Eurotunnel's current strategy is to optimise the reliability of loading and unloading times to increase frequency using the existing platforms.

However, in order to maintain traffic fluidity with Truck Shuttle traffic growth and to increase the number of hourly departures, capacity at the terminals could if necessary be expanded. As stated in section 1.6.2 of this Registration Document, Eurotunnel has built secure parking at Coquelles, has increased the number of toll booths and the number of access lanes to the check-in barriers.

These developments help improve traffic flow and the quality of service.

b) Rolling stock

At the date of this Registration Document, Eurotunnel has 18 Truck Shuttles (including three purchased in 2017), six with a capacity of 31 trucks and 12 with a capacity of 32 trucks.

Eurotunnel has nine Passenger Shuttles each able to carry up to 180 cars (smaller-sized) or 120 cars and 12 coaches.

Planned changes in the Shuttle fleet are described in section 1.2.4 of this Registration Document.

1.2.4 EUROTUNNEL: RELIABILITY OF THE SYSTEM

a) Tunnel availability and maintenance

Scheduled weekly maintenance of the Tunnel is planned and structured so as to promote efficient use of the Tunnel and avoid disruption to commercial operations. In order to optimise maintenance activities, overnight maintenance has been reduced from three to two nights per weekend and maintenance work on the terminals on Friday nights has been limited.

In 2018, Eurotunnel kept service disruptions due to fixed equipment failure to less than 0.75% overall despite traffic growth.

The operational plan aiming to limit fire risk (the Salamandre Plan) and the creation of fire-fighting stations (SAFE) contribute towards protecting the infrastructure in case of fire on board a Shuttle or a train.

Over the last few years, Eurotunnel has also undertaken work to reinforce the catenary that supplies the power required to operate the Shuttles and trains circulating in the rail tunnels. In 2018 it installed new synthetic isolators to improve the operating availability of the electrical power supply.

Rails at the terminals are replaced as part of the routine maintenance programme, without major disruption to commercial services. The strategy implemented has reduced costs without harming the quality of the track.

b) Rolling stock maintenance and availability

Eurotunnel has also set itself the objective of achieving better utilisation of its transport capacity by improving the load factor and availability of its rolling stock and by modifying maintenance procedures in order to optimise periods of operation.

Eurotunnel's repair and maintenance programmes have helped to improve the reliability of the electric locomotives and Truck and Passenger Shuttles. In planning its maintenance programme, Eurotunnel's objectives are to:

- ensure that safety requirements are met;
- avoid rolling stock being out of service for prolonged periods; and
- maximise the number of Shuttles available at peak hours.

Under current maintenance programmes, light maintenance and safety inspections are carried out every 44 days or 30,000km for the locomotives, Truck Shuttles and Passenger Shuttles. Every 600 to 1,200 days, depending on the type of component and the number of kilometres it has covered, each component is taken out of service for one to six weeks to undergo an extensive preventive maintenance programme.

Eurotunnel is implementing simplification and renovation programmes aimed at further reducing future maintenance requirements and improving reliability of rolling stock.

The goal of the large scale maintenance programme is to:

- meet safety requirements (e.g. bogies, brakes, couplings and batteries);
- restore and improve the reliability of systems (e.g. canopies and hydraulics on single deck loaders);
- extend the life of wagons (e.g. floors); and
- ensure customer comfort (e.g. air conditioning, toilets and interiors).

c) Maintenance strategy

In order to optimise infrastructure maintenance, it is envisaged that time spent maintaining the two rail tunnels will be reduced through the use of digital inspection tools. To this end, there is a project to develop a measurement train specifically for use in the Tunnel. It will circulate each week and deliver a very accurate assessment of the condition of the track, catenary and other equipment, which should eliminate the need for long visual inspections on foot and strengthen the predictive maintenance approach.

The process of optimising the rolling stock maintenance strategy aims to:

- improve the availability, performance and quality of the Shuttles;
- increase processing capacity and so optimise the total cost of maintenance; and
- rationalise technical choices and industrial resources.

This process is based on several lines of work:

- optimisation of the organisation of Truck Shuttles maintenance in order to make an additional Shuttle available for commercial service on weekdays and to handle the increase in kilometres travelled;
- desaturation of the train maintenance industrial tool by strengthening the night maintenance teams in the short-term maintenance workshop, in addition to normal rotations;
- technical redesign of maintenance on systems that have a high impact on performance and quality, focussing on the relevance of maintenance instructions and the implementation of appropriate large scale maintenance programmes; and
- optimisation of key processes such as corrective maintenance, re-profiling and axle replacement, with improvement in the efficiency of human, industrial and IT resources.

Eurotunnel's digital vision includes two elements that directly relate to maintenance:

- Optimising infrastructure and rolling stock management through data analysis: increasing the reliability and availability of infrastructure and rolling stock through predictive maintenance, digitisation of teams on the ground and optimisation of planning schedules.
- Building a global platform to enable collection, visualisation, analysis and prediction using reliable and secure data, accessible to maintenance staff in real time.

d) Projects

As part of this improved performance over the long term, several working groups have been set up to bring together broad transverse and collaborative themes, including:

- Fluidity of the terminals: the project aims to reduce the time between a customer arriving on site and boarding a Passenger or Truck Shuttle.
- Improving the availability of the rolling stock as specified in section 1.2.4.b) of this Registration Document. Various initiatives should increase the reliability and efficiency of the System including the three third-generation Truck Shuttles that were delivered in 2017. These new Shuttles benefit from improvements stemming from Eurotunnel experience feedback.
- Customer experience: as indicated in section 1.2.2.a)ii) of this Registration Document.
- Improving the availability of the infrastructure as indicated in section 1.2.4.a) of this Registration Document.
- Human resources and safety, as indicated in chapter 6 of this Registration Document.
- Revenue optimisation, such as the creation of flexible pricing according to Truck Shuttle load factors during peak periods.

Eurotunnel is actively pursuing its Brexit preparations:

- In January 2019, Eurotunnel started building customs and veterinary control facilities. The infrastructure will accommodate the two State services responsible for performing checks: customs checks and veterinary checks which require inspection by the French veterinary and phytosanitary service (SIVEP).
- In the second quarter of 2018, Eurotunnel completed construction of a cross-Channel goods train scanner on the SNCF Réseau tracks in Fréthun. This scanner will reduce the time necessary for border controls by customs officials in Fréthun, further improving the quality and competitiveness of cross-Channel rail freight with a view to Brexit.
- Eurotunnel plans to create a data collection centre in Folkestone (Freight Park).

- In February 2019, Eurotunnel and IN Groupe (formerly Imprimerie Nationale) signed a partnership to equip the Eurotunnel terminals with PARAFE (Passage rapide automatisé aux frontières extérieures – automated rapid transfer through external borders) gates, which are generally deployed in airports. The result of collective work carried out over several months under the auspices of the French Interior Minister, this high-tech investment financed by Eurotunnel will make it easier for passengers holding biometric passports to cross the border. The use of this technology contributes to modernising operational border management and the shift towards intelligent management. It also makes possible the dual objective of facilitating and speeding up border crossings which, with increasing passenger flow and stricter border checks, provides greater certainty on the identity of passengers and the rights associated with the process. For the first phase of this project, the passengers of the 51,000 coaches travelling every year, mostly tourists, will be the first to use the PARAFE gates from the beginning of April 2019. Later phases will focus on equipping Flexiplus and then on a wider roll out.

More broadly, as part of a collaborative dynamic, Eurotunnel decided in the mid-term to define and direct the following projects that seek to improve the operational profitability of assets used in operations:

- Strengthen the operational availability of infrastructure and particularly rolling stock, by reducing their number through a strict quality policy and attaining the highest level of RAMS availability (reliability, availability, maintainability and safety) in the market: in particular, the first generation Truck Shuttles will be replaced by next generation Shuttles that are simpler and more reliable, the Truck Shuttle Club-Cars will be replaced by cars with the highest RAMS level in the market and the Passenger Shuttles will be modernised by improving the availability of critical equipment (fire detection equipment, air conditioning, fire doors and converters).
- Simplify and optimise operating conditions, generating gains through the universality of services and solutions: in this regard the Truck Shuttle operating fleet will be standardised by installing four padogas to increase the load factor, simplifying and improving the reliability of pre-departure technical checks and simplifying loading conditions for Passenger Shuttles in real-time to improve the load factor.
- Punctuality, reliability, adaptability and safety are the key words of the investment programme, with:
  - the planned replacement of the six first generation Truck Shuttles with four new Shuttles by 2021. This replacement will be accompanied by the standardisation of the use of the Truck Shuttle fleet, including the installation of pagodas by 2021, in order to improve the operating availability of the fleet;
  - the comprehensive refurbishment of the entire fleet of nine Passenger Shuttles by 2026 enabling an increase in capacity, a higher utilisation rate and a new customer experience (connectivity, display, comfort, and so on).
- Simplify operating processes for Truck Shuttles, to improve efficiency and ultimately increase load factors. The aim is to mutualise safety and security controls, redesign the operating structure and optimise real-time communication, primarily using digital tools.
- Increase transport capacity by improving the reliability of Shuttle cycle times and restricting production losses: seek to reduce transit times by installing ATO with ETCS (European Train Control System) and controlling customer loading and unloading times by focussing on their guidance (signs, location of agents, communication and in the long-term, vehicle guidance systems similar to self-parking systems in semi-autonomous vehicles).
- Improve operational security (by the installation of the four pagodas and better safety in the Tunnel if smoke is detected using ATO).
- Promote optimisation of the load factor by strengthening the flexible pricing system according to anticipated load factors for both Truck Shuttles and Passenger Shuttles and by transferring professional customers (law enforcement and service personnel) to the new higher-capacity Club-Cars.

1.3 EUROPORTE ACTIVITIES

1.3.1 EUROPORTE'S MAIN MARKETS

According to figures published by the French Ministry for Ecological and Inclusive Transition[8], French rail freight volumes totalled 33.4 billion tonne kilometres in 2017, up 2.4% compared to 2016 (32.6 billion tonne kilometres). Against the background of SNCF Réseau strikes in the second quarter, Europorte transported 1.6 billion tonne kilometres in 2018, slightly down compared to 2017, while still representing an estimated market share of approximately 5%.

1.3.2 EUROPORTE'S ACTIVITIES

Thanks to its dense coverage in France, Europorte is positioned as a growth vehicle for the Group. It is present across the entire rail freight transport logistics chain, from collecting and routing on primary and secondary networks (Europorte France) to loading and unloading of wagons on private branch lines on industrial sites (Socorail) and to managing rail infrastructure (ports, private and public/private industrial sites) in France and also in Belgium. Europorte is developing its various complementary activities concurrently in order to offer its customers complete and customised solutions that meet their expectations for integrated logistics chains and high quality of service.

Revenue generated by Europorte's activities in 2018 increased by 3% to €121 million compared to 2017, stimulated by contract indexation and growth in the transport of cement and of chemical products.

[8] *Source: Observation and Statistics Service of the General Commissariat for Sustainable Development (CGDD).*

a) Europorte France (EPF)

Europorte France is a private rail company that offers its customers a service hauling freight trains throughout the railway network. Every day, EPF carries out main line rail haulage operations 24 hours a day and seven days a week throughout France with connections to neighbouring European countries, in partnership or as an open access operator, particularly in Belgium where EPF has its own railway authorisations (licence and certificate).

For its operations, which averaged around 164 commercial trains per week in 2018, a year marked by the SNCF Réseau strikes from April to June, EPF has a fleet of 74 main line electric and diesel locomotives interoperable with neighbouring European countries. They are used on average by 268 drivers and operators authorised for safety operations on the French railway network and, in some cases, in Belgium.

EPF has designed its operating model based on six key parameters, specifically with a view to serving its private industrial customers:

- optimisation of transport plans based on regular paths;
- organisation of the rail businesses through regional hubs;
- guaranteed service through the provision of reliable human and other resources dedicated to traffic;
- regular and punctual delivery of goods;
- safety on customers' private branch lines and on the national railway network; and
- communication on the status of customers' freight traffic.

Europorte transports all types of goods, with the exception of explosive, nuclear and biological materials. Its entire operating system is designed in accordance with the rules on transporting dangerous goods in order to maximise the safety of its operations. In 2017, Europorte consolidated its petrochemical and cement segments and 2018 continued in the same vein with further strengthening of developments in Belgium and Germany.

EPF has continued to diversify the goods that it transports in order to balance out the risk of seasonal fluctuations in the volumes transported. EPF has also continued to consolidate its rail business along France's north/south corridor through its hubs. EPF continued to develop its range of one-off services (spot trains), as well as offering specific services in response to the needs of customers in the agri-food and automotive sectors to meet growing demand from rail freight customers for seasonal transport requirements.

EPF also continued its freight forwarder business, mostly for grain transport following a universal asset transfer by its subsidiary, Bourgogne Fret Services, in 2017.

All main line locomotives are equipped with GPS positioning and exchange all relevant technical data with the operating and maintenance teams. The command post agents are able to display information on tablets such as the position of the train, its schedule in relation to its paths, the battery condition and the amount of fuel in its tank. In turn, drivers are gradually being equipped with tablets incorporating driving documents and traffic information (alert reports and so on).

b) Socorail

For more than 40 years, Socorail has been providing internal logistics services on industrial sites: wagon handling operations, track maintenance, loading and unloading of wagons and trucks, and operations on ships. Socorail's activities cover a range of services to industry, mainly involving dispatch and reception of raw, semi-finished or finished products, and management of rail infrastructure:

- the management of industrial sidings including reception, handling and dispatch of loaded or unloaded wagons and the associated administrative processing;
- loading or unloading wagons, particularly tank wagons;
- terminal rail services in port zones and on the French railway network;
- the provision of rail haulage engines on a full service basis;
- track maintenance;
- traffic management of rail networks at various ports;
- the management of front offices and loading tracks for tank wagons;
- the operation of the port terminal for an oil refinery; and
- ancillary activities.

Socorail works at around 40 industrial sites and seven ports, including around 20 sites classified as SEVESO II in the oil, chemicals, steel making, automotive and construction material sectors. Socorail is MASE and ISO 9001 certified. Present throughout France, Socorail manages wagons, trucks and operations on ships and port infrastructure.

Socorail offers a service to rail infrastructure managers consisting of traffic management and railway maintenance. In 2018, the company launched two new feeder lines maintenance operations, one in the Hauts-de-France region for the regional council, and the other in the eastern France region for SNCF. At the same time, the company successfully pursued its efforts to explore and develop its logistics business on industrial sites.

The delegated infrastructure management sector is Socorail's largest business, accounting for 40% of its 2018 revenue, followed by oil/hydrocarbon refining at 17%. The chemicals, automobile and services to port terminals sectors contributed 15%, 7% and 6% respectively.

c) Europorte Proximité (EPP)

Europorte Proximité focuses on its maintenance activity for low-power diesel locomotives used by Europorte France and Socorail.

d) Europorte Channel (EPC)

In 2018, Europorte took over ground rail operations at the Calais-Fréthun site adjoining the Concession and is responsible for managing cross-Channel rail freight traffic. Like all Railway Companies, Europorte pays the charge for the use of the Fixed Link for any crossing through the Tunnel, as explained in section 1.2.2.b) of this Registration Document. This activity therefore contributes to the recovery of the cross-Channel rail freight business.

e) Europorte TCSO (EPTCSO)

At the beginning of 2016, Europorte created a subsidiary Europorte Terminal Container du Sud-Ouest, in order to manage the container terminal at the Grand Port Maritime in Bordeaux, which, as explained in section 3.2.1 of this Registration Document, will now not happen.

1.4 ELECLINK ACTIVITIES

Getlink seeks to further enhance its infrastructure by developing an electricity interconnector project in the Tunnel. The ElecLink project involves the installation of a new electricity interconnector between the French and British grids. This will enable the import and export of electricity from one country to the other with a bi-directional transmission capacity of 1GW via high-voltage direct current cabling installed in the north rail Tunnel. ElecLink Ltd, which is the company carrying out the investment (scheduled to commence commercial operations in 2020), will own the only fully private cross-Channel electricity interconnector benefitting from a 25-year exemption from certain European regulations namely article 17 of European Directive 714/2009. This will enable Getlink to retain the economic value generated by the asset. This link will also play a key societal role by enhancing the integration of European power markets by optimising the dispatch of installed generation capacity, including renewable energy sources, across both countries and securing affordable electricity supplies to consumers. The entry into service of ElecLink in 2020 will represent a marked improvement in the profitability of the Group.

Managers of electricity transmission networks are obliged to respect independence rules aimed at achieving legal and functional separation from companies exercising a production or supply activity as laid down in the French Energy Code, the 1989 Electricity Act in the UK (“the Electricity Act”) and European Directive 2009/72/EU of 13 July 2009 (“the Electricity Directive”). The effective legal and functional unbundling between the management and operation of transmission networks and the activities of electricity production and supply has the ultimate aim of avoiding any risk of discrimination between the users of the transmission network.

A formal certification procedure, overseen by the national regulatory authorities for energy and the European Commission, is required and aims to ensure that the rules relating to independence are respected. During 2018 ElecLink underwent a certification procedure relating to the ownership unbundling model as defined in article 9 of the Electricity Directive. On 11 October 2018, the Commission de régulation de l’énergie (CRE, the French energy regulator) issued its preliminary decision on the certification of ElecLink. On 16 October 2018, the Office of Gas and Electricity Markets (Ofgem, the British energy regulator) also made a preliminary decision on the certification of ElecLink. In accordance with the Electricity Directive, the energy regulators notified their decisions to the European Commission on 17 October 2018. The European Commission gave its opinion on 11 December 2018 on the decisions of CRE and Ofgem. On 31 January and 11 February 2019 respectively, CRE and Ofgem decided to grant certification to ElecLink (in accordance with article R. 111-5 of the French Energy Code[9] and section 10D of the Electricity Act[10] in the UK).

Project construction formally commenced at the end of 2016 and ElecLink awarded the construction contracts to leading companies: Siemens is building the converter stations in France and the United Kingdom and Balfour Beatty/Prysmian were chosen to manufacture and install the direct current cables in the Tunnel and the underground alternating current cable in the United Kingdom. RTE is responsible for providing and installing the underground alternating current cable in France.

As indicated in chapter 3 of this Registration Document, the construction, as with any new project, carries risks linked to its technical implementation and compliance with performance levels as well as the commissioning schedule, all within a regulatory context that may change.

The safety of the project, both in terms of construction safety and the operational safety of the cable in the Tunnel, is paramount to the Group and is the subject of detailed ongoing monitoring by the Channel Tunnel Safety Authority of the IGC. This authority is responsible for the constant supervision of work on the ElecLink project to ensure the safe installation and operation of the cable. In response to supplementary requests from the IGC, the Group conducted a large number of studies and additional assessments, after which it applied for an authorisation to start cable pulling operations. At the same time, work continued on the construction of the converter stations, the installation of external cables and the implementation of supports in the Tunnel in accordance with the initial schedule.

Project investment totalled €213 million in 2018, bringing the total investment since the takeover of ElecLink by the Group in 2016 to €453 million.

Finally, ElecLink successfully took part in a capacity auction organised between 6 and 8 February 2018 in the United Kingdom and was awarded a contract for the period October 2021 to September 2022 equating to £5.8 million (2016/17

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9 Certification deliberation of CRE: www.cre.fr/Documents/Deliberations/Decision/Certification-de-la-societe-ElecLink.

10 Certification deliberation of Ofgem: www.ofgem.gov.uk/publications-and-updates/certification-under-ownership-unbundling-requirements-third-package-decision-gas-and-electricity-markets-authority-eleclink-limited.

values). Following a ruling from the Court of Justice of the European Union dated 15 November 2018[11], the mechanism is currently in a standstill period pending a new European Commission state aid assessment . If this mechanism is reinstated, these additional revenues (as well as any other revenues from future capacity auctions) will complement the main source of ElecLink's revenue namely that arising from the sale of its interconnector capacity (congestion rents).

1.5 GETLINK ACTIVITIES

As indicated in note D.1 to the consolidated financial statements at section 2.2.1 of this Registration Document, following the internal legal reorganisation during the 2018 financial year the former “Fixed Link” segment was split into two new segments namely “Eurotunnel” and “Getlink”. The Getlink segment includes the Group's corporate services, the activities of the Group parent company, Getlink SE, as well as those of its direct subsidiaries including the railway training centre CIFFCO.

Training activity: CIFFCO, the Opal Coast international railway training centre

With the company CIFFCO, Getlink has a railway training centre at its disposal, which is a technical resource to support the growth of its trades as the Tunnel Concessionaire and a railway business. The CIFFCO training centre is open to all rail operators, infrastructure managers or industrial concerns for the training of their staff. CIFFCO's activities and facilities are described in chapter 6 of this Registration Document.

Property business: Euro-Immo GET

As an extension of its mission to design the Fixed Link as described in section 1.2.2.c)ii) above, the Group was given responsibility for local land development and the construction and operation of the Fixed Link.

As part of efforts to strengthen its partnership with the town of Sangatte Blériot and the Conseil Général of the Pas-de-Calais, the Group signed an agreement with the Conseil Général on 6 January 2009 covering measures to support an ambitious tourism development project.

As part of the responsibility for local land development and in order to further boost the appeal of the Calais area as a tourist destination, Euro-Immo GET, a Getlink SE subsidiary, was awarded on 18 February 2013 the land development concession for the integrated seaside eco-village and golf resort project at the Porte des Deux Caps.

In general terms, the development of the area entrusted to Euro-Immo GET, the project supervisor, encompasses all the work relating to roads, networks, open spaces and various facilities designed to meet the needs of the future occupiers, owners, inhabitants and users of the new buildings. The concessionaire will manage the assets acquired until they are transferred to the builders. The concession will last for 10 years.

The objection filed by GDEAM (Groupement de défense Défense de l'Environnement de l'Arrondissement de Montreuil-sur-Mer, a group created to protect the environment in the Montreuil-sur-Mer district) against the prefect's decision to declare the project as in the public interest was rejected by the Administrative Court of Lille on 24 January 2017. GDEAM appealed this decision to the Douai Administrative Court of Appeal on 23 March 2017. The proceedings are ongoing and Euro-Immo GET filed its defence on 27 November 2017. On 26 January 2018, GDEAM filed a supplementary submission in reply with the registrar of the Douai Administrative Court of Appeal .

On 28 June 2018, the declaration of public utility was extended for a further five-year period for the seaside eco-village at the Porte des Deux Caps.

Euro Carex

The Group is involved in the Euro Carex project via its subsidiary London Carex Limited. The Paris Charles de Gaulle, Lyon Saint Exupéry and Liège airports have linked up with logistics companies including FedEx, TNT and La Poste to try to encourage a transfer of air freight onto the European high-speed railway network. London Carex is part of this umbrella organisation, the Euro Carex Association, tasked with developing the British end of the network. The Carex concept is similar to a cargo aircraft running on rail: high-speed trains that have been modified to carry air freight containers. In 2017, the association launched a tender for a European business plan. The study began in 2017 and confirmed the existence of a market. Initial contacts made in Germany were continued. In November 2017, London Carex suspended its participation in Euro Carex pending the outcome of Brexit negotiations.

In 2018, Trenitalia launched a service based on the same concept as Carex between northern and southern Italy. Carex has made a number of contacts, with a view to a subscription by Trenitalia.

1.6 PROPERTY, PLANT AND EQUIPMENT AND MAJOR INVESTMENTS

1.6.1 PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2018, the Group owns or uses the following property, plant, equipment and other moveable assets set out in note F to the consolidated financial statements contained in section 2.2.1 of this Registration Document.

The Group's Concession property, plant and equipment comprise the land and installations required for the operation of the Tunnel pursuant to the Concession Agreement in France and the United Kingdom. It includes the railway infrastructure (tunnels, tracks, fixed equipment, rolling stock, roads, networks and so on), the terminals for Passenger and Truck Services and the office buildings in Coquelles and Folkestone, as well as various maintenance buildings and workshops.

In France, all property assets cited in the Concession Agreement are owned by the French state and will revert to it upon expiry of the Concession period in 2086. In the United Kingdom, the government required CTG to transfer to it the title to

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[11] *Case T-793/14: Tempus Energy and Tempus Energy Technology v Commission.*

freehold land and property acquired for the construction and operation of the Tunnel and in exchange granted leases for the duration of the Concession Agreement.

Upon expiry of the Concession Agreement, the interests of CTG and FM (in their capacity as Concessionaires) in all moveable property and intellectual property rights necessary for the operation of the Tunnel pursuant to the Concession Agreement will become, without consideration, the joint property of the two States.

Other property, plant and equipment is principally composed of the rolling stock fleet belonging to Europorte and its subsidiaries as well as the work in progress for the ElecLink project to install the electricity interconnector in the Tunnel. In addition, the Group owns various plots of land as part of its property development activities, described in section 1.2.2.c)ii) of this Registration Document.

Moveable assets owned by the Group comprise mainly office equipment, IT equipment, vehicles and furniture.

Investments are described in section 1.6.2 below.

The security interests in the fixed and moveable assets granted in connection with the Term Loan are described in section 8.1.4 of this Registration Document and in note G.1.2 to the consolidated financial statements in section 2.2.1 of this Registration Document.

1.6.2 MAJOR INVESTMENTS

a) Major investments over the last three years

The Group's investments in the last three years total €150 million for the 2016 financial year, €262 million for the 2017 financial year and €284 million for the 2018 financial year.

Over the last three financial years, the Group has invested more than €209 million in the Fixed Link, including:

- the purchase of three new Truck Shuttles (approximately €39 million over the three financial years) brought into commercial service in 2017. This project concerned the construction of three new Truck Shuttles each measuring 800 metres in length and comprising 32 transport wagons and three loader wagons;
- the Passenger Shuttle fleet renovation programme (approximately €21 million over the three financial years);
- the construction and fit-out of a new lounge for Flexiplus customers at each terminal (approximately €12 million over the three financial years); the lounge at the French terminal was inaugurated in 2017 and at the British terminal in 2018;
- the strengthening of the electrical traction network by building a new booster converter twice as powerful as the existing one and increasing the capacity of the catenary by adding high-tension co-axial cables (approximately €12 million over the three financial years) in a project to be completed over the next two years;
- the installation of GSM-R (approximately €50 million since the beginning of the project, including €8 million over the last three financial years);
- the programme to install pagodas on the second generation Truck Shuttles (approximately €6 million over the three financial years); and
- the Terminal 2015 project (approximately €5 million over the last three financial years), as part of a programme to develop the Truck Shuttle activity including the creation at Coquelles of two additional toll lanes and of a "buffer storage" area allowing for fluid and rapid transit and at Folkestone, the creation of a new toll area with five new lanes dedicated to Truck Shuttle traffic.

Over the last three years, the Group's investments in the Europorte segment have totalled approximately €32 million, mainly related to the purchase of rolling stock for the ongoing rationalisation of the locomotive fleet, notably locomotives for Europorte France as well as for GB Railfreight before its sale on 15 November 2016.

On 23 August 2016, the Group acquired Star Capital's 51% holding in the ElecLink Limited joint venture for €75 million, the rationale for development being based on its capacity to diversify the Group's activity in order to optimise the existing infrastructure of the Tunnel. Since its full integration into the Group on 23 August 2016 and up to 31 December 2018, the Group's investment in the ElecLink project has amounted to €453 million.

On 9 February 2018, as part of the Group's strategy to optimise its financing structure, a UK subsidiary of Getlink SE, Eurotunnel Agent Services Limited, completed the acquisition of the Channel Link Enterprises Finance Plc (CLEF) G2 notes for a consideration of £359 million. This transaction is described in notes A.2.1, D.8 and G.7 to the consolidated financial statements in section 2.2.1 of this Registration Document.

b) Major future investments

Investment projects planned for 2019 fall into two categories: projects to modernise existing equipment before it becomes obsolete and projects to improve the quality of service, particularly in the context of the risk of a no deal Brexit. Each project has a degree of flexibility in terms of scope and phasing which may be adjusted as circumstances change. In the current economic environment, these investments are for the most part essential to sustaining the competitiveness and market shares of Eurotunnel's activities.

In 2019, replacement projects mainly concern rolling stock. Intensive use and the natural life cycle of rolling stock lead to deterioration in some of the wagon equipment. To remedy this, several modernisation and replacement programmes have been launched, such as the Passenger Shuttle renovation programme which will focus on the technical and aesthetic renovation of the Shuttles. The first generation Truck Shuttle renewal programme will also commence this year.

For infrastructure maintenance, the replacement programme for the fleet of shunting engines that pull work trains in the Tunnel and the maintenance train project to measure track parameters, which has evolved towards an inspection train, will enter the final phase.

As part of service quality improvement measures, the programme to improve the electrical power supply will continue. A new generation of Club-Cars, the vehicles that transport truck drivers through the Tunnel, is under consideration.

More generally, the continuation of the digital transformation programme aims to bring greater transparency to traffic flows, improve the customer experience and optimise maintenance management with increasingly efficient hypervision tools.

Finally, the uncertainties surrounding Brexit have led to investment to integrate additional checks that will be performed by customs officials, veterinary officials and police officers already present at the terminals. These controls will be included in the customer journey in a "*smart border*". Eurotunnel's investments in preparation for Brexit are presented in section 1.2.4.d) of this Registration Document.

The estimated external construction costs of the ElecLink project, from the time the Group took 100% control in August 2016 until the expected end of construction, are estimated at €580 million at the current exchange rate. This sum corresponds to the EPC (engineering, procurement and construction) contracts as described in sections 1.4 and 1.6.2.a) of this Registration Document and covers technological architecture solutions and the completion of construction works as well as the research and fulfilment of connections to national grids and project management. To those external construction costs, the various associated expenditure and running costs (personnel, office, IT, professional fees and insurance costs) are added, which increases estimated external project costs up to around €610 million. The intra-Group fees that ElecLink pays to Eurotunnel and to Getlink including gaining access to works time in the Tunnel and for the financing of the project are not included in these amounts.

Sources of funds for future investments

As indicated in sections 2.1.2 and 2.1.3 of this Registration Document, the Group has cash balances of more than €600 million at 31 December 2018 and, under normal conditions, the Group generates free cash flow of more than €200 million per year. The main future investments for the Fixed Link are expected to be self-funded. As at 31 December 2018, the balance on the "Capex Reserve" account earmarked to finance long-term investment projects, such as those described above, was £21.3 million.

Acquisitions of rolling stock for Europorte may be funded by external loans or sale and leaseback transactions.

On 3 October 2018, Getlink SE issued five-year Senior Secured Notes as green bonds for a total principal amount of €550 million at a rate of 3.625% per annum, maturing on 1 October 2023. In addition to being used for the repayment of the £190 million bank loan incurred in February 2018 by Getlink SE's subsidiary Eurotunnel Agent Services Limited to purchase the G2[12] notes, part of the proceeds of the notes will be allocated to finance the ElecLink project and several environmentally-friendly upgrade projects for the Fixed Link falling into the categories of clean transportation, energy efficiency, pollution prevention and control.

1.6.3 RESEARCH AND DEVELOPMENT, TRADEMARKS, PATENTS AND LICENCES

a) Research and development

The Group concentrates its research and development policy on the specific aspects of its rail operations in terms of the industrial modernisation challenges of future decades.

The Tunnel rail track is among the most heavily used in Europe with potentially up to 450 trains per day each loaded up to 3,000 tonnes and travelling at speeds ranging from 100 to 160km/h. In order to deal with the specific issues that such heavy use brings, the Group has initiated a research programme to develop a track and a new sleeper block (the piece of concrete on which the rail is laid) that are stronger and so more able to meet the demands of increased traffic. This project uses internal resources and external partners, whose railway and materials expertise provides a better understanding of the phenomena of fatigue. This project has also resulted in the endowment of a research fellowship for railway transport sciences set up by the Group at the École Nationale des Ponts et Chaussées (ENPC). The object of the fellowship is to carry out research projects on technological developments in infrastructure such as life-cycle analysis, the design of intelligent rail systems and understanding the phenomena of density. In parallel, the work conducted with ENPC has led to the development of a new solution for inspecting sleeper blocks using a method measuring vibrational frequencies. An automated carriage enabling fast sleeper block inspection is in trial use.

The Group is also a member of the board of the French Fondation de Coopération Scientifique Railenium (a foundation for scientific cooperation). Railenium's mission is to provide a platform for rail infrastructure research and development, testing, engineering and training. As part of this, the Group is developing its research on the behaviour of train components in the abrasive, saline environment that is typical of the Tunnel in order to improve Shuttle RAMS (reliability, availability, maintainability and safety).

Finally, the Group has adopted an ambitious digital plan, with a view to making its dealings with customers, employees and partners even more fluid and personal in the interests of improving the customer experience. Built around the Group's customers, team members and partners, this plan aims to integrate and rethink the place of digitalisation throughout the customer journey, improve the offer to customers and continue its development. As part of this, preliminary contact has been made with heavy goods and car equipment manufacturers in order to define terms on which future cooperation may be undertaken on the subject of guiding customers' vehicles onto trains. The Group is also establishing partnerships to promote start-ups in the very demanding atmosphere of the Tunnel in order to test and approve innovative products and services.

[12] *The G2 notes were issued by Channel Link Enterprises Finance Plc in connection with the securitisation of Eurotunnel's Term Loan.*

b) Trademarks, patents and licences

Trademarks and domain names

The Group's main trademarks are the nominative, figurative and semi figurative trademarks that protect the "Eurotunnel" name and the design of the logo as well as "Getlink". The other trademarks used are registered mainly to protect the corporate names of the Group of companies, such as "France Manche", "Europorte" or "ElecLink", and certain brand names, such as "Le Shuttle" and "Flexiplus".

At the date of this Registration Document, the Group also owns 384 domain names, including "eurotunnel.com" and "getlinkgroup.com".

Patents

The Group has also filed patents relating to specific aspects of its business.

At the date of this Registration Document, three systems, including that relating to the SAFE stations, are the subject of patents in force filed by FM. Two other patents are currently being filed, one for sleeper block measuring equipment and the other concerning boarding cards.

Licences

The Group has no licence granted by a third party allowing it to use third party industrial property rights. It has granted a non-exclusive licence to use the "auto convergent maintenance system for complex high volume equipment" patent. Intra-group brand licences exist between the holding company and the subsidiaries.

2 RESULTS AND OUTLOOK

2.1 ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

The following information relating to Getlink SE's financial situation and consolidated results must be read in conjunction with the consolidated financial statements set out in section 2.2.1 of this Registration Document.

The main factors with an impact on revenue are described in chapters 1 and 3 of this Registration Document.

Accounting standards applied[13] and presentation of the consolidated results

Pursuant to EC Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of Getlink SE for the financial year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2018.

In its financial statements as at 31 December 2018, the Group has opted for the early adoption of the new standard IFRS 16 on leasing contracts in order to facilitate the comparison of the accounts from 2019. The impact on the 2018 consolidated income statement of the new standard, which mainly impacts the Europorte segment, is an improvement in the Group's EBITDA of €19 million which is offset by an increase in depreciation charges of €18 million. The Group has applied the modified retrospective transition method and therefore the comparative information for the 2017 financial year has not been restated. Further information on the application of this standard is set out in note B.2.2 to the Group's consolidated financial statements as at 31 December 2018 contained in section 2.2.1 of this Registration Document.

Following the completion of the Group's internal corporate reorganisation explained in note A.1 to the consolidated financial statements as at 31 December 2018 set out in section 2.2.1 of this Registration Document, the Group's corporate services are now presented in the "Getlink" segment, separately from those of the Eurotunnel segment, without restatement of the comparative exercises.

2.1.1 ANALYSIS OF CONSOLIDATED INCOME STATEMENT

In order to enable a better comparison between the two years, the 2017 consolidated income statement presented in this section has been recalculated at the exchange rate used for the 2018 income statement of £1=€1.128.

Summary

The results achieved in the 2018 financial year reflect the successful implementation of the key actions (effective management of operations, investments, etc.) to build on the Group's main strengths as part of its long-term strategy.

In 2018, the Group's consolidated revenues amounted to €1,079 million, an increase of €51 million (5%) compared to 2017 and operating costs totalled €510 million, an increase of only €5 million (1%) compared to 2017. EBITDA improved by €46 million (9%) to €569 million of which €19 million was due to the impact of the first-time application of IFRS 16 on operating costs. After taking into account the impact of IFRS 16 on depreciation charges (+€18 million) which offsets the improvement in EBITDA. The trading profit improved by €24 million to €395 million. At €393 million, the operating profit for 2018 was up by €31 million compared to 2017. Net finance costs were stable compared to the previous year. Other net financial charges in 2017 included a provision of €55 million in respect of the undertaking concluded in December 2017 to acquire inflation-linked notes. Excluding the impact of this provision in 2017, the pre-tax result for the Group's continuing operations was an improvement of €24 million, to a profit of €129 million for the 2018 financial year.

After taking into account a tax income of €1 million (2017: an income of €56 million relating mainly to the impact of the activation of a deferred tax asset in respect of an additional two years of deficits), the net result for the continuing activities of the Group was a profit of €130 million, up 21%. The Group's net consolidated result for 2018 was a profit of €130 million, an improvement of €18 million.

[13] The Group has applied IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to its maritime segment since the cessation of MyFerryLink's operations in the second half of 2015 and to GB Railfreight's activity since its sale in November 2016. Accordingly, the net results of these activities for the current and previous financial years are presented as a single line in the income statement called "Net profit from discontinued operations". More information on these transactions is given in note C.2.1 to the consolidated financial statements in section 2.2.1 to this Registration Document.

€ million Improvement/(deterioration) of result	2018	2017 restated*	Change €M	 %	2017 published**
Exchange rate €/£	1.128	1.128			1.140
Eurotunnel	956	908	48	+5%	913
Getlink	2	2	–	–	2
Europorte	121	118	3	+3%	118
Revenue	**1,079**	**1,028**	**51**	**+5%**	**1,033**
Eurotunnel	(397)	(388)	(9)	-2%	(390)
Getlink	(16)	(4)	(12)	-300%	(4)
Europorte	(96)	(112)	16	+14%	(112)
ElecLink	(1)	(1)	–	–	(1)
Operating costs	**(510)**	**(505)**	**(5)**	**-1%**	**(507)**
Operating margin (EBITDA)	**569**	**523**	**46**	**+9%**	**526**
Depreciation	(174)	(152)	(22)	-14%	(152)
Trading profit	**395**	**371**	**24**	**+6%**	**374**
Other net operating (charges)/income	(2)	(9)	7		(9)
Operating profit (EBIT)	**393**	**362**	**31**	**+9%**	**365**
Net finance costs	(269)	(269)	–	–	(270)
Other net financial income/(charges)	5	(42)	47		(43)
Pre-tax profit from continuing operations	**129**	**51**	**78**	**+153%**	**52**
Income tax income/(expense)	1	56	(55)		56
Net profit from continuing operations	**130**	**107**	**23**	**+21%**	**108**
Net profit from discontinued operations	–	5	(5)		5
Net consolidated profit for the year	**130**	**112**	**18**	**+16%**	**113**

* *Restated at the rate of exchange used for the 2018 income statement (£1=€1.128).*
** *The revenue and operating costs published for the Fixed Link in 2017 were €915 million and €394 million respectively.*

The evolution of the pre-tax result from continuing operations by segment compared to 2017 is presented below:

€ million	Eurotunnel	Getlink	Europorte	ElecLink	Total Group
Pre-tax result from continuing activities: 2017 restated *	**81**	**(27)**	**-**	**(3)**	**51**
Improvement/(deterioration) of result:					
Revenue	+48	-	+3	-	+51
Operating expenses	-9	-12	+16	-	-5
EBITDA	**+39**	**-12**	**+19**	**-**	**+46**
Depreciation	-5	-1	-16	-	-22
Trading result	**+34**	**-13**	**+3**	**-**	**+24**
Other net operating income/charges	+7	-	-	-	+7
Operating result (EBIT)	**+41**	**-13**	**+3**	**-**	**+31**
Net financial costs and other	+9	+40	-2	-	+47
Total changes	**+50**	**+27**	**+1**	**-**	**+78**
Pre-tax result from continuing operations for 2018	**131**	**-**	**1**	**(3)**	**129**

* *Restated at the rate of exchange used for the 2018 income statement (£1=€1.128).*

a) Eurotunnel segment

The Group's core business is the Eurotunnel segment which operates and directly markets its Shuttle Services and also provides access, on payment of a toll, for the circulation of High-Speed Passenger Trains (Eurostar) and the Train Operators' Rail Freight Trains through its Railway Network. Following the completion of the corporate reorganisation as explained in note A.1 to the 2018 consolidated financial statements set out in section 2.2.1 of this Registration Document, the activities of the Group's corporate services are now presented separately from those of the Eurotunnel segment, in the "Getlink" segment.

€ million			Change	
Improvement/(deterioration) of result	**2018**	*** 2017**	**M€**	**%**
Exchange rate €/£	1.128	1.128		
Shuttle Services	636	601	35	+6%
Railway Network	306	291	15	+5%
Other revenue	14	16	(2)	-13%
Revenue	**956**	**908**	**48**	**+5%**
External operating costs	(218)	(214)	(4)	-2%
Employee benefits expense	(179)	(174)	(5)	-3%
Operating costs	**(397)**	**(388)**	**(9)**	**-2%**
Operating margin (EBITDA)	**559**	**520**	**39**	**+8%**
EBITDA/revenue	*59%*	*57%*	*1pt*	

* *Restated at the rate of exchange used for the 2018 income statement (£1=€1.128).*

i) Eurotunnel revenue

Revenue generated by this segment, which in 2018 represented 89% of the Group's total revenue, is up by 5% compared to 2017, to €956 million.

Shuttle Services

Traffic (number of vehicles)	**2018**	**2017**	**Change**
Truck Shuttle	1,693,462	1,637,280	3%
Passenger Shuttle:			
Cars *	2,660,414	2,595,247	3%
Coaches	51,300	51,229	0%

* *Includes motorcycles, vehicles with trailers, caravans and motor homes.*

Shuttle Services' revenue for 2018 amounted to €636 million, up by 6% compared to the previous year due both to an increase in volumes and to growth in yields which benefit from the Group's strategy of optimising the profitability of its Shuttle business through its dynamic pricing policy for both truck and passenger services.

Truck Shuttle

In 2018, the number of vehicles transported by the Truck Shuttle service increased by 3% to 1,693,462 which represents a record since the start of operations. In a cross-Channel truck market that contracted by approximately 1.1%, the Truck Shuttle service's share of the Short Straits market increased by 1.8 points to 40.9%.

Passenger Shuttle

The 2,660,414 vehicles transported by the Passenger Shuttle's car activity in 2018 was a record level of traffic not seen since 2000. In a Short Straits cross-Channel market growing by approximately 3.0% in 2018, car market share remained stable at 54.6%.

The Short Straits cross-Channel coach market contracted by approximately 1.1% in 2018 but the Passenger Shuttle's coach market share increased slightly compared to the previous year, to 39.7%.

Railway Network

Traffic	2018	2017	Change
High-Speed Passenger Trains (Eurostar)			
Passengers *	10,971,650	10,300,622	7%
Train Operators' Rail Freight Services **:			
Number of tonnes	1,301,460	1,219,364	7%
Number of trains	2,077	2,012	3%

* *Only passengers travelling through the Channel Tunnel are included in this table, excluding those who travel between continental stations (such as Brussels-Calais, Brussels-Lille, Brussels-Amsterdam, etc.).*

** *Rail freight services by train operators (DB Cargo for BRB, SNCF and its subsidiaries, GB Railfreight, Rail Operations Group, RailAdventure and Europorte) using the Tunnel.*

The Group earned revenues of €306 million in 2018 from the use of its Railway Network by Eurostar's High-Speed Passenger Trains and by the Train Operators' Rail Freight Services, an increase of 5% compared to 2017.

The number of Eurostar passengers using the Tunnel increased by 7% in 2018 compared to the previous year, to reach a record level of 10,971,650 passengers. This growth was driven by the opening of the direct London to Amsterdam service on 4 April 2018 as well as by growth in existing routes.

Cross-Channel rail freight began 2018 well with the start of three new cross-Channel rail freight services but these were cancelled due to poor service quality during the SNCF strikes in the second quarter. Despite this, increases in other flows resulted in traffic growth in the second half of 2018. The number of cross-Channel rail freight trains in 2018 increased by 3%.

ii) Eurotunnel operating costs

Up to 31 December 2017, Eurotunnel and Getlink's operating costs were presented together as the Fixed Link segment. Following the internal corporate reorganisation in 2018, the Group changed the allocation of operating charges between the two segments Getlink and Eurotunnel. In order to facilitate the comparison between the 2017 and 2018 financial years, the analysis of the changes in operating costs given below is presented with the two segments together.

On this basis, operating costs in 2018 increased by 5% compared to 2017, to €413 million. This increase of €21 million was the result of:

- increased operational activity amounting to €4 million and €5 million due to inflation;
- an increase of €6 million in costs to ensure improvements in the quality of service, particularly customer services, the premium Flexiplus service and enhanced maintenance of both infrastructure and rolling stock;
- an increase in UK business rates of €3 million and in electricity costs of €4 million compensated by a credit of a similar amount from EDF energy saving certificates in relation to the operation of the new Truck Shuttles; and
- an increase of €3 million in respect of costs for consultants and studies relating to Brexit.

b) Getlink segment

As explained above, the activities of the Getlink segment are now presented separately from those of the Eurotunnel segment. The Getlink segment includes the activities of the Group's holding company, Getlink SE, as well as its direct subsidiaries notably the railway training centre CIFFCO.

For the 2018 financial year, the Getlink segment's operating charges amounted to €16 million, up €12 million reflecting the new allocation of operating costs between the Getlink and Eurotunnel segments. Explanation of changes in operating costs is included in paragraph ii) above.

c) Europorte segment

The Europorte segment covers the entire rail freight transport logistics chain in France and includes notably Europorte France and Socorail.

€ million Improvement/(deterioration) of result	2018	2017	Change €M	Change %
Revenue	**121**	**118**	**3**	**+3%**
External operating costs excluding IFRS 16	(65)	(66)	1	+2%
Employee benefits expense	(48)	(46)	(2)	-4%
Operating costs	**(113)**	**(112)**	**(1)**	**-1%**
Operating margin (EBITDA) *before application of IFRS 16*	**8**	**6**	**2**	**+33%**
Application of IFRS 16	17	–	17	
Operating margin (EBITDA) *after application of IFRS 16*	**25**	**6**	**19**	

In 2018, Europorte's revenues increased by 3% compared to 2017 and operating costs increased by 1% after exclusion of the impact of the first-time application of the new IFRS 16 standard "Leases" in 2018 (2017 has not been restated). Excluding the IFRS 16 impact, EBITDA improved by €2 million driven by the contribution of new business and increased activity, particularly in the petrochemical sector and by the continued strategy to sustainably reinforce the profitability of this segment. The effect of the application of IFRS 16 on the segment's EBITDA is to improve it by €17 million which is offset in the operating profit by the corresponding increase in depreciation charges of €16 million.

d) ElecLink segment

ElecLink's activity is the construction and operation of a 1GW electricity interconnector between the UK and France. Construction works began in the second half of 2016 and the interconnector is expected to be in commercial operation during the first half of 2020.

Costs directly attributable to the project are capitalised. Investment on the project during 2018 amounted to €213 million.

Operating costs for 2018 amounted to €1 million.

e) Operating margin (EBITDA) and trading profit

EBITDA by business segment evolved as follows:

€ million	Eurotunnel	Getlink	Europorte	ElecLink	Total Group
EBITDA 2017 restated *	520	(2)	6	(1)	**523**
Improvement/(deterioration):					
Revenue	48	–	3	–	**51**
Operating costs *before application of IFRS16*	(10)	(13)	(1)	–	**(24)**
Total changes *before application of IFRS16*	**38**	**(13)**	**2**	**–**	**27**
EBITDA 2018 before application of IFRS16	**558**	**(15)**	**8**	**(1)**	**550**
Effect of application of IFRS16 on operating costs	1	1	17	–	**19**
EBITDA 2018 after application of IFRS16	**559**	**(14)**	**25**	**(1)**	**569**
Effect of application of IFRS16 on depreciation	(1)	(1)	(16)	–	**(18)**
Depreciation	(150)	–	(6)	–	**(156)**
Trading profit 2018 after application of IFRS16	**408**	**(15)**	**3**	**(1)**	**395**

* *Restated at the rate of exchange used for the 2018 income statement (£1=€1.128).*

At €569 million in 2018, the Group's operating margin improved by €46 million compared to 2017 (+9%) as a result of an increase in revenue, control of costs and following the first-time application of IFRS 16 (€19 million impact).

Depreciation charges increased by €22 million compared to 2017, to €174 million as a result of the first-time application of IFRS 16 (€18 million) and completed capital investment projects in 2017 and 2018.

After the offsetting effect of the decrease in operating costs and the increase in depreciation charges resulting from the application of IFRS 16 in 2018, the trading profit in 2018 improved by €24 million (6%) compared to 2017, to €395 million.

f) Operating profit (EBIT)

After taking into account other net operating charges of €2 million, the operating profit for the 2018 financial year was up by €31 million (9%) compared to 2017, to €393 million.

g) Net financial charges

At €269 million for 2018, net finance costs were stable compared to 2017 at a constant exchange rate. The reduction due to the increase in the capitalisation of interest on the financing of the ElecLink project was offset by the increase in interest charges arising from the issue of the Senior Secured Notes (see note A.2.2). to the consolidated financial statements in section 2.2.1 of this Registration Document) and the impact of the increase in inflation rates in the UK and France on the index-linked tranches of the debt.

In 2018 other net financial income of €5 million included net exchange gains of €2 million as well as €9 million of interest received on the inflation-linked notes (the "G2 notes") held by the Group, partially offset by fees relating to financial operations. In 2017, other net financial charges of €42 million included a provision of €55 million in respect of the undertaking concluded in December 2017 to acquire the G2 notes as well as net exchange gains of €10 million and interest received on the floating rate notes held by the Group of €3 million.

h) Net result from continuing operations

The Group's pre-tax result for continuing operations for the 2018 financial year was a profit of €129 million, an improvement of €78 million compared to 2017 at a constant exchange rate, or an improvement of €24 million excluding the €55 million provision from the 2017 result.

In 2018, net income tax was a credit of €1 million. In 2017, the net income tax credit of €56 million included a deferred tax income of €50 million mainly arising from the activation of an additional two years of deficits (€57 million) as well as a €9 million credit following the cancellation of dividend tax by the French authorities.

The Group's post-tax result for continuing operations for the 2018 financial year was a profit of €130 million, an improvement of €23 million at a constant exchange rate.

i) Net result from discontinued operations

Information on discontinued activities is set out in note C.2.1 to the Group's consolidated financial statements in section 2.2.1 of this Registration Document.

j) Net consolidated result

The net consolidated result for the Group for the 2018 financial year was a profit of €130 million compared to a profit of €112 million (restated at an equivalent exchange rate) for 2017.

2.1.2 ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	31 December 2018	31 December 2017
Exchange rate €/£	1.118	1.127
Intangible assets and property, plant and equipment	6,657	6,493
Other non-current assets	569	229
Total non-current assets	**7,226**	**6,722**
Trade and related receivables	97	96
Other current assets	65	61
Cash and cash equivalents	607	613
Total current assets	**769**	**770**
Total assets	**7,995**	**7,492**
Total equity	2,006	2,051
Total financial liabilities	4,907	4,346
Interest rate derivatives	748	716
Other liabilities	334	379
Total equity and liabilities	**7,995**	**7,492**

The table above summarises the Group's consolidated statement of financial position as at 31 December 2018 and 31 December 2017. The main elements and changes between the two dates, presented at the exchange rate for each period, are as follows:

- At 31 December 2018, "Fixed assets" include property, plant and equipment and intangible assets amounting to €5,930 million for the Eurotunnel segment, €611 million for the ElecLink segment (including €213 million in 2018) and €111 million for the Europorte segment. The increase between 31 December 2017 and 31 December 2018 results mainly from investment in the ElecLink project and from the first-time application of IFRS 16 in 2018 (€39 million).
- "Other non-current assets" at 31 December 2018 include the G2 inflation-linked notes acquired by the Group in February 2018 amounting to €333 million (see note A.2.1 to the Group's consolidated financial statements as at 31 December 2018) and a deferred tax asset of €210 million.
- At 31 December 2018, "Cash and cash equivalents" amounted to €607 million after payment of the €160 million dividend, net capital expenditure of €269 million, €249 million in debt service costs (net interest, repayments and fees) as well as a net amount of €115 million generated by financial operations as described in note A to Group's consolidated financial statements as at 31 December 2018 (of which €550 million was received from the issue of the Senior Secured Notes and €401 million was paid for the acquisition of the G2 inflation-linked notes).
- "Equity" decreased by €45 million as a result of the impact of the dividend payment (€160 million), the impact of the first-time application of IFRS 9 on the opening balance sheet at 1 January 2018 (€22 million), the purchase of treasury shares (€13 million) and the evolution of the actuarial differences on employee benefits (€10 million). These changes were partially offset by the recycling to the income statement of the fair value and the change in the mark-to-market valuation of the partially terminated hedging contracts (€11 million), the evolution of the cumulative translation reserve (€13 million) and changes in share-based payments (€7 million) as well as the net profit for the year (€130 million).
- "Financial liabilities" have increased by €561 million compared to 31 December 2017 as a result of the issue of Senior Secured Notes by Getlink for a net amount of €530 million after fees directly relating to the transaction, the first time application of IFRS 9 (€26 million) and IFRS 16 (€39 million) and an increase of €45 million arising from the effect of inflation on the index-linked debt tranches of the Term Loan. These increases were partially offset by the effect of the reduction in the exchange rate on the sterling-denominated debt (€18 million) and the contractual debt repayments of €70 million.
- "Interest rate derivatives" increased by €32 million as a result of the change in mark-to-market valuation of the hedging contracts that were partially terminated in 2017.
- "Other liabilities" include €247 million of trade and other payables and provisions, as well as retirement liabilities of €87 million.

2.1.3 ANALYSIS OF CONSOLIDATED CASH FLOWS

a) Consolidated cash flows

As mentioned above, the Group has opted for early adoption of the new IFRS 16 standard on leases at 31 December 2018. The impact on the cash flow statements for 2018 of the application of this standard, which mainly concerns the Europorte segment, is an improvement in net cash flows from the Group's operating activities of €19 million offset by an increase in net cash flows from financing activities for the same amount. The Group has adopted the modified retrospective transition method and therefore the comparative information for 2017 has not been restated. For more information on the application of this standard, see note B.2.2 to the Group's consolidated financial statements at 31 December 2018 in section 2.2.1 of this Registration Document.

€ million	2018	2017
Exchange rate €/£	1.118	1.127
Continuing activities:		
Net cash inflow from trading	588	540
Other operating cash flows and taxation	(14)	6
Net cash inflow from operating activities	**574**	**546**
Net cash outflow from investing activities	(269)	(275)
Net cash outflow from financing activities	(422)	(365)
Net cash inflow from financing operations	115	259
(Decrease)/increase in cash in year from continuing activities	**(2)**	**165**
Discontinued activities *:		
(Decrease)/increase in cash in year from discontinued activities	(1)	106
Total (decrease)/increase in cash in year	**(3)**	**271**

* *Maritime segment and GB Railfreight Limited, see note C.2.1 to the consolidated accounts at 31 December 2018.*

Continuing activities

As mentioned in section 2.1.1.a)ii above, the Group has in 2018 revised the separation of operating charges between its new segments Getlink and Eurotunnel following its internal corporate reorganisation. To enable a comparison between 2017 and 2018, the Eurotunnel and Getlink segments are presented together in this analysis.

At €588 million in 2018, net cash generated from trading by continuing operations improved by €48 million compared to 2017. This change is explained mainly by:

- an improvement in the Eurotunnel and Getlink segments of €32 million to €563 million (2017: €531 million),
- an increase of €18 million in Europorte's cash flows to €27 million compared to 2017 (€9 million), mainly due to the €17 million reduction in operating cash flows related to leases following the first-time application of IFRS 16 in 2018 which are now treated as financing activity cash flows, and
- ElecLink's operating expenditure remains stable at €1 million.

The €20 million increase in "Other operating cash flows and taxation" is principally due to a net increase in tax payments: net payments of €10 million in 2018 compared to net receipts of €11 million in 2017.

At €269 million in 2018, net cash payments for investing activities are down by €6 million compared to 2017. In 2018, these comprised mainly:

- €74 million relating to Eurotunnel and Getlink (2017: €78 million). The main expenditure was €28 million on rolling stock (including €19 million relating to works on the Passenger Shuttles), €22 million on infrastructure, €11 million to improve the experience of customers on the terminals including the opening of the new Folkestone Flexiplus lounge on 18 May 2018, and
- an investment of €194 million on the ElecLink project (€196 million in 2017).

The other net financing payments in 2018 amounted to €422 million compared to €365 million in 2017. During 2018, cash flow from financing comprised:

- capital transactions with an outflow of €173 million consisting of:
  - €160 million paid in dividends (2017: €139 million), and
  - €15 million paid in respect of the share buyback programme (€9 million in 2017) and €1 million net paid in respect of the liquidity contract (€5 million received in 2017) and receipts of €3 million in respect of stock options (€2 million in 2017);
- net debt service costs of €249 million:
  - €174 million of interest paid on the Term Loan and on other borrowings (€197 million in 2017),
  - €63 million paid in respect of the scheduled repayment of the Term Loan and other borrowings (€26 million in 2017),
  - €7 million received in respect of the contractual repayment of the G2 notes held by the Group,
  - €19 million paid in relation to leasing contracts following the first-time application of the new IFRS 16 standard,

- €7 million paid in relation to ongoing fees on the operation to simplify the debt completed at the end of 2015 (€7 million in 2017), and
- net receipts of €8 million from interest received on investments and the G2 notes held by the Group (2017: €5 million on the floating rate notes held by the Group until June 2017).

The Group completed two financial operations during 2018 which generated a net cash inflow of €115 million (see notes A.2 and G.1 to the consolidated financial statements at 31 December 2018 for further details):

- On 9 February 2018, the Group completed the acquisition of the G2 inflation-linked notes. The G2 notes were acquired for £359 million which was financed in part by an external loan of £190 million and in part by the Group's own funds. This external loan was reimbursed with part of the proceeds from the issue of Senior Secured Notes in October (see below).
- On 3 October 2018, the Group issued €550 million of senior secured "green" bonds (the "Senior Secured Notes"). The net proceeds from this issue were used to reimburse the loan taken out for the acquisition of the G2 notes (see above) and €20 million was paid into the Debt Service Reserve Account (see note G.7 to the consolidated financial statements at 31 December 2018).

€14 million was paid in 2018 in respect of fees and other costs in relation to these operations.

Discontinued activities

In 2018, the cash out flows relating to discontinued operations in 2018 included €1 million in other operating charges. In 2017, the €106 million generated included a net €109 million after tax from the sale of the three ferries and in respect of the maritime segment's finance leases as well as a payment of €2 million being the final price adjustment on the sale of GB Railfreight Limited in 2016.

b) Free Cash Flow

The Group's Free Cash Flow represents the cash generated by its current activities in the normal course of its business. It can be used to distribute dividends to shareholders and to make strategic investments in the Group's development in order to add value for all stakeholders. The Group defines it as net cash flow from its current activities excluding extraordinary or exceptional cash movements in respect of the equity-related cash flows, financial transactions such as the raising of new debt to help finance new activities, debt refinancing, renegotiation or early repayment as well as investment in new activities or the divestment of activities and related assets.

€ million	2018	2017
Exchange rate €/£	1.118	1.127
Net cash inflow from operating activities	573	532
Net cash outflow from investing activities	(75)	(79)
Net debt service costs (interest paid/received, fees and repayments)	(249)	(225)
Other receipts	3	8
Free Cash Flow	**252**	**236**
Dividend paid	(160)	(139)
Purchase of treasury shares and net movement on liquidity contract	(16)	(4)
ElecLink: project expenditure	(194)	(196)
Refinancing operations	115	260
Sale of GB Railfreight Limited	–	(2)
Sale of ferries	–	116
Use of Free Cash Flow	**(255)**	**35**
(Decrease)/increase in cash in the year	**(3)**	**271**

At €252 million in 2018, Free Cash Flow has increased by €16 million compared to 2017 for the reasons set out in section a) above.

2.1.4 DEBT COVER RATIOS

a) Getlink ratios

EBITDA to finance cost ratio

The ratio of the Group's consolidated EBITDA to its finance costs (excluding interest received and indexation) is 2.5 at 31 December 2018 (2017 restated: 2.3).

€ million	2018	2017 * restated
Exchange rate €/£	1.128	1.128
EBITDA	**569**	**523**
Finance cost	271	270
Indexation	(45)	(48)
Finance cost excluding indexation	**226**	**222**
EBITDA / finance cost excluding indexation	**2.5**	**2.3**

* *Restated at the rate of exchange used for the 2018 income statement (£1=€1.128).*

Net debt to EBITDA ratio

The Group defines its net debt to EBITDA ratio as the ratio between financial liabilities less the indexed nominal value of the G2 notes held by the Group since February 2018 and cash and cash equivalents, and consolidated EBITDA. At 31 December 2018, the ratio was 7.2 compared to 7.1 at 31 December 2017.

€ million	31 December 2018	31 December 2017
Non-current financial liabilities	4,759	4,220
Current financial liabilities	55	67
Other non-current liabilities	57	52
Other current liabilities	36	7
Total financial liabilities	**4,907**	**4,346**
Inflation-indexed notes (G2)	(222)	–
Cash and cash equivalents	(607)	(613)
Net debt	**4,078**	**3,733**
EBITDA	569	526
Net debt / EBITDA	**7.2**	**7.1**
Statement of financial position exchange rate €/£	*1.118*	*1.127*
Income statement exchange rate €/£	*1.128*	*1.140*

At 31 December 2018, other financial liabilities included a total of €39 million in respect of leasing obligations following the first-time adoption of IFRS 16 in 2018.

b) Eurotunnel ratios

Financial covenants in respect of the Term Loan

With effect from 2018, the debt service cover ratio and the synthetic service cover ratio on the Term Loan applies to the Eurotunnel Holding SAS sub-group. These ratios are described in note G.1.2.b) to the consolidated financial statements contained in section 2.2.1 of this Registration Document.

At 31 December 2018, Eurotunnel has respected its financial covenants under the Term Loan with a debt service cover ratio and a synthetic service cover ratio both above 2.

2.2 ANNUAL FINANCIAL STATEMENTS

2.2.1 GETLINK SE'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 AND THE STATUTORY AUDITORS' REPORT THEREON

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2018

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Getlink SE for the year ended 31 December 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in notes G.3 and B.2.2 to the consolidated financial statements relating to the impacts of the first time application of IFRS 9-Financial Instruments and IFRS 16-Leases. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill and recoverable amount of tangible and intangible assets

Risk identified

Tangible and intangible assets amounted to €6,657 million as of 31 December 2018, compared to a total balance sheet of €7,995 million.

The Group did not identify any indication of impairment of Concession assets and ElecLink assets but performed voluntary tests. The procedures for carrying out these impairment tests are described in note F.3 of the consolidated financial statements.

The determination of the recoverable value of these assets and potential losses to be recognised is a key audit matter of the audit given its significance in the Group's accounts and the high degree of estimation and management judgment required regarding assumptions about operating performance and future traffic, exchange rates, long-term growth rates, discount rates as well as the sensitivity of the valuation to these assumptions.

Our response

Regarding Concession assets and ElecLink assets:

- we obtained the Group's latest strategic plans and the impairment tests performed for Concession assets and ElecLink assets;
- we obtained the latest independent expert reports for Europorte assets;
- we reviewed the modality of implementation of impairment tests;
- we assessed the reasonableness of the main assumptions, in particular the evolution of operating performance and future traffic on the basis of the Group's latest business plan, long-term growth rates and the exchange rate;
- we assessed, with the support of our specialists, the discount rates used in their various components;
- we verified the calculations that led to the recoverable values determined, as well as the sensitivity analyses performed;
- we assessed the appropriateness of the information given in the notes to the consolidated financial statements.

Accounting treatment of the Term Loan and its related transactions

Risk identified

Financial liabilities of €4,814 million and interest rate derivatives of €748 million are among the largest items in the balance sheet as of 31 December 2018.

As detailed in note G.1 of the consolidated financial statements, in June 2017 the Group completed during these past years some transactions in order to simplify the structure of the Term Loan: refinancing of existing tranches, partial termination of the corresponding hedging contracts, drawing of new debt tranches and redemption of the floating rate notes issued by Channel Link Enterprises Finance Plc (CLEF). In 2018, the Group completed the acquisition of the CLEF G2 notes for £359 and issued Senior Secured Notes for a nominal value totalling €550 million.

Given the characteristics of the Term Loan and the complexity of its related transactions, there is a risk of error in the accounting treatment that we considered to be a key point of the audit.

Our response

Regarding the Term Loan and its related transactions:

- we took note of the agreements and we assessed the appropriateness of the accounting treatment of the contractual obligations of the Group;
- we verified the analysis and accounting treatment of transaction costs;
- we checked the correct implementation of IFRS 9 regarding the effective interest rate;
- we reviewed the analyses regarding the accounting treatment of the first-time application of IFRS 9;
- we reviewed the qualitative and quantitative tests confirming the qualification of the operation (extinguishment of the debt and recognition of a new financial liability);
- we verified the fair value calculations of G2 notes recorded as financial assets and of financial liabilities;
- we checked the documentation of derivative instruments.

Finally, we assessed the appropriateness of the accounting treatment and the information given in the notes of the consolidated financial statements.

Specific verifications

As required by French laws and regulations, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance, required under article L. 225-102-1 of the French Commercial Code (Code de commerce), is included in the management report, being specified that, in accordance with the provisions of article L. 823-10 of this Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Getlink SE (formerly Groupe Eurotunnel SE) by the annual general meeting held on 9 May 2007.

As at 31 December 2018, audit firms KPMG Audit and Mazars were in the 12th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Statutory auditors, 20 February 2019

Paris La Défense	Courbevoie
KPMG Audit *A division of KPMG S.A.*	Mazars
French original signed by	
Fabrice Odent *Partner*	Francisco Sanchez *Partner*

Consolidated income statement

€'000	Note	*31 December 2018	31 December 2017
Revenue	D.2	1,079,449	1,032,978
Operating expenses	D.3	(270,198)	(278,184)
Employee benefits expense	E	(240,146)	(228,550)
Operating margin (EBITDA)	D.4	**569,105**	**526,244**
Depreciation	F	(173,944)	(152,590)
Trading profit		**395,161**	**373,654**
Other operating income	D.5	1,638	1,289
Other operating expenses	D.5	(4,092)	(10,241)
Operating profit		**392,707**	**364,702**
Finance income	G.5	1,733	1,808
Finance costs	G.5	(270,991)	(272,031)
Net finance costs		(269,258)	(270,223)
Other financial income	G.6	36,046	69,245
Other financial charges	G.6	(30,175)	(112,092)
Pre-tax profit from continuing operations		**129,320**	**51,632**
Income tax expense of continuing operations	I.1.2	1,066	56,534
Net profit from continuing operations		**130,386**	**108,166**
Net (loss)/profit from discontinued operations	C.2.1	(66)	5,116
Net profit for the year		**130,320**	**113,282**
Net profit attributable to:			
Group share		130,320	112,932
Minority interest share		–	350
Earnings per share (€):	H.2		
Basic earnings per share: Group share		0.24	0.21
Diluted earnings per share: Group share		0.24	0.21
Basic earnings per share from continuing operations		0.24	0.20
Diluted earnings per share from continuing operations		0.24	0.20

* *The financial statements as at 31 December 2018 have been prepared by early application of IFRS 16 "Leases" and by using the modified retrospective method without restatement of the previous financial year (see note B.2.2).*

Consolidated statement of other comprehensive income

€'000	Note	31 December 2018	31 December 2017
Items that will never be reclassified to the income statement:			
Actuarial gains and losses on employee benefits	E.4	(10,225)	26,560
Related tax	I	222	(300)
Items that are or may be reclassified to the income statement:			
Foreign exchange translation differences		12,892	56,608
Hedging contracts: movement in market value and recycling of the fair value on the partially terminated contracts	G.1.2.c	25,975	126,337
Related tax	I	(15,140)	50,434
Net income recognised directly in equity		**13,724**	**259,639**
Profit for the year – Group share		130,320	112,932
Total comprehensive income – Group share		**144,044**	**372,571**
Total comprehensive income – minority interest share		–	650
Total comprehensive income for the year		**144,044**	**373,221**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position

€'000	Note	* 31 December 2018	31 December 2017
ASSETS			
Goodwill	F.1	20,392	20,392
Intangible assets	F.1	158,493	119,955
Total intangible assets		**178,885**	**140,347**
Concession property, plant and equipment	F.2.1	5,928,076	6,013,175
Other property, plant and equipment	F.2.2	550,258	339,529
Total property, plant and equipment		**6,478,334**	**6,352,704**
Deferred tax asset	I.2	210,358	217,420
Other financial assets	G.7	358,473	11,697
Total non-current assets		**7,226,050**	**6,722,168**
Inventories		2,291	1,843
Trade receivables	D.6.1	97,489	96,422
Other receivables	D.6.2	62,474	58,781
Other financial assets	G.7	199	–
Cash and cash equivalents	G.8	606,532	612,533
Total current assets		**768,985**	**769,579**
Total assets		**7,995,035**	**7,491,747**
EQUITY AND LIABILITIES			
Issued share capital	H.1.2	220,000	220,000
Share premium account		1,711,796	1,711,796
Other reserves	H.3	(361,117)	(286,106)
Profit for the year		130,320	112,932
Cumulative translation reserve		305,282	292,390
Total equity		**2,006,281**	**2,051,012**
Retirement benefit obligations	E.4	87,003	73,970
Financial liabilities	G.3	4,758,652	4,219,528
Other financial liabilities	G.4	57,206	52,078
Interest rate derivatives	G.1.2.c	748,398	716,371
Total non-current liabilities		**5,651,259**	**5,061,947**
Provisions	D.8	15,712	73,059
Financial liabilities	G.3	55,094	67,872
Other financial liabilities	G.4	35,874	6,885
Trade payables	D.7	191,368	197,925
Other payables	D.7	39,447	33,047
Total current liabilities		**337,495**	**378,788**
Total equity and liabilities		**7,995,035**	**7,491,747**

* *The financial statements as at 31 December 2018 have been prepared by early application of IFRS 16 "Leases" and by using the modified retrospective method without restatement of the previous financial year (see note B.2.2).*

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

€'000	Issued share capital	Share premium account	* Consolid-ated reserves	Result	Cumulative translation reserve	Group share	Minority interests	Total
1 January 2017	220,000	1,711,796	(555,788)	200,585	235,782	**1,812,375**	(650)	**1,811,725**
Transfer to consolidated reserves	–	–	200,585	(200,585)	–	**–**	–	**–**
Payment of dividend	–	–	(139,005)	–	–	**(139,005)**	–	**(139,005)**
Share based payments	–	–	5,972	–	–	**5,972**	–	**5,972**
Acquisition/sale of treasury shares	–	–	(901)	–	–	**(901)**	–	**(901)**
Result for the year	–	–	–	112,932	–	**112,932**	350	**113,282**
Minority interests	–	–	–	–	–	**–**	300	**300**
Profit / (loss) recorded directly in other comprehensive income:								
▪ Actuarial gains and losses on employee benefits	–	–	26,560	–	–	**26,560**	–	**26,560**
▪ Related tax	–	–	(300)	–	–	**(300)**	–	**(300)**
▪ Movement in fair value of hedging contracts	–	–	96,104	–	–	**96,104**	–	**96,104**
▪ Recycling of the fair value on the partially terminated hedging contracts	–	–	30,233	–	–	**30,233**	–	**30,233**
▪ Related tax	–	–	50,434	–	–	**50,434**	–	**50,434**
▪ Foreign exchange translation differences	–	–	–	–	56,608	**56,608**	–	**56,608**
At 31 December 2017	**220,000**	**1,711,796**	**(286,106)**	**112,932**	**292,390**	**2,051,012**	**–**	**2,051,012**
Effect of first application of IFRS9 (note G.3)	–	–	(25,901)	–	–	**(25,901)**	–	**(25,901)**
Related tax	–	–	3,448	–	–	**3,448**	–	**3,448**
At 1 January 2018	**220,000**	**1,711,796**	**(308,559)**	**112,932**	**292,390**	**2,028,559**	**–**	**2,028,559**
Transfer to consolidated reserves	–	–	112,932	(112,932)	–	**–**	–	**–**
Payment of dividend (note H.1.4)	–	–	(160,385)	–	–	**(160,385)**	–	**(160,385)**
Share based payments **	–	–	7,000	–	–	**7,000**	–	**7,000**
Acquisition/sale of treasury shares	–	–	(12,937)	–	–	**(12,937)**	–	**(12,937)**
Result for the year	–	–	–	130,320	–	**130,320**	–	**130,320**
Profit / (loss) recorded directly in other comprehensive income:								
▪ Actuarial gains and losses on employee benefits	–	–	(10,225)	–	–	**(10,225)**	–	**(10,225)**
▪ Related tax	–	–	222	–	–	**222**	–	**222**
▪ Movement in fair value of hedging contracts (note G.1.2.c)	–	–	(30,747)	–	–	**(30,747)**	–	**(30,747)**
▪ Recycling of the fair value on the partially terminated hedging contracts (note G.1.2.c)	–	–	56,722	–	–	**56,722**	–	**56,722**
▪ Related tax	–	–	(15,140)	–	–	**(15,140)**	–	**(15,140)**
▪ Foreign exchange translation differences	–	–	–	–	12,892	**12,892**	–	**12,892**
At 31 December 2018	**220,000**	**1,711,796**	**(361,117)**	**130,320**	**305,282**	**2,006,281**	**–**	**2,006,281**

* *See note H.3.*
** *Of which €3,582,000 is in respect of free shares and €3,418,000 is in respect of preference shares.*

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

€'000	Note	** 31 December 2018	31 December 2017
Operating margin (EBITDA) from continuing operations		569,105	526,244
Operating margin (EBITDA) from discontinued operations	C.2.1	(107)	(681)
Exchange adjustment	*	(2,921)	(3,397)
(Increase)/decrease in inventories		(448)	153
(Increase)/decrease in trade and other receivables		(5,824)	(3,106)
Increase in trade and other payables		27,741	19,713
Net cash inflow from trading		**587,546**	**538,926**
Other operating cash flows		(5,315)	(5,302)
Taxation paid		(10,048)	(1,406)
Net cash inflow from operating activities		**572,183**	**532,218**
Payments to acquire property, plant and equipment		(268,671)	(275,240)
Sale of property, plant and equipment		18	169
Purchase of shares		–	300
Sale of subsidiary		–	(2,338)
Net cash outflow from investing activities		**(268,653)**	**(277,109)**
Capital transactions:			
Dividend paid		(160,385)	(139,005)
Exercise of stock options		3,112	2,365
Purchase of treasury shares		(14,923)	(8,695)
Liquidity contract (net)		(1,238)	4,816
Financial transactions:			
Purchase of G2 notes	A.2.1	(401,189)	–
Issue of Senior Secured Notes	A.2.2	550,000	–
Fees paid on new loans	A.2	(13,851)	(25,177)
Payment into Senior Secured Notes debt service reserve account	G.7	(19,940)	–
Cash received from loans		–	1,949,757
Fees paid for partial termination of hedging contracts		–	(481,982)
Early repayment of loans		–	(1,347,486)
Cash received from redemption of floating rate notes		–	163,995
Net debt service cost:			
Fees paid on loans	G.4	(7,086)	(7,151)
Interest paid on loans		(174,313)	(162,954)
Interest paid on hedging instruments		–	(33,703)
Scheduled repayment of loans		(63,374)	(25,968)
Cash received from scheduled repayment of G2 notes		6,959	–
Interest paid on leasing and repayment of leasing obligations (IFRS 16)	B.2.2	(18,833)	–
Interest received on cash and cash equivalents		1,842	2,641
Interest received on other financial assets		6,578	2,742
Other transactions:			
Cash received under maritime segment finance leases		–	121,807
Net cash (outflow)/inflow from financing activities	**	**(306,641)**	**16,002**
(Decrease)/increase in cash in year		**(3,111)**	**271,111**

* *The adjustment relates to the restatement of elements of the income statement at the exchange rate ruling at the year end.*

** *The financial statements as at 31 December 2018 have been prepared by early application of IFRS 16 "Leases" and by using the modified retrospective method without restatement of the previous financial year (see note B.2.2).*

Movement during the year

€'000	Note	2018	2017
Cash and cash equivalents at 1 January		612,533	346,637
Effect of movement in exchange rate		(2,886)	(5,395)
(Decrease)/increase in cash in year		(3,111)	271,111
(Decrease)/increase in interest receivable in year		(4)	180
Cash and cash equivalents at 31 December	G.8	**606,532**	**612,533**

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the financial statements

Getlink SE, formerly Groupe Eurotunnel SE, is the Group's consolidating entity. Its registered office is at 3 rue La Boétie, 75008 Paris, France and its shares are listed on Euronext Paris and on NYSE Euronext London. The term "Getlink SE" refers to the holding company which is governed by French law. The term "Group" refers to Getlink SE and all its subsidiaries.

The main activities of the Group are the design, financing, construction and operation by the "Eurotunnel" segment of the Fixed Link's infrastructure and transport system in accordance with the terms of the Concession (which will expire in 2086), the rail freight activity of the Europorte segment as well as the construction and operation (expected during the first half of 2020) of the 1GW electricity interconnector in the Tunnel by ElecLink. The maritime activity was discontinued in 2015 (see note C.2.1 below).

The consolidated financial statements were finalised by the Board of Directors on 20 February 2019 and will be submitted for approval to the shareholders' General Meeting.

A. Important events

A.1 Internal legal reorganisation of the Group

On 23 April 2018, the Group finalised the implementation of its corporate reorganisation. The Group's main business activity, that of the operation of the Fixed Link, is now in a distinct sub-group, separate from other of the Group's activities which are managed and financed independently from the Eurotunnel activity. This new structure releases Getlink SE from its commitments as a guarantor under the Term Loan and also permits a funding structure that is more suitable for the Group's development needs.

This reorganisation involved the transfer of the companies in Getlink SE's Fixed Link sub-group (including the Concessionaires, France Manche SA and The Channel Tunnel Group Ltd) to Eurotunnel Holding SAS which is now the new holding company for the "Eurotunnel" sub-group and replaces Getlink SE as guarantor in respect of the Term Loan.

These changes form part of the Group's long-term strategy to develop its core infrastructure and transport activities.

This reorganisation is reflected in the segment information in note D.1 below.

A.2 Financial operations

A.2.1 Acquisition of inflation-indexed notes

On 9 February 2018, Eurotunnel Agent Services Limited (an English subsidiary of Getlink SE), completed the acquisition of the Channel Link Enterprises Finance Plc (CLEF) G2 notes held by FMS.

The G2 notes, which have a nominal value of £150 million indexed on UK inflation, were acquired for £359 million which was financed in part by an external loan of £190 million and in part by the Group's own funds.

The G2 notes were recorded as "Other financial assets" at their fair value at the date of acquisition of £302 million.

The loan was repaid on 5 October 2018 using part of the proceeds from the issue of the Senior Secured Notes as detailed in note A.2.2 below.

Information on the accounting treatment of the transaction is given in notes D.8 and G.7 below.

A.2.2 Issue of Senior Secured Notes

On the strength of the corporate reorganisation concluded in the first half of 2018, Getlink SE issued Senior Secured Notes totalling €550 million on 3 October 2018. These notes were issued at par, carry an annual interest rate of 3.625% and will mature on 1 October 2023.

The net proceeds of this issue were used mainly to repay the £190 million loan taken out in February 2018 to purchase the G2 notes (see A.2.1 above) and to finance the ElecLink project.

The Senior Secured Notes were recorded in financial liabilities at their fair value less fees directly attributable to the transaction.

Information on the Senior Secured Notes is given in note G.1.1 below.

A.3 ElecLink

In response to additional requests from the supervisory authorities, the IGC, the Group has conducted a large number of additional studies and expert analyses on the basis of which the Group has requested permission to start the process of installing the cable in the Tunnel. At the same time, construction of the converter stations, installation of the cable outside the Tunnel and the fitting of the cable supports in the Tunnel continue in line with the original schedule.

Investment in the project during 2018 amounted to €213 million, bringing the total investment since the Group took full control of ElecLink in 2016 to €453 million.

A.4 Brexit: the United Kingdom's exit from the European Union

Following the UK's decision to leave the European Union on 23 June 2016 and the triggering of article 50 by the British government at the end of March 2017, the official exit date of the United Kingdom from the European Union is 29 March

2019. A draft agreement on the terms of withdrawal and a political declaration on future relations between the two parties were endorsed by the European Commission in November 2018. Nevertheless, the rejection of this draft withdrawal agreement by the United Kingdom's Parliament in January 2019 means that the situation remains uncertain and that there is a real risk of Brexit without an agreement.

Even though the Group has not noted any significant impact of this situation on its business during 2018, except for some slowdown in the cross-Channel truck market, Getlink has continued with its various actions, which began in 2016, to prepare for the different possible outcomes. In addition to monitoring the situation and consultation with the French and British authorities at all levels, the Group has been implementing an action and investment plan since mid-2018 which is designed to maintain the free flow of its traffic in the period after March 2019, whatever the political or regulatory situation may be.

The Group has taken account of this situation in the determination of the principal estimates and assumptions used in the preparation of its consolidated financial statements at 31 December 2018 as set out in note B.3.3 below.

B. Principles of preparation, main accounting policies and methods

The consolidated accounts consist of the consolidation of the accounts of Getlink SE and its subsidiaries as set out in the table in note C.1 below. The accounting periods of the Group companies run from 1 January to 31 December.

B.1 Statement of compliance and Group accounting standards

Pursuant to European Regulation 1606/2002 of 19 July 2002 on International Accounting Standards, the Group's consolidated financial statements for the year ended 31 December 2018 are prepared in accordance with international accounting standards as published by IASB and approved by the European Union as at 31 December 2018. These international standards include International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and interpretations (SIC and IFRIC).

The Group has control over the nature and price of the services it provides, and therefore does not meet the criteria set out in IFRIC 12 relating to concession contracts.

As set out in note B.2.2 below, the Group has decided on the early adoption of the new standard IFRS 16 "Leases" for the 2018 financial year. The Group has not anticipated the application of any other standards or interpretations, the implementation of which is not mandatory in 2018.

B.2 Changes in accounting standards as at 31 December 2018

The standards and interpretations used and described in the annual financial statements as at 31 December 2017 have been supplemented by the standards, amendments and interpretations whose application is mandatory for financial years beginning on or after 1 January 2018.

B.2.1 Texts adopted by the European Union whose application is compulsory

The texts adopted by the European Union, the application of which is compulsory for financial years beginning on or after 1 January 2018, are as follows:

- IFRS 15 "Revenue from Contracts with Customers" and its amendments;
- IFRS 9 "Financial Instruments";
- amendments to IFRS 4 "Application of IFRS 9 and IFRS 4";
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- IAS 40 "Transfers of investment property"; and
- interpretation IFRIC 22 "Foreign Currency Transactions and Advance Consideration".

The impact of the first-time application of IFRS 9 is set out in note G.3 below. The application of other texts has not had a significant impact on the Group's consolidated financial statements.

B.2.2 Texts adopted by the European Union but not yet mandatory

The interpretation IFRIC 23 "Uncertainty over Income Tax Treatments" is mandatory for financial years beginning on or after 1 January 2019.

IFRS 16 "Leases" is mandatory for financial years beginning on or after 1 January 2019. Up to 30 June 2018, the Group presented operating leases off-balance sheet.

IFRS 16 has a significant impact on the accounting for leases by lessees:

- In the balance sheet: recognition as an asset in the form of a right of use in return for a lease liability for all contracts regardless of their nature (operating or financial leases);
- In the income statement: instead of an operating expense, depreciation and interest expense are recorded; and
- In the cash flow statement, presentation of leases paid as cash flows from financing activities (previously cash flows from operating activities).

At 31 December 2018, the Group opted for early application of this standard as from 1 January 2018. In accordance with the analyses made in advance and as previously indicated, the impact of this new standard mainly concerns the Europorte rail freight segment. Leased assets are locomotives and other rolling stock used by the Europorte companies, business premises used by Europorte, Getlink and ElecLink as well as service vehicles.

The Group has adopted the modified retrospective transition method, without restatement of comparative information, with:

- the use of a single discount rate for all contracts, based on the finding, supported by a sensitivity analysis, that a change in the rate has very little impact on the amount of the adjustments, as the residual term of the contracts is relatively short;
- the exclusion of contracts with a residual term of less than 12 months; and
- the recognition of the right of use for an amount equivalent to the lease debt.

The effect of the application of this standard is to increase property, plant and equipment by €39 million at 31 December 2018 and to increase the Group's liabilities by the same amount.

The following tables provide a comparison of the information published as at 31 December 2018 under IFRS 16 with that which would have been published had the Group continued to apply IAS 17:

Effects on the consolidated income statement

	31 December 2018						
	Information	Application of IFRS 16					Published
€'000	in IAS 17	Eurotunnel segment	Europorte segment	ElecLink segment	Getlink segment	Total Group	information
Revenue	1,079,449	–	–	–	–	–	1,079,449
Operating expenses	(529,182)	1,169	17,204	57	408	18,838	(510,344)
Operating margin (EBITDA)	**550,267**	**1,169**	**17,204**	**57**	**408**	**18,838**	**569,105**
Depreciation	(156,276)	(1,107)	(16,116)	(54)	(391)	(17,668)	(173,944)
Trading profit	**393,991**	**62**	**1,088**	**3**	**17**	**1,170**	**395,161**
Other operating income	(2,454)	–	–	–	–	–	(2,454)
Operating profit	**391,537**	**62**	**1,088**	**3**	**17**	**1,170**	**392,707**
Net finance costs	(269,258)	–	–	–	–	–	(269,258)
Other financial income	7,569	(98)	(1,568)	(6)	(26)	(1,698)	5,871
Pre-tax profit from continuing operations	**129,848**	**(36)**	**(480)**	**(3)**	**(9)**	**(528)**	**129,320**
Income tax expense of continuing operations	1,066	–	–	–	–	–	1,066
Net profit from continuing operations	**130,914**	**(36)**	**(480)**	**(3)**	**(9)**	**(528)**	**130,386**
Net profit from discontinued operations	(66)	–	–	–	–	–	(66)
Net profit for the year	**130,848**	**(36)**	**(480)**	**(3)**	**(9)**	**(528)**	**130,320**

Effects on the consolidated statement of financial position

€'000	31 December 2018 Information in IAS 17	Application of IFRS 16 Eurotunnel segment	Europorte segment	ElecLink segment	Getlink segment	Total Group	Published information
ASSETS							
Concession property, plant and equipment	140,348	2,055	34,117	1,883	482	38,537	178,885
Other property, plant and equipment	6,478,334	–	–	–	–	–	6,478,334
Other non-current assets	568,831	–	–	–	–	–	568,831
Total non-current assets	**7,187,513**	**2,055**	**34,117**	**1,883**	**482**	**38,537**	**7,226,050**
Total current assets	768,985	–	–	–	–	–	768,985
Total assets	**7,956,498**	**2,055**	**34,117**	**1,883**	**482**	**38,537**	**7,995,035**
EQUITY AND LIABILITIES							
Profit for the year	130,848	(36)	(480)	(3)	(9)	(528)	130,320
Cumulative translation reserve	1,875,962	(1)	–	–	–	(1)	1,875,961
Total equity	**2,006,810**	**(37)**	**(480)**	**(3)**	**(9)**	**(529)**	**2,006,281**
Other financial liabilities	36,181	1,141	18,518	1,263	103	21,025	57,206
Non-current financial and other liabilities	5,594,053	–	–	–	–	–	5,594,053
Total non-current liabilities	**5,630,234**	**1,141**	**18,518**	**1,263**	**103**	**21,025**	**5,651,259**
Other financial liabilities	17,833	951	16,079	623	388	18,041	35,874
Current financial and other liabilities	301,621	–	–	–	–	–	301,621
Total current liabilities	**319,454**	**951**	**16,079**	**623**	**388**	**18,041**	**337,495**
Total equity and liabilities	**7,956,498**	**2,055**	**34,117**	**1,883**	**482**	**38,537**	**7,995,035**

Effects on the consolidated cash flow statement

€'000	31 December 2018 Information in IAS 17	Application of IFRS 16 Eurotunnel segment	Europorte segment	ElecLink segment	Getlink segment	Total Group	Published information
Net cash inflow from operating activities	553,350	1,164	17,204	57	408	18,833	572,183
Net cash outflow from investing activities	(268,653)	–	–	–	–	–	(268,653)
Interest and repayment on lease debts	–	(1,164)	(17,204)	(57)	(408)	(18,833)	(18,833)
Other financing cash flows	(287,808)	–	–	–	–	–	(287,808)
Net cash (outflow)/inflow from financing activities	**(287,808)**	**(1,164)**	**(17,204)**	**(57)**	**(408)**	**(18,833)**	**(306,641)**
Increase in cash in year	**(3,111)**	**–**	**–**	**–**	**–**	**–**	**(3,111)**

B.2.3 Other texts and amendments published by the IASB but not approved by the European Union

The following texts have not yet been approved by the European Union:

- amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures";
- amendments to IAS 19 "Defined Benefit Plans: Plan Amendment, Curtailment or Settlement"; and
- amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate/ joint venture".

The potential impact of these other texts will be assessed by the Group in subsequent years.

B.3 Basis of preparation

B.3.1 Conversion of foreign currency transactions

Transactions in foreign currencies are converted into the reporting currency of each individual company at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies other than those mentioned in note B.3.2 below are translated at the rate ruling at the end of the reporting period. Exchange differences are dealt with in the income statement.

B.3.2 Exchange rates for consolidated entities

Getlink SE's company accounts and consolidated accounts are prepared in euros.

The accounts of the Group's British subsidiaries, and notably CTG and its subsidiaries, are prepared in sterling and are converted into euros as follows:

- Retained reserves brought forward and Concession property, plant and equipment and related depreciation, at historical rates.
- All other assets and liabilities at the rate ruling at the end of the reporting period.
- Income statement items, with the exception of the Concessionaires' depreciation, at the average rate for the year.
- Exchange differences arising from the application of the above are included in the cumulative translation reserve in the statement of financial position.
- The closing and average €/£ exchange rates for 2018 and 2017 are as follows:

€/£	2018	2017
Closing rate	1.118	1.127
Average rate	1.128	1.140

B.3.3 Use of estimates and judgements

The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The Board of Directors periodically reviews its valuations and estimates based on its experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. Accordingly, the estimates underlying the preparation of these annual financial statements as at 31 December 2018 have been established in the context of the uncertainties concerning the final terms and conditions for the implementation of Brexit. Depending on the evolution of these assumptions, actual results may differ from current estimates.

The use of estimations concerns mainly the valuation of intangible and tangible property, plant and equipment (see note F), the evaluation of the Group's deferred tax situation (note I), the valuation of the Group's retirement liabilities (see note E.4) and certain elements of the valuation of financial assets and liabilities (note G.9). The application of the new IFRS 16 "Leases" requires the use of estimates, in particular for the definition of the lease, the estimation of the remaining term of each lease and the determination of the discount rate.

Evaluation of deferred tax

The Group extended the period of activation of its recoverable deficits used for its estimate of deferred tax from three to five years in 2017 in order to align it with the horizon of its business plan. The estimate of deferred taxes as at 31 December 2018 also takes into account changes in future tax rates in the UK and France.

C. Scope of consolidation

ACCOUNTING PRINCIPLES

Global integration

The accounts of entities under the Group's direct or indirect control are included in the consolidated financial statements using the full consolidation method. Control of an entity is deemed to exist when the Group:

- holds power over the entity,
- is exposed to, or entitled to, variable returns due to its involvement with the entity, and
- has the ability to exercise its power over the relevant activities of the entity in order to affect the amount of returns it obtains.

All significant transactions between the consolidated subsidiaries are eliminated, as are the Group's internal results (capital gains, profits on inventories, dividends).

The results of acquired subsidiaries are consolidated from the date on which control is exercised. Companies acquired or incorporated during the period are consolidated from the date of acquisition or incorporation.

C.1 List of consolidated companies

For the purposes of consolidation, Getlink SE comprises the following companies at 31 December 2017 and 31 December 2018:

	Country of registration or incorporation	Consolidation method	31 December 2018		31 December 2017	
			% interest	% control	% interest	% control
Getlink segment						
Getlink SE	France	FC		holding	company	
Cheriton Resources 14 Limited	England	FC	100	100	100	100
Centre International de Formation Ferroviaire de la Côte d'Opale SAS (CIFFCO)	France	FC	100	100	100	100
Euro-Immo GET SAS	France	FC	100	100	100	100
Eurotunnel Agent Services Limited	England	FC	100	100	100	100
Eurotunnel Management Services Limited	England	FC	100	100	100	100
Eurotunnel segment						
Eurotunnel Holding SAS (formerly NTMO SAS)	France	FC	100	100	100	100
France Manche SA (FM, the French Concessionaire)	France	FC	100	100	100	100
The Channel Tunnel Group Limited (CTG, the British Concessionaire)	England	FC	100	100	100	100
Eurotunnel Financial Services Limited	England	FC	100	100	100	100
Eurotunnel SE	Belgium	FC	100	100	100	100
Eurotunnel Services GIE (ESGIE)	France	FC	100	100	100	100
Eurotunnel Services Limited (ESL)	England	FC	100	100	100	100
Gamond Insurance Company Limited (GICL)	Guernsey	FC	100	100	100	100
Europorte segment						
Europorte Channel SAS	France	FC	100	100	100	100
Europorte France SAS	France	FC	100	100	100	100
Europorte Proximité SAS	France	FC	100	100	100	100
Europorte SAS	France	FC	100	100	100	100
Eurosco SAS	France	FC	100	100	100	100
JP Serwices SAS	France	FC	63	100	63	100
Socorail SAS	France	FC	100	100	100	100
Europorte Terminal Container du Sud-Ouest SAS	France	FC	100	100	100	100
ElecLink segment						
ElecLink Limited	England	FC	100	100	100	100
GET Elec Limited	England	FC	100	100	100	100
Discontinued operations						
Euro-TransManche 3 BE SAS	France	FC	100	100	100	100
Euro-TransManche 3 NPC SAS	France	FC	100	100	100	100
GET Finances SAS	France	FC	100	100	100	100
Euro-TransManche Holding SAS	France	FC	100	100	100	100
Euro-TransManche SAS	France	FC	100	100	100	100
MyFerryLink SAS	France	FC	100	100	100	100
Companies with no significant activity during 2018						
Cheriton Leasing Limited, Cheriton Resources 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16 Limited	England	FC	100	100	100	100
Eurotunnel Developments Limited (EDL)	England	FC	100	100	100	100
Eurotunnel Finance Limited (EFL)	England	FC	100	100	100	100
Eurotunnel Project SAS	France	FC	100	100	100	100
Eurotunnel Trustees Limited (ETRL)	England	FC	100	100	100	100
EurotunnelPlus Limited	England	FC	100	100	100	100
EurotunnelPlus GmbH	Germany	FC	100	100	100	100
Le Shuttle Limited	England	FC	100	100	100	100
London Carex Limited	England	FC	100	100	100	100
MyFerryLink Limited	England	FC	100	100	100	100
Orbital Park Limited (OPL)	England	FC	100	100	100	100

At 31 December 2017 and at 31 December 2018, all the Group's companies were fully consolidated.

C.2 Changes in the scope of consolidation

ACCOUNTING PRINCIPLES

Business combinations

Business combinations are recorded in accordance with the acquisition accounting method as set out in the revised IFRS 3. Under this method, the assets acquired and liabilities and contingent liabilities assumed are recorded at fair value.

When a business is acquired in stages, the Group's previously held interest in the business acquired is revalued to fair value through profit or loss at the time of full acquisition. For the determination of goodwill at the date of control, the fair value of the consideration transferred (for example the price paid) is increased by the fair value of the interest previously held by the Group.

Costs directly attributable to acquisition transactions are recognised in the operating result for the year.

Sale of businesses

The result of the entities sold in the period, together with the gain or loss on the disposal of these activities and the costs directly attributable to the transaction, are presented, net of tax, on a separate line item in the income statement entitled "Net result from discontinued activities". The same treatment is applied to the income statement for the previous financial year. The amount of other comprehensive income previously recognised in respect of the investment held prior to the sale is recycled to the income statement.

Assets and liabilities held for sale and discontinued operations

IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" sets out the accounting treatment applicable to assets held for sale and the presentation and disclosure requirements for discontinued operations.

Assets held for sale

Non-current assets held for sale are presented on a separate line of the statement of financial position when (i) the Group has made the decision to sell the asset(s) concerned and (ii) the sale is considered to be highly probable. These assets are measured at the lower of their net carrying amount and their fair value less costs to sell.

Property, plant and equipment classified as "Assets held for sale" are no longer subject to impairment and depreciation is stopped at the date of application of IFRS 5.

Discontinued operations

A discontinued operation is a component of an entity that the Group has decided to dispose of, either by terminating or selling the activity and which represents a separate sector of activity and is part of a single co-ordinated disposal plan.

When these criteria are met, the results of discontinued operations are presented on a separate line in the consolidated income statement for each period. The Group assesses whether a discontinued operation represents a separate sector of activity mainly on the basis of its relative contribution to the Group's consolidated financial statements.

Discontinued operations (including non-current assets, current assets and the related liabilities classified as held for sale) are measured as a whole at the lower of their carrying amount and fair value less costs to sell.

Costs specifically incurred in the context of the cessation of the activity are presented in the income statement within the "Net result from discontinued operations".

C.2.1 Assets held for sale and discontinued operations

The net result per discontinued activity is as below:

€'000	Note	2018	2017
Maritime segment		(66)	2,230
GB Railfreight Limited		–	2,886
Net result from discontinued activities		**(66)**	**5,116**
Earnings per share from discontinued activities (€):			
Basic		–	0.01
Diluted		–	0.01

Maritime segment MyFerryLink

Since the ending of its maritime activity in the second half of 2015, the Group has applied IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" to its maritime segment. In 2017, the Group sold its three ferries.

The Group is the subject of a number of legal claims following the cessation of its maritime activity for which provision has been made amounting to €11 million as at 31 December 2018.

Maritime segment's income statement

€'000	2018	2017
Operating costs	(107)	(681)
Operating margin (EBITDA)	**(107)**	**(681)**
Other operating income/(charges)	37	2,911
Operating profit/(loss)	**(70)**	**2,230**
Other financial (charges)/income	4	–
Pre-tax profit/(loss)	**(66)**	**2,230**
Deferred tax	–	15,790
Income tax expense	–	(15,790)
Net profit/(loss)	**(66)**	**2,230**

Maritime segment's cash flow statement

€'000	2018	2017
Net cash flow from operating activities	(1,039)	(13,371)
Net cash flow from investing activities	12	75
Net cash flow from financing activities	–	121,807
Increase/(decrease) in cash in year	**(1,027)**	**108,511**

GB Railfreight Limited

In 2017, the Group recorded an income of €2.9 million in relation to the final price adjustment following the sale of its subsidiary GB Railfreight Limited on 15 November 2016.

D. Operating data

D.1 Segment information

ACCOUNTING PRINCIPLES

Segment information is presented by business segment, in accordance with the Group's internal reporting and organisation.

As explained in note A.1 above, the Group put in place a new corporate structure during 2018, which splits the old "Fixed Link" segment into two new segments: "Eurotunnel" and "Getlink". The Group is now therefore organised around the following four segments, which correspond to the internal information reviewed and used by the main operational decision makers (the Executive Committee):

- the "Eurotunnel" segment, which includes the Concessionaires' of the cross-Channel Fixed Link and their subsidiaries,
- the "Europorte" segment, the main activity of which is that of rail freight operator,
- the "ElecLink" segment, whose activity is the construction and operation of a 1GW electricity interconnector running through the Channel Tunnel, and
- the "Getlink" segment which includes the Group's corporate services and which, since the Group's corporate reorganisation, is reported separately from the Eurotunnel segment. The Getlink segment includes the Group's holding company Getlink SE as well as its direct subsidiaries including the railway training centre CIFFCO.

D.1.1 Information by segment

€'000	* Eurotunnel	Getlink	Europorte	ElecLink	Total of continuing operations	** Discontinued operations	Total
At 31 December 2018							
Revenue	955,986	2,428	121,035	–	**1,079,449**	–	**1,079,449**
EBITDA	559,374	(14,238)	24,865	(896)	**569,105**	–	**569,105**
Trading profit/(loss)	407,950	(14,788)	2,990	(991)	**395,161**	–	**395,161**
Pre-tax result of continuing operations	130,150	479	1,385	(2,694)	**129,320**	–	**129,320**
Net consolidated result					**130,386**	(66)	**130,320**
Investment in property, plant and equipment	66,866	1,587	2,114	213,042	**283,609**	–	**283,609**
Property, plant and equipment (intangible and tangible)	5,930,135	4,495	111,249	611,340	**6,657,219**	–	**6,657,219**
External financial liabilities	4,271,614	529,577	12,555	–	**4,813,746**	–	**4,813,746**
At 31 December 2017							
Revenue	912,830	1,701	118,447	–	**1,032,978**	–	**1,032,978**
EBITDA	523,267	(2,163)	5,939	(799)	**526,244**	–	**526,244**
Trading profit/(loss)	376,708	(2,239)	12	(827)	**373,654**	–	**373,654**
Pre-tax result of continuing operations	80,249	(27,267)	325	(1,675)	**51,632**	–	**51,632**
Net consolidated result					**108,166**	5,116	**113,282**
Investment in property, plant and equipment	76,210	703	3,648	181,669	**262,230**	–	**262,230**
Property, plant and equipment (intangible and tangible)	6,013,181	2,586	80,829	396,455	**6,493,051**	–	**6,493,051**
External financial liabilities	4,273,823	–	13,577	–	**4,287,400**	–	**4,287,400**

* *€5,250,000 (2017: €954,000) invoiced by Eurotunnel to ElecLink in respect of the interconnector project has been eliminated on consolidation in the Group's accounts.*
** *See note C.2 above.*

The Group has applied IFRS 16 on leasing contracts early as of 1 January 2018. This standard has been applied using the modified retrospective method and therefore comparative information as at 31 December 2017 is not restated. The impacts of this standard on the financial statements as at 31 December 2018 are detailed in note B.2.2 above.

D.1.2 Geographical information

Eurotunnel's activities are mainly those of the transport of freight, vehicles and passengers between France and the United Kingdom.

The Europorte segment's revenues are generated mainly in France.

D.2 Revenue

ACCOUNTING PRINCIPLES

Revenue corresponds to sales of services as part of the ordinary activities of the Group's various segments.

Eurotunnel

Sales are recognised in revenue when the service is delivered.

- For the Truck Shuttle activity, revenue is recognised when the crossing has been made.
- For the Passenger Shuttle activity:
  - when the reservation is made, the tickets are recorded in "deferred income",
  - then the revenue is recognised when the crossing has been made.
- For the Railway Network passenger and rail freight tolls, revenue is recognised when the crossing has been made. For the Railway Network's annual fixed charges and contributions to its operating and investment costs, revenue is recognised as a function of the Fixed Link's availability.

Europorte

For the rail transport activity, revenue corresponds to sales of transport services and sales are recognised in revenue when the service is actually performed.

For the maintenance and management of railway infrastructure, sales are recognised in revenue when the services are actually performed.

Revenue is analysed as follows:

€'000	2018	2017 *
Shuttle Services	636,425	604,082
Railway Network	305,556	292,802
Other revenues	14,005	15,946
Sub-total Eurotunnel	**955,986**	**912,830**
Europorte	121,035	118,447
Getlink	2,428	1,701
Total	**1,079,449**	**1,032,978**

* *2017 restated for the separation between the Eurotunnel and Getlink segments.*

D.3 Operating costs

Operating costs are analysed as follows:

€'000	2018	2017**
Operations and maintenance: subcontracting and spares	110,664	104,782
Electricity *	31,722	30,086
Cost of sales and commercial costs	16,778	16,301
Regulatory costs, insurance and local taxes	42,484	39,271
General overheads and centralised costs	15,880	24,673
Sub-total Eurotunnel	**217,528**	**215,113**
Getlink	3,732	(3,690)
Europorte	48,270	66,252
ElecLink	668	509
Total	**270,198**	**278,184**

* *Net of a credit of €3,902,000 relating to EDF energy certificates in respect of the operation of the new Truck Shuttles.*
** *2017 restated for the separation between the Eurotunnel and Getlink segments.*

The impact on operating costs for the 2018 financial year of the first-time application of the new IFRS 16 standard is a reduction of €18,838,000 in total for the Group. The amount per segment is as follows:

- €1,169,000 for the Eurotunnel segment,
- €17,204,000 for the Europorte segment,
- €57,000 for the ElecLink segment, and
- €408,000 for the Getlink segment.

D.4 EBITDA/operating margin

ACCOUNTING PRINCIPLES

EBITDA (or operating margin) as used by the Group is calculated by adding back depreciation charges to the trading profit.

D.5 Other operating income and (expenses)

ACCOUNTING PRINCIPLES

Distinction between the trading result and the operating result

The Group considers that it is helpful to include an additional result line in the presentation of its income statement within the operating result, in order to understand better its financial performance. This line is called the “trading result”, and excludes income or charges which are non-recurrent in terms of their frequency and nature and for which the amount is significant. The Group therefore applies recommendation number 2013-03 of the French national authority for accounting standards, the Autorité des Normes Comptables.

€'000	2018	2017
Other operating income	1,638	1,289
Sub-total other operating income	**1,638**	**1,289**
Net loss on disposal or write-off of assets	(2,654)	(4,733)
Other	(1,438)	(5,508)
Sub-total other operating expenses	**(4,092)**	**(10,241)**
Total	**(2,454)**	**(8,952)**

Other operating expenses relate mainly to legal and advisory costs arising from non-recurring transactions and, in 2017, to provision for risks.

D.6 Trade and other receivables

ACCOUNTING PRINCIPLES

Trade and other receivables are included in the category “Financial assets measured at amortised cost”.

For trade receivables, receivables with a proven risk and considered doubtful are subject to an impairment loss determined on the basis of the estimated recoverable amount.

In accordance with the provisions of IFRS 9, receivables that do not present a proven risk are subject to an impairment calculation for expected impairment losses. In accordance with the provisions of IFRS 9, the Group has adopted the simplified approach for trade receivables. Impairment losses are estimated using an impairment matrix based on historical default rates of receivables over their lifetime.

D.6.1 Trade receivables

The maximum credit risk exposure on trade receivables by type of customer at the end of the reporting period is as follows:

€'000	31 December 2018	31 December 2017
Road haulage companies	46,350	44,995
National railways	28,602	23,456
Rail freight sector	20,868	26,315
Other	14,318	14,294
Gross value	**110,138**	**109,060**
Impairment losses for proven risk	(11,982)	(12,108)
Impairment losses for expected risk	(667)	(530)
Net value	**97,489**	**96,422**

The age profile of trade receivables at the end of the reporting period is as follows:

€'000		Not yet due	Past due for less than 30 days	Past due for between 30 and 90 days	Past due for more than 90 days
At 31 December 2018	Gross	68,673	23,758	5,064	12,643
	Impairment	410	142	64	12,033
At 31 December 2017	Gross	71,527	19,459	4,477	13,597
	Impairment	–	–	165	12,473

Impairment of trade receivables (for proven risk and expected credit losses in 2018) changed as follows during the year:

€'000	2018	2017
Balance at 1 January	12,638	14,308
Impairment loss recognised	181	613
Impairment loss recovered	(164)	(2,276)
Exchange difference	(6)	(7)
Balance at 31 December	**12,649**	**12,638**

D.6.2 Other receivables

€'000	31 December 2018	31 December 2017
Suppliers	3,995	917
State debtors	45,915	40,328
Prepayments	8,516	9,518
Other	4,048	8,018
Total	**62,474**	**58,781**

D.7 Trade and other payables

€'000	31 December 2018	31 December 2017
Trade cash advances	2,152	1,301
Trade creditors and accruals	100,618	107,191
Taxation, social security and staff	66,329	63,716
Property, plant and equipment creditors and accruals	22,269	25,717
Trade payables (current)	**191,368**	**197,925**
Deferred income*	32,337	29,865
Other	7,110	3,182
Other payables (current)	**39,447**	**33,047**
Total	**230,815**	**230,972**

* *Deferred income is mainly composed of tickets issued but not yet used.*

D.8 Provisions

ACCOUNTING PRINCIPLES

Provisions are recognised when there exists a legal or constructive obligation stemming from a past event and when the related future cash flows can be reliably estimated.

€'000	1 January 2018	Charge to income statement	Release of unspent provisions	Provisions utilised	31 December 2018
Continuing activities (note G.7)	61,059	1,385	(3,014)	(54,916)	**4,514**
Discontinued maritime activity (note C.2.1)	12,000	–	–	(802)	**11,198**
Total	**73,059**	**1,385**	**(3,014)**	**(55,718)**	**15,712**

The provision of £48 million, which was recorded in 2017 in respect of the indemnity to be paid as part of the acquisition of the G2 notes, was released in 2018 following its payment in February 2018 (see note G.7 below).

D.9 Off-balance sheet commitments relating to operating activities

At 31 December 2017, operating lease commitments prepared under IAS 17 corresponded to commitments for the lease of rolling stock by the rail freight subsidiaries of the Europorte segment.

The Group has opted for early application of the new standard IFRS 16 as from 1 January 2018. The impact of this standard on the consolidated financial statements as at 31 December 2018 and the options selected are presented in note B.2.2 above.

Reconciliation table between operating lease obligations under IAS 17 and IFRS 16

€'000	
Operating lease obligations as at 31 December 2017 with IAS 17	20,922
Discounting	(1,148)
Review of scope and term of contracts	22,235
Additional lease liabilities as a result of the initial application of IFRS 16 as at 1 January 2018	**42,009**

E. Personnel expenses and benefits

E.1 Employee numbers and employee benefits expense

	2018	2017
Number of persons employed at year end	3,517	3,400
Average number of persons employed	3,480	3,409
Employee benefits expense (in €'000)*	240,146	228,550

* *Including employment costs and directors' remuneration (10 non-executive Directors at 31 December 2017 and 14 at 31 December 2018).*

In 2018, employee benefits expense include charges of €6,536,000 (2017: €5,759,000) relating to free shares and preference shares (see note E.5.4 below).

E.2 Remuneration of Board Directors and senior executives

The total remuneration from all Group companies to members of the Getlink SE Board who served during 2018 was €2.0 million (2017: €1.8 million) before pension contributions. This remuneration, which includes attendance fees payable to members of the Board for a total of €0.7 million (2017: €0.7 million) and the Chairman and Chief Executive Officer's remuneration, is entirely comprised of current employment benefits.

The remuneration for members of the Group's Executive Committee (excluding members of the Board) in 2017 and 2018, is given in the table below. There were 7 members of the Executive Committee (excluding Board Directors) at 31 December 2018 (7 at 31 December 2017).

€'000	2018	2017
Current employment benefits	2,409	1,998
Post-employment benefits	–	–
Other long term benefits	–	–
Payments in respect of termination of service	–	–
Cost of share-based payments	1,592	823
Total	**4,001**	**2,821**

E.3 Related parties: remuneration of Board Directors and senior executives

The amount of remuneration paid to members of the Board and senior executives is included in note E.2 above.

E.4 Retirement benefits

ACCOUNTING PRINCIPLES

The Group provides for its legal and contractual obligations for retirement indemnities of employees under French contracts, and for the defined benefit retirement schemes of employees under UK contracts operated by CTG and ESL. The liability for defined benefits, recorded in the statement of financial position, is the present value of the obligation under defined benefit plans at the end of the financial year less the fair value of plan assets. These liabilities are valued using the actuarial method of projected unit of credit on the basis of actuarial valuations made at the end of each financial year. The current service cost of the period and the interest on the obligation are accounted for in the "staff benefit expense" line of the consolidated income statement. Valuation of the liability for defined benefit plans in respect of (i) actuarial gains and losses, (ii) the actual return on plan assets and (iii) changes in the effect of the asset ceiling benefits are recognised in the consolidated statement of other comprehensive income.

The Group has provided for the following retirement liabilities:

€'000	31 December 2018	31 December 2017
United Kingdom	74,530	62,714
France	12,473	11,256
Total	**87,003**	**73,970**

E.4.1 UK employee defined benefit obligations

Getlink SE operates two pension schemes in the UK: The Channel Tunnel Group Pension Fund and The Channel Tunnel Group Senior Executives Pension Fund providing defined benefits for ESL staff based on final pensionable pay. The characteristics of these schemes are similar and the assets of each are held in separate trustee-administered funds.

The valuation at the end of the financial year has been prepared by an independent qualified actuary to take account of the requirements of the amended IAS 19 in order to assess the liabilities and assets of the schemes as at the end of the reporting period.

The fair value of the schemes' assets, which are not intended to be realised in the short term and may be subject to significant change, and the present value of the schemes' liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

€'000	31 December 2018	31 December 2017
Analysis of plan assets:		
Return seeking investments:		
Equities	150,894	201,774
Other	25,170	26,405
Liability matching investments:		
Gilts	45,336	25,915
Bonds	72,220	56,249
Other	944	390
Fair value of plan assets	**294,564**	**310,733**
Present value of funded obligations	365,356	369,386
Present value of net obligations	**70,792**	**58,653**
Effect of asset ceiling	3,738	4,061
Recognised liability for retirement obligations (see below)	**74,530**	**62,714**

Assumptions

The main assumptions that have been used in the actuarial calculations are as follows:

	2018	2017
Discount rate	2.9%	2.7%
Inflation rate	3.4%	3.4%
Future pension increases	3.3%	3.3%

Sensitivity to changes in the main assumptions

Reasonably possible changes to one of the relevant actuarial assumptions at the end of the reporting period, all things being equal, would have affected the defined benefit liability by the amounts shown below.

€'000

31 December 2018	Increase	Decrease
Discount rate: +/-1%	(66,627)	87,197
Inflation: +/-1%	55,001	(52,765)
Mortality: +/-1 an	15,315	(15,092)

Expected cash outflows and risks associated with pension liabilities

The investment strategy for managing the assets of the pension schemes is defined by the trustees of the pension funds. The maturities of the contributions and the level of funding of schemes are negotiated between the Group and the trustees on the basis of actuarial valuations carried out every three years. Contributions are intended both to recover the deficit related to rights acquired in the past and to cover the service costs in future years.

The Group estimates that contributions to be paid into the defined benefit schemes in the 2019 financial year will be €3.5 million, of which be €1.7 million will be in respect of current service costs for the period and be €1.8 million will be in respect of the recovery of the deficit in the Channel Tunnel Group Pension Fund. The weighted average duration of the ESL plan is 22 years.

Movements in the present value of retirement obligations

€'000	**2018**	**2017**
Opening liability at 1 January	369,386	379,915
Current service costs	4,588	4,772
Interest on obligation	9,898	10,675
Contributions received from employees	1,240	1,358
Benefits paid and transfers	(6,128)	(5,451)
Actuarial gain/(loss) and curtailment	(10,621)	(8,555)
Exchange rate adjustment	(3,007)	(13,328)
Closing liability at 31 December	**365,356**	**369,386**

Movements in the fair value of plan assets

€'000	**2018**	**2017**
Fair value of plan assets at 1 January	310,733	291,029
Contributions received from employer	3,607	4,324
Contributions received from employees	1,240	1,358
Benefits paid and transfers	(6,128)	(5,451)
Expected return on plan assets	8,380	8,241
Actuarial gain/(loss) on plan assets	(20,855)	21,759
Exchange rate adjustment	(2,413)	(10,527)
Fair value of plan assets at 31 December	**294,564**	**310,733**

Movements in the net liability for retirement obligations recognised in the balance sheet

€'000	**2018**	**2017**
Opening net liability at 1 January	62,714	89,172
Company contributions paid	(3,607)	(4,324)
Recognised in the income statement	6,217	7,216
Recognised in other comprehensive income	9,830	(26,496)
Exchange rate adjustment	(624)	(2,854)
Closing net liability at 31 December	**74,530**	**62,714**

Expense recognised in the income statement

€'000	**2018**	**2017**
Current service costs	4,588	4,772
Interest on obligation and administration costs	1,629	2,444
Total	**6,217**	**7,216**

Profit/(loss) recognised in other comprehensive income

€'000	**2018**	**2017**
Actuarial profit/(loss) on assets	(20,855)	21,759
Actuarial profit/(loss) on retirement obligation	10,621	8,555
Effect of asset ceiling	404	(3,818)
Total	**(9,830)**	**26,496**

E.4.2 UK defined contribution scheme

On 1 October 2006, Eurotunnel put in place a defined contribution pension scheme (the Eurotunnel Defined Contribution Pension Scheme) which is open to all new ESL employees. The charge to the income statement in 2018 relating to this scheme was €1,130,000 (2017: €984,000).

E.4.3 French employee defined benefit scheme

In France, employees receive a lump sum payment on retirement in accordance with contractual commitments. These liabilities cover Getlink, Eurotunnel and Europorte.

€'000	**2018**	**2017**
Provision for retirement liabilities at 1 January	11,256	10,715
Current service cost	732	678
Interest on obligation	144	135
Total charge to the income statement in Employee benefits expense	**876**	**813**
Actuarial losses and (gains)	520	(68)
Indemnities paid	(179)	(204)
Provision for retirement liabilities at 31 December	**12,473**	**11,256**

Assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) are as follows:

	31 December 2018	**31 December 2017**
Discount rate	1.57%	1.30%
Future salary increases	1.60%	1.60%
Inflation rate	1.50%	1.50%

E.5 Share-based payments

ACCOUNTING PRINCIPLES

Share-based payments

Share options are accounted for in accordance with IFRS 2. The options are valued at their fair value at the date on which they are granted (see next paragraph) and any variations in value occurring after the grant date are not taken into account. The value is charged to employee benefits expense on a straight line basis between the date of the grant and the maturity date (the vesting period), with an equal and opposite entry directly to equity.

Measurement of fair value

The fair value of stock option plans is measured by applying the binomial Black & Scholes model and the Monte Carlo approach. The basis of calculation includes the share price on the grant date, the exercise price of the options, expected volatility of the underlying shares, expected period before exercise, expected dividends and share yield, and the expected turnover of beneficiaries. Performance conditions which are not related to the market are not included in the fair value measurement.

E.5.1 Share options

Share option plan (treated as an equity instrument)

On 26 May 2010, the General Meeting of shareholders authorised the Board to grant, in one or several allocations, options over shares in the company to executives and senior staff of Getlink SE and its subsidiaries, during a period the duration of which is fixed at 38 months from 26 May 2010. The total number of options may not give the right to more than 3,900,000 shares of a nominal value of €0.40 each. The Board allocated 3,900,000 shares held under the share buyback programme to these options. Under this scheme, the Board have approved three grants of share options: on 16 July 2010, 21 July 2011 and 20 July 2012.

Characteristics and conditions of the share option plans

The characteristics and conditions attached to the attribution of the share options are as follows:

Date of grant / main staff concerned	Number of options	Conditions for acquiring rights	Vesting period
Options granted to key executives and senior staff on 16 July 2010	1,164,000	Staff must remain as employees of the Group until the exercise of options. Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2010 and 2011 above a predetermined level). The performance conditions were met. Market performance condition: 50% of options are conditional on the Getlink SE share price performing better than the SBF120 index. The performance conditions were met.	4 years
Options granted to key executives and senior staff on 21 July 2011	1,430,000	Staff must remain as employees of the Group until the exercise of options. Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2011 and 2012 above a predetermined level). The performance conditions were met. Market performance condition: 50% of options are conditional on the Getlink SE share price performing better than the SBF120 index. The market conditions were not met.	4 years
Options granted to key executives and senior staff on 20 July 2012	1,405,000	Staff must remain as employees of the Group until the exercise of options. Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2012 and 2013 above a predetermined level). The performance conditions were met. Market performance condition: 50% of options are conditional on the Getlink SE share price performing better than the SBF120 index. The market condition for 2012 was not met. The market condition for 2013 was met.	4 years

Evolution of the share option plans

The number and the average weighted exercise price of the share options are as follows:

	2018		2017	
	Average weighted exercise price (in euros)	Number of options	Average weighted exercise price (in euros)	Number of options
In issue at 1 January	6.70	1,163,925	6.67	1,641,250
Renounced during the year	–	–	6.81	(25,000)
Exercised during the year	6.83	(486,000)	6.58	(452,325)
In issue at the end of the year	**6.60**	**677,925**	**6.70**	**1,163,925**
Exercisable at the end of the year	6.60	677,925	6.70	1,163,925

Of the 677,925 options in issue at 31 December 2018:

- 138,500 are exercisable, subject to staff remaining as employees of the Group, at a price of €6.42 until July 2020,
- 145,500 are exercisable, subject to staff remaining as employees of the Group, at a price of €7.52 until July 2021, and
- 393,925 are exercisable, subject to staff remaining as employees of the Group, at a price of €6.33 until July 2022.

Assumptions used for the fair value measurement of the share option plans on the grant date

The assumptions used to measure the fair value of the share option plans on the grant date were as follows:

	2012 plan	2011 plan	2010 plan
Fair value of options on grant date (€)	2.13	2.69	2.02
Share price on grant date (€)	6.28	7.629	6.046
Exercise price of an option (€)	6.33	7.52	6.42
Expected volatility	39%	36%	40%
Expected life of options	7 years	7 years	7 years
Number of beneficiaries	57	56	57
Risk-free interest rate (based on government bonds)	1.53%	3.0%	2.4%

E.5.2 Free share plans

a) Free share plans without performance conditions

Following the approval by the General Meeting of shareholders on 18 April 2018 of the plan to issue existing free shares, Getlink SE's Board of Directors decided on 18 April 2018 to grant a total of 348,700 Getlink SE ordinary shares (100 shares per employee) to all employees of Getlink SE and its related companies with the exception of executive and corporate officers of Getlink SE. The vesting period for these shares is one year and is followed by a three-year lock-up period.

During 2018, 122,600 free shares issued in 2014 and 237,975 free shares issued in 2017 were acquired by employees.

Evolution of free shares without performance conditions

Number of shares	**2018**	**2017**
In issue at 1 January	573,075	954,550
Granted during the year	348,700	253,800
Renounced during the year	(24,675)	(54,175)
Acquired during the year	(361,300)	(581,100)
In issue at the end of the year	**535,800**	**573,075**

Assumptions used for the fair value measurement of free shares without performance conditions on the grant date

Year of grant	**2018**	**2017**	**2015**	**2014**	**2012**
Fair value of free shares on grant date (€)	10.82	9.38	13.16	9.28	5.89
Share price on grant date (€)	11.55	10.10	14.09	9.68	6.26
Number of beneficiaries	3,487	3,384	3,890	3,691	3,556
Risk-free interest rate (based on government bonds):					
1 year	-0.46%	0.0%	0.015%	0.33%	1.05%
4 years	-0.04%	–	–	–	–

b) Free share plan subject to performance conditions

The general meetings of shareholders on 27 April 2016 and 27 April 2017 authorised the Board of Directors to grant free shares to executives and senior staff of the company and its subsidiaries, subject to performance conditions, after a period of three years. The total number of shares may not give entitlement to more than 2,400,000 ordinary shares with a nominal of €0.40 each. Under these authorisations, the Board of Directors approved on 20 October 2016 and 15 June 2017 respectively, the allocation of a total of 2,400,000 shares.

Characteristics and conditions of the free share plan subject to performance conditions

Date of grant / main staff concerned	**Number of shares**	**Conditions for acquiring rights**	**Vesting period**
Ordinary shares granted to key executives and senior staff on 20 October 2016	1,200,000	Staff must remain as employees of the Group. Internal performance condition (50% of the attributable volume), is based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2017 and 2018. External performance condition (TSR, 40% of the attributable volume), is based on the stock market performance of the Getlink SE share compared to the performance of the DJI index (dividends included) over a three-year period. CSR performance condition (10% of attributable volume), is based on the performance of the 2018 composite CSR index.	3 years
Ordinary shares granted to key executives and senior staff on 15 June 2017	1,200,000	Staff must remain as employees of the Group. Internal performance condition for 50% of the attributable volume: based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2018 and 2019. External performance condition (TSR) for 40% of the attributable volume: based on the stock market performance of the Getlink SE share compared to the performance of the DJI index (dividends included) over a three-year period. CSR performance condition for 10% of attributable volume: based on the performance of the 2019 composite CSR index.	3 years

Evolution of the free share plan subject to performance conditions

Number of ordinary shares	2018	2017
In issue at 1 January	2,379,750	1,179,750
Granted during the year	–	1,200,000
Renounced during the year	–	–
Exercised during the year	–	–
Expired during the year	–	–
In issue at the end of the year	**2,379,750**	**2,379,750**
Exercisable at the end of the year	–	–

Assumptions used for the fair value measurement of the free share plan subject to performance conditions on the grant date

The assumptions used to measure the fair value of the plan on grant date were as follows:

Year of grant	**2017**	**2016**
Fair value on grant date (€)	6.93	5.13
Share price on grant date (€)	10.10	8.23
Number of beneficiaries	55	60
Risk-free interest rate (based on government bonds)	0.0%	0.0%

E.5.3 Preference shares convertible into ordinary shares subject to performance conditions

On 18 April 2018, the General Meeting of shareholders authorised the Board of Directors to grant to executives and senior staff of Getlink SE and its subsidiaries preference shares (D shares) with a nominal value of €0.01 each with no voting rights which are convertible into Getlink SE ordinary shares subject to performance conditions at the end of a three-year period. The total number of preference shares may not give the right to more than 1,500,000 ordinary shares of a nominal value of €0.40 each. Under this scheme, the Board of Directors approved on 18 April 2018 the grant of 1,500 preference shares, each convertible at the end of the period into a maximum of 1,000 ordinary shares.

Characteristics and conditions of the preference share plans

Date of grant / main staff concerned	**Preference shares granted**	**Conversion ratio**	**Maximum permitted number of ordinary shares**	**Conditions for acquiring rights**	**Vesting period**
Preference shares granted to key executives and senior staff on 29 April 2014 (**B shares**)	300	5,000	1,500,000	Staff must remain as employees of the Group. Market performance condition: calculated on a tapering scale corresponding to the percentage achievement of a maximum target of an average price of €11.50.	4 years
Preference shares granted to key executives and senior staff on 29 April 2015 (**C shares**)	2,000	500	1,000,000	Staff must remain as employees of the Group. Financial performance condition: 70% based on the Group's long-term economic performance: achievement of consolidated EBITDA targets announced to the market for 2015, 2016, 2017 and 2018. Market performance condition: 20% based on the performance of the Getlink SE share price compared to the DJI index (including dividends) over a four-year period. CSR performance condition: 10% based on the performance of the composite CSR index over a four-year period.	4 years
Preference shares granted to key executives and senior staff on 18 April 2018 (**D shares**)	1,500	1,000	1,500,000	Staff must remain as employees of the Group. Internal performance condition for 50% of the attributable volume: based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2018, 2019 and 2020. External performance condition (TSR) for 40% of the attributable volume: based on the stock market performance of the Getlink SE share compared to the performance of the GPR Getlink SE index (dividends included) over a 3-year period. CSR internal performance condition for 10% of attributable volume: based on the performance of the 2020 Composite CSR index.	3 years

Evolution of the preference share plans

	D shares 2018		C shares 2015		B shares 2014	
Number of preference shares	2018	2017	2018	2017	2018	2017
In issue at 1 January	–	–	464	1,784	89	112
Granted during the year	1,500	–	–	–	–	–
Renounced during the year	–	–	–	(25)	–	–
Acquired during the year	–	–	–	(692)	(84)	(23)
Expired or cancelled during the year	–	–	–	(603)	–	–
In issue at the end of the year	**1,500**	**–**	**464**	**464**	**5**	**89**
Exercisable at the end of the year	–	–	–	–	–	–

Assumptions used for the fair value measurement preference shares on the grant date

The assumptions used to measure the fair value of the plans on grant date of the rights granted to staff as part of the plans were as follows:

	D shares	C shares	B shares
Fair value on grant date (€)	7.69	5.33	2.68
Share price on grant date (€)	11.55	14.09	9.68
Number of beneficiaries	53	63	36
Risk-free interest rate (based on government bonds):			
1 year	-0.32%	0.01%	0.58%
2 year	-0.20%	–	–
3 year	0.08%	–	–

E.5.4 Charges to income statement

€'000	2018	2017
Free shares	3,485	3,731
Preference shares convertible into ordinary shares	3,051	2,028
Total	**6,536**	**5,759**

F. Intangible and tangible property, plant and equipment

F.1 Goodwill and intangible assets

ACCOUNTING PRINCIPLES

Goodwill represents the excess of the acquisition cost over the fair value of the acquired portion of identifiable assets, liabilities and contingent liabilities. It is measured in the functional currency of the acquired entity and is recognised in the statement of financial position.

When the share of the fair value of the acquired assets, liabilities and contingent liabilities exceeds the cost of acquisition, a negative goodwill is recognised immediately in the income statement.

The fair value of intangible assets acquired following a business combination is measured using the present value of forecast future cash flows after taxation generated by the assets concerned. The method of depreciation of these intangible assets is determined according to the nature of the assets concerned.

Goodwill and intangible assets related to the acquisition of ElecLink

The goodwill that was accounted for on the acquisition of ElecLink, amounting to €119,955,000 at 31 December 2016, was fully allocated in 2017 to an intangible asset representing the estimate of fair value as at the date of acquisition of ElecLink in 2016 of the licence and exemption granted to ElecLink by the national regulators in 2013 and 2014. The intangible asset will be depreciated over the term of the licence and the exemption, over a period of 25 years from the date of start of operation of ElecLink's interconnector.

Residual goodwill of €20,392,000 was recognised as of 31 December 2017 resulting from the recognition of a deferred tax liability on the intangible asset in accordance with IAS 12.

IFRS 16: leasing contracts

As set out in note B.2.2 above, the Group has opted for early adoption of the IFRS 16 as at 1 January 2018. The application of this standard results in the recognition as assets in the form of a right-of-use of the lease contracts in consideration for a leasing liability.

€'000	**2018**	**2017**
At 1 January	140,347	119,955
Right-of-use assets from leases from initial application of IFRS 16	38,537	–
Residual goodwill on deferred tax liability	–	20,392
Exchange difference	1	–
At 31 December	**178,885**	**140,347**

F.2 Tangible property, plant and equipment

ACCOUNTING PRINCIPLES

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment is depreciated on a systematic basis in order to write down the costs of assets over their expected useful lives as follows:

	Fixed Link	**Europorte**
Tunnels	Concession *	
Land, construction, fixtures and fittings		Length of contract / 20 years
Terminals and related land:		
Freehold land	not depreciated	
Concession land	Concession *	
Landscaping	5 to 57 years	
Terminals	5 years to life of Concession *	
Fixed equipment and machinery:		
Fixed equipment	5 years to life of Concession *	
Fixtures and fittings	5 to 57 years	
Buildings	5 to 30 years	
Machinery and other equipment	5 to 30 years	
Industrial equipment		3 to 10 years
Rolling stock:		5 to 35 years
Vehicles	5 to 60 years	
Parts	5 to 40 years	
Office equipment:		3 to 10 years
Office equipment	3 to 10 years	
IT equipment	3 to 10 years	
Software	3 to 20 years	

* *The Concession expires in 2086.*

The expected useful lives of the assets are kept under review and revised when necessary, according to experience.

Concession property, plant and equipment whose useful life is greater than the duration of the Concession, is depreciated over the life of the Concession on a straight line basis.

Depreciation on assets whose useful life is less than the duration of the Concession ("renewable assets") is calculated on a straight line basis. As all property, plant and equipment will be written down to £nil at the end of the Concession in 2086, depreciation of the final renewal cost of renewable assets will be based on the residual duration of the Concession.

Costs directly attributable to the ElecLink project are capitalised and presented as "assets in course of construction" in the statement of financial position. They will be amortised from the date they are put into operation.

Subsidies on capital expenditure received during the year have been allocated to the asset to which they relate.

Measurement of fair value

The fair value of tangible property, plant and equipment acquired following a business combination is measured by taking the higher of the market value or the value in use.

F.2.1 Concession property, plant and equipment

In France, all immovable property, plant and equipment within the Concession area is the property of the French state and will revert to it on the expiry of the Concession period (2086). In the UK, the Government has required CTG to transfer to it the title to freehold land and property acquired for the purpose of construction and operation of the project and in exchange has granted leases for the duration of the Concession. On the expiry of the Concession, the interest of the Concessionaires in all movable property and intellectual property rights necessary for the operation of the Concession will become, without payment, the joint property of the two States.

€'000	Assets in course of construction	Tunnels	Terminals and related land	Fixed equipment and machinery	Rolling stock	Office equipment	Total
Cost							
At 1 January 2018	88,581	6,549,501	2,070,302	3,305,587	2,077,338	121,222	**14,212,531**
Additions	49,456	–	1,952	7,559	4,308	3,591	**66,866**
Transfers	(34,123)	–	6,785	4,980	15,574	6,784	**–**
Disposals	–	–	(96)	(11,344)	(13,660)	(2,659)	**(27,759)**
At 31 December 2018	**103,914**	**6,549,501**	**2,078,943**	**3,306,782**	**2,083,560**	**128,938**	**14,251,638**
Depreciation/impairment							
At 1 January 2018	–	3,331,278	1,148,118	2,175,352	1,436,715	107,893	**8,199,356**
Charged in the year	–	46,810	18,528	37,454	41,179	6,343	**150,314**
Transfers	–	–	–	(31)	31	–	**–**
Disposals	–	–	(70)	(11,800)	(11,627)	(2,611)	**(26,108)**
At 31 December 2018	**–**	**3,378,088**	**1,166,576**	**2,200,975**	**1,466,298**	**111,625**	*** 8,323,562**
Net book value							
At 1 January 2018	88,581	3,218,223	922,184	1,130,235	640,623	13,329	**6,013,175**
At 31 December 2018	**103,914**	**3,171,413**	**912,367**	**1,105,807**	**617,262**	**17,313**	**5,928,076**
Cost							
At 1 January 2017	100,030	6,549,501	2,058,189	3,311,628	2,025,953	115,278	**14,160,579**
Additions	45,214	–	3,477	6,731	18,689	2,099	**76,210**
Transfers	(56,663)	–	8,685	10,705	33,192	4,081	**–**
Disposals	–	–	(49)	(23,477)	(496)	(236)	**(24,258)**
At 31 December 2017	**88,581**	**6,549,501**	**2,070,302**	**3,305,587**	**2,077,338**	**121,222**	**14,212,531**
Depreciation/impairment							
At 1 January 2017	–	3,284,468	1,130,072	2,158,333	1,398,194	102,968	**8,074,035**
Charged in the year	–	46,810	18,084	37,426	39,016	5,155	**146,491**
Transfers	–	–	–	–	–	–	**–**
Disposals	–	–	(38)	(20,407)	(495)	(230)	**(21,170)**
At 31 December 2017	**–**	**3,331,278**	**1,148,118**	**2,175,352**	**1,436,715**	**107,893**	*** 8,199,356**
Net book value							
At 1 January 2017	100,030	3,265,033	928,117	1,153,295	627,759	12,310	**6,086,544**
At 31 December 2017	**88,581**	**3,218,223**	**922,184**	**1,130,235**	**640,623**	**13,329**	**6,013,175**

* *Including exceptional depreciation of property, plant and equipment related to impairment tests performed in 2003, 2004 and 2005.*

F.2.2 Other property, plant and equipment

€'000	Assets in course of construction	Land, construction, fixtures and fittings	Industrial equipment	Rolling stock	Office equipment	Total
Cost:						
At 1 January 2018	260,017	1,318	3,766	104,639	6,311	**376,051**
Additions	215,369	53	219	593	509	**216,743**
Transfers	(1,009)	29	26	561	393	**–**
Disposals	–	–	(90)	(24)	(16)	**(130)**
At 31 December 2018	**474,377**	**1,400**	**3,921**	**105,769**	**7,197**	**592,664**
Depreciation:						
At 1 January 2018	–	614	1,485	29,950	4,473	**36,522**
Charged in the year	–	59	299	4,737	868	**5,963**
Transfers	–	–	2	(2)	–	**–**
Disposals	–	–	(52)	(22)	(5)	**(79)**
At 31 December 2018	**–**	**673**	**1,734**	**34,663**	**5,336**	**42,406**
Net book value:						
At 1 January 2018	260,017	704	2,281	74,689	1,838	**339,529**
At 31 December 2018	**474,377**	**727**	**2,187**	**71,106**	**1,861**	**550,258**
Cost:						
At 1 January 2017	77,395	1,249	2,583	103,389	5,998	**190,614**
Additions	183,223	26	1,098	1,411	262	**186,020**
Transfers	(584)	65	91	364	64	**–**
Disposals	(17)	(22)	(6)	(525)	(13)	**(583)**
At 31 December 2017	**260,017**	**1,318**	**3,766**	**104,639**	**6,311**	**376,051**
Depreciation:						
At 1 January 2017	–	548	1,196	25,589	3,603	**30,936**
Charged in the year	–	70	294	4,859	876	**6,099**
Transfers	–	–	–	–	–	**–**
Disposals	–	(4)	(5)	(498)	(6)	**(513)**
At 31 December 2017	**–**	**614**	**1,485**	**29,950**	**4,473**	**36,522**
Net book value:						
At 1 January 2017	77,395	701	1,387	77,800	2,395	**159,678**
At 31 December 2017	**260,017**	**704**	**2,281**	**74,689**	**1,838**	**339,529**

F.3 Impairment of property, plant and equipment

ACCOUNTING PRINCIPLES

In accordance with IAS 36, the carrying amounts of assets and groups of assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

In the Group each activity segment represents a cash-generating unit (CGU). In certain circumstances, the CGU may be made up of a single operating legal entity.

If any indication of impairment exists, an impairment test is carried out on assets with finite useful lives: the net book value of the asset is compared to its recoverable amount. The recoverable amount of assets is the greater of their market value and their value in use. The market value is determined by reference to studies carried out by independent experts.

The value in use of CGUs is calculated by discounting operating cash flows after taxation and capital expenditure incurred to replace assets as forecast in each of the CGU's business plan as validated by the Group's management as part of its operational management. The period covered by the business plan is five years. For Concession assets, cash flows are extrapolated on the basis of an assumption of growth over the residual duration of the Concession. For non-Concession assets, the extrapolation is complemented by a terminal value which is calculated on the basis of infinite free cash flows that continue to grow at a moderate rate limited to that of inflation. The discount rate retained is the WACC calculated per CGU at each year end. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

F.3.1 Concession property, plant and equipment

At 31 December 2018, the Group did not identify any indication of impairment of its tangible Concession assets, but, in the context of uncertainty related to the modalities of the final implementation of Brexit, nevertheless carried out a valuation in order to ensure that the recoverable value of the assets remained higher than their net accounting value.

The valuation carried out at 31 December 2018 confirmed that the recoverable value of assets remained higher than their net accounting value on the basis of a discount rate of 5.75% (31 December 2017: 5.65%) and on the basis of revenue growth of approximately 2% for the period after the five year plan.

The Group also carried out a sensitivity analysis on reasonably possible changes to key assumptions (discount rate and revenue growth rate) of plus or minus 1% as well as changes in the exchange rate between sterling and euros of plus or minus €0.10. This analysis did not reveal a likely scenario which could lead to an impairment of Concession assets. The worst-case sensitivity analyses do not show any impairment of Concession assets as of 31 December 2018.

F.3.2 ElecLink property, plant and equipment

ElecLink's assets are composed of tangible assets in respect of construction works (see note F.2.2 above) and an intangible consisting of the operating license and the exemption (see note F.1 above). The interconnector is due to start operating in the first half of 2020.

At 31 December 2018, the Group performed a test of value in use of the ElecLink CGU. This test is voluntary, as the assets are assets with a defined lifetime. This test, carried out in accordance with the rules and methods described above and applying WACC of 7.78%, confirms that the value in use of the ElecLink CGU's assets is greater than its carrying amount at 31 December 2018.

In carrying out these valuation tests, the Group used the best estimates available to it at the balance sheet date and sensitivity tests were carried out. However, in view of the ongoing construction of the ElecLink project and the current context, in particular linked to Brexit, the assumptions on which these estimates are based are by their nature still uncertain and the actual results could be different from these estimates.

F.3.3 Europorte property, plant and equipment

At 31 December 2018, the Group did not identify any indication of impairment of its Europorte assets, but nevertheless carried out a valuation in order to ensure that their recoverable value remained higher than their net accounting value. The market value of Europorte's assets, estimated using studies by independent experts, was found to be at least equal to the net accounting value at 31 December 2018.

G. Financing and financial instruments

ACCOUNTING PRINCIPLES

Financial instruments

Financial assets

Classification and evaluation

In accordance with IFRS 9, financial assets are classified as financial assets at amortised cost, fair value through equity or at fair value through profit or loss depending on the nature of the instrument (debt or equity), characteristics of their contractual flows and how the entity manages its financial instruments (business model).

The business model of the entity represents the way in which financial assets are managed to generate cash flow. The exercise of judgment is necessary to appreciate the business model.

A financial asset is said to be "basic" if the contractual terms of the financial asset give rise, on specified dates, to cash flows corresponding solely to repayments of principal and interest calculated on the capital remaining due. The determination of the basic character is to be carried out for each financial asset, debt instrument, when it is initially recognised.

i. Debt instruments measured at amortised cost

A debt instrument is measured at amortised cost if it satisfies both of the following conditions:

- the asset is held as part of a business model for the purpose of collecting contractual cash flows, and
- the contractual terms of the financial asset define the latter as basic (SPPI) within the meaning of the standard.

Debt instruments at amortised cost are initially measured at fair value and then at amortised cost using the effective interest rate method. For short-term receivables with no stated interest rate, the fair value is treated as the amount of the invoice unless the interest rate has a significant impact.

Income accrued or acquired on debt instruments is recorded under "Finance income" using the effective interest rate method.

These instruments are subject to the IFRS 9 requirements for impairment.

Trade receivables fall into this category. This category also includes the inflation-linked G2 notes held by the Group in other non-current financial assets.

ii. Debt instruments measured at fair value through equity

A debt instrument is measured at fair value through equity only if it meets both of the following conditions:

- the asset is held as part of a business model whose objective is both the collection of contractual cash flows and the sale of financial assets, and
- the contractual terms of the financial asset define the latter as basic (SPPI) within the meaning of the standard.

Debt instruments at fair value through equity are initially recognised at fair value plus transaction costs. At the balance sheet date, they are measured at their fair value and changes in fair value are recorded in gains and losses recognised directly in equity (recyclable in profit or loss). The assets in foreign currencies being monetary, fair value for the currency component affects the result.

Income accrued or acquired on debt instruments is recorded under “Finance income” using the effective interest rate method.

These instruments are subject to the IFRS 9 requirements for impairment.

The Group does not hold debt instruments at fair value through equity.

iii. *Equity instruments measured at fair value through equity*

Equity instruments are recorded at fair value through profit or loss, except in the case of an irrevocable option for fair value measurement through non-recyclable equity (provided these instruments are not held for trading) without subsequent reclassification in profit or loss.

Equity instruments at fair value through equity are initially recognised at fair value plus transaction costs. Unrealised and realised impairment losses remain recognised in equity without ever affecting the result. These financial assets are not impaired. In the event of a sale, changes in fair value are not transferred to profit but directly to the consolidated reserves in equity. Only dividends affect the result if they correspond to a return on the investment. They are recorded under “Finance income”. The fair value corresponds, for quoted securities, to a market price. For unlisted securities, it is determined by reference to recent transactions or by valuation techniques that incorporate reliable and observable market data.

The Group does not hold equity instruments at fair value through equity.

iv. *Financial assets measured at fair value through profit or loss*

All other financial assets are classified at fair value through profit or loss. These financial assets include financial assets held for trading, financial assets designated at fair value through profit or loss and non-basic assets. These assets are measured at fair value with changes in value recorded in profit or loss.

This category also includes derivative financial instruments (positive fair values).

When classified as current assets in cash equivalents, financial assets at fair value through profit or loss include, in particular, units of cash UCITS.

Impairment

Pursuant to the provisions of IFRS 9, financial instruments measured at amortised cost and debt instruments at fair value through equity are recognised, as at the date of first recognition, as a write-down for expected credit losses (Expected Credit Losses or ECL). Where the financial assets concerned have not been subject to objective indications of individual impairment losses, the depreciation for expected credit losses is evaluated on the basis of historical losses and reasonable and justifiable forecasts of future cash flows.

Financial instruments are divided into three categories according to the deterioration in credit risk observed since their initial recognition: S1 (no significant increase in credit risk), S2 (significant increase in credit risk) and S3 (credit risk proven). Each credit category has a specific credit risk assessment method: expected credit losses at 1 year for outstanding S1, credit losses expected at maturity for outstanding amounts of S2 and S3.

With regard to impairment, IFRS 9 provides for the possibility of adopting a simplified approach for trade receivables: impairment losses are determined on the basis of the expected loss at maturity and do not require monitoring of changes in the credit quality category of the receivable. The Group has adopted the simplified approach for trade receivables. Impairment losses are estimated based on an impairment matrix based on historical credit default rates over the expected life of the receivables.

Financial liabilities

Financial liabilities include, in accordance with IFRS 9:

i. *Borrowings*

Borrowings are recognised initially at fair value less transaction costs, and subsequently at amortised cost according to the effective interest rate method.

For financial liabilities that are at a fixed interest rate, interest costs are recognised at a constant interest rate until maturity of the debt using the effective interest rate method. The effective interest rate is the rate that exactly discounts all of the contractual cash flows due on the debt until its maturity. These cash flows are calculated on the basis of the estimated cash flows due on each instrument constituting the debt. The calculation takes into account the transaction related costs and all other premiums and discounts.

For financial liabilities that are at a variable interest rate, cash flows are periodically re-estimated to reflect changes in market interest rates, thereby changing the effective interest rate.

For financial liabilities that are at a fixed interest rate indexed to inflation, cash flows are periodically re-estimated to take account of actual fluctuations in the inflation rate, thereby changing the effective interest rate.

A substantial change in the terms of all or part of an existing financial liability is accounted for as an extinguishment of the original liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, differs by at least 10% of the discounted present value of the remaining cash flows of the original financial liability. If a modification of terms is accounted for as an extinguishment, any costs or unamortised fees are recognised in the income statement on the extinguishment. The amendment to IFRS 9 of 12 October 2017 clarified the treatment under IFRS 9 of changes in liabilities recognised at amortised cost, in the event that the change does not result in derecognition: the gain or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate should be recorded in profit or loss.

ii. *Interest rate hedging instruments*

All the derivative instruments are designed to hedge exposure to interest rate risk. They are measured at market value and are used as cash flow hedges.

Cash flow hedges: the derivative instruments designed to hedge the floating rate element of the debt are accounted for as cash flow hedges. The portion of the gains and losses arising from changes in the fair value that is deemed to be an effective hedge is taken directly to equity until the underlying transaction is recognised in the Group's financial statements. The portion deemed ineffective is accounted for in the income statement for the period. The gains and losses included in equity are recycled to the income statement in the period when the hedged item affects the income statement. The interest rate hedging instruments described in note G.1.2.c) on financial liabilities, meet the criteria set out in IFRS 9 and are therefore accounted for as cash flow hedges.

Net gains or net losses on each category of financial instrument

Interest income and charges recognised in profit or loss include:

- Interest on the financial assets and liabilities accounted for at amortised cost and at fair value through equity (debt instruments) using the effective interest rate method. The calculation of the effective interest rate includes all commissions and margins payable or receivable between the contracting parties which are an integral part of the effective interest rate, and all transaction costs and all other premiums and discounts. The transaction costs are the marginal costs directly attributable to the acquisition, issue or disposal of a financial asset or liability.
- Changes in the fair value of derivatives categorised as hedges (for the ineffective portion).

G.1 Description of the loans

G.1.1 Senior Secured Notes issued as Green Bonds

As detailed in note A.2.2 above, Getlink SE issued €550 million 3.625% Senior Secured Notes (the "Notes") on 3 October 2018. The Notes are listed on the Official List of the Irish Stock Exchange (trading as Euronext Dublin) and are admitted to trading on the Global Exchange Market thereof. The Notes align with the June 2018 version of the International Capital Markets Association's Green Bonds Principles and are therefore considered "green" bonds.

The Notes are governed by an English law trust deed (the "Trust Deed") between Getlink SE and BNY Mellon Corporate Trustee Services Limited, as trustee for the holders of the Notes.

The Notes are due on 1 October 2023 and interest thereon is payable semi-annually in arrears on 30 June and 30 December of each year, commencing on 30 December 2018.

Pursuant to the Trust Deed, €19,940,000 was paid into a Debt Service Reserve Account (DSRA) as can be seen in note G.7 below.

The fees directly attributable to the transaction amounting to €21 million will be amortised over the life of the Notes. The effective interest rate of the Notes was 4.51% at 31 December 2018.

As at 31 December 2018, the Notes are rated BB (negative outlook) by S&P and BB+ (stable) by Fitch.

Permitted use of proceeds

The Trust Deed allows the Group to use the net proceeds of the offering of the Notes to refinance the £190 million external loan of Eurotunnel Agent Services Limited, finance capital expenditure in relation to ElecLink and finance other eligible "green" assets.

In accordance with its Green Bond Framework, Getlink will prepare and publish a Green Bond Report within one year of the inaugural Green Bond issuance and annually thereafter until full allocation of the amount equal to the net proceeds of the green issuance. This report will provide information on the allocation and environmental impact of the Green Bonds issued.

Security and ranking

The Trust Deed is subject to an English law intercreditor agreement (the "Intercreditor Agreement") between, *inter alios*, Getlink SE and BNY Mellon Corporate Trustee Services Limited, as security agent. The Notes are secured by first ranking liens (the "Notes Security") on (i) all shares in the capital of Eurotunnel Holding SAS and GET Elec Ltd; and (ii) a debt service reserve account set up by the Group.

The Notes:

- are general senior obligations of Getlink SE;
- rank *pari passu* in right of payment with any existing and future senior indebtedness of Getlink SE that is not expressly subordinated in right of payment to the Notes;
- are secured on an equal and rateable basis with certain other *pari passu* obligations of Getlink SE by a first priority lien on the Notes Security; provided, however, that pursuant to the terms of the Intercreditor Agreement, the proceeds of any collection, sale, disposition or other realisation of the Notes Security received in connection with the exercise of remedies will be applied first to repay any super senior liabilities prior to the Notes and any other pari passu obligations of Getlink SE;
- rank senior in right of payment to any existing and future subordinated indebtedness of Getlink SE;

- are effectively senior to any existing and future unsecured indebtedness of Getlink SE to the extent of the value of the Notes Security;
- are effectively subordinated to any existing and future indebtedness of Getlink SE that is secured by liens on property or assets that do not secure the Notes, to the extent of the value of such property or assets so securing such indebtedness; and
- are structurally subordinated to any existing and future indebtedness and other liabilities and commitments (including interest payables, trade payables and lease obligations) of Getlink SE subsidiaries (including the Term Loan).

Redemption

Optional redemption

The Notes may be redeemed at any time prior to 1 October 2020 at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and other additional amounts, if any, to the redemption date, plus the applicable “make whole” premium.

In addition, at any time prior to 1 October 2020, Getlink SE may redeem up to 40% of the aggregate principal amount of the Notes using the net cash proceeds of certain equity offerings, at the redemption price of 103.625% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and other additional amounts, if any, to the redemption date.

At any time on or after 1 October 2020, the Notes may be redeemed at a premium of 1.813% in 2020 or 0.906% in 2021, or without a premium after 2022.

The Notes may also be redeemed upon the occurrence of certain tax events.

Repurchase upon a change of control

If an event treated as a change of control occurs, then each holder of the Notes has the right to require that Getlink SE repurchase such holder’s Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and other additional amounts, if any, to the date of purchase.

Mandatory redemption

If Getlink SE disposes of its shares in Eurotunnel Holding SAS to a third party in accordance with the requirements of law or a governmental authority, it shall apply the net cash proceeds of such disposal to redeem all outstanding Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and other additional amounts, if any, to the date of purchase, provided that such net cash proceeds shall first be applied to repay the amounts outstanding under the Term Loan.

Covenants

The Trust Deed provides for certain covenants that are customary for this type of financing. These incurrence covenants are only tested upon the occurrence of an event, rather than on an on-going basis. Unless certain conditions are respected, certain prohibitions apply in relation to:

- The incurrence of additional debt: for example, additional debt can be incurred as long as, on a pro forma basis, the Group’s (a) Total Net Leverage Ratio is equal to or less than (i) 8.5 to 1.0 until, and including, 30 June 2020 and (ii) 8.0 to 1.0 from, and including, 1 July 2020; and (b) Debt Service Cover Ratio (DSCR) is equal to or greater than 1.25 to 1.0. In addition, there are certain types of debt that can be incurred irrespective of whether there is ratio debt capacity at all. These include a €50 million super senior credit facility basket; a €100 million ElecLink Ltd debt basket; a €100 million Europorte SAS debt basket; and a €50 million basket to finance activities of Getlink SE or any of its subsidiaries. Further, certain types of indebtedness can be classified and reclassified among different eligible baskets.
- The making of certain restricted payments, including dividend payments and the purchase of treasury shares, subject to conditions including if there is an event of default or if the DSCR is less than 1.25.
- Other operations including the sale of assets, the granting of liens and the consummation of mergers.

As is customary for issuances of this type, there are a number of exceptions to the incurrence covenants that are aimed to ensure that the Group has sufficient flexibility to operate its business.

Events of default

The Trust Deed lists certain events of default, which permit the trustee or a certain percentage of holders to declare the Notes immediately due and payable. These events of default include:

- a failure to pay principal when due;
- a failure for more than 30 days to pay interest when due;
- a failure to comply with the merger covenant;
- a failure for more than 60 days after receipt of a notice from the trustee or holders of at least 25% of the aggregate principal amount of the Notes outstanding to comply with other covenants or agreements in the Trust Deed;
- a cross-acceleration or payment default under certain other indebtedness;
- a failure to pay certain final judgments;
- an impairment of Notes Security above a certain value; and
- certain customary bankruptcy and insolvency events of default.

G.1.2 Term Loan

During its financial restructuring in June 2007, the Group put in place long-term loans of £1.5 billion and €2 billion (collectively known as the “Term Loan”). This loan comprised tranches index-linked to inflation (tranche A), fixed rate tranches (tranche B) and variable rate tranches (tranche C) with maturities varying between 2041 and 2050. In August 2007, all the tranches of the loan were purchased by a debt securitisation vehicle created for the purpose by the lenders, Channel Link Enterprises Finance Plc (CLEF). Certain of the notes issued by CLEF as part of this securitisation were guaranteed by three monolines who, in return for their guarantee, received a commission over the life of the loans.

On 24 December 2015, the Group concluded an operation that led to the withdrawal of two of the three monolines from their roles as guarantors of the CLEF notes. This operation led to changes to the structure of the Term Loan and to certain of its terms, such as the division of the index-linked tranches in to six new tranches and the reduction in the contractual interest rate for some tranches by 0.6%. The fees incurred for this operation totalling €123 million (at the 2015 exchange rate) have been accounted for on the statement of financial position under “other financial liabilities”. The remaining fees amounting to €43 million at 31 December 2018 will be paid over the remaining life of the tranche A loans (see note G.4 below).

On 6 June 2017, the Group completed the partial refinancing of its debt which consisted of the refinancing of the C tranches of the debt and the partial termination of the corresponding hedging contracts, the raising of additional debt of €602 million in order to finance the costs of the partial termination of the hedging contracts and other costs of the operation, and the redemption of the floating rate notes held by the Group on its statement of financial position as “Other financial assets”. As a result of this operation, the structure and certain conditions of the Term Loan were modified, in particular the division of the C1 and C2 tranches into six new tranches, the reduction of annual interest payments of approximately €50 million and of financial charges to the income statement of approximately €7 million per year over the following five years as well as the decrease of the average annual cost of the Term Loan excluding indexation to below 4% over the same period.

The total cumulative contractual repayments on the Term Loan made by the Group to 31 December 2018 amount to €231 million.

a) Structure of the Term Loan

The Term Loan put in place on 28 June 2007, as modified on 24 December 2015, 6 June 2017 and 13 April 2018, comprises the following elements at 31 December 2018:

		Nominal amount in:			Interest rate		
Million	**Currency**	**currency**	**EUR ***	**Rate**	**effective**	**contractual**	**Maturity**
Tranche A1	GBP	291	325	Fixed rate linked to the UK All Items Retail Price Index published by the United Kingdom Office for National Statistics.	7.23%	2.89%	
Tranche A2	GBP	145	163		7.26%	2.89%	June 2018 - June 2042
Tranche A3	GBP	291	326		7.34%	3.49%	
Tranche A4	EUR	71	71	Fixed rate linked to the indice des prix à la consommation hors tabac published by the French Institut National de la Statistique et des Études Économiques.	5.45%	3.38%	
Tranche A5	EUR	142	142		5.44%	3.38%	June 2018 - June 2041
Tranche A6	EUR	142	142		5.47%	3.98%	
Tranche B1	GBP	327	365	Fixed rate	6.77%	6.63%	June 2013 - June 2046
Tranche B2	EUR	544	544	Fixed rate	6.33%	6.18%	June 2013 - June 2041
Tranche C1a **	GBP	350	391	Fixed rate to June 2029 then variable rate (LIBOR +5.78% including a contractual margin of 1.78% with an additional margin of 4%) covered by a fixed-rate swap of 5.26%.	3.14%	3.04%	June 2046 - June 2050
Tranche C1b	GBP	337	376	Fixed rate	3.90%	3.85%	
Tranche C2a **	EUR	425	425	Fixed rate to June 2022 then variable rate (EURIBOR +5.55% including a contractual margin of 1.55% with an additional margin of 4%) covered by a fixed-rate swap of 4,90%.	1.95%	1.76%	
Tranche C2b **	EUR	528	528	Fixed rate to June 2027 then variable rate (EURIBOR +5.90% including a contractual margin of 1.90% with an additional margin of 4%) covered by a fixed-rate swap of 4,90%.	2.81%	2.71%	June 2041 - June 2050
Tranche C2c	EUR	83	83	Fixed rate	3.86%	3.75%	
Tranche C2d	EUR	140	140	Fixed rate	3.86%	3.75%	
Total			**4,021**		**5.03%**		

* *Nominal amount excluding impact of effective interest rate and inflation indexation and at the exchange rate at 31 December 2018 (£1=€1.118).*

** *The contractual interest rates for C1a, C2a and C2b are respectively LIBOR +5.78% from June 2029, EURIBOR +5.55% from June 2022 and EURIBOR +5.90% from June 2027. From these dates, the effective interest rates for C1a, C2a and C2b with hedging are respectively 6.50%, 8.21% and 6.76%.*

The effective rate of interest includes costs directly attributable to the debt including the IFRS 9 adjustment as described in note G.3 below. The effective rate of the A tranches also includes the impact of the indexation of the nominal value. The transaction costs used for the determination of the effective interest rate at 31 December 2018 correspond to:

- the issue costs of the Term Loan in 2007 remaining to be amortised amounting to €29 million,
- the fees for the renegotiation of the A tranches completed in December 2015 remaining to be amortised amounting to €98 million,

- the costs of the refinancing transaction on the C tranches in June 2017 remaining to be amortised amounting to €15 million, and
- the issue costs of the Senior Secured Notes in October 2018 remaining to be amortised amounting to €20 million.

These costs relate mainly to financing, legal and bank fees.

b) Principal provisions of the Term Loan

Undertakings and prohibitions under the Term Loan

The Term Loan provides for a number of undertakings and prohibitions which are customary for this type of financing. These relate to:

- the creation of new or the continuation of existing guarantees on the assets of the Eurotunnel Holding SAS sub-group ("Eurotunnel"). As Eurotunnel Holding SAS replaced Getlink SE as parent under the Term Loan on 13 April 2018, the securities initially granted by Getlink SE were released and new securities, relating to the same assets, were granted by Eurotunnel Holding SAS on 13 April 2018;
- to the transfer of Eurotunnel's assets and to the acquisition by Eurotunnel of new assets;
- to the granting of loans, guarantees or warranties to third parties, and
- the amendment of contracts which were conditions precedent for utilisation of the loans under the Term Loan, including inter alia the Railway Usage Contract.

In relation to the Term Loan, Eurotunnel must respect two financial ratios, only the first of which (see section on "Event of default and acceleration" below), if not met, would constitute an event of default. The second ratio is the lower of the ratio of operating cash flow to the total debt service on the Term Loan including the additional margin applied to tranche C of the debt since 2012 and the ratio of operating cash flow to the total debt service on the Term Loan taking into account the hypothetical amortisation on the Term Loan and on the basis of a rolling 12 month period prior to the date of the test. Eurotunnel is required to ensure that at each six-monthly test date since 31 December 2007, this ratio is not less than 1.25. Failure to meet this ratio on a six-monthly testing date would lead to restrictions on the use of the Eurotunnel's excess available cash flow on the date of the next interest payment on the Term Loan until such time as the test is met once again. These restrictions include, in particular, the ability of Eurotunnel to pay dividends and to finance new activities. Failure to meet this test on three consecutive six monthly testing dates would trigger a prepayment event, under which the Eurotunnel's excess available cash flow would have to be used towards prepayment of the Term Loan until the testing date on which the ratio is met once again.

Voluntary prepayment of the Term Loan

Clause 7.2 of the credit agreements provide for voluntary prepayments to be made on the Term Loan for a minimum amount of £5 million or €7.5 million, without penalties but subject to the payment of certain market standard prepayment premia.

Guarantees and security relating to the Term Loan

Guarantees:

Under the Intercreditor Deed, Eurotunnel's main companies each jointly and severally guarantee the obligations of FM and CTG as borrowers of the Term Loan vis-à-vis the lenders, the arrangers and the hedging counterparties of the Term Loan.

Security granted by Eurotunnel under French law:

- assignment of trade receivables by way of security under which (i) FM assigns the receivables held by it under the Concession Agreement and the Railways Usage Contract as well as its trade receivables held by it against the freight transporters and coach operators, its insurance receivables and the intercompany receivables held by it against the French companies of Eurotunnel, (ii) CTG assigns the same categories of receivables as FM with the exception of trade receivables owed by the freight transporters and coach operators and (iii) other members of the Eurotunnel sub-group qualifying as guarantors assign their insurance receivables and intercompany receivables held against Eurotunnel's French companies;
- unregistered mortgages over FM's main real estate assets that are not the subject of short-or medium-term development projects;
- a registered pledge over FM's rolling stock;
- a pledge on all bank and investment accounts open in France under the name of any borrower or guarantor of the Term Loan;
- a pledge on shares in the Eurotunnel sub-group members held by the borrowers or guarantors of the Term Loan;
- a pledge on the main Eurotunnel trademarks;
- a pledge on receivables held by FM under certain pieces of land comprised in the "ZAC 1" and which is the subject of long term construction leases (*baux à construction*);
- a pledge on receivables held by Eurotunnel against FM pursuant to the bonds facility agreement dated 28 June 2007 (as amended on 29 August 2007) and entered into, *inter alia*, between Eurotunnel as lender and FM as borrower; and
- a pledge over their rights held in connection with the GIE (*groupement d'intérêt économique*) by Eurotunnel Holding SAS, FM, CTG and Eurotunnel SE.

Security granted by Eurotunnel under English law:

The main Eurotunnel companies grant security over all of their assets held at the date of execution of the Term Loan as well as over their future assets and over certain of their contractual rights.

Security over the other Eurotunnel assets:

All of the shares of Eurotunnel member companies that are not subject to security as described above are pledged by way of security for the obligations of the borrowers under the Term Loan and guarantors under the Intercreditor Deed.

Event of default and acceleration

The Term Loan contains a number of events of default which, in certain instances subject to grace periods, permit the lenders to declare the Term Loan immediately due and payable, to enforce the security, and/or to demand the implementation of the substitution mechanism provided for under the terms of the Concession.

The events of default include:

- any non-payment under the Term Loan;
- a failure to comply with any provision of the Term Loan, the Intercreditor Deed or related documents. These provisions impose restrictions on, among other things, indebtedness, acquisitions, disposals and other transfers, mergers, borrowings, and the granting of guarantees and new security by the companies of Eurotunnel, and include, in particular:
  - a financial covenant which requires Eurotunnel to ensure that at each six-monthly test date after 31 December 2007, a ratio of operating cash flow to total debt service on the Term Loan is not less than 1.10, such ratio being calculated by reference to a rolling 12 month period preceding the testing date; and
  - certain undertakings and representations relating to the tax treatment of Eurotunnel to the extent that a breach is reasonably likely to have a materially adverse effect on the financial position of FM, CTG or Eurotunnel;
- a representation or warranty is made or deemed to have been made by a borrower or a guarantor under the terms of the Term Loan, or any related finance document or any other document delivered by or on behalf of a borrower or an obligor under the terms of the finance documents (which contain representations and warranties that are customary for this type of document), which proves to have been incorrect or misleading at the time at which it was made or deemed to have been made;
- the occurrence of a cross default under any other indebtedness in excess of a specified amount of any of the companies within Eurotunnel;
- the inability of any borrower or guarantor to pay its debts as they fall due, the insolvency or the opening of any legal proceedings in relation to any borrower or guarantor under the Term Loan;
- the illegality or invalidity of the Term Loan, any related security or the subordination created under the Intercreditor Deed;
- Eurotunnel becoming permanently unable to carry on the business of operating the Tunnel, the destruction of the Tunnel, or the cessation of a material part of its business by a borrower or a guarantor;
- a guarantor ceasing to be a wholly-owned subsidiary of Eurotunnel Holding SAS;
- any act or omission of France or the United Kingdom which renders a borrower or guarantor under the Term Loan incapable of performing its obligations under the Term Loan and associated documents; and
- the occurrence of litigation (or similar proceedings) against a Eurotunnel member or its assets, which is reasonably likely (i) to be adversely determined against the relevant company and (ii) to have a material adverse effect on the financial condition of FM, CTG or Eurotunnel.

The Term Loan also includes other events of default which are customary for this type of financing.

c) Hedging instruments

In 2007, the Group put in place hedging contracts to cover its floating rate loans (tranches C1 and C2) in the form of swaps for the same duration and for the same value (EURIBOR against a fixed rate of 4.90% and LIBOR against a fixed rate of 5.26%). The nominal value of the cash flow hedging swap is €953 million and £350 million.

These derivatives were partially terminated as part of the refinancing of tranche C in June 2017 as set out in note G.1.2 above.

These derivatives generated a charge of €57 million in 2018 which was accounted for in the income statement (2017: charge of €32 million).

These derivatives have been accounted for at their fair value as liabilities on the statement of financial position as follows:

€'000	**31 December 2017**	*** Changes in market value**	**Exchange difference**	**31 December 2018**
Contracts in euros	503,517	41,939	–	545,456
Contracts in sterling	212,854	(8,175)	(1,737)	202,942
Total	**716,371**	**33,764**	**(1,737)**	**748,398**

* *Recorded directly in equity (ineffectiveness of the hedge for an immaterial amount).*

The negative amount of the cash flow hedge reserve has changed as follows:

€'000	31 December 2017	Recycling of partial termination June 2017	Changes in market value	Exchange difference	31 December 2018
Contracts in euros	796,458	(41,593)	41,939	–	796,804
Contracts in sterling	386,190	(15,129)	(8,175)	(3,017)	359,869
Total	**1,182,648**	**(56,722)**	**33,764**	**(3,017)**	**1,156,673**

The amount transferred from the cash flow hedge reserve to the income statement in 2018 is €56,722,000.

In accordance with IFRS 13, the Group takes into account credit risk (DVA) and counterparty risk (CVA) in the valuation of financial instruments. In practice, this recommendation particularly affects the valuation of derivatives to the extent that they are measured at fair value including a probabilistic weighting of estimated cash flows.

In the case of a default by the Group, counterparties to the hedging contracts have priority over all holders of debt and securities and guarantees granted to holders of debt under the Concession Contract and the Intercreditor Deed. In this respect, the Group believes that the risk of loss for the counterparties in the event of default is insignificant and therefore has not recorded a discount to the fair value of hedging instruments under the DVA.

The table in note G.10.2 below gives the periods in which the cash flows associated with the derivatives are expected to occur, and the periods in which the amounts initially recognised in equity are expected to impact the income statement.

G.1.3 Other loans

Europorte loan

The Europorte loan amounting to €12.6 million at 31 December 2018 represents a bank loan drawn by Europorte SAS in 2012 in order to finance the purchase of locomotives by its subsidiaries. This loan bears interest at a fixed rate of 4.37% and is repayable over a period of seven years. The loan matures in June 2019 and the Group has already concluded an operation to refinance it.

EASL loan

As part of the transaction to acquire the G2 notes completed on 9 February 2018 (see note A.2.1 above), an English subsidiary of Getlink SE, Eurotunnel Agent Services Limited, took out a loan of £190 million. This loan bore a variable rate of interest, initially at LIBOR +1% with a progressively increasing margin to 3% at its final maturity on 30 November 2018. The loan was full repaid on 5 October 2018 with part of the proceeds from the issue of the Senior Secured Notes (see note A.2.2 above).

G.2 Off-balance sheet commitments relating to financing

Commitments in respect of the Term Loan

Eurotunnel Holding SAS, FM, CTG, Eurotunnel SE, EFL, ESGIE, ESL and EurotunnelPlus Limited each jointly and severally guarantee the obligations of FM and CTG in relation to the Term Loan. In order to guarantee these obligations, these companies have granted security as described in note G.1.2 above.

G.3 Financial liabilities

The movements in financial liabilities during the year were as follows:

€'000	31 December 2017 published	31 December 2017 restated*	IFRS 9 adjustment	Reclass-ification	Drawdown	Repayment	Interest, indexation and fees	31 December 2018
Senior Secured Notes (note G.1.1)	–	–	–	–	550,000	–	(20,423)	529,577
Term Loan (note G.1.2)	4,206,973	4,189,284	26,153	(49,527)	–	–	51,140	4,217,050
Europorte loan (note G.1.3)	12,555	12,555	–	(530)	–	–	–	12,025
Total non-current financial liabilities	**4,219,528**	**4,201,839**	**26,153**	**(50,057)**	**550,000**	**–**	**30,717**	**4,758,652**
Term Loan	61,766	61,470	–	49,527	–	(62,352)	881	49,526
Europorte loan	1,022	1,022	–	530	–	(1,022)	–	530
Accrued interest on loans:								
Senior Secured Notes	–	–	–	–	–	–	–	–
Term Loan	5,084	5,063	–	–	–	–	(25)	5,038
Europorte loan	–	–	–	–	–	–	–	–
Total current financial liabilities	**67,872**	**67,555**	**–**	**50,057**	**–**	**(63,374)**	**856**	**55,094**
Total	**4,287,400**	**4,269,394**	**26,153**	**–**	**550,000**	**(63,374)**	**31,573**	**4,813,746**

* *The financial liabilities at 31 December 2017 (calculated at the year-end exchange rate of £1=€1.127) have been recalculated at the exchange rate at 31 December 2018 (£1=€1.118) in order to facilitate comparison.*

Adjustment relating to IFRS 9: Financial Instruments

IFRS 9, which is applicable from 1 January 2018, modifies the treatment of debt restructurings which renegotiate debt. In accordance with IFRS 9, the gain or loss resulting from the difference between the original cash flows and the cash flows discounted at the original effective interest rate is recorded in the income statement with an increase of or a decrease in the debt. Under IAS 39, the debt was maintained in the balance sheet with an adjustment of the effective interest rate and a spread of the cash flow differential over the residual maturity of the debt.

Application of IFRS 9 is retrospective, by recognising the cumulative transition effect as an adjustment to opening debt and equity at 1 January 2018.

The renegotiation of the A tranches of the Term Loan in December 2015 is the only one of the Group's transactions which requires retreatment in accordance with IFRS 9. The retreatment had the effect of increasing the carrying value of the Group's financial liabilities by approximately €26 million at 1 January 2018 through a reduction in opening retained earnings.

G.4 Other financial liabilities

€'000	31 December 2018	31 December 2017
Fees on financial operations	36,181	52,078
IFRS 16 lease obligations	21,025	–
Total non-current	**57,206**	**52,078**
Fees on financial operations	17,833	6,885
IFRS 16 lease obligations	18,041	–
Total current	**35,874**	**6,885**

As explained in note G.1.2 above, the fees for the financial operation concluded in December 2015 amounting to a total of €123 million (at the 2015 exchange rate) will be paid over the life of tranche A of the Term Loan. Short-term fees on financial operations also include expenses incurred for the issuance of the Senior Secured Notes in 2018 amounting to £10 million.

The Group has opted for the early application of IFRS 16 as at 1 January 2018, the impact of which and the options retained are presented in note B.2.2 above.

G.5 Net finance costs

€'000	2018	2017
Finance income	1,733	1,808
Total finance income	**1,733**	**1,808**
Interest on loans before hedging	(175,337)	(163,761)
Interest on hedging instruments	–	(31,706)
Amortisation of partially terminated hedging costs	(56,723)	(30,326)
Capitalisation of interest on the ElecLink project	14,921	9,444
Effective rate adjustment	(8,496)	(7,715)
Sub-total	**(225,635)**	**(224,064)**
Inflation indexation of the nominal	(45,356)	(47,967)
Total finance costs	**(270,991)**	**(272,031)**
Total net finance costs	**(269,258)**	**(270,223)**

The inflation indexation of the nominal reflects the effect of the levels of UK and French inflation rates in the year on the calculation of the nominal amount of tranche A of the Term Loan as described in note G.1.2 above.

Information relating to financial liabilities and hedging instruments is presented in note G.1.2.c) above.

G.6 Other financial income and (charges)

€'000	2018	2017
Financial income arising from financial operations:		
Discount realised on the partial termination of the hedging contracts	–	15,304
Remaining discount on the floating rate notes held by the Group	–	14,057
Sub-total	**–**	**29,361**
Unrealised exchange gains *	16,017	27,164
Other exchange gains	9,746	9,042
Interest received on notes held by the Group	9,310	2,607
Other	973	1,071
Other financial income	**36,046**	**69,245**
Financial charges arising from financial operations:		
Unamortised costs on the old C1 and C2 tranches	–	(20,547)
Costs of refinancing operations	(1,740)	(7,361)
Costs of the partial termination of the hedging contracts	–	(3,344)
Costs of the acquisition of notes (see note A.1.2)	(2,770)	(54,720)
Sub-total	**(4,510)**	**(85,972)**
Unrealised exchange losses *	(16,487)	(15,510)
Other exchange losses	(7,442)	(10,575)
Interest charges on IFRS 16 lease contracts	(1,699)	–
Other	(37)	(35)
Other financial charges	**(30,175)**	**(112,092)**
Total	**5,871**	**(42,847)**
Of which net unrealised exchange (losses)/gains	*(470)*	*11,654*

* *Mainly arising from the re-evaluation of intra-group debtors and creditors.*

G.7 Other financial assets

€'000	31 December 2018	31 December 2017
G2 notes	332,711	–
Other*	25,762	11,697
Total non-current	**358,473**	**11,697**
Accrued interest on G2 notes	199	–
Total current	**199**	**–**

* *Including €19,940,000 held in the DSRA in accordance with the terms of the Senior Secured Notes' Trust Deed (see note G.1.1 above).*

Acquisition of G2 inflation-linked notes

As mentioned in note A.2.1, Eurotunnel Agent Services Limited (an English subsidiary of Getlink SE) completed the acquisition on 9 February 2018 of the CLEF inflation-linked G2 notes held by FMS.

The G2 notes have been recorded at their fair value at the date of acquisition of £302 million. The fair value of these notes on the date of their acquisition was determined by the Group using its own financial model and corroborated by estimates provided by an external expert. The G2 notes are included in the category "Financial assets measured at amortised cost".

The G2 notes, which have a nominal value of £150 million indexed on UK inflation, correspond to the securitisation of tranche A2 of the Group's debt and have the same characteristics in terms of interest and maturity as the A2 tranche.

The difference of £49 million between the fair value of the notes at their acquisition date and their purchase price, which corresponds to the indemnity paid in respect of a contribution to the fees incurred by FMS, has been recorded in the income statement in 2018 under "Other financial charges". The provision of £48 million recorded at 31 December 2017 in respect of this indemnity was released on the acquisition of the G2 notes (see note D.8 above).

The difference between the fair value of the G2 notes at their acquisition date and their nominal value indexed at the same date will be amortised to the income statement over the remaining term until their final maturity.

G.8 Cash and cash equivalents

€'000	31 December 2018	31 December 2017
Investments in €	146,190	20,444
Investments in £	188,621	361,746
Sub-total: cash equivalents	**334,811**	**382,190**
Cash at bank and in hand	271,721	230,343
Total	**606,532**	**612,533**

Cash equivalents represents short-term investments in certificates of deposit, deposit accounts and money market funds (see note G.10.5 below). At 31 December 2017 and 31 December 2018, none of these investments were unavailable for more than three months. These investments are included in the category "Assets measured at fair value through profit or loss".

G.9 Matrix of class of financial instrument and recognition categories and fair value

ACCOUNTING PRINCIPLES

Measurement of fair value

Trade and other receivables

The fair value of trade and other receivables is measured on the basis of their expected recoverable value.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities less than or equal to three months from date of acquisition which do not carry a significant risk of variation in value and which are used by the Group to manage short term commitments. Money market funds are evaluated at their market value at the end of the reporting period.

Financial instruments

Financial assets accounted for at their fair value are classified in accordance with the following levels of fair value:

- Level 1: fair value using quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2: fair value using data ("inputs") other than quoted prices included in level 1, which are observable for the asset or liability, either directly (in the form of price) or indirectly (determined from the price).
- Level 3: fair value from valuation techniques which rely completely or in part on non-observable data such as prices on an inactive market or the valuation on a multiples basis for non-quoted securities.

Derivative instruments

The fair value of hedging instruments is measured by discounting contractual future cash flows and integrating the credit risk (CVA) or the counterparty risk (DVA).

The table below presents the carrying amounts and fair values of financial assets and financial liabilities and their level in the hierarchy of fair value. It does not include information about the fair value of financial assets and financial liabilities that are not measured at fair value and for which the carrying amount is a reasonable approximation of fair value.

At 31 December 2018

€'000				Carrying amount						Fair value		
Class of financial instrument	**Note**	**Assets at fair value through profit and loss**	**Financial assets at fair value through equity**	**Securities at amortised cost**	**Receivables at amortised cost**	**Hedging instruments**	**Liabilities at amortised cost**	**Total net carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value												
Other non-current financial assets		–	–	–	–	–	–	**–**	–	–	–	**–**
Financial assets not measured at fair value												
Other current and non-current financial assets	G.7	–	–	358,473	–	–	–	**358,473**	–	–	358,167	**358,167**
Trade receivables	D.6	–	–	–	97,489	–	–	**97,489**	–	–	–	**–**
Cash and cash equivalents	G.8	606,532	–	–	–	–	–	**606,532**	606,532	–	–	**606,532**
Financial liabilities measured at fair value												
Interest rate derivatives	G.1.2.c	–	–	–	–	748,398	–	**748,398**	–	748,398	–	**748,398**
Financial liabilities not measured at fair value												
Financial liabilities	G.3	–	–	–	–	–	4,813,746	**4,813,746**	–	–	5,899,818	**5,899,818**
Other financial liabilities	G.4	–	–	–	–	–	93,080	**93,080**	–	–	–	**–**
Trade payables	D.7	–	–	–	–	–	191,368	**191,368**	–	–	–	**–**

Fair value of financial assets

Fair value of the G2 inflation-indexed notes

The fair value of the G2 notes as of 31 December 2018 has been estimated by applying the same methodology used on their initial recognition, namely the discounting of the future cash flows of the instruments by applying discounting factors derived from a zero-coupon curve and a credit spread determined from the spread of the C2 tranche of the Term Loan compared to the risk-free rate in the United Kingdom, i.e. a spread at 31 December 2018 of 180bps.

On this basis, the Group estimates the fair value of the G2 notes to be £297 million at 31 December 2018, an amount equivalent to their accounting value.

Fair value of financial liabilities

Fair value of the Senior Secured Notes

The fair value of the notes issued by Getlink SE at 31 December 2018 has been estimated on the basis of discounting the future cash flows of the debt service and applying discounting factors deducted from a zero-coupon curve and a credit spread equivalent to their spread compared to the risk-free rate in France, i.e. a spread at 31 December 2018 of 435 bps.

On this basis, the Group estimates the fair value of the Senior Secured Notes to be €536 million at 31 December 2018 compared to a carrying value of €530 million, i.e. 102% of their carrying value.

Fair value of the Term Loan

On 28 June 2007, the Group took out the Term Loan for £1.5 billion and €2 billion with a spread of 139 basis points. On 28 June 2012, the margin on the C1 and C2 tranches of the Term Loan changed to 339 basis points. This debt is accounted for at its amortised cost.

The Term Loan is not quoted or traded on an active financial market and it is particularly difficult to identify any observable market equivalents, taking into account the specificities and characteristics of the Term Loan and in particular its 30 to 40-year maturity profile (see note G.10.2 below).

The Group's estimate of the fair value is based on a level three fair value.

The fair value of the Term Loan as at 31 December 2018 is estimated on the basis of the discounting of the future cash flows of the debt service, and by applying discounting factors deducted from a zero-coupon curve and a credit spread determined from the spread of the C tranche of the debt compared to the risk-free rate in the United Kingdom and France, i.e. a spread at 31 December 2018 of 216bps. This spread was corroborated against credit spreads observed in companies with the same rating as Eurotunnel and for a debt with a maturity of more than 30 years.

On this basis, the Group estimates the fair value of the Term Loan to be €5,363 million compared to a carrying value of €4,267 million at 31 December 2018. As an indication, if the rate used (including the credit spread) was 100 basis points higher, the fair value of the Term Loan would be approximately €400 million lower. With regard to the methodology used, the Group does not prejudge the conditions that may be obtained on the market. Furthermore, the characteristics of the current funding agreements govern any prepayment or refinancing operations on the Term Loan, and the resulting gains that may arise for the Group.

Fair value of the hedging instruments

The characteristics of the Group's hedging instruments and the estimate of their fair value as at 31 December 2018 are set out in note G.1.2.c) above.

The fair value of the hedging instruments is calculated on the basis of mathematical models integrating the discounting of the contractual flows linked to these instruments based on observable market data, in particular forward rate curves. The discount rates are determined from zero-coupon curves.

The fair value of the hedging instruments is estimated based on a level two fair value.

The estimated fair value of the hedging instruments as determined by the Group is corroborated against the valuations provided by the financial counterparties.

The sensitivity analyses of the fair value of these instruments to changes in interest rates are set out in note G.10.3 below.

At 31 December 2017

€'000		Carrying amount							Fair value			
Class of financial instrument	**Note**	**Assets at fair value through profit and loss**	**Financial assets at fair value through equity**	**Securities at amortised cost**	**Receivables at amortised cost**	**Hedging instruments**	**Liabilities at amortised cost**	**Total net carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value												
Other non-current financial assets		–	–	–	–	–	–	**–**	–	–	–	**–**
Financial assets not measured at fair value												
Other current and non-current financial assets	G.7	–	–	–	11,697	–	–	**11,697**	–	–	–	**–**
Trade receivables	D.6	–	–	–	96,422	–	–	**96,422**	–	–	–	**–**
Cash and cash equivalents	G.8	612,533	–	–	–	–	–	**612,533**	612,533	–	–	**612,533**
Financial liabilities measured at fair value												
Interest rate derivatives	G.1.2.c	–	–	–	–	716,371	–	**716,371**	–	716,371	–	**716,371**
Financial liabilities not measured at fair value												
Financial liabilities	G.3	–	–	–	–	–	4,287,400	**4,287,400**	–	–	5,627,226	**5,627,226**
Other financial liabilities	G.4	–	–	–	–	–	58,963	**58,963**	–	–	–	**–**
Trade payables	D.7	–	–	–	–	–	197,925	**197,925**	–	–	–	**–**

G.10 Financial risks

G.10.1 Exchange rate exposure

Getlink SE prepares its consolidated accounts in euros. Fluctuations in the value of the sterling/euro rates have an impact on the value in euros of revenues, costs and financial income and costs, as well as on elements of the Group's reported assets and liabilities. By way of example and all else being equal and on the basis of accounting information at 31 December 2018, the table below presents the effect that a change of plus or minus 10% in the exchange rate would have on the main financial indicators.

€ million	2018				2017			
Variation in exchange rate	**Rate**	**Published**	**+10%**	**10%**	**Rate**	**Published**	**+10%**	**-10%**
Revenue	1.128	1,079	1,125	1,034	1.140	1,033	1,075	991
Operating margin (EBITDA)	1.128	569	601	537	1.140	526	556	496
Pre-tax profit from continuing operations	1.128	129	147	111	1.140	52	62	41
Equity	1.118	2,006	2,220	1,792	1.127	2,051	2,270	1,832

Approximately half of the Group's revenues are denominated in sterling, whereas more than half of its operating expenses and capital expenditure are in euros. The Term Loan is denominated in sterling for a total of £1.741 billion and in euros for a total of €2.075 billion at 31 December 2018. All the external financial instruments are denominated either in sterling or in euros. As a result, no exchange gain or loss can arise on revaluation of the external financial instruments. The residual foreign exchange risk relates to the revaluation of intra-group balances, the residual value of which at 31 December 2018 is €118 million; a 10% change in the euro/sterling parity would result in unrealised exchange gains or losses of approximately €11.8 million.

The Group has and will continue to make every effort to closely match the currencies in which its revenues and costs are denominated and will use currency hedging transactions to manage its foreign exchange risk where necessary.

G.10.2 Liquidity risk

The contractual maturity profile of the financial liabilities (including interest payments and excluding the impact of offset agreements) is as follows:

At 31 December 2018

In millions	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years
NON-DERIVATIVE FINANCIAL LIABILITIES								
Eurotunnel guaranteed GBP bank loans:								
Tranche A1 to A3 – GBP *	977	(2,346)	(55)	(245)	(379)	(1,115)	(552)	–
Tranche B1 – GBP	322	(821)	(23)	(93)	(116)	(229)	(360)	–
Tranches C – GBP **	680	(1,677)	(24)	(94)	(118)	(382)	(788)	(271)
Total in GBP	**1,979**	**(4,844)**	**(102)**	**(432)**	**(613)**	**(1,726)**	**(1,700)**	**(271)**
Eurotunnel guaranteed EUR bank loans:								
Tranche A4 to A6 – EUR *	351	(710)	(24)	(101)	(142)	(365)	(78)	–
Tranche B2 – EUR	538	(992)	(46)	(185)	(230)	(454)	(77)	–
Tranches C – EUR **	1,169	(3,052)	(30)	(152)	(305)	(814)	(1,511)	(240)
Total in EUR	**2,058**	**(4,754)**	**(100)**	**(438)**	**(677)**	**(1,633)**	**(1,666)**	**(240)**
Total Eurotunnel bank loans (expressed in EUR)	**4,271**	**(10,170)**	**(214)**	**(921)**	**(1,362)**	**(3,563)**	**(3,567)**	**(543)**
Europorte bank loans (expressed in EUR)***	13	(13)	(1)	(4)	(8)	–	–	–
Getlink notes (expressed in EUR)	530	(645)	(20)	(625)	–	–	–	–
Total borrowings (expressed in EUR)	**4,814**	**(10,828)**	**(235)**	**(1,550)**	**(1,370)**	**(3,563)**	**(3,567)**	**(543)**
DERIVATIVE FINANCIAL LIABILITIES								
GBP interest rate swaps used for hedging	182	(247)	–	–	–	(120)	(122)	(5)
EUR interest rate swaps used for hedging	545	(666)	–	(25)	(100)	(300)	(234)	(7)
Total interest rate swaps (expressed in EUR)	**748**	**(942)**	**–**	**(25)**	**(100)**	**(434)**	**(370)**	**(13)**
OTHER FINANCIAL LIABILITIES								
Renegotiation fees in GBP	34	(35)	(4)	(8)	(8)	(13)	(2)	–
Renegotiation fees in EUR	15	(16)	(13)	(1)	(1)	(1)	–	–
IFRS 16 lease contracts in GBP	2	(3)	(1)	(2)	–	–	–	–
IFRS 16 lease contracts in EUR	38	(39)	(18)	(20)	(1)	–	–	–
Total other financial liabilities (expressed in EUR)	**93**	**(97)**	**(37)**	**(32)**	**(11)**	**(16)**	**(2)**	**–**
Net cash flow after hedging (expressed in EUR)	**5,655**	**(11,867)**	**(272)**	**(1,607)**	**(1,481)**	**(4,012)**	**(3,939)**	**(556)**
SUPPLIERS AND OTHER CREDITORS								
In GBP	33	(33)	(33)	–	–	–	–	–
In EUR	162	(162)	(162)	–	–	–	–	–

* *Tranches A1 to A6 are indexed with inflation, and are presented in the liquidity table on the basis of the Group's medium and long term budgetary assumptions.*
** *The C tranches that are at a variable rate of interest, are presented in the liquidity table on the basis of forecast long-term interest rates.*
*** *See note G.1.3 above.*

It should be noted that the maturities presented above relating to tranche A2 are fully covered by the maturity of G2 notes held by the Group and presented in note G.7 above. To hedge its maturities, the Group also holds short-term investments presented in cash equivalents.

At 31 December 2017

In millions	Accounting value	Contractual cash flow	12 months or less	1-5 years	5-10 years	10-20 years	20-30 years	30-40 years
NON-DERIVATIVE FINANCIAL LIABILITIES								
Fixed Link guaranteed GBP bank loans:								
Tranche A1 to A3 – GBP*	954	(2,369)	(62)	(231)	(353)	(1,039)	(684)	–
Tranche B1 – GBP	324	(845)	(23)	(94)	(116)	(229)	(383)	–
Tranche C1 – GBP **	680	(1,696)	(24)	(94)	(118)	(367)	(640)	(453)
Total in GBP	**1,958**	**(4,910)**	**(109)**	**(419)**	**(587)**	**(1,635)**	**(1,707)**	**(453)**
Fixed Link guaranteed EUR bank loans:								
Tranche A4 to A6 – EUR *	348	(760)	(28)	(100)	(141)	(364)	(127)	–
Tranche B2 – EUR	550	(1,037)	(46)	(185)	(230)	(455)	(121)	–
Tranche C2 – EUR **	1,168	(3,113)	(30)	(131)	(279)	(829)	(1,441)	(403)
Total in EUR	**2,066**	**(4,910)**	**(104)**	**(416)**	**(650)**	**(1,648)**	**(1,689)**	**(403)**
Total Fixed Link bank loans (expressed in EUR)	**4,273**	**(10,444)**	**(227)**	**(888)**	**(1,312)**	**(3,491)**	**(3,613)**	**(914)**
Europorte bank loans (expressed in EUR)	14	(14)	(2)	(12)	–	–	–	–
Total borrowings (expressed in EUR)	**4,287**	**(10,458)**	**(229)**	**(900)**	**(1,312)**	**(3,491)**	**(3,613)**	**(914)**
DERIVATIVE FINANCIAL LIABILITIES								
GBP interest rate swaps used for hedging	188	(252)	–	–	–	(107)	(132)	(13)
EUR interest rate swaps used for hedging	504	(637)	–	(9)	(83)	(286)	(244)	(15)
Total interest rate swaps (expressed in EUR)	**716**	**(921)**	**–**	**(9)**	**(83)**	**(407)**	**(393)**	**(30)**
OTHER FINANCIAL LIABILITIES								
Renegotiation fees in GBP	47	(47)	(5)	(13)	(10)	(16)	(3)	–
Renegotiation fees in EUR	6	(6)	(1)	(3)	(1)	(1)	–	–
Total other financial liabilities (expressed in EUR)	**59**	**(59)**	**(7)**	**(18)**	**(12)**	**(19)**	**(3)**	**–**
Net cash flow after hedging (expressed in EUR)	**5,062**	**(11,438)**	**(235)**	**(927)**	**(1,407)**	**(3,916)**	**(4,009)**	**(943)**
SUPPLIERS AND OTHER CREDITORS								
In GBP	36	(36)	(36)	–	–	–	–	–
In EUR	158	(158)	(158)	–	–	–	–	–

* *Tranches A1 to A6 are indexed with inflation, and are presented in the liquidity table on the basis of the Group's medium and long term budgetary assumptions.*

** *Tranches C1 and C2 that are at a variable rate of interest, are presented in the liquidity table on the basis of forecast long-term interest rates.*

In addition:

- the Trust Deed of October 2018 allows Getlink SE to raise additional debt subject to certain conditions as described in note G.1.1 above, and
- the credit agreements for the Term Loan allow, on condition that the debt service cover ratio is not less than 1.25, to apply for (i) a renewable credit line of up to €75 million, and (ii) a structurally subordinated unsecured additional credit line of up to £225 million (or equivalent in euros).

G.10.3 Interest rate risk exposure

The risk of an unfavourable movement in interest rates during the duration of the Term Loan is covered by the fact that the two B tranches are at a fixed rate of interest, the A tranches which are indexed on inflation are at a fixed rate of interest, and the six C tranches are at a fixed rate of interest and that three of them (C1a, C2a and C2b) will revert to a variable rate of interest in 2029, 2022 and 2027 respectively but will be covered by fixed/variable rate hedging contracts. The Senior Secured Notes carry a fixed rate of interest. Short-term receivables and debts are not at risk from interest rate exposure.

The contractual cash flows associated with the swaps are paid simultaneously with the contractual cash flows of the variable rate loans and the amount deferred in equity is recognised in profit or loss over the period where the interest on the variable-rate debt affects the result.

An increase of 1% in rates would lead to a change in the portion accounted for in equity relating to the derivative instruments of €286 million. A decrease of 1% in rates would lead to a change in the portion accounted for in equity relating to the derivative instruments of €424 million.

G.10.4 Inflation risk

The inflation risk relates to the interest and the repayments of principal on the indexed tranches of the Term Loan (A1 to A6) denominated in pounds and euros. By way of example, a variation of 1% in the inflation rate would have an impact of €15 million on the amount of the principal of these tranches.

G.10.5 Credit risks

Credit risk represents the risk of financial loss to the Group in the event that a customer or counterparty to a financial instrument fails to honour its contractual obligations.

Trade receivables

The Group's exposure to customer credit risk arises from its customers in the United Kingdom and Eurozone countries, with the following exceptions:

- the Group's main customers, the Railways, accounted for 28% of the Group's revenue in 2018,and
- Passenger Shuttle car customers pay for their tickets in advance, in particular via the internet; consequently, the credit risk in relation to these customers is very limited.

The Group applies a credit policy which requires that every new customer is subject to a credit check before being able to benefit from the Group's standard credit terms. The Group's credit risk exposure to account customers is managed by means of continuous monitoring of their financial situation and of their outstanding debt in regard to their credit limits and payment terms.

Investments

The Group limits its exposure to credit risk by investing only in (i) term deposits and certificates of deposit with a maximum maturity of 12 months, and with counterparties with a short-term rating of at least P-1 and a long-term rating of at least A2 from Moody's, and (ii) money market funds with a long-term rating of AAA from S&P or Aaa from Moody's.

Funds invested by the Group in any one monetary SICAV or money market fund should not exceed £100 million per SICAV or fund in pounds sterling or €120 million per fund or SICAV in euros. Investments in short term deposits or certificates of deposit should not exceed £83 million or €100 million with any one bank group. Following the issue of the Senior Secured Notes, the Group temporarily raised the limits for its two main banks to €125 million.

Credit risk exposure

The carrying value of the financial assets represents the maximum credit risk exposure. The maximum credit risk exposure at the end of the reporting period is as follows:

€'000	31 December 2018	31 December 2017
Financial assets	332,711	–
Trade receivables	97,489	96,422
Cash and cash equivalents	606,532	612,533
Total	**1,036,732**	**708,955**

The financial assets include the G2 notes (see note G.7 above).

H. Share capital and earnings per share

H.1 Share capital

H.1.1 Management of capital

The Group's policy is to maintain a solid capital base in order to retain the confidence of investors, creditors and of the market and to support the future development of the activity. Capital can include the share capital, share premium and retained earnings. The Board monitors return on equity and the level of dividends paid to shareholders.

The Group buys its own shares on the market. The timing of these purchases depends on the market price. These transactions are carried out as part of the share buyback programme of which the liquidity contract is part (see note H.1.3 below).

During the year, the Group has not changed its policy on the management of capital.

H.1.2 Share capital

€	31 December 2018	31 December 2017
550,000,000 fully paid-up ordinary shares each with a nominal value of €0.40	220,000,000.00	220,000,000.00
Category B fully paid-up preference shares each with a nominal value of €0.01	0.28	2.78
Category C fully paid-up preference shares each with a nominal value of €0.01	6.92	6.92
Total	**220,000,007.20**	**220,000,009.70**

During the first half of 2018, 250 category B preference shares issued under the 2014 programme of preference shares convertible into ordinary shares were cancelled.

The programmes of preference shares convertible into ordinary shares is described in note E.5.3 above.

H.1.3 Treasury shares

ACCOUNTING PRINCIPLES

Getlink SE shares held by the Group are accounted for at cost as a reduction in equity. Subsequent disposals are taken directly to equity and no profit or loss is recognised.

The movements in the number of own shares held during the year were as follows:

	Share buyback programme	Liquidity contract	Total
At 1 January 2018	15,499,726	280,000	**15,779,726**
Share buyback programme	1,290,000	–	**1,290,000**
Shares transferred to staff (free share schemes)	(1,468,800)	–	**(1,468,800)**
Exercise of stock options	(486,000)	–	**(486,000)**
Net purchase/(sale) under liquidity contract	–	140,000	**140,000**
At 31 December 2018	**14,834,926**	**420,000**	**15,254,926**

Treasury shares held as part of the share buyback programme renewed by the general meeting of shareholders and implemented by decision of the Board of Directors on 18 April 2018 are allocated, in particular, to cover share option plans and the grant of free shares, as approved by the general meetings of shareholders in 2010, 2011, 2013, 2014, 2015, 2016, 2017 and 2018.

As part of the 2018 share buyback programme, Getlink SE continued with the liquidity contract entered into on 18 May 2010 with Oddo BHF. Under the terms of this contract and in accordance with the code of ethics issued by the Association française des marchés financiers and approved by the French market authorities (Autorité des marchés financiers) on 1 October 2008, Getlink SE appointed Oddo BHF to intervene on its behalf in the market in order to improve the liquidity of transactions and the stabilisation of prices of Getlink SE's shares and to avoid price differences not justified by market trends. At 31 December 2018, the following means were allocated to the balance of the liquidity contract: 420,000 Getlink SE ordinary shares and €9,667,348.08 in cash. On the basis of a price of €11.730 per share, this combined amount represented 0.23% of Getlink SE's capital in issue at 31 December 2018.

H.1.4 Changes in equity

Dividend

On 18 April 2018, Getlink SE's shareholders' general meeting approved the payment of a dividend relating to the financial year ended 31 December 2017, of €0.30 per share. This dividend was paid on 26 May 2018 for a total of €160 million.

H.2 Earnings per share

H.2.1 Number of shares

	2018	2017
Weighted average number:		
– of issued ordinary shares	550,000,000	550,000,000
– of treasury shares	(15,689,634)	(15,806,980)
Number of shares used to calculate the result per share (A)	**534,310,366**	**534,193,020**
– effect of share options	341,284	447,642
– effect of free shares	2,918,944	3,072,091
– effect of preference shares	1,561,627	1,303,457
Potential number of ordinary shares (B)	**4,821,855**	**4,823,190**
Number of shares used to calculate the diluted result per share (A+B)	**539,132,221**	**539,016,210**

The calculations were made on the following bases:

- on the assumption of the exercise of all the options issued and still in issue at 31 December 2018. The exercise of these options is conditional on the criteria described in note E.5.1 above;
- on the assumption of the acquisition of all the free shares allocated to staff. Details of free shares are given in note E.5.2 above; and
- on the assumption of the acquisition of all the preference shares allocated to staff and still in issue at 31 December 2018. Conversion of these preference shares is subject to achieving certain targets and remaining in the Group's employment as described in note E.5.3 above.

H.2.2 Earnings per share

	2018	2017
Group share: profit/(loss)		
Net result (€'000) (C)	130,320	112,932
Basic earnings per share (€) (C/A)	**0.24**	**0.21**
Diluted earnings per share (€) (C/(A+B))	**0.24**	**0.21**
Continuing operations: profit/(loss)		
Net result (€'000) (D)	130,386	108,166
Basic earnings per share (€) (D/A)	**0.24**	**0.20**
Diluted earnings per share (€) (D/(A+B))	**0.24**	**0.20**
Discontinued operations: profit/(loss)		
Net result (€'000) (E)	(66)	5,116
Basic earnings per share (€) (E/A)	**(0.00)**	**0.01**
Diluted earnings per share (€) (E/(A+B))	**(0.00)**	**0.01**

H.3 Detail of consolidated reserves by origin

€'000	31 December 2018	31 December 2017
Hedging contracts	(1,156,673)	(1,182,648)
Share based payments and treasury shares	(101,949)	(96,011)
Retirement liability	(38,264)	(28,039)
Deferred tax	92,305	107,224
Retained earnings	843,464	913,368
Total	**(361,117)**	**(286,106)**

I. Income tax expense

ACCOUNTING PRINCIPLES

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities, for financial reporting purposes and the amounts used for taxation purposes, except as provided by IAS 12 "Income Taxes".

The tax rates used are those in effect at the end of the reporting period.

Net deferred tax is determined at the level of each tax group.

Deferred tax assets in respect of temporary differences are recognised only to the extent that it is probable that sufficient future taxable profits will be available against which the differences can be used, at the level of the tax entity.

Deferred tax assets in respect of tax losses are recognised according to the likelihood of their recoverability assessed on the basis of the Group's budget and medium-term plans. The assumptions in these plans used are the same as those used for testing the value of assets.

I.1 Effect on the income statement

I.1.1 Tax provisions of the Concession Agreement and other provisions

The Concession requires that the Group's Concessionaires (CTG and FM) share equally the cost price of the project and all revenues and costs relating to the operation of the Fixed Link between the British and French companies. Operating revenues and costs are recognised in the income statement of the partnership and are shared equally between the Concessionaires. Revenues and costs which do not relate to the operation of the Concession are not subject to these sharing arrangements.

Article 15 of the French Finance Act 2013 (2012-1509 of 29 December 2012) relating to the limitation of the deductibility of financial expenses does not apply to the subsidiary FM owing to the exclusion from the scope of the financial expenses borne by concessionaires for goods acquired or built by them under a concession contract.

I.1.2 Tax accounted for through the income statement

€'000	2018	2017
Current tax:		
Income tax	(3,582)	(2,724)
Tax on dividends	34	8,889
Total current tax	**(3,548)**	**6,165**
Deferred tax	4,614	50,369
Total	**1,066**	**56,534**

The current tax charge relates to amounts paid or to be paid in the short term to the tax authorities for the year according to the rules in force in the different countries and specific conventions.

In 2017, the income in relation to tax on dividends corresponds to a refund in respect of previous years following the cancellation of the dividend tax by the French authorities. The deferred tax income in 2017 resulted from the activation of two additional years of recoverable deficits following the Group's decision to extend the activation period from three to five years in order to align it with the horizon of its business plan.

I.1.3 Reconciliation between the effective tax rate and the applicable tax rate

€'000	2018		2017	
Result for the continuing activities before tax		129,320		51,632
Theoretical tax charge	**34.43%**	**(44,525)**	**34.43%**	**(17,777)**
Impact of tax rates in foreign jurisdictions		11,348		(724)
Effect of permanent differences		(2,424)		(2,579)
Effect of change in tax rate		–		(950)
Activation of previously unrecognised fiscal deficits		36,633		69,675
Tax on dividends and other		34		8,889
Income tax		**1,066**		**56,534**

For the French tax group at 31 December 2018, the tax proof has been prepared for the 2018 financial year on the basis of the tax rate in force of 34.43%. However, since the main reversals of temporary differences are planned beyond the period of application, the deferred tax on the French tax group was calculated taking into account the rates applicable between 2019 and 2023.

For the British tax group, in view of its not being fiscally profitable at 31 December 2017 or at 31 December 2018, deferred tax was calculated for the years 2019 to 2023 on the basis of the Group's estimates using the rates applicable between 2019 and 2023.

I.2 Effect on the statement of financial position

I.2.1 Deferred tax

			2018 impact on:			
€'000	At 31 December 2017 published	At 31 December 2017 recalculated	income statement	statement of financial position	other compre-hensive income	At 31 December 2018
Tax effects of temporary differences related to:						
Property, plant and equipment	167,957	169,729	(15,007)	–	–	**154,722**
ElecLink goodwill	(20,392)	(20,392)	–	–	–	**(20,392)**
Deferred taxation of restructuring profit	(352,353)	(352,353)	–	–	–	**(352,353)**
Hedging contracts	104,251	104,251	–	–	(15,140)	**89,111**
Other	3,884	3,846	(308)	3,448	222	**7,208**
Tax losses	314,073	312,133	19,929	–	–	**332,062**
Net tax assets/(liabilities)	**217,420**	**217,214**	**4,614**	**3,448**	**(14,918)**	**210,358**

Property, plant and equipment

The impact of taxation on property, plant and equipment corresponds mainly to the conditions relating to the deductibility of the Eurotunnel segment's depreciation costs in the French tax group (reintegration of impairment costs) and in the British tax group (profile of tax deductions in respect of depreciation, including capital allowances).

Deferred tax resulting from temporary differences on property, plant and equipment will reverse over the period until the end of the Concession in line with the profile of the Group's depreciation charges and taxable results.

Profit arising from restructuring

The financial restructuring in 2007 gave rise to profit in the consolidated accounts of €3,323 million. At 31 December 2018, the taxation of €1,364 million of this amount remains deferred within the French tax group. The taxation of this residual profit is dependent upon the repayment of a loan between the Concessionaires (FM and CTG) and Eurotunnel Holding SAS, which in turn is subordinated to the Term Loan which matures in 2050.

Hedging contracts

At 31 December 2018, the Group recognised in equity a deferred tax asset amounting to €89 million for future recycling to the income statement from the revaluation reserve for the hedging contracts that were partially terminated as part of the debt refinancing operation in 2017 described in note G.1.2 above.

Deferred tax in respect of tax losses

Deferred tax assets recognised in respect of carried forward tax losses within the French and British tax groups amount to €332 million at 31 December 2018 (€79 million for the French tax group and €253 million for the British tax group).

The recognition of these assets for each of the tax groups is based on:

- The forecasts of taxable profits derived from the Group's five-year business plan for its different activities; this plan is based on the same assumptions as those used in the impairment test of assets (see note F.3 above). On the basis of these forecasts in respect of taxable profits, the Group has recognised a deferred tax asset in respect of carried forward losses which are expected to be utilised in the next five years for both the French and British tax groups.
- The forecasts for use of carried forward losses to cover the reversal of temporary differences on the British tax group.

Other temporary differences, notably those relating to deferred tax assets on retirement liabilities, are mostly recognised on a five-year horizon.

I.2.2 Unrecognised deferred tax assets and liabilities

31 December 2018	**Base**			
€'000	**Total**	**Recognised**	**Unrecognised**	**Unrecognised tax**
Deductible temporary differences	2,958,580	2,140,907	817,673	159,976
Tax losses	5,837,468	1,791,983	4,045,485	915,042
Total assets	**8,796,048**	**3,932,890**	**4,863,158**	**1,075,018**
Temporary differences	3,054,061	3,054,061	–	–
Total liabilities	**3,054,061**	**3,054,061**	**–**	**–**
Net total	**5,741,987**	**878,829**	**4,863,158**	**1,075,018**

Unrecognised temporary differences correspond mainly to a deferred tax asset in respect of that part of the interest rate hedging contracts which have not been terminated whose reversal is expected beyond the recoverability horizon.

French carried forward tax losses

In France, the deficits can be carried forward indefinitely but their allocation to the profit recognised for a financial year is limited to a ceiling equal to €1 million plus an amount of 50% of the taxable profit for the financial year exceeding this first limit.

Getlink SE is the parent company of the consolidated tax group which it forms with all the Group's French subsidiaries.

At 31 December 2018, the cumulative tax losses of the tax group which can be carried forward indefinitely, after adjustments in 2018, amount to €2,751 million (31 December 2017: €2,782 million), consisting essentially of:

- cumulative tax losses which can be carried forward indefinitely of €857 million generated by the Getlink SE consolidated tax group since 1 January 2008 and chargeable to the taxable profits of the members of this group (31 December 2017: €868 million); and
- cumulative tax losses which can be carried forward indefinitely of €1,894 million (31 December 2017: €1,914 million) generated by the old TNU SA consolidated tax group. These deficits may only be applied to the taxable profits of FM, Société Immobilière et Foncière Eurotunnel SAS and Europorte SAS.

Potential unrecognised tax assets in respect of the carried forward tax losses of the French tax group amount to €644 million (on a base of €2,475 million).

British carried forward tax losses

In England, the tax losses may be carried forward indefinitely but their allocation to the profit recognised for a financial year is limited to a ceiling equal to £5 million plus 50% of the taxable profit of the year exceeding this first limit. Tax losses carried forward from before 1 April 2017 are only attributable to the profits of the entity that generated them. Tax loss carryforwards arising after 1 April 2017 are chargeable to the profits of all entities of the British tax group.

At 31 December 2018, the tax losses carried forward for the British companies amounted to £2,735 million (31 December 2017: £2,730 million).

Potential unrecognised tax assets in respect of the carried forward tax losses of the British tax group amount to €272 million (on a base of €1,570 million).

J. Statutory auditors fees for the 2018 financial year

Pursuant to the French ANC 2016-09 regulation, the table below shows the fees of the auditors included in the consolidated income statement for the financial year for the certification of the accounts as well as for other services.

	KPMG		Mazars	
€'000	**Amount (pre-tax)**	**%**	**Amount (pre-tax)**	**%**
Certification of individual and consolidated accounts and semi-annual limited review:				
Issuer	315	34%	209	22%
Controlled entities	475	52%	564	59%
Sub-total	**790**	**86%**	**773**	**81%**
Services other than the certification of accounts:				
Issuer	77	8%	129	13%
Controlled entities	55	6%	55	6%
Sub-total	**132**	**14%**	**184**	**19%**
Total	**922**	**100%**	**957**	**100%**

Services other than the certification of accounts provided to the consolidating entity are:

- diligence on the non-financial performance statement;
- consultation on IFRS accounting treatments; and
- comfort letter on the Senior Secured Notes' Offering Memorandum.

Services other than the certification of accounts provided to its controlled subsidiaries are as follows:

- statutory auditors' mission regarding the distribution of interim dividends; and
- audit of accounting statements.

K. Events after the reporting period

Nothing to report.

2.2.2 GETLINK SE PARENT COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 AND THE STATUTORY AUDITORS' REPORT THEREON

CONTENTS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *

* *Getlink SE's parent company financial statements are prepared in accordance with French accounting standards.*

Report of the statutory auditors on the annual parent company financial statements for the financial year ending 31 December 2018

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Getlink SE for the year ended 31 December 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

VALUATION OF INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND INTERCOMPANY RECEIVABLES

Risk identified

The shares in subsidiary undertakings, set out in the balance sheet at 31 December 2018 for a net amount of €1,515 million represent one of the largest items of the balance sheet. They are recognised at their acquisition date at acquisition cost and depreciated, if applicable, on the basis of their value in use representing what the company would agree to disburse in order to obtain them if the company had to acquire them. At 31 December 2018, the intercompany receivables amounted to €2,602 million.

As indicated in note B3, the value in use is estimated by management on the basis of various criteria (net assets, revalued net assets, discounted cash flows and external valuations).

Estimating the value in use of these investments requires management's judgment in selecting the items to be considered, elements which may correspond to accounting elements or projected elements (long-term business plan and economic situation in the countries concerned).

In this context and because of uncertainties inherent in certain elements and in particular the probability of realisation of the forecasts, we have considered that the correct valuation of equity investments, receivables from equity interest and provision for risks was a key point of the audit.

Our response

Our work consisted mainly in verifying that the estimate of the values in use determined by the management was based on an appropriate justification of the valuation method and the numerical elements used.

We ensured that:

- the value in use of the investments in subsidiary undertakings in Eurotunnel Holding SAS has been assessed taking into account the most recent valuation of the Concession;
- the value in use of the investments in subsidiary undertakings in Europorte SAS has been assessed taking into account the independent external studies and available cash;
- the value in use of Euro-TransManche Holding SAS's investments in subsidiary undertakings has been assessed on the basis of a net book value of the asset;
- the value in use of all investments in subsidiary undertakings is greater than their net book value.

In addition, our work also consisted of assessing the recoverability of intra-group receivables.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under article D. 441-4 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Getlink SE (formerly Groupe Eurotunnel SE) by the annual general meeting held on held on 9 May 2007.

As at 31 December 2018, audit firms KPMG Audit and Mazars were in the 12th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the C Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Statutory auditors, 20 February 2019

Paris La Défense	Courbevoie
KPMG Audit *A division of KPMG S.A.*	Mazars
French original signed by:	
Fabrice Odent *Partner*	Francisco Sanchez *Partner*

Statement of financial position

€'000	Note	31 December 2018 Gross	Amortisation and impairment	Net	31 December 2017 Net
ASSETS					
Intangible assets		–	–	–	–
Tangible assets	C	225	53	172	7
Assets under construction	C	1,447	–	1,447	293
Investments in subsidiary undertakings	D	1,575,080	60,443	1,514,637	1,512,029
Loans	E.1	2,563,229	–	2,563,229	2,080,826
Treasury shares	H	83,745	–	83,745	85,077
Other	F	20,024	–	20,024	83
Fixed assets		**4,243,750**	**60,496**	**4,183,254**	**3,678,315**
Advances and deposits		17	–	17	30
Trade receivables and related accounts		–		–	–
Receivables from Government and other public bodies		17,033	–	17,033	2,675
Other receivables		762	–	762	462
Group and associates	E.3	30,039	–	30,039	17,207
Other financial assets	E.1	8,364	–	8,364	18,982
Investments in securities	I	211,457	–	211,457	73,776
Cash and cash equivalents	I	152,236	–	152,236	97,417
Current assets		**419,908**	**–**	**419,908**	**210,549**
Prepaid expenses		620	–	620	1,113
Deferred charges	F	21,465	1,042	20,423	–
Exchange adjustment asset		19,746	–	19,746	12,411
Total assets		**4,705,489**	**61,538**	**4,643,951**	**3,902,388**
LIABILITIES					
Share capital	J.1			220,000	220,000
Share premium	J.2			1,711,796	1,711,796
Legal reserve	J.2			22,422	22,422
Special reserve and other reserves	J.2			598,797	598,797
Retained earnings	J.2			182,749	273,385
Result for the year	J.2			200,332	69,750
Total equity and shareholders' funds				**2,936,096**	**2,896,150**
Provision for risk and charges	K			29,250	28,334
Financial liabilities	F			550,015	18
Group and associates	E.2			1,089,557	952,912
Trade payables				11,018	11,142
Tax and social security liabilities				6,992	6,964
Fixed asset trade payables and related accounts				643	262
Other liabilities	G			11,471	196
Debts *				**1,669,696**	**971,494**
Exchange adjustment liability				8,909	6,410
Total liabilities				**4,643,951**	**3,902,388**

* *More than one year with third parties: €550 million (2017: €nil).*

The notes form an integral part of the annual financial statements.

Income statement

€'000	Note	31 December 2018	31 December 2017
Operating revenue			
Revenue from sale of services	L	23,268	19,437
Own work capitalised		117	–
Other income		1	–
Cost transfer	M	25,238	5,415
Total operating revenue		**48,624**	**24,852**
Operating expenses			
Purchases and external costs	N	(52,847)	(16,324)
Salaries and charges		(7,724)	(5,197)
Taxes		(656)	(567)
Depreciation		(1,094)	(1)
Provisions		(3,061)	(4,887)
Other expenses		(769)	(687)
Total operating expenses		**(66,151)**	**(27,663)**
Operating result		**(17,527)**	**(2,811)**
Financial income			
Income from investments in subsidiary undertakings	A.3	122,974	36,751
Interest and similar income	Q	33,544	28,015
Release of provisions	R	10,579	2,265
Net income on sales of investments		–	–
Exchange gains	P	7,992	10,192
Total financial income		**175,089**	**77,223**
Financial charges			
Depreciation and provisions	R	(23,998)	(12,280)
Interest and similar charges	Q	(14,659)	(7,829)
Net charges on sales of investments		–	–
Exchange losses	P	(4,925)	(2,725)
Total financial charges		**(43,582)**	**(22,834)**
Financial result		**131,507**	**54,389**
Exceptional result	S	82,593	3,698
Tax	T	3,759	14,474
Net result for the year		**200,332**	**69,750**

The notes form an integral part of the annual financial statements.

Notes to the financial statements

Getlink SE, formerly Groupe Eurotunnel SE, is the Group's consolidating entity. Its registered office is at 3 rue La Boétie, 75008 Paris, France and its shares are listed on Euronext Paris and on NYSE Euronext London. The term "Getlink SE" refers to the holding company which is governed by French law. The term "Group" refers to Getlink SE and all its subsidiaries.

The main activities of the Group are the design, financing, construction and operation of the Fixed Link's infrastructure and transport system in accordance with the terms of the Concession (which will expire in 2086) by the Eurotunnel segment, the rail freight activity of the Europorte segment as well as the construction and operation (expected for the beginning of 2020) of the 1GW electricity interconnector in the Tunnel. The maritime activity was discontinued in 2015.

Getlink SE provides various services to its subsidiaries such as administrative and financial management, corporate strategy and shareholder relations. In 2018, Getlink SE charged its subsidiaries €23.3 million for these services, of which €20.2 million was charged to Eurotunnel Holding SAS.

A. Important events

A.1 Internal corporate reorganisation of the Group

On 23 April 2018, the Group finalised the implementation of its corporate reorganisation. The Group's main business activity, that of the operation of the Fixed Link, is now in a distinct sub-group, separate from other of the Group's activities which are managed and financed independently from the Eurotunnel activity. This new structure releases Getlink SE from its commitments as a guarantor under the Term Loan and also permits a funding structure that is more suitable for the Group's development needs.

This reorganisation involved the transfer of the companies in Getlink SE's Fixed Link sub-group (including the Concessionaires, France Manche SA and The Channel Tunnel Group Ltd) to Eurotunnel Holding SAS which is now the new holding company for the "Eurotunnel" sub-group and replaces Getlink SE as guarantor in respect of the Term Loan. As part of this reorganisation, the shares were transferred at their net book value. Certain receivables held by Getlink SE over the Concessionaires were transferred to Eurotunnel Holding SAS (see note E.1 below). The proceeds from the assignment of these receivables amounted to €81 million (see note S below).

These changes form part of the Group's long-term strategy to develop its core infrastructure and transport activities.

Following this reorganisation, the Group revised the allocation of operating expenses between Getlink SE and the new Eurotunnel sub-group. The impact of this revision is reflected in Getlink SE's 2018 income statement.

A.2 Financial operations

A.2.1 Acquisition of inflation-indexed notes

On 9 February 2018, Eurotunnel Agent Services Limited (an English subsidiary of Getlink SE), completed the acquisition of the Channel Link Enterprises Finance Plc (CLEF) G2 notes held by FMS.

The G2 notes, which have a nominal value of £150 million indexed on UK inflation, were acquired for £359 million which was financed in part by an external loan of £190 million and in part by the Group's own funds. An intra-group loan, described in note E.1 below, was made by Getlink SE to its subsidiary Eurotunnel Agent Services Limited.

The loan was repaid in full on 5 October 2018 using part of the proceeds from the issue of the Senior Secured Notes as described in note A.2.2 below.

A.2.2 Issue of Senior Secured Notes

On 3 October 2018, Getlink SE issued Senior Secured Notes totalling €550 million. These notes were issued at par, carry an annual interest rate of 3.625% and will mature on 1 October 2023.

The net proceeds of this issue were used to repay the £190 million loan taken out in February 2018 by Eurotunnel Agent Services Limited, a subsidiary of Getlink SE, to purchase the G2 notes (see A.2.1 above) and to finance the ElecLink project.

The Senior Secured Notes were recorded in financial liabilities at their face value and fees directly attributable to the transaction were recorded in deferred charges.

Information on the Senior Secured Notes is given in note F below.

A.3 Intra-Group dividends

As part of cash flow management between the different Group entities, the following intra-Group dividends were received by Getlink SE during 2018:

- €111.9 million was paid by Eurotunnel Holding SAS;
- €6 million was paid by Euro-TransManche Holding SAS; and
- €5.1 million was paid by Europorte SAS.

A.4 Brexit: the United Kingdom's exit from the European Union

Following the UK's decision to leave the European Union on 23 June 2016 and the triggering of article 50 by the British government at the end of March 2017, the official exit date of the United Kingdom from the European Union is 29 March 2019. A draft agreement on the terms of withdrawal and a political declaration on future relations between the two parties were endorsed by the European Commission in November 2018. Nevertheless, the rejection of this draft withdrawal agreement by the United Kingdom's Parliament in January 2019 means that the situation remains uncertain and that there is a real risk of Brexit without an agreement.

Even though the Group has not noted any significant impact of this situation on its business during 2018, except for some slowdown in the cross-Channel truck market, Getlink has continued with its various actions, which began in 2016, to prepare for the different possible outcomes. In addition to monitoring the situation and consultation with the French and British authorities at all levels, the Group has been implementing an action and investment plan since mid-2018 which is designed to maintain the free flow of its traffic in the period after March 2019, whatever the political or regulatory situation may be.

Getlink SE has taken account of this situation in the determination of the principal estimates and assumptions used in the preparation of its consolidated financial statements at 31 December 2018 as set out in note B.1 below.

B. Accounting methods and policies

The annual accounts have been prepared in accordance with the laws and regulations in force in France. Transactions recorded in the accounts are valued in accordance with the historical cost convention and the accounts are prepared on the going concern basis.

B.1 Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the period. The Board periodically reviews its valuations and estimates based on its experience and various other factors considered relevant for the determination of reasonable and appropriate estimates of the assets' and liabilities' carrying value. Accordingly, the estimates underlying the preparation of these annual financial statements as at 31 December 2018 have been established in the context of the uncertainties concerning the final terms and conditions for the implementation of Brexit. Depending on the evolution of these assumptions, actual results may differ from current estimates.

The use of estimations concerns mainly the valuation of investments in subsidiary undertakings and of associated debts and loans (see note E below).

B.2 Valuation of intangible and tangible assets

Intangible and tangible fixed assets are valued at their acquisition cost. These do not include any share of financial expenses or overheads.

Fixed assets are amortised according to their economic lives as mentioned below:

Software	1 to 3 years
Machinery and other industrial equipment	5 to 10 years
IT equipment	5 years
Office equipment	5 years
Office furniture	5 to 10 years

B.3 Valuation of investments in subsidiary undertakings

Getlink SE assesses the value in use of its investments in subsidiary undertakings on the basis of several criteria, such as the net book value of the asset, the adjusted book value of the asset, the discounted net financing cash flows, or external evaluations. A depreciation of intra-group loans where applicable or a provision for impairment may be made when the net assets of the subsidiary undertaking is negative.

B.4 Investments in securities

Investments are stated in the statement of financial position at cost. If the market value is lower than the acquisition cost, a provision for depreciation is booked for the difference. "Investments in securities" and "Cash and cash equivalents" include any accrued interest due thereon.

B.5 Treasury shares

Getlink SE holds its own shares acquired as part of a share buyback programme and a liquidity contract.

Treasury shares which are reserved explicitly for a share option plan are accounted for as investments in securities at their purchase price.

In the absence of an explicit allocation to staff or to a share capital reduction, the shares purchased as part of the buyback programme are accounted for at cost in financial fixed assets.

Shares acquired as part of the liquidity contract, the aim of which is to reduce excessive volatility in Getlink SE's shares, are accounted for at cost in investments and the gain or loss on sale of these shares is calculated on a FIFO basis.

At the end of the financial year, these shares are valued on the average share price during the last month. A provision is made if this valuation is below the book value, except for those shares which are allocated to stock option plans, the free shares and shares that are to be cancelled.

B.6 Share-based payments

As part of the share option plan, Getlink SE makes a provision for risk and charges relating to share option grants as soon as it is probable that there will be an outflow of resources from the business in the future. When treasury shares are granted as part of a share option plan, a provision is made for the difference between the exercise price proposed to the beneficiaries and the net accounting value of the treasury shares granted.

B.7 Tax integration convention

Under the terms of the group tax integration convention, tax charges are recognised in the individual financial statements of consolidated companies, on a stand-alone basis. Any tax savings or losses realised by the Group are recognised immediately in the parent company's income statement for the financial year.

B.8 Provisions

Provisions are recognised when there exists a legal or constructive obligation stemming from a past event and when the future cash flows can be reliably estimated.

B.9 Conversion of receivables and payables denominated in foreign currencies

Receivables and payables denominated in foreign currencies are accounted for on the basis of the exchange rate on the date of the transaction, and are then re-valued at the rate prevailing at the end of the reporting period.

Unrealised exchange differences resulting from this revaluation are recorded in the cumulative translation reserve. A provision for risks and charges is recognised if the conversion shows unrealised losses.

B.10 Debt issuance costs

Debt issuance costs are amortised over the remaining term of the loan at a constant interest rate until maturity of the loan using the effective interest rate method. The effective interest rate is the rate used to discount all contractual payments due on the loan until maturity. These flows are calculated on the basis of the forecast flows due for each of the financial instruments constituting the financial loan. Expenses are presented as deferred charges and are amortised over the life of the loan.

C. Tangible assets

	2018			2017		
€'000	**Assets in course of construction**	**Office equipment**	**Total**	**Assets in course of construction**	**Office equipment**	**Total**
Cost						
At 1 January	293	8	**301**	–	–	–
Acquisitions	1,172	199	**1,371**	293	8	301
Transfers	(18)	18	**–**	–	–	–
Disposals	–	–	**–**	–	–	–
At 31 December	**1,447**	**225**	**1,672**	**293**	**8**	**301**
Depreciation						**–**
At 1 January	–	1	**1**	–	–	–
Charged in the year	–	52	**52**	–	1	1
Disposals	–	–	**–**	–	–	–
At 31 December	**–**	**53**	**53**	**–**	**1**	**1**
Net book value						–
At 1 January	293	7	**300**	–	–	–
At 31 December	**1,447**	**172**	**1,619**	**293**	**7**	**300**

No indication of impairment was identified as at 31 December 2018.

D. Investments in subsidiary undertakings

At 31 December 2018, shares in subsidiary undertakings are analysed as follows:

€'000	Gross value at 31 December 2017	Investments	Gross value at 31 December 2018	Depreciation	Net accounting value at 31 December 2018
Channel Tunnel Group Limited (CTG)	1,163,879	(1,163,879)	–	–	–
Centre International de Formation Ferroviaire de la Côte d'Opale (CIFFCO)	–	8,683	8,683	–	8,683
Cheriton companies	33	–	33	–	33
Europorte SAS	72,674	–	72,674	–	72,674
Euro-TransManche Holding SAS (ETMH)	89,000	–	89,000	60,443	28,557
Eurotunnel Agent Services Limited (EASL)	–	–	–	–	–
Eurotunnel Finance Limited (EFL)	1	(1)	–	–	–
Eurotunnel Management Services Limited (EMSL)	–	–	–	–	–
Eurotunnel Services GIE (ESGIE)	1	(1)	–	–	–
France Manche SA (FM)	239,450	(239,450)	–	–	–
GET Elec Limited	–	–	–	–	–
Eurotunnel Holding SAS (ETH)	–	1,403,339	1,403,339	–	1,403,339
Eurotunnel Project SAS	1	–	1	–	1
Euro Immo GET SAS	1,350	–	1,350	–	1,350
Total	**1,566,389**	**8,691**	**1,575,080**	**60,443**	**1,514,637**

The impacts of the Group's corporate reorganisation are presented in note A.1 above.

The key financial information for subsidiaries is presented in the following table:

	Revenue	Equity				Percentage of capital held		Carrying value of share (€'000)		
In thousands	(excluding tax)	Share capital	Other equity (excluding the result for the year)	Result for the year	Total equity	Directly	Directly and indirectly	Gross	Net	Security and guarantees given by the company
EASL £	–	–	(47,996)	1,665	**(46,331)**	100%	100%	–	–	n/a
EDL £	–	7,257	(11,615)	–	**(4,358)**	100%	100%	–	–	n/a
EMSL £	–	–	60	2	**62**	100%	100%	–	–	n/a
Entités Cheriton £	–	4	83	–	**87**	100%	100%	33	33	n/a
GET Elec £	–	–	(7,825)	(3,559)	**(11,384)**	100%	100%	–	–	n/a
Total in £	**–**	**7,261**	**(67,293)**	**(1,892)**	**(61,924)**			**33**	**33**	
ETH €	36,815	508,621	782,822	193,167	**1,484,610**	100%	100%	1,403,339	1,403,339	n/a
ETMH €	–	5,106	8,167	(63)	**13,210**	100%	100%	89,000	28,557	n/a
Europorte €	6,453	42,318	25,469	1,965	**69,752**	100%	100%	72,674	72,674	n/a
ET Project €	–	–	–	–	**–**	100%	100%	1	1	n/a
Euro Immo GET €	–	701	547	(12)	**1,236**	100%	100%	1,350	1,350	n/a
CIFFCO €	3,668	10	2,336	652	**2,998**	100%	100%	8,683	8,683	n/a
Total in €	**46,936**	**556,756**	**819,341**	**195,709**	**1,571,806**			**1,575,047**	**1,514,604**	

The value in use of the investments in subsidiary undertakings in Eurotunnel Holding SAS has been assessed taking into account the most recent valuation of the Concession's activity.

The value in use of the investments in subsidiary undertakings in Europorte SAS has been assessed taking into account the independent external studies and available cash.

The value in use of the investments in subsidiary undertakings in Euro-TransManche Holding SAS has been assessed on the basis of an adjusted book value of the asset. An additional impairment of €6,083,000 was recorded as at 31 December 2018 which increases the total impairment from €54,360,000 to €60,443,000.

The value in use of the investments in subsidiary undertakings in GET Elec Limited has been assessed taking into account the most recent valuation of its future activity and that of its subsidiary.

E. Group and associates

E.1 Other financial assets

€'000		31 December 2018	31 December 2017
Other non-current financial assets:			
Amended Bond Debt (ABD):			
- Channel Tunnel Group Limited	*	–	251,453
- France Manche SA	*	–	1,127,062
- Goodwill		–	116,552
NRS Redemption Premium Debt: France Manche SA	*	–	66,159
NRS Redemption Premium Debt: Channel Tunnel Group Limited	*	–	71,514
NRS Commission Loan: France Manche SA	*	–	80,200
Vendor Loan: Eurotunnel Holding SAS			
- Channel Tunnel Group Limited	*	277,501	–
- France Manche SA	*	1,319,626	–
Sub-total		**1,597,127**	**1,712,940**
Intra-group loan: Eurotunnel Agent Services Limited		389,404	–
Intra-group loan: GET Elec Limited		576,698	367,886
Total		**2,563,229**	**2,080,826**
Other current financial assets:			
Accrued interest on the ABD: Channel Tunnel Group Limited	*	–	4,282
Accrued interest on the ABD: France Manche SA	*	–	9,137
Sub-total accrued interest on ABD		**–**	**13,419**
Accrued interest on loan to Eurotunnel Agent Services Limited		1,031	–
Accrued interest on NRS Commission Loan: France Manche SA	*	–	983
Accrued interest on loan to GET Elec Limited		7,333	4,580
Total		**8,364**	**18,982**

* *These receivables (totalling €1,597,127,000) are governed by the Master Intra-Group Debt Agreement as described in chapter 8 of the 2018 Registration Document. This agreement is intended to harmonise (i) the rules for current accounts between Group companies, (ii) the interest rates of the various intra-group debts and (iii) where possible, the other conditions of these intra-group debts in order to facilitate the financial and accounting management of Group companies and to reflect the financial policy between the Group's companies.*

Vendor Loan

The Vendor Loan corresponds to the receivable due from Eurotunnel Holding SAS in respect of the transfer by Getlink SE on 13 April 2018 of the Amended Bond Debt, the NRS Redemption Premium Debts and the NRS Commission Loan as part of the Group's corporate reorganisation.

The Vendor Loan, which at 31 December 2018 had a nominal value of €1,320 million and £248 million, carries interest at EURIBOR +0.65% for the euro receivable and at SONIA +1.46% for the sterling receivable.

Amended Bond Debt (ABD)

The ABD corresponded to the original bond holdings purchased by EGP as part of the 2007 financial restructuring with the proceeds from the issue of the NRS. As part of the Group's corporate reorganisation (see note A.1 above), this receivable was transferred by Getlink SE to Eurotunnel Holding SAS on 13 April 2018 on the basis of a valuation by an expert.

NRS Redemption Premium Debts

The NRS Redemption Premium Debts corresponded to the premium of 40% paid by EGP on the early cash redemption of the NRS I in 2008 and which was due from France Manche SA and The Channel Tunnel Group Limited to EGP in accordance with the terms of the ABD. As part of the Group's corporate reorganisation (see note A.1 above), this receivable was transferred by Getlink SE to Eurotunnel Holding SAS on 13 April 2018.

NRS Commission Loan

The NRS Commission Loan corresponded to the amount due by France Manche SA relating to commissions paid by EGP as part of the financial restructuring in 2007. As part of the Group's corporate reorganisation (see note A.1 above), this receivable was transferred by Getlink SE to Eurotunnel Holding SAS on 13 April 2018.

Intra-group loan: Eurotunnel Agent Services Limited

This loan was made by Getlink SE to its subsidiary Eurotunnel Agent Services Limited as part of the acquisition of the G2 inflation-indexed notes as described in note A.2.1 above.

The loan carries annual interest of 0.47%. Unrealised foreign exchange gains and losses are recorded in the balance sheet as a translation adjustment asset or a translation adjustment liability.

Intra-group loan: GET Elec Limited

Following the acquisition of 100% of ElecLink Limited by the Group in August 2016, Getlink SE concluded a loan agreement with its subsidiaries GET Elec Limited and ElecLink Ltd on 10 July 2017. This intra-group loan, which incorporated the shareholder advances already granted to GET Elec Limited at the date of signature, was granted as part of the financing of the ElecLink project and to cover the acquisition of ElecLink's shares in 2016.

At 31 December 2018, the loan amounted to €365 million and £190 million (31 December 2017: €237 million or £117 million). Unrealised foreign exchange gains and losses are recorded in the balance sheet as a translation adjustment asset or a translation adjustment liability.

This loan bears interest at 3.748% for the euro tranche and at 3.848% for the sterling tranche.

E.2 Debt with other Group companies

€'000		31 December 2018	31 December 2017
Debt relating to the Funding Loan: France Manche SA	*	195,229	196,540
Debt relating to the Funding Loan: Channel Tunnel Group Limited	*	119,460	121,940
Current account: Eurotunnel Services Limited		1,786	1,403
Current account: Eurotunnel Services GIE		323	141
Current account: Europorte Proximité SAS		–	2
Current account: ElecLink Limited		26	–
Current account: Eurotunnel Holding SAS	*	20,057	–
Current account: France Manche SA	*	560,898	568,237
Current account: Channel Tunnel Group Limited	*	191,778	64,523
Current account: Eurotunnel Management Services Limited		–	27
Current account: Europorte SAS		–	98
Current account: Eurotunnel SE		–	1
Total		**1,089,557**	**952,912**

* *These debts (totalling €1,087,422,000) are governed by the "Master Intra-Group Debt Agreement".*

The current accounts with Getlink SE carry interest at LIBOR +1% for the British subsidiaries and EONIA +1% for the French subsidiaries.

Debt relating to the Funding Loan

These debts correspond to the advances made by France Manche SA and The Channel Tunnel Group Limited to EGP as part of the financial restructuring in 2007. The Funding Loans carry interest at EONIA +1% for the loan from France Manche SA and at LIBOR +1% for the loan from The Channel Tunnel Group Limited. The amount included in the accounts relating to the Funding Loan from France Manche SA corresponds to the nominal value of the debt (€195,229,000) and the amount included in the accounts relating to the Funding Loan from The Channel Tunnel Group Limited corresponds to the nominal value of the debt (€119,460,000 or £106,861,000).

E.3 Receivables from other Group companies

€'000	31 December 2018	31 December 2017
France Manche SA	1,858	12,661
Eurotunnel Services GIE	853	56
Eurotunnel Services Limited	213	–
Centre International de Formation Ferroviaire de la Côte d'Opale SAS	280	231
Europorte SAS	904	1,441
Eurotunnel Holding	21,095	–
Euro Immo GET SAS	748	498
Eurotunnel Project SAS	–	–
Eurotunnel SE	181	254
Eurotunnel Management Services Limited	–	72
Europorte France SAS	586	544
Socorail SAS	575	533
Eurosco SAS	132	130
GET Elec Limited	889	241
ElecLink Limited	1,664	439
Euro-TransManche Holding SAS	–	15
Euro-TransManche 3 SAS	35	26
Euro-TransManche 3 BE SAS	19	30
Euro-TransManche 3 NPC SAS	7	36
Total	**30,039**	**17,207**

Receivables from other Group companies relate mainly to the invoicing of management fees.

F. Loans and debts to credit institutions

F.1 Financial liabilities

	31 December 2018			
€'000	Less than one year	Between 1 and 5 years	More than 5 years	Total
Nominal value of Senior Secured Notes	–	550,000	–	**550,000**
Other	15	–	–	**15**
Total	**15**	**550,000**	**–**	**550,015**

As detailed in note A.2.2 above, Getlink SE issued €550 million 3.625% Senior Secured Notes (the “Notes”) on 3 October 2018. The Notes are listed on the Official List of the Irish Stock Exchange (trading as Euronext Dublin) and are admitted to trading on the Global Exchange Market thereof. The Notes align with the June 2018 version of the International Capital Markets Association’s Green Bonds Principles and are therefore considered “green” bonds.

The Notes are governed by an English law trust deed (the “Trust Deed”) between Getlink SE and BNY Mellon Corporate Trustee Services Limited, as trustee for the holders of the Notes.

The Notes are due on 1 October 2023 and interest thereon is payable semi-annually in arrears on 30 June and 30 December of each year, commencing on 30 December 2018.

Pursuant to the Trust Deed, €19,940,000 was paid into a Debt Service Reserve Account (DSRA). This reserve account is recorded in the balance sheet under other fixed assets.

The fees directly attributable to the transaction amounting to €21 million will be amortised over the life of the Notes.

As at 31 December 2018, the Notes are rated BB (negative outlook) by S&P and BB+ (stable) by Fitch.

Permitted use of proceeds

The Trust Deed allows the Group to use the net proceeds of the offering of the Notes to refinance the £190 million external loan of Eurotunnel Agent Services Limited, finance capital expenditures in relation to ElecLink and finance other eligible “green” assets.

In accordance with its Green Bond Framework, Getlink will prepare and publish a Green Bond Report within one year of the inaugural Green Bond issuance and annually thereafter until full allocation of the amount equal to the net proceeds of the green issuance. This report will provide information on the allocation and environmental impact of the Green Bonds issued.

Security and ranking

The Trust Deed is subject to an English law intercreditor agreement (the “Intercreditor Agreement”) between, *inter alios*, Getlink SE and BNY Mellon Corporate Trustee Services Limited, as security agent. The Notes are secured by first ranking liens (the “Notes Security”) on (i) all shares in the capital of Eurotunnel Holding SAS and GET Elec Ltd; and (ii) a debt service reserve account set up by the Group.

Redemption

Optional redemption

The Notes may be redeemed early under certain conditions and upon the occurrence of certain tax events.

Repurchase upon a change of control

If an event treated as a change of control occurs, then each holder of the Notes has the right to require that Getlink SE repurchase such holder’s Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and other additional amounts, if any, to the date of purchase.

Mandatory redemption

If Getlink SE disposes of its shares in Eurotunnel Holding SAS to a third party in accordance with the requirements of law or a governmental authority, it shall apply the net cash proceeds of such disposal to redeem all outstanding Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and other additional amounts, if any, to the date of purchase, provided that such net cash proceeds shall first be applied to repay the amounts outstanding under the Term Loan.

Covenants

The Trust Deed provides for certain covenants that are customary for this type of financing. These incurrence covenants are only tested upon the occurrence of an event, rather than on an on-going basis. Unless certain conditions are respected, certain prohibitions apply in relation to the incurrence of additional debt, the making of certain restricted payments, including dividend payments and the purchase of treasury shares (subject to conditions including if there is an event of default or if the DSCR is less than 1.25) and other operations including the sale of assets, the granting of liens and the consummation of mergers.

As is customary for issuances of this type, there are a number of exceptions to the incurrence covenants that are aimed to ensure that the Group has sufficient flexibility to operate its business.

Events of default

The Trust Deed lists certain events of default, which permit the trustee or a certain percentage of holders to declare the Notes immediately due and payable.

F.2 Deferred charges

At 31 December 2018, these include costs directly relating to the issue of the Senior Secured Notes pending recognition in the income statement at the same rate as the future remuneration of these notes until maturity on 1 October 2023, over a period of five years.

€'000	1st January 2018	Change in year	Amount charged to the income statement	31 December 2018
Fees relating to the issue of the Senior Secured Notes	–	21,465	(1,042)	20,423
Expenses to spread over several years	**–**	**21,465**	**(1,042)**	**20,423**

G. Other liabilities

Other liabilities include £10 million in respect of fees incurred for the issue of the Senior Secured Notes in 2018 (see notes A.2.2 and F above).

H. Treasury shares

The movements in the number of treasury shares held during the year were as follows:

	Number of shares					€'000				
	* Investments in securities			Financial assets		* Investments in securities			Financial assets	
	Allocated to plans	Liquidity contract	Total	Other	TOTAL	Allocated to plans	Liquidity contract	Total	Other	TOTAL
At 1st January 2018	5,966,420	280,000	**6,246,420**	9,533,306	**15,779,726**	37,231	3,001	**40,232**	85,077	**125,309**
Shares transferred to staff (free shares)	(1,468,800)	–	**(1,468,800)**	–	**(1,468,800)**	(9,415)	–	**(9,415)**	–	**(9,415)**
Share buyback programme	–	–	**–**	1,290,000	**1,290,000**	–	–	**–**	14,922	**14,922**
Exercise of stock options	(486,000)	–	**(486,000)**	–	**(486,000)**	(2,566)	–	**(2,566)**	–	**(2,566)**
Allocated to plans	1,799,855	–	**1,799,855**	(1,799,855)	**–**	16,254	–	**16,254**	(16,254)	**–**
Net purchase/(sale) under liquidity contract	–	140,000	**140,000**	–	**140,000**	–	1,777	**1,777**	–	**1,777**
31 December 2018	**5,811,475**	**420,000**	**6,231,475**	**9,023,451**	**15,254,926**	**41,504**	**4,778**	**46,282**	**83,745**	**130,027**

* *See note I below.*

At 31 December 2018, Getlink SE held 14,834,926 treasury shares as part of the share buyback programme renewed by the General Meeting of shareholders and implemented by decision of the Board on 18 April 2018. 5,811,475 of these shares are allocated to cover share option plans and the grant of free shares, whose implementation was approved by the General Meeting of shareholders in 2010, 2011, 2013, 2014, 2015, 2016, 2017 and 2018.

I. Investments in securities and cash and cash equivalents

This includes mainly short-term investments in certificates, deposit accounts and money market funds.

€'000	Note	31 December 2018	31 December 2017
Treasury shares	H	46,282	40,232
Investments in EUR		120,582	5,530
Short-term certificates of deposit in GBP		44,578	27,952
Accrued interest on securities		15	62
Sub-total		**211,457**	**73,776**
Cash at bank and in hand		152,236	97,417
Total		**363,693**	**171,193**

At 31 December 2018, Getlink held 420,000 treasury shares purchased by Oddo BHF under the liquidity contract. At 31 December 2018, the value of these shares amounted to €4,927,000 (31 December 2017: €3,002,000) compared to a cost of acquisition of €4,778,000 (31 December 2017: €3,001,000).

At 31 December 2018, short-term certificates of deposit amounted to €44,578,000 corresponding to an investment of £39,873,000.

J. Equity

J.1 Share capital

€	31 December 2018	31 December 2017
550,000,000 fully paid-up ordinary shares each with a nominal value of €0.40	220,000,000.00	220,000,000.00
Category B fully paid-up preference shares each with a nominal value of €0.01	0.28	2.78
Category C fully paid-up preference shares each with a nominal value of €0.01	6.92	6.92
Total	**220,000,007.20**	**220,000,009.70**

During the first half of 2018, 250 category B preference shares issued under the 2014 programme of preference shares convertible into ordinary shares, were cancelled.

The programmes of preference shares convertible into ordinary shares is described in note J.3.3 below.

J.2 Statement of changes in equity

€'000	Share capital	Share premium account	Legal reserve	Other reserve	Retained earnings	Result for the year	Total
At 1 January 2017	220,000	1,711,796	22,422	598,797	326,118	86,273	**2,965,406**
Payment of dividend	–	–	–	–	(52,733)	(86,273)	**(139,006)**
Result for the year	–	–	–	–	–	69,750	**69,750**
At 31 December 2017	**220,000**	**1,711,796**	**22,422**	**598,797**	**273,385**	**69,750**	**2,896,150**
Payment of dividend	–	–	–	–	(90,636)	(69,750)	**(160,386)**
Result for the year	–	–	–	–	–	200,332	**200,332**
At 31 December 2018	**220,000**	**1,711,796**	**22,422**	**598,797**	**182,749**	**200,332**	**2,936,096**

J.3 Employee share option plans

J.3.1 Share options

Share option plan (treated as an equity instrument)

On 26 May 2010, the General Meeting of shareholders authorised the Board to grant, in one or several allocations, options over shares in the company to executives and senior staff of Getlink SE and its subsidiaries, during a period the duration of which is fixed at 38 months from 26 May 2010. The total number of options may not give the right to more than 3,900,000 shares of a nominal value of €0.40 each. The Board allocated 3,900,000 shares held under the share buyback programme to these options. Under this scheme, the Board have approved three grants of share options: on 16 July 2010, 21 July 2011 and 20 July 2012.

Characteristics and conditions of the share option plans

The characteristics and conditions attached to the attribution of the share options are as follows:

Date of grant / main staff concerned	Number of options	Conditions for acquiring rights	Vesting period
Options granted to key executives and senior staff on 16 July 2010	1,164,000	Staff must remain as employees of the Group until the exercise of options. Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2010 and 2011 above a predetermined level). The performance conditions were met. Market performance condition: 50% of options are conditional on the Getlink SE share price performing better than the SBF120 index. The performance conditions were met.	4 years
Options granted to key executives and senior staff on 21 July 2011	1,430,000	Staff must remain as employees of the Group until the exercise of options. Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2011 and 2012 above a predetermined level). The performance conditions were met. Market performance condition: 50% of options are conditional on the Getlink SE share price performing better than the SBF120 index. The market conditions were not met.	4 years
Options granted to key executives and senior staff on 20 July 2012	1,405,000	Staff must remain as employees of the Group until the exercise of options. Performance conditions: 50% of options are subject to conditions based on the financial performance of the Group (distribution of a dividend, consolidated EBITDA in 2012 and 2013 above a predetermined level). The performance conditions were met. Market performance condition: 50% of options are conditional on the Getlink SE share price performing better than the SBF120 index. The market condition for 2012 was not met. The market condition for 2013 was met.	4 years

Evolution of the share option plans

The number and the average weighted exercise price of the share options are as follows:

	2018		2017	
	Average weighted exercise price (in euros)	Number of options	Average weighted exercise price (in euros)	Number of options
In issue at 1 January	6.70	1,163,925	6.67	1,641,250
Renounced during the year	–	–	6.81	(25,000)
Exercised during the year	6.83	(486,000)	6.58	(452,325)
In issue at the end of the year	**6.60**	**677,925**	**6.70**	**1,163,925**
Exercisable at the end of the year	6.60	677,925	6.70	1,163,925

Of the 677,925 options in issue at 31 December 2018:

- 138,500 are exercisable, subject to staff remaining as employees of the Group, at a price of €6.42 until July 2020,
- 145,500 are exercisable, subject to staff remaining as employees of the Group, at a price of €7.52 until July 2021, and
- 393,925 are exercisable, subject to staff remaining as employees of the Group, at a price of €6.33 until July 2022.

J.3.2 Free share plans

a) Free share plans with no performance conditions

Following the approval by the General Meeting of shareholders on 18 April 2018 of the plan to issue existing free shares, Getlink SE's Board of Directors decided on 18 April 2018 to grant a total of 348,700 Getlink SE ordinary shares (100 shares per employee) to all employees of Getlink SE and its related companies with the exception of executive and corporate officers of Getlink SE. The vesting period for these shares is one year and is followed by a three-year lock-up period.

During 2018, 122,600 free shares issued in 2014 and 237,975 free shares issued in 2017 were acquired by employees.

Evolution of free shares with no performance conditions

Number of shares	2018	2017
In issue at 1 January	573,075	954,550
Granted during the year	348,700	253,800
Renounced during the year	(24,675)	(54,175)
Acquired during the year	(361,300)	(581,100)
In issue at the end of the year	**535,800**	**573,075**

b) Free share plan subject to performance conditions

The General Meeting of shareholders on 27 April 2016 and 27 April 2017 authorised the Board of Directors to grant free shares to executives and senior staff of the company and its subsidiaries, subject to performance conditions, after a period of three years. The total number of shares may not give entitlement to more than 2,400,000 ordinary shares with a nominal of €0.40 each. Under these authorisations, the Board of Directors approved on 20 October 2016 15 June 2017 respectively, the allocation of a total of 2,400,000 shares.

Characteristics and conditions of the free share plan subject to performance conditions

Date of grant / main staff concerned	Number of shares	Conditions for acquiring rights	Vesting period
Ordinary shares granted to key executives and senior staff on 20 October 2016	1,200,000	Staff must remain as employees of the Group. Internal performance condition (50% of the attributable volume), is based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2017 and 2018. External performance condition (TSR, 40% of the attributable volume), is based on the stock market performance of the Getlink SE share compared to the performance of the DJI index (dividends included) over a three-year period. CSR performance condition (10% of attributable volume), is based on the performance of the 2018 composite CSR index.	3 years
Ordinary shares granted to key executives and senior staff on 15 June 2017	1,200,000	Staff must remain as employees of the Group. Internal performance condition for 50% of the attributable volume: based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2018 and 2019. External performance condition (TSR) for 40% of the attributable volume: based on the stock market performance of the Getlink SE share compared to the performance of the DJI index (dividends included) over a three-year period. CSR performance condition for 10% of attributable volume: based on the performance of the 2019 composite CSR index.	3 years

Evolution of the free share plan subject to performance conditions

Number of ordinary shares	2018	2017
In issue at 1 January	2,379,750	1,179,750
Granted during the year	–	1,200,000
Renounced during the year	–	–
Exercised during the year	–	–
Expired during the year	–	–
In issue at the end of the year	**2,379,750**	**2,379,750**
Exercisable at the end of the year	–	–

J.3.3 Preference shares convertible into ordinary shares subject to performance conditions

On 18 April 2018, the General Meeting of shareholders authorised the Board of Directors to grant to executives and senior staff of Getlink SE and its subsidiaries preference shares (D shares) with a nominal value of €0.01 each with no voting rights which are convertible into Getlink SE ordinary shares subject to performance conditions at the end of a three-year period. The total number of preference shares may not give the right to more than 1,500,000 ordinary shares of a nominal value of €0.40 each. Under this scheme, the Board approved on 18 April 2018 the grant of 1,500 preference shares, each convertible at the end of the period into a maximum of 1,000 ordinary shares.

Characteristics and conditions of the preference share plans

Date of grant / main staff concerned	Preference shares granted	Conversion ratio	Maximum permitted number of ordinary shares	Conditions for acquiring rights	Vesting period
Preference shares granted to key executives and senior staff on 29 April 2014 (**B shares**)	300	5,000	1,500,000	Staff must remain as employees of the Group. Market performance condition: calculated on a tapering scale corresponding to the percentage achievement of a maximum target of an average price of €11.50.	4 years
Preference shares granted to key executives and senior staff on 29 April 2015 (**C shares**)	2,000	500	1,000,000	Staff must remain as employees of the Group. Financial performance condition: 70% based on the Group’s long-term economic performance: achievement of consolidated EBITDA targets announced to the market for 2015, 2016, 2017 and 2018. Market performance condition: 20% based on the performance of the Getlink SE share price compared to the DJI index (including dividends) over a four-year period. CSR performance condition: 10% based on the performance of the composite CSR index over a four-year period.	4 years
Preference shares granted to key executives and senior staff on 18 April 2018 (**D shares**)	1,500	1,000	1,500,000	Staff must remain as employees of the Group. Internal performance condition for 50% of the attributable volume: based on the Group's long-term economic performance measured by reference to the average rate of achievement of the EBITDA targets announced to the market for the years 2018, 2019 and 2020. External performance condition (TSR) for 40% of the attributable volume: based on the stock market performance of the Getlink SE share compared to the performance of the GPR Getlink SE index (dividends included) over a 3-year period. CSR internal performance condition for 10% of attributable volume: based on the performance of the 2020 Composite CSR index.	3 years

Evolution of the preference share plans

	D shares 2018		C shares 2015		B shares 2014	
Number of preference shares	2018	2017	2018	2017	2018	2017
In issue at 1 January	–	–	464	1,784	89	112
Granted during the year	1,500	–	–	–	–	–
Renounced during the year	–	–	–	(25)	–	–
Acquired during the year	–	–	–	(692)	(84)	(23)
Expired during the year	–	–	–	(603)	–	–
In issue at the end of the year	**1,500**	**–**	**464**	**464**	**5**	**89**
Exercisable at the end of the year	–	–	–	–	–	–

K. Provision for risks and charges

€'000	1 January 2018	Charge to income statement	Release of unspent provisions	Provisions utilised	31 December 2018
Provision for exchange losses	12,410	17,914	–	(10,579)	19,745
Provision relating to share options and free shares	15,586	2,926	–	(9,480)	9,032
Other	338	135	–	–	473
Total	**28,334**	**20,975**	**–**	**(20,059)**	**29,250**

L. Revenues from sale of services

This item comprises revenues from services charged to subsidiaries.

M. Cost transfers

This item includes the transfer to the balance sheet of the fees related to the issue of the Senior Secured Notes amounting to €21,464,000 (see note F.1 above) and €3,774,000 mainly including re-invoicing to subsidiaries for expenses related to their activities (salaries, share-based payments).

N. Purchases and external costs

This item includes expenses incurred in connection with its holding company activity and expenses related to the activities of its subsidiaries. Following the corporate reorganisation, the Group revised the allocation of operating expenses between Getlink SE and the new Eurotunnel sub-group and the impact of this is reflected in Getlink SE's 2018 income statement.

In 2018, this item also included the fees related to the issue of the Senior Secured Notes amounting to €21,464,000 as described in note A.2.2. These fees are spread and therefore are neutralised in the income statement by an offset in cost transfers (see note M above).

O. Staff numbers

The average number of staff employed during the year was 20 (2017: 17).

At 31 December 2018, 21 staff were employed by the company (31 December 2017: 19).

P. Exchange gains and losses

In 2018, this included realised exchange gains and losses arising from intra-group payables and receivables.

Q. Interest and related income and charges

€'000		2018	2017
Interest and related income			
Interest due from Channel Tunnel Group Limited on the ABD	*	1,434	4,283
Interest due from France Manche SA on the ABD	*	2,505	9,137
Interest due from Eurotunnel Agent Services Limited		1,031	2,441
Interest due from Eurotunnel Holding	*	10,549	–
Interest due from France Manche SA on the NRS Commission Loan and the NRS Redemption Premium Loan	*	270	983
Interest due from GET Elec Limited		17,666	10,635
Interest due from Euro-TransManche Holding SAS		–	339
Bank interest		89	197
Total		**33,544**	**28,015**
Interest and related charges			
Interest due to France Manche SA on the Funding Loan	*	1,285	1,311
Interest due to Channel Tunnel Group Limited on the Funding Loan	*	1,868	1,497
Interest due to Euro-Transmanche Holding		3	–
Interest due on intra-group current accounts	*	11,503	5,021
Total		**14,659**	**7,829**

* *These amounts (totalling a net of €102,000: received €14,758,000, paid €14,656,000) are governed by the Master Intra-Group Debt Agreement.*

R. Financial depreciation and provisions

€'000	31 December 2018	31 December 2017
Release of provision/ (provision) for depreciation of investment in subsidiary undertakings and associated receivables	(6,084)	1,602
Release of provision/ (provision) for exchange losses	(7,335)	(11,617)
Total	**(13,419)**	**(10,015)**

S. Exceptional result

€'000	31 December 2018	31 December 2017
Exceptional profit on assignment of Concessionaires' receivables	81,147	–
Exceptional charges	(10,302)	(4,795)
Exceptional income	2,227	4,424
Other provisions	–	–
Release of other provisions	9,521	4,069
Total	**82,593**	**3,698**

As part of the Group's corporate reorganisation (see note A.1), Getlink SE recognised an exceptional profit on assignment of the Concessionaires' receivables of €81,147,000 on the basis of an expert's valuation.

In 2018, Getlink SE recognised an exceptional expense related to the transfer of shares to Group employees of €9,480,000 (2017: €3,839,000) offset by a release of provision for the same amount (2017: €4,069,000) (see note B.6 above).

This item also includes exceptional income and charges relating primarily to the gains and losses recognised on the sale of treasury shares (see note B.5 above).

T. Tax and fiscal situation

Getlink SE is the parent company of the consolidated tax group which it formed on 1 January 2008 with all the Group's French subsidiaries.

T.1 Taxation accounted for through the income statement

€'000	31 December 2018	31 December 2017
Tax income/(expense) of tax consolidation	(7,606)	(37,221)
Utilisation of brought forward fiscal deficits	4,103	18,810
Total income tax	**(3,503)**	**(18,411)**
Tax on dividends	34	8,889
Tax consolidation of subsidiaries	7,228	23,996
Total tax	**3,759**	**14,474**

Information presented on the basis of the tax rate applicable in 2018 on taxable transactions of 34.43%.

Getlink SE's taxable result, excluding integration, was a profit of €84.8 million (2017: profit of €25 million). The taxable result for the consolidated tax group was a profit of €125.6 million (2017: €115 million).

In 2018, the current tax income corresponds to a tax refund in respect of previous years.

T.2 Reductions and increases in future tax liabilities

	31 December 2018		31 December 2017	
€'000	Base	Tax	Base	Tax
Tax losses	856,912	224,980	868,222	227,949
Other (including exchange difference liabilities and provision for exchange risk)	29,128	7,523	19,158	4,948
Total reductions in future tax liabilities	**886,040**	**232,503**	**887,380**	**232,897**
Unrealised gain on the restructuring profit	1,364,387	373,309	1,364,387	352,353
Other (including exchange difference assets)	19,746	5,099	12,411	3,205
Total increases in future tax liabilities	**1,384,133**	**378,408**	**1,376,798**	**355,558**

Information presented on the basis of a future tax rate applicable on taxable transactions in place.

Carried forward losses of the tax consolidation group

At 31 December 2018, the cumulative tax losses of the tax group which can be carried forward indefinitely and are chargeable to the taxable profits of the members of this group amount to €857 million (31 December 2017: €868 million adjusted following the filing of a claim).

Losses carried forward from the old consolidation group TNU SA

At 31 December 2018, cumulative tax losses of the old tax consolidation group TNU SA amounting to €20 million were charged to the taxable profits of the members of this group. These deficits, which amounted to €1,894 million at 31 December 2018 (31 December 2017: €1,914 million adjusted following the filing of a claim) may only be applied to the taxable profits of FM, Europorte SAS and Société Immobilière et Foncière Eurotunnel SAS.

Profit arising from the restructuring

The financial restructuring in 2007 led to a restructuring profit in the accounts of the Group of €3,323 million. At 31 December 2018, €1,364 million of this amount remains deferred within the French tax group. The taxation of this profit is dependent on the repayment of the Amended Bond Debt (see note E.1 above) by the Concessionaires (France Manche SA and Channel Tunnel Group Limited), which in turn depends on the repayment of the Term Loan by the Concessionaires which matures in 2050.

U. Earnings per share and effect of dilution

	2018	2017
Weighted average number:		
– of issued ordinary shares	550,000,000	550,000,000
– of treasury shares	(15,689,634)	(15,806,980)
Number of shares used to calculate the result per share (A)	**534,310,366**	**534,193,020**
– effect of share options	341,284	447,642
– effect of free shares	2,918,944	3,072,091
– effect of preference shares	1,561,627	1,303,457
Potential number of ordinary shares (B)	**4,821,855**	**4,823,190**
Number of shares used to calculate the diluted result per share (A+B)	**539,132,221**	**539,016,210**
Net profit (€'000) (C)	200,332	69,750
Profit per share (€) (C/A)	**0.37**	**0.13**
Profit per share after dilution (€) (C/(A+B))	**0.37**	**0.13**

The calculations were made on the following basis:

- on the assumption of the exercise of all the options issued and still in issue at 31 December 2018. The exercise of these options is conditional on the criteria described in note J.3.1;
- on the assumption of the acquisition of all the free shares allocated to staff; details of free shares are given in note J.3.2 above; and
- on the assumption of the acquisition of all the preference shares allocated to staff and still in issue at 31 December 2018. Conversion of these preference shares is subject to achieving certain targets and remaining in the Group's employment as described in note J.3.3 above.

V. Related party transactions

V.1 Subsidiaries of Getlink SE

The main transactions carried out with related parties (the other companies within the Group), as well as the receivables and the payables relating to these companies, are as follows:

STATEMENT OF FINANCIAL POSITION *(€'000)*	Note	31 December 2018	31 December 2017
Other non-current financial assets	E.1	2,563,229	2,080,826
Group and associates receivables	E.3	30,039	17,207
Other current financial assets	E.1	8,364	18,982
Assets		**2,601,632**	**2,117,015**
Group and associates	E.2	1,089,557	952,912
Liabilities		**1,089,557**	**952,912**

INCOME STATEMENT *(€'000)*	2018	2017
France Manche SA	–	16,692
Eurotunnel Holding SAS	20,231	–
Europorte SAS	2,295	2,354
Euro-TransManche Holding SAS	–	109
Centre International de Formation Ferroviaire de la Côte d'Opale SAS	(1)	(3)
GET Elec Limited	743	285
Sales	**23,268**	**19,437**
Recharge of cost of free share plans	2,563	5,063
Europorte SAS	73	(250)
GET Elec Limited	–	–
ElecLink Limited	1,062	390
MyFerryLink SAS	5	20
Euro-TransManche Holding SAS	2	–
Euro-TransManche SAS	18	80
Euro-TransManche 3 BE SAS	18	80
Euro-TransManche 3 NPC SAS	21	32
Cost transfers	**3,762**	**5,415**
Eurotunnel Services GIE	–	846
Eurotunnel Services Limited	2	439
Centre International de Formation Ferroviaire de la Côte d'Opale SAS	1	–
Eurotunnel Management Services Limited	64	331
Europorte SAS	–	82
Eurotunnel Holding SAS	16,714	4
Purchases	**16,781**	**1,702**
France Manche SA	5,006	5,217
Channel Tunnel Group Limited	4,832	2,612
Euro-TransManche Holding SAS	3	–
Financial charges	**9,841**	**7,829**
France Manche SA	2,774	10,120
Channel Tunnel Group Limited	1,434	4,282
Euro-TransManche Holding SAS	–	339
GET Elec Limited	17,666	10,635
Eurotunnel Agent Services Limited	1,031	2,441
Financial income	**22,905**	**27,817**
Income from assignment of Concessionaires' receivables	1,807,561	–
Exceptional income	**1,807,561**	**–**
Net book value of Concessionaires' receivables	1,726,414	–
Exceptional charges	**1,726,414**	**–**

V.2 Remuneration of Directors and senior executive officers

The remuneration paid to members of the Board and senior executive officers is included in chapter 5 of the 2018 Registration Document.

W. Statutory auditors' fees

The fees paid to the statutory auditors relating to the 2018 financial year are presented in note J to the Group's consolidated accounts.

X. Events after the reporting period

Nothing to report.

2.3 TRENDS, OUTLOOK, RECENT EVENTS AND EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are described in note K to the consolidated financial statements for the financial year set out in section 2.2.1 of this Registration Document.

Trends

The Group's results in 2018 fully reflect the orientations set out in its strategic plan. They confirm the robustness of its business model based on sustainable growth across its various business segments and value creation for its shareholders.

The results of the Shuttle activity, with traffic up by 3% and revenue growth of 5%, reflect the strategy of optimising profitability through the active management of prices for both the truck and car sectors.

Despite a contraction in the cross-Channel truck market in 2018, the Group has strengthened its market share and the Truck Shuttle Service recorded another record traffic year in 2018. This trend has continued in the first weeks of 2019 with a further growth in traffic in January 2019 compared to the same period in 2018. In a market where political and economic uncertainty affects growth, the Group continues to favour a strategy focused on optimising its margins and the quality of service provided to its customers.

After several years of contraction in the context of the migrant crisis and of terrorist threats, the car cross-Channel market began to grow again in 2018 and the Group saw its traffic increase by 3% to reach its highest level since 2000. This trend has continued in the first weeks of 2019 with car traffic up by 2% compared to January 2018 despite the first signs from customers of negative expectations of the effects of Brexit.

The Group intends to pursue its strategy for its Shuttle activity. Driven by an attractive commercial proposition based on quality of service and the digitalisation of processes, the Group aims to maintain its operating margins whilst at the same time growing its traffic as the market grows. The Group's investment policy supports this strategy and, with the upgrading of the Flexiplus offer and the launch of the mid-life maintenance programme for the Passenger Shuttles during the year, the Group is continuing its programme of investments to reinforce service quality and to modernise its infrastructure and equipment.

Despite the impact of the SNCF strikes in the first half of the year, the high-speed passenger train traffic travelling through the Tunnel has continued to increase and, driven by the launch in April of the new London to Amsterdam service, has reached a record level in 2018. The announcement of an increased frequency of the London to Amsterdam service to four return journeys each day in 2020 underlines the strong confidence in the growth potential of the UK to continental Europe rail market despite the current short term uncertainty surrounding Brexit.

During 2018, the Group has intensified its preparations for Brexit. The Group has continued to work closely with the French and British authorities at all levels with regard to border controls, and has implemented its action and investment plans designed to maintain the fluidity of traffic through its terminals.

At the end of 2018, the Group implemented changes to the road layouts on the terminals and began the construction of new border control areas for its Truck and Passenger Shuttle Services, as well as launching digital projects for the capture and processing data to facilitate the operation of border control formalities.

At the same time, the Group is working on adapting is operating procedures and strengthening its operating teams on the Folkestone and Coquelles terminals with effect from March 2019 in order to optimise traffic flows through its sites.

Europorte continues its strategy of prioritising the profitability of its operations and the quality of its services. Its remarkable performance in 2018, which was achieved despite the SNCF strikes in the first half of the year, validates the Group's objective of strong value creation in rail freight in France through controlled growth and a high quality of service.

The works on the ElecLink project continue in line with both budget and schedule. The Group continues its exchanges with the regulators and continues to provide reports from independent experts to the IGC, and maintains its target for the start of the interconnector's operations in the first half of 2020.

Following the finalisation of its internal corporate re-organisation in April 2018, the Group continued to work on the optimisation of its financing structure in order, as market conditions allow, to minimise the cost of servicing its debt and to support its strategy of developing its core business of infrastructure and transport activities. The completion of Getlink SE's first bond issue of €550 million in the form of Green Bonds in October 2018 is the first materialisation of this strategy. Part of the proceeds will be used to ensure the financing of the ElecLink project through to the end of construction.

Objectives[14]

With confidence in the robustness of its business model and its very good results in 2018, the Group confirms its intention to accelerate its dividend policy for its shareholders. The Group will therefore propose to its General Meeting an increase to €0.36 per share for the 2018 financial year, an increase of 20% compared to 2017.

The current political situation, particularly in the United Kingdom, is likely to create uncertainty about the short-term impact of the United Kingdom's exit from the European Union on 29 March 2019. The Group considers that this uncertainty is likely to affect its activity in the first weeks following this date.

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[14] *These objectives are based on data, assumptions and estimates that are considered to be reasonable. They take particular account of the consequences of the geopolitical context but are however liable to change or to be modified due to uncertainties related in particular to the economic, financial, competitive and regulatory environment. Furthermore, the materialisation of certain risks as described in chapter 3 "Risk and control" of this Registration Document could have an impact on the Group's activities and its capacity to achieve its objectives. The Group does not therefore make any commitments nor does it give any guarantee that the objectives will be met, and the forward looking information contained in this chapter cannot be used to make a forecast of results.*

Confident in the commitment of both States to quickly set up effective border control procedures without any operational discontinuity, the Group has set a financial objective of an EBITDA for 2019 of €560 million in the case of a “no deal” or €575 million if an agreement is reached, at an exchange rate of £1=€1.128.

Nevertheless, and despite this short-term uncertainty, the Group remains very confident in the solidity of its various businesses and in their medium-term growth potential. The Group still expects to exceed an EBITDA of €735 million (at £1=€1.14) by 2022.

Forecasts

The Group does not publish forecasts.

Recent events

Significant proceedings (section 3.2.1.a) litigation relating to the cessation of the maritime activity)

By an award dated 26 February 2019, the Paris Chambre Arbitrale Maritime (maritime arbitration chamber) rejected all DFDS’s claims for principal and interest. They have 30 days to apply for a second instance examination of their claim.

Risk related to the competitive environment (section 3.1.1.b)

On 28 February 2019, the British Secretary for State for Transport and Eurotunnel entered into a settlement agreement in respect of the expedited procedure initiated by Eurotunnel, the first hearing for which was fixed for 1 - 6 March 2019. Pursuant to this settlement agreement, Eurotunnel agreed to withdraw its claims in return for a payment of £33 million to be made by the Secretary of State for Transport spread over a period of three years.

This agreement will enable Eurotunnel (who has made a commitment to this effect) to carry out its major projects aimed at developing and enhancing the Channel Tunnel site’s UK infrastructure to support the long-term resilience of the System including security and border measures that will facilitate the flow of vehicles in particular those carrying urgent and vital goods.

Major shareholders (section 7.4.1)

By letter received on 7 March 2019, TCI Fund Management Limited (7 Clifford Street, London W1S 2FT, United Kingdom), acting on behalf of clients and funds it manages, declared to the AMF (AMF declaration no. 219C0416) that its holding had on 1 March 2019 crossed above the 10% threshold in respect of Getlink SE’s voting rights and that it held 63,990,156 Getlink SE shares and the same number of voting rights, i.e.11.63% of the share capital and 10.01% of the voting rights, on the basis of 550,000,000 ordinary shares representing 639,374,504 voting rights by application of sub-paragraph 2 of article 223-11 of the general regulation, as follows:

	Shares	% capital	Voting rights	% of voting rights
The Children's Investment Master Fund	51,653,595	9.39%	51,653,595	8.08%
Talos Capital DAC	12,336,561	2.24%	12,336,561	1.93%
Total TCI fund Management Limited	**63,990,156**	**11.63%**	**63,990,156**	**10.01%**

This crossing of the threshold results from a purchase of Getlink SE ordinary shares on the market.

By the same correspondence, the following declaration was made:

“The acquisition of shares in the company Getlink SE by TCI Fund Management Limited was part of its usual business as an investment service provider and was made without any particular strategic intention in respect of Getlink SE nor to exercise any specific influence over its management. The company TCI Fund Management Limited is not acting in concert with third parties and does not intend to take control of Getlink SE. TCI Fund Management Limited does not intend to seek the appointment of one or more persons as a director, member of the management board nor the supervisory board”.

2.4 TABLE OF GETLINK SE PARENT COMPANY RESULTS FOR THE LAST FIVE FINANCIAL YEARS

	2018	2017	2016	2015	2014
Capital at end of financial year					
Share capital (€)	220,000,007.20	220,000,009.70	220,000,002.67	220,000,000.00	220,000,000.00
Number of existing ordinary shares	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000
Number of existing preference shares	720	970	267	–	–
Maximum number of future ordinary shares to be created on exercise of rights of holders of securities giving access to Getlink SE equity *	4,821,855	4,823,190	3,977,660	4,726,223	2 316 726
Transactions and results for the year (€'000)					
Revenue excluding tax	23,268	19,437	21,121	16,752	17 586
Payroll costs	5,330	3,353	2,940	2,869	2 706
Amount of benefits	2,394	1,844	1,477	1,759	1 579
Number of employees	21	17	17	16	14
Result before tax, employee participation and depreciation and provisions	204,625	66,002	63,503	39,569	128 598
Tax on profits	3,759	14,474	21,034	(2,834)	(2 750)
Result after tax, employee participation and depreciation and provisions	200,332	69,750	86,273	38,455	98 809
Distributed result**	198,000	160,385	139,005	118,154	97 272
Earnings per share (€)					
Result after tax, employee participation and before depreciation and provisions	0.38	0.14	0.15	0.07	0.18
Result after tax, employee participation and depreciation and provisions	0.36	0.13	0.16	0.07	0.18
Dividend per ordinary share**	0.36	0.30	0.26	0.22	0.18

* *For details, see note H.2.1 of the consolidated accounts in section 2.2.1 of this Registration Document.*
** *Subject to approval by the General Meeting on 18 April 2019 of the appropriation of the 2018 result.*

2.5 OTHER FINANCIAL INFORMATION

Delay in payments from customers and to suppliers of Getlink SE

Delay in payments from customers of Getlink SE

	1-30 days	31-60 days	61-90 days	> 91 days	Total >1 day
Invoices issued and unpaid at 31 December 2018					
Number of invoices	–	–	–	1	**1**
Total amount including tax (in euros)	–	–	–	-1,531	**-1,531**
% revenue for year (including tax)	0.00%	0.00%	0.00%	-0.01%	**-0.01%**
Invoices excluded for disputed or unrecorded debts and receivables					
Number of invoices			–		

The customer invoices issued by Getlink SE mainly concern intra-Group re-invoicing.

Delay in payments to suppliers of Getlink SE

	1-30 days	31-60 days	61-90 days	> 91 days	Total >1 day
Invoices received and unpaid at 31 December 2018					
Number of invoices					**59**
Total amount including tax (in euros)	38,322	73,301	-2,062	-7,630	**101,930**
% revenue for year (including tax)	0.15%	0.29%	-0.01%	-0.03%	**0.40%**
Invoices excluded for disputed or unrecorded debts and receivables					
Number of invoices			67		
Total amount including tax (in euros)			1,200,857		

Flows between the companies of the Group

Various agreements have been entered into between Getlink SE and its subsidiaries (provision of services and financing) to structure the following operational and financing flows as set out below.

Concerning operational flows:

- The companies forming the Eurotunnel sub-group undertake on behalf of Getlink SE various services related to the management and operation of the Group's corporate departments which are invoiced to Getlink SE in the form of services.
- Getlink SE undertakes, on behalf of its subsidiaries, various services which include financing and administrative management and general strategy. The cost of these services is invoiced to Getlink SE's subsidiaries in the form of management charges which correspond to head office charges and services provided for the needs and the development of its subsidiaries.

The financial flows between Getlink SE and its subsidiaries fall into three categories:

- flows resulting from debts and receivables created under the 2007 financial restructuring of the Group, as governed by the Master Intra Group Debt Agreement (MIGDA) as described in chapter 8 of this Registration Document;
- flows relating to the structure of receivables and payables set up as part of the Group's corporate reorganisation in April 2018 as governed by the MIGDA and the Vendor Loan Agreement concluded between Getlink SE and Eurotunnel Holding SAS; and
- flows put in place to finance the activities of subsidiaries other than the Eurotunnel sub-group such as the specific loans set up for the purposes of financing the activities of GET Elec Limited and EASL.

Segment information, including details of investments in property, plant and equipment and external financial liabilities for each of the segments, is given in note D.1 to the consolidated financial statements set out in section 2.2.1 of this Registration Document.

Related party transactions

The Group's related party transactions in 2018 are mentioned in note E.3 to the consolidated financial statements set out in section 2.2.1 of this Registration Document and in note V to the Getlink SE parent company financial statements set out in section 2.2.2 of this Registration Document.

Historical financial information

The financial information presented in this Registration Document (in section 2.2) or included by reference in this document pursuant to article 28-1 of European Commission Regulation (EC) 809-2004, relates to Getlink SE, the Group's holding company, and its subsidiaries.

Pro forma financial information

None.

Auditing of historical annual financial information

The reports of the statutory auditors on the parent company and consolidated financial statements of Getlink SE for the year ended 31 December 2018 are set out in section 2.2 of this Registration Document. The reports of the statutory auditors on the parent company and consolidated financial statements of Getlink SE for the years ended 31 December 2017 and 31 December 2016 (contained in section 2.2 of the 2017 Registration Document and of the 2016 Registration Document respectively) are incorporated by reference in this Registration Document pursuant to article 28-1 of European Commission Regulation (EC) 809-2004.

Date of latest financial information

The last financial year for which audited financial information is available is the year ended 31 December 2018.

Interim and other financial information

None.

3 RISKS AND CONTROL

3.1 RISK FACTORS

Like any business, Getlink SE pursues its activities in evolving conditions and is necessarily exposed to risks (industrial, environmental, human, commercial, financial and others) that, should they materialise, could have a negative effect on its activities, its financial position and its assets.

Getlink SE identifies these risks using a formalised procedure and seeks to reduce the probability of their occurrence or the potential impact by implementing formalised and specific action plans. The internal control procedures that contribute to limiting the probability of occurrence or the impact are described in section 3.4 of this Registration Document.

Getlink SE applies the provisions of the reference framework relating to internal control and risk management systems published by the AMF (the French financial markets regulator). The overall system of risk identification and management put in place is presented in section 3.4 of this Registration Document.

For the 2018 financial year, Getlink SE has carried out the annual review of risks that could have a significant negative impact on its operations, reputation, financial position or results. This review covered all active consolidated subsidiaries within the scope of the Group on 31 December 2018. The main risk factors to which the Group considers itself exposed at the date of this Registration Document are described hereafter. The social and environmental risks are set out in the non-financial performance statement at chapter 6 of this Registration Document. The control environment aimed at ensuring that the necessary measures are taken in order to control these risks is described in section 3.4.2 of this Registration Document.

These risk factors are set out in four categories according to their nature. In each category, the most important risk categories are mentioned first.

This list is not exhaustive and there may be other risks of which the Group has no knowledge or that are considered to be immaterial at the date of this Registration Document, and that could have an adverse effect.

3.1.1 RISKS RELATED TO GETLINK'S OPERATING ENVIRONMENT

a) Brexit

The Group's operations are directly influenced by the prevailing economic conditions in its main markets, particularly France and the United Kingdom. Changes in cross-Channel traffic and also in rail freight traffic are linked to the general economic and political context.

Following on from the referendum decision in June 2016 and the triggering of Article 50 by the British government at the end of March 2017, the official date for the United Kingdom to leave the EU is 29 March 2019. A draft withdrawal agreement and a political declaration on the future relationship between the two parties were agreed by the European Commission in November 2018. However, the rejection by the British Parliament of the draft withdrawal agreement in January 2019 means that the situation is still uncertain and brings with it a real risk of a no deal Brexit. Even if the Group has not noticed any significant impact on its operations during the 2018 financial year, apart from a certain slowing in the cross-Channel Truck market, Getlink has continued with the various steps begun in 2016 to prepare for various possible outcomes. As well as the monitoring and dialogue activities with the French and British authorities at all levels, since mid-2018 the Group has been putting in place an investment plan to keep the smooth flow of traffic after the end of March 2019 irrespective of the political and regulatory environment. The United Kingdom's future relationship with the European Union, whether close (inclusion in the European Economic Area) or more distant (no specific agreement with the Union), is still unknown. Numerous risks, both regulatory and financial, will depend on the outcome of negotiations between the United Kingdom and the European Union on the terms of its future relationship. The Group has accordingly introduced a specific process to monitor potential risks as well as detailed monitoring of regulatory risks and risks relating to taxation and financing. This risk is regularly monitored (through specific reviews, sensitivity tests of the business plans and the review of various financial and legal indicators). The results of these activities are presented to the Audit Committee and to the Board of Directors.

Impact on the economic situation of the United Kingdom and the European Union

A slowdown or stagnation in economic conditions could have a direct impact on the volume of cross-Channel traffic both in terms of passenger as well as freight traffic. The negative impact of this risk should be less for a business - such as Eurotunnel - whose commercial policy is based on the optimisation of tariffs than for a business whose model is based only on volume.

In 2018, the traffic and revenue figures demonstrate the resilience of the Tunnel's business model when faced by a slowdown in UK growth. These results support the conclusions of an EY study[15] published in June 2018, reaffirming the status of the Tunnel as a vital link uniting the United Kingdom and continental Europe. In this study, EY estimated that goods to a total value of nearly €140 billion passed through the Tunnel with imports and exports being almost equal. The industrial sectors that depend on the speed and reliability of the Tunnel would appear to present greater resilience to an overall drop in British growth ("just-in-time" for the automotive industry, express delivery for logistics companies and transport of fresh food products).

A worsening in the quality of service because of an increase in cross-border checks and a change in the behaviour of passengers could have an effect on revenue.

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[15] *Source: Economic Footprint of the Channel Tunnel in the EU An analysis of the value of trade travelling through the Channel Tunnel between the UK and EU countries – June 2018. This report is an extension of the 2016 analysis that emphasised the role played by the Channel Tunnel to support trade and economic activity in the UK: https://www.getlinkgroup.com/uploadedFiles/assets-uk/the-channel-tunnel/180604-EY-Channel-Tunnel-Footprint-Report.pdf.*

Risk of a tightening in border controls and customs duties

With regard to the movement of goods, a no deal departure by the United Kingdom could lead to the reintroduction of customs formalities and checks as well as health, phytosanitary and veterinary border checks and customs checks and formalities. If these new controls were to be carried out on the Eurotunnel terminals, they could cause difficulties for smooth and effective operations and would thus present a risk to Shuttle revenues.

The introduction of tariff barriers could have a negative impact on the cross-Channel market. The impact of a hard border could extend well beyond the Group and its customers and even the local economies of Kent and the Hauts-de-France region. It could affect thousands of companies that trade with the United Kingdom. There is also a security issue for a Europe that is facing migratory pressure.

When the 2018 review of risks was carried out, the impact of Brexit on the other Group risks was considered from the point of view of their importance and probability of occurrence.

Eurotunnel is working with governments, the European Union, the transport industry and its customers in order to highlight the importance of maintaining the smooth flow of traffic at borders, exchange information and propose technological solutions to reduce the impact of customs controls of lorries and trains at the border. Eurotunnel and the customs authorities are preparing for a no deal United Kingdom departure i.e. so that customs formalities/checks do not saturate infrastructure. The customs authorities and Eurotunnel are preparing to put in place a border based on it being possible to carry out customs formalities before arriving at the border point (*anticipation*), to ensure the traceability of flows entering and leaving national territory by grouping information (*identification*) and to use advanced technology to allow border crossings with as short a stoppage time as possible (*automation*) and to allow flows to be controlled in real time. The effectiveness of these arrangements nevertheless depends on the availability and appropriate staffing of the officials necessary to carry out these controls.

The UK has asked to join the Common Transit Convention, which is part of the European regulations open to third countries. If granted, it would allow formalities to be shifted to the destination, which could simplify customs formalities.

The Group is working in close collaboration with the authorities on the ground in order to put a separate route in place and adapt installations to the specific needs of different controls. The Group is anticipating what may be needed and is constructing extra installations next to the Coquelles terminal for customs procedures and health/phytosanitary checks.

The Group regularly meets with UK ministers and civil servants as well as the French customs authorities and members of the European Parliament Commission for Transport and Tourism (TRAN). The Group sits on the border coordination steering group led by HMRC, which brings together representatives from the main ministries concerned and is tasked with identifying the most efficient solution for future border controls. Operating and technical teams consider the practical implications of each scenario.

With regard to the movement of passengers, Great Britain is not part of the Schengen area so the movement of persons between continental Europe and Great Britain is already subject to border checks. After Brexit, the border will remain an external Schengen border even if it also becomes an external European Union border. Therefore, the risk is essentially that of a tightening of the border controls already in place at the British terminal for non-EU passengers entering France. At the French terminal, it relates to a tightening of the controls for holders of non-British passports entering the UK.

The Treaty of Canterbury, presented in chapter 8 of this Registration Document, commits the two States to providing smooth traffic conditions through the implementation of juxtaposed identity controls. Eurostar or Shuttle passengers are controlled by the French Border Police and by the UK Border Force at the departure terminal. Eurostar passengers and Shuttle vehicles are not subject to border controls on arrival.

The same principle applies to freight traffic. Juxtaposed controls are indispensable not only to the industrial value chain but also to security. This can be achieved through a paperless process or by performing as many procedures as possible away from the border point. For a number of years already, registration plate recognition has removed the need to stop at toll booths. More recently, an innovative programme introduced with the authorities means that drivers do not need to stop every time they cross to have their identities checked if they do not wish to do so. In 2018 the Group continued its investment with the introduction of a scanner for vans, i.e. a rail freight scanner, with the support of the authorities, in order to strengthen the effectiveness of border controls.

Regulatory risk

Like any business with operations in the United Kingdom, the Group is faced with legal and regulatory uncertainty. Given that the probability of a Brexit scenario without a deal with the European Union is increasing, the UK government has published various technical notes analysing the legal risks surrounding this eventuality. The French government has made various orders that amend and waive measures in order to prepare for the UK leaving the EU: Brexit could bring about regulatory differences.

As set out in chapter 8 of this Registration Document, the Fixed Link is a binational infrastructure in respect of which the French and British authorities conferred its operation to Eurotunnel in 1986 by means of a Concession. The Treaty of Canterbury, which is the foundation deed for this binational cooperation and the Concession, created the IGC, which is charged with monitoring all the questions relating to the operation of the Fixed Link on behalf of the two governments as delegated by them. Accordingly the two States have designated the IGC to assume the role of binational safety authority over the whole of the Fixed Link.

By an order dated 13 February 2019 regarding preparations for the United Kingdom's departure, the French government has indicated that after the UK has left the European Union the IGC will no longer be designated as a binational safety authority by two member states but by one member state (France) and one third country (the UK) so it might no longer be able to exercise the authority given by European law to a national security authority. The French government has decided by means of the said order that if the UK leaves the European Union without a deal the national safety mission will be carried out by the Établissement public de sécurité ferroviaire (EPSF – French public rail safety authority) for the French part of the Fixed Link. The order is supplemented by a proposed regulation adopted by the European Commission on 12 February 2019 that aims to extend the validity of the current regime until the end of June in order to put the appropriate formalities into effect.

In the event of a no deal Brexit, Eurotunnel, like Eurostar, will be dependent on the decisions of the governments and regulatory authorities regarding the licences, and operating agreements and procedures needed to ensure the smooth running of the rail service. These agreements mainly include border control measures, cross-border employment contracts for Eurostar personnel, operating and safety licences that are valid in the EU, as well as the regulatory and operational framework of the European Union[16].

It is not known if the exit of the United Kingdom from the European Union will lead to the UK's exit from the Internal Energy Market, the framework that allows the coupling of daily electricity markets and enables the optimisation of cross-border electricity exchanges; if that happens, it could affect the ElecLink business model. If there is a change in the regulatory framework post Brexit, especially in respect of certification and rules of access, further administrative steps would be needed prior to the start of operations.

By the reverse token, the uncertainties over Brexit have affected investors' confidence in the United Kingdom at a time when the country must make very important investments in replacing ageing power stations and developing new interconnectors with continental Europe. Any delay resulting from the current impasse is likely only to reinforce the importance of the ElecLink project for UK consumers and enhance further the economic value of the project.

As the 29 March 2019 deadline approaches, the absence of a Brexit agreement increase the probability of this risk occurring, which makes it the highest in terms of probability for Getlink.

b) Risk linked to the competitive environment

In its various activities, the Group faces strong competition from both international and national players in the private and public sectors. This competitive environment (presented in chapter 1 of this Registration Document) could intensify across all of the Group's areas of activity, particularly in a context of competitive volatility and increased sensitivity among customers to the quality of service.

Competition is not a risk as such, and it can have a positive effect on productivity. However, pressure from competitors may increase the risk of unfair practices, predatory pricing, price wars and use of polluting energy, so this risk is more acute in the context of Brexit.

The Group's Eurotunnel activities face competition from cross-Channel transport operators, whose pricing strategies and other competitive initiatives could have a negative impact on Shuttle Service volumes (particularly Truck Shuttle services) and on passenger numbers in High-Speed Passenger Trains. Market growth and competitive pressure could be impacted by fluctuations in the price of fuel and exchange rates, particularly as regards Brexit, which may affect operators' pricing policies. The Group's commercial and operating strategy as set out in chapter 1 of this Registration Document could be affected by this context, where service quality remains a crucial distinguishing factor. With the reduction in the number of competitors in the Short Straits to two, this risk could be considered to have lessened. Nevertheless, the cross-Channel competitive landscape could be affected by the contracts entered into between the British government and various ferry companies (Brittany Ferries, DFDS and Seaborne Freight) for sums in excess of £100 million to create extra capacity on routes other than the Short Straits, with the aim of preventing the main maritime terminals from becoming clogged up and of keeping cross-Channel transport moving smoothly in the event of a no deal departure from the European Union causing the reintroduction of border controls. On 9 February 2019, the UK government announced the cancellation of the contract awarded to the Seaborne Freight ferry company, since the company had no ships. The UK government has indicated that it is in a state of advanced discussions with other companies. Following the announcement of contracts between the British Secretary of State for Transport and the ferry companies in the case of a no deal Brexit, the Group has filed a suit for non-compliance with public market allocation rules, legal control of an administrative decision and illicit state aid[17].

With regard to Europorte's competitive environment, developments in the market and in rail freight transport traffic and related activities are quite specific. As a result of a complex combination of economic, logistical and industrial factors, including the reliability of the transport service, the quality of train paths and the balancing of prioritisation of freight and passenger transport, French rail freight traffic has fallen significantly. In 2018, competition between operators remained lively and the historic operator still dominated the market even when set against a long SNCF strike in the second quarter. In addition, increasing competition from building and public works sector companies for rail maintenance activities could have an impact on the renewal of certain contracts in the Europorte segment.

Eurotunnel's operations, as well as those of Europorte, are exposed to a risk of competition distortion as a result of the award by public authorities of financial aid to structures operating in their markets that may be considered illegal, including in the matter of the contracts signed by the British Secretary of State for Transport and the ferry companies referred to above.

The Group adapts its commercial strategy to this competitive environment, particularly during operational reviews of its various business segments.

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[16] *Eurostar's 2018 annual accounts: https://medias.sncf.com/sncfcom/finances/Publications_Mobilites/SNCF_Mobilites_2018_Financial_Report.pdf?_ga=2.153838008.1467961832.1553173548-310914170.1552216176.*

[17] *Section 2.3 of this Registration Document: on 1 March 2019, Eurotunnel reached a settlement agreement with the British Secretary of State for Transport.*

c) Terrorist threats or attacks

The Group takes into consideration the risk of a terrorist threat or attack on its installations, particularly those relating to Eurotunnel, or to neighbouring infrastructure required for circulation of the trains or Shuttles. The Group carries out activities on behalf of the States and must implement security and public health measures along with specific measures for the application of national programmes (such as the French Vigipirate security alert system). As stipulated in the Concession Agreement, the Group adapts its operating practices to meet these requirements and to deliver the required quality of service. It is not possible to rule out a change in these requirements that would make it necessary for the Group to adapt its operating and commercial practices, leading to an increase in operating costs or a deterioration in service quality irrespective of the insurance cover in place (see section 3.3 of this Registration Document) and government responsibilities.

Risk management procedures relating to the risk of terrorism have been set up centrally by the Group in coordination with the authorities (armed forces, border police and so on), under the supervision of the French and British governments. This risk is also taken into account in the very design of the Tunnel and the System.

In an environment in which the Vigipirate security alert system will stay at the "heightened risk of attack" level for the whole of the national territory until 6 May 2019, the Getlink review of risks takes terrorism into account.

d) Migratory crisis

In 2018, Europe continued to face a major migration crisis and Eurotunnel further strengthened the means necessary to secure its site. Eurotunnel now has a high level of protection, following a major investment programme and the support of both the French and the British States who are in charge of border controls.

This situation, by its nature, presents a risk in terms of image, corporate social acceptability and the values for which the Group stands. Moreover, the situation could again evolve in Europe and the Group could again have to adapt to a new environment. The political context of the Group's business is a key factor considered by the management, which is establishing jointly with the public authorities concerned, the control arrangements needed to secure the Fixed Link and the safety of customers and employees.

Two years after the dismantling of the so-called "Jungle" camp at Calais, there are far fewer migrants than in 2016 when they numbered between 8,000 and 10,000. Today there are around 400 according to official estimates and around 500 to 600 according to the associations giving them assistance[18]. In 2018, the number of intrusion attempts on the Eurotunnel site remained stable by comparison to 2017, but still remains above the levels of 2010 and thereabouts. In terms of probability, this risk has diminished in mechanical terms as has its probable impact taking into account the measures deployed.

3.1.2 RISKS RELATED TO THE CONDUCT OF THE GROUP'S BUSINESS

a) Implementation of the ElecLink project

With regard to the ElecLink segment relating to the electricity interconnector through the Tunnel connecting the electricity transmission networks in France and the United Kingdom, the Group, as the 100% shareholder of ElecLink, is exposed to the risks relating to the project.

Like all projects, the ElecLink project is dependent on the three usual project dimensions (cost, timescales and quality). At the current, construction stage of the project, during which adhering to timescales has a particular bearing on performance, the value in use of the assets could be affected by reference to their accounting value in the case of a significant delay in the project.

The technical complexity of projects such as this may lead to difficulties in relation to construction and installation. The Group has strengthened the operational monitoring and supervision of this project. Furthermore, the Group has been particularly attentive to securing appropriate insurance cover for ElecLink to cover any damage caused to the Tunnel. Despite all controls, the risk of a disturbance to Eurotunnel activities remains although it is being proactively monitored and effectively mitigated.

Works and operations must be carried out in the Tunnel, which is a highly regulated environment as indicated in section 3.1.4 of this Registration Document. In response to additional requests from the IGC, the safety regulatory authority for the Tunnel, the Group has conducted a large number of studies and commissioned expert reports to enable it to request that the cable pull may begin. In parallel, the works to construct the convertor stations, install the external Tunnel cables and fix brackets in the Tunnel are continuing in line with the original timetable. The authority has imposed specific technical and regulatory restrictions on the project. A delay in carrying out the project could have an impact on the project timetable and the date that the project becomes operational, on future revenue and on the expected return on investment.

What is more, regulatory changes could also have an impact on the activity and revenue of this segment. As a matter of fact, a no deal Brexit could have negative consequences for the market mechanisms for British interconnectors; they could encounter technical restrictions in accessing European market coupling platforms, which could lead to less efficient allocation of cross-border capacity between the connected markets. The imposition of tariffs on the import of electricity or an increase in supplementary charges by national networks could alter the economic model.

As indicated in section 3.1.1.a), a change in the business model due to the regulatory framework or political and regulatory instability after a no deal Brexit could affect the profitability of the project. Since its activity is closely linked to energy trading, the ElecLink segment will be subject to the risk of fluctuations in French and UK wholesale electricity prices once it goes into operation. Less favourable market conditions than forecast in respect of the commercialisation of the interconnector may have a negative effect on the profitability of the project. As indicated in section 3.1.1.a) of this Registration Document,

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18 *www.la-croix.com/France/Immigration/A-Calais-pression-migratoire-desormais-contenue-2019-01-02-1200992761.*

a delay in other planned interconnectors between the UK and continental Europe will further enhance the value of the ElecLink project. Moreover, with the issue of the Senior Secured Notes the Group has shown its capacity to finance the project.

b) Investments and external growth operations by the Group's activities

As part of its development strategy, Getlink SE has pursued in the past, and may pursue in the future, external growth through acquisitions. Such transactions involve a certain number of risks related to their implementation, the integration of the newly acquired activities and personnel, the failure to generate expected synergies, the failure to maintain uniform controls, procedures and policies, the appearance of unexpected costs or liabilities and to applicable regulations or authorisations required especially in the event of divergence of interpretation between the French and British authorities. Consequently, the expected benefits of acquisitions may not be realised in the timeframe nor at the levels expected.

The acquisition processes used by the Group, in particular due diligence procedures, aim for the best possible assessment of the uncertainties that apply to the various risks in such cases.

Against the background of its strategy relating to quality of service and digital transformation, the Group is planning major investments in the next few years, especially in the renewal of its infrastructure and rolling stock as described in sections 1.2.4 and 1.6.2 of this Registration Document. Investments have to be planned several years before they are put into service. The length of the investment cycle carries risks for the expected return on past investments. The uncertainties linked to this type of long-term investment could cause significant budget overruns. Against this background, the Group has created a new Projects and Engineering Department in order to identify, prioritise and coordinate projects better.

c) Operational risks

i) Operational risks inherent in rail transport and infrastructure operation

Maintenance

The Group has more than 25 years' experience in maintaining its rolling stock, equipment and infrastructure. It has a standard maintenance programme, a long-term, large-scale maintenance programme, as well as a rolling stock and equipment replacement plan as indicated in section 1.2.4 of this Registration Document. However, given the specific nature of the Fixed Link's rolling stock, equipment and infrastructure, the particular conditions of use in a saline environment (cause of corrosion), and intensity of their use as well as technological advances, these programmes and plans may prove insufficient or unsuitable, particularly in the event of premature obsolescence or an increase in technical faults. This could lead to unforeseen costs or to partial or temporary interruptions of service that could affect the Group's activity, financial position or results. In addition, the work to install high-voltage cables in the rail tunnel as part of the ElecLink interconnector project may affect traffic.

The Group has implemented standardisation and reconditioning programmes designed to reduce future maintenance needs and improve the availability of its rolling stock. The impact of the new industrial solutions introduced to improve operating performance may be hard to master and could lead to temporary disruptions to services. Regarding ElecLink, a number of control mechanisms have been put in place to avoid disruption to Tunnel maintenance during the construction phase.

The five year plan covers major infrastructure and rolling stock renewal projects. The new way in which Eurotunnel is organised, with the creation of a dedicated Projects and Engineering Department, aims to strengthen the leadership of maintenance production and future investment projects.

People safety

During the operation, repair or maintenance of its systems, technical incidents or accidents may jeopardise the safety of Group employees and subcontractors and accordingly, raise the risk of a claim against the Group or its legal representatives, in particular regarding workplace accidents. Due to changes in legal standards and case law towards greater protection of victims, the causes of these accidents can be recognised before the relevant court as being events giving rise to civil or criminal liability of the Group, its subsidiaries and/or the delegates concerned resulting in a civil or criminal conviction with a corresponding impact on the Group's image.

Preservation of the health and safety of team members is a priority for Getlink. It is based on the assessment and prevention of occupational risks within the business. The Group is committed to implementing all safety plans necessary to ensure the safety of all persons working on its sites. The prevention measures are set out in section 3.4.2.a)iii) of this Registration Document.

Rail safety

Safety-related and fire risks in the Tunnel are covered by the design of the System itself and by a series of principles, procedures and controls that have been validated by the IGC. The prevention measures are set out in section 3.4.2.a)iii) of this Registration Document. With regard to past incidents, the occurrence of another major fire could result in a substantial increase in insurance premiums. Whilst the effectiveness of the SAFE stations and the Salamandre Plan reduces the impact of this historical risk, the likelihood of recurrence cannot be reduced.

The Group regularly monitors innovations in fire detection and prevention systems. The Group also takes into account the fact that these risks could come from external entities using the Group's facilities.

Safety: duty of excellence and first priority

The growth of the Group depends largely on its capacity to conduct its activities safely and efficiently. This requires the full involvement of every one of the Group's team members at their respective levels of responsibility and all sub-contractor teams and personnel present on the Group's sites taking personal ownership of the rules. The Group seeks to strengthen the culture of safety of each individual involved in its activities.

ii) Inherent risks attached to the activities of the Railways and Railway Companies

The Railways' businesses, being the Group's principal customers, could have a significant impact on the Group's financial position. The Tunnel is used by High-Speed Passenger Trains and Train Operators' Rail Freight Services, whose results could be affected by external events and circumstances beyond the control of the Group.

The Group does not operate these services and cannot exert direct influence over the commercial operation of High-Speed Passenger Trains or the Train Operators' Rail Freight Services. The performance, service level (timetable, catering on board and so on), capacities and prices offered by these operators to their customers, along with other factors that may be beyond the operators' control, influence the use of their services which, in turn, may affect the revenue that the Group receives from the Railways and Railway Companies.

The Train Operators' Rail Freight Services face organisational problems relating to coordination of national operators, regulatory and labour constraints specific to the rail sector, technical constraints of the rail network lines used and the priority of freight versus passenger traffic on infrastructure within the European Union. These barriers to development could make it hard to achieve significant growth in the volumes transported by the Train Operators' Rail Freight Services, and could even lead to a substantial decline in traffic. High-Speed Passenger Train services are also faced with barriers to development and notably difficulties implementing efficient border controls and obtaining rolling stock authorisations, which can delay, restrict or stop the development of services to new destinations. A significant portion of the Group's revenue therefore depends on the successful operation of these services by entities over which it has no control.

As indicated in section 3.1.1.a), a no deal Brexit could affect rail operators.

The railway facilities used by the High-Speed Passenger Trains and rail freight trains that are situated outside the Group's Concession could be subject to disruption from various sources. This could result in the stoppage or reduction of this traffic as was the case in 2015 on the SNCF Réseau Fréthun site. Such events could have a negative impact on the Group's revenue derived from the usage of its Railway Network.

The Railway Companies are subject to a risk of a reduction in the market due to the terrorist threat, which could lead to a change in passenger behaviour such as was seen with the slow-down in Eurostar traffic in 2016. Nevertheless, 2018 saw an increase in traffic due to the opening of the new line to Amsterdam in April. This risk is difficult to control since it is external to the Railway Companies and the Group and it depends on geopolitical conditions.

The risk inherent to the business and development of Railways and Railway Companies is mainly external to the Group since it does not have actual control over the activities of the Railways nor the Railway Companies. Nevertheless, the Group actively participates in the development of this activity, such as in the pricing framework of the Railways Usage Contract defined in the Network Statement. This aims to offer access conditions that are efficient, stable and encourage the growth of the Railway Companies. In particular, the ETICA scheme (Eurotunnel Incentive for Capacity Additions) provides non-discriminatory support for the development of new services by the Railway Companies during the key start-up phase and the increase in traffic. In parallel, the Group conducts regular communication actions and cooperative initiatives with the authorities (government ministries, IGC, ARAFER, ORR) and railway players (Railway Companies, infrastructure managers), to help them understand and progressively reduce the barriers to growth. In this context, the Group works with the authorities, Railway Companies and infrastructure managers to facilitate the development of new destinations and improve the competitiveness of rail services.

d) Risks related to information systems

In recent years, cybercrimes against companies, public bodies and individuals have demonstrated that digitalising company processes brings new risks. Cyber security is a key issue that must go hand in hand with digitalisation. This challenge was identified as an absolute priority at the highest level of Group management and is taken into account as early as the system design phase. The prevention measures are set out in section 3.4.2.a)iii) of this Registration Document.

Cyber security governance is led by an information systems security committee bringing together all Group departments. This committee identifies risks, reviews management and audit reports and monitors implementation of action plans. Operating teams, assisted by service providers certified by the French National Agency for Information Systems Security, work continually to improve cyber security in four key areas: protecting systems, team members and sub-contractors; making team members more aware through communication campaigns and simulated phishing emails, detecting unusual activity and drafting multi-scenario crisis management plans. These challenges remain a priority for 2019 and coming years, and since 2017 the Group has implemented an ambitious digital plan to enrich and improve the services offered to its customers and optimise the efficiency of internal processes. Collaborative working systems, mobile applications and Big Data and Cloud solutions are being rapidly developed.

e) Defaulting suppliers or subcontractors

i) Defaulting subcontractors

The Group relies on subcontractors for parts of its business, particularly relating to security, cleaning (primarily industrial) and vehicle chocking. It is possible that some of these subcontractors might fail to fulfil their obligations, which could affect the Group's results or financial position.

Subcontractor default risk is managed through the Purchasing Department's careful supplier selection procedure, as well as through the monitoring of suppliers' financial position and close contract management.

ii) Defaulting suppliers

The rolling stock and some of the Eurotunnel installations have been supplied in very small volumes by a very limited number of suppliers to meet highly specific operating requirements. The Group believes that if its original suppliers were unable to supply replacement parts or whole Shuttles for any reason, or were unwilling to do so on acceptable terms, it would be able to obtain suitable materials and equipment from other manufacturers. However, the price or timeframe for such replacements could have an adverse impact on the Group's financial position and outlook.

The allocation by SNCF Réseau of poor quality train paths or their lack of availability could harm Europorte's image and affect its business despite the signature of a framework agreement with SNCF Réseau in 2013.

Equipment and materials risk is managed through the purchase of reserve stocks, the dynamic (annual or half-yearly) review of the panel of suppliers, and research into alternative equipment and technologies. These policies are set out in section 3.4.2.a)iii) of this Registration Document.

The financial health of a supplier is verified by the Procurement Department, which can request the assistance of the Finance Department to validate commitments with the companies concerned.

f) Image and reputation

In a globalised world in which information is quickly shared, a business's reputation and the image of its services can be compromised very rapidly. Circulation in the media of prejudicial information, whether founded or not, facilitated by new technologies and the development of social networks, could affect the Group's reputation. The Group may be exposed to reputational risks, particularly when the Group's values or operational excellence are questioned, or when its legitimacy as an infrastructure manager or transport operator or its capacity to respond to changes in border controls, which could arise within the scope of Brexit, are challenged, which could have a negative effect on the Group's business, results, image and development outlook.

As a business whose reputation and issues have a national or even European impact, the Group is attentive to early warning signs from stakeholders that could damage its image and/or reputation. The Group is aware that its behaviour as a binational company is subject to scrutiny in a demanding political, economic and social context. The Group does not shirk from its responsibilities as a corporate citizen and defends its values of safety and quality of service, and the national laws and regulations of both countries, especially with regard to border management and security of their populations. Through its organisation and procedures, the Group makes every effort to prevent the occurrence of such risks. The deployment of the Charter of Ethics throughout the Group and the establishment of the anti-corruption policy aim to strengthen awareness of the rules of conduct on which the integrity and ethics of the Group are founded.

g) Risk of internal control and risk management failure

The Group has put an internal control system in place which, however satisfactory it may be, can only provide a reasonable assurance that business objectives will be achieved, since there are inherent limits to any control. The Group cannot exclude the risk of internal control failure that may expose it, in particular, to identity theft and, more generally, fraud.

The internal control and risk management system is described in section 3.4 of this Registration Document. In respect of fraud and corruption, an awareness programme has been rolled out (operational scenarios, whistleblowing mechanisms as well as existing controls and procedures). The Group has mapped these risks separately and has set up online training for the prevention of corruption risks. This approach, using identification and prevention, strengthens awareness of the Group's risks and builds on existing work in order to establish appropriate action plans. Getlink has decided to launch an awareness programme in 2019, which is called Get Compliant 2019.

3.1.3 FINANCIAL RISKS

a) Exchange rate risk

The Group prepares its consolidated financial statements in euros. Fluctuations in the sterling-euro exchange rate have an impact on the value in euros of revenue, costs, financial income and expenses, as well as on the assets and liabilities as published by the Group. The following table summarises the exchange rate sensitivity of the Group's profits and equity at 31 December 2018 in relation to sterling exchange rate fluctuations:

€ million	2018				2017			
Variation in exchange rate	**Rate**	**Published**	**+10%**	**10%**	**Rate**	**Published**	**+10%**	**-10%**
Revenue	1.128	1,079	1,125	1,034	1.140	1,033	1,075	991
Operating margin (EBITDA)	1.128	569	601	537	1.140	526	556	496
Pre-tax profit from continuing operations	1.128	129	147	111	1.140	52	62	41
Equity	1.118	2,006	2,220	1,792	1.127	2,051	2,270	1,832

A little less than half of the Group's revenue is generated in sterling, while a larger proportion of expenditure (operating expenses and investment) is denominated in euros. The Group's Term Loan is denominated in sterling for a nominal amount of £1.741 billion and in euros for a nominal amount of €2.075 billion at 31 December 2018.

At 31 December 2018, the Group's balance sheet exposure to currencies was as follows:

€ million	Assets	Liabilities	Foreign currency commitments	Net position before hedging	Hedging instruments	Net position after hedging
Euro	1,370	(3,397)	–	(2,027)	–	(2,027)
Sterling	697	(2,592)	–	(1,895)	–	(1,895)

The assets and liabilities in the above table do not include fixed assets or equity, which are carried at historical exchange rates.

The Group's various business activities result in receivables and payables between the different Group companies, sometimes in different currencies, particularly between Getlink SE and its subsidiaries. The Group arranges funding for its various business activities. These intra-Group financing arrangements may generate currency imbalances which, taking account of exchange rate risk and depending on the direction of the funding flows, may automatically translate into losses in the consolidated financial statements.

The Group is working on improving the match between the currencies in which its revenue and costs are denominated. The Group also uses exchange operations to ensure optimum management of this risk. However, there is no guarantee that these measures will significantly reduce the risk borne by the Group in the event of a fall in the rate of sterling against the euro nor that they will ensure that the materialisation of this risk would not have a significant impact on the Group's financial position and/or its ability to service its debt.

In addition to the measures described above, the Group's Finance Department continually monitors movements in the sterling-euro exchange rate, while its Treasury Risk Management Committee receives formal monthly reports containing forecast and actual exchange rate fluctuations. The work of the Treasury Risk Management Committee is reported to the Getlink SE Audit Committee. The measures are set out in section 3.4.3 of this Registration Document.

b) Rate risk

The Group's net financial liabilities at the closing rate on 31 December 2018 was €4,592 million. The maturity of the Group's financial assets and debts is set out below:

€ million	Under 1 year	1 year to 5 years	Over 5 years
Financial assets	5	26	191
Financial liabilities	55	785	3,974
Net position	**(50)**	**(759)**	**(3,783)**

As part of the Group's treasury management procedures described in section 3.4.2.b)iii) of this Registration Document, the Group Finance Department continually monitors movements in inflation and interest rates and the Treasury Risk Management Committee receives formal monthly reports containing forecast and actual rate changes.

i) Interest rate

As indicated in note G.10.3 to the consolidated financial statements in section 2.2.1 of this Registration Document, the risk of adverse movements in interest rates during the life of the Term Loan is covered by the fact that 11 tranches of the loan are at a fixed rate and three tranches, refinanced in 2017, are at fixed rates for periods of 5, 10 and 12 years before returning to floating rates hedged by a swap converting the floating rates to fixed rates for the remainder of the Term Loan. The Senior Secured Notes are also at fixed rate and do not carry any exposure to interest rate risk.

ii) Inflation rate

As indicated in note G.10.4 to the consolidated financial statements in section 2.2.1 of this Registration Document, the inflation risk affects both interest and principal repayments on the six inflation-linked tranches denominated in sterling and in euros in the Term Loan. By way of illustration, a one-point increase or decrease in the inflation rate would have an annual impact of €15 million on the amount of the principal of the A tranches.

c) Credit and counterpart risks

Customer credit risk

The Group's exposure to credit risk stems from its customers in the United Kingdom and Eurozone countries, with the exception of:

- the Railways which are public institutions and which accounted for 28% of the Group's revenue in 2018;
- the Passenger Shuttle customers, who pay for their tickets in advance, particularly via the Internet, so the credit risk in relation to these customers is consequently very limited.

The Group's maximum exposure to credit risk on trade receivables, as well as the ageing of those trade receivables and the provision for bad debts, is explained in detail in note D.6 to the consolidated financial statements in section 2.2.1 of this Registration Document.

Credit risk is limited in view of the distribution and volume of the customer portfolio. In fact, revenue from the Group's five largest customers, not including the Railways, only accounted for 5% of its total revenue in 2018.

The Group manages its customer credit risk through a credit policy requiring that every new customer undergo a credit check before being able to benefit from the Group's standard credit terms. The Group's credit risk exposure to account customers is managed by the continuous monitoring of their financial position and of their outstanding debt in relation to the credit limits and payment terms granted to them.

Suppliers

The Group is exposed to counterparty risk with its suppliers, which is the risk that the contracting party fails to fulfil its commitments (delivery, payment, repayment etc.).

The Group's exposure to counterpart risk with its suppliers is managed by framework agreements that contain standard mechanisms such as third party guarantees.

The French law on due diligence requires that suppliers be monitored during the contract period. The Group has entrusted its duty of vigilance to an external company that collects and verifies suppliers' regulatory and legal documents.

Following an inspection by the DGCCRF (French competition and consumer affairs authority) relating to the payment delays on the part of a Getlink SE subsidiary, the Group has established a plan to tighten controls by a digitalisation and internal communication plan.

Short-term investments

The Group's maximum exposure to credit risk on short-term investments is set out in note G.10.5 to the consolidated financial statements in section 2.2.1 of this Registration Document.

The Group limits its exposure to credit risk by investing only in (i) term deposits and certificates of deposit with a maximum maturity of 12 months, and with counterparties with a short-term rating of at least P-1 and a long-term rating of at least A2 from Moody's, and (ii) money market funds with a long-term rating of AAA from S&P or Aaa from Moody's.

The amounts invested by the Group in any one fund or money market fund cannot exceed €120 million or £100 million per fund or SICAV (open-ended collective investment scheme) denominated in euros and pounds sterling respectively. Investments in term deposits or certificates of deposit with the same counterparty may not exceed €100 million or £83 million, this limit having been temporarily increased to €125 million following the recent issuance of the Senior Secured Notes.

The Treasury Risk Management Committee monitors the Group's compliance with this investment policy.

Liquidity risk

A significant proportion of the Group's operating cash flow is taken up by interest payments on the Term Loan and, since 2013, ongoing repayment of the principal until 2050. This commitment could reduce the Group's capacity to finance its investment expenditure or any external growth operations.

A detailed analysis of the Group's financial liabilities by contractual maturity is presented in note G.10.2 to the consolidated financial statements in section 2.2.1 of this Registration Document.

The contractual conditions pertaining to the Group's financing and, in particular, the cases of default and early repayment, as well as the financial covenants with which Eurotunnel Holding SAS must comply in servicing its debt, are set out in section 8.1 of this Registration Document and in note G.1.2 to the consolidated financial statements in section 2.2.1 of this Registration Document.

The contractual conditions pertaining to the hedging instruments put in place by the Group on the floating-rate portion of its debt in the form of swaps are set out in note G.1.2.c) to the consolidated financial statements in section 2.2.1 of this Registration Document.

The Group manages its liquidity risk exposure through centralised treasury management within the Group's Finance Department, which continually monitors the Group's liquidity position. Short and medium term cash forecasts are drawn up each month and presented to the Treasury Risk Management Committee, chaired by the Corporate Finance Director and including the Group Director of Financial Control and the Group cash manager and their principal managers. The Group has carried out a specific review of its liquidity risk and considers that it is able to meet its future obligations.

As indicated in section 2.1 of this Registration Document, at 31 December 2018, the Group was in compliance with its debt service cover ratios (financial covenants).

Following the internal legal reorganisation of the Group in April 2018, which took effect by the transfer in kind of Getlink SE's holding in the two Concessionaires to Eurotunnel Holding SAS, the rating previously applied by Moody's to the Group and the CLEF notes (Baa2) now applies to the CLEF notes only. Getlink SE's Senior Secured Notes are rated BB (negative) by S&P and BB+ (stable) by Fitch.

d) Energy and commodities risks

Eurotunnel uses electricity as its main source of energy, particularly for train traction. The supply of electricity represents a significant expense for the Group (accounting for about 7% of overall operating expenditure in 2018) and an overall major increase in the cost of commodities and electricity could have an adverse impact on the Group's results.

In the light of the highly volatile energy market, the Group has a risk management policy which covers both market price and volume risk.

Volume purchases on the British wholesale market are performed under annual contracts. Purchases are made in tranches to spread the risk, based on fundamental and technical market analysis.

To mitigate volume risk, the Group closely monitors its electricity use and regularly updates its forecasts.

In the power supply contracts, the volume constraints imposed by electricity suppliers are negotiated in such a way as to reduce the Group's volume risk (possibility to change contractual volumes without financial penalty).

The Europorte entities favour the use of electrical power. Whenever these subsidiaries use diesel locomotives, the cost price of traction may be affected by a change in the fuel price. A campaign to raise train driver awareness of economical driving practices has been in place since 2017.

For Europorte, the risk associated with changes in the price of fuel is covered by price revision clauses in its contracts with customers.

e) Risk on shares and other financial instruments and significant volatility in the share price

The operational cash flow of the subsidiaries is invested in short-term and liquid investments in order to manage liquidity risks.

The Group's investments are governed by its treasury policy and are therefore limited to the list of financial instruments detailed in "Short-term investments" above. The Group does not invest in shares, interest rate instruments or other derivatives.

These limits permit management of the risk of default by a given issuer, based on the average credit rating of all the bonds of that issuer (companies, States, state-owned companies and agencies), and account for all of the Group's exposures. The Group ensures that these limits are complied with through specific governance. Each month, the risk management committee checks that exposure is maintained within the acceptable limits and determines the actions to be taken in case of excessive concentration of risk. The work done is reported yearly to the Audit Committee. In recent years, notably with the announcement of the UK Brexit referendum vote, stock markets have seen major fluctuations that have not always reflected the results of the companies whose shares are being traded.

f) Risks related to retirement benefits

In the United Kingdom, the Group administers two defined benefit pension schemes:

- the main pension scheme, The Channel Tunnel Group Pension Fund, which changed in 2010 from a wholly defined benefit plan to a hybrid scheme (part defined benefit and part defined contribution);
- an historic defined benefit plan (Senior Executive Pension Fund, open only to senior managers who joined prior to 2000).

An independent actuary values the schemes' assets and liabilities. The present value of the schemes' assets, which are not due to be realised in the short term, may change significantly as a result of market developments.

When the valuation of the schemes' assets and liabilities reveals underfunding, the Group can be asked to fund the shortfall within the framework of a plan extending over a period of up to 10 years. A deficit was recorded when the Channel Tunnel Group Pension Fund value was last assessed in 2017 and the Group was required to set up a deficit recovery plan of £1.6 million per year for a nine-year period.

Risks associated with the UK pension schemes are managed through a regular review process and meetings with the trustees, actuaries and other professional advisers.

3.1.4 LEGAL RISKS

a) Risks relating to the regulated nature of Getlink's business

The Group operates in a highly regulated environment, which results in a high degree of dependency on decisions and measures over which the Group has very little or no influence. Even if regulatory developments bring new market opportunities for the Group's activities, they also generate risks. Future changes in regulations, particularly in the context of Brexit, their interpretation or their application by the regulators, the authorities or the courts may lead to additional costs for the Group and affect its activity, its financial position and its results. As an example and as indicated in section 3.1.1.a) of this Registration Document, tightening the measures taken to enforce regulations governing customs, immigration and excise duty could cause delays or affect customer satisfaction levels. The relevant authorities could also adopt other stricter rules or rules in new areas that are not currently considered, with similar effect.

The Group is aware of the strong legal and regulatory framework in which it operates and seeks as far as possible to conduct communication actions and implement measures to safeguard the Group's interests.

Fixed Link

The operation of the Fixed Link is subject to detailed regulations drawn up by the Intergovernmental Commission (IGC) and the Safety Authority. These entities have been set up to monitor, on behalf of the States, all issues related to the construction and operation of the Tunnel. The Fixed Link is governed by bilateral agreements between France and the United Kingdom (presented in chapter 8) as well as by constantly evolving European regulation, which includes in particular the European rail directives[19].

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[19] *Directives 2012/34/EU establishing a single European railway area and 2016/2370/EU amending the aforementioned Directive as regards the opening up of the market in domestic passenger transport services by rail and the governance of railway infrastructure. Directive 2012/34/EU lays down the excepted status of the Fixed Link as an integrated transport system in Article 2.9: "This Directive shall not apply to undertakings the business of which is limited to providing solely shuttle services for road vehicles through undersea tunnels or to transport operations in the form of shuttle services for road vehicles through such tunnels except Article 6(1) and (4) and Articles 10, 11, 12 and 28."*

It is necessary to transpose these directives in order to apply them to the Tunnel. These directives can also be subject to change and interpretation by administrative authorities and courts, and the associated regulations could even be significantly tightened by national or European authorities. Directive 2012/34/EU provides in particular for the existence of an independent railway control body. Since the IGC can no longer exercise these functions, they have been conferred on two national authorities, ARAFER for the French side and the ORR for the British side. This could lead to a risk of discrepancy between the laws and the interpretation of the texts and even more so in the context of the UK's exit from the European Union, which for example affects the structure of rail infrastructure tariffs and thus the revenues of the Eurotunnel segment. As indicated in chapter 8 of this Registration Document, Directive 2016/2370/EU from the fourth rail package, exempts the Fixed Link, as a public-private partnership not receiving public funds, from the prohibition on intragroup financial flows.

As indicated in chapter 8 of this Registration Document, the Concession Agreement may be terminated by the two States in the event of force majeure, particularly in the event of war or a serious breach by the Concessionaires of their obligations under the Concession Agreement. Furthermore, if the Concessionaires should be in breach of their obligations under the Concession Agreement, the IGC could impose significant daily penalties. It is within the competence of the IGC to take decisions that would have a major impact on the activity. The regulatory authorities could also adopt new measures relating to safety, security or other matters, particularly concerning infrastructure access conditions particularly as part of the ElecLink project or, more specifically, the development of more rigorous border controls. These measures could be strengthened and have an impact on Eurotunnel's operations, for example by leading to a reduction in the quality of service and to customer dissatisfaction especially in the context of Brexit. The Group works constantly with the national authorities to minimise the impact of these controls on traffic flows on its terminals.

The Concession Agreement under which the Group operates the Fixed Link may only be modified through amendments negotiated with the two States. These negotiations could be long and complex. Should it be necessary to make rapid adjustments because of economic, financial or technical developments affecting the Group, the specific terms of the Concession Agreement could limit the Group's ability to adapt or to adjust its business to those developments, which could in turn affect its results and financial position. However, the obligations under the Concession Agreement require the States to adopt specific behaviour in the exercise of their functions. The Concessionaires benefit from the Concession Agreement, which guarantees their rights with regard to the States until 2086. In particular, they have the right to obtain compensation for damages resulting from a violation of the Concession Agreement by the States.

A dedicated department, the Public Affairs Department, oversees compliance with the rights and duties arising from the Concession by both the ceding States and the Concessionaires, and liaises between and closely monitors relationships with IGC, the French regulatory authority ARAFER and the corresponding British regulatory authority ORR, which are responsible for economic regulation of the Fixed Link, as well as the national and European lawmakers. The Concessionaires and the regulatory authorities are working together in a collaborative approach and have established a multi-year work programme in order to optimise dialogue.

Europorte

In France, the costs of access to the national rail network are high. As a follow-up to the French Grenelle de l'environnement (Grenelle environment round table), the public authorities set up subsidies paid by the French government to SNCF Réseau on train path prices, in order to compensate for the increase in charges resulting from SNCF Réseau's application of principles laid down by European law (principle of coverage of the directly attributable cost). A reduction of French government funding to SNCF Réseau and a change in the method of calculating toll prices taking account of train tonnage could significantly increase the operating costs of railway companies, including Europorte. This would be likely to significantly disrupt the market and the pricing policy, and to threaten the competitiveness of rail freight in the long term. The lack of predictability in the price of train paths invoiced by SNCF Réseau to Europorte affects the latter. Europorte is not subsidised by the French government.

In the area of transport, the public authorities are recommending the promotion and development of alternative modes of transport. Encouraging a modal shift from road to rail is one of the main levers of this policy. Yet, France's secondary rail network, which was historically very extensive, has been neglected and, following a lack of maintenance and use, is gradually being dismantled. However, this network is essential to the survival of rail freight, since it allows a large part of freight flows to be channelled into the main network. Without political will on the part of the players responsible for developing transport infrastructure and the implications of that lack of political will for the modal shift in strategy, the progressive deterioration or eventual disappearance of the feeder networks could have a major impact on Europorte's revenue.

The new harmonised social framework for railway worker employment conditions (both freight and passenger) is one of the pillars of European railway reform. A foundation decree sets common rules for organisation and working time, guaranteeing "safety and continuity of public service requirements". This decree was supplemented by a sector agreement and a company agreement that does not call into question Europorte's productivity efforts.

In view of the external risks arising from changes in the contributions allocated by the French state and the implementation of a harmonised labour framework in France, the Group continues negotiations and is undertaking all possible actions to communicate and defend its interests with the relevant parties.

b) Risks related to non-compliance with competition law

The provisions of competition law, the application of which is controlled by the French and British competition authorities and the European Commission, applies to the Group's entities in the countries in which they are active (France and the United Kingdom). Violation of competition law is punishable with fines and, in certain countries, can render the individuals involved liable to criminal sanctions. Any proceedings initiated by a competition authority could, in the event of a guilty verdict, give rise to the payment of fines and, where appropriate, damages and interest, which could have a significant impact on the image of the Group, its financial position and its results.

The Group's management of legal risks is carefully monitored by several departments and, in particular, by the Group's Legal Department through a monitoring procedure and meetings with the relevant operational departments.

c) Risks related to failure to meet contractual obligations

Like any business, the Group is, by definition, exposed to risks related to failure to meet its contractual obligations to its customers, suppliers, employees and financial partners.

Customers

The Concessionaires' obligations to the Railways under the Railway Usage Contract which ends in 2052, or to Railway Companies under the Network Statement, and the consequences of failing to meet those obligations are detailed in chapter 8 of this Registration Document. It cannot be ruled out that the Railways may wish, before the end of the Railway Usage Contract, to renegotiate it or dispute certain of its provisions. The Group did not see any significant reduction in the Railways' contributions to its fixed annual charges in 2018 as a result of unavailability of the Fixed Link.

In the context of monitoring this risk, the Railway Network Department is in continuous discussion with the Railway Companies: in June 2015, the Concessionaires and Eurostar agreed a Railway Usage Contract application agreement covering contributions to operating, maintenance and renewals costs of the Fixed Link railway infrastructure for the years 2015 to 2019 inclusive. In accordance with European Directives, this agreement was negotiated under the auspices of the IGC in its role as railway regulator, to ensure compliance with transparency, equality and non-discrimination requirements.

As part of its transport activity, the Group carries passenger vehicles and trucks on board its Shuttles and is exposed to the risk of failure to fulfil its contractual commitments to its customers. The Group's commitments to its clients (passenger vehicles and trucks on board its Shuttles) are governed by its general conditions of carriage.

The growth in Europorte's activity is exposed to the risk of dependence on keys customers. Within its rail freight transport and industrial site management business, Europorte has taken into account the risk of dependency on key customers in its strategic plan.

Suppliers

The Group is exposed to the risk of failure to fulfil its contractual commitments to its suppliers.

The risk of default by suppliers and subcontractors is detailed in section 3.1.2 of this Registration Document.

The Group's purchasing procedures and general purchasing conditions set forth the terms of payment for supplier invoices. The conditions applied by the Group in France are compliant with the obligations defined in the French law on economic modernisation of 4 August 2008. The Group has established systems and procedures for processing supplier invoices to make sure that they are paid in accordance with the contractual terms and conditions.

Following an inspection by the DGCCRF (French competition and consumer affairs authority) relating to the payment delays on the part of a Getlink SE subsidiary, the Group has established a plan to tighten controls by a digitalisation and internal communication plan.

The following table shows the payment schedule for the Group's trade receivables at 31 December 2018 and 2017:

Million	**Total**	**Not yet due**	**0 - 30 days**	**31 - 90 days**	**Over 90 days**
31 December 2018:					
France (€)	42.0	32.9	3.0	1.3	4.8
United Kingdom (£)	6.7	5.3	0.8	0.4	0.2
31 December 2017:					
France (€)	48.3	29.6	6.9	5.0	6.8
United Kingdom (£)	6.0	5.3	0.5	0.1	0.1

d) Financial partners

The undertakings under the Term Loan and the Senior Secured Notes are described in chapter 8. These undertakings, combined with the level of the Group's debt and the Senior Secured Notes, could affect its ability to obtain additional financing in the future and limit its ability to react to changes that affect its business or the markets in which it operates. These loans could become subject to early repayment in full should the Group breach certain of its contractual obligations, or in the event of occurrence of the events or defaults mentioned in chapter 8 and notes G.1.1 and G.1.2 to the consolidated financial statements in section 2.2.1 of this Registration Document.

As indicated in section 1.1.3 of this Registration Document, the Group has adapted its legal organisation to enable the introduction of a more flexible financing structure and thereby continue developing the Group, ensuring its ability to create value in the long-term.

As part of its risk management procedures, the Finance Department continually monitors the Group's commitments and restrictions within the framework of the Treasury Risk Management Committee. The tasks and objectives of this committee are part of the internal control system as detailed in section 3.4.2 of this Registration Document.

e) Getlink SE's main shareholders hold a significant percentage of the capital and voting rights

The main shareholders of Getlink SE presented in section 7.4 of this Registration Document could be in a position to exert influence at a general meeting on the Group's corporate decisions requiring shareholder approval. Should one of these shareholders decide to sell a significant number of ordinary shares on the market, the share price could be affected depending on market conditions at the time of the sale, on the terms and volume of the sale, on the reasons for the sale and on the general public's perception of these reasons.

The organisation of corporate governance within the Group (number of independent Board Directors, Board committees) as described in chapter 4 of this Registration Document seeks to mitigate this risk. Every year, the Group strengthens its relationship with investors and shareholders to encourage high-quality constructive dialogue and keep the Board of Directors informed of their expectations.

3.2 LEGAL AND ARBITRATION PROCEEDINGS

In the course of its business, the Group and its subsidiaries can be involved, like any company, in various administrative, legal or arbitration procedures, the most significant of which are discussed in more detail below.

More generally, it cannot be ruled out that, in the future, new legal proceedings, whether related to ongoing proceedings or not, could be brought against any of the Group's entities or their legal representatives. Were such proceedings to have an unfavourable outcome, they could have an adverse impact on the business, financial position or results of the Group, its image or that of its corporate officers.

The Legal, Public Affairs, Human Resources and Finance Departments work to resolve ongoing and potential disputes as well as improving procedures and training aimed at minimising the risk of litigation.

3.2.1 SIGNIFICANT PROCEEDINGS

a) Litigation relating to the cessation of the maritime activity

The cessation of the maritime activity on 1 July 2015 has led to several proceedings, including by the liquidator of SCOP SeaFrance and the AGS (the French insolvency fund for the management of employee claims) as well as the legal challenge by DFDS as to the exercise price of the put options for the two ferries.

Regarding the sale of the ships, DFDS brought a claim in arbitration for restitution of part of the purchase price. The Group considers that the amount paid corresponds to the terms of the agreement. The arbitration case was heard in December 2018 and the verdict is awaited in the first quarter of 2019[20]. The losing party may request a second instance review by a new panel of arbitrators.

The liquidator of SCOP SeaFrance, ex-charterer of the ships, has brought a claim before the Commercial Court in France to obtain payment of an alleged debt based on charter party and capacity contracts concluded between MyFerryLink SAS and SCOP SeaFrance. SCOP SeaFrance's claim was unsuccessful before the Commercial Court of Lille; it then decided to bring a claim before the Commercial Court of Boulogne-sur-Mer which has not set a procedure timetable (such a timetable is not mandatory, it depends on each court). MyFerryLink SAS has a significant receivable on SCOP SeaFrance in respect of penalties for the late delivery of ships. This receivable is impaired.

On 1 December 2017, the liquidator filed an action before the enforcement judge to obtain payment of the penalty imposed by the Commercial Court of Boulogne-sur-Mer concerning the communication of certain documents. The principle relating to the communication of documents and whether the penalty, the amount of which had been fixed by the Court, is justified are the subject of an appeal to the Court of Appeal of Amiens.

On 12 May 2017, the liquidator filed an action before the Commercial Court of Paris to obtain recognition of the existence of a *de facto* partnership between SCOP SeaFrance, Getlink SE and its maritime subsidiaries. The Commercial Court rejected all of the liquidator's claims and ordered it to pay court costs in a judgment delivered on 30 January 2018. On 8 March 2018, the liquidator lodged an appeal against this judgment. The Court of Appeal of Paris has appointed a court mediator in order to reach an amicable settlement.

The AGS (wage guarantee insurance association) brought a claim before the Commercial Court of Paris in August 2016 to obtain the reimbursement of the sums paid to SCOP SeaFrance as salary debts. The claim concerns the corporate owners of the ships and the holding company, as well as MyFerryLink SAS and Getlink SE. The proceedings are at the pre-trial stage and are also the subject of the court mediation as set out in the preceding paragraph.

The Société d'Exploitation des Ports du Détroit (SEPD, the company operating the ports of Calais and Boulogne-sur-Mer) brought a claim before the Commercial Court of Lille to obtain payment of port fees in relation to the mooring of the Rodin and Berlioz ships during the summer of 2015. The Group contests the claim on the grounds that the operator alone, namely SCOP SeaFrance, is responsible for such fees.

b) Litigation relating to Eurotunnel activity

The expert measures expedited at the Concession site following the 2008 fire have ended. The Court experts have filed their report at the Commercial Court. The carriers' claims, which have been frozen since 2008, will now be considered by the competent court. The Group's insurance policies cover such claims and the Group's interests will be defended by its third-party liability insurer.

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[20] *Arbitration decision given on 25 February 2019, see section 2.3 of this Registration Document.*

In 2016, France-Manche SA was indicted following a workplace accident in 2011 during work in the Tunnel involving a subcontractor. The criminal investigation is still in progress and may last several years.

No natural persons from the Group, managers or otherwise, have been indicted. The safety of employees and subcontractors remains the Group's priority as set out in chapter 6 of this Registration Document.

c) Litigation relating to Europorte activity

Following a tendering process launched by the Grand Port Maritime de Bordeaux (GPMB) to operate the Verdon port terminal, Europorte entered into a terminal operator agreement with GMPB, and a contract for port handling services with Société de Manutention Portuaire Aquitaine (SMPA) in 2015.

In 2016, following discussions between the various stakeholders aimed at establishing the necessary conditions to start operating the terminal, in what was a difficult social and competitive environment, Europorte terminated the above contracts in application of the relevant contractual provisions. GPMB nonetheless decided to substitute the initial contractor for SMPA, at Europorte's risk and expense. This decision was initially overturned by the Administrative Court of Bordeaux but later upheld by a Council of State order dated 14 February 2017. Several actions are ongoing before the Bordeaux Court, firstly to cancel this decision (claim for damages lodged by Europorte on 10 August 2018) and secondly to contest the late payment penalties and occupation fees invoiced to Europorte by GPMB (appeal of the judgement of the Administrative Court of Bordeaux of 2 July 2018 having partially allowed the enforcement orders in question).

SMPA has been unable to operate the Verdon port terminal. Its appointment ended on 21 March 2018 pursuant to the provisions of the port terminal agreement. The tendering process to award a new port terminal agreement launched by GPMB on 7 July 2017 has been declared unsuccessful.

By order dated 28 June 2017, receivership proceedings have been launched before the Commercial Court of Bordeaux in respect of SMPA. The proceedings were extended pending the hypothetical recommencement of SMPA's operations, the legal administrator having proposed a plan to clear the debts. On 23 December 2017, SMPA brought an action against Europorte before the Commercial Court of Bordeaux to obtain compensation for alleged damages.

d) Tax audit

The audits of the accounts launched by the tax authorities for the years 2010 to 2012 have now been completed. The review was concluded by a non-material adjustment. As the Group seeks to comply with tax laws and regulations that apply locally, it uses a network of tax professionals to ensure compliance with its obligations and limit the tax risk to a reasonable and usual level.

3.2.2 IMPACT ON THE FINANCIAL POSITION AND PROFITABILITY OF THE GROUP

As far as it is aware, and subject to the paragraphs above, the Group and its subsidiaries have not during the last 12 months been involved in any judicial or governmental proceedings or arbitration that is ongoing or suspended, which could have or has had a significant negative effect on its financial position or profitability.

As at 31 December 2018, the amount of provisions for all litigation or procedural risks in which the Group is involved amounts to €12 million.

3.3 INSURANCE AND RISK COVERAGE

Getlink SE's insurance programmes consist primarily of policies covering material damage and business interruption (including terrorism) and third-party liability.

Regarding the Fixed Link, the insurance policy for damage to property and operating losses (including terrorism) covers up to a total limit of €700 million, now in a single layer. The policy was renegotiated and renewed on 1 January 2017 for a period of three years, ending on 31 December 2019.

The third-party liability policy taken out by the Group (except specific programmes) was also renegotiated and renewed on 1 January 2019 for a period of two years, ending on 31 December 2020.

The specific insurance programme for EPF, EPP and Socorail which was already in place, has been renewed for the period 1 January 2019 to 31 December 2019. It includes, in particular, cover for material damage and business interruption, third-party liability and environmental damage.

In certain circumstances, payments by insurance companies under existing insurance guarantees may not be sufficient to cover all of the loss suffered. Losses in excess of the agreed indemnity limits or the application of deductibles or certain exclusion clauses could result in the Group incurring unforeseen costs, affect its business, financial position or results.

In addition, changes to the insurance market and the occurrence of operational incidents could lead to an adverse change in the Group's insurance programme and the terms and conditions of such insurance, such as the level of premiums, the level of insurance deductibles and the scope of any exclusions which could have an adverse impact on the Group's business, financial position or results.

As part of these risk management procedures, the Group constantly monitors the adequacy of coverage and actions to be undertaken. In 2018, the insurance coverage was sufficient for the needs of the Group.

3.4 INTERNAL CONTROL AND RISK MANAGEMENT ARRANGEMENTS

The control environment, which is essential to the internal control system, to good risk management and to the application of procedures, relies on behaviour, organisation and team members. It is part of a culture of commitment and rigour communicated by the Group. Individual and collective commitment is essential to the adoption of behaviour founded on integrity and transparency, in order to act ethically and contribute to the long-term success of the Group.

Each year the Group develops and strengthens its compliance culture with a new Ethics Charter, which is the bedrock on which the set of internal policies, code of conduct and procedures adopted by Getlink are based. The Chairman and Chief Executive Officer sends out a strong message of "zero tolerance", in particular in the fight against corruption.

This section presents the internal control and risk management measures taken by the Group, including management of ethics and compliance risk.

3.4.1 DEFINITION AND OBJECTIVES OF INTERNAL CONTROL AND RISK MANAGEMENT

a) Legal and reference framework

Pursuant to article L. 225-100-1 of the French Commercial Code, the Getlink SE Board of Directors presents, in its management report, the main aspects of the internal control and risk management procedures implemented by the company for the preparation and processing of accounting and financial information.

This report was drafted in keeping with the Reference Framework recommended by the AMF (French financial markets regulator) dated 22 July 2010.

The report was examined by the Audit Committee and then reviewed and finalised by the Board of Getlink SE on 20 February 2019.

b) Definition, objectives and scope of internal control and risk management

Management of risks is a dynamic process at Getlink, consisting of a combination of means, processes, behaviour, procedures and actions adapted to the specific features of each company. It contributes to the effective management of the company's business, the efficiency of its operations and the efficient use of its resources and should enable it to appropriately factor in all significant risks, be they operational, financial or compliance. The process goes beyond the strictly financial sphere and encompasses the various types of risk including operational risk.

Specifically, the process seeks to ensure:

- compliance with the laws and regulations in force;
- the application of instructions set by the general management;
- the proper functioning of the internal processes, particularly those related to safeguarding its tangible and intangible assets;
- the reliability of financial information.

Internal control is not restricted to a set of procedures or mere accounting and financial processes and it does not encompass all the initiatives undertaken by corporate or management bodies.

Getlink's corporate governance system rests on three lines of control in accordance with the IFACI (French institute of internal audit and control) recommendations, which define the roles and responsibilities of operational management, cross-disciplinary functions and internal audit.

The internal control and risk management system extends throughout the Group and to all its subsidiaries included in the consolidated financial statements.

3.4.2 COMPREHENSIVE RISK MANAGEMENT AND INTERNAL CONTROL PROCESS

a) Risk management procedures

The objective of the Group's risk management process is to enable general management and the Board to:

- have an overall, consistent and structured view of all types of major risks to which the business is exposed and changes therein; and
- assess the appropriateness of the mitigating measures implemented by those responsible for managing each of the risks in the light of their potential impact on the strategic objectives.

Risk management contributes to creating and preserving the Group's value, assets and reputation.

i) Identification and analysis of risks

This first stage allows the key risks that threaten the achievement of the objectives to be identified and consolidated. This identification is followed by an analysis which involves examining the potential consequences of the key risks whether financial, human, legal or related to reputation and estimating the likelihood that they may occur.

ii) Risk management

The risk management system is monitored and regularly reviewed with a view to its ongoing improvement. The aim is to identify and assess key potential risks and draw lessons from incidents.

The process includes a formal annual review presented to the Audit Committee and, subsequently, to the Board of Getlink SE, at the end of the financial year under consideration. The risk reviews are based on the strategic plan applicable at the date of the relevant review.

Risk reviews are coordinated by the person in charge of risk management in the organisation. These reviews help to assess the risks facing the business and to identify and assess the mitigating measures put in place to manage them. They enable a risk mapping.

The process, which consists primarily of formal interviews with directors and senior management across the business, comprises two parallel approaches:

- a top-down approach, consisting of the identification of the risks linked to strategic initiatives (both from the point of view of their direct effect on the business and the knock-on effect that they may generate on pre-existing risks) and changes in the business's economic environment; and
- a traditional bottom-up approach which seeks to identify risks in each of the main business areas (commercial, technical/operational, financial, staff, safety and security, environment and corporate governance).

This approach is enriched each year and since 2017, a specific mapping of corruption risk was added to identify, analyse and prioritise the Group's risk of exposure to external solicitations for corruption purposes.

The Group's Financial Control Department, with the main business units and senior management, continued to measure in 2018 the risk appetite approved by the Board, as well as the level of risk that the Group is willing to take in a given area in order to achieve its objectives. Risk appetite can be expressed through quantitative and qualitative criteria. The Group's appetite for risk is implemented by the executive officers and applied by departments of the various entities and functional departments, through:

- governance (bodies and decision mechanisms, supervision and monitoring);
- supervision (identifying key risks to watch, risk management policies comprising limits); and
- monitoring (budget monitoring, reporting).

iii) Treatment and monitoring of risks

Each risk is assigned a level of control that corresponds to the systems of selecting and implementing the measures aimed at reducing the risk. The company may envisage a number of measures: reduction, transfer, deletion or acceptance of a risk. The choice of how to manage a risk will involve weighing opportunities against the costs of risk management measures, while also taking account of their possible effects on the likelihood and/or consequences of the risk occurring. The controls to be put in place fall under the scope of the internal control system. In this way, the internal control system contributes to the management of risks incurred in the business's activities.

Risk Management and Internal Audit continually monitor major risks and new or emerging risks and any significant changes are reported to the Executive Committee and to the Audit Committee.

The mapping of risks is brought up to date periodically. This risk identification and management approach strengthens awareness of the Group's risks and builds on existing work in order to establish appropriate action plans.

b) Internal control components

Internal control comprises five closely related components, as follows:

- control environment;
- risk assessment;
- control activities;
- information and communication;
- monitoring.

They are implemented by the Group as follows:

i) Control environment

The control environment, which is key to the internal control system and essential for good risk management and procedural application, is based on human behaviour and is the foundation for other internal control elements.

Getlink SE's control environment is based on the following components:

- A general human resources policy which sets out the Group's values and operating principles, as well as the key measures in place in relation to working conditions and practices, staff training and development and standards of conduct.
- The interest shown by the Board of Directors in internal control and general management's will to continuously improve operational processes.
- A definition of responsibilities through a company organisation chart, distributed on the intranet and the introduction of a delegation of authority procedure and approval limits.
- The existence of a body of operating policies and procedures, documented for all the main business segments.
- The existence of a formal monthly reporting process and regular budget reviews ensuring the business's good financial management.

ii) Risk assessment

Every business is faced with external and internal risks that may prevent the full realisation of its objectives.

The Group relies on several processes to identify the risks and take them into account:

- The annual budget and five-year plan set the operating and commercial objectives in the business's main fields of activity and the financial results expected. They are presented to the Board of Directors of Getlink SE after having been reviewed by the Audit Committee.
- Key performance indicators (KPIs) are established for the main identified risk areas, including safety, commercial performance and operational reliability. The members of the Executive Committee are informed of the state of these indicators on a weekly basis.
- An annual risk review as described in section 3.4.2.a) above.

iii) Control activities

Control activities proportionate to the specific challenges of each process seek to ensure that the necessary measures are taken to control the risks likely to impact the attainment of objectives. Application of standards and procedures contributes to the implementation of management directives. Control activities are carried out at all hierarchical and functional levels of the company. For each business area, specific measures are recommended to respect the key points of internal control.

The Corporate Committee established by the Board of Directors ensures the communication within the Group of the ethics culture and principles that serve as the basis for the work of the other Board committees and executive and corporate officers. The Compliance Department steers the implementation of compliance action plans (drawing-up policies, making tools available, policy implementation support, awareness and training actions) in close collaboration with all the departments concerned, including Internal Control, the Legal Department and the Human Resources Department and the Purchasing Department. Assessment of ethical risks is an integral part of the analysis approach of the Group and its subsidiaries. Responsibility for ethics and compliance is exercised at all levels of management. The Ethics and Group Behaviour Charter was reviewed at the initiative of the Corporate Committee and the Audit Committee. On 18 December 2018, the Board of Directors approved a more down-to-earth format containing a greater number of illustrations and offering a practical guide to ethics. This Charter forms the bedrock underpinning all internal policies, codes of conduct and specific procedures adopted by Getlink (anti-corruption policy, competition policy, protection of personal data, etc). A Securities Ethics Charter, in place since 2010 and regularly updated, sets out the measures to prevent insider trading and establishes "trading closed periods". Getlink has also put in place various internal policies, including one relating to competition.

In the interests of continual improvement, Getlink decided in 2019 to launch an awareness programme, which is called Get Compliant 2019.

In accordance with the "zero tolerance" message promoted by the Chairman and Chief Executive Officer with respect to all types of corruption, the Group has defined a rigorous corruption risk prevention programme which is applicable to all Group entities and is founded on team member training and information campaigns to raise awareness of major fraud and corruption risks. A map of corruption and influence peddling has been created in conjunction with internal stakeholders in order to identify the types of risks to which the Group could be exposed in the course of its operations. An anti-corruption policy and a whistleblowing system have been implemented. All team members can contact the Group's ethics officer if they consider that communicating information to a line manager could present difficulties or not result in the proper follow-up.

Since 2017, companies are liable if persons associated with them (including employees, directors, partners, customers and suppliers) facilitate tax evasion in the United Kingdom or abroad (UK Criminal Finances Act 2017). The Group has mapped its risk of exposure to facilitating tax evasion and the appropriate prevention procedures are now in place.

With regard to Human Resources, the French Group Committee provides an opportunity for the mutual sharing of information, an exchange of viewpoints and dialogue between French employee representatives and the Group's management on strategic objectives and key staff issues and to keep employees abreast of developments and the future outlook for the Group. A European Company Committee brings together staff representatives in France and the United Kingdom (trade union or elected representatives) and Group management: this consultation and dialogue body at European level provides a forum for communicating information on the major issues concerning the European company. A Group intranet site enables each and every team member to have access to information on his or her subsidiary and those of Getlink SE, particularly where internal control procedures are concerned.

In the area of Corporate Social Responsibility, the Group has adopted a formal CSR policy (signed on 13 March 2015) that is upheld and supported at the highest level of the organisation by the Chairman and Chief Executive Officer. It outlines the principles and the commitments of the Group, describes the social, territorial, environmental, economic and ethical challenges, and defines the commitments to be met. The Group has worked towards the publication of its first NFPS (non-financial performance statement) for the 2018 financial year. Moreover, since 2013, the Group is also signatory to the United Nations Global Compact and has fully embraced its ten key principles, notably those relating to human rights and employment law.

With regard to procurement, the Code of Conduct for Purchasing, brought up to date in 2011, is the guide to practices and ethics that enables each team member to comply with the applicable laws and regulations. It also helps develop a climate of trust between Group representatives and persons outside the business. Formal purchasing procedures and delegations of authority are in place for the management and approval of purchases. In addition, a Responsible Supplier Charter has been in place since 2010, to build lasting and balanced relationships between customers and suppliers with recourse to the Group mediator. Finally, the call for tender procedures specify the conditions of competition and referencing for the main suppliers.

In respect of safety, procedures related to the protection of people, goods and data underpin the risk cover principles in terms of organisation and safety. The Board's Safety and Security Committee monitors performance in these areas by means of quarterly reports from the Security and Sustainable Development Department. These include the reporting of safety performance against target, the results of safety evaluations and an update on security matters. The Safety and Security Committee has created two subgroups, one responsible for emergency planning and the BINAT exercises and the other for security issues. Furthermore, a formal document entitled SMS (Safety Management System) is updated as necessary and at least once every five years by the Safety and Sustainable Development Department. This document identifies the major risks to which the business's customers, employees, sub-contractors and visitors are exposed, and the measures in place to manage them. The SMS is formally approved by the Safety Authority of the Intergovernmental Commission.

With regard to information systems, risks associated with data and system integrity are covered by procedures and controls that are integrated in the systems themselves. The Group has an IT tool user guide which allows all team members to share best practice and levels of control that are adapted to the level of risk exposure. This policy is accompanied by an information systems safety audit programme carried out by an external firm.

With regard to legal issues, the current structure ensures that within each business segment and department, all relevant French, British and European legislation is complied with. The Group has appointed two officers to the Data Protection Department (DPO and Deputy DPO) and has created Data Protection Correspondents (DPC). A declaration of protection of private life has been published for all the Group's employees.

In respect of insurance, the Group chooses to call only on top ranking insurers. It uses programmes to cover, in particular, the third party liability of all its entities and material damage and business interruption consequent upon a covered loss. An analysis of the relevance of insurance coverage is carried out every three years, and is revised during the renewal of insurance policies.

With regard to treasury activities, the corporate treasury risk management committee (TRMC) regularly examines fluctuations in exchange and interest rates and the use of financial instruments, as well as monitoring cash flows, liquidity and compliance with the restrictions imposed by banking agreements. The investment and cash management policies are approved annually by the Board of Directors of Getlink SE. The treasury plan enables monitoring within a foreseeable time-scale of the liquidity of each of the various Group entities.

The accounting and finance control activities are presented separately in section 3.4.3 below.

iv) Internal information and communication

The Group ensures the internal distribution of relevant and reliable information, knowledge of which enables each individual to exercise their responsibilities.

The Board of Directors of Getlink SE is regularly provided with the information that it requires:

- annually, the strategic plan and the annual budget;
- monthly, a report containing information on financial results and the financial position and a summary of the operational and commercial performance.

The Audit Committee, the Nominations Committee, the Remuneration Committee, the Safety and Security Committee, the Corporate Committee and the Economic Regulations Monitoring Committee of the Board of Getlink SE receive reports relating to their work at each of their periodic meetings. The chairmen of these committees keep the Board of Directors of Getlink SE informed of the work of their committees.

The members of the Executive Committee of Getlink SE receive the following documents for their information:

- monthly, a report on the financial results and analysis of performance in relation to the budget;
- monthly, a "dashboard" containing the key performance indicators for each business segment (safety, commercial performance and market share, productivity and operational reliability, quality of service, employee headcount and related statistics, financial results with comparison against the budget and against the most recent forecasts);
- weekly, a report setting out key information related to safety, human resources, operations, and to commercial and financial performance.

Regular communication with Group personnel is achieved through the Group intranet which allows each team member to obtain information on the Group's main activities and on new policies and procedures applicable within the business. In addition, a newsletter is produced for each subsidiary. Periodic meetings called the Management Forum, bring together key managers for general discussions.

v) Monitoring and supervision

Monitoring forms part of the Group's day-to-day operations, and includes regular management and supervisory activities, as well as the work carried out by the audit functions. During 2018 and up to the date of this Registration Document, the Group has not identified any major shortcomings in its internal control system.

Monitoring and supervision falls under the responsibility of the Board of Getlink SE, and the following parties:

General management

The mission of general management is to define the strategic aspects of the risk management and internal control systems and to ensure their implementation. To do so, it is supported by the operational departments.

The Audit Committee

Twice a year, the Committee examines the internal audit plan and its objectives, as well as the general conclusions of internal audit missions. The initiatives and projects that shape internal control are also presented to it. The Audit Committee then reports on its activities to the Board.

The Group Financial Control Department

The Group Financial Control Department is responsible for all finance functions within the Group, through its centralised functions (planning, reporting, consolidation, tax matters, accounting and cash) and through its functional links with the financial director of each segment. It encourages a sound understanding of the Group's internal control rules as well as their dissemination and proper application, and it monitors the progress of internal control and risk management projects.

The Risk Management and Internal Control Department reports to the Group's Financial Control Department. This department is responsible for implementation and monitoring of the key risk map in order to minimise the impact of adverse events and fully capitalise on opportunities. It is also tasked with the development and deployment of internal control throughout the entire Group. Alongside professional experts, it coordinates the implementation of projects and internal control tasks decided by executive officers.

The Internal Audit Department

The Internal Audit Department reports to the Group's general management. Twice a year, the Head of Internal Audit reports to the Audit Committee on the work undertaken by his department. Internal Audit plans audit work in order to ensure appropriate coverage of all the main risk factors and it submits an audit plan to the Audit Committee. A formal process exists for the correction of weaknesses highlighted in internal audit reports. The status of corrective actions is presented to the Audit Committee.

The Internal Audit Department comprises a central team which performs regular consulting and assurance assignments in the business units, as well as on corporate or cross-departmental subjects. For each assignment, a report is drawn up stating the general opinion on the level of control over the risks inherent to the activity concerned, and the findings identified as well as its recommendations in the form of an action plan to be implemented by the audited entity. This report is passed on to the functional department concerned and to the Deputy Chief Executive Officer and to the Chairman and Chief Executive Officer.

An integral part of the corporate risk assessment, Internal Audit takes part in the annual risk review and assesses the appropriateness and effectiveness of measures in place to mitigate the identified risks. The results of the corporate risk assessment and the internal audit review are presented to the Audit Committee.

The Internal Audit Department maps the insurance activities showing the extent of coverage for the major risks faced by the organisation. In particular, Internal Audit consults the Safety and Security Committee each year to identify all the insurance activity requirements in these areas.

Since 2012, the Internal Audit Department has been certified by IFACI (Institut français de l'audit et du contrôle internes – the French institute of internal audit and control), under the International Professional Practices Framework (IPPF) for the internal audit profession. In 2015, the IFACI certification was renewed.

Specific committees

The Group has a number of specific committees:

- the investment committee which endorses the Group's major investment projects,
- the commitments committee which endorses the key sales and purchasing contracts of the Group's various entities,
- the treasury risk management committee,
- the steering compliance committee.

The Concessionaires have set up operational committees for the following specific areas:

- safety committee,
- operating performance committee (service quality and customer experience),
- IT development committee,
- information systems security committee bringing together all Group departments to identify cyber security risks.

Specific monitoring groups oversee progress achieved in key projects.

3.4.3 INTERNAL CONTROL PROCEDURES RELATED TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

a) Monitoring the accounting and financial structure

i) Structure

The Group Financial Control Department is responsible for preparing the Group's parent and consolidated financial statements and implementing the internal control systems related to finance and accounting. To this end, it has put in place a monitoring function to identify and manage the main risks that could potentially impact the preparation of accounting and financial information published by the Group:

- it ensures the Group has the organisation and resources in place to guarantee that the financial statements reflect its transactions accurately and in full;
- it oversees, via the management reporting processes, the reliability of the published accounting and financial information;
- it supervises the preparation and year-end closing of the financial statements, paying particular attention to the accounting treatment of major or complex transactions, the quality of estimates used in the consolidated financial statements and the year-end closing procedures that are considered sensitive; and

- it is informed of the statutory auditors' conclusions drawn from their work on the parent company and consolidated financial statements. It also keeps itself abreast of any significant risks or major weakness in internal control notified by the statutory auditors and makes sure that these are addressed via the corrective actions implemented by the Group.

Financial management is centralised in the Group's Financial Control Department, which is responsible for defining the Group's accounting rules and policies, cash management, consolidation of the Group financial statements and financial reporting. This centralised responsibility covers all the Group accounting entities in France and the UK.

Accounts management is performed by each entity in accordance with the Group's accounting principles. Data is then passed to the Group's Financial Control Department for consolidation.

The Audit Committee plays a crucial role in controlling the Group's financial reporting and in preparatory work for the approval of the annual financial statements and consideration of the interim financial statements by the Board, in particular:

- any changes to accounting policies are reviewed by the Audit Committee;
- the Group Financial Control Department submits a report to the Audit Committee on major accounting and reporting issues and options at each accounts closing;
- the Audit Committee reviews the annual and half-year consolidated financial statements before their presentation to the Getlink SE Board;
- at its meetings, the Committee receives formal reports drawn up by the statutory auditors, financial management, internal audit and the treasury and risk management departments.

ii) The accounting rules

The quality of accounting and financial information relies on observance of the accounting rules and principles during both the accounts production process and the year-end closing process, to ensure that the information contained in the financial statements is true and fair.

The rules to be observed for accounts production and in the upstream processes are the following: truthfulness of transactions and events recorded, completeness of all transactions and events, accurate measurement of transactions amounts, the accruals principle and appropriate classification of transactions and events in the accounts.

The rules to be observed for the year-end closing process are the following: existence of assets and liabilities, rights and obligations, completeness of assets and liabilities, accurate measurement and allocation of assets and liabilities, appropriate presentation and intelligibility of the financial information, truthfulness of rights and obligations, accurate measurement and assessment of financial information.

These rules are set forth in written procedures and cover all operations performed by the Group's Financial Control Department; they are accessible and are conveyed to the various Group entities.

iii) Organisation and security of information systems

A single integrated accounting system, SAP, is used across all accounting entities including ElecLink, which is being rolled out. The upload of transactions and accounting data from other SAP modules is automatic. For systems outside the integrated SAP environment – principally in the areas of passenger sales – accounting data uploads are automated. Reconciliation and verification controls are in place to ensure the completeness and accuracy of these interfaces.

The IT systems and environment are organised to ensure secure, reliable, accessible and relevant provision of accounting and financial information. Controls are in place to ensure the physical security of hardware and software, the integrity of data and the continuity of operation of the major computer systems. The Group has set up protection measures to strengthen its systems in the face of increasing risks of unauthorised intrusion into information systems and its possible consequences, from inappropriate access to loss of data.

b) Processes involved in the preparation of accounting and financial information

i) Transaction accounting

The reliability of published financial information depends on adequate controls over the transactions giving rise to accounting entries to ensure they are accurate, complete and compliant with the standards in force. These controls are applied for all processes feeding into the accounts, particularly operating revenue, purchases, inventory control, fixed assets, payroll and treasury, in addition to capital transactions and provisions and commitments. The month-end closures, including detailed verification of the main revenue and expenditure accounts, are carried out by the budget controllers. Formal balance sheet reconciliations are also carried out by the accounts department.

Financial and management accounting is integrated and prepared using the same source data. Monthly reconciliations are carried out between management accounting data and the accounting data used to prepare the published accounting and financial information.

ii) Consolidation

- Consolidation of the financial statements of the various Group entities is carried out centrally by the Group's Financial Control Department, which ensures that the scope and rules of consolidation are kept up to date.
- There is a formal process for preparing the Group's consolidated financial statements that includes:
  - advance reporting dates allowing the Group to anticipate the accounting treatment of complex transactions;
  - publication by the Group's Financial Control Department of a timetable and period-end closing instructions for the subsidiaries;

- preparation of consolidation packages by subsidiaries to ensure standardisation in the application of Group accounting policies and in the information reported in the Group's consolidated financial statements.

iii) External communication of financial information

An annual timetable is drawn up by the Group's financial control department setting out the periodic obligations related to the provision of accounting and financial communications to the market. This timetable, which specifies the nature and timing of each disclosure and the persons responsible for its preparation, is sent to everyone involved in the process.

Formal processes are in place to ensure that:

- information is communicated externally in a timely manner and in compliance with the laws and regulations in force;
- sensitive information remains confidential;
- all information, including non-accounting information presented in support of financial communications, is checked before release;
- information meeting the definition of inside information is communicated to the market at the right time, in compliance with the relevant rules.

iv) Statutory auditors

Independently of the Group's Financial Control Department, the statutory auditors, as part of their work to audit and certify the financial statements, carry out a review of the internal control procedures used to prepare and ensure the quality of the financial statements.

4 CORPORATE GOVERNANCE

This Chapter 4 of the Registration document includes the components of the corporate governance report prepared by the Board of Directors on 20 February 2019, in accordance with Order no. 2017-1162 of 12 July 2017. It incorporates chapter 5 of this Registration Document by reference with regard to the principles and rules laid down by the Remuneration Committee and the Board of Directors to settle the remuneration and benefits of any kind granted to the corporate officers and the total remuneration paid during the year. The contents of this corporate governance report are listed in detail in the Table of Cross-References annexed to this Registration Document and cover the following matters:

- the list of offices and appointments in any company held by all corporate officers during the past financial year;
- regulated agreements and commitments;
- current authorisations agreed by the shareholders in general meeting in relation to increases in capital and the use made of them during the past financial year;
- the choice between the two governance structures, in the case of a first report or subsequent amendment;
- the composition of the Board of Directors and the terms applicable to the preparation and organisation of its work;
- the diversity policy for members of the Board;
- the principles and rules established by the Remuneration Committee and the Board to determine the remuneration and benefits of any kind granted to corporate officers and the total remuneration paid during the financial year;
- the limitations, if any, on the powers of the Chief Executive Officer;
- the corporate governance code which Getlink SE has applied; as well as
- the specific arrangements relating to the participation of shareholders in general meetings.

The Chairman and Chief Executive Officer instructed the Company Secretary to compile the preliminary content of the corporate governance report, which was prepared based on the work of various departments and functions including the Finance Department, the Financial Control Department, the Internal Audit Department, Internal Control, the Human Resources Department and the Legal Department. The report was presented to the Remuneration Committee, the Audit Committee, the Corporate Committee and the statutory auditors. It was submitted to general management which considers it to be consistent with the systems in place within the Group. The Board approved it on 20 February 2019.

The corporate governance code to which Getlink SE refers is the code for listed companies drawn up by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) (hereafter referred to as the Afep/Medef Code).

4.1 GENERAL MANAGEMENT

4.1.1 CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICERS

The general management of Getlink SE is carried out by the Chairman and Chief Executive Officer, without any change in the governance structure, with an organisation including a Board in which the roles of chairman and chief executive officer are not separated.

The Group governance structure is adapted to the specific needs of the organisation and is part of a continual bid to support the overall development vision of the business:

- to ensure the viability of the business in the first phase of Getlink SE's history; and
- to prioritise more effective and responsive management in the second phase of Getlink SE's history, in order to promote the company's development strategy while ensuring the preservation of the infrastructure and complying with the rules of good governance to which the Group has always adhered.

Combined roles, which promote an active dialogue between management and the Board, have been retained in the interests of more efficient and responsive management, linked to the specific history of the business and set against the background of a competitive, regulated environment and a changing market.

Two year transition period: ensure the representation of the Group at the highest levels

Within the specific geopolitical context of Brexit, in 2018 the Board wished to continue to draw on the experience of Jacques Gounon to support the company during the Brexit transitional period for two years. Following that, the Board is minded to split the chairmanship and general management roles.

The Board considers that, in order to stay responsive and competitive, the challenge lies in being able to adapt quickly and effectively (agility, flexibility and robustness), steered in a cohesive way and that, in such a political period, keeping the Chairman and Chief Executive Officer structure in place ensures continuity in the way the Group is represented at the highest levels in relationships with governments. It continues the constant dialogue that the Chairman and Chief Executive Officer has with the business's political partners.

This method of governance safeguards the prerogatives of the various corporate bodies and complies with the good governance rules to which the Group has always adhered. The members of the Board and general management have created a tradition of transparency and open dialogue. Indeed, by virtue of its binational nature the Group has adhered to exacting governance standards since it was created. Such standards enable the preservation of the interests of all shareholders as well as a balance of power within the governance structures:

- the Board of Directors consists of 13 directors elected by shareholders and two directors appointed by means of the arrangements for staff representation. Whilst the size of the Board was increased in 2018, it still allows for real debate to take place and for clear and rapid decision-making, particularly since the Board brings together Directors who are committed to their role, are independently minded and bring a wide range of skills to the business. In the 2018 Board self-assessment, the Directors confirmed their satisfaction with the quality of discussions and the way the Board Chairman led those discussions as well as freedom of expression and the time reserved for discussion;

- the Board is very active (10 meetings in 2018): six Board committees have been set up and each is very active: in 2018, 28 committee meetings took place, representing a total of 38 meetings including full Board meetings;
- the majority of Board Directors are independent (77%[21]);
- some of the committees, including the Audit Committee, the Nominations Committee and the Remuneration Committee, are exclusively composed of independent Board Directors;
- the Corporate Committee (comprising the chairmen of various Board committees) aims to encourage best governance and ethical practices in the work of the different committees;
- since 2014, Colette Neuville, in her capacity as Senior Independent Director, is responsible for ensuring good governance takes place within the Board and its committees.

The Board sets the term of office of the Chief Executive Officer, which may not exceed his term of office as Chairman.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of Getlink SE. The Chief Executive Officer exercises his powers within the scope of the corporate purpose and subject to the powers expressly conferred by law on shareholders and on the Board, as well as the limitations imposed by the internal rules described in this section of the Registration Document.

The Chief Executive Officer represents Getlink SE in its relations with third parties. Getlink SE is bound by decisions of the Chief Executive Officer that do not fall within its corporate purpose, unless it can prove that the third party knew or should have known in the circumstances that the decision exceeded such purpose. However, the publication of the company's by-laws does not alone constitute such proof. Provisions of the by-laws and decisions of the Board limiting the powers of the Chief Executive Officer are not binding on third parties.

The Chairman and Chief Executive Officer, Jacques Gounon, is assisted by a Deputy Chief Executive Officer.

On 1 May 2016, François Gauthey was appointed Deputy Chief Executive Officer. The Deputy Chief Executive Officer assists the Chief Executive Officer. With regards to third parties, the Deputy Chief Executive Officer represents the company in the same manner as the Chief Executive Officer and pursuant to article L. 225-56, II sub-paragraph 2 of the French Commercial Code, he has the same powers as the Chief Executive Officer. The maximum number of Deputy Chief Executive Officers is three. If the Chief Executive Officer were to cease to exercise or be prevented from exercising his duties, the deputy chief executive officers, if any, continue to carry out their duties and fulfil their role, unless decided otherwise by the Board, until a new Chief Executive Officer is appointed.

The supervision and support functions within Getlink SE's general management are as follows:

- Jacques Gounon, Chairman and Chief Executive Officer, is in charge of relations with the States and investors. He supervises strategy, communications, security and ethics, public affairs, internal audit and the company secretarial function.
- François Gauthey, Deputy Chief Executive Officer of Getlink SE, has been named Chairman and Chief Executive Officer of FM and Chief Executive Officer de CTG; he supervises the operational functions of Eurotunnel and safety as well as, for the Group, the Finance and Legal Departments.
- On 12 March 2018, Laurent Fourtune joined the Group as Chief Operating Officer for Eurotunnel.
- Michel Boudoussier, appointed Chief Corporate Officer on 12 March 2018, supervises the Strategy Department, major projects and the Business Services and the Group Human Resources Departments.
- Pascal Sainson, Chief Operating Officer, Chairman – Europorte.
- Philippe de Lagune, Chief Operating Officer – Security.
- Steven Moore, Chief Executive Officer – ElecLink, is in charge of the ElecLink project.

The by-laws provide that no person may be appointed as Chief Executive Officer or Deputy Chief Executive Officer if they are aged over 68 years old. By the twenty-sixth resolution of the General Meeting of 18 April 2018, an increase in the age limit in the by-laws for the Chief Executive Officer from 65 to 68 years old was approved.

The Board can terminate the appointment of the Chief Executive Officer at any time. The Board can also terminate the appointment of the Deputy Chief Executive Officers, on the recommendation of the Chief Executive Officer.

Limitations on the powers of the Chief Executive Officer

Neither the provisions of the by-laws of the company nor any decisions of the Board limiting the powers of the Chief Executive Officer can be enforced against third parties.

Pursuant to article 1 of the internal rules of the Board, major strategic transactions involving the acquisition or disposal of equity investments and assets, partnership agreements, joint ventures or cooperation agreements relating to research, development, industrial or commercial matters and more generally any transaction or undertaking that could have a significant impact on the financial or operating situation of the Group come within the remit of the Board. Article 1 of the internal rules also states that:

- any significant transaction outside the approved business strategy is subject to prior approval by the Board;

[21] *Directors representing employees are not taken into account for the calculation of the independence rate, in accordance with the Afep-Medef Code.*

- these rules apply not only to external acquisition or disposal transactions but also to any significant investments in organic growth or any major internal restructuring operations.

4.1.2 SERVICE CONTRACTS BETWEEN MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT AND GETLINK SE

Getlink SE has made no undertakings for the benefit of the executive officers.

The Deputy Chief Executive Officer's employment contract was suspended on his appointment as an executive officer in the role of Deputy Chief Executive Officer. The employment contract has been suspended for the period of exercise of his appointment as Deputy Chief Executive Officer and will be reinstated, in its own right, on the expiry of such duties. The employment contract will be reinstated at the end of the term of office and the termination of the corporate office does not involve termination of the employment relationship. Recommendation 21 of the Afep/Medef Code, which is to terminate a person's employment contract if they are appointed as a corporate officer, does not concern Deputy Chief Executive Officers.

Since February 2018, the whole of Jacques Gounon's remuneration has been paid to him through Getlink SE. In this way the payments on the British side from Eurotunnel Services Limited that technically created an English law contract of service were brought to an end without any severance or other payment.

4.1.3 EXECUTIVE COMMITTEE

General management is assisted by an Executive Committee, a reflection and consultation body.

Composition of the Executive Committee (as at the date of this Registration Document)

Name	Position
Jacques Gounon	Chairman and Chief Executive Officer
François Gauthey	Deputy Chief Executive Officer
Michel Boudoussier	Chief Corporate Officer
Patrick Etienne	Director of Rolling Stock, Supply Chain and Energy Unit
Laurent Fourtune	Chief Operating Officer – Eurotunnel
Philippe de Lagune	Chief Operating Officer – Security
Steven Moore	Chief Executive Officer – ElecLink
Claire Piccolin	Company Secretary to the Board of Directors, Compliance Officer
Pascal Sainson	Chief Operating Officer, Chairman – Europorte
Josephine Willacy	Commercial Director – Eurotunnel

The Executive Committee ensures the coordination between Getlink SE and its subsidiaries and between the subsidiaries themselves. Under the authority of general management, the Executive Committee ensures the conduct of Group activities and the implementation of its main policies.

The table below sets out the list of companies, other than subsidiaries of Getlink SE, in which members of the Executive Committee of Getlink SE have held office as members of a management or supervisory board or in which they have been a partner during the last five years, and the companies in which they still hold a position of this nature:

Name	Position	Company	Dates
Jacques Gounon	Jacques Gounon's appointments are given in section 4.2.1 of this Registration Document		
François Gauthey	Member of the supervisory committee	Kallista Energy	2010 to 2018
	Chairman and chief executive	Sanef its Technologies	2014 to 2015
	Chief executive	Sanef	2008 to 2014
	Vice president	Centaure Paris-Normandie	2008 to 2014
	Chairman and chief executive	SAPN	2007 to 2014
Michel Boudoussier	–	–	–
Patrick Etienne	–	–	–
Laurent Fourtune	–	–	–
Philippe de Lagune	–	–	–
Steven Moore	–	–	–
Claire Piccolin	–	–	–
Pascal Sainson	–	–	–
Josephine Willacy	–	–	–

Biographical details for each member of the Executive Committee are presented below:

Jacques Gounon

Jacques Gounon's biographical details are presented in section 4.2.1 of this Registration Document.

François Gauthey

François Gauthey, 56, joined Getlink SE in September 2015 as Chief Operating Officer. He was appointed Deputy Chief Executive Officer on 1 May 2016. He is Chairman and Chief Executive Officer of Franche Manche SA and Chairman and Chief Executive Officer of The Channel Tunnel Group Limited. On 5 June 2018, he was appointed Chief Executive Officer of Eurotunnel Holding SAS. He studied at the École Polytechnique and holds a DEA in organisational strategy and an engineering degree from the Ponts et Chaussées. In 1993, François Gauthey joined the private office of the Minister for the Economy, Edmond Alphandéry, as a technical advisor. In 1995, he became head of customer services at Aéroports de Paris, before becoming advisor in charge of equipment, housing and transport in the private office of Prime Minister, Jean-Pierre Raffarin. He subsequently took up the office of principal private secretary for François Goulard, Secretary of State for Transport and the Sea in 2004 and in the Ministry for Higher Education and Research in 2005. In 2006 he was appointed chief executive officer of Voies Navigables de France. In 2007 he joined the Sanef Group, shortly after its privatisation, and held the role of chief executive officer until 2014 and then he was appointed chairman and chief executive of Sanef its Technologies.

Michel Boudoussier

Michel Boudoussier, 55, studied at the École Normale Supérieure and subsequently became an Engineer of the Corps des Mines. He joined the Group on 3 May 2010 as Chief Operating Officer in charge of Channel Tunnel operations. Following several appointments in the French Ministry for Industry, Michel Boudoussier, a railway industry specialist, joined the French Ministry for Town and Country Planning in 1995. He spent a large part of his career with SNCF, starting as manager for freight in the Lorraine region. In 2003, he became SNCF regional director for Normandy, before becoming, in 2006, SNCF regional director for the Nord-Pas-de-Calais region. From 2008-2010, Michel Boudoussier was human resources director for the infrastructure arm of SNCF.

Patrick Etienne

Patrick Etienne, 58, joined the Group in 1992 after 10 years with SNCF Armement Naval. As Head of IT systems sales, he led the development of Group's internet business from 2000. In 2004, he was appointed operational restructuring director, and became purchasing director in 2005. In 2009, he was appointed business services director heading the corporate purchasing, IT and property development activities of the Group. He was named Safety, Sustainable Development and Business Services Director on 1 January 2016, followed by Director of Rolling Stock, Supply Chain and Energy Unit on 14 January 2019. He is chairman of EuroSco SAS, Euro-Immo GET and the Euro-TransManche companies.

Laurent Fourtune

Laurent Fourtune, 49, joined Getlink in March 2018 as the Operations Director for Eurotunnel. He studied at the Ecole National Supérieure Ulm and Ohio State University. He is a Civil Engineer and has industrial experience in transport infrastructures and their operations. In 1997, he started work in the engineering department in Seine Saint-Denis, responsible for road surfaces on the A1 and A86 motorways. In 2001 he joined the office of Jean-Claude Gayssot as a technical advisor, where he was responsible for the project to reopen the Mont Blanc tunnel to heavy goods vehicles. Subsequently, in 2002, he moved to Ile-de-France Mobilités (previously STIF) as director of investment projects where, amongst others, he ran the project to regenerate the RER B and install 70 kilometres of tramway. In 2008 he became service director at Vinci and then, in 2010, he joined the engineering service at RATP as Deputy Director. From 2012 to 2018 he was director of project coordination for RATP and a member of the committee of directors.

Philippe de Lagune

Philippe de Lagune, 70, joined Getlink SE as Group Security Director on 9 September 2013. Philippe de Lagune, a Préfet, has exercised various senior roles in public service and was previously the French coordinator for security at the London Olympics in 2012. He is in charge of high-level relations with the French and British public authorities concerning security. He is Chief Operating Officer in charge of security at the Group.

Steven Moore

Steven Moore, 49, joined ElecLink in 2015. He has over 20 years of commercial experience in the electricity sector, the majority of which have been in the areas of energy trading, structuring and origination, operations and asset optimisation. Prior to joining ElecLink, he spent six years with EDF in various senior management positions, including three years in Paris where he was group director of commerce, optimisation and trading. Before joining EDF Energy, he was the power markets director at British Energy.

Claire Piccolin

Claire Piccolin, 57, holds a Masters II degree in Corporate and Tax Law and a Corporate Legal Advisor Diploma. She joined Getlink SE in 2002, after practising law in a UK law firm for some ten years. A specialist in corporate and stock exchange law, Claire Piccolin initially joined Eurotunnel's Legal Department, before moving to the Finance Department and finally, following the restructuring in 2007, becoming Company Secretary to the Getlink SE Board of Directors. Corporate Law Director for the Group and Head of Relations with individual shareholders, she was appointed Compliance Officer in 2017.

Pascal Sainson

Pascal Sainson, 61, is a civil aviation engineer. He started his career at the Direction Générale de l'Aviation Civile from 1983 to 1986. He was head of programming and development at Air Littoral from January 1987 until August 1988, then manager of air operations and manager of programming and planning at TAT European Airlines. He joined the Group in 1996 as

Service Delivery Director. Appointed to the Group management committee in April 2001, he has held successively the positions of Business Services Director, Shuttle Services Director, Divisional Operations Director and Director of Operations. He is chairman of the French Europorte companies.

Josephine Willacy

Josephine Willacy, 55, holds an MA in Modern History and Economics from the University of Oxford. She was commercial director of Hummingbird Helicopters from 1992 to 1994 and managing partner of Quadrant Consultants Ltd from 1994 to 2003. She joined the Group in April 2003 as Senior Marketing Manager and was appointed Director of the Commercial Passenger Division in November 2004 and Commercial Director in 2007.

4.2 COMPOSITION AND FUNCTIONING OF THE BOARD OF DIRECTORS

4.2.1 BOARD OF DIRECTORS

At the date of this report, on 20 February 2019, the members of the Board of Getlink SE are as follows:

	Personal information				Experience	Position on the Board				Committees
	Age	Sex	Nationality	Shares	Appointments*	Independence	First nomination	End of term	Length of service	Number
Executive officers/directors										
Jacques Gounon	65	M	French	228,688	1	Non-independent	2007	2022	11	3
Non-independent directors										
Giovanni Castellucci	59	M	Italian	5,000	1	Non-independent	2018	2022	0	0
Elisabetta De Bernardi di Valserra	42	F	Italian	2,000	2	Non-independent	2018	2022	0	0
Staff representative directors										
Stéphane Sauvage	52	M	French	400	0	Non-independent	2018	2022	0	2
Philippe Vanderbec	50	M	French	400	0	Non-independent	2018	2022	0	2
Independent directors										
Corinne Bach	45	F	French	5,000	0	Independent	2016	2022	2	2
Bertrand Badré	50	M	French	3,000	0	Independent	2017	2022	1	1
Patricia Hewitt	70	F	Australian	5,000	0	Independent	2010	2022	8	3
Peter Levene	77	M	British	10,074	1	Independent	2012	2020	6	2
Colette Lewiner	73	F	French	5,000	4	Independent	2011	2020	7	2
Colette Neuville	82	F	French	5,182	1	Independent	2007	2020	11	4
Perrette Rey	76	F	French	5,000	0	Independent	2013	2020	5	4
Jean-Pierre Trotignon	68	M	French	6,110	0	Independent	2010	2020	8	4
Philippe Vasseur	75	M	French	5,000	0	Independent	2007	2022	11	3
Tim Yeo	73	M	British	7,005	0	Independent	2007	2022	11	3

* *Number of appointments in quoted companies.*

Strengthening the composition and rejuvenating of the Board in 2018

The General Meeting of 18 April 2018 elected two new non-independent directors, ratified the appointment of a new independent director, voted a change to the by-laws enabling the appointment of two staff representative directors and renewed the terms of office of five directors:

- Elisabetta De Bernardi di Valserra and Giovanni Castellucci, representing Atlantia, which acquired control of Aero I Global & International S.à.r.l., Getlink SE's principal shareholder, on 2 March 2018;
- Bertrand Badré's appointment as an independent director by the Board of Directors on 18 December 2017 was presented for ratification to the Ordinary General Meeting of 18 April 2018, when it was approved;
- During its plenary meeting on 22 May 2018, the French Group Council unanimously appointed Stéphane Sauvage as a staff representative director;
- On 6 June 2018, the Getlink SE European Company Council unanimously appointed Philippe Vanderbec as a staff representative director;
- The General Meeting renewed the terms of office of Jacques Gounon, Corinne Bach, Bertrand Badré, Patricia Hewitt, Philippe Vasseur and Tim Yeo.

The table below sets out the changes in the composition of the Board of Directors and the Committees during 2018 and up to 20 February 2019:

	Departure	Appointment	Renewal
Board of Directors	n/a	Elisabetta De Bernardi di Valserra (18 April 2018) Giovanni Castellucci (18 April 2018) Bertrand Badré (18 April 2018) Stéphane Sauvage (22 May 2018) Philippe Vanderbec (6 June 2018)	Jacques Gounon (18 April 2018) Corinne Bach (18 April 2018) Patricia Hewitt (18 April 2018) Philippe Vasseur (18 April 2018) Tim Yeo (18 April 2018)
Audit Committee	n/a	Bertrand Badré (30 June 2018) Corinne Bach (30 June 2018) Tim Yeo (20 February 2019)	
Remuneration Committee	n/a	Stéphane Sauvage (20 February 2019) Philippe Vanderbec (20 February 2019)	
Nominations Committee	n/a	Peter Levene (20 February 2019)	
Security Committee	n/a	Stéphane Sauvage (18 December 2018) Philippe Vanderbec (18 December 2018)	
Regulation Committee	n/a	n/a	
Corporate Committee	n/a	n/a	

The table below sets out the appointments held by members of the Board of Getlink SE in French and foreign listed companies outside the Group, as at the date of this Registration Document:

Name	Office	Company	Listed on
Jacques Gounon	Director, chairman of the audit and risk committee	Aéroports de Paris	Euronext Paris
Corinne Bach	None	None	None
Bertrand Badré	None	None	None
Giovanni Castellucci	Chief executive officer	Atlantia S.p.A	Borsa Italiana
Elisabetta De Bernardi de Valserra	Director	Atlantia S.p.A	Borsa Italiana
	Director	Cellnex Telecom S.A	Bolsa de Madrid
Patricia Hewitt	None	None	None
Peter Levene	Director	China Construction Bank (Asia) Corporation Limited	Shanghai
Colette Lewiner	Director	CGG (S.A.)	Euronext Paris
	Director	Bouygues/Colas (Bouygues' subsidiary)	Euronext Paris
	Director	Nexans (S.A.)	Euronext Paris
	Director	EDF	Euronext Paris
Colette Neuville	Director	ATOS	Euronext Paris
Perrette Rey	None	None	None
Stéphane Sauvage	None	None	None
Jean-Pierre Trotignon	None	None	None
Philippe Vanderbec	None	None	None
Philippe Vasseur	None	None	None
Tim Yeo	None	None	None

The table below lists the companies outside the Group in which members of the Board of Getlink SE have held office (other than in private asset management structures and so on) as a member of a management or supervisory board, or in which they have been a partner with unlimited liability during the last five years, and the companies in which they still hold a position of this nature outside the Group:

Name	Other positions held outside the Group	Company	Dates
Jacques Gounon	Director, chairman of the audit and risk committee	Aéroports de Paris	2008 to date

Name	Other positions held outside the Group	Company	Dates
Corinne Bach	Representative of Vivendi Village on the board of directors	La Fronter Production (Association)	2018 to date
	Director	The Copyrights Group Limited	2017 to date
	Director	Marketreach Licensing Services Limited	2017 to date
	Director and member of the strategy committee	Festival Production SAS	2016 to date
	Chairwoman	Talents et Spectacles Congo SAS	2016 to date
	Director	Magic Makers SAS	2016 to date
	Director	L'Olympia SAS	2015 to date
	Chairwoman	Talents et Spectacles Gabon SAS	2016 to 2019
	Chairwoman	Talents et Spectacles Cameroun SAS	2016 to 2019
	Chairwoman	Talents et Spectacles Burkina Faso SAS	2016 to 2019
	Chairwoman	Talents et Spectacles RDC SAS	2016 to 2019
	Chairwoman	Talents et Spectacles Côte d'Ivoire SAS	2018 to 2018
	Chairwoman	Talents et Spectacles Madagascar SAS	2018 to 2018
	Chairwoman	Talents et Spectacles Mali SAS	2018 to 2018
	Managing Director	Talents and Live Gambia Ltd	2018 to 2018
	Chairwoman	Talents et Spectacles Guinée SAS	2016 to 2018
	Chairwoman	Talents et Spectacles Togo SAS	2016 to 2018
	Chairwoman	Talents et Spectacles Sénégal SAS	2016 to 2018
	Chairwoman	Talents et Spectacles Bénin SAS	2016 to 2018
	Chairwoman	Talents et Spectacles Niger SAS	2016 to 2018
	Chairwoman and chief executive officer	CanalOlympia SA	2015 to 2018
	Chairwoman	Vivendi Analytics SAS	2015 to 2018
	Director	MyBestPro SAS	2015 to 2018
	Vice-Chairwoman	Vivendi Village SAS	2015 to 2018
	Chairwoman	Société d'investissement et de gestion 106 SAS	2014 to 2018
	Director	Watchever Group SA	2015 to 2017
Bertrand Badré	Director	Liquidnet	2018 to date
	Director, chairman of the audit committee	Wealthsimple	2017 to date
	President and director general	Blue like an Orange Sustainable Capital	2016 to date
	Chairman	BlueOrange Consultants	2016 to date
Giovanni Castellucci	Chief executive officer	Atlantia S.p.A	2006 to date
	Director	Aeroporti di Roma S.p.A.	2013 to date
	Member of the supervisory board	Aéroports de la Côte d'Azur S.A.	2016 to date
	Director	Autostrade dell'Atlantico S.r.l.	2016 to date
	Director	Abertis Infraestructuras S.A	2018 to date
	Managing director	Autostrade per l'Italia S.p.A	2005 à 2019
Elisabetta De Bernardi di Valserra	Director	Cellnex Telecom S.A.	2018 to date
	Managing director	ConnecT S.p.A.	2018 to date
	Director	Sintonia S.p.A.	2018 to date
	Director	Atlantia S.p.A	2016 to date
Patricia Hewitt	Chair	UK India Business Council India (Pvt) Ltd	2013 to 2017
	Chair	UK India Business Council (UKIBC)	2009 to 2017
	Chair	Katha Children's Trust	2010 to 2014
	Senior independent director	BT Group plc	2008 to 2014
Peter Levene	Director	Starr International (Europe) Limited	2016 to date
	Director	Tikehau Capital Europe Limited	2014 to date
	Chairman of the board	Tikehau Investments Limited	2013 to date
	Director	Tikehau Capital UK Limited	2017 to date
	Director	China Construction Bank (Asia) Corporation Limited	2013 to date

Name	Other positions held outside the Group	Company	Dates
	Chairman of the board	Starr Underwriting Agents Limited	2012 to date
	Vice chairman of the board	Starr International Company, Inc.	2011 to date
	Chairman of the board	General Dynamics United Kingdom Limited	2001 to date
	Director	Haymarket Group Limited	1997 to date
Colette Lewiner	Independent director, chairwoman of the remuneration and nomination committee	CGG (S.A.)	2018 to date
	Director, member of the audit committee and the nominations and remuneration committee and chairwoman of the governance and business responsibility committee	EDF	2014 to date
	Independent director, member of the accounts committee, the selection and remunerations committee and of the ethics and sponsorship committee	Colas (S.A.)	2011 to date
	Independent director, chairwoman of the selection and remunerations committee	Bouygues (S.A.)	2010 to date
	Independent director, member of the strategic and sustainable development committee	Nexans (S.A.)	2004 to date
	Independent director, member of the audit and financing committee and of the strategy committee	Ingenico Group (SA)	2015 to 2018
	Independent director, chairwoman of the remuneration and appointments committee	Crompton Greaves	2013 to 2016
	Chair of the board of directors	TDF (SAS)	2010 to 2015
	Independent director, member of the audit committee	TGS Nopec Geophysical Company (ASA) – Norway	2006 to 2015
	Independent director	Lafarge SA	2010 to 2014
Colette Neuville	Director	ATOS	2012 to date
	Director	ARCAF (Defense Association for Public Servant Retirement Savers)	2011 to date
	Member of the governing body	Ecole de droit et management, Paris II-Assas	2009 to date
	Director	Faider (Federation of Independent Defence Associations for Retirement Savers)	2008 to date
	Founder and chair	Association de Défense des Actionnaires Minoritaires (ADAM)	1991 to date
	Director	Numéricable SFR	2014 to 2016
Perrette Rey	None	None	None
Stéphane Sauvage	None	None	None
Jean-Pierre Trotignon	Chairman of the board of directors	BG Bonnard et Gardel Holding SA (Switzerland)	2015 to date
	Director	BG Bonnard et Gardel Holding SA (Switzerland)	2011 to date
	Member of the supervisory board	Plastic Omnium Environnement SAS (extension of scope of Compagnie Signature SAS)	2000 to 2015
Philippe Vanderbec	None	None	None
Philippe Vasseur	Director	Bonduelle SAS[22]	2008 to date
	Director	Caisse Centrale du Crédit Mutuel	2014 to 2016
	Chairman	Chamber of industry and commerce of the Nord-Pas-de-Calais Region (public body)	2011 to 2016
	Chairman of the board of directors	Caisse de Crédit Mutuel Lille Liberté (*société coopérative de crédit à capital variable*)	2005 to 2016
	Vice-chairman of the board of directors	Beobank	2012 to 2015
	Permanent representative – CMNE Belgium	Mobilease (SA) – Belgium	2009 to 2015
	Director	Nord Europe Partenariat	2009 to 2015
	Chairman of the supervisory board	Groupe La Française	2006 to 2015

[22] *Philippe Vasseur will leave the board of directors of Borduelle SAS in May 2019.*

Name	Other positions held outside the Group	Company	Dates
	Chairman of the supervisory board	Nord Europe Assurances SA	2006 to 2015
	Permanent Representative – CFCMNE (Censeur)	LOSC Lille Métropole	2005 to 2015
	Director	Caisse Solidaire du Crédit Mutuel Nord Europe (*société coopérative de crédit à capital variable*)	2005 to 2015
	Permanent representative – CFCMNE (Director)	Groupe des Assurances du Crédit Mutuel	2005 to 2015
	Director	CIC SA	2001 to 2015
	Director	BKCP Immo IT SCRL (formerly BKCP SCRL) – Belgium	2001 to 2015
	Chairman of the supervisory board	Banque Commerciale du Marché Nord Europe	2000 to 2015
	Chairman of the board of directors	Caisse Fédérale du Crédit Mutuel Nord Europe (*société anonyme coopérative*)	2000 to 2015
	Chairman of the board of directors	Crédit Mutuel Nord Europe Belgium (SA) – Belgium	2000 to 2015
	Director	BKCP Banque (ex Crédit Professionnel SA) – Belgium	2000 to 2015
	Member of the supervisory board	La Française AM Private Bank (SA) – Luxembourg	2011 to 2014
	Director	Holder SAS	2005 to 2013
	Director	BKCP Securities (SA) – Belgium	2005 to 2013
	Chairman of the board of directors	Société de Développement Régional de Normandie	2001 to 2013
Tim Yeo	Director	NNWI	2018 to date
	Director	New Nuclear Limited	2017 to date
	Director	Clean Energy Solutions Africa (Holdings) Limited*	2017 to date
	Director	Clean Energy Solutions Africa Limited*	2017 to date
	Director	New Silk Road Energy Limited	2016 to date
	Director	Anacol Holdings Limited	1979 to date
	Director	General Securities Register, Limited	1979 to date
	Director	Rivermill Partners Limited (formerly Locana Corporation (London) Limited	1979 to date
	Chairman of the board of directors	AFC Energy PLC	2006 to 2017
	Chairman of the board of directors	TMO Renewables Limited	2010 to 2017
	Director	Adeptt Limited	2013 to 2014
	Director	TMO Renewable Energy Group Limited	2013 to 2014
	Director	TMO Bio Tech Limited	2013 to 2014
	Director	ITI Energy Limited	2006 to 2013

* *In the process of dissolution (15 January 2019).*

For the purposes of their roles within the Group, the business address of the Directors is the registered office of Getlink SE at 3 rue La Boétie, 75008 Paris, France.

Biographical details for each of the members of the Board of Directors of Getlink SE as at the date of this Registration Document are presented below:

Jacques Gounon

Jacques Gounon, 65, is a graduate of the École Polytechnique and a chief engineer of the Ponts et Chaussées. He started his career in public service in 1977 and later became chief executive of the Comatec Group (1986-1990), director of development for the Eiffage group (1991-1993), industry advisor to the French Employment Minister (1993-1995), principal private secretary to the French Secretary of State for Transport (1995-1996), deputy chief executive of Alstom (1996), chairman of the business sector and Member of the Executive Committee of Alstom (2000) and deputy chairman and chief executive of the Cegelec group (2001). He became Chairman and Chief Executive Officer of Eurotunnel in 2005, and then of Getlink SE in 2007. He is also a director of Aéroports de Paris and chairman of the Transalpine Committee.

Corinne Bach

Corinne Bach, 45, is a graduate of the École Polytechnique and also holds qualifications from Imperial College London, INSEAD and Telecom Paris. She was chairwoman and chief executive officer of CanalOlympia and vice-chairwoman of Vivendi Village within the Vivendi group from 2015 to 2018. She also gained experience working at SFR and NavLink, in both France and the USA. In 2018, she was appointed director of development and operations at Studiocanal. Corinne Bach's appointment as a Director of the Board of Getlink SE was ratified by the General Meeting held on 27 April 2017. The General Meeting of 18 April 2018 renewed Corinne Bach's term of office as a director until the end of the General Meeting held to approve the 2021 accounts. Corinne Bach is a member of the Audit Committee and the Economic Regulations Monitoring Committee.

Bertrand Badré

Bertrand Badré, 50, is a graduate of the École Nationale d'Administration, the Institut d'études politiques de Paris and of the Hautes Études Commerciales de Paris. Assigned to the general finance department in 1995, in 1999 he became deputy director of Lazard Bank in London then vice-president, and director in New York (2000). In 2003, he joined Président Jacques Chirac's office. He became a partner of Lazard Bank in London then in 2007 he became finance director of Crédit Agricole then Société Générale. In 2013, Bertrand Badré was appointed finance director general at the World Bank and as such represented the organisation at the G7, G20 and the Financial Stability Board. He made a significant contribution to World Bank discussions on finance and development. He is known for his commitment to implement sustainable development objectives through a greater involvement of the private sector. Bertrand Badré left the World Bank group in 2016 and created an investment fund called Blue like an Orange Sustainable Capital, which aims to direct investment towards innovative economic projects in developing countries. He was co-opted on to the Board of Getlink SE on 18 December 2017. The appointment was ratified at the Getlink SE General Meeting held on 18 April 2018 until the end of the General Meeting held to approve the 2021 accounts. Bertrand Badré is a member of the Audit Committee of Getlink SE.

Giovanni Castellucci

Giovanni Castellucci, 59, graduated *magna cum laude* in mechanical engineering from the University of Florence in 1984 and then received an MBA from SDA Bocconi in Milan. From 1988 to 1999, he worked for the Boston Consulting Group, a leading management consulting firm, in Paris (until 1991) and then in Milan (from 1991), where he became the partner in charge of Customer Service and Pharma Practices. In January 2000, he was appointed Chief Executive Officer of the Barilla Group. In June 2001, he joined the Autostrade Group as General Manager. From April 2005 to January 2019 he was Chief Executive Officer of Autostrade per l'Italia, while retaining the role of General Manager of Autostrade, now Atlantia. He has served as Chief Executive Officer of Atlantia since 2006. He was appointed to the Getlink SE Board of Directors by the General Meeting of 18 April 2018.

Elisabetta De Bernardo di Valserra

Elisabetta De Bernardi di Valserra, 42, graduated *magna cum laude* in electronic engineering from the Università degli Studi di Pavia. Since 2015, she has been an Investment Director in Edizione Srl and is a Board member of Atlantia, Cellnex Telecom, Sintonia S.p.A and ConnecT S.p.A. She started her career with Morgan Stanley in finance team in Milan, where she remained until 2013 as executive director. At Morgan Stanley, Elisabetta advised on several transactions, including M&A, equity and debt transactions. Between 2013 and 2015, she was a partner of Space Holding, 2000 in the investment banking team, where she worked in the communications & media team in London and then in the corporate launching and placing on the Italian Stock Exchange the Special Purpose Acquisition Vehicles Space SpA and Space 2 SpA, which completed their business combination by merging with Fila Avio and Aquafil. She was appointed to the Getlink SE Board of Directors by the General Meeting of 18 April 2018.

Patricia Hewitt

Patricia Hewitt, 70, a graduate of Cambridge University and a Labour member of Parliament for 13 years until 2010. Patricia Hewitt first worked for Age Concern (the largest UK charity working with the elderly). She was economic secretary at the Treasury (1998-1999), then minister for e-Commerce and Small Business at the DTI (1999 and 2001) and subsequently secretary of state for Trade and Industry and Cabinet Minister for Women (2001-2005) before becoming secretary of state for Health (2005-2007). She became a member of the Board of Getlink SE on 26 May 2010. She chairs the Economic Regulations Monitoring Committee. She is a member of the Safety and Security Committee.

Peter Levene

Peter Levene, 77, a Foundation Shareholder of Eurotunnel, joined the defence sector company United Scientific Holdings in 1963, and rose to the post of group chairman in 1981. Subsequently, he was asked by the Secretary of State for Defence to act as his personal advisor in the MoD, and then as a permanent secretary in the role of Chief of Defence Procurement, a position which he held for six years. He thereafter held the post of advisor to the Secretary of State for the Environment, to the president of the Board of Trade and to the Chancellor of the Exchequer. He was appointed as advisor to the Prime Minister on efficiency and effectiveness from 1992 to 1997. During this period, he also served as chairman of the Docklands Light Railway and then chairman and chief executive of Canary Wharf Limited. He served as a member of the board of J. Sainsbury plc from 2001-2004 and of Total SA from 2005-2011. He is currently chairman of General Dynamics UK Limited, Starr Underwriting Agents Limited and Tikehau Investments Limited, vice-president of Starr International Company, Inc, and a member of the board of Haymarket Group Limited and that of Tikehau Capital UK Limited. He is a member of House of Lords artificial intelligence committee and was a member of the House of Lords economic affairs committee from 2008-2013. He served as sheriff of London from 1995-1996 and as lord mayor of London for the year 1998-1999. He received a knighthood in 1989 and became a life peer in July 1997 as Lord Levene of Portsoken. Previously, he served as chairman of Lloyd's of London, the world's leading specialist insurance and reinsurance market from 2002-2011, after having been vice-chairman of Deutsche Bank. Prior to this, he held the position of chairman of Bankers Trust International, Morgan Stanley and Wasserstein Perella. Peter Levene's appointment as a Director of the Board of Getlink SE was ratified by the General Meeting held on 26 April 2012. He is a member of the Corporate Committee and by a decision dated 20 February 2019 he joined the Nominations Committee.

Colette Lewiner

Colette Lewiner, 73, is a graduate of the École Normale Supérieure and holds a degree and doctorate in physics. She is a director of Nexans, Groupe Bouygues, EDF and CGG (S.A.). She was also an director of Ingenico Group from 2015 to 2018. Colette Lewiner began her career as a university lecturer, conducting research into electrical and magnetic phenomena in new semi-conductors. In 1979, she joined EDF in the research and development directorate and then established the development and commercial strategy division. In 1992, she became chair and chief executive of SGN Reseau Eurisys, a subsidiary of Cogema, and then joined Capgemini to set up the Utilities sector, which she then managed. In 2000, following the merger of Capgemini and Ernst and Young, Colette Lewiner was appointed managing director of GSU (Global Sector Unit) "Énergie Utilities and Chemicals". In 2004 she took on responsibility for the group's global marketing unit (which she headed until 2008) alongside responsibility for the global energy, utilities and chemicals sector. In July 2012, Colette Lewiner left this post to become energy adviser to the chairman of Capgemini. Colette Lewiner is the author of a textbook on nuclear power stations and of numerous scientific papers. She is a Commander of the Légion d'Honneur and a Grand Officer of the Ordre National du Mérite. Colette Lewiner's appointment as a Director of the Board of Getlink SE was ratified by the General Meeting held on 26 April 2012. Colette Lewiner chairs the Getlink SE Audit Committee.

Colette Neuville

Colette Neuville, 82, is a law graduate and a graduate of the Paris Institute of Political Studies, and holds a post-graduate degree in economics and political science. She has worked as an economist for NATO, for the National Office for Irrigation (ONI) in Morocco and for the Loire-Brittany basin agency. Colette Neuville is founding chairman of ADAM (the French association for the defence of minority shareholders). She is a member of the board of directors of ATOS and of two defence associations of savers (Faider and ARCAF). She is also a member of the commission on retail investors and minority shareholders of the AMF. Since 2009, she has been a member of the governing board of the MBA school of the Panthéon-Sorbonne University and since 2011, the club of the chairmen/women of remuneration committees at IFA (the French institute of directors). She became a director of TNU on 15 December 2005. She has been a Director of Getlink SE since 9 March 2007 and chairs the Remuneration Committee. She is a member of the Audit Committee and the Nominations Committee. She was appointed as Senior Independent Director of Getlink SE by the Board on 14 February 2014.

Perrette Rey

Perrette Rey, 76, holds a doctorate in corporate law and a post-graduate degree in economic management both from the University of Paris I; she is a graduate of the Paris political studies institute (IEP), the Paris institute of business management (IAE) and the Paris centre for better management (CPA). She started her career as commercial director for SOVA, a mechanics, metal and steel family businesses prior to setting up her own business as a management, organisation and IT consultant then heading a management and IT publication. In 1977 she joined the Banques Populaires group where she was successively in charge of strategy, budget, finance and IT and later an advisor to the chairman of the Banques Populaires group. She was elected as a judge at the Paris Commercial Court in 1992, becoming in turn president of a chamber, vice-president and the first woman (and to date the only woman for 450 years) to be elected president of the Paris Commercial Court, then president of the General Council Of Commercial Courts, which brings together all the French commercial courts, between 2004 and 2008. She chaired the French observatory for businesses in difficulty set up by the chamber of commerce and industry of Paris-Ile-de-France. From 2008 to 2013, she was a member of the French state shareholding commission. Perrette Rey was appointed by the Board of Getlink SE and her appointment was ratified by the General Meeting on 15 May 2013. Perrette Rey chairs the Getlink SE Nominations Committee. She is a member of the Audit Committee and the Remuneration Committee.

Stéphane Sauvage

Stéphane Sauvage, 52, joined the Group in 1998, after participating in the construction of the tunnel for eight years (Transmanche Construction GIE), in a range of positions including formworker/carpenter team leader during the construction of the Cross-over and quality controller for the final equipment installed in the Tunnel. Stéphane Sauvage joined Eurotunnel in a client service role before being appointed platform coordinator. Until 29 May 2018, he held the positions of Secretary of the Social and Economic Committee, Force Ouvrière union delegate, member of the Social and Economic Committee, representative on the European Company Committee and union representative on the Group Committee. He received the "Meilleur ouvrier" award for his department in 1984. He is a first responder firefighter in underground environments and holds the workplace first-aid diploma and the resuscitation diploma. During a plenary meeting on 22 May 2018, the French Group Council unanimously appointed Stéphane Sauvage as a staff representative director. Stéphane Sauvage is a member of the Safety and Security Committee and on 20 February 2019 it was decided that he would join the Remuneration Committee.

Jean-Pierre Trotignon

Jean-Pierre Trotignon, 68, is a director and chairman of the board of the Swiss company BG Bonnard et Gardel Holding SA. A graduate of the École Polytechnique and of the Ponts et Chaussées engineering school, and holds a master's degree in Science from the University of Berkeley. He was deputy chief executive officer of Autoroutes du Sud de la France (1987-1992) and chief executive officer of Compagnie Signature SA from 1992 to 1998. He joined the Caisse des Dépôts Développement (C3D) group in 1998, where he was in turn chief executive officer of Egis Projects S.A. (1998-2000), chairman and chief executive officer of ISIS SA (1998-2001), amministratore delegato of Egis Italia S.p. (2000-2001) and deputy director for continental Europe of Transdev SA (October 2001 to January 2003). Between 1999 and 2003, alongside his appointments with C3D and Ubifrance, he was chairman of the independent port of Dunkirk. After two years as chief executive officer of Ubifrance, he joined Eurotunnel in August 2005 as Chief Operating Officer in charge of all commercial, operational and technical aspects of the business, in France and the UK before being appointed as Deputy Chief Executive from 2008 to 2009. He became a member of the Board of Getlink SE in 2010 and chairs the Safety and Security Committee. He is a member of the Nominations Committee of Getlink SE.

Philippe Vanderbec

Philippe Vanderbec, 50 joined Eurotunnel in 1993, as a shuttle driver. In 2000, he was appointed General Secretary of the Eurotunnel CGT union. In 2008, he was elected General President of the Calais Employment Tribunal and, in 2014, he became a trainer for CGT Employment Tribunal advisors in the Pas-de-Calais département and Secretary of the Getlink European Company Council. On 6 June 2018, the Getlink SE European Company Council unanimously appointed Philippe Vanderbec as a staff representative director on the Board of Getlink SE. Philippe Vanderbec is a member of the Safety and Security Committee and on 20 February 2019 it was decided that he would join the Remuneration Committee.

Philippe Vasseur

Philippe Vasseur, 75, former Minister for Agriculture, Fisheries and Food from 1995 to 1997, was the member of the French Parliament for the Pas-de-Calais area several times between 1986 and 2000. He has been a member of the Finance Commission for the French Parliament throughout his parliamentary career, regional councillor for the Nord-Pas-de-Calais region between 1992 and 1998 and mayor of Saint-Pol-sur-Ternoise (Pas-de-Calais). A former economics journalist, he resigned from all his political appointments in 2000 in order to return to the private sector where he served until 2015 as chairman of Crédit Mutuel Nord Europe as well as holding various other positions in companies controlled by Crédit Mutuel Nord Europe (BCMNE, Caisse de Lille-Liberté, La Française AM, Nord Europe Assurances). Philippe Vasseur is a director of Bonduelle. Until December 2018, he was the chairman of Réseau Alliances, which brings together more than 250 Hauts-de-France businesses involved in social and environmental responsibility. From 2011 to 2016, he was chairman of the Nord de France Chamber of Commerce and Industry. Between June 2016 and December 2017, he was *Commissaire spécial à la revitalisation et à la réindustrialisation des Hauts-de-France*. Since December 2017, he has been the Chair of Mission REV3, an organisation to promote the third industrial revolution in the Hauts-de-France region. He has been a Director of Getlink SE since 20 June 2007. He is a member of the Nominations Committee and of the Remuneration Committee.

Tim Yeo

Tim Yeo, 73, is a graduate from Cambridge University and was the Member of the House of Commons for Suffolk South and chairman of the House of Commons Energy and Climate Change Select Committee from 1983-2015. He was government minister for the environment and rural affairs between 1990 and 1994, and a member of the shadow cabinet between 1998 and 2005, with roles including shadow Secretary for Trade and Industry and Transport and the Environment. Tim Yeo was chairman of Sheffield University Energy 2050 Industrial Advisory Board. He was also chairman of AFC Energy PLC from 2006 to 2017 and the founding chairman of The Children's Trust, a charitable organisation that has taken over the management of a hospital for disabled children. He has been a Director of Getlink SE since 20 June 2007 and chairs the Corporate Committee. By a decision dated 20 February 2019 he joined the Audit Committee.

4.2.2 CONFLICTS OF INTEREST WITHIN THE BOARD OF DIRECTORS, THE MANAGEMENT AND GENERAL MANAGEMENT

To Getlink SE's knowledge, there are no potential conflicts of interest between the duties owed to Getlink SE by any of the persons referred to in sections 4.1.1, 4.1.3 and 4.2.1 of this Registration Document, and their private interests or other obligations.

Getlink SE has measures in place to prevent potential conflicts of interest between the Directors and Getlink SE which are described in section 4.2.5.a)vii) of this Registration Document.

4.2.3 DIRECTORS' AND EXECUTIVE OFFICERS' INTERESTS IN GETLINK SE'S SHARE CAPITAL

Name	Position	Number of shares *
Jacques Gounon	Chairman and Chief Executive Officer	228,688**
François Gauthey	Deputy Chief Executive Officer	18,000
Corinne Bach	Member of the Board	5,000
Bertrand Badré	Member of the Board	3,000
Giovanni Castellucci	Member of the Board	5,000
Elisabetta De Bernardi di Valserra	Member of the Board	2,000***
Patricia Hewitt	Member of the Board	5,000
Peter Levene	Member of the Board	10,074
Colette Lewiner	Member of the Board	5,000
Colette Neuville	Member of the Board	5,182
Perrette Rey	Member of the Board	5,000
Stéphane Sauvage	Member of the Board	400[23]
Jean-Pierre Trotignon	Member of the Board	6,110
Philippe Vanderbec	Member of the Board	400[23]
Philippe Vasseur	Member of the Board	5,000
Tim Yeo	Member of the Board	7,005

* *Getlink SE ordinary shares and CDIs.*
** *95,788 shares and 132,900 free ordinary shares received on conversion of preference shares from the 2014 plan (section 5.1.2 of this Registration Document).*
*** *Ordinary shares acquired on 26 February 2019.*

In accordance with article L. 621-18-2 of the French Monetary and Financial Code and articles 223-22 et seq. of the AMF's General Regulations, transactions involving the financial instruments of Getlink SE carried out by any member of the Board or the Chairman and Chief Executive Officer or any persons to whom they are related, must be declared[24].

In accordance with article 223-26 of the AMF General Regulations, the following table presents the transactions that were declared by the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, other members of the Board of Getlink SE or any persons to whom they are related during the 2018 financial year until the date of this Registration Document:

Board member	Financial instrument	Type of transaction	Transaction date	Transaction location	Unit price *	Number of units	Transaction amount *
Bertrand Badré	Shares	Purchase	09/01/2018	Euronext Paris	11.13	3,000	33,390
Gabrielle Gauthey	Shares	Purchase	07/11/2018	Euronext Paris	11.4830	5,000	57,415
Gabrielle Gauthey	Shares	Purchase	12/11/2018	Euronext Paris	11.3936	3,800	43,295
Corinne Bach	Shares	Purchase	11/12/2018	Euronext Paris	11.0274	3,000	33,082
Giovanni Castellucci	Shares	Purchase	19/12/2018	Euronext Paris	12.0050	5,000	60,025
Jacques Gounon	Options	Exercise	02/01/2019	Euronext Paris	6.33	24,470	154,895
Elisabetta De Bernardi di Valserra	Shares	Purchase	26/02/2019	Euronext Paris	12.68	2 000	25 360

* *Amounts in euros, unless otherwise indicated.*

Any transactions performed by the corporate officers in Getlink SE financial instruments are governed by the Securities Ethics Charter described in section 4.2.5.a)vii) of this Registration Document.

4.2.4 STATEMENTS REGARDING DIRECTORS AND OFFICERS

As at the date of this Registration Document, there are no family connections between any of the members of the Board or the Executive Committee.

In addition, as at the date of this Registration Document, no member of the Board or the Executive Committee has been:

- convicted of fraud during the past five years;
- implicated in any bankruptcy, receivership or liquidation proceedings during the past five years; or
- charged with any offence or any official public sanction by any statutory or regulatory authority during the past five years.

To Getlink SE's knowledge, no Director or deputy chief executive officer has been banned by a court from acting as a member of a board of directors, a management or supervisory board of an issuer or from participating in the management or conducting the business of an issuer during the past five years.

[23] *According to the provisions in Getlink SE's by-laws, staff representative directors are not obliged to hold a minimum number of shares.*
[24] *Where transactions carried out by any one of these Directors or executive officers total more than €20,000 in any one calendar year.*

Tim Yeo was a director of TMO Renewables Limited until 8 February 2017. This company entered into administration in the UK on 19 December 2013 and was placed in liquidation on 8 December 2014.

4.2.5 TERMS APPLICABLE TO THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

a) Composition and organisation of the Board of Directors

i) Board Directors

At the date of this Registration Document, the Board of Getlink SE has 15 Directors, of whom two are staff representative directors and ten are independent (i.e. 77% of Board Directors excluding staff representative directors[25]).

The Board has six female Board Directors, representing more than 46% of the Board (excluding staff representative directors[26]), in accordance with the French law of 27 January 2011 on the balanced representation of women and men on boards of directors.

The proportion of Board Directors not resident in France is 46% (excluding staff representative directors).

The members of the Board of Directors of Getlink SE are very active: there were a total of 38 meetings of the Board (10 Board meetings) and its Committees.

The average age of Board Directors is 64. The expertise and complementary experience of the Directors is an advantage for the Group. Board members bring to the company a complementary range of experience and industrial, managerial, financial and scientific skills and a diversity of backgrounds with a mix of men/women, ages and nationalities.

Board members are appointed, re-appointed or removed by the shareholders' General Meeting. The Nominations Committee assesses the composition and size of the Board, oversees the assessment process for candidates for the position of member of the Board, determines whether such candidates are qualified to become Board Directors, in accordance with the criteria set out by the Board and makes recommendations to the Board with regards to candidates.

The Board agreed a diversity policy, recognising that a diverse Board encourages more efficient governance and more enlightened decisions. The composition of the Board aims to balance experience, ability and independence in line with the equality and diversity which reflect the binational nature of the business. Good synergy within the Board depends on the diversity (in terms of nationality, competences and so on), equality and complementarity of its members. The Board, as a whole, must also adequately reflect the communities within which the Group carries on its business (public/private; transport business; rail infrastructure; cross-Channel market; Franco-British business; a history of crises).

	MAIN EXPERTISE								
Name	**Governmental affairs/ regulations**	**Executive/Senior management**	**Accounting and finance**	**Risk management**	**Governance**	**Human resources/ remuneration**	**Customer service**	**Mergers and acquisitions**	**New technologies**
Jacques Gounon	X	X	X	X	X	X	X	X	
Corinne Bach		X	X		X		X	X	X
Bertrand Badré	X	X	X	X	X			X	X
Giovanni Castellucci	X	X		X			X	X	
Elisabetta De Bernardi di Valserra			X	X				X	X
Patricia Hewitt	X	X	X	X	X	X	X		
Peter Levene	X	X	X		X		X	X	
Colette Lewiner		X	X	X	X	X			X
Colette Neuville			X	X	X	X		X	
Perrette Rey	X	X	X	X	X	X		X	
Stéphane Sauvage				X		X	X		
Jean-Pierre Trotignon	X	X		X	X		X		X
Philippe Vanderbec				X		X	X		
Philippe Vasseur	X	X	X		X	X	X	X	
Tim Yeo	X	X			X		X	X	

25 Directors representing employees are not taken into account for the calculation of the independence rate, in accordance with the Afep-Medef Code.

26 The two directors representing the employees are not taken into account for the calculation of the percentage, in accordance with article L. 225-27 of the French Commercial Code.

It is expected that Directors should have the following essential qualities:

- to be mindful of the interests of the company;
- to be a good judge, in particular of situations, strategies and persons, based primarily on their experience;
- to be able to anticipate so as to identify risks and strategic issues;
- to have integrity, be present, active and involved.

The following qualifications or attributes are taken into account in the selection of Directors: management and/or board experience, comprehensive and multi-disciplinary experience, integrity and professionalism, and personal qualities required to contribute actively to the discussions of the Board.

Throughout their term of office, each Director (other than staff representative directors) must own 5,000 ordinary shares, to be purchased over a three-year period, reaching the following minimum number each year:

- year 1: 2,000 ordinary shares,
- year 2: 3,000 ordinary shares,
- year 3: 5,000 ordinary shares.

If any of the Directors do not own the prescribed number of ordinary shares, they are deemed to have resigned unless the situation is remedied within the appropriate time.

If there are one or more vacancies on the Board, the Board may, between two General Meetings, make interim appointments in accordance with the provisions of article L. 225-24 of the French Commercial Code. The term of office of Directors appointed as a replacement for another director is the remainder of the term of office of their predecessor.

In order to ensure the continuity, coherence and quality of the Board's work, and in accordance with recommendation 12 of the Afep/Medef Code relating to training of new directors, Getlink SE offers new Board members an induction period designed to facilitate their integration: on-site visits to facilitate an understanding of the company's business, a briefing on economic/financial data, the Group's key constitutional documents and the possibility to attend external training, including with the Institut Français des Administrateurs (French institute of directors). The staff representative directors that joined the Board followed a specific introductory two-day programme organised by the Institut Français des Administrateurs. That training course is not a substitute for the additional courses that consider the skills specific to the role of director in greater depth, notably with regard to strategy, company financing and linguistic aspects.

As at the date of this Registration Document, the term of office of a Director in the by-laws is four years. The appointment terminates at the end of the ordinary General Meeting called to approve the financial statements of the preceding financial year and held during the year in which their term of office expires.

All outgoing members are eligible for re-election. Notwithstanding the above, the number of Directors aged over 75 years old serving on the Board as individuals or as permanent representatives of legal entities may not exceed one third (rounded up to the nearest whole number, if applicable) of the number of Directors serving at the end of each General Meeting called to approve the parent company's financial statements. If this limit is exceeded, the oldest Director is automatically deemed to have resigned.

ii) Chairman of the Board

The Board appoints one of its members as Chairman for a period identical to their term of office as Director, unless the Board sets a shorter term. The Chairman must be an individual.

The Chairman of the Board represents the Board. He directs and organises the work of the Board and reports on this to the General Meeting. He ensures the proper functioning of Getlink SE's bodies and, in particular, that members of the Board are able to perform their duties.

The age limit for the position of Chairman of the Board is 70. The term of office of the Chairman expires on the date of the ordinary General Meeting called to approve the financial statements of the financial year during which the serving Chairman reaches the age limit. However, the Board may extend or renew the term of office of the Chairman for additional one-year periods, up to five times.

Should the Chairman be temporarily unable to carry out his duties or in the event of his death, the Board may appoint a Director to serve in his place. Where the impediment is temporary, the appointment is for a limited period, which may be renewed. In the event of the incumbent's death, the appointment is effective until a new Chairman is appointed.

iii) Meetings of the Board

The Board meets as frequently as the interests of the company require and at least three times each year. Meetings are called by the Chairman or by the Director designated to act in the Chairman's place and are held at the registered office or at any other place specified by the person who calls the meeting. However, if the Board has not met for more than two months, Directors representing at least one third of the members of the Board and, if applicable, the Chief Executive Officer, may request that the Chairman call a meeting on a specific agenda.

Meetings of the Board are conducted in French with a free translation into English. Documents provided to members for meetings of the Board, as well as minutes of the meeting, are prepared in French with a free translation into English.

iv) Quorum

The presence of at least one half of the serving members is required for a meeting of the Board to proceed to business. The internal rules of the Board provide that members are deemed to be present within the scope of article L. 225-37 of the French Commercial Code, for the purpose of calculating the quorum and majority, when they participate by videoconference or other means of telecommunication that enable them to be identified and to participate in the meeting in accordance with governing laws and regulations. This provision does not apply for the approval of decisions referred to in articles L. 232-1 and L. 233-16 of the French Commercial Code.

v) Majority

Decisions are taken by a majority of members present or represented, with the Chairman casting the deciding vote in the event of a tied vote.

vi) Powers

The Board determines Getlink SE's business objectives and oversees their implementation. Subject to the powers expressly granted to shareholders in General Meetings and within the limits of the corporate purpose, the Board may consider any matter affecting the proper functioning of Getlink SE and takes decisions in this respect in the interest of all shareholders.

In its relations with third parties, Getlink SE is bound by decisions of the Board that do not fall within its corporate purpose, unless it can prove that the third party knew or should have known in the circumstances that the decision exceeded the corporate purpose. However, the publication of the by-laws does not alone constitute such proof.

The Board may carry out such controls and checks as it deems appropriate. Each Director receives all information and documents needed to perform their duties in accordance with the conditions set out in the internal rules of the Board, particularly as regards confidentiality.

The Board may decide to establish committees for the purpose of considering issues that the Board or its Chairman may submit for their review. The Board determines the composition and terms of reference of the said committees, which conduct their business under the responsibility of the Board. The Board also determines the remuneration of the committee members, if any.

The Board decides or authorises the issue of debt securities pursuant to article L. 228-40 of the French Commercial Code, unless the General Meeting resolves to exercise this power.

vii) Board members' rights, information and ethics (ethics charter, code of conduct, internal rules)

From the outset, the Group has developed on strong values that ensure cohesion, its future and its development. The Board is committed to promoting those values, as well as the governance and ethical practices, within the Group.

Governance

The Corporate Committee ensures that the ethical culture and principles applicable to management and the entire staff are communicated within the business. The Chairman and Chief Executive Officer supports the ethics and compliance policy with, in particular, a strong zero-tolerance message in the fight against corruption. The implementation of this approach is led by the Compliance Officer, who steers the ethics action plans and leads an internal working group (Compliance Steering Group). This committee brings the Internal Control, Internal Audit, Legal, Human Resources and Public Affairs Departments together to oversee compliance with the rules set out in the Ethics Charter and the procedures contained in it, under the sponsorship of the Group's Compliance Officer and with the responsibilities being allocated to the relevant departments. The compliance convergences and links are contained in a matrix of compliance topics with owners allocated to each topic. The Legal Department is thus the owner of the topics relating to personal data. The Board secretariat monitors financial market laws and regulations, as well as best practice with regard to corporate governance, and ensures they are transposed into internal procedures.

Group Ethics Charter

The Group has established a Group Ethics Charter which extends the ethics policy already in place within the Concession to all entities which have joined the Group. In accordance with the United Nations Global Compact, the Group Ethics Charter describes the fundamental values which must guide every team member, whatever the circumstances, by reference to the OECD guidelines for multinational companies.

The format of the Charter was reviewed at the initiative of the Corporate Committee and the Audit Committee. On 18 December 2018, the Board of Directors approved a more illustrative and practical format so as to offer a practical guide to ethics. This Charter forms the bedrock underpinning all internal policies, codes of conduct and specific procedures adopted by Getlink (anti-corruption policy, competition policy, Securities Ethics Charter, etc).

The Directors' Charter

The Directors' Charter sets out the rights and obligations of each Director, in particular with regards to conflicts of interests. Each Director undertakes to abide by this charter and carry out their duties with independence, integrity, loyalty and professionalism. As indicated below, the Senior Independent Director ensures that the Board and its committees abide by governance practices and is responsible for handling any conflict of interests of executive corporate officers and other members of the Board: *"Directors undertake, in all circumstances, to maintain their independence of analysis, judgement, decision and action and to reject any direct or indirect pressure on them from other Directors, groups of shareholders, creditors, suppliers, and more generally, any third party. In particular, Directors must avoid plurality of functions within companies, which directly or indirectly compete with the company, such plurality being likely to affect the interest of the company, or its governance. […] Directors undertake not to seek or accept from the company or the subsidiaries thereof, directly or indirectly, any advantages likely to affect their independence*."

Conflicts of interest within the Board are managed as follows:

- all Directors are under the obligation to inform the Board of any circumstances – even potential – of a conflict of interest between themselves (or any individual or legal entity with which they have a business relationship) and Getlink SE or any of the companies in which Getlink SE has an interest, or any company with which Getlink SE intends to enter into an agreement of any nature whatsoever;

- if a Director is unsure about the existence of a conflict of interest – even potential – he or she must immediately inform the Chairman of the Board who will have the responsibility of deciding whether or not the Board must be informed, and thereupon initiate the procedure for managing conflicts of interest;
- if the member of the Board referred to in the previous subparagraph is in fact the Chairman of the Board, the Chairman must inform the Senior Independent Director of the Board, or failing that, the Board itself;
- the relevant Director must refrain from voting in the Board's decision regarding the conclusion of the agreement in question and from participating in the discussion preceding that vote; and
- additionally, the Chairman of the Board, the members of the Board, the Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer(s) are under no obligation to communicate information or documents relating to the agreement or the transaction from which the conflict of interest arose to the member or members of the Board when they have reasonable grounds to believe that the member or members have a conflict of interest; they must inform the Board of the information or documents being withheld.

In addition, the internal rules of the Board were modified, most recently on 24 January 2019, to prevent potential conflicts of interest with the ElecLink business. Accordingly, any member of the Getlink SE Board of Directors representing or having a professional activity in an electricity generation or supply company cannot participate in any decisions or votes concerning the strategic direction of ElecLink, when the member in question holds a stake in an electricity generation or supply company or he or she represents or has a professional activity in an electricity generation or supply company. No commercially sensitive information concerning the ElecLink business may be communicated to any member of the Getlink SE Board of Directors, who, at that time, represents or has a professional activity in an electricity generation or supply company.

Securities Ethics Charter

The Board drew up a code of conduct governing transactions in securities so as to avoid any insider trading issues. This code was updated following the entry into effect of EU Regulation 596/2014 of 16 April 2014 on market abuse and the AMF guidance of 26 October 2016 on permanent reporting and the management of inside information. The first part of the code, which is now called the Securities Ethics Charter, sets out the essential ethical principles that apply and the second part sets out the applicable preventive measures, with specific preventive measures for financial transactions. The appendix to the code contains a description of the legal and regulatory provisions applicable, together with details of potential sanctions. This code sets out the blackout periods for securities transactions and the exercise of options. This recommendation covers all types of exercises of options including simple exercises, i.e. options exercised without an ensuing sale. The code defines the following blackout periods:

- a minimum of 30 calendar days prior to the publishing of the annual and half-yearly financial statements; and
- a minimum of 15 calendar days prior to the publishing of the quarterly disclosures.

Internal rules

The Board has approved a set of internal rules to complement the laws, regulations and by-laws, specifying the role and functional practices of the Board and its committees, with particular attention given to the principles of the Afep/Medef Code. The internal rules are updated on a regular basis and most recently on 24 January 2019.

The internal rules include specific provision concerning the composition of the Board and the independence criteria applied to its members, the duties and powers of the Board, information provided to members and the internal rules of each of its committees.

The main provisions of these internal rules are described below.

Role of the Board of Directors (article 1 of the Internal Rules)

As part of its management responsibilities, and in compliance with governing laws and the by-laws of Getlink SE, the Board:

- appoints or removes the executive officers and decides whether the Chairman and Chief Executive Officer roles should be combined or separate;
- defines strategy guidelines for Getlink SE and the Group, together with its proposed investments, divestments and internal reorganisations, the Group's overall human resources policy, in particular its remuneration, profit-sharing and staff incentive policy; carries out an annual appraisal of the performance of general management;
- approves regulated agreements;
- considers major strategic transactions involving the acquisition or disposal of equity investments and assets, partnership agreements, joint ventures or cooperation agreements relating to research, development, industrial or commercial matters and more generally any transaction or undertaking that could have a significant impact on the financial or operating situation of the Group; any significant transaction outside the approved business strategy is subject to prior approval by the Board; this rule applies to external acquisitions and disposals, as well as major investments in organic growth or internal restructuring;
- is kept informed by its Chairman and its committees of all significant events affecting the business, financial situation and cash flow of Getlink SE and the Group and of the company's commitments. It is informed in a timely manner of the company's liquidity positions so that it can take, where necessary, decisions regarding its financing and its debt;
- sets the annual performance objectives of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer and their remuneration in accordance with the principles defined in the Afep/Medef Code, as amended, and submits this remuneration to the General Meeting for vote in accordance with the conditions required by law and the recommendations of the Afep/Medef Code, as amended;

- takes note of the essential characteristics of the internal control and risk management systems adopted and implemented by the general management. Specifically, the Board checks with the general management that the coordination procedure and internal control and risk management systems are able to guarantee the reliability of the company's financial disclosures and give a true and fair view of the results and financial position of the company and the Group;
- ensures that strategies and objectives are in place for the known major risks facing the company, and that these major risks are taken into account in the company's management; and
- ensures that proper information is provided to shareholders and the public, particularly through the control that it exercises over information provided by the company; in this capacity, it defines the communication policy of Getlink SE concerning the frequency of publication of financial information relating to the Group.

The internal rules state that shareholders should be consulted when the sale of assets representing one half or more of the company's assets over the last two financial years is considered. This threshold is considered to have been attained when two ratios reach or exceed half of the consolidated amount (calculated for the divesting company over the previous two financial years). Ratios include:

- revenue realised by the assets or operations sold to total consolidated revenue;
- the sale price of the asset(s) sold to the stock market capitalisation of the Group;
- the net carrying amount of the asset(s) sold to the total consolidated balance sheet;
- the pre-tax net income from ordinary activities generated by the assets or operations sold to consolidated pre-tax net income from ordinary activities; and
- the number of employees of operations sold compared to the total Group workforce.

Members of the Board (article 2 of the Internal Rules)

- Irrespective of their specific position or competences, each Director must act in the best interest of the company.
- Each Board Director must devote the time and attention necessary to fulfil their duties and participate in meetings of the Board and of the committees of which they are a member.
- The Board must be composed of members chosen for their skill and experience relevant to the business of the Group.
- Members of the Board may attend training sessions on matters specific to the business, its activities or its business sector, such training being organised by Getlink SE on its own initiative or at the request of the Board.
- Each Director is required to notify the Autorité des marchés financiers (the French financial market regulator, or AMF) and Getlink SE of any acquisition, disposal, subscription or exchange of financial instruments issued by Getlink SE or any transaction in related financial instruments, in accordance with applicable regulations.
- The duties of Directors are as described in the Afep/Medef Code. Before accepting the position, Directors must ensure that they are aware of the general obligations of Board members and of those specific to their role. Directors must be aware of all relevant provisions of the governing law, the by-laws of Getlink SE and the internal rules of the Board that apply to them.
- Each Director has the obligation to disclose to the Board any actual or potential conflict of interest between them and Getlink SE or the Group and must abstain from voting on matters considered at meetings of the Board to which the conflict of interest relates, unless the conflict of interest arises in connection with an agreement entered into in the ordinary course of business under normal conditions. In respect of ElecLink, the internal rules contain restrictions for members who represent or have a professional activity in an electricity generation or supply company.
- The number of additional appointments held by members of the Board in listed companies outside the Group is limited to two additional appointments in listed companies outside the Group for chief executive officers and to four additional appointments in listed companies outside the Group for other Directors. This includes any appointments held in foreign listed companies. Board members must inform the Board of any new appointment. The limit is assessed on each appointment or re-appointment. The internal rules have been reviewed in order to specify that, in accordance with recommendation 18.2 of the Afep/Medef code, the executive officers must receive prior advice from the Board before accepting another appointment in a listed company; this provision has not yet been drawn on by the company.
- Board members must all contribute towards determining the business strategy of the Group and overseeing the implementation of such strategy. They must supervise the management of the Group appropriately.
- All materials provided at meetings of the Board and all information obtained during or outside such meetings of the Board are strictly confidential without exception, irrespective of whether such materials or information were presented as confidential. Board members must consider themselves bound to secrecy beyond a mere obligation of discretion.
- In addition to this obligation of confidentiality, Directors undertake not to make public statements in their capacity as members of the Board on any matter pertaining to the Group, whether or not related to meetings of the Board, without the prior consent of the Chairman.
- Every Board Director must comply with all market regulations intended to prevent market abuse that would be harmful to the interests and image of the Group.

Board proceedings, videoconferencing or teleconferencing (article 3 of the Internal Rules)

The internal rules of the Board state that Directors may participate in meetings by all means authorised by law and the by-laws, including videoconferencing or teleconferencing as long as such videoconferencing or teleconferencing facilities (i) enable the transmission of at least the voices of the participants and (ii) satisfy technical requirements enabling the continuous and simultaneous transmission of the proceedings.

Information for Board members (article 4 of the Internal Rules)

The Chairman or the Chief Executive Officer gives each Director the documents and information needed to carry out their duties, subject to the confidentiality obligations described in the internal rules.

Committees (article 3 of the Internal Rules)

The Board may establish temporary or permanent specialised committees consisting of members appointed by the Board, with one committee member designated by the Board as the committee chairman.

The Board has established an Audit Committee, a Nominations Committee, a Remuneration Committee, a Safety and Security Committee, a Corporate Committee (as the merged Strategy and Sustainable Development Committee and Ethics and Governance Committee is known) and an Economic Regulations Monitoring Committee, as described in paragraph c) of this chapter.

Independent Directors

At least half of the Directors must be independent within the scope of and in accordance with the criteria set out in recommendation 8.5 of the Afep/Medef Code.

The criteria for Directors to be viewed as independent are the following:

- not to be and not to have been during the course of the previous five years:
  - an employee or chief executive officer of Getlink SE;
  - an employee, chief executive officer of a company or a director of a company consolidated within Getlink SE;
  - an employee, chief executive officer or a director of the company's parent company or a company consolidated within this parent;
- not to be or have been during the previous five years an executive corporate officer of a company in which Getlink SE holds, either directly or indirectly, a directorship or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office for less than five years) is a director;
- not to be a customer, supplier, investment banker or commercial banker:
  - that is material to Getlink SE or the Group,
  - or for whom Getlink SE or the Group represent a significant part of their business.

  The evaluation of how significant the relationship is with Getlink SE or the Group must be debated by the Board. The Board of directors assesses the significance of the business relationship with the company. The significance or not of a business relationship is not only considered in terms of quantitative criteria. The Board also considers other parameters when determining whether such a relationship is material and free of major conflict.
- not to be related by close family ties to an executive corporate officer;
- not to have been an auditor of the company within the previous five years;
- not to have been a Director of Getlink SE for more than 12 years.

Board members representing substantial shareholders of the company may be considered independent so long as such shareholders do not participate in the control of the company. However, where the interest of the shareholder in question exceeds 10% of the share capital or voting rights, the Board must consider the matter of the Director's independence, on the basis of a report from the Nominations Committee, taking into account the structure of the capital of the company and the existence of potential conflicts of interest.

Board members who satisfy the independence criteria

The Board is required to verify at least once a year that Directors satisfy the independence criteria set out above. The independence of the two staff representative directors is not assessed, in accordance with the recommendations set out in the Afep/Medef Code.

After consideration of their individual position by the Nominations Committee, the Board considered that on 20 February 2019 that the following Directors met the independence criteria set out in the Afep/Medef Code: Colette Neuville, Patricia Hewitt, Perrette Rey, Peter Levene, Colette Lewiner, Corinne Bach, Bertrand Badré, Philippe Vasseur, Tim Yeo as well as Jean-Pierre Trotignon.

Jacques Gounon, Chairman and Chief Executive Officer, is not considered to be an independent Director. The same is true for Elisabetta De Bernardi di Valserra and Giovanni Castellucci. They represent Atlantia which acquired control of Aero I Global & International S.à.r.l., Getlink SE's principal shareholder, on 2 March 2018.

The Board of Directors took due note that, whilst Colette Neuville has served on the Board for 11 years at the date of this report, she will have reached 12 years in office at the time of the General Meeting of 18 April 2019. The Board closely reviewed her situation. It considered that the objectivity, independence of mind, freedom of expression, involvement and critical spirit always demonstrated by Colette Neuville and that enable her to challenge general management in the definition of the company's strategy and the conduct of business are all qualities that justify her classification as independent. For these reasons, the Board considers that Colette Neuville remains an independent Director, notwithstanding the length of her term in office. Given her in-depth knowledge of the Group, which allows her to understand the challenges accompanying the company's transformation, the Board wishes Colette Neuville to continue to act as Senior Independent Director until the end of her term of office as Director, which expires at the end of the General Meeting in 2020 held to approve the financial statements for the financial year 2019.

The Board makes it clear that Colette Neuville's term of office will not be proposed for renewal. Colette Neuville's term of office was renewed on 27 April 2016 by a 96.58% vote.

The Board also took due note that Tim Yeo and Philippe Vasseur will reach 12 years in office between the 2019 and 2020 General Meetings. A Director ceases to be considered independent at the 12-year anniversary of his or her initial appointment.

The Board will continue to work on strengthening the independence of the Board with a view to renewing terms of office of Directors in 2020. The Nominations Committee is directing its work that way, while ensuring that a balanced composition is maintained both in terms of skills and diversity.

The Board, on the recommendation of the Nominations Committee, has assured itself that there are no significant business relationships between Group companies, and other companies outside the Group in which independent Board members of Getlink SE are also appointed as a director.

The Board referred to a table summarising fund flows (purchases and sales) during the last financial year, between:

- Group companies, and
- Group companies of which independent Directors of the company are also a board member.

These fund flows are considered in relation to the total weight of purchases and sales, for each group, to measure their significance. For 2018, this table shows that the sum of sales of the company's Group, to any one of the groups concerned, or of its purchases from any one of those groups, does not exceed 0.2% of the total sales or purchases of the company's Group or of any one of the groups concerned, with the exception of two suppliers EDF and Colas of which Colette Lewiner is a director.

Firstly, the Board noted and confirmed the practice of initiating calls for tender. The Board carried out a qualitative analysis of the parameters used to determine whether or not such a relationship is material and if it is exempt from conflicts of interest, including but not limited to:

- the length and continuity (precedence, history, renewals);
- the importance or the "intensity" of the relationship (possible economic dependency; exclusive relations or predominance in the sector in which the business relationship is established; distribution of bargaining power, etc);
- the organisation of the relationship: Colette Lewiner is not a member of the Board of the contracting companies (France Manche SA, The Channel Tunnel Group Limited, Europorte) and holds no direct deciding power over the contracts and agreements constituting the business relationship; Colette Lewiner has received no compensation associated with the contract, link or business relationship that may exist with EDF and Colas.

Thus, the Board, confirmed the absence of any significant business relationship in 2018.

Therefore, as at 20 February 2019, 10 out of 13 Board Directors are independent (i.e. 77% of the Directors in office, (excluding staff representative directors). More than half of the Directors are independent in accordance with the recommendations of the Afep/Medef Code.

The following table sets out the position of each Director in relation to the independence criteria referred to in the Afep/Medef Corporate Governance Code:

Criteria	Board Members	J. Gounon	E De Bernardi	G Castellucci	J.P. Trotignon	C. Lewiner	P. Hewitt	B. Badré	P. Rey	C. Neuville	C. Bach	P. Levene	P. Vasseur	T. Yeo
AFEP/MEDEF	**Criterion 1** (employee/corporate officer)	x			o	o	o	o	o	o	o	o	o	o
	Criterion 2 (subsidiaries)	o			o	o	o	o	o	o	o	o	o	o
	Criterion 3 (economic relationship)	o			o	o	o	o	o	o	o	o	o	o
	Criterion 4 (family ties)	o			o	o	o	o	o	o	o	o	o	o
	Criterion 5 (auditor)	o			o	o	o	o	o	o	o	o	o	o
	Criterion 6 (Board member for 12 years)	o			o	o	o	o	o	o	o	o	o	o
	Criterion 7 (key shareholder)	o	x	x	o	o	o	o	o	o	o	o	o	o

*Key: **"o"** indicates the criterion is met; **"x"** indicates the criterion is not met. **Criterion 1:** has been an employee or corporate officer within the last five years; **criterion 2:** existence (or non-existence) of cross-directorships; **criterion 3:** existence (or non-existence) of a significant business relationship; **criterion 4:** existence (or non-existence) of close family ties with a corporate officer; **criterion 5:** has not been an auditor of the company in the last five years; **criterion 6:** has not been a Director of the company for more than 12 years; **criterion 7:** is a key shareholder.*

Senior Independent Director

The Board has appointed Colette Neuville as the Senior Independent Director of Getlink SE. In accordance with the internal rules of the Board, this Director must be independent as defined by the Afep/Medef Code. The Senior Independent Director is appointed for the duration of his/her term of office as Director.

The Senior Independent Director has the following duties:

- monitor and manage any potential conflict of interest situations that may arise for the executive corporate officers and other Directors;
- suggest additional agenda items to the Chairman for meetings of the Board, as required;
- ensure that the Board and committees adopt good governance;
- manage the annual assessment of the Board on the basis of an anonymous detailed questionnaire on the roles and competence of the Board, its functioning as a whole and the areas dealt with by the Board and its committees.

In order to preserve his/her independence, the Senior Independent Director is not remunerated for this role. In 2018, the Senior Independent Director, who also chairs the Remuneration Committee, conducted a regular dialogue with general management and the Chairs of the Board committees, led the external board evaluation process, contributed to the communications with shareholders relating to governance and the remuneration of the executive officers and assisted in establishing the practice of having meetings without the executive officers present ("executive sessions").

Staff representative Director

In accordance with the provisions of article L. 225-27 of the French Commercial Code, the shareholders' General Meeting held on 18 April 2018 amended the company's by-laws to approve the formalities for the appointment of the requisite number of staff representative director(s) as required by law and the appointment was made in the six months following approval of the amendment of the by-laws. The staff representative Directors have the same status, rights and responsibilities as the other Directors.

b) Operation of the Board of Directors

In 2018, the Board held 10 meetings. The average attendance rate per meeting for Board Directors was 95%.

Attendance at meetings of the Board in 2018

Board Meetings	Number of meetings	Attendance	
Jacques Gounon	10	10	100%
Corinne Bach	10	10	100%
Bertrand Badré	10	10	100%
Elisabetta De Bernardi di Valserra	6	6	100%
Giovanni Castellucci	6	5	83%
Patricia Hewitt	10	8	80%
Peter Levene	10	8	80%
Colette Lewiner	10	10	100%
Colette Neuville	10	10	100%
Perrette Rey	10	10	100%
Stéphane Sauvage	5	5	100%
Jean-Pierre Trotignon	10	10	100%
Philippe Vanderbec	5	5	100%
Philippe Vasseur	10	10	100%
Tim Yeo	10	9	90%

The significant number of meetings and high attendance rate of Directors throughout the year should be noted. This frequency of meetings and attendance rate are the first objective factor which once again offer assurance that the Board is in a position to fulfil its role and take appropriate decisions.

Recurring topics

In 2018, in addition to financial and legal authorisations, the Board concentrated mainly on issues of strategy, the accounts and corporate and business governance.

At each of its meetings, the Board discussed business development and performance in terms of the Group's activities and results. It took note of the company's stock market performance and its market capitalisation and data trends concerning intrusion attempts.

During the 2018 financial year, the Board finalised the financial statements as at 31 December 2017 and prepared the half-year financial statements for the six-months ended 30 June 2018. In these presentations as well as in the monthly report to the Board, the Board was kept informed of the financial situation and the cash situation. The presentation of the financial department also covered risks and material off-balance sheet commitments and the statutory auditors' presentation highlighted the key points arising from the statutory audit and the accounting options adopted.

The Board also considered the five-year plan and the budget for 2019 for all activities. The Board also carried out a review of the risk map for the Group, as well as the activity of the internal audit function.

The Board also made preparations for the combined 2018 General Meeting and, in particular, drew up the draft resolutions. The Board decided to renew the share buyback programme. It conducted the annual review of the regulated agreements.

Regarding corporate governance, during 2018 the Board approved the corporate governance report. The Board undertook a formal assessment of its functioning and that of its Committees with the assistance of an external firm specialising in governance, which held meetings with each of the Directors based on a formal meeting guide. The Board determined the variable remuneration for 2017 of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, on the recommendation of the Remuneration Committee, and set the targets that would determine the variable portion of the remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for 2018. When assessing the performance of the executive corporate officers, the external Board members meet without the internal Board members being present.

The Senior Independent Director also assisted in establishing the practice of holding meetings of members of the Board without executive officers or internal executives present (executive sessions). In addition, Getlink SE opted for an electronic management solution for Board documents and the dematerialisation of meetings, which provides directors with access to discussion tools, collaborative documents and the possibility to share their comments, thereby optimising collaboration between directors in the absence of internal directors.

The Board is kept informed throughout the year of major issues, with a particular focus in 2018 on Brexit.

During the annual seminar, Board members undertook a detailed strategic analysis of the Group's competitive environment. It heard and debated presentations on the Group's financial, strategic, employee and regulatory position and the results of actions taken.

Specific topics

During 2018, the Board monitored the progress of the ElecLink interconnector project.

Since the referendum vote on 23 June 2016, the Board has monitored the specific review of risks relating to the exit by the United Kingdom from the European Union.

The Board monitored progress of the Group's project to acquire the G2 notes, including the implementation of the commitment conditions and the completion of the operation. It also monitored the internal reorganisation of the Group.

The Board also discussed the expansion of the Board from 11 to 15 members, following a proposal of the Nominations Committee and, in the specific geopolitical context of Brexit, the possibility of proposing to the General Meeting an amendment to the by-laws to increase the age limit of the Chief Executive Officer to 68. The Board prepared the amendment to the by-laws to enable the requisite number of staff representative Directors to be appointed.

With regard to the prevention of risks, the Board considered the arrangements for the prevention and detection of corruption and undue influence on the basis of the mapping of corruption risks. The Board approved the Group proposed revised anti-corruption policy and the revised Ethics Charter.

The Board of Directors agreed a revision of the internal rules, which was done to strengthen the aspects relating to the ethical behaviour of Directors on the subject of conflicts of interest.

The Board met twice **between the beginning of this year and 20 February 2019**, the date on which the Board finalised the financial statements for the year ended 31 December 2018. The average attendance rate was 100%.

These meetings focussed on the risk review, on finalising the consolidated and parent company financial statements as at 31 December 2018, the management report, the non-financial performance statement and the governance report prepared pursuant to the provisions of article L. 225-37 of the French Commercial Code, on the Board's reports to the General Meeting and on the Board assessment, as well as on determining of the variable annual remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for the 2018 financial year, the remuneration policy and the 2019 remuneration criteria. The Board discussed the company's policy on professional and pay gender equality by means of relevant indicators, including the gender pay gap and the plan for professional equality between men and women and on the balanced representation of men and women within the governing bodies.

The Board of Directors considered the Audit Committee's recommendation regarding the renewal of KPMG's and Mazars' appointment for a further term of six years expiring at the end of the General Meeting held in 2025 to adopt the 2024 financial statements, in accordance with regulations and notably the European Regulation of 16 April 2014 on specific requirements regarding statutory audits. It also heard an account of the Audit Committee's work on the financial authorisations presented for renewal. The Board agreed the agenda for the General Meeting on 18 April 2019. The Board considered the information presented to shareholders in this Registration Document to enable shareholders to evaluate the management of the company and its Board and strategy.

c) Committees of the Board of Directors

The Board delegates to the special committees the task of preparing and submitting information on specific topics for the Board's approval. Six committees investigate matters that fall within their field of responsibility, and submit their opinions and recommendations to the Board namely: the Audit Committee; the Nominations Committee; the Remuneration Committee; the Safety and Security Committee; the Corporate Committee and the Economic Regulations Monitoring Committee, all of whose terms of reference are governed by the internal rules of the Board and its committees. Each committee has a chairperson.

Composition of the Board Committees (at 20 February 2019)

Committee	Audit	Nominations	Remuneration	Corporate	Safety and Security	Economic regulations
Jacques Gounon				□	□	□
Corinne Bach	□					□
Giovanni Castellucci						
Elisabetta De Bernardi di Valserra						
Bertrand Badré	□					
Patricia Hewitt				□	□	●
Peter Levene		□		□		
Colette Lewiner	●			□		
Colette Neuville	□	□	●	□		
Perrette Rey	□	●	□	□		
Stéphane Sauvage			□		□	
Jean-Pierre Trotignon		□		□	●	□
Philippe Vanderbec			□		□	
Philippe Vasseur		□	□	□		
Tim Yeo	□			●		□

□ Committee member ● Committee chairperson

Audit Committee

Composition and duties set out in the internal rules

The Audit Committee is composed of at least three members chosen from among the Directors other than the Chairman of the Board, including at least two independent Directors in accordance with recommendation 15.1 of the Afep/Medef Code. The Board appoints one of the members as chairman of the Audit Committee. At least one member of the Audit Committee must have “specific expertise in finance or accounting matters” and be “independent” and the other members of the Audit Committee must be competent in financial and accounting matters even if they are not experts in the matter.

The Audit Committee meets at least four times a year when meetings are called by its Chair.

The duties of the Audit Committee are to:

- Monitor the process of preparation of the financial and accounting information; before presentation to the Board, the Audit Committee examines the consolidated and parent company financial statements, together with budgets and forecasts; it reviews the accounting and financial information, particularly the financial statements, checking that important events or complex transactions have been properly accounted for.
- The Audit Committee is informed of the architecture of all systems for establishing accounting and financial information; when financial information is taken from an accounting process, it must be coherent with the accounting information that is produced; if it is not taken from an accounting process, the Audit Committee must make sure that the information comes from a process that is sufficiently structured and organised to be able to judge the quality and reliability of this information (non-standardised performance measures, restructuring plan and so on).
- Ensure the statutory audit of the financial statements by the statutory auditors. The Audit Committee holds discussions with the statutory auditors and examines their conclusions, to learn the main areas of risk or uncertainty concerning the annual or consolidated financial statements. The Audit Committee examines the main factors having an impact on the audit approach (scope of consolidation, acquisition and disposal transactions, accounting options, new standards applied, large transactions and so on) and significant risks relating to the preparation and processing of the financial and accounting information identified by the statutory auditors.
- Monitor the effectiveness of internal control and risk management systems: the Audit Committee checks the existence of internal control and risk management systems, and that they are made use of, and makes sure that the weaknesses identified are dealt with by corrective action. When monitoring the efficiency of the internal control and risk management systems and, where appropriate, internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information, the Committee meets with the internal audit and risk control managers and issues an opinion on their departments. It is informed of the internal audit program and receives the internal audit reports or a periodic summary of these reports.
- The Committee examines material risks and off-balance sheet commitments, assesses the importance of failures or weaknesses communicated to it and informs the Board, where appropriate.
- Ensure that the independence of the statutory auditors is monitored: the Committee is in charge of steering the selection and re-appointment of the statutory auditors, where appropriate using a call-for-tenders procedure, issuing an opinion on the amount of fees requested by them, and issuing a recommendation on the statutory auditors proposed for appointment by the General Meeting.

Composition, duties and proceedings in 2018

At 20 February 2019, the Audit Committee is composed of Colette Lewiner (Chairwoman), Colette Neuville, Perrette Rey, Corinne Bach and Bertrand Badré. All members of the Committee are independent Board Directors. Getlink SE complies with the recommendation of the Afep/Medef Code relating to the presence of two thirds of independent Board Directors.

The five members of the Committee have specific financial and accounting skills with regard to their academic background, experience and specific knowledge relevant to the Committee's work:

- the Chair of the Committee, Colette Lewiner (member of EDF, Colas SA and Ingénico's audit committees, former chairwoman of the board of directors and chief executive of SGN, former chairwoman of the board of directors of TDF, graduate of the École Normale Supérieure, and holder of a degree and a doctorate in physics);
- Perrette Rey (former member of the French state shareholding commission, in charge of finance at Banques Populaires, chairwoman of the French observatory for businesses in difficulty set up by the chamber of commerce and industry, chairwoman of the Paris Commercial Court and graduate of IEP, IAE, DES Economic Management and doctor of business law); and
- Colette Neuville (experience acquired as chairwoman of the ADAM, graduate of IEP, DES economics and law degree).

The arrival on the Audit Committee of Bertrand Badré (former finance director general at the World Bank and CFO at Crédit Agricole and Société Générale, as well as Advisor for Africa and Development to President Jacques Chirac, Bertrand Badré is currently the CEO and founder of the investment fund, Blue Like an Orange Sustainable Capital, founded in 2017) and Corinne Bach (director of development and operations at Studiocanal and from 2015 to 2018 vice-chairwoman of Vivendi Village and chairwoman and CEO of CanalOlympia, a network of cinemas and theatres in sub-Saharan Africa) further strengthened the expertise available to the Committee.

Their training and professional experience covers a broad and comprehensive range of fields, as confirmed by their professional careers presented in section 4.2.1 of this Registration Document.

The Audit Committee met six times in 2018 (and a preparatory meeting) with an average attendance rate of 100%.

Audit Committee meeting attendance in 2018

Committee meetings	Number of meetings	Attendance	
Colette Lewiner	6	6	100%
Colette Neuville	6	6	100%
Perrette Rey	6	6	100%
Corinne Bach	3	3	100%
Bertrand Badré	3	3	100%

During the accounts closing preparation process, the Audit Committee meets with the statutory auditors and the presentations of the accounts by the Finance Department. More detailed presentations are given by other managers or external consultants on certain subjects, including internal control and risk management.

During 2018, the Audit Committee examined the parent company and consolidated financial statements for the year ended 31 December 2017 and the proposed interim financial statements before they were presented to the Board, and expressed its opinion on these proposed financial statements to the Board. As part of this work, the Audit Committee examined the accounting treatment of material transactions during the period, accounting methods, the accounting treatment of refinancing transactions, the scope of consolidation and the main items of financial reporting relating to the financial statements. It also examined material off-balance sheet commitments. It meets with the internal audit director and considered the internal audit plan for 2018 and the presentation of the activities carried out by internal audit in the first half of 2017. the internal audit director also reported to the Audit Committee on the activities of the Internal Audit Department during the second half of 2018.

The Audit Committee reviewed in 2018 the procedures for identifying, monitoring and managing risks and internal audit, reviewed the risks and analysed the risk map, and examined significant financial and operational risks. It reported to the Board on its work. Since the UK Brexit referendum, the Audit Committee has regularly reviewed the specific risks associated with Brexit, encompassing regulatory, taxation and financial risks as well as the macro-economic risks to which the company's businesses are exposed. This review was repeated and last updated for the last time in January 2019. The Committee reviewed the regulated agreements.

The Audit Committee also reviewed the Audit Committee Charter. The Charter authorises certain auditor engagements for services generally provided. In line with the H3C (the French high council of statutory auditors) recommendations, the Audit Committee assured itself that the pre-authorisations for the previous financial year were in order then renewed the authorisations provided in the Charter for a further year. The Audit Committee also monitored preparations for the introduction of the NFPS.

The Audit Committee considered the major transactions of the year and their accounting treatment, including the internal reorganisation of the Group's legal structure and the accounting consequences of aligning the capitalisation period for recoverable tax losses with the business plan period presented to the Board of Directors in December 2017. The Committee considered the buy-back of the G2 notes and their treatment, the Getlink SE cash forecasts and the proposed notes issue intended to refinance the bridging loans maturing on 30 November 2018. The Committee also studied the impact of IFRS 9, IFRS 15 and IFRS 16.

The Audit Committee met three times **between the beginning of this year and 20 February 2019**. The attendance rate of its members was 97%. These meetings focused on the proposed consolidated and parent company financial statements at

31 December 2018, the accounting treatment of material transactions during the period and the accounting methods. The Audit Committee's meeting to examine the accounts in advance of the Board's examination of the accounts took place on 12 February 2019, i.e. more than seven days before the Board meeting.

The Committee considered the renewal of the statutory auditors' appointment. The Audit Committee approved the approach during its first meeting and then met with the statutory auditors, without the presence of management, to examine the services provided by the current statutory auditors including the quality of their work; the regular rotation of the two firms within the Group's entities and the rotation of individuals; the robustness of quality and quality of work (robustness of the accounts; quality meetings and controls) and the independence of the statutory auditors.

The Committee considered the outlook and the evolution of audit. The Audit Committee decided to recommend the re-appointment of KPMG and Mazars as statutory auditors for a further term of six years expiring at the end of the General Meeting held in 2025 to adopt the 2024 financial statements, in accordance with regulations and notably the European Regulation of 16 April 2014 on specific requirements regarding statutory audits.

On 20 February 2019 it was decided that Tim Yeo would join the Audit Committee.

Remuneration Committee

Composition and duties set out in the internal rules

The Remuneration Committee is composed of at least three members chosen from among the Directors other than the Chairman and Chief Executive Officer, including at least two independent Directors.

The Chairman and Chief Executive Officer is not a member of this Committee. When his attendance is needed, he may join in the work of the Committee, in accordance with recommendation 17.2 of the Afep/Medef Code, on specific matters, such as appointments or presentation of the remuneration policy for key senior managers who are not corporate officers.

Members of the Remuneration Committee must not:

- have any personal financial interests in the decisions of the Remuneration Committee, other than those of a Director and a member of the Remuneration Committee; and
- have any reciprocal relationship with an executive Director of Getlink SE that could suggest that they reached an agreement to increase their respective remuneration.

The Remuneration Committee is able to request external technical research.

Composition, duties and proceedings in 2018

The Remuneration Committee is composed of Colette Neuville (Chairwoman), Philippe Vasseur and Perrette Rey. All members of the Committee are independent Board Directors.

The Remuneration Committee met four times in 2018. The average attendance rate of members per meeting was 92%.

Remuneration Committee meeting attendance in 2018

Committee meetings	Number of meetings	Attendance	
Colette Neuville	4	4	100%
Perrette Rey	4	4	100%
Philippe Vasseur	4	3	75%

During these meetings, the Remuneration Committee prepared the remuneration of executive officers before approval by the Board. It reviewed the financial and operational objective criteria for determining the variable remuneration of the Chairman and Chief Executive Officer and the Deputy CEO as proposed to the Board. The Remuneration Committee was assisted by an external consultant and the Committee steered the benchmarking studies performed by that advisor. The Committee met the Group's Human Resources Director who presented the Group's salary policy and the executive officer remuneration policy.

The Committee worked on arrangements to link the remuneration of employees and of management to the business's performance, adopted by the General Meeting of 18 April 2018, including a collective free share award plan for all Group employees and the grant to senior managers and executive officers of preference shares convertible into ordinary shares subject to performance conditions being met over three years.

The Committee examined the Board's proposed report to the General Meeting on the remuneration of executive corporate officers.

The Remuneration Committee met twice **between the start of this year and 20 February 2019**. The attendance rate of its members was 100%. These meetings focused on the report on the principles and rules used to determine the remuneration and benefits of any kind granted to the executive officers, the determination of the amount of variable remuneration for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for 2018, and set the criteria for determining the Chairman and Chief Executive Officer's and Deputy Chief Executive Officer's variable remuneration for 2019. The Committee worked on a 2019 plan to align the interests of employees and executives with the performance of the business, including the grant of free ordinary shares to all employees of Getlink SE and its subsidiaries, (with the exception of executive officers) and the grant to senior management and executives of preference shares convertible into ordinary shares. The Committed prepared the Board's work on the company's policy on professional and pay gender equality by means of relevant indicators, including the gender pay gap and the plan for professional equality between men and women and on the balanced representation of men and women on the Executive Committee. Against the background of Getlink's overall approach in favour of parity, the Committee considered the actions envisaged in the Group, as an extension of the Charter project relating to professional equality.

The Committee examined the proposed report of the Board to the General Meeting on the remuneration of chief executive officers (*ex ante*) and the remuneration paid or payable in respect of 2018 (ex post), as contained in chapter 5 of this Registration Document.

The Remuneration Committee sought external technical research.

On 20 February 2019 it was decided that Stéphane Sauvage and Philippe Vanderbec would join the Remuneration Committee.

Nominations Committee

Composition and duties set out in the internal rules

The Nominations Committee is composed of at least three members chosen from among the Directors other than the Board Chairman, including at least two independent Directors.

The Chairman and Chief Executive Officer is not a member of this Committee. When his attendance is needed, he may join in the work of the Committee, in accordance with recommendation 16.3 of the Afep/Medef Code, on specific matters, such as appointments of key senior managers who are not corporate officers.

Members of the Nominations Committee must not:

- have any personal financial interests in the decisions of the Nominations Committee, other than those of a Director and a member of the Nominations Committee; and
- have any reciprocal relationship with an executive Director of Getlink SE that could suggest that they reached an agreement to increase their respective remuneration.

The Committee makes recommendations to the Board with regard to the selection of new Directors, assesses the size and composition of the Board and identifies the persons with the appropriate qualities to join the Board, in accordance with the admission criteria for Directors prescribed by the Board, a summary of which appears in section 4.2.5. The Nominations Committee oversees the assessment process for candidates to the position of Director.

The Nominations Committee may also propose the appointment or removal of the Chairman and Chief Executive Officer, the Deputy Chief Executive Officers and the Chief Operating Officers, and the appointment of their successors.

The Nominations Committee is able to commission external technical research.

Composition, duties and proceedings in 2018

The Nominations Committee is composed of Perrette Rey, Colette Neuville, Jean-Pierre Trotignon and Philippe Vasseur. Perrette Rey, an independent Director, was appointed Chairwoman.

The Nominations Committee met four times in 2018. The average attendance rate of members per meeting was 100%.

Nominations Committee meeting attendance in 2018

Committee meetings	Number of meetings	Attendance	
Colette Neuville	4	4	100%
Perrette Rey	4	4	100%
Jean-Pierre Trotignon	4	4	100%
Philippe Vasseur	4	4	100%

In 2018, the Nominations Committee focussed on changes in the composition of the Board and its Committees, proposing the appointment of new directors and the renewal of the terms of office of directors that were coming to an end. The Committee considered the implementation of the Rebsamen law of 17 August 2015 relating to social dialogue and employment in order to provide for the appointment of two staff representatives with voting rights on the Board of Directors. The Committee reviewed the independence of Board Directors. It prepared the proposals presented for consideration and approval by the Board.

The Nominations Committee, as part of its normal succession planning work, proposed an increase in the age limit for the Chief Executive Officer in the by-laws and the renewal of Jacques Gounon's term of office as Chief Executive Officer. It informed the Board of its work in those areas. The Nominations Committee commissioned external technical research.

The Committee continued the work on the succession plan and the renewal of the Board of Directors. As part of the preparation to separate the roles of Chairman and Chief Executive Officer, the approach driven by the Nominations Committee included a many-facetted process taking account of the skills and qualities necessitated by the current transitional stage of development of the business, which had begun from 2018 with the passing from 11 to 15 Directors, the announcement of the separation of the role of Chairman and Chief Executive Officer in advance of the 2020 General Meeting and the preparation for the ending of the terms of five members of the Board of Directors.

After the Concession contribution in kind exercise as part of the Group internal reorganisation, the Committee monitored the implementation by general management of the new finance and operational structure with an emphasis on its collective and collaborative nature in accordance with the Group strategy.

The Nominations Committee did not meet **between the start of the year and 28 February 2019**. On 20 February 2019 it was decided that Peter Levene would join the Nominations Committee.

Safety and Security Committee

Composition and duties set out in the internal rules

The Safety and Security Committee is composed of Jean-Pierre Trotignon (Chairman), Jacques Gounon and Patricia Hewitt with Stéphane Sauvage and Philippe Vanderbec joining on 18 December 2018. This Committee is tasked with monitoring safety and security issues within each sector of activity of the Group.

Composition, duties and proceedings in 2018

The Committee met five times in 2018 to discuss matters relating to the Concession.

The Committee monitors individual and collective safety and performance indicators for the corresponding action plans. The Committee also monitors workplace accident indicators for Fixed Link employees and subcontractors present on the site; it supports measures launched to improve results in this area and, in particular, those aimed at developing a safety culture within the organisation.

Just as in previous years, rail safety including changes in the Truck Shuttle superstructures, the inspection of tarpaulin-covered trucks and the detection of over-height antennae were regularly monitored, as well as questions of security (prevention of clandestine attempts to cross the Channel and illegal intrusions onto the Coquelles site, coordination with government authorities to strengthen controls, the possible impact of Brexit and cybersecurity), which remain an important concern for the Committee.

Finally, the Committee dedicated a significant amount of its activity discussing the safety of the ElecLink project and its interface with the Concession, both during the works phase and during the future operation of the cable; the topic has been the subject of a number of independent expert reports.

The Committee also met twice to consider Europorte matters: it monitors the safety indicators and the employee training and awareness actions implemented. The Committee also analyses the key incidents affecting operations and considers remedies.

Lastly, the Committee held a meeting at the end of 2018 jointly with the Audit Committee to review risks.

The key operational managers attend each of the Committee meetings with regard to their area of the business:

- for the Concession: the Eurotunnel chief operating officer, the safety director, the security director, the public affairs director and the internal audit director. When ElecLink is discussed they are joined by the CEO of ElecLink and his colleagues in charge of the safety of the project; and
- for Europorte: the chairman of the subsidiary, the operations director and the safety manager.

The Deputy Chief Executive Officer and other managers attend the Committee meetings depending on what is on the agenda.

The Committee met twice **between the start of this year and 20 February 2019**, with one meeting relating specifically to ElecLink, in order to consider the efforts made by the business in respect of research and studies for the safety and security of the whole project.

Corporate Committee

This Committee is the result of the merger of the Ethics and Governance Committee and the Strategy and Sustainable Development Committee.

Composition and duties set out in the internal rules

The Corporate Committee considers all questions concerning governance and the strategic and environmental orientation of the company or the Group and reports on these to the Board.

In its strategic function, the Committee intervenes in the following fields:

- Strategic objectives of Getlink SE and the Group;
- Significant acquisition or disposal transactions and strategic partnership agreements;
- Sizeable internal restructuring operations;
- Operations outside the approved strategy of Getlink SE or the Group;
- Significant financing operations or those likely to substantially change the financial structure of the company or the Group.

In its environmental role, this Committee, which was founded as part of the Group's longstanding policy on health, safety and the environment, is responsible for regularly considering the performance of Getlink SE and the Group in environmental matters and the strategic orientation designed to promote good environmental management, preserve natural resources and limit the impact of the company's and the Group's activities on the environment.

In its ethics and governance role, the Committee notably has the following duties:

- Develop and recommend to the Board corporate governance principles applicable to the company and monitor their subsequent implementation;
- Ensure ethical conduct and discuss any related matters that the Board (or its Chairman) submits for examination.

Composition, duties and proceedings in 2018

The Committee is chaired by Tim Yeo and is composed of Tim Yeo, Patricia Hewitt, Colette Lewiner, Colette Neuville, Perrette Rey, Peter Levene, Jean-Pierre Trotignon, Philippe Vasseur and Jacques Gounon. The Committee brings together the members of the former Strategy Committee and the Chairs of the different Board Committees to enable each of the Chairmen to take account of information received and Committee discussions in organising the work of their own committees.

The Committee met twice in 2018, with an average attendance rate of 94%. The Committee considered investor comments and observations received during the governance roadshows and the resulting items to be included in the work of the different Board committees, as well as Getlink SE's CSR communication approach and the integration of the non-financial performance statement (NFPS) in the management report. The Corporate Committee also examined the arrangements for prevention and detection of corruption and undue influence on the basis of the mapping of corruption risks. It considered the project to revise the Ethics Charter and the 2019 project to raise team members' awareness around compliance.

Economic Regulations Monitoring Committee

The rail transport and electricity distribution sectors have undergone a number of major reorganisations initiated directly by the public authorities and a range of economic regulatory measures have been implemented to control these activities:

- The organisation of the rail transport sector has substantially modified to guarantee all market players the same access conditions to essential infrastructures, necessitating the independence of transport network managers.
- The number of regulatory authorities has increased: the French Rail Regulator (ARAFER), the French Energy Regulatory Commission (CRE), the French financial markets regulator (AMF), competition authorities (DGCCRF). ARAFER and the UK Office of Rail & Road (ORR) signed an agreement providing for cooperation based on reciprocity and transparency, in order to define guidelines for coordinated and efficient cooperation between the two authorities in the economic regulation of the Tunnel.

In the face of these developments and without prejudice to the Group's administrative and management bodies, the Board of Directors decided to form a committee tasked with monitoring these economic regulations.

Composition and duties set out in the internal rules

The Committee is responsible for monitoring:

- the efficiency of internal control systems monitoring the proper application of segregation of duty principles and other measures set out in the economic regulations;
- relations with the supervisory authorities and regulators;
- approval/certification/licence processes and related retention processes;
- economic regulation monitoring processes implemented in the Group.

The duties of the Committee do not involve the day-to-day monitoring of activities, as Committee members necessarily have only a limited amount of time and resources. The Committee's monitoring role requires members to take a step back using summary information, to gain an adequate understanding of the procedures implemented and the main results of controls performed. It reports regularly to the Board of Directors on the exercise of its duties and informs it of any difficulties encountered.

Composition, duties and proceedings in 2018

The Committee has a maximum of five members. Meetings are convened by the Chairman/Chairwoman. The Board of Directors appointed Patricia Hewitt (Chairwoman), Corinne Bach, Jean-Pierre Trotignon, Tim Yeo and Jacques Gounon.

The Committee met three times in 2018, with an average attendance rate of 80%. The Committee oversaw relations with supervisory authorities and regulators, as well as contract and certification processes.

4.2.6 ASSESSMENT OF THE BOARD OF DIRECTORS

A formal assessment of the Board is carried out each year in accordance with recommendation 9 of the Afep/Medef Code in a process overseen by the Senior Independent Director. The assessment is based on a detailed anonymous questionnaire addressing the roles and skills of the Board, its functioning as a whole and the individual areas of its activity and that of its committees.

As part of an approach aimed at strengthening the Board's effectiveness, the members of the Board, under the impetus of the Senior Independent Director and after discussion by the Corporate Committee, decided to commission an external firm to carry out the 2018 assessment. By taking a step back and enabling greater consideration of the issues, the aim was to obtain an objective view of the human and organisational aspects of the Board's operations and identify areas for improvement.

The Senior Independent Director and the external firm presented an analysis of the findings to the Board. It was the subject of a specific agenda item at its meeting on 24 January 2019. The findings were as follows:

- The directors confirmed their general and very favourable appreciation, as in previous years, in respect of the composition and functioning of the Board during a period of particularly intense activity. It attributes that to the role of the Chairman and the climate of mutual respect among the members of the Board.
- Steps have begun to improve some material points, such as the structure of meeting packs and the ways in which the work of board committees is reported to the Board.
- The directors are of the view that the Board plays a full role in relations with shareholders and in the strategic direction of the company. On this latter point, they consider that they do have the information that they need, particularly in respect of the progress of the ElecLink project and the major challenges brought about by Brexit.

- Some themes have been identified that should be examined in more detail, including: Corporate Social Responsibility, “digitalisation” and the methods for managing the rolling stock fleet.
- The Board of Directors is alert to the fact that the governance of the Group has entered into a transition phase that began in 2018 with the increase from 11 to 15 directors. It has decided to strengthen the priority given to dealing with the consequences of the announcement of the separation of the functions of Chairman and Chief Executive in advance of the 2020 General Meeting and to prepare for the end of the terms of five members of the Board.

4.2.7 CONCESSION COORDINATION COMMITTEE

The Concession Coordination Committee performs the functions of the common body specified in article 18 of the Concession Agreement. As set forth in the Concession Agreement, the Concession Coordination Committee is responsible for:

- coordinating the operation and maintenance of the Fixed Link; and
- representing the Concessionaires at the IGC with respect to all matters concerning the operation of the Fixed Link.

As at 20 February 2019, the members of the Concession Coordination Committee are:

- Jacques Gounon;
- Michel Boudoussier; and
- François Gauthey.

4.2.8 PRINCIPLES AND RULES RELATING TO THE DETERMINATION OF REMUNERATION AND ALL BENEFITS OF ANY KIND GRANTED TO CORPORATE OFFICERS

In accordance with article L. 225-37-3 of the French Commercial Code, principles and rules relating to the determination of remuneration and all benefits of any kind, to which corporate officers are entitled, are determined by the Board on the recommendation of the Remuneration Committee in accordance with the Board’s internal rules which are set out in chapter 5 of this Registration Document.

4.3 STATUTORY AUDITORS’ SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the statutory auditors’ special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

General Meeting held to approve the financial statements for the year ended 31 December 2018

To the Shareholders,

In our capacity as your company’s statutory auditors, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying company’s interest of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the shareholders’ Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS’ MEETING

Agreements and commitments authorised during the last year

We have not been advised of any agreements and commitments authorised during the last year and requiring the approval of the shareholders’ Meeting in accordance with article L. 225-38 of the French Commercial Code (Code de commerce).

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS’ MEETING

In accordance with article R. 225-30 of the French Commercial Code, we have been informed of the following agreements and commitments approved in prior years and which remained current during the year ending 31 December 2018.

Complementary defined contribution pension plans

Purpose and conditions:

- Jacques Gounon, Chairman and Chief Executive Officer Getlink SE

Jacques Gounon, Chairman and Chief Executive Officer, received the complementary pension and contingency scheme under article L. 242-1 of the French Social Security Code. Following the example of the French executives employed by the Group, Jacques Gounon received, on the French part of his salary, the complementary pension scheme open to all executives beyond the B remuneration grade. This pension scheme is a defined contribution pension plan, whose beneficiaries include people other than the Group's executives and corporate officers.

The decision to grant Jacques Gounon the benefit of this scheme predates the law of 26 July 2005 and was previously approved by the Board of Directors.

This agreement has been reviewed by the Board of Directors as part of its annual review of related-party agreements in accordance with the ordinance of 31 July 2014.

The contributions to the complementary pension and contingency scheme amounted to €12,184, out of €94,218 for all beneficiaries for the reporting period ending on 31 December 2018.

- François Gauthey, Deputy Chief Executive Officer Getlink SE

François Gauthey, Deputy Chief Executive Officer since 1 May 2016, received the complementary pension and contingency scheme under article L. 242-1 of the French Social Security Code. Following the example of the French executives employed by the Group, François Gauthey received, on the French part of his salary, the complementary pension scheme open to all executives beyond the B remuneration grade. This pension scheme is a defined contribution pension plan, whose beneficiaries include people other than the Group's executives and corporate officers.

This agreement has been submitted for prior authorisation to the Board of Directors on 27 April 2016.

This agreement has been reviewed by the board of directors as part of its annual review of related-party agreements in accordance with the ordinance of 31 July 2014.

The contributions to the complementary pension and contingency scheme amounted to €12,714, out of €94,218 for all beneficiaries for the reporting period ending on 31 December 2018.

Statutory auditors, 20 February 2019

Paris La Défense	Courbevoie
KPMG Audit *Department of KPMG S.A.*	Mazars
French original signed by:	
Fabrice Odent *Partner*	Francisco Sanchez *Partner*

4.4 CORPORATE GOVERNANCE CODE

The Afep/Medef Code is the code to which Getlink SE has regard to when drafting the report required by article L. 225-37 of the French Commercial Code, pursuant to the French law of 3 July 2008 implementing EU Directive 2006/46/EC of 14 June 2006. In accordance with recommendation 27.1 of the Afep/Medef Code, the recommendations of the Code that have not been implemented by the company and the reasons for this are set out in the report.

The Afep/Medef Code requires a precise statement on the application of its recommendations and, where applicable, an explanation of the reasons why any recommendations have not been implemented by the company. Currently, Getlink SE does not apply the following recommendations:

Section of Afep/Medef Code	Afep/Medef Code recommendation	How applied by Getlink SE
8.5.6 Independent Directors	The criteria that the committee and the board should consider before declaring a director as independent are as follows: […] "not be a director of the company for more than 12 years. The loss of independence arrives at 12 years."	The Board of Directors has taken due note that at 20 February 2019 Colette Neuville has served on the Board for 11 years and that she will have reached 12 years' service at the time of the General Meeting on 18 April 2019. The Board considered that the objectivity, independence of mind, freedom of expression, involvement and critical spirit always shown by Colette Neuville and that enable her to challenge general management in the definition of the company's strategy and the conduct of business are all qualities that justify her classification as independent. For these reasons, the Board considers that Colette Neuville remains an independent Director, notwithstanding the length of her term of office. Given her in-depth knowledge of the Group, which allows her to understand the challenges accompanying the company's transformation, the Board wishes Colette Neuville to continue to act as Senior Independent Director. The Board clarifies that the term of office of the independent director sitting for more than 12 years on the Board expires at the end of the next General Meeting in 2020 and that her term of office will not be presented for renewal.

17.1 Composition of the Remuneration Committee	The Afep/Medef code recommends "that a salaried director be a member of it."	During the 2018 financial year, the Remuneration Committee did not have a director representing employees among its members. The Board of Directors explains that this vacancy period corresponds to the adaptation period that allowed the new members to get used to the workings of the Board and to understand the specific role of a director and that of the Remuneration Committee. At the end of that adaptation period, the two directors representing employees were appointed to the Remuneration Committee.

The Afep/Medef Code is available at www.getlinkgroup.com.

4.5 ATTENDANCE BY SHAREHOLDERS AT THE GENERAL MEETING AND CURRENT DELEGATIONS

The arrangements for attendance are described in articles 11, 27 and 29 of Getlink SE's by-laws, as summarised in chapter 8 of this Registration Document.

General or special meetings of shareholders are called and conducted in accordance with the conditions set by law. General Meetings are called by the Board. They are held at the registered office or any other place stated in the notice of meeting.

Any shareholder can take part in meetings, regardless of the number of shares held, in person, by proxy, or by correspondence on providing proof of identity and of the registration of the shares in accordance with applicable laws and regulations.

The current delegations granted by the shareholders in general meeting with regard to share capital increases and the use of those delegations during the financial year are set out in section 7.1.4 of this Registration Document.

5 BOARD AND SENIOR MANAGEMENT REMUNERATION

5.1 REMUNERATION OF THE EXECUTIVE OFFICERS

5.1.1 REMUNERATION POLICY (EX-ANTE VOTE)

The following constitutes the remuneration policy for the executive officers in accordance with article L. 225-37-2 of the French Commercial Code. This policy sets out the principles and the criteria applicable to the determination, allocation and distribution of the fixed, variable and exceptional elements that make up the total remuneration and benefits of any kind relating to the executive officers of Getlink SE by reason of their appointment. Each year the policy is the subject of a vote during the General Meeting. The remuneration policy applicable to the Chairman and Chief Executive Officer for 2018 was approved at the General Meeting on 18 April 2018, with a majority of 96.64% of the votes cast and that applicable to the Deputy Chief Executive Officer was approved with a majority of 98.86% of the votes cast.

The remuneration policy for the executive officers (namely the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer) as set out below was agreed by the Board of Directors on 20 February 2019, upon the proposal of the Remuneration Committee.

a) Principles

Executive officers in office

Following the recommendation of the Remuneration Committee, the Board wishes the remuneration policy for the executive officers to be simple, to offer continuity over time and to be measured and consistent with the Group's overall remuneration policy, especially that relating to management. The remuneration for the executive officers is linked to medium- and long-term growth, to the intrinsic value of the company and to the share performance.

The Board has decided that the remuneration policy should take into account all the business's key challenges (whether strategic, workforce-related, societal and environmental), and not merely financial performance.

Upon the proposal of the Remuneration Committee, the Board ensures that the remuneration of the executive officers is aligned with the long-term interests of the company and of its shareholders, and that the different components of their remuneration (fixed and variable remuneration, share options or shares and the grant of additional retirement benefits as the case may be) are commensurate and compliant with the principles set out in the Afep/Medef Code. The Board intends that the criteria should not create a risk of encouraging executive officers to favour short term goals that could influence their variable remuneration and that may have a negative influence on the company in the medium and long term.

In particular, the Board strives to adhere to the following guidelines:

- Completeness: all elements that form part of the remuneration of executive officers are reviewed each year: the fixed and variable elements and long-term plans, benefits in kind, attendance fees and retirement conditions.
- Intelligibility of the rules and balance: the rules are simple, stable, transparent and, as far as is possible, long-lasting; each element of the remuneration is clearly substantiated and is in keeping with the general interest of the business: the variable part intended to reflect the actual contribution of the executive officers to the success of the Group changes according to criteria representing the results of the Group as well as the operational targets set for the year.

  At the start of each financial year, the Board, on the recommendation of the Remuneration Committee, defines each of the objectives set for the executive officers for the relevant year and determines what proportion of the overall variable portion each of them may obtain. After the close of the financial year, the Remuneration Committee evaluates the achievement of the targets and, based on recommendations from the Committee, the Board decides the variable part to be awarded to each chief executive officer. The variable remuneration awarded for a given financial year is therefore paid in the following year:

  - The part based on the achievement of targets linked to the Group's intrinsic annual performance is based on financial indicators determined according to Group objectives; 50% of the remuneration of the executive officers is based on financial indicators, which are renewed year after year with a concern for sustainability and clarity: since 2010, the financial criteria used for the Chairman and Chief Executive Officer are EBITDA and the net result.
  - The part based on the achievement of operational targets is based on criteria set taking into account strategic objectives contained in the strategic plan and the five-year plan agreed by the Board, which correspond to required short-term actions, which are essential for the business in the medium- to long-term. From the outset, Getlink SE's executive officer remuneration policy has been designed to support the high-level development vision of the Group and that is what prevails when the remuneration criteria are being decided:
    - to ensure the viability of the business in the first phase of the Group's history, when the choice of criteria was linked to the financial restructuring of Eurotunnel or the completion of the public exchange offer;
    - then to operational priorities to support the development strategy of the company, such as the development of commercial activities, with the choice of criteria being linked to market share and the yield policy and to innovations in customer service (refurbishment of the Club-Car carriages, digitalisation plan); and
    - all while having regard to the preservation of the infrastructure, with the choice of criteria being those such as the Salamandre plan, the creation of specialist fire-fighting areas – SAFE stations – or the long-term improvement of the security arrangements for the Fixed Link and more generally to protect the business.
  - The strategy of the Group is orientated towards responsible growth, having regard for all stakeholders: the use of a societal performance criterion is a reflection of the history and values of the Group, which from the start has committed itself to a social responsibility policy that is designed to reconcile economic performance, social justice and protection of the environment. Since 2012, CSR has been one of the criteria that determine the Chairman and Chief Executive Officer's variable remuneration (10%). Initially, the criterion was called "Quality of social dialogue in support of

performance". The Remuneration Committee formalised matters in 2014 and it started a discussion around the creation of a CSR composite performance index. The Group asked an external firm to create a benchmark relating to the practices of CAC 40 companies and conducted a qualitative inquiry of its internal and external stakeholders. This identified four topics directly linked to Group operations, namely: health and safety; the social climate; greenhouse gas emissions and customer satisfaction. Indicators and targets have been set for each of these topics in order to be able to determine the rate of achievement of each target. This index has been used since 2015.

- The long-term incentive plans are based on internal and external performance criteria so as to align the long-term financial interests of the shareholders, in such a way as to enhance the decisions of the managers, which are crucial for the future of the company, and which could have an impact only over the long term.

▪ Measurement: remuneration is determined taking into account the general interests of the business, market practices and the performance of the executive officers. Each year, the Remuneration Committee receives benchmarking information from an independent firm specialising in the remuneration of executive leaders, relating to comparable organisations both in terms of revenue and headcount and based on a sample that has been running for several years: Altran technologies, Bic, Biomérieux, CGG, Edenred, Eramet, Eurofins Scientific, Eutelsat communications, Imerys, Ingenico, Ipsen, JC Decaux, Métropole TV (M6), Neopost, Rémy Cointreau, Seb, Tarkett, TF1, Ubisoft Entertainment, Vallourec, Vicat and Zodiac Aérospace. After the acquisition by Vivendi, Havas was removed from the sample.

  From a succession perspective, the aim is not to stand out from market practice, whether it be in respect of a sectoral benchmark or a benchmark of comparables in terms of revenue and headcount.

  In addition, since 2018, the relative performance of the GET ordinary share is assessed by reference to the Group's GPR Getlink Index, which is made up of an international sectoral panel including the following companies: Abertis Infraestructuras SA, Aena SME SA, Atlantia S.p.A, DFDS A/S, Eiffage SA, Engie SA, Ferrovial SA, Firstgroup PLC, Flughafen Zurich AG, Fraport AG, National Grid PLC, Stagecoach Group PLC, Vinci SA and Aéroports de Paris.

▪ Internal and external consistency: the Remuneration Committee ensures that the remuneration policy proposed to the Board of Directors is:
  - adapted to each individual's responsibilities;
  - measured and consistent with the remuneration policy for the employees of the Group;
  - in line with comparable groups; in order to consider the consistency of the remuneration of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer, the Committee examines the positioning of their remuneration, in line with market practice, in relation to remuneration paid by peer groups; and
  - linked to the performance of the ordinary shares of Getlink SE, in the interests of optimising the performance of committed capital and to align incentives between executive officers and shareholders.

  Only in very specific circumstances may exceptional remuneration be awarded (for example, by reason of the importance to the company, the implications that are involved and the difficulties that the circumstances present). The payment of such remuneration must be reasoned and those reasons explained.

b) When executive officers take up or leave their posts

In accordance with the Afep/Medef Code, a "golden hello" payment, which is payable on taking up new duties can be awarded only to a new chief executive officer coming from a company outside of the Group to offset the loss of advantages that the executive may have benefited from in his previous position. The payment must be explicit and the amount must be made public when it is set, even in the case of a deferred payment or payment in instalments.

The predefined payment, to be made when ceasing the functions of a chief executive officer, are subject to prior approval under the procedure set for regulated agreements. The departure indemnity must not exceed, where applicable, two years of remuneration (annual fixed and variable).

When a non-competition clause is furthermore stipulated, the Board of Directors has to resolve whether or not to apply the clause at the time of the departure of the chief executive officer, in particular when the chief executive officer is leaving the company to avail himself of or after having availed himself of his retirement rights.

In any case, the total amount of the two payments cannot exceed the ceiling of two years of remuneration (annual fixed and variable). The ceiling also covers, where applicable, payments linked to employment contract termination.

c) Breakdown of the remuneration of executive officers in office

The remuneration awarded to the executives is structured in a balanced way so as to reward both short- and long-term performance. The remuneration awarded to the executive officers differs in amount and criteria, so as to take into account the nature of their office, in terms of experience and responsibilities.

i) Remuneration of the Chairman and Chief Executive Officer for 2019

The remuneration of the Chairman and Chief Executive Officer is comprised of:

▪ a fixed annual remuneration;
▪ an annual variable remuneration subject to performance criteria;
▪ attendance fees;
▪ benefits in kind;
▪ a supplementary defined contribution retirement plan;
▪ a long-term variable remuneration in the form of free shares granted subject to performance criteria.

The Chairman and Chief Executive Officer is not entitled to any contractual severance or non-competition payments. He does not receive any free shares in the collective free share allocation schemes put in place by the business for all employees.

The Board of Directors has been careful to keep a balance between the three parts of the Chairman and Chief Executive Officer's remuneration by re-balancing the variable elements to ensure that long-term remuneration (i.e. over three years) is greater than short-term remuneration.

Annual fixed remuneration for 2019

The fixed part of the gross annual remuneration of the Chairman and Chief Executive Officer was raised from €500,000 to €600,000 on 1 April 2018. It will remain unchanged in 2019 even though the research of a firm (Mercer) specialising in the study of executive remuneration, which compared the relative remuneration of the Chairman and Chief Executive to that of his peers; the Remuneration Committee noted that his fixed annual remuneration (€600,000) was below the lowest quartile (€672,300) and that it was still much less than the average (€779,100).

Annual variable remuneration for 2019

Annual variable remuneration is intended to reflect the personal contribution of the head of the Group to an improvement in its results. It is balanced in proportion to the fixed remuneration and determined as a percentage of the fixed remuneration.

The variable part of annual remuneration is determined using a target remuneration equal to 120% of the annual fixed remuneration of the Chairman and Chief Executive Officer. The cap is set at 120% of fixed remuneration. Payment of the annual variable remuneration is not deferred (beyond the General Meeting vote). It is made up of criteria selected to support the strategy of the business. For 2019, it is made up of 50% quantifiable financial criteria (net result and EBITDA) aimed at rewarding economic performance and up to 50% on strategic and on sustainable development criteria, of which 64% is quantifiable, a total of 82% based on quantifiable criteria as summarised in the table below.

Financial objectives (50%)

- Consolidated net result for the year compared with the net result forecast in the budget (25%), at a constant exchange rate and for the current scope of activities: Eurotunnel, Europorte and ElecLink.
- Consolidated EBITDA target as announced to the market for 2019 (25%): €560 million for 2019 in the event of a no deal Brexit or €575 million if an agreement is reached (at an exchange rate of £1=€1.128) and for the current scope of activities: Eurotunnel, Europorte and ElecLink.

Strategic objectives (40%)

- Steering the strategic plan to transform the business in readiness for Brexit (25%):
  - Steering the internal actions relating to changes in business functions (12%): steering the ambitious strategic plan aimed at transforming the business to improve operational efficiency from the perspective of Brexit, accelerating the deployment of measures aimed at reducing the impact of Brexit on traffic and market share (E-gates, provisional truck customs clearance centre, specific agreement with the Veterinary and Phytosanitary Inspection Services at borders);
  - Steering external actions (13%): representing the Group in relations with governments and political business partners;
- ElecLink (10%): strategy to sell capacity;
- Rail traffic (5%): new destinations, standardisation of fleet, rail motorways.

CSR objectives (10%)

For 2019, the Board wished to retain the CSR composite performance index which is stable, relevant, and balanced. This index is structured around four themes directly related to the Group's operations: health and safety, social climate, greenhouse gas emissions and customer satisfaction.

For each of these themes, indicators and targets enable the calculation of an achievement rate of the composite index: (i) health and safety at work; (ii) absenteeism; (iii) greenhouse gas emissions; and (iv) customer satisfaction. The composite index corresponds to the average percentage achievement of the indicators referred to, with a multiplication coefficient weighted towards the environmental indicator. The social and environmental indicators are certified every year by a member of the college of auditors in his or her capacity as an independent third-party organisation.

EBITDA 2019	Net result 2019	Brexit steering		ElecLink	Traffic	CSR Index
		Internal	External			
25%	25%	12%*	13%	10%*	5%	10%*
FINANCIAL OBJECTIVES of which 100% are quantifiable		STRATEGIC AND SUSTAINABLE DEVELOPMENT OBJECTIVES of which 64% are quantifiable*				

Methodology

The budgetary targets for 2019 were determined according to the Group's provisional budget, as reviewed by the Board. For confidentiality reasons, the quantified targets set for each of the above quantitative criteria are not disclosed.

The financial data is adjusted for exceptional external factors, if any, in order to neutralise their impact and keep genuinely comparable data: at a constant exchange rate and on a comparable basis.

The annual variable remuneration of the Chairman and Chief Executive Officer is adjusted according to a scale, depending on the degree of achievement of the target concerned.

Payment rate (net result and EBITDA)

Achievement rate*	-2.10	-1.05	**Target**	+1.05	+2.10	+3.15	+4.21	**+5**
Payment rate	93.34%	95%	**100%**	105%	107%	112%	115%	**120%**

* *Differential percentage points by reference to a 100% objective.*

Payment rate (quantifiable non-financial targets)

Achievement rate	90%	95%	**Target**	Linear interpolation	**120%**
Payment rate	80%	90%	**100%**		**120%**

This scale enables the over-performance of some criteria to be taken into account, without however the total amount exceeding the maximum of 120% set by the Board for the variable part of the remuneration.

Long-term variable benefits for 2019

Remuneration in shares is an essential element for Getlink to make itself attractive as an employer, since it seeks to converge the interests of employees and shareholders and to strengthen employees' attachment to the Group.

Each year, on the recommendation of the Remuneration Committee the Board of Directors proposes a Long Term Incentive (LTI) plan in respect of the Chairman and Chief Executive Officer to the General Meeting in the form of performance or preference shares convertible into ordinary shares.

The allocations to the Chairman and Chief Executive Officer are subject to two upper limits: the allocation is limited to 10% of any allocation of shares without exceeding 200,000 ordinary shares in absolute terms, which represents 0.036% of the current share capital. This absolute amount of 200,000 ordinary shares has never been achieved and will not occur in the 2019 allocation because the allocation resolution to be voted on at the General Meeting on 18 April 2019 provides for an allocation sub-ceiling for the Chairman and Chief Executive Officer of 10%, i.e. an allocation of preference shares convertible into a maximum allocation of 150,000 ordinary shares.

The Board's policy in this respect is characterised by control of the dilution of capital and multiple performance conditions spread over a number of years. The LTI shares allocated to the Chairman and Chief Executive are wholly subject to internal and external performance conditions that are demanding, measured over a minimum period of three years and that do not guarantee a minimum allocation or gain. Ordinary shares in the LTI plans are shares purchased by the business under the buy-back scheme.

With effect from 2018, the relative performance of the GET ordinary share is measured in comparison to the sectoral GPR Getlink Index. This index was created in 2018 by an external firm a specialist in creating indices and a subsidiary of the Dutch bank Kempen & Co, from stocks representative of the Group's activities. This index (GPR Getlink Index), created by this firm is in accordance with a methodology conforms with the EU directive UCITS (Undertakings for Collective Investments in Transferable Securities). The reference panel is composed of companies operating in similar industries to Getlink. It includes:

- European transport infrastructure companies reflecting the Group's business (Vinci, Atlantia and ADP);
- British transport companies reflecting Getlink's exposure to the United Kingdom (Stagecoach and Firstgroup);
- a ferry operator for the cross-Channel activity (DFDS); and
- electricity companies in anticipation of ElecLink's contribution to results (EDF, Engie and National Grid).

GPR Getlink Index reference panel: Flughafen Zurich AG, Fraport AG Frankfurt Airport Services Worldwide, DFDS A/S, Abertis Infraestructuras SA, Aena SME SA, Ferrovial SA, Aéroports de Paris, Eiffage SA, Électricité de France SA, Engie SA, Vinci SA, Firstgroup PLC, National Grid PLC, Stagecoach Group PLC and Atlantia S.p.A.

On 18 April 2019, the General Meeting will be asked to authorise the granting of up to 1,500 preference shares (the "E shares") convertible into a maximum of 1,500,000 ordinary shares with performance criteria to executives and senior managers including the executive officers. The final allocation of the ordinary shares would be based on achieving the following three cumulative performance criteria (with one being external to the Group and the two others internal to the Group):

- The **external performance** condition (the "TSR weighting") would be based on the average performance including dividends (TSR) of the GET ordinary share over a period of three years compared to the GPR Getlink Index. This element determines **40%** of the cumulative weighting of shares that can be granted. The final attribution of ordinary shares linked to this condition will vary according to the degree of achievement of the objective, it being borne in mind that:
  - should the TSR of the GET ordinary share be strictly less than the performance of the GPR Getlink Index over the aforementioned period of three years, no shares will be granted;
  - should the TSR of the GET ordinary share be equal to the performance of the GPR Getlink Index over the aforementioned period of three years, 15% of the number that can be granted will be granted, with the whole being capped at 40% of the number that can be granted.

- The first **internal performance** condition (the "EBITDA weighting") would be based on the Group's financial performance, assessed by reference to the average rate of achievement of EBITDA over a period of three years covering 2019, 2020 and 2021 at constant exchange rates and comparable scope. This element determines **50%** of the cumulative weighting (the total number of shares that can be granted). The final attribution of shares linked to this condition would vary according to the degree of achievement of the objective, it being borne in mind that:
  - should the average rate of achievement of EBITDA in 2019, 2020 and 2021 be strictly less than 100% of the average of the EBITDA communicated to the market by Getlink SE for the periods 2019, 2020 and 2021, no shares will be granted; and
  - should the average rate of achievement of EBITDA in 2019, 2020 and 2021 be equal to or greater than 100% of the average of the EBITDA target communicated to the market by Getlink SE for the periods 2019, 2020 and 2021, 15% of the number that can be granted will effectively be granted, with the whole being capped at 50%.
- The second internal performance condition (the "CSR weighting") would be based on the Group CSR composite index described above. This element determines **10%** the cumulative weighting.

The exact number of ordinary shares that will be acquired by the beneficiaries at the end of the vesting period will depend on the degree of achievement of the performance, it being borne in mind that:

- should the achievement rate of each criterion be less than 100%, there will be no right of conversion into ordinary shares,
- should the achievement rate be equal to or greater than 100%, the conversion ratio of the E shares will follow a progressive scale depending on the degree of achievement of the objectives,
- the conversion ratio of E shares will reach 39% of its potential if each criterion is equal to its intermediate level (corresponding to an average weighted achievement of 105.75%), and
- the conversion rate of E shares will reach 100% of its potential if each criterion exceeds its upper level. In any case, if the weighted average rate of achievement is less than 112%, the conversion ratio of E shares into ordinary shares will not reach 100% of its potential.

In accordance with article L. 225-185 of the French Commercial Code, Jacques Gounon, as a Chief Executive Officer, shall keep for the entire term of his appointment, 50% of the ordinary shares granted under the various schemes.

Furthermore, pursuant to the recommendations of the Afep/Medef Code, Jacques Gounon has reiterated in writing his commitment not to undertake hedging transactions.

In case of retirement from the legal age onwards or by enforced departure, the overall allocation rate will be applied pro rata to take account of the effective presence of the Chairman and Chief Executive Officer in the Group during the acquisition period. This rule also applies to the Deputy Chief Executive Officer.

Benefits in kind and attendance fees for 2019

The Chairman and Chief Executive Officer receives an allowance for the use of his personal vehicle in accordance with the Group's Human Resources company car scheme.

The Chairman and Chief Executive Officer receives attendance fees for his role as a Board Director of Getlink SE, just as the other members of the Board of Directors do.

Supplementary defined contribution pension plan/death and disability insurance for 2019

The Chairman and Chief Executive Officer does not have a defined benefit pension plan.

The Chairman and Chief Executive Officer is covered by a basic retirement benefits plan and a complementary pension plan.

The Chairman and Chief Executive Officer benefits from a supplementary pension plan applicable to all Getlink senior managers above the B remuneration bracket.

This plan, whose beneficiaries include people other than the Group's executive officers, is not a defined benefit plan. It is a collective defined contribution plan which would currently grant the Chairman and Chief Executive Officer an estimated pension of €4,684 per year (non-commutable annuity), assuming immediate retirement.

The Chairman and Chief Executive Officer is covered by a death and disability insurance and personal accident policies available to Getlink SE employees.

ii) Deputy Chief Executive Officer for 2019

The remuneration of the Deputy Chief Executive Officer, François Gauthey, is comprised of:

- a fixed annual remuneration;
- an annual variable remuneration subject to performance criteria;
- benefits in kind;
- a supplementary defined contribution retirement plan;
- a long-term variable remuneration in the form of free shares granted subject to performance criteria.

Annual fixed remuneration for 2019

The fixed part of the gross annual remuneration of the Deputy Chief Executive Officer was increased from €390,000 to €400,000 on 1 May 2018.

Annual variable remuneration for 2019

The variable part of the annual remuneration of the Deputy Chief Executive Officer is determined using a target remuneration equal to 65% of the annual fixed remuneration. It changes according to the criteria that represent the results of the Group. The ceiling is set at 65% of fixed remuneration. The payment of variable remuneration is not deferred.

100% of this remuneration is subject to quantifiable criteria of which 50% corresponds to two financial criteria: EBITDA and operating cash flow.

Quantifiable objectives (financial)

- Consolidated EBITDA target announced to the market for 2019 (25%): €560 million for 2019 in the event of a no deal Brexit or €575 million if an agreement is reached (at an exchange rate of £1=€1.128) and for the current scope of activities: Eurotunnel, Europorte and ElecLink.
- Consolidated operating cash flow for the year, compared with the amount forecast in the budget (25%) at a constant exchange rate for the of current scope of activities: Eurotunnel, Europorte and ElecLink.

Quantifiable objectives (operational)

- Finalisation of the iterative ElecLink approval process (10%): cable installation in the Tunnel and completion of works (in accordance with the project's schedule and budget);
- Implementation of the investment strategy in readiness for Brexit (10%): carrying out the financial elements of the investment plan agreed in the budget, namely cost control and technological deployment;
- Quality of service (20%): using four indicators, including adhering to the timetable, mystery shopper scores and complaints;
- Social performance (10%): management of social climate in the Group measured by two indicators.

Methodology

The budgetary targets for 2019 were determined according to the Group's budget as reviewed by the Board. For confidentiality reasons, the quantifiable targets set for each of the above quantitative criteria are not disclosed.

The financial data is adjusted for exceptional external factors, if any, in order to neutralise their impact and keep genuinely comparable data: at a constant exchange rate and on a like-for-like basis.

The annual variable remuneration of the Deputy Chief Executive Officer is adjusted according to a scale, depending on the degree of achievement of the target concerned.

Payment rate (EBITDA and operating cash flow)

Achievement rate*	-2.10	-1.05	**Target**	+1.05	+2.10	+3.15	+4.21	**+5**
Payment rate	93.34%	95%	**100%**	105%	107%	112%	115%	**120%**

* *Differential percentage points by reference to a 100% objective.*

Payment rate (quantifiable and non-financial targets)

Achievement rate	90%	95%	**Target**	Linear interpolation	**120%**
Payment rate	80%	90%	**100%**		**120%**

This scale enables the over-performance of some criteria to be taken into account, without however the total amount exceeding the maximum of 65% set by the Board for the variable part of the remuneration.

Long-term variable benefits for 2019

Just as for the remuneration of the Chairman and Chief Executive Officer, the General Meeting on 18 April 2019 will be asked to authorise the granting to executives and senior managers, including the executive officers, of preference shares convertible into a maximum of 1,500,000 ordinary shares subject to performance criteria, with the number granted to the Deputy Chief Executive Officer being limited to 10% of the full grant. The final granting of the ordinary shares would be conditional on the achievement of the three cumulative performance criteria which are identical to the 2018 scheme (with one being external to the Group and the two others internal to the Group).

Benefits in kind for 2019

The Deputy Chief Executive Officer has a company car.

Supplementary defined contribution pension plan/death and disability insurance for 2019

The Deputy Chief Executive Officer does not have a defined benefit pension plan. He benefits from the same supplementary pension plan offered to all senior managers above the B remuneration bracket. This plan, whose beneficiaries include people other than the Group's executive officers, is not a defined benefit plan. It is a collective defined contribution plan which would currently grant the Deputy Chief Executive Officer an estimated pension of €8,877 per year (non-commutable annuity), assuming retirement at the age of 65.

The Deputy Chief Executive Officer is covered by death and disability insurance and personal accident policies available to employees of Getlink SE.

*5.1.2 REMUNERATION OWED OR AWARDED FOR THE 2018 FINANCIAL YEAR (*EX-POST *VOTE)*

In accordance with the provisions of article L. 225-37-3 of the French Commercial Code, the elements that make up the total remuneration and benefits of any kind paid or granted for the financial year ended 31 December 2018 to Jacques Gounon, by reason of his office of Chairman and Chief Executive Officer and to François Gauthey by reason of his office of Deputy CEO are set out below. These elements accord with the rules and principles agreed in respect of the determination of remuneration and benefits of any kind applicable to the Chairman and Chief Executive Officer and the Deputy CEO for the 2018 financial year and approved by the General Meeting held on 18 April 2018.

In accordance with article L. 225-100 of the French Commercial Code, the General Meeting of 18 April 2019 will be asked to vote on the items paid or granted for the previous financial year, with the variable remuneration elements paid only after approval of the said remuneration by the General Meeting which will vote *ex-post*.

The remuneration amounts shown in this chapter cover all the remuneration due or granted to chief executive officers, for all their offices or functions within the Group.

a) Remuneration owed to the Chairman and Chief Executive Officer for 2018

The remuneration owed to the Chairman and Chief Executive Officer, Jacques Gounon, for 2018 is comprised of:

- a fixed annual remuneration;
- an annual variable remuneration subject to performance criteria;
- attendance fees;
- benefits in kind;
- a supplementary defined contribution retirement plan;
- a long-term variable remuneration in the form of free shares granted subject to performance criteria.

Annual fixed remuneration for 2018

The fixed part of the gross annual remuneration of the Chairman and Chief Executive Officer owed for 2018 is €575,000, corresponding to a fixed gross annual remuneration of €500,000 over three months and €600,000 over nine months. The fixed part of the Chairman and Chief Executive Officer's remuneration was raised from €500,000 to 600,000 on 1 April 2018.

Annual variable remuneration for 2018

Ceiling

The ceiling for the variable part of the Chairman and Chief Executive Officer's annual remuneration is 120% of the annual basic salary; it is calculated on a base of €690,000 representing 120% of the annual fixed remuneration due for 2018.

Criteria

The Board of Directors had decided, for the sake of consistency and transparency of information, to keep the two financial criteria used in previous years, i.e. the criterion of the net result and the published EBITDA target. The Board decided to maintain, as in previous years, the proportion of 50% for operational criteria, so that the performance criteria cover all the organisation's challenges.

- Consolidated net result for the year compared with the net result estimated in the budget (25%);
- EBITDA target (25%) as set on 20 February 2018: €545 million for 2018 based on an exchange rate of £1=€1.14;
- Implementation of the Group strategy (20%):
  - Actions to ensure Brexit transition, representing the Group in relations with governments and political business partners:
  - Actions to develop Railway Companies' traffic (work with Railway Companies to stimulate the introduction of new destinations; initiatives aiming to reduce the barriers to developing new and existing destinations, such as in cooperation with rail infrastructure managers);
  - Coordination of the work of the Chief Operating Officers to implement new targets in the five-year plan;
  - ElecLink (certification: control procedure on the part of transport network managers for the organisation and independence rules regarding companies carrying out a production or supply activity);
- Evolution of governance (10%):
  - In the context of the preparation for separating the roles of Chairman and Chief Executive Officer, the role of the Chairman and Chief Executive Officer is to be especially attentive to the cohesion of the whole;
  - Renewal of the Board of Directors;
  - Internal reorganisation: new operational and finance structure, aligning with the Group strategy with the emphasis on collective and collaborative aspects;

- Intensification of investor relations, monitoring shareholder relations and shareholder support (10%).

Quantifiable objectives

CSR composite index (10%): for 2018, the Board wished to retain the CSR composite performance index which is stable, relevant, and balanced. This index is structured around four themes directly related to the Group's operations: health and safety, social climate, greenhouse gas emissions and customer satisfaction.

For each of these themes, indicators and targets enable the calculation of an achievement rate of the composite index: (i) health and safety at work; (ii) absenteeism; (iii) greenhouse gas emissions; and (iv) customer satisfaction. The composite index corresponds to the average percentage achievement of the indicators referred to, with a multiplication coefficient weighted towards the environmental indicator. The social and environmental indicators are certified every year by a member of the college of auditors in his or her capacity as an independent third-party organisation.

The variable remuneration of the Chairman and Chief Executive Officer was adjusted as follows, depending on the degree of achievement of the target concerned:

Payment rate (net result and EBITDA)

Achievement rate*	-2.10	-1.05	**Target**	+1.05	+2.10	+3.15	+4.21	**+5**
Payment rate	93.34%	95%	**100%**	105%	107%	112%	115%	**120%**

* *Differential percentage points by reference to a 100% objective.*

Payment rate (quantifiable non-financial targets)

Achievement rate	90%	95%	**Target**	Linear interpolation	**120%**
Payment rate	80%	90%	**100%**		**120%**

On 12 February 2019, the Remuneration Committee examined the performance of the Chairman and Chief Executive Officer by comparing the results achieved with the target indicators shown above and made recommendations to the Board.

With regard to the EBITDA criterion, the EBITDA achieved, retained as the basis for valuing the performance of the Chairman and Chief Executive Officer, was reduced by €18.8 million in order to neutralise the positive impact of IFRS 16. The Committee noted that the EBITDA objective calculated on the basis of a parity exchange rate of £1=€1.14 had achieved the 101.05% tranche of the 25%.

With regard to the criterion of achieved net profit, in order to allow for a comparison on a like-for-like basis and at the same exchange rate, and so as to use data that is genuinely comparable, the net result generated in 2018 was recalculated at the rate of exchange at which the budget had been prepared and to exclude net exchange gains. The Committee stated that the net profit target had achieved the 95% tranche of the 25%.

The Committee considered the different areas of the implementation of the Group strategy:

- As for the Brexit preparations, the Committee welcomed the actions of the Chairman and Chief Executive Officer who represented Getlink in high-level relations both nationally and internationally, including with the public authorities and with Getlink's strategic partners and stakeholders, within a context of overall pre-emption of the different options, carried out at the double level of making the public authorities aware of the specific requirements and economic reality of cross-Channel transport as well as identifying practical potential constraints.
- With regard to the actions to develop Railway Companies' traffic, the Committee recognised the publication on 7 December 2018 of the terms of the ETICA-Passenger system which has the aim of encouraging and inviting participation in efforts to develop new destinations taking into account the factors that make such launches more difficult, while aligning incentives with the generation of increased tolls. The Committee welcomed the result of the approaches to the Railway Companies to stimulate the introduction of new destinations, with the launch of the London-Amsterdam link on 4 April 2018 on the basis of a direct outward service two times a day and the announcement in October 2018 of the launch of a third direct outward service from June 2019. The Committee also recognised the efforts made with three other infrastructure providers to prepare for regular London-Bordeaux direct services. The Committee noted the study carried out in the second quarter of 2018 by a firm of international repute, which highlighted the development potential of a low cost rail offer between secondary stations in Paris and London. The Committee also noted the initiatives aimed at reducing the barriers to the development of new and existing services (border and safety control, authorisation of rolling stock, interoperability investments among others), including in cooperation with rail infrastructure managers.
- As for ElecLink, the Committee noted the certification of ElecLink under the ownership unbundling model in January 2019 in accordance with article 9 of Directive 2009/72/EU of 13 July 2009, delivered by the Commission de Régulation de l'Energie (CRE) and The Office of Gas and Electricity Markets (Ofgem).

The Committee considered that the implementation of the Group strategy was achieved at 93% of the 20%.

On the criterion of evolution of governance (10%), the Committee considered the renewal of the Board of Directors since the General Meeting held on 18 April 2018, the role of the Chairman and Chief Executive Officer, particularly attentive to the overall cohesion of the transition towards a chairmanship separate from general management announced in 2018, the implementation of a new finance and operational structure with the respective appointments of François Gauthey as Chairman and Chief Executive Officer of France Manche SA and as Chief Executive Officer of The Channel Tunnel Group

Limited, of Michel Boudoussier as Group Chief Corporate Officer and of Laurent Fourtune as Chief Operating Officer – Eurotunnel. The Committee considered that the target was met at 100% of the 10%.

With regard to the criterion of investor and shareholder relations (10%), the Committee considered that in 2018 Getlink SE, represented at the highest level by its Chairman and Chief Executive Officer, pursued and strengthened its communication strategy and presence with investors and shareholders, with the involvement being marked by an Investor Day and other events of note, the entry into the share capital of two industry investors in 2018, which underlined the relevance of the strategy. The Committee considered that the target was met at 110% of the 10%.

As for the CSR objectives as measured by the CSR composite index (10%), the Committee considered that, in the light of the 2018 results, with a marked improvement in relation to the frequency of accidents for the second year in a row and the ratio of greenhouse gas emissions to turnover and a lesser performance in the absenteeism rate, the objective was achieved at 108%.

Details concerning the annual variable remuneration owed for 2018

Criteria	Weighting	Performance rate	Amount owed (euros)
Net result	25%	95%	163,875
EBITDA	25%	101.05%	181,125
Implementation of Group strategy	20%	93%	127,650
Evolution of governance	10%	100%	69,000
Contact with investors	10%	110%	75,900
CSR composite index	10%	108%	74,520

At its meeting on 20 February 2019, the Board of Directors assessed the performance of the Chairman and Chief Executive Officer by reference to the performance indicators set out above.

Following the recommendations of the Remuneration Committee and taking into account the achievements referred to, the Board fixed the Chairman and Chief Executive Officer's variable remuneration for the year ended 31 December 2018 at a capped amount of €690,000, being a reduction of €2,070 compared to the amount that would have been due by application of the criteria alone had it not been capped. Payment of this remuneration is subject to approval by the General Meeting on 18 April 2019.

Benefits in kind and attendance fees for 2018

For 2018, Jacques Gounon received an indemnity for the use of his personal vehicle which represented an annual amount of €11,352 for the year (2017: €10,944 based on the exchange rate used for the 2017 income statement).

Jacques Gounon received attendance fees for his role as a Director of Getlink SE as set out in the table in section 5.4.1.

Supplementary defined contribution pension plan/death and disability insurance for 2018

The Chairman and Chief Executive Officer does not have a defined benefit pension plan. The Chairman and Chief Executive Officer benefits from the supplementary pension plan available to all senior managers employed above the B remuneration bracket. This plan, whose beneficiaries include people other than the Group's executive officers, is not a defined benefit plan. It is a defined contribution plan, which would currently grant the Chairman and Chief Executive Officer an estimated pension of €4,684 per year (non-commutable annuity), assuming immediate retirement.

Regarding contributions, the contribution base is the gross annual salary broken down by tranches (A, B, C and beyond C). The rates applied are 0.50% on tranche A, 0.50% on tranche B, 7.50% on tranche C and 0.00% beyond the C tranche. There is an exemption from French social security charges associated with the charge to the company within the limit of 5% of the remuneration capped at five times the annual French social security ceiling and a fixed rate of 20% on the exempt portion. For tax purposes, the employer contributions are deductible from the result.

In 2018, the employer contributions for this supplementary pension scheme amounted to €12,184 (2017: €6,276) out of a total of €94,218 (2017: €77,437) for all employees concerned.

The Chairman and Chief Executive Officer benefits from a basic retirement benefits and a complementary retirement benefits scheme. In 2018, the contributions for the complementary pension scheme amounted to €26,415 (2017: €19,562) for the employee contribution and €42,508 (2017: €31,666) for the employer contribution.

The Chairman and Chief Executive Officer is covered by death and disability insurance and personal accident policies available to employees of Getlink SE.

Long-term variable benefits for 2018

As part of partnership governance, where the interests of all stakeholders are taken into account, Getlink SE has introduced performance-linked benefits for employees and executive officers, in the interests both of aligning employees' and senior managers' interests with those of shareholders and of maximising shareholder value.

The first component of the mechanism aims to involve non-executive employees in the development of the business through collective plans for the free allocation of shares to employees. As with the previous plans, the Chairman and Chief Executive Officer was excluded from the list of employees eligible to benefit from the collective free share allocation plan authorised by the General Meeting of 18 April 2018.

The second component aims to favour the performance of the senior managers over the long term, with free shares which have performance conditions attached.

For each of these grants, the Board ensured that the grants to the Chairman and Chief Executive Officer did not exceed 10% of the overall attribution for the 2018 plan.

Performance condition shares for 2018

For the 2018 financial year, on the authorisation of the General Meeting of 18 April 2018 which authorised the granting of a total of 1,500 D preference shares convertible into 1,500,000 ordinary shares subject to performance criteria, Jacques Gounon was granted 150 preference shares convertible into a maximum of 150,000 ordinary shares subject to performance criteria with a fair value of €7.69 each. The vesting of the ordinary shares is based on achieving the following three cumulative performance criteria (with one being external to the Group and the two others internal to the Group):

- The **external performance** condition (the "TSR weighting") is based on the average performance including dividends (TSR) of the Getlink SE ordinary share over a period of three years compared to the performance of the sectoral Group index GPR Getlink Index. This element determines 40%.
- The first **internal performance** condition (the "EBITDA weighting") is based on the Group's financial performance, assessed by reference to the average rate of achievement of EBITDA over a period of three years covering 2018, 2019 and 2020. This element determines 50%.
- The second internal performance condition (the "CSR weighting") is based on the CSR Composite Index as described in the remuneration policy above. This element determines 10%.

The exact number of ordinary shares that will be acquired by the beneficiaries at the end of the vesting period will depend on the degree of achievement of the performance.

LTI plans available in 2018

2014 plan

The B preference shares, the issue of which was authorised by the Extraordinary General Meeting of 29 April 2014, were able to be converted into ordinary shares after four years, according to the movement in the average share price over the period between the allocation date in 2014 and the conversion date, calculated by reference to the six months preceding the conversion date in 2018. The initial rate laid down by the Board of Directors, by reference to the average rate for the six months preceding 29 April 2014 (closing rate) was €8.17. The average closing rate for the preceding six months was €11.12. The progression over four years being 88.60% of the target, each B preference share was converted into 4,430 ordinary shares, i.e. a conversion rate of 88.60%. Jacques Gounon received 132,900 ordinary shares as part of the 2014 plan.

2015, 2016, 2017 and 2018 plans

The plans referred to below, the terms of which are set out in chapters 7 and 8 of this Registration Document, are not yet available:

- The C preference shares authorised by the Combined General Meeting held on 29 April 2015:
  - The allocation of the C shares depended on the attainment of an average achievement rate of the EBITDA objectives for the years 2015 and 2016, as communicated to the market. That vesting period ended on 30 April 2017 and the C shares were issued, with the number being calculated by reference to the average level by which the EBITDA target announced to the market over two years had been exceeded, which corresponded to 66% of the C shares i.e. an allocation of 692 C shares of an initial maximum of 2,000 C shares.
  - The conversion into ordinary shares depends on the average EBITDA over-performance over the period (70%); the average over-performance of the GET ordinary share (dividends reinvested) by reference to the Dow Jones Infrastructure index over the period (20%) and the average rate of performance of the CSR composite index (10%);
- The free shares subject to performance conditions authorised by the General Meeting held on 27 April 2016;
- The free shares subject to performance conditions authorised by the General Meeting held on 27 April 2017;
- The D preference shares authorised by the General Meeting held on 18 April 2018.

Share option Plans

Three share option plans are in place in the organisation. In accordance with the authority conferred by the Combined General Meeting of 26 May 2010, the Board of Directors proceeded to grant options on 16 July 2010 (2010 plan), on 21 July 2011 (2011 plan) and on 20 July 2012 (2012 plan). All options were subject to external and internal performance conditions (EBITDA, dividends and share price):

- For the 2010 plan, all performance conditions were met and so 100% of the options were acquired.
- For the 2011 plan, half the performance conditions were met and so 50% of the options were acquired.
- For the 2012 plan, 75% of the performance conditions were met and so 75% of the options were acquired. On 2 January 2019, Jacques Gounon exercised 24,470 options in the 2012 plan.

b) Remuneration owed to the Deputy Chief Executive Officer for 2018

François Gauthey has been Deputy Chief Executive Officer of Getlink SE since 1 May 2016. His employment contract has been suspended through the entire duration of his term as Deputy Chief Executive Officer.

The remuneration of the Deputy Chief Executive Officer François Gauthey, as determined by the Board upon the recommendation of the Remuneration Committee, was comprised in 2018 of:

- a fixed annual remuneration;
- an annual variable remuneration subject to performance criteria;
- benefits in kind;
- a supplementary defined contribution retirement plan;
- a long-term variable remuneration in the form of free shares granted subject to performance criteria.

Annual fixed remuneration for 2018

The fixed remuneration of the Deputy Chief Executive Officer was raised from €390,000 to €400,000 from 1 May 2018, i.e. a fixed gross annual remuneration of €396,667 due for the 2018 financial year.

Annual variable remuneration for 2018

The annual variable remuneration of the Deputy Chief Executive Officer is capped at 65% of the fixed remuneration.

For 2018, the Board maintained the following two financial criteria:

Financial objectives (50%)

- Consolidated EBITDA target (25%): as set on 20 February 2018: €545 million for 2018 based on an exchange rate of £1=€1.14;
- Consolidated annual operating cash flow, by comparison with the operating cash flow forecast in the budget (25%).

Quantifiable (operational) objectives (40%)

- Eurotunnel (25%):
  - Increase in the truck market share of the Short Straits by one percentage point, while maintaining yield (7.5%);
  - Quality of service (10%), using four indicators including adherence to the timetable, mystery shopper scores and complaints;
  - Digitalisation plan: introduction and monitoring, including a target to complete 80% of phase 1 of the plan (7.5%);
- ElecLink (10%): realisation of the project in line with the technical plan and the budget;
- Europorte (5%): strengthen the return to profitability by the pursuit of developments, in line with the strategic plan and the budget.

Qualitative operational objectives (10%)

- Eurotunnel: human resources, management of the management transition.

On 12 February 2019, the Remuneration Committee met to discuss the percentage of achievement of the fixed objectives.

With regard to the EBITDA criterion, the EBITDA retained as the basis for valuing the performance of the Deputy Chief Executive Officer was reduced by €18.8 million in order to neutralise the positive impact of IFRS 16. The Committee concluded that the EBITDA objective calculated on the basis of a parity exchange rate of £1=€1.14 had been exceeded and had reached the threshold of 101.05% of the 25%. The Committee stated that the operational cash flow objective had achieved the 103.15% tranche of the target.

With regard to the objectives set in respect of the Eurotunnel Concession, the Committee, after recognising that the objective to increase the truck market share on the Short Straits by one percentage point while at the same time maintaining the average yield had been met at 100%, as had that relating to phase 1 of the digitalisation plan, whereas the quality of service objectives had only been partly met, decided that the Eurotunnel objective had been met at 61%. The human resources objectives were met at 80%, the ElecLink objectives at 50% and the Europorte objectives at 120%.

Breakdown concerning the annual variable remuneration due for 2018

Criteria	Weighting	Performance rate	Amount owed (euros)
EBITDA	25%	101.05%	67,681
Operating cash flow	25%	103.15%	72,193
Eurotunnel: Truck Shuttle: yield and market share	7.5%	100%	19,338
Eurotunnel: quality of service	10%	61%	15,727
Eurotunnel: digitalisation project	7.5%	100%	19,338
Eurotunnel: management of managerial transition	10%	80%	20,627
ElecLink	10%	50%	12,892
Europorte	5%	120%	15,470

At its meeting on 20 February 2019, the Board of Directors assessed the performance of the Deputy Chief Executive Officer by reference to the performance indicators set out above.

Following the recommendations of the Remuneration Committee and given the recognised achievements, the Board set the Deputy Chief Executive Officer's variable remuneration for 2018 at €243,266, 94% of the maximum available. Payment is conditional on the approval of the General Meeting.

Benefits in kind for 2018

The Deputy Chief Executive Officer has a company car, which represented a benefit in kind worth €2,861 in 2018.

Supplementary defined contribution pension plan/death and disability insurance for 2018

The Deputy Chief Executive Officer does not have a defined benefit pension plan. He benefits from the same supplementary pension plan offered to all senior managers above the B remuneration bracket. This plan, whose beneficiaries extend beyond the Group's executive officers, is not a defined benefit plan. It is a defined contribution plan which would currently grant the Deputy Chief Executive Officer an estimated pension of €8,877 per year (non-commutable annuity), assuming retirement at the age of 65.

In 2018, employer contributions to this supplementary defined contribution pension scheme totalled €12,714 out of a total of €94,218 for all employees concerned.

The Deputy Chief Executive Officer benefits from a basic retirement benefits and supplementary retirement benefits plan. In 2018, employee contributions to the complementary pension scheme totalled €26,197 and employer contributions totalled €42,157.

The Deputy Chief Executive Officer is covered by death and disability insurance and personal accident policies available to employees of Getlink SE.

Long-term variable benefits for 2018

For the 2018 financial year, on the authorisation of the General Meeting of 18 April 2018 which authorised the granting of a total of 1,500 D preference shares convertible into a maximum of 1,500,000 ordinary shares subject to performance criteria, François Gauthey was granted 120 preference shares convertible into a maximum of 120,000 ordinary shares subject to performance criteria with a fair value of €7.69 each. The vesting of the ordinary shares is based on achieving the following three cumulative performance criteria (with one being external to the Group and the two others internal to the Group):

- The **external performance** condition (the "TSR weighting") is based on the average performance including dividends (TSR) of the Getlink SE ordinary share over a period of three years compared to the performance of the Group sector index GPR Getlink Index. This element determines 40%.
- The first **internal performance** condition (the "EBITDA weighting") is based on the Group's financial performance, assessed by reference to the average rate of achievement of EBITDA over a period of three years covering 2018, 2019 and 2020. This element determines 50%.
- The second internal performance condition (the "CSR weighting") is based on the CSR composite index (the "CSR index") as described in the remuneration policy above, for the 2018 financial year. This element determines 10%.

The exact number of ordinary shares that will be acquired by the beneficiaries at the end of the vesting period will depend on the degree of achievement of the performance.

LTI plans available in 2018

François Gauthey joined the organisation in 2016. He benefits from no plans in existence prior to his arrival so he did not benefit from the conversion of the B preference shares into ordinary shares at the end of four years in 2018.

5.1.3 ALIGNMENT OF REMUNERATION TO PERFORMANCE

The Remuneration Committee referred to various comparative analyses, of which one was prepared by an independent firm (Mercer) specialising in executive compensation studies. The latter study was designed to measure the relative remuneration of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer compared to peers. This study focused on the remuneration of chairmen and chief executive officers and the deputy chief executive officers of an inter-sectoral panel of the French SBF 120 companies below, with characteristics in common with the Group in terms of headcount and revenue: Altran technologies, Bic, Biomérieux, CGG, Edenred, Eramet, Eurofins Scientific, Eutelsat communications, Imerys, Ingenico, Ipsen, JC Decaux, Métropole TV (M6), Neopost, Rémy Cointreau, Seb, Tarkett, TF1, Ubisoft Entertainment, Vallourec, Vicat and Zodiac Aérospace.

The comparison of the remuneration of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer with the practice of these companies in 2017 showed that:

- the annual base salary of Jacques Gounon (€500,000 increased to €600,000 from 1st April 2018) is below the lowest quartile (€672,300) and is much less than the average (€779,100);
- the annual variable remuneration in 2017 for Jacques Gounon (€600,000) is below the lowest quartile (€657,600);
- the long-term share-based incentives granted in 2017 to Jacques Gounon (€831,600), is close to the median (€896,200);
- the total annual remuneration in 2017 for Jacques Gounon is less than the median (€2,157,400) and the average of the panel (€2,365,200);
- the breakdown of the remuneration of Jacques Gounon shows that part of the variable remuneration (70%) is slightly more significant than for the other companies in question; and
- the annual fixed remuneration of François Gauthey (€400,000 for a full year) is below the third quartile; his 2017 annual variable remuneration (€253,500) is above the first quartile (€202,500) but below the median (€304,700) and translates into an annual cash total above the first quartile (€331,500) and below the average (€622,700). His long-term share-based incentives for 2017 is above the third quartile.

5.1.4 TOTAL AMOUNT SET ASIDE OR OTHERWISE RECOGNISED BY GETLINK SE AND ITS SUBSIDIARIES TO PAY FOR PENSIONS, RETIREMENT AND OTHER BENEFITS

Jacques Gounon and François Gauthey do not benefit from any specific retirement benefits.

5.2 SUMMARY TABLES OF REMUNERATION OWED OR AWARDED TO EACH EXECUTIVE OFFICER

French law no. 2016-1691 of 9 December 2016, known as “Sapin 2”, the application conditions of which are set out in decree no. 2017-340 of 16 March 2017 put in place shareholder double consultation arrangements in respect of executive officer remuneration:

- consultation *ex ante* (in advance) on the remuneration policy; and
- consultation *ex post* (in retrospect) on the remuneration awarded for the previous financial year.

The ordinary General Meeting of 18 April 2019 will be asked to vote on all the remuneration elements paid or allocated for the 2018 financial year. These elements were awarded in accordance with the remuneration policy approved by the shareholders at the General Meeting on 18 April 2018.

The variable elements will be paid only after approval of the General Meeting.

The elements of the remuneration due or allocated to the executive officers for the financial year ended 31 December 2018 are set out in the following tables.

5.2.1 REMUNERATION OWED OR AWARDED IN RELATION TO THE 2018 FINANCIAL YEAR TO JACQUES GOUNON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Elements of remuneration Chairman-CEO	Amount owed (euros)	Comments
Fixed remuneration	575,000	Gross annual fixed remuneration raised from €500,000 to €600,000 on 1 April 2018.
Annual variable remuneration	690,000	Target: 120% of the gross annual fixed remuneration. Maximum: 120% of the gross annual fixed remuneration. On the recommendation of the Remuneration Committee, the Board evaluated Jacques Gounon’s annual variable remuneration for 2018 at its meeting on 20 February 2019. After noting that the targets had been exceeded, it decided to cap the annual bonus at €690,000 after applying the rule relating to 120% of the fixed remuneration. *Criteria:* ▪ Net profit (25%): 95% tranche achieved: €163,875 ▪ EBITDA achievement compared to published target EBITDA for 2018 (25%): 101.05% tranche achieved: €181,125 ▪ Implementation of the strategy: Brexit, Railway Companies, ElecLink, government relations (20%): 93% tranche achieved: €127,650 ▪ Evolution of governance (10%): objective achieved at 100%: €69,000 ▪ Investor relations (10%): objective achieved at 110%: €75,900 ▪ CSR composite index (10%): objective achieved at 108%: €74,520 Payment of this remuneration is subject to the approval of the General Meeting.
Multi-annual variable remuneration	n/a	Jacques Gounon did not receive any multi-annual variable remuneration.
Deferred variable remuneration	n/a	Jacques Gounon did not receive any deferred variable remuneration.
Attendance fees	57,250	(amounts before withholding tax or deductions at source)
Exceptional remuneration	n/a	Jacques Gounon did not receive any exceptional remuneration.
Allocation of stock options and/or performance shares	1,153,500	150 preference shares convertible into a maximum of 150,000 ordinary shares subject to performance conditions. 100% subject to performance conditions over three years: ▪ Internal performance condition (50%): economic performance of the Group assessed by reference to the average rate of achievement of the EBITDA objectives announced to the market for the years 2018, 2019 and 2020. ▪ External performance conditions (50%): - TSR (40%): performance of the Getlink SE ordinary share price compared to the performance of the GPR Getlink Index (including dividends) over a period of 3 years. - CSR performance: (10%) performance of the CSR Composite Index target. Maximum potential percentage of share capital: 0.027%. The fair value (€7.69) on the date of allocation of the rights granted under the scheme has been calculated using the Black & Scholes model for the evaluation of non-market performance conditions and the Monte Carlo model for market performance conditions. Authorised by the Combined General Meeting on 18 April 2018 (resolution 19) and granted by decision of the Board on 18 April 2018.
Benefits in kind	11,352	Jacques Gounon receives an allowance for the use of his personal vehicle in accordance with the policy in force in the organisation.

Elements of remuneration Chairman-CEO	Amount owed (euros)	Comments
Compensation linked to taking up or leaving a position	n/a	The company has undertaken no commitment regarding leaving the position as an executive officer.
Non-competition payment	n/a	There is no non-competition clause. Jacques Gounon does not have a non-competition agreement.
Supplementary pension plan	No amount is owed for the period	Jacques Gounon benefits, with respect to the French part of his remuneration, from the same supplementary pension plan available to any other senior manager above the B remuneration bracket. This plan, whose beneficiaries include people other than the Group's executive officers, is not a defined benefit plan. It is a defined contribution plan, as defined by article 83 of the French General Tax Code and article L. 242-1 of the French Social Security Code.
Death, disability and health insurance schemes		Jacques Gounon is a member of the company's death, disability and health insurance scheme.

Remuneration summary: Jacques Gounon

	2018		2017		2016	
Gross amounts in euros	owed[1]		owed[1]	paid[2]	owed[1]	paid[2]
Fixed remuneration	575,000	575,010[3]	500,000	499,305	500,000	498,203[3]
Annual variable remuneration	690,000	600,000	600,000	550,413[2,3]	555,000	488,395[2,3]
Multi-annual variable remuneration	n/a	n/a	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	57,250	56,405[4]	72,050	50,435[4]	69,050	48,335[4]
Benefits in kind	11,352	11,352	10,944	10,944	11,674	11,674
Total	**1,333,602**	**1,242,767**	**1,182,994**	**1,111,097**	**1,135,724**	**1,046,607**

1 *Sums owed for the year.*
2 *Amounts paid during the year. The annual variable remuneration awarded for a financial year is paid in the course of the following financial year. Thus, the variable remuneration paid in 2018 corresponds to variable remuneration owed for the 2017 financial year.*
3 *Sums paid in whole or in part in sterling, the euro value of which, restated above at the exchange rate used for the income statement, reflects movements in exchange rates during the year. Sums actually paid, based on the exchange rate effective at the time, were equivalent to the sums owed.*
4 *After applying deductions at source.*

Table of multi-annual variable remuneration for Jacques Gounon

	2018	2017	2016
Jacques Gounon	n/a	n/a	n/a

Summary of remuneration, options and shares: Jacques Gounon

Gross amounts in euros	2018	2017
Remuneration owed for the year	1,333,602	1,182,994
Value of multi-annual variable remuneration attributed during the year	n/a	n/a
Value of options granted during the year	n/a	n/a
Value of preference and performance shares granted during the year	1,153,500	831,600
Total	**2,487,102**	**2,014,594**

Shares subject to performance conditions granted to Jacques Gounon during the year

	2018 plan
Number of preference shares/free shares subject to performance conditions allocated during the period	–
Value of shares based on the method used for the consolidated financial statements	€7.69* per share subject to performance conditions, i.e. €1,153,500 for 150,000 ordinary shares
Vesting date	April 2021
End of lock-in period	April 2021
Performance condition	section 5.1.1.c) of this Registration Document

* *The fair value (€7.69) on the date of allocation of the rights granted under the scheme has been calculated using the Black & Scholes model for the evaluation of non-market performance conditions and the Monte Carlo model for market performance conditions.*

Share options granted during the year to Jacques Gounon by the issuer and by any Group company

Plan date and number	2018 - 2013	2012	2011	2010
Type of option (existing or newly issued shares)	n/a	purchase	purchase	purchase
Value of options based on the method used for the consolidated financial statements	n/a	€2.13	€2.69	€2.02
Number of options granted during the year	n/a	137,000	130,000	116,000
Exercise price	n/a	€6.33	€7.52	€6.42
Exercise period	n/a	July 2016 -July 2022	July 2015 -July 2021	July 2014 -July 2020

The terms and exercise conditions for the 2010, 2011 and 2012 share option plans are given in note E.5.1 to the consolidated accounts in section 2.2.1 of this Registration Document.

Share options exercised by Jacques Gounon during the year

Plan date and number	* 2018
Value of options based on the method used for the consolidated financial statements (€)	n/a
Number of options exercised during the year	n/a
Exercise price (€)	n/a
Exercise date	n/a

* *On 2 January 2019, Jacques Gounon exercised 24,470 shares from the 2012 plan.*

Three share option plans are in place. In accordance with the authority conferred by the Combined General Meeting of 26 May 2010, the Board of Directors proceeded to grant options on 16 July 2010 (2010 plan), on 21 July 2011 (2011 plan) and on 20 July 2012 (2012 plan). All options were subject to external and internal performance conditions (EBITDA, dividends and share price):

- For the 2010 plan, all performance conditions were met and so 100% of the options were acquired.
- For the 2011 plan, half the performance conditions were met and so 50% of the options were acquired.
- For the 2012 plan, 75% of the performance conditions were met and so 75% of the options were acquired.

Shares subject to performance conditions and preference shares available during the financial year for Jacques Gounon

	2018
Number and date of the plan	2014 C shares
Number of ordinary shares available during the financial year	132,900
Conditions	share price
Vesting year	2014

The class B preference shares, the issue of which was authorised by the Extraordinary General Meeting of 29 April 2014, became convertible into ordinary shares on 29 April 2018, as indicated in section 5.1.2.a) of this Registration Document.

Employment contract: Jacques Gounon

	Employment contract with Getlink SE		Supplementary pension scheme		Payments or other benefits due or liable to be due as a result of termination of duties or change of role		Compensation in respect of a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
2007 to date		X	X			X		X

5.2.2 REMUNERATION OWED OR AWARDED IN RELATION TO THE 2018 FINANCIAL YEAR TO FRANÇOIS GAUTHEY, DEPUTY CHIEF EXECUTIVE OFFICER

Elements of remuneration Deputy Chief Executive Officer	Amount (euros)	Comments
Fixed remuneration	396,667	Gross annual fixed remuneration increased from €390,000 to €400,000 on 1 May 2018.
Annual variable remuneration	243,266	Target: 65% of the gross annual fixed remuneration. €243,266 awarded on the basis of the achievement of the following criteria: *Financial objectives:* ▪ EBITDA target (25%): EBITDA achievement compared to the published EBITDA 2018 target: 101.05% tranche achieved: €67,681 ▪ Operating cash flow (25%): 103.15% tranche achieved: €72,193 *Quantifiable objectives:* ▪ Eurotunnel (25%): Truck Shuttles, quality of service, digitalisation plan, objective achieved at 84%: €54,404 ▪ ElecLink (10%): objective achieved at 50%: €12,892 ▪ Europorte (5%): objective achieved at 120%: €15,470 *Qualitative objectives:* ▪ Human resources (10%): objective achieved at 80%: €20,627 During its meeting on 20 February 2019 and on the recommendation of the Remuneration Committee, the Board of Directors evaluated the variable annual remuneration of François Gauthey for the 2018 financial year at €243,266.
Multi-annual variable remuneration	n/a	François Gauthey did not receive any multi-annual variable remuneration.
Deferred variable remuneration	n/a	François Gauthey did not receive any deferred variable remuneration.
Attendance fees	n/a	François Gauthey is not a member of the Getlink SE Board and therefore he does not receive attendance fees.
Exceptional remuneration	n/a	François Gauthey did not receive any exceptional remuneration.
Allocation of stock options and/or performance shares	922,800	120 preference shares convertible into a maximum of 120,000 ordinary shares subject to performance conditions. 100% subject to performance conditions over three years: ▪ Internal performance condition (50%): economic performance of the Group assessed by reference to the average rate of achievement of the EBITDA objectives announced to the market for the years 2018, 2019 and 2020. ▪ External performance conditions (50%): - TSR (40%): performance of the Getlink SE ordinary share price compared to the performance of the GPR Getlink Index (with dividend) over a period of 3 years. - CSR performance (10%): performance of the CSR Composite Index target. Maximum potential percentage of share capital: 0.021%. The fair value (€7.69) on the date of allocation of the rights granted under the scheme has been calculated using the Black & Scholes model for the evaluation of non-market performance conditions and the Monte Carlo model for market performance conditions. Authorised by the Combined General Meeting on 18 April 2018 (resolution 19) and granted by decision of the Board on 18 April 2018.
Benefits in kind	2,861	François Gauthey has a company car which represents a benefit in kind worth €2,861 over 12 months.

Elements of remuneration Deputy Chief Executive Officer	Amount (euros)	Comments
Compensation linked to taking up or leaving a position	n/a	François Gauthey received no payment linked to his taking up his position.
Non-competition payment	n/a	François Gauthey does not benefit from any non-competition agreement indemnity.
Supplementary pension plan	No amount is owed for the period	François Gauthey benefitted from the same supplementary pension plan offered to all senior managers above the B remuneration bracket. This plan, whose beneficiaries include people other than the Group's executive officers, is not a defined benefit plan. It is a defined contribution plan, as defined by article 83 of the French General Tax Code and article L. 242-1 of the French Social Security Code.
Death, disability and health insurance schemes		François Gauthey benefitted from the company's death, disability and health insurance scheme.

No service provision agreement has been concluded with the executive officers.

Remuneration summary: François Gauthey

	2018		2017		2016 (8 months)	
Gross amounts in euros	owed[1]	paid[2]	owed[1]	paid[2]	owed[1]	paid[2]
Fixed remuneration	396,667	390,000	385,000	401,667[4]	250,000	233,333[3]
Annual variable remuneration	243,266	253,500	253,500	161,687	161,687	–
Multi-annual variable remuneration	n/a	n/a	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a	n/a	n/a
Benefits in kind	2,861	2,861	2,909	2,909	1,669	1,669
Total	**642,794**	**646,361**	**641,409**	**566,263**	**413,356**	**235,002**

1 *Sums owed for the period.*
2 *Sums paid during the financial year. The variable annual remuneration allocated during the year are paid during the following financial year, for example the variable annual remuneration paid in 2018 relates to the sums allocated for the 2017 financial year.*
3 *€201,506 net of deductions (€31,827).*
4 *Including €16,667 due from 2016.*

Multi-annual variable remuneration for François Gauthey

	2018	2017	2016
François Gauthey	n/a	n/a	n/a

Summary of remuneration, options and shares: François Gauthey

Gross amounts in euros	2018	2017
Remuneration owed for the year	642,794	641,409
Value of multi-annual variable remuneration attributed during the year	–	–
Value of options granted during the year	–	–
Value of preference and performance shares granted during the year	922,800	727,650
Total	**1,565,594**	**1,369,059**

Performance condition shares and convertible preference shares into ordinary shares granted during the year to François Gauthey by the issuer and by any Group company

	2018 plan
Number of preference shares/free shares subject to performance conditions allocated during the period	120,000
Value of shares based on the method used for the consolidated financial statements	€7,69* per share subject to performance conditions, i.e. €922,800 for 120,000 ordinary shares
Vesting date	April 2021
End of lock-in period	April 2021
Performance condition	Section 5.1.1c) of this Registration Document

* *The fair value (€7.69) on the date of allocation of the rights granted under the scheme has been calculated using the Black & Scholes model for the evaluation of non-market performance conditions and the Monte Carlo model for market performance conditions.*

Shares subject to performance conditions and preference shares (convertible into ordinary shares) becoming available for François Gauthey during the financial year

	2018 plan
Plan date and number	n/a
Number of shares reaching the end of the lock-in period during the year	n/a
Vesting terms	n/a
Year of grant	n/a

Employment contract: François Gauthey

	Employment contract with Getlink SE		Supplementary pension scheme		Payments or other benefits due or liable to be due as a result of termination of duties or change of role		Compensation in respect of a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
1 May 2016 to date		X	X			X		X

The employment contract of François Gauthey, which is currently suspended, contains no contractual termination indemnity.

5.3 SHARE OPTION PLANS/ALLOCATIONS OF PREFERENCE SHARES: PAST ALLOCATIONS TO EXECUTIVE OFFICERS

Past allocations	**2010 plan**	**2011 plan**	**2012 plan***	**2014 B preference shares****	**2015 C preference shares**	**2016 performance condition shares**	**2017 performance condition shares**	**2018 D preference shares**
General Meeting date	26/05/2010	26/05/2010	26/05/2010	29/04/2014	29/04/2015	27/04/2016	27/04/2017	18/04/2018
Date of Board meeting	16/07/2010	21/07/2011	20/07/2012	29/04/2014	29/04/2015	20/10/2016	15/06/2017	18/04/2018
Total number of recipients	57	56	57	36	63	60	55	53
Starting date for exercising options	July 2014	July 2015	July 2016	April 2018	April 2019	Oct. 2019	June 2020	April 2021
Expiry date	July 2020	July 2021	July 2022	April 2018	April 2019	Oct. 2019	June 2020	April 2021
Subscription or purchase price	€6.42	€7.52	€6.33	n/a	n/a	n/a	n/a	n/a
Forms of exercising right (when the plan consists of several tranches)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total number of shares which can be subscribed or purchased, the number of which can be subscribed or purchased		3,900,000		1,500,000	1,000,000	1,200,000	1,200,000	1,500
EXECUTIVE OFFICERS								
J. Gounon, Chairman-CEO								
Number allocated	116,000	130,000	137,000	30	200	120,000	120,000	150
Number of subscribed or received ordinary shares at 20 February 2019	58,000	32,500	53,545	132,900	–	–	–	–
Cumulative number of subscription or purchase shares cancelled or expired	–	65,000	34,250	17,100	68	–	–	–
Subscription or purchase of share options remaining at 20 February 2019	58,000	32,500	49,205	–	132	120,000	120,000	150
F. Gauthey, Deputy CEO								
Number allocated	n/a	n/a	n/a	n/a	n/a	110,000	105,000	120
Subscription or purchase of share options remaining at 20 February 2019	n/a	n/a	n/a	n/a	n/a	110,000	105,000	120

* *On 2 January 2019, Jacques Gounon exercised 24,470 options in the 2012 plan.*
** *On 2 May 2018, Jacques Gounon received 132,900 ordinary shares in the 2014 plan.*

History of past plans: performance levels

Plan	Type	Level of performance
Available plans		
2010	Options	100%
2011	Options	50%
2012	Options	75%
2014	B preference shares	88.86%
Plans not available		
2015	C preference shares	n/a
	Level of allocation of preference shares: 66%	n/a
2016	Performance shares	n/a
2017	Performance shares	n/a
2018	D preference shares	n/a

The characteristics and performance conditions of the class C and D preference shares are set out in section 8.2.2 of this Registration Document. The characteristics and exercise conditions of the share option plans for 2010, 2011 and 2012 are set out in note E.5.1 to the consolidated financial statements in section 2.2.1 of this Registration Document.

5.4 REMUNERATION OF BOARD MEMBERS AND NON-CORPORATE OFFICERS

5.4.1 ATTENDANCE FEES

The Directors of Getlink SE receive attendance fees.

The maximum total amount of attendance fees was revised by the Combined General Meeting of 27 April 2017 from €750,000 to €825,000.

The breakdown of attendance fees was reviewed by the Board in 2018, on the recommendation of the Remuneration Committee and following on from the General Meeting on 18 April 2018 (which increased the number of Board members from 11 to 15), in a way that respects the maximum total amount set by the General Meeting while ensuring that, in accordance with article 20.1 of the Afep/Medef Code, this remuneration is predominantly variable.

Attendance fees are composed of a fixed part and a variable part proportionate to the attendance of Directors at meetings of the Board of Directors and of its committees, with a weighting in favour of the chairs of Board Committees. The fixed part was reduced from €1,950 to €1,700 per month (more for Committee chairs) and the variable part has been reduced as follows:

- physical presence at a Board meeting reduced from €2,250 to €2,000 per meeting;
- increase of €500 for physical attendance if it involves crossing a border;
- reduction to €800 if attendance at a Board meeting is by telephone call or video conference.

The total amount of attendance fees* owing by Getlink SE to its Directors for the 2018 financial year is €729,275 (2017: €690,200), as detailed in the table below:

€	2018*	2017*
Jacques Gounon	57,250	72,050
Corinne Bach	49,250	42,125
Bertrand Badré	47,200	–
Elisabetta De Bernardi di Valserra	26,350	–
Philippe Camu	–	53,750
Giovanni Castellucci	18,750	–
Patricia Hewitt	61,000	66,575
Peter Levene	37,175	41,025
Colette Lewiner	61,900	71,250
Colette Neuville	73,800	76,725
Perrette Rey	73,800	64,350
Stéphane Sauvage	21,900	–
Jean-Pierre Trotignon	71,350	79,250
Philippe Vanderbec	21,900	–
Philippe Vasseur	53,950	52,450
Tim Yeo	53,700	70,650
Total	**729,275**	**690,200**

* *Amounts before withholding tax or deductions at source.*

Non-executive directors do not receive any other form of remuneration.

Executive officers and senior management do not receive attendance fees for their terms of office in other companies in the Group.

In addition, the non-executive members of the Board of Getlink SE benefit from directors' and officers' liability insurance, as do executive officers who are individuals.

5.4.2 REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

As stated in chapter 6 of this Registration Document, the Getlink remuneration policy is based on fair and transparent remuneration to ensure complete consistency between individual goals and business objectives. Getlink's strategy is also to share its success with its team members in order to involve them in the Group's growth. The Group's remuneration policy aims to promote the achievement of economic, social and market performance, enhance the growth of skills, meet and outperform objectives and increase the commitment of team members and managers in the long term, while strengthening employee ownership.

The members of the Remuneration Committee ensure consistency between the policy applied to executive officers and that applied to the senior managers of the Group. The members of the Remuneration Committee also examine the alignment of the managers' remuneration principles.

The remuneration of the chief operating officers, which is determined by the general management, is made up of fixed annual remuneration supplemented by an incentivising variable part, the criteria for which are largely based on the Group's economic performance, as is the case with the variable remuneration of the Chief Executive Officer and the Deputy Chief Executive Officer. The variable financial part is accompanied by qualitative criteria to assess individual performance.

The members of the Executive Committee also receive remuneration made up of a fixed part, the amount of which is proportional to each one's responsibilities, supplemented by a variable part whose quantitative criteria depend on the Group's results in order to improve the sense of solidarity.

Table showing the share subscription or purchase options granted to the top ten employees who are not executive officers and the options exercised by them

	Total number of options/ shares	Weighted average price (€)	2010 plan	2011 plan	2012 plan
Options/shares granted during the year, by the issuer and any other company within the scope of the allocation of options, to the ten employees within the said entities with the greatest number of options/shares granted (overall data)	–	–	–	–	–
Options/shares exercised by the ten employees within the said entities with the greatest number of options/shares bought or subscribed (overall data)	242,000	11.54	–	139,500	102,500

The remuneration of members of the Group's executive committee (excluding Board Members) in 2017 and 2018 is given in note E.2 to the consolidated financial statements in section 2.2.1 of this Registration Document.

6 CORPORATE SOCIAL RESPONSIBILITY

NON-FINANCIAL PERFORMANCE STATEMENT

This chapter 6 comprises the aspects that make up the non-financial performance statement settled by the Board of Directors on 20 February 2019 on the basis of the order of 19 July 2017 and the decree of 9 August 2017. This non-financial performance statement, which is set out in detail in the table of cross-references annexed to this Registration Document includes:

- The presentation of the business model;
- An analysis of the main CSR risks;
- The policies applied and due diligence procedures; and
- The results of the policies and performance indicators.

Getlink is a key player in transport infrastructures and international exchanges and a leader in eco-responsible transport. Getlink has a long-term commitment to serve the public in the transport and infrastructure management industries to benefit all its stakeholders: customers, employees, suppliers, shareholders, and the community. The Getlink business model is presented in section 1.1.2 of this Registration Document, with a graphic illustration on page VIII.

By making CSR a key part of the strategy and all the business's activities, Getlink can respond to the expectations of its stakeholders and therefore reinforce its overall performance. By contributing to sustainable development challenges, the business accepts its share of responsibility in accordance with public policies.

Getlink has based its CSR policy on an understanding of key or material issues, taking its business sector, size, location and the concerns of its customers, employees and other stakeholders into consideration.

Getlink's approach to CSR is based around the material sustainable development challenges applicable to the business's operations.

6.1 THE MATERIAL CHALLENGES

6.1.1 DIALOGUE WITH STAKEHOLDERS – EMPHASIS ON KEY AND MATERIAL CHALLENGES

Getlink strives to listen to the expectations of its stakeholders (team members, customers, suppliers, financial community, etc.) to adapt and respond to the Group's transformation challenges, against the backdrop of a constantly changing environment.

Getlink has prepared a materiality analysis to identify and rank the Group's key or material challenges, based on its business activities and its stakeholders' expectations. By combining these key challenges identified by the Group and the stakeholders, a specific matrix known as the "materiality matrix" was created in 2015, which helped to identify and underline the relevance (or materiality) of these challenges.

This analysis was conducted in three main stages and verified by KPMG:

Stage 1: Identification: 57 challenges were identified through an internal and external documentary review of the Group (the Group's publications and publications by companies in the same sector, analysis of media coverage, and benchmarks).

Stage 2: Evaluation by stakeholders, via interviews carried out by an independent third party with a representative sample, based on a questionnaire. The top 25 CSR challenges were identified.

Stage 3: Ranking the challenges: This is represented as a materiality matrix that reflects the importance for the respondent stakeholders and the impact that each challenge has on the Group's business.

In 2018, the 2015 materiality analysis was reviewed. Set against that background, the material challenges were grouped into four areas covering similar topics. These four areas are presented in the table below.

6.1.2 OVERLAP BETWEEN MATERIAL CHALLENGES AND THE MAIN CSR RISKS

Getlink then compared these results with the main CSR risks, identified as part of the Group's annual risk review and presented in chapter 3 of this Registration Document. For each risk, this review considers its potential impact, its probability of occurrence and the associated level of control. The major risks identified are those considered to be most critical. The methodology for identifying and ranking risks is set out in section 3.4.2 of this Registration Document.

This cross-referenced analysis of the material challenges set out in section 6.1.1 above and the principal non-financial risks highlight different priorities which directly relate to Getlink's core business. The main CSR risks are shown below by an asterisk.

Areas	Material challenges	Risks
I. Investment in our employees	Employee health, safety and well-being (section 6.3.1)	- Worsening of working conditions, safety and the quality of life at work
	Employment and development of the offer (section 6.3.2)	- Worsening of labour relations leading to collective action - Difficulty in recruiting for specialist roles - Lack of forward planning for generational renewal of the staff

Areas	Material challenges	Risks
II. CSR	Local impact (section 6.4.1)	
	Business ethics and human rights (section 6.4.2)	- Risk of corruption and breaches of regulations - Non-compliance with insider dealing and ethical rules* - Non-compliance with obligations linked to protection of personal data*
III. Environmental performance	Climate change (section 6.5.1)	- Air pollution and greenhouse gas emissions*
	Recycling and waste management (section 6.5.2)	
IV. Operational development	Safety, security and reliability of sites and passengers (section 6.6.1)	- Major fire in the Tunnel* - Collision/derailment
	Performance and reliability of stock and infrastructure (section 6.6.2)	- Collision/derailment - Major fire in the Tunnel* - Shortcomings in performance/reliability of stock and infrastructure* - Lack of anticipation of new features of vehicles transported
	Customer satisfaction and loyalty (section 6.6.3)	- Inadequate size of terminals bringing a risk of congestion - Lack of efficiency in the management of customer complaints

6.2 ACTIVE GOVERNANCE FOR SUSTAINABLE GROWTH

From the outset, the company's corporate governance has been underpinned by strong values which ensure cohesion and guarantee its future and development. The Group's management bodies are presented in chapter 4 of this Registration Document.

Skills relating to economic, environmental and social impacts

The Group's strategic CSR commitments and their implementation are presented to the Corporate Committee and the Board of Directors.

The composition of the Board of Directors reflects the commitment to diversity and complementary skills to benefit corporate strategy. Board members and members of specialised committees are selected based on a skills matrix (presented in chapter 4 of this Registration Document) which can be used to identify recognition of skills relating to economic, environmental and social impacts through "CSR governance", "human resources" and "risk management" criteria. Specifically, in terms of the CSR skills of the current board members:

- Patricia Hewitt worked for Age Concern (the largest charity in Great Britain working with the elderly), and then she acted as Secretary of State for Trade and Industry and as Minister for Women from 2001 to 2005, before being Secretary of State for Health from 2005 to 2007.
- Bertrand Badré is a member of The One Planet Lab, a consultative group steered by the French government to contribute to the One Planet Summits proposing novel solutions for international cooperation. He was chief financial officer at the World Bank and has represented the organisation at the G7, G20 and the Council of Financial Stability. Bertrand Badré has contributed significantly to the World Bank's discussions on development finance. Bertrand Badré is known for his commitment to implementing sustainable development goals through greater involvement of the private sector. He created the Blue like An Orange Sustainable Capital investment fund, which targets investment in innovative economic projects in developing countries.
- Philippe Vasseur was CEO of "Réseau Alliances", which brings together 260 companies in the Hauts-de-France region committed to social and environmental responsibility. Since 2017, he has been CEO of Mission REV3, an organisation to promote the third industrial revolution in Hauts-de-France.
- Tim Yeo was chairman of the Energy and Climate Change Select Committee from 1983 to 2015; he was Minister for the Environment and Countryside from 1990 to 1994, then Shadow Cabinet member between 1998 and 2005, notably for Trade and Industry and the Environment and Transport. Tim Yeo was chairman of the Sheffield University Energy 2050 Industrial Advisory Board. He was also chairman of AFC Energy PLC from 2006 to 2017 and Founding President of "Children's Trust", a charity organisation which manages a hospital for disabled children.
- Employees are represented on the Getlink SE Board of Directors by two representatives: Stéphane Sauvage and Philippe Vanderbec.

The Audit Committee of the Board of Directors monitors the effectiveness of the internal control and risk management systems. It takes note of the risk map including CSR risks and ensures that these systems are well-developed and controlled. It examines how they are deployed and the implementation of corrective actions in the event of significant shortcomings or anomalies.

The Corporate Committee is responsible for regularly examining the performance of the Group in environmental matters and the strategic initiatives designed to promote environmental management, protect natural resources and limit the impact of the Group's activities on the environment.

In 2015, the Nominations Committee decided to create a stable, relevant and balanced CSR performance composite index: the Group asked an external consultancy firm to create a benchmark for the business practices of CAC 40 companies, and then conducted a qualitative study with its internal and external stakeholders. This initiative helped identify four themes directly linked to the Group's activities: health/safety, labour relations, greenhouse gas emissions and customer satisfaction. For each of these areas, indicators and targets were established so as to calculate an achievement rate with respect to the composite index, according to the objectives set for each area.

The Group's CSR commitment: a key part of its economic strategy

Over the years, the Group's CSR commitment has become a key part of its economic strategy: executives, through plans to convert preference shares into ordinary shares, and the Chairman and Chief Executive Officer, through his annual bonus, have direct responsibility over CSR challenges: the CSR composite index is used to calculate 10% of the Chairman and Chief Executive Officer's annual variable remuneration.

Operational action plans include CSR criteria. The CSR objectives are defined each year, and they are included in the objectives assigned to the directors and the heads of various Group entities. They are monitored and assessed during individual annual reviews.

CSR operational management has adopted a network-style approach. The CSR reporting process has demonstrated the Group's willingness to be transparent on these topics for over 10 years. Ethics underpin all management and operational actions. The Ethics Charter is a reference text to inspire team members' decisions, guide their day-to-day actions and allow them to build stakeholder trust each day, something which is a major source of value creation for the Group.

6.3 INVESTMENT IN OUR EMPLOYEES: GUARANTEEING THE WELL-BEING AND PROFESSIONAL GROWTH OF STAFF

6.3.1 EMPLOYEE HEALTH, SAFETY AND WELL-BEING: PROTECTING EMPLOYEE HEALTH AND SAFETY BY LIMITING THE RISK OF ACCIDENTS

As a responsible employer, Getlink seeks to protect the health, safety and well-being of its team members and to ensure a healthy and safe working environment for each of them via strengthening the safety culture.

The analysis of the materiality matrix identified health and safety as a material challenge for the Group. Risks associated to these themes have been internalised in the annual review. They relate to the risk of serious accidents that may cause bodily injury to team members.

Health and safety policies are in place at the Group's subsidiaries. The Europorte safety policy commits the company to improving the safety and working conditions and to protecting the physical and mental health of team members by evaluating and preventing professional risks and implementing all suitable personnel protection measures. Eurotunnel's health and safety policy conforms to the various internal and external requirements and is adapted to the system and the business's culture. It is based on discipline, transparency and on focus at all levels of the business. The health and safety of team members is paramount. Each manager is responsible for applying health and safety principles at his or her own level. Moreover everyone is responsible for his or her behaviour regarding personal safety and works actively to minimise risks for everyone.

Various measures are in place to reduce the potential impact of these risks and to guarantee health and safe working conditions for employees.

As a matter of fact, Getlink pursues its safety initiative through business training which includes safety topics, safety visits and/or inspections which are regularly organised at sites by local management. Over 6,000 safety visits were conducted at different subsidiaries in 2018. All safety events are recorded and analysed to issue recommendations and produce action plans.

As part of an overall performance improvement approach, different safety indicators are continually and consistently monitored. The Group's subsidiaries also ensure that their procedures and safety and security rules are applied by their sub-contractors.

However, nothing should be taken for granted, and due diligence is required at all times to consolidate and support this progress in terms of reducing the number of accidents, with the individual goal of zero accidents. Maintaining this trend year on year is a major challenge for the Group, which aims to tackle it by developing a continuous improvement approach based on the definition of clear objectives, specific actions to attain them and measuring them through relevant indicators. Getlink is committed to this objective and has a strong commitment to continue this progress through the following actions:

- An awareness raising campaign, entitled "Safety takes to the screen", was launched by the general management of Eurotunnel in 2016 and continued in 2018 with the title "The safety minute". Based on short-format videos broadcast on the corporate intranet, this campaign aims to achieve greater awareness of safety issues and to promote and share best practices.
- The safety week organised in June 2018 across all Europorte sites focussed this year on "safety at work", and more specifically occupational accidents and the implementation of an action plan to reduce them.
- Training aiming to promote a shared safety culture and by organising dedicated training for Group team members. Over 23,000 hours of training were dedicated to safety in 2018.

- Innovation and technical progress: Getlink gives its team members the means to work safely, thanks to equipment, high-performance systems and innovations.
- Greater involvement of line management and monitoring, listening and prevention actions put in place by the occupational health service.

Getlink aims to create a positive working environment which limits the negative effects of an excessive workload, a poor atmosphere or work-related stress. In France, a charter on the handling of work-related psychosocial risks has been in force since 2009 for ESGIE employees. As part of this charter, a committee was created to prevent and handle psychosocial risks at work, and a mental health unit was created in 2015. In July 2015, ESGIE management signed a company agreement on the gift of rest days to parents of seriously ill children, an agreement which was extended to cover spouses and co-workers who are seriously ill, isolated and vulnerable. After a trial period in 2018, Management will continue discussions on the implementation of remote working in the first half of 2019. An agreement to prevent the effects of exposure to certain occupational risks was signed by management and Socorail in 2018. Committees dedicated to improving working conditions and mental health units are some of the actions put in place by Group subsidiaries to tackle hardship at work. In the UK, an employee assistance programme is available 24/7 to provide free support to team members who are dealing with personal and/or professional problems. Quality, local management allows stressful situations to be defused. Thanks particularly to the Trust programme, managers have a relationship of trust with their teams. This model is based on an understanding of one's own behaviour and that of others and has the goal of improving collaboration and cementing a work atmosphere in which each individual feels valued for his or her contribution.

The staff representation bodies have been very active in bringing a quality of life to as many sites as possible. Eurotunnel sports associations have been in existence since 1999. There are currently five sections and about 20 members. Remote working, started in ESGIE, is part of Getlink's desire to join in a progressive and committed approach to respond to team members' aspiration to reconcile their professional and home lives.

In France, the Social and Economic Committee (CSE), through the auspices of Commission de santé, de sécurité et des conditions de travail (health, safety and working conditions commission - CSSCT) is tasked with ensuring the protection of the health and safety of employees, and the improvement of their working conditions. This committee, that is comprised notably of staff representatives, analyses occupational risk and ensures – through means including surveys and inspections – compliance with the regulations in place. It is consulted prior to any major modification to working conditions.

In the United Kingdom, the occupational health service plays a key role in preventing occupational illnesses through educational awareness actions, and through the control measures that are set up to improve working conditions. Composed of representatives of employees and business managers, the committee aims to promote safety at work and improve working conditions.

From a medical standpoint, employees have regular medical check-ups with occupational healthcare professionals and can request a medical examination independently of these check-ups.

Results and targets

The 2018 fiscal year ended with a clear improvement in terms of safety for the Group. Lost-time accidents fell by 20% compared to 2018, demonstrating the effectiveness of the actions taken. The constant involvement of local management, the strong commitment by the management committee and the reinforcement of safety teams within operational departments have helped us to make progress with safety, ensuring that it a constant priority.

The occupational injury frequency and severity rates also fell significantly, from 7.4 in 2017 to 5.7 in 2018 and from 0.6 in 2017 to 0.3 in 2018 respectively.

Absenteeism also fell slightly, from 4.5% to 4.41% compared to the previous year.

The Group aims for zero safety-related accidents at work and a target of keeping its rate of absenteeism lower than the national average (4.72% in 2017).

6.3.2 EMPLOYMENT AND DEVELOPMENT OF THE OFFER: REINFORCING THE OFFER TO ATTRACT AND RETAIN TALENT

The social challenges identified in the materiality matrix cover the Group's human resources policy, which is understood as an important aspect for positive performance. This aspect is one of the cornerstones of its strategy.

As a responsible employer, Getlink seeks to promote the personal development and fulfilment of its team members, which it considers a key factor in its corporate strategy. Getlink believes that its success depends on the skills and loyalty of its employees, as well as its ability to attract and retain highly qualified staff: employment and development of appeal are key elements for its development, and they were identified as material challenges during the materiality analysis.

In keeping with the right to freedom of association, strikes and other collective action might occur. Any prolonged labour movement could have an impact on Group operations, with subsequent financial losses. However, the Group has not had to deal with any collective action during 2018.

Even though the risks identified are not major risks, the Group has implemented different measures to consolidate and continue its development. It has notably reinforced its ties with universities and schools in France and the United Kingdom, to encourage a better understanding of its business and to help young people access the world of work. An internal mobility policy allows the Group to encourage the professional development of its employees. To attract the best skills, Getlink has worked actively on its employer brand for many years: visibility on social networks, job adverts on the Group website and presence on general and specialist job sites. It has also implemented digital tools to evaluate the individual and collective potential of team members and anticipate how they can access key positions. To limit the risk of losing key skills or labour shortages in certain sectors, the Group has implemented a human resources policy which is highly focussed on forward management of jobs, adapted to the different contexts and promotion of employability through training development. Getlink has identified problematic trades and possible departures through to 2030.

Other measures taken by different Human Resources Departments help to significantly reduce the impacts of these risks. But beyond just reducing these impacts, Human Resources Departments must carefully consider human capital as a real source of growth. Successful management ensures team cohesion and improved productivity. Several factors are implemented by different Human Resources Departments to significantly improve the Group's appeal. These include:

- Recruitment: Getlink considers the recruitment of men and women able to reinforce its efficiency and its development as a key factor and major strategic challenge. From this point of view, the Group tends to favour permanent work contracts, keen to demonstrate its commitment to its team members over the long term and guarantee them lasting employment. The recruitment process places great importance on applicants' cultural openness, their ability to work as part of a team, and their entrepreneurial spirit.
- Diversity: Diversity and social mix are a real source of prosperity, modernity and innovation for Getlink. The Group is very vigilant to any form of discrimination, whether relating to age, sex, nationality, ethnic origin, political opinions or union activities. The sole valid criteria that the Group recognises are each person's professional qualities, qualifications and skills. Professional equality between men and women is an important lever in the Group's diversity policy. Its adherence to the principles of gender equality is reflected in the application of an equal opportunities policy in recruitment, access to training, remuneration and promotion, and by signing agreements within subsidiaries in favour of workplace gender equality.

  The Group subsidiaries are joining in Getlink's overall approach in favour of equality. Accordingly, in 2018 Socorail and Europorte France signed agreements relating to professional equality between men and women. Those subsidiaries also intend to take concrete and effective steps in favour of women in order to guarantee pay equality in comparable cases.

  In 2019, ESGIE will enter into discussions to negotiate a collective agreement, which will lead to the renewal of the professional equality collective agreement currently in force. This action affirms Getlink's desire to promote women and to put in measures to raise awareness as an extension of the Charter project relating to professional equality.

  The Ethics and Behaviour Charter applicable to all the Group's team members sets out the principles that should guide each employee's behaviour, of which the principle of non-discrimination is one of the most important.

  Disability is another important aspect of the Group's diversity policy, which supports the first-time employment, professional training and continued employment of disabled people. Together with its actions to promote the continued employment of disabled people, the Group works hand in hand with the sheltered and supported sectors by using employment agencies for disabled workers and/or supported job centres. An ongoing agreement was concluded in 2010 for the benefit of disabled workers with AFAPEI (a French association for parents and friends of children with developmental needs) and ESGIE. On 23 July 2013, a partnership framework agreement was signed between the Group and APF (the French association for people suffering from paralysis) in which the Group undertook to approach APF for any service falling within its areas of expertise. ESGIE approached APF several times in connection with this partnership, for various services. Through this collaboration, three people have been provided with permanent, full-time employment.
- Remuneration: The Getlink remuneration and employee savings policy aims to respect equal opportunities, notably between men and women, and to involve each employee in Group results based on individual and collective performance. It is a source of motivation and mobilisation which Human Resources Departments use to attract new talents and/or retain their best team members. From this point of view, recognition of individual performance is a major element of Getlink's remuneration policy, and it is intended to motivate all the Group's team members, with a view to rewarding and retaining the most talented individuals. Other provisions supplement this system. Under a bonus system, half based on safety and service quality indicators and half on cash flow performance, all Concession employees are entitled to receive a bonus of up to 6% of annual basic salary. The Group also pursues an active policy of encouraging employee shareholders so that they can share in the success of the business. The Board of Directors has allocated free shares to all employees of Getlink SE and related companies or groups.
- Training: The main focus of the Group's training policy is to strengthen the key competencies of its team members and to maintain a high level of operational performance within teams, enabling them to contribute to the development of the business. Getlink has a training centre, CIFFCO, which manages both the training plan and the training for the Concession, as well as supporting the development of the rail freight industry and local train operators. In 2018, 107,641 hours were devoted to employee vocational training, representing an average of 30 training hours per employee. These training activities represent 3.2% of payroll.
- Labour relations: Labour relations are very important for the Group, particularly negotiations with staff representative bodies. The Group has worked long-term to form sustainable and constructive labour relations with all its team members to maintain a balance between the expectations of its employees and the constraints of the business.

The quality of labour relations within the Group is now recognised. Trust and mutual respect between management and staff representative bodies has created a positive working environment. This positive environment was underlined by a lack of collective action or strikes during 2018, and the signing of several majority agreements within subsidiaries and the Group relating to the professional equality between men and women and to an end of working life agreement.

The quality and effectiveness of labour relations, the fight against discrimination and the promotion of diversity as well as employees' working conditions are factors that contribute to the success of the business, as demonstrated by the Group's significant progress and new historic records, notably by Eurotunnel.

Results and targets

Headcount:	3,517 ✓, a 3.4% increase compared to 2017
Recruitment:	335 (291 permanent contracts, 44 fixed-term contracts), an increase of 13.2% compared to 2017
Turnover rate:	5.26%, a fall compared to 2017 (5.81%)
Rate of absenteeism:	4.41% ✓, a fall compared to 2017 (4.50%)
Average age	44 ✓
Proportion of managerial staff	24.2% ✓, an increase compared to 2017 (23.9%)
Rate of non-permanent employment	6.2% ✓, a fall compared to 2017 (6.7%)
Number of agreements signed:	19 agreements at subsidiary level; 8 Group agreements

6.4 CORPORATE SOCIAL RESPONSIBILITY: CREATING A GREATER LOCAL IMPACT

Corporate social commitment is deeply ingrained in the Group's history and culture. The Group seeks to establish close ties with all the communities that it interacts with – customers, local authorities, economic partners – in France, in Great Britain and in Europe.

Although not identified as risks by the internal risk review, the development of local employment and the economy are some of the important challenges identified during the materiality exercise.

6.4.1 LOCAL IMPACT

As an employer, Eurotunnel participates directly and actively in local economic development, and pursues its mission as a developer in consultation with stakeholders. As a committed partner in its economic and social environment, the Group has always been a leading economic player and local employer.

a) Development of local employment

For nearly 25 years, the Tunnel has been a vital link between Great Britain and continental Europe. Since the Tunnel came into operation, it has created more than 8,000 direct and indirect jobs in the Kent and Hauts-de-France regions, and has led to the building of large scale associated infrastructure, including new motorways, high speed railway lines and international railway stations.

Pursuant to the regeneration agreement signed in 2006 with the French State, Eurotunnel continues to contribute financially and through its expertise to Calais Promotion, the development agency for the Calais area. This contribution is earmarked primarily for supporting job creation. Similarly, it provides financial support and actively participates in the cross-border job fair Jobs Frontaliers, a local initiative that facilitates the professional mobility of young people between France, the United Kingdom and Belgium.

Through its commitment to Fondation Agir Contre l'Exclusion (FACE), which provides assistance to those most in need, the Group encourages its team members to get involved in and initiate humanitarian and charity projects. Several part time work contracts have been signed since 2013 between the subsidiary ESGIE and persons assisted by FACE Calais.

Other subcontracting and service partnerships were signed between ESGIE and local companies to develop employment and guarantee a community foothold for the Group's activities. These partnerships represented approximately 1,492 Full-time equivalent (FTE) for different teams, notably service-based.

b) Development of the local economy through partnerships

Through its role as a developer, Eurotunnel is deeply committed to a local development initiative in the Hauts-de-France region. After being the birthplace of the first industrial revolution (coal and the steam-powered engine) as well as withstanding the second, it is now diving into the third industrial revolution, with the combined momentum of the energy transition and digital transformation. This industrial revolution, known as REV3, is a dynamic momentum by companies, public authorities and regions, schools, universities and citizens to be pioneers in social and environmental progress, and to receive the benefits in terms of value creation, competition, jobs and well-being. The Group financially supports the World Forum for a Responsible Economy in Lille. Launched by the Réseau Alliances, this organisation aims to promote a responsible global economy, by sharing the best business practices of responsible companies.

By investing in the international energy transport infrastructure, which is vital to regulate consumption at continent level, Getlink contributes to this movement: Getlink has invested more than €500 million in the ElecLink project, which includes the creation of a new 1GW connector between France and the UK via the Tunnel.

In connection with its role as a developer, the Group, through its subsidiary Euro Immo GET, was chosen in January 2013 by the municipality of Sangatte Blériot Plage to develop the seaside eco village and golf resort project at Porte des Deux Caps. This project will involve building an international standard golf course, a luxury hotel, and an eco-friendly residential development of 500 housing units.

Eurotunnel's land reserves at Coquelles (Pas-de-Calais) were gradually transformed into a 700-hectare Zone d'Aménagement Concertée (ZAC or mixed development zone) that now includes a shopping centre drawing 6 million visitors per year on average.

Europorte is developing its rail freight haulage activities, which enable disused marshalling yards and railway lines, as well as lines with restricted traffic, to continue operating or to be brought back into service.

Getlink, alongside the French State, the Hauts-de-France region, the CCI Cote d'Opale, and the urban community of Dunkirk and SNCF Réseau, is financing feasibility studies on the modernisation of the Fréthun-Calais-Dunkirk railway line, which would involve its electrification and an increase in rail freight path availability.

A key player in the natural, economic and human environment, Eurotunnel fulfils its social responsibility through concrete commitments and actions to support the community:

- Payment since 2010 of 10% of the land rental income from the wind farm on its Coquelles site to Secours Populaire, which distributes the payments in the form of "energy vouchers" to families in Pas-de-Calais. Following its expiry, the partnership agreement between Eurotunnel and Secours Populaire was renewed for two more years (2019-2021).
- Active support for the French Second Chance Foundation, a recognised public interest group committed to the rehabilitation of people who have faced great difficulties in their lives.

The ESGIE Social and Economic Committee regularly backs good causes actively supported by colleagues.

Since 2013, Getlink has agreed to always refer to the Association des Paralysés de France (APF) for any service within the areas of expertise of its partner companies, which employ people with disabilities. The Group also regularly entrusts projects to APF workshops near Calais, notably specialising in mechanical welding, carpentry and packaging.

The Group invests heavily in young people and is developing its relationships with universities and schools with the aim of fostering a better understanding of its business and encouraging young people into the world of work:

- Training diploma in railway engineering and maintenance professions set up and developed by Europorte in close collaboration with the Conservatoire National des Arts et Metiers (CNAM);
- Partnerships with the Institut Catholique des Arts et Métiers (ICAM) and the Institut d'Administration des Entreprises (IAE), two Lille institutions, to develop a new approach to the maintenance trade;
- Participation since November 2016 in the "Professeurs en entreprises" operation initiated by the Fondation C Génial, a foundation for scientific and technical culture. This operation is aimed at secondary school teachers (and other members of the national education system) and in addition to the professional integration of young people it makes it possible to promote the sectors and the scientific and technical professions of the companies visited. Several Eurotunnel rolling stock managers took part in this activity.

Getlink also offers its expertise in managing transport infrastructures and rail activities to various public bodies at European, national and regional levels. The Group is:

- A founding member of the Fer de France association which was created in 2012 to bring together the leading players in the French railway industry. The work presided over by the Group led to proposals for the French state to recognise different professions in this developing sector.
- An active member of I-Trans, the global competitiveness cluster and the reference cluster for railways in France. The Group's Human Resources Director participates as the controller in the CAPFOR (training project management and coordination circle) operational group that aims to make existing training more consistent with the industry's expectations, creating a pool of expertise in the region and developing high quality higher education with international influence.
- As a partner of the École des Ponts et Chaussées, in July 2018 Getlink renewed the "Rail transport sciences" fellowship for five years. This partnership aims to make progress in rail science by studying the whole scope of the activity, as well as the sustainability of facilities and technologies in place.

Participation in coding: Eurotunnel welcomed some girls aged between 8 and 10 at a beginners' programming workshop. This initiative was aimed at awakening an interest in computing careers from the earliest age.

6.4.2 BUSINESS ETHICS AND HUMAN RIGHTS

a) Business ethics

Respecting its legal and regulatory obligations and committing to self-regulation initiatives

Business ethics and human rights were identified as important challenges for the Group's internal and external stakeholders during the materiality analysis. The risks of corruption and non-compliance with ethical rules were identified by the internal risk review as likely to cause potential impacts in terms of penalties, fines or public reputation.

Since 2017, companies are liable if an associated person (including employees, customers and suppliers) facilitates tax evasion in the United Kingdom or abroad (UK Criminal Finances Act 2017). The Group has mapped its risk of exposure to facilitating tax evasion and the appropriate prevention procedures are now in place.

Getlink is known for a strong culture based on the values of discipline, integrity and responsibility from the outset. Establishing its operating performance based on strong ethics and compliance is an important component of the business's strategy.

The Group Ethics Charter applies to all team members and was last reviewed in December 2018. It formalises all the conduct rules applied by Getlink, giving each team member a framework to guide their choices and attitudes by demonstrating good judgement.

The Ethics Charter educates all team members on the rules and behaviours expected of them, illustrated with specific examples. It also clarifies the roles of managers and team members in the implementation of the Charter on a daily basis. It is supplemented by a whistleblowing policy put in place for team members to allow them to directly report any suspected infringement of applicable rules to the Group Compliance Officer, or to obtain help and advice regarding its content and application.

Getlink has a specific anti-corruption and ethical practice awareness programme (the Compliance Programme). This programme has been supplemented with risk prevention tools. Managed by a functional multi-disciplinary team, this programme relies on a system including awareness tools and a whistleblowing system in line with a continuous improvement and prevention approach. With continuous improvement in mind, Getlink decided to deploy a compliance awareness initiative in 2019, with a range of content, systems and tools to offer the necessary flexibility to develop an approach which meets business requirements and adapts to the Getlink culture. This programme is called Get Compliant 2019.

Non-compliance with regulatory obligations in terms of personal data processing was identified as a major risk by the internal risk review. The potential impacts could result in heavy fines, prison sentences and significant reputational harm. Getlink has put several policies and procedures in place in respect of the protection of the personal data of employees, customers, suppliers and third parties. The Data Protection Policy created in 2016 commits each Group entity to respect French, British and European legislation relating to the protection of personal data. To reduce these impacts, mitigation measures have been put in place, including:

- A published and distributed Group legal policy;
- Training of key personal data protection staff;
- The appointment of 2 Data Protection Officers;
- Regularly updating CNIL declarations;
- A system to report non-compliance.

The Group's strategic objective in this field is clear: zero tolerance for violations of probity and transparency rules regarding corruption and setting a perfect example in terms of governance and ethics. During the 2018 financial year, Getlink decided to strengthen the review of corruption risk, traditionally dealt with in the scope of the annual review of risks, by using an outside firm to carry out a specific review of corruption risk. On the basis of that mapping of corruption risks, Getlink decided to strengthen team members' awareness via specific training and also by a more educational approach by presenting the Ethics Charter and by showcasing a new whistleblowing policy.

b) Human rights

Getlink's CSR policy is in line with the observance of fundamental rights as defined in the major international principles: the 1948 Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, OECD guidelines for multinational companies and the principles of the United Nations Global Compact. As a signatory of the United Nations Global Compact, the Group communicates annually on its Corporate Social Responsibility (CSR) best practices within a "Communication on Progress" (COP) report. In 2018, this Group report was classified at the highest Global Compact level (GC Advanced), thereby placing Getlink amongst the 104 French companies that reached this classification in 2018 out of more than one thousand signatories in France. The Group supports, adheres to and actively participates in the World Forum for a Responsible Economy and the values it promotes.

The Group is a signatory of the United Nations Global Compact and fully adheres to its ten fundamental principles, notably those relating to Human Rights and Rights at Work. The Group's human resources policies are also geared towards combatting discrimination and are designed to guarantee equal treatment and opportunities for all employees at every stage of their career. The Group never bases its decisions on criteria linked to gender, race, nationality, religion, ethnic origin, political opinions or union activities. The only valid decision-making criteria for the Group are each employee's professional qualities, qualifications and skills.

6.4.3 RELATIONS WITH SUPPLIERS

Getlink wishes to build trust and loyalty with its suppliers and to ensure that they adopt a responsible attitude by offering products and services that respect labour and environmental laws throughout their life cycle. Their production conditions must strictly respect human beings and international rules regarding labour law, child welfare and health and safety. The environmental, social and ethical criteria are evaluated during the Group supplier selection process.

As part of a voluntary responsible procurement initiative, Getlink signed a "Responsible Supplier Relations Charter" in January 2012. This charter includes ten commitments for responsible purchasing, ensuring a genuine partnership between customers and their suppliers with due regard to their respective rights and obligations. It notably commits to ensuring financial fairness with its suppliers, respecting the principle of transparency, considering environmental challenges and ensuring that the business is held locally accountable. This is an action intended to prevent corruption.

The Group is also a member of steering committees for the "Responsible Supplier Relations" charter and certification and has clearly demonstrated its wish to be a part of this certification process, as an extension of the implementation of the charter's ten engagements.

6.5 ENVIRONMENTAL PERFORMANCE

In a world with limited natural resources, companies cannot ensure their continuity without making constant efforts to control their energy consumption and reduce the impact of their operations on the environment. For Getlink, it is clear: it is impossible to be successful in the long term without better control of its environmental impact.

Aware of the need to accelerate the environmental transition, in September 2018, Getlink launched the issue of Green Bonds[27] for a principal amount of €550 million. The net profit of this issue will be allocated to funding investments linked to the Group's ElecLink project and the purchase of the G2 notes described in note A.2.1 to the consolidated financial statements in section 2.2.1 of this Registration Document.

6.5.1 CLIMATE CHANGE

As part of its commitment to "low carbon" transport, the Group is pursuing an ambitious strategy combining the development of its core activity, cross-Channel transport, with external growth in its two main businesses and areas of expertise other than the Fixed Link, namely infrastructure management and railway operations. In line with this strategy, Getlink and the Europorte subsidiaries are developing a broad-based offering of rail freight transport and associated logistics services.

a) Managing greenhouse gas emissions: Getlink continues to reduce its GHG emissions

Managing energy consumption and the associated GHG emissions was identified as a material challenge for the Group during the materiality exercise. The internal risk review also identified air pollution and greenhouse gas emissions as a major risk. The difficulty in replacing polluting gases with low-emission gases and the delay in replacing certain refrigerants are risks encountered by the Group, notably due to the increased traffic within the Concession, which could cause more significant air emissions, more intense lighting at the terminals due to potential migrant intrusions and the need to use UK electricity, which has a higher carbon content. Nevertheless, a policy of routinely saving electrical energy (with 90% of electricity being of hydro or nuclear origin therefore without CO_2), allows an emissions ratio that is compatible with our CO_2 saving targets.

Eurotunnel's Sustainable Development Policy places respect for the environment at the heart of Eurotunnel's founding values. The Channel Tunnel and its rail transport system enable Eurotunnel to respond to the growing cross-channel logistical needs without creating a trade-off against the environmental outlook for future generations. By committing itself to limit the carbon footprint of the Channel Tunnel operations, Eurotunnel has signed up to the 2 degrees trajectory of limiting warming in order to mitigate the causes of climate change.

Since 2014, Europorte's subsidiaries have been awarded TK' Blue status by the European TK' Blue Agency. This measures the eco-responsible engagement level and the technical, economic, environmental and social performance of their transport services. Within the scope of its policy, Europorte is reducing the impact of its operations by developing its activities around a means of transport that is respectful of the environment.

To limit the potential impact of these environmental risks, other than actions developed in terms of energy policy and presented in section 6.1.2 of this Registration Document, the Group has implemented a number of actions:

- Removal of halon installed in the Channel Tunnel plant rooms and on-board rolling stock;
- Replacement of refrigerants with a high greenhouse gas impact;
- Encouraging low-carbon electricity;
- Limiting energy consumption and supplies;
- Increasing the number of electric charging points for customers and operating staff; and
- Extending the fleet of 100% electric vehicles.

The Group has been certified by The Carbon Trust Standard since 2009. This independent organisation audited the Group's management of greenhouse gas emissions in 2011 and set the baseline level for greenhouse gas emissions for the whole of the Group's activities at 2010 levels. In 2017, the Group's Carbon Trust Standard certification was renewed in respect of the Fixed Link in recognition of its carbon footprint reduction policy for the 2015-2016 period. The renewal of this certificate for the 2017-2018 period will be audited during the second half of 2019.

The Group is the only cross-channel operator to have created and published a carbon footprint assessment since 2007, in both France and the United Kingdom, based on the method developed by ADEME. This carbon footprint assessment identified the Fixed Link's primary sources of greenhouse gas emissions: the consumption of electricity and fossil fuels as well as refrigeration fluid leakages, which account for 80% of emissions.

In the United Kingdom, the Concessionaires, as the manager of an infrastructure of major importance to the British economy and at the request of the British Department for Environment, Food and Rural Affairs (DEFRA), carried out a study of the infrastructure's ability to withstand the foreseeable effects of climate change in line with the Climate Change Act 2008.

The Group is resolutely committed as a leader in eco-responsible transport and contributes its expertise and leadership to benefit its subsidiaries and customers, to help them reduce the carbon footprint of their activities. An eco-comparison tool is available on the Eurotunnel website, which allows freight customers to calculate the average CO_2 emissions saved by using Truck Shuttles.

Since 2015, the Group has provided a fast and free of charge recharging facility at the Eurotunnel sites in Coquelles (Pas-de-Calais) and Folkestone (Kent) for customers with electric cars. In thirty minutes, they can charge 80% of the battery

[27] *In accordance with the "Green Bond Principles 2018" of the International Capital Markets Association as certified by DNV GL Business Assurance Services UK Limited, a body that has given a favourable opinion on the eligibility of the bonds.*

capacity (universal battery chargers). The number of customers using the Passenger Shuttle in electric cars increased from 40 in 2014, 800 in 2015, 5,696 in 2017 and around 10,000 in 2018.

The Group is continuing to improve its social responsibility programme by encouraging its employees to commute to Coquelles by other means. It has launched three initiatives from its Business Travel Plan: namely, a shuttle bus between the high-speed train station at Calais Fréthun and the Coquelles terminal, a web-based Eurotunnel car-sharing community, incentives for the use of electric vehicles and information on public transport. The arrangements already in place include bicycle racks, fleet of electric vehicles and recharging points and a remote-working trial. In Folkestone, 130 employees have already signed up for the government "Cycle to Work" scheme set up in 2016 and some of them joined in the national day organised each summer. These initiatives contribute to minimise the business's carbon footprint and to promote employees' well-being.

To support specific sustainable development initiatives, various Europorte team members took part in workshops and challenges during the second Green Week, around the theme of eco-citizen action (waste management, eco-actions and water management). At Socorail, the Europorte subsidiary specialising in logistics management at industrial sites, the progress made in terms of environmental protection and safety have been rewarded with renewal of ISO 9001 (Quality management), MASE (Company Safety Improvement Manual) and SQAS (Safety & Quality Assessment for Sustainability) certifications. The Socorail Infrastructure Management branch launched a MASE certification project in 2018 for planned certification in 2019.

Results and targets

In 2018, the Group's greenhouse gas emissions fell by 4.60% compared to the previous year. This decline is explained by the factors set out in section 6.5.1.b).

To monitor changes to its greenhouse gas emissions, Getlink established an indicator to ascertain the greenhouse gas to revenue ratio for the Group. Getlink has set a target to reduce this ratio by a minimum of 5% in five years like-for-like and at constant exchange rates.
2018 performance indicator: 94,627 (Teqco2 - tonnes of CO_2 equivalent) / €1,079 (million).

b) Managing energy consumption: Getlink offers a responsible approach

Managing energy consumption was identified as one of the material challenges for the Group's internal and external stakeholders during the materiality analysis. These challenges strongly echo the environmental risks set out in section 6.5.1.a).

The Sustainable Development Policies of Eurotunnel and Europorte, by means of the desire to reduce environmental impacts, are part of the approach to optimise energy consumption. Therefore, among the eight commitments undertaken as part of Eurotunnel's Sustainable Development Policy are three relating to the management of energy consumption i.e. limiting the carbon footprint, managing and saving our resources and promoting the production of renewable energy.

Moreover and to reduce the potential impact of these risks, several measures have been put in place such as:

- The implementation of actions to improve energy performance, as identified in the comprehensive energy audits of the Concession's operations.
- Partnership between France Manche and EDF to encourage energy saving.
- The purchase of new wagons to transport road trailers on rail motorways is considered an energy-saving action within this context.
- The entry into service of the first new Shuttle, made of 32 rail motorway wagons at the end of December 2017, contributed to the granting of Certificats d'Économie d'Énergie (CEEs, energy savings certificates) as part of the "Rail Motorway Wagon" CEE project.
- Since 2016, after the installation of new generation electronic variable speed drives which use less energy, the business can modulate the speed of the cooling fans.
- At the end of 2018, the fleet of 100% electric vehicles operating on the Concession terminals had grown to 38 vehicles.
- Europorte France has set up an eco-driving initiative to increase awareness among main line train drivers of the impact of their driving style on fuel consumption. This initiative also involves the installation of technical equipment designed to reduce the fuel consumption of locomotives as well as driver assistance systems, depending on the nature of the network and the train, to help drivers to adopt a more environmentally friendly driving style. Europorte France has used seven medium horsepower locomotives of a new model (Vossloh DE18), which provide a 15% to 20% reduction in fuel consumption for an equivalent level of use thanks to a start & stop system and next generation engines.

Several other actions are part of the Group's energy consumption reduction policy to limit the impact of its activities on the environment. These actions include:

- Installation of GSM datacards that will take readings of the pressure and temperature of the generators every two hours. This will make the detection of leaks quicker and easier and thereby minimise them. The replacement of some of these onboard air conditioning systems is being considered.
- Installation of a new Channel Tunnel air conditioning system to make significant energy savings (approx. 33%).
- Raising awareness of rail freight and Shuttle drivers regarding eco-friendly driving styles.

This year, energy consumption remained stable: fuel consumption increased only very slightly in 2018 (less than 1%). The consumption of natural gas, which increased by over 5% between 2016 and 2017, fell by 6.5% in 2018 compared to the previous year. This downward trend also includes LPG consumption. Electricity consumption remained almost stable compared to 2017 (less than 0.5% increase) despite an increase in shuttle traffic, whilst there was a 1.5% increase between 2016 and 2017. The continued efforts by the Group resulted in a 4.6% fall in CO_2 emissions compared with the previous year, which is a reduction of 4 and a half tonnes.

6.5.2 RECYCLING AND WASTE MANAGEMENT

The Group applies a waste collection and processing strategy which prioritises recovery or reuse. Most waste products come from industrial activities and vary in type and quantity from year to year depending on the projects being undertaken.

a) Waste management: Responsible management

The materiality analysis underlined the expectations of stakeholders in terms of waste management, although this topic has been adopted by the Group from the outset and it is not a significant risk for the Group since it is being managed. However, mindful of the importance of this issue, the Group applies a waste collection and processing strategy which prioritises recovery or reuse.

The production of non-hazardous industrial waste for the Group fell by approximately 20% compared to 2017. However, the production of hazardous waste increased by 46% compared to the previous year, due to the railway upgrade works in the East of France, which led to the production of a large amount of waste for Europorte and ElecLink site works, creating a significant amount of site waste for Eurotunnel.

The French part of Eurotunnel sorts non-hazardous industrial waste, 97% of which is recycled into briquettes for industrial boilers. This process was made possible by the emergence of new solid fuel recovery channels.

At Europorte, almost all the waste produced comes from the maintenance of rolling stock and rail infrastructure. At industrial sites, waste management procedures are generally the responsibility of the customer. Europorte applies its own waste management procedures to its port rail infrastructure services and Europorte Proximité's locomotive maintenance workshop at Arc les Gray. Waste is sorted internally for both these activities. A dynamic waste recovery campaign was launched at headquarters with the implementation of six selective sorting categories.

Results and targets

The waste recovery rate for the Group in 2018 was 92.9% in France.

The Group has set a recovery target of over 95% for 2019 like-for-like.

The Group promotes a digitalisation plan to work towards a paperless workplace.

Eurotunnel has set a target to implement a plastic cup recycling plan at the office buildings of the French part of the Concession.

b) Recycling

In partnership with local water management institutions in the Calais area, Eurotunnel works on its contribution to water management beyond the Coquelles rail terminal. The collection of water after significant rainfall should help limit flooding in Calais. This closed circuit method prioritises soil infiltration rather than discharging large amounts of water into the sea.

Eurotunnel also prioritises ecological maintenance outside the Concession, with the implementation of an eco-grazing programme. Two herds of Salers and Highland Cattle breed cows help limit mechanical cutting, with waste spread over 35 hectares.

6.6 DEVELOPMENT OF OPERATIONS

6.6.1 SAFETY, SECURITY AND RELIABILITY OF SITES AND PASSENGERS

The safety, security and reliability of sites, passengers and goods have been identified by Group stakeholders as priority issues. The risk of a fire in the Channel Tunnel, a derailment or a collision is another risk, which could be the result of high-risk behaviour by truck drivers or a fault in in the stock or the fire detection systems.

Safety and security are part of the very design of the Channel Tunnel - it has three tunnels, including one reserved for evacuating people with smoke extraction systems, etc. as indicated in section 1.2 of this Registration Document. In addition, as indicated in chapter 8 of this Registration Document, the Treaty of Canterbury established the IGC and its Safety Authority to monitor the relevance and implementation of safety rules and practices applicable to the Fixed Link, examine reports about any incident affecting safety and carry out surveys.

Getlink has implemented a control system, different policies and/or actions to prevent and control potential impacts, including:

- Regularly reviewed formal risk analyses, and measures applied and distributed to all staff affected by the activity;
- Safety policies, which set out the provisions relating to managing health, safety and the environment and which are part of the continuous improvement and risk control approach. In fact, the safety management policy and the safety management system describe, in the case of Eurotunnel, all the risk control and mitigation measures for people and the transport system. They place safety requirements ahead of all other objectives. The control of those requirements is based on three interlinked factors: stock and equipment, organisation and process and people. Through its commitment to carry out all its services in the highest safety, Europorte has also embarked on an approach to control its risks especially in respect of operations, health and safety.

The Group's reputation and its image can be significantly harmed by incidents at its sites at any time. For example, a fire - whether accidental or arson - could have an impact on Group activities. Faced with this risk, the Group has implemented protection and control systems that effectively limit the impact of such an accident. The Channel Tunnel has a team of 48 rescue mission specialists who patrol the service tunnel round the clock. Since 2011, four SAFE stations are operational in the intervals in the centre of the Tunnel so that in the event of a fire on a Truck Shuttle, the 800-metre long train can rapidly reach one of these stations. The Channel Tunnel is the only infrastructure of its type in the world equipped with a system of this kind.

In order to test response plans for the emergency services and successful coordination in the event of an accident in the Tunnel, the Eurotunnel Group and the public authorities organise an annual major full-scale safety exercise: the Binat (as in binational). Held in January 2019, the latest Binat was the 29th since the construction of the Tunnel and the 23rd since the opening of commercial services in 1994.

Initiatives are taken annually at the Fixed Link, which are continually involved in improving rail safety performance. These include:

- Promoting an approach to improve safety culture and management commitment in the field;
- Reinforcing safety communications with staff;
- Continuing safety training courses;
- Improving management and monitoring action plans linked to safety events; and
- Reinforcing the subcontractor monitoring and selection process.

For its part and as it does every year, Europorte has implemented action plans at national level for staff safety and rail safety, which indicate the dates that actions are implemented, those responsible for each action and their progress. In 2018, an initiative was begun to take better account of human factors in the analysis of events that could impact on rail safety.

Like safety, security has always been a major concern for the Group. It is defined as protection against external risks. Its aim is to protect assets and people at its sites, i.e. detection and protection against external attacks on employees, partners and subcontractors, or damage to goods and infrastructures. As part of the Obligation for Economically Reasonable Progress in view of Expected Gains (OPEREGA) and to reduce insurance premiums, Eurotunnel has funded "real fire" fire training with FLOR France staff, who patrol the tunnel and manage evacuations in the event of an accident.

Security at the Coquelles site could be affected by attempted migrant intrusions. Since the migrant crisis, Getlink created a new central security office in 2017 on the French side of the Channel Tunnel. This new building covers 500m² and brings together all security services at the Coquelles site in the same place. This reinforces cooperation in the field between Eurotunnel teams and the French and UK state services. A 20 m² screen allows operators to monitor the 650-hectare site and the 37 kilometres of high-security fencing via video feedback from 570 fixed and mobile cameras. The Group has finished securing its site with adapted systems, notably including the installation of high-security fencing protected by detection cables, and a building equipped with a heartbeat detection system to detect the presence of humans on board trucks.

All of these measures have helped reduce attempted intrusions in 2018 compared to the previous year.

Results and targets

Number of collisions:	0
Number of passenger deaths:	0

These two indicators relate only to the Concession.

6.6.2 THE PERFORMANCE AND RELIABILITY OF STOCK AND INFRASTRUCTURE: A CRUCIAL FACTOR FOR THE GROUP

The performance and reliability of equipment and infrastructures were identified by stakeholders as priority issues for the Group.

The internal risk review identified a set of risks which the Fixed Link encounters, which are mainly linked to performance and/or reliability faults of equipment and infrastructures, aging or equipment upgrades. These risks can be the result of upgrades to products on the market and the implementation of innovative projects which can lead to equipment obsolescence, unplanned technical problems resulting in failures, service outages and a deterioration in quality of service, or even incidents and accidents.

These risks are likely to negatively affect the Group's activities, which could experience operating losses and financial losses. Its image and reputation could also be significantly affected.

To minimise or prevent the potential impact of these risks, mitigation measures and a risk control and management system have been put in place. By means of the safety policies, each Group subsidiary continually and actively participates in the regular operation and improvement of this system. Actions put in place by different entities against these risks maintain the equipment and infrastructures at a high level of reliability and performance. Within the SMS framework, the Fixed Link has deployed many actions, including:

- The creation of a stock of spare parts;
- Quality controls;
- Rail replacement where needed;
- The application of prevention measures by monitoring near-misses;

- Monthly safety reports presented to the safety committee and the IGC.

The Group places great importance on reinforcing appropriate behaviour and so has established a set of procedures to ensure that the infrastructure and equipment are used efficiently. Effective management of these risk areas provides the foundation for overall safety performance.

6.6.3 CUSTOMER SATISFACTION AND LOYALTY: A PRIORITY AND STRATEGIC REQUIREMENT: GETLINK IS TACKLING THE CHALLENGES OF BREXIT BY DEVELOPING INNOVATIVE SOLUTIONS

Customer satisfaction and retention were identified as a material challenge by the Group's internal and external stakeholders during the materiality analysis and correspond (specifically due to the UK's imminent departure from the European Union) to the risk of terminal congestion and customer complaints.

Stakeholder expectations correspond perfectly to the Group's priority regarding customer experience. Customer satisfaction and retention is a core concern of Getlink's development strategy. This is demonstrated by the digitalisation and redesign of customer journeys. In its business policy, Europorte makes customer satisfaction a major concern. Offering a high level of service by responding to each of their specific requests and so building a special relationship with each client is a permanent commitment for each of Europorte's subsidiaries.

The Simply Better programme launched by Eurotunnel's Customer Experience service aims to create a new service culture thanks to the creation of a reference document for each point of customer contact defining service standards, everyone's responsibilities, resources available and the instruments by which performance is evaluated. To meet this challenge, a campaign to recruit Simply Better ambassadors has been launched. They are tasked with keeping in touch with everyone, whether a Eurotunnel employee or a sub-contractor, who looks after customers, taking their expectations into consideration and contributing to their satisfaction, which is strategic for the business.

To respond to the demand by different customers and to continue with its technological progress, the Group intends to develop and offer products and solutions which will create the cross-channel rail transport of the future: always more connected, safer and more environmentally friendly, whilst ensuring the comfort and well-being of passengers.

To constantly increase the quality of service which underlines its economic growth, Eurotunnel continually develops and adapts its product and system offer in accordance with market requirements and the specific expectations of its customers. For two years, Eurotunnel has been preparing for the consequences of Brexit and offering the best possible service to all its customers, by developing innovative solutions:

- Eurotunnel uses cutting-edge technologies to make traffic flow better, including a van scanner to reduce screening time and a freight scanner able to check up to 30 trains per day;
- Infrastructures have been transformed to improve the welcome for passenger and freight traffic;
- Eurotunnel has larger car parks, new storage zones, with the use of back-up secure parking in the event of congestion and a new area for pets;
- The deployment of "contingency plans" within the Concession during busy days or one-off occurrences. Dedicated teams are put in place to deal with these events and offer the best possible quality of service.

Europorte has also put mitigation measures in place which aim to reduce or prevent the potential impacts of the risk of improper management of customer complaints or an inadequate response, including:

- Making it general practice to appoint an account manager for each Europorte France major contract or strategic customer;
- Simplification and standardisation of the locomotive fleet with a "full service" contract, to offer greater performance and optimise maintenance costs;
- Contracts are monitored as part of a weekly review; and
- Performance indicators regarding quality of service are included in each contract.

Objectives have been set to measure customer satisfaction for Shuttle service passengers, drivers and carriers. These objectives are some of those used to calculate the composite index.

Results and targets

Customer satisfaction rate:	93%

The customer satisfaction rate is calculated on the base of different satisfaction rates: the transporters' satisfaction rate, the truck drivers' satisfaction rate and the commercial passengers' satisfaction rate, all relating to the Concession.

6.7 METHODOLOGY

Getlink's social and environmental reporting is based on the social, environmental and corporate social information stipulated in article 225 of French law 2010-788 of 12 July 2010, known as the "Grenelle 2" law, the transparency principles of the Global Reporting Initiative (GRI) and the information contained in the Non-Financial Performance Statement (NFPS). The Group's CSR data is consolidated under the responsibility of the Group Human Resources Department.

Consolidation period for CSR reporting

The period set for the annual reporting of CSR information is the civil year (from 1 January 2018 to 31 December 2018).

The period set for the annual reporting of environmental information is a rolling year (from 1 October 2017 to 30 September 2018), due to the lack of availability of the data and auditable evidence in a timescale that is compatible with the publication of this Registration Document.

Scope of consolidation

Data is consolidated for all Group entities, with the exception of ElecLink and Getlink SE in respect of environmental data.

Choice of indicators

The purpose of the indicators is to monitor the commitments made by the Group and its progress in terms of environmental and workforce performance. The indicators were chosen by the Group because they are appropriate to its activities and serve the needs of stakeholders as well as its regulatory obligations.

Workforce indicators have been chosen to:

- Measure the results of the human resources policy and the Group's social commitments; and
- Take account of cultural differences and local disparities (different national law, varying legal obligations, etc).

Environmental indicators have been chosen to:

- Serve environmental policy and reflect progress in the Group's different activities; the chosen indicators are appropriate to the Group's activities; and
- Allow monitoring of the Group's performance on key environmental challenges.

The following indicators have been excluded since they are not applicable to the Group's scope of activities: the campaign against food waste, the campaign against food insecurity, the respect for animal well-being and responsible nutrition.

Internal control and consolidation

Workforce information is collected from each entity through a computerised data feedback system, which includes consistency checks. The data is checked and validated by the Group's entities and consolidated across the entire scope by the Group Human Resources Department.

Each entity's environmental information is collected through the computerised data feedback system. The data is checked and validated by the Group's entities and consolidated across the entire scope by the Group Human Resources Department.

During consolidation of workforce and environmental data, consistency checks are carried out at Group level. The results are compared with previous years. Significant differences are thoroughly analysed and processed.

Corporate social information is collected, checked and validated at the level of each entity. It is then centralised by the Group Human Resources Department.

Further information and methodological limits of the indicators collected

The methodologies used for some workforce and environmental indicators may in practice be limited by:

- a lack of standardisation in national/international definitions and legislation;
- the representativeness of the measurements taken or limited availability of external data needed to calculate the indicator;
- the qualitative and therefore subjective nature of some data; and
- the practical methods used to collect and input this data.

The information relating to Installations Classified for the Protection of the Environment (ICPE) are presented in consolidated form in the environmental information published by the Group.

Consumption of natural gas

Consumption at Europorte's subsidiary sites has been extrapolated on the basis of a ratio of natural gas consumption/m²/day. This ratio was calculated based on data from sites equipped with meters.

Consumption of electricity

For premises, the consumption of electricity has been estimated on the basis of average consumption per site relative to the surface area of the site.

For motor engines, the consumption of electricity has been estimated using kilometres travelled by engines, according to a methodology agreed by all the parties involved (Europorte, the French Rail Network/Network Rail and the energy supplier).

Greenhouse gas emissions

The calculation of emissions of greenhouse gases is based on the methodology developed by the Carbon Trust. For some incoming refrigerant data, the emission factors are based on the product safety data sheets. The emission factors used to convert the consumption of energy are those of ADEME in France and DEFRA for all other consumption.

Waste products

Data relating to waste generated by operations at customers' sites, collected for the monitoring of the activities of contractors, is excluded from the scope of reporting.

Consumption of water

The consumption of water for the Europorte subsidiary sites not equipped with meters has been extrapolated by applying a ratio of consumption of water in cubic metres per employee present on site per day. This ratio was calculated based on data from sites equipped with meters.

Rate of absenteeism

In the calculation of the rate of absenteeism for the four French Europorte entities, the number of scheduled hours is obtained by multiplying the number of full time equivalent staff by the number of theoretical hours.

Training

The training budget is the sum of logistics costs (when available), external costs and the related staff costs.

Rate of non-permanent employment

Trainees and students with work-study contracts are excluded when calculating the indicator.

External audit

An external check has been undertaken in respect of conformity of the Declaration with the stipulations of article R.225-105 of the French Code of Commerce and the fairness of the information supplied pursuant to sub-paragraph 3° of I and II of article R.225-105 of the French Code of Commerce communicated in this report in accordance with article R.225-105-2 of the French Code of Commerce. In 2018, the audit was led by Mazars. The 2018 assurance report expresses reasonable assurance for two environmental indicators and eight workforce indicators (information marked √) and limited assurance for all other information presented in the Non-financial Performance Statement of this Registration Document.

6.8 GRI 4 CROSS-REFERENCE TABLE

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
WORKFORCE INFORMATION			
Employment			
Total workforce	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution.	6.3.2 Employment and development of the offer
Breakdown of employees by gender	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution.	6.3.2 Employment and development of the offer
Breakdown of employees by age	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution.	6.3.2 Employment and development of the offer
Breakdown of employees by geographical region	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution.	6.3.2 Employment and development of the offer
Hirings	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution.	6.3.2 Employment and development of the offer
Dismissals	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution.	6.3.2 Employment and development of the offer
Remuneration	LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	6.3.2 Employment and development of the offer: remuneration
Changes in remuneration	LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	6.3.2 Employment and development of the offer
Work Organisation			
Organisation of work time	LA	Labour practices and decent work.	6.3.2 Employment and development of the offer

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
Absenteeism	LA6	Rate and type of work-related accidents, occupational disease, absenteeism, proportion of lost workdays and total number of work-related fatalities by region and gender.	6.3.1. Employee health, safety and well-being
Labour Relations			
Organisation of social dialogue	HR4	Identified sites and suppliers in which the right to freedom of association and to collective bargaining may be not respected or seriously under threat and measure taken to ensure respect for this right. *Cf Ethics and Behaviour Charter*	6.3.2 Employment and development of the offer
Organisation of social dialogue	LA4	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. *Cf Ethics and Behaviour Charter*	6.3.2 Employment and development of the offer
Health and Safety			
Occupational Health and Safety	LA5	Percentage of total workforce represented in joint occupational health and safety committees that help monitor and advise.	6.3.1. Employee health, safety and well-being
Agreements signed with trade unions on workplace health and safety	LA8	Health and safety topics covered in formal agreements with trade unions.	6.3.1. Employee health, safety and well-being
Frequency rate of workplace accidents	LA6	Rate and type of work-related accidents, occupational disease, absenteeism, proportion of lost workdays and total number of work-related fatalities by region and gender.	6.3.1. Employee health, safety and well-being
Severity rate of workplace accidents	LA6	Rate and type of work-related accidents, occupational disease, absenteeism, proportion of lost workdays and total number of work-related fatalities by region and gender.	6.3.1. Employee health, safety and well-being
Occupational diseases	LA7	Employees exposed directly and frequently to diseases related to their activity.	6.3.1. Employee health, safety and well-being
Training			
Total number of training hours	LA9 / LA10	Average hours of training per year per employee, by gender and employee category. Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	6.3.2 Employment and development of the offer
Diversity and equal opportunities			
Diversity and equal opportunities policy and actions	LA12 / EC5 / EC7	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. *Cf Ethics and Behaviour Charter*	6.3.2 Employment and development of the offer
Gender equality	LA13	Ratio of basic salary and remuneration of women to men by employee category and by significant locations of operation. *Cf Ethics and Behaviour Charter*	6.3.2 Employment and development of the offer
Employment and integration of disabled people	LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	6.3.2 Employment and development of the offer
Policies to prevent discrimination and promote diversity	LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. *Cf Ethics and Behaviour Charter*	6.3.2 Employment and development of the offer

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
Promotion and respect of ILO values (Human Rights)			
	LA and HR	Labour Practices and Decent Work / Human Rights. *Cf Ethics and Behaviour Charter*	6.4.2 Business ethics and human rights
ENVIRONMENTAL INFORMATION			
General Environmental Policy			
Company organisation to take into account environmental issues. Environmental assessment or certification where required	Management approach	Disclosures that cover how an organisation addresses a given set of topics in order to provide context for understanding performance in a specific area. *Cf Ethics and Behaviour Charter*	6.5 Environmental Performance
Employee training and communication on environmental protection	Management approach	Disclosures that cover how an organisation addresses a given set of topics in order to provide context for understanding performance in a specific area. *Cf Ethics and Behaviour Charter*	6.5 Environmental Performance
Allocation of resources to prevent environmental risks and pollution	EN31	Total environmental protection expenditures and investments by type.	6.5 Environmental Performance
Amount of provisions and guarantees for environmental risks (unless there is risk of serious harm)	EN29 / EN34	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations Number of environmental impact grievances filed, reviewed and resolved through formal grievance mechanisms.	6.5 Environmental Performance
Pollution			
Prevention, reduction or compensation measures for air emissions or water and soil discharges that seriously affect the environment	EN23 / EN24 / EN25	Total weight of waste by type and disposal method Total number and volume of significant spills Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	6.5.2 Recycling and waste management
Taking account of noise and other forms of pollution specific to an activity	EN24	Number and total volume of substantial discharges.	6.5.2 Recycling and waste management
Recycling **Waste prevention and waste management**			
Measures for the prevention, recycling, reuse, other forms of recovery and elimination of waste	EN23 / EN25	Total weight of waste by type and disposal method Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	n/a
Fight against food waste		n/a	n/a
Recycling **Sustainable use of resources**			
Water consumption and water supply according to local constraints	EN8 / EN9 / EN10	Total water withdrawal by source Water sources significantly affected by withdrawal of water. Percentage and total volume of recycled and reused water.	6.5.1 Climate change
Consumption of raw materials and measures taken to improve efficiency in their use	EN1 / EN2	Consumption of materials by weight or volume. Percentage of materials from recycled materials.	
Energy consumption and measures taken to improve energy efficiency and renewable energy use	EN3 / EN6 / EN7	Energy consumption within the organisation. Reduction of energy consumption. Reduction of energy requirements for products and services.	6.5.1 Climate change
Soil use	EN5 / EN6 / EN7		6.5.1 Climate change

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
Climate change			
The significant sources of greenhouse gas emissions	EN15 to EN21	Direct greenhouse gas emissions (scope 1). Indirect greenhouse gas emissions (scope 2) related to energy. Other indirect greenhouse gas emissions (scope 3). Intensity of greenhouse gas emissions. Reduction of greenhouse gas emissions. Emissions of ozone-depleting substances. NOx, SOx and other significant air emissions. Total water discharges by type and destination. Total weight of waste by type and method of treatment. Number and total volume of substantial discharges.	6.5.1 Climate change
Adaptation to the impact of climate change	EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	6.5.1 Climate change
Protection of biodiversity			
Measures taken to protect and improve biodiversity	EN11 to EN14	Operational sites held, leased or managed in or adjacent to protected areas, as well as areas rich in biodiversity outside these protected areas. Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. Habitats protected or restored. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	n/a
SOCIETAL INFORMATION			
Territorial, economic and social impact of activity			
On employment and regional development	EC7 / EC8	Development and impact of infrastructure investments and services supported. Substantial indirect economic impacts, including the extent of impacts.	6.4.1 Local presence
On residents or local populations	SO1 / SO2	Percentage of sites having implemented local community engagement, impacts assessments and development programs. Operations with significant actual and potential negative impacts on local communities.	6.4.1 Local presence 6.4.3 Relations with suppliers
Relations with stakeholders			
Conditions of dialogue with people and organisation	G4-24 to G4-27		
Sponsorship and partnership actions	EC1	Direct economic value generated and distributed.	6.4.1 Local presence
Subcontracting and suppliers			
Consideration of social and environmental issues in procurement policies	EC6 / HR10	Percentage of new suppliers that were screened using human rights criteria.	6.4.3 Relations with suppliers
Importance of subcontracting and consideration of CSR in relations with suppliers and subcontractors	SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	6.4.3 Relations with suppliers

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
Fair practices			
Actions taken to prevent all forms of corruption	SO3 / SO4 / S05	Percentage and total number of business units assessed for risks related to corruption and significant risks identified. Communication and training on anti-corruption policies and procedures. *Cf Ethics and Behaviour Charter*	6.4.3 Relations with suppliers
Measures taken for consumer health and safety	PR1 / PR2	Percentage of significant categories of products and services for which health and safety impacts are assessed for improvement. Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	6.6.1 Safety, security and reliability of sites and passengers

6.9 LIST OF GRENELLE 2 INDICATORS

All information identified by the symbol ✓ was verified with a reasonable level of accuracy by an independent third party.

6.9.1 EMPLOYMENT

Workforce and geographical distribution

Number of employees		31 December 2018		31 December 2017		31 December 2016
France		2,554		2,452		2,435
United Kingdom		963		948		901
Total	✓	**3,517**	✓	**3,400**	✓	**3,336**

Breakdown of workforce by gender

Number of employees		31 December 2018		31 December 2017		31 December 2016
Men	✓	2,679	✓	2,587	✓	2,556
Women	✓	838	✓	813	✓	780
Total		**3,517**		**3,400**		**3,336**

Breakdown of workforce by age group

Number of employees	31 December 2018	31 December 2017	31 December 2016
Under 25 years	125	125	134
25 - 29 years	376	338	325
30 - 34 years	392	368	323
35 - 39 years	319	298	308
40 - 44 years	386	422	463
45 - 49 years	716	748	751
50 - 54 years	600	533	498
55 - 59 years	385	365	346
60 - 64 years	170	169	161
65 years and over	48	34	27
Total	**3,517**	**3,400**	**3,336**

Work-study

Number of employees		2018		2017		2016
Student apprentices		79		82		87
Professional training contracts		114		105		85
Trainees		144		94		104
Total	✓	**337**	✓	**281**	✓	**276**
Number of work-study contracts and trainees transformed into permanent / fixed-term contracts	✓	8		n/a		n/a

Recruitment

Number of employees	2018	2017
Permanent employment	291	256
Fixed-term employment	44	40
Total	**335**	**296**

Departures

Number of employees	2018	2017
Dismissal	19	44
Layoff	5	6
Contractual termination and termination by mutual consent	26	19
Resignation	56	53
Retirement	31	35
End of contract	32	36
Transfer within the Group	6	14
Transfer outside the Group	–	11
Unsuccessful trial period	35	12
Death	4	3
Total	**214**	**233**

Working hours

Breakdown of workforce	2018	2017
Staggered hours	67.2%	67.1%
Office hours	32.8%	32.9%
Part-time	6.3%	6.2%
Full-time	93.7%	93.8%

Gross total wage bill and employee contributions

€'000	2018	2017
Gross total wage bill	156,101	149,723
Social security contributions	37,864	36,518

Indicator: number of overtime hours

	2018	2017
Number of overtime hours	115,927	117,180

Absenteeism

		2018		2017
Absenteeism rate	✓	4.4%	✓	4.5%

Work-related accidents

		2018		2017
Frequency rate[1]	✓	5.7	✓	7.4
Severity rate[2]	✓	0.3	✓	0.6

1 The frequency rate for lost time work-related accidents corresponds to the number of lost time accidents that occurred during the year for the Group's workforce, work-study and temporary workers multiplied by 1,000,000 and divided by the number of hours actually worked and paid.

2 The severity rate of work-related lost time accidents is the number of calendar days taken off by the workforce concerned during the year resulting from work-related accidents, multiplied by 1,000 and divided by the number of hours actually worked and paid for.

Training

		2018		2017
Number of training hours	✓	107,641	✓	109,072
Average number of training hours	✓	31	✓	32
Cost of training (in €000)		4,973		4,411
Proportion of the total wage bill represented by training		3.19%		2.95%

Workforce external to the company

	2018	2017
Average monthly temporary workforce	234	230
Subcontracting costs (in €'000)	63,400	78,061

6.9.2 NATURE

Greenhouse gases (GHG) emission indicator (scope 1 and scope 2 of the Kyoto protocol[28])

Tonnes of CO_2 equivalent		2018		2017
France		68,494		69,854
United Kingdom		26,133		29,335
Total	✓	**94,627**	✓	**99,189**

Energy source indicator

Energy source	Total consumption in 2018	Total consumption in 2017	Unit
Electricity	572,220,723	570,049,202	kWh
Natural gas	7,551,021	8,079,345	kWh
Non-road diesel (NRD)	8,900,582	8,822,595	Litres
Liquid petroleum gas (LPG)	4,378	7,074	Litres
Diesel	792,500	799,615	Litres
Petrol	42,989	39,844	Litres

28 Emissions linked to the use of fossil fuels in combustion facilities or in transport vehicles (scope 1), as well as fugitive emission of refrigerant fluids, SF6 and halon 1301 (scope 1) and indirect emissions linked to electrical power purchase (scope 2).

Water consumption indicator

Cubic metres		2018		2017
Water from public network				
France		147,426		129,723
United Kingdom		133,763		144,978
Total		**281,189**	✓	**274,701**
Groundwater				
France		29,178		30,457
United Kingdom		0		0
Total		**29,178**	✓	**30,457**

Waste indicator

Tonnes		2018		2017
Hazardous industrial waste				
France		346		183
United Kingdom		246		221
Total	✓	**592**	✓	**404**
Non-hazardous industrial waste				
France		2,799		2,860
United Kingdom		1,763		2,824
Total	✓	**4,562**	✓	**5,684**
Waste recovery rate in France	✓	92.9%		n/a

6.10 REPORT BY THE INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT OF GETLINK

For the year ended 31 December 2018

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as independent third party, accredited by COFRAC number 3-1058 (scope available at www.cofrac.fr), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the consolidated non-financial statement for the year ended 31 December 2018 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the entity's head office.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the independent third party verifier

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of this activity on compliance with human rights and anti corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 as well as information regarding compliance with human rights and anti corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;

- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e. all the companies included in the scope of consolidation in accordance with article L. 233-16 within the limitations set out in the "Methodology note" subsection;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes[29] that we considered to be the most important, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[30] and covers between 88% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important[31];
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 5 people between October 2018 and February 2019 and took a total of 7 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted five interviews with the people responsible for preparing the Statement, representing executive management, legal, human resources and safety departments.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Reasonable assurance report on selected CSR information

Nature and scope of procedures

Regarding information selected by the Group and identified by the symbol √, we conducted similar work as described in the paragraph "Nature and scope of our work" regarding key performance indicators and other quantitative outcomes that we consider to be most significant but of greater depth, especially regarding the number of tests.

The selected sites contribution to Group data equals to 99% of headcount and 100% of quantitative environmental data identified by the symbol √.

We deem this work allows us to express a reasonable assurance on the information selected by the company and identified by the symbol √.

Conclusion

In our opinion, the Information selected by the Group and identified by the symbol √ was prepared, in all material respects, in accordance with the Guidelines.

Paris La Défense, 20 February 2019

Mazars SAS

Francisco Sanchez
Partner

Edwige Rey
Partner, CSR & Sustainable Development

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29 *Social information: Total workforce; average age of the workforce; Management to workforce ratio; Temporary staff rate; Average number of training hours per employee; Number of student-apprentice and work-experience; Number of student-apprentice and work-experience contracts transformed into fixed-term or permanent contracts; Absence rate; Frequency rate and severity rate of work related accidents resulting in time-off. Environmental information: Greenhouse gas emission (scope 1 and 2) compared to the turnover; Quantity of waste produced (dangerous and non-dangerous); Valorization rate of waste (dangerous and non-dangerous). Societal information: Customer satisfaction rate; Composite Index; Number of collisions; Number of death of passengers.*

30 *Social information: Eurotunnel Services GIE (ESGIE), Eurotunnel Services LTD (ESL), Europorte France (Europorte France - EPF, Socorail, Europorte Proximité - EPP, Europorte SAS). Environmental information: France Manche SA (FM SA), The Channel Tunnel Group Limited (CTG), Europorte France. Societal information: Commercial Department of the Concession, Customer Experience Department of the Concession, Safety Department of the Concession, Legal Department Group, Executive Management Group.*

31 *Societal information: Safety of people and security of infrastructures; Ethics and anti-corruption; Personal data protection.*

7 SHARE CAPITAL AND OWNERSHIP

SHARE CAPITAL AND OWNERSHIP

7.1 SHARE CAPITAL

7.1.1 AMOUNT OF SHARE CAPITAL (ARTICLE 6 OF THE GETLINK SE BY-LAWS)

On 31 December 2018 and at the date of this Registration Document, the share capital of Getlink SE was €220,000,007.20, divided into 550,000,000 ordinary shares with a nominal value of €0.40 each, fully paid-up and 720 preference shares with a nominal value of €0.01 fully paid-up.

The share capital may be increased or reduced by a collective decision of the shareholders in accordance with applicable laws and Getlink SE's by-laws.

As at the date of this Registration Document, Getlink SE is not aware of any charge over any significant proportion of its share capital.

7.1.2 FORM AND TRANSFER OF ORDINARY SHARES (ARTICLES 9 AND 10 OF THE GETLINK SE BY-LAWS)

Unless otherwise provided by law or regulations, ordinary shares are held in registered or bearer form, as the shareholder chooses.

The ordinary shares are freely tradeable. They must be held in a securities account and are transferred by inter-account transfer under the conditions set forth by applicable laws and regulations.

7.1.3 OTHER SECURITIES

As at the date of this Registration Document, apart from the Senior Secured Notes mentioned below Getlink SE has issued no securities that do not represent share capital nor any securities redeemable in shares or securities with warrants attached. On 3 October 2018, Getlink SE issued €550 million Senior Secured Notes. The notes are listed on the Official List of the Irish Stock Exchange (trading as Euronext Dublin) and are admitted to trading on the Global Exchange Market. The notes were issued at par and carry interest at an annual rate of 3.625%, payable half yearly on 30 June and 30 December. The notes align with the principles of Green Bonds published by the International Capital Markets Association in June 2018 (rating BB (negative) by S&P and BB+ (stable) by Fitch). The notes are described in section 8.1.5 of this Registration Document.

7.1.4 AUTHORISED BUT UNISSUED SHARE CAPITAL, COMMITMENTS TO SHARE CAPITAL INCREASES

There were 550,000,000 ordinary shares in issue at 31 December 2018.

The table below summarises the authorisations granted to the Board by the Getlink SE Combined General Meeting, held when first convened on 27 April 2017, in order to increase the share capital. The authorisations are coming to an end and it will be proposed at the General Meeting on 18 April 2019 that they be renewed.

The number of financial authorisations has gradually reduced since 2007. Apart for the authorisations required by law for employees, two authorisations only are now presented to the vote: share capital increases with preferential subscription rights and share capital increases with contribution in kind. The Board of Directors will propose to the Meeting that the resolutions approved by the 2017 Combined General Meeting be renewed, albeit with a reduction in the amount of the financial authorisation with preferential subscription rights from 50% to 40% of the share capital.

		Current authorisations		Authorisations proposed to the General Meeting on 18/04/2019	
Brief summary	**Date of grant of the delegation of authority**	**Maximum nominal amount of the authorisation**	**Use made as of the date of this document**	**Maximum nominal amount of the authorisation**	**Duration**
Delegation of authority granted to the Board to increase the share capital by issuing ordinary shares or any securities convertible into ordinary shares of the company or shares in a subsidiary, with shareholders' preferential subscription rights maintained (12th resolution)	27 April 2017	50% of share capital €110 million €900 million (debt instruments)	None	40% of share capital €88 million €900 million	26 months
Delegation of authority granted to the Board to issue ordinary shares or convertible securities giving access to the capital in consideration for contributions in kind relating to equity securities (13th resolution)	27 April 2017	10% of share capital €22 million €900 million (debt instruments)	None	10% of capital €22 million €900 million	26 months
Delegation of authority granted to the Board to increase the share capital to the benefit of employees (18th resolution)	27 April 2017	€2 million	None	€2 million	26 months
Overall limitation of the authorisations above, i.e. resolution 12 and 13 (14th resolution)	27 April 2017	50% of share capital €110 million including a lower limit of 10% of share capital for increases without preferential subscription rights. €900 million (debt instruments)	None	40% of share capital €88 million including a lower limit of 10% of share capital for increases without preferential subscription rights. €900 million (debt instruments)	26 months

Share capital subject to options

Resolution 25 of the combined General Meeting of the company held on 26 May 2010 authorised the Board to grant, on one or more occasions, options over ordinary shares in the company, to senior staff and executive officers of Getlink SE and its subsidiaries, during a period of 38 months from the date of the General Meeting. Pursuant to this authorisation, on the recommendation of the Remuneration Committee, the Board approved the terms of a share option scheme and proceeded to make three grants in 2010, 2011 and 2012. The exercise price and performance conditions for these options are detailed in note E.5.1 to the consolidated financial statements in section 2.2.1 of this Registration Document.

Date of grant / main staff concerned	Number of options at 31 December 2018	Conditions for acquiring rights	Contractual duration of options
2010 options granted to key executives and senior staff	Granted: 1,164,000 Exercisable: 138,500	Staff must remain as employees of the Group until the exercise of options. Internal performance (EBITDA and dividend) and market conditions (performance of the ordinary share superior to that of the SBF120 index) were met for 100% of the options.	4 years
2011 options granted to key executives and senior staff	Granted: 1,430,000 Exercisable: 145,500	Staff must remain as employees of the Group until the exercise of options. Internal performance conditions (EBITDA and dividend) have been met for 50% of the options and 50% of the options were forfeited in 2012 and 2013, as the market conditions (performance of the ordinary share superior to that of the SBF120 index) were not met.	4 years
2012 options granted to key executives and senior staff	Granted: 1,405,000 Exercisable: 393,925	Staff must remain as employees of the Group until the exercise of options. Internal performance conditions (EBITDA and dividend) were met for 50% of the options and 25% of the options were forfeited in 2013 as the market conditions in 2012 were not met. The market condition in 2013 was met.	4 years

The Board has allocated 677,925 ordinary shares held as part of the share buyback programme to cover these options.

Free shares – collective plans

By authority of the General Meeting of 28 April 2011, the Board of Directors proceeded on 28 April 2011 and 26 April 2012 to grant a free allocation of 200 ordinary shares and 310 ordinary shares respectively to each of the Group's employees (excluding executive employees and executive officers) . The definitive acquisition of these ordinary shares was conditional on staff remaining as employees of the Group and the shares continuing to be held for a minimum period of four years.

Further to the approval of the shareholders' General Meeting held on 29 April 2014, the Board granted 369,100 free ordinary shares already in issue to all employees of Getlink SE and of companies or entities related to it (except for senior management and executive officers of Getlink SE) on the basis of 100 ordinary shares per employee. The definitive acquisition of these ordinary shares is conditional on staff remaining as employees of the Group and the shares continuing to be held for a minimum period of four years.

Further to the approval of the shareholders' General Meeting held on 29 April 2015 of a collective free share plan of existing ordinary shares, the Board granted 583,500 free ordinary shares to all employees of Getlink SE and of companies or entities related to it (except for senior management and executive officers of Getlink SE) on the basis of 150 ordinary shares per employee. The definitive acquisition of these ordinary shares is conditional on staff remaining as employees of the Group and the shares continuing to be held for a minimum period of four years.

Further to the approval of the shareholders' General Meeting held on 27 April 2016 of a collective free share plan of existing ordinary shares, the Board granted 302,325 free ordinary shares to all employees of Getlink SE and of companies or entities related to it (except for senior management and executive officers of Getlink SE) on the basis of 75 ordinary shares per employee. The definitive acquisition of these ordinary shares is conditional on staff remaining as employees of the Group and the shares continuing to be held for a minimum period of four years.

Further to the approval of the shareholders' General Meeting held on 27 April 2017 of a collective free share plan of existing ordinary shares, the Board granted 253,800 free ordinary shares to all employees of Getlink SE and of companies or entities related to it (except for senior management and executive officers of Getlink SE) on the basis of 75 ordinary shares per employee. The definitive acquisition of these ordinary shares is conditional on staff remaining as employees of the Group and the shares continuing to be held for a minimum period of four years.

Further to the approval of the shareholders' General Meeting held on 18 April 2018 of a collective free share plan of existing ordinary shares, the Board granted 348,700 free ordinary shares to all employees of Getlink SE and of companies or entities related to it (except for senior management and executive officers of Getlink SE) on the basis of 100 ordinary shares per employee. The definitive acquisition of these ordinary shares is conditional on staff remaining as employees of the Group and the shares continuing to be held for a minimum period of four years.

Preference shares

Getlink SE issued preference shares convertible into ordinary shares subject to performance conditions to the Group's senior manager staff in accordance with the authorisation given by the General Meeting on 29 April 2014 (B preference shares), by the General Meeting on 29 April 2015 (C preference shares) and by the General Meeting on 18 April 2018 (D preference shares), convertible into ordinary shares subject to certain performance conditions.

The B preference shares, issued in accordance with the authorisation of the General Meeting on 29 April 2014, were converted into ordinary shares in April 2018. The B preference shares were convertible into ordinary shares at the end of four years, depending on the evolution of the ordinary share average market price at the conversion date, and the average market price at the grant date, determined by reference to the higher value of the following averages below:

- the average of the six months, according to the Board's decision, preceding the date of grant or conversion;
- the average repurchase price of ordinary shares held in treasury by the company at the date of grant or conversion, pursuant to articles L. 225-208 and L. 225-209 of the French Commercial Code.

The average market price at the grant date agreed by the Board of Directors by reference to the average closing price for the six months preceding 29 April 2014 was €8.17.

The conversion ratio was a maximum of 5,000 ordinary shares per B preference share for a target objective 100% met with a tapering scale corresponding to the percentage of the objective met. The target objective for the market price of Getlink SE ordinary shares at the end of four years was set at €11.50.

The average closing rate at the date of conversion, agreed by the Board of Directors, by reference to the average closing price for the six months preceding the conversion on 29 April 2018 was €11.12. Since the progression over four years represented 88.60% of the target, the Board of Directors set the conversion rate and each B preference share was converted into 4,430 ordinary shares, i.e. a conversion rate of 88.60%.

A proposal will be put to the General Meeting of 18 April 2019 that further preference shares (E preference shares), convertible into ordinary shares subject to certain performance conditions, be created. These shares are described in section 8.2.2 of this Registration Document.

Free ordinary shares subject to performance conditions

The General Meeting of 27 April 2016 authorised the grant of 1,200,000 ordinary shares subject to performance conditions to the Group's senior staff subject to the following performance conditions:

- The performance including dividends (TSR) of the Getlink SE ordinary share compared to the median TSR of the components of the Dow Jones Infrastructure Index over a period of three years (40%);
- The economic performance of the business assessed by reference to the average EBITDA rate of achievement (50%);
- CSR performance: an internal condition that represents 10% of the total that can be granted and depends on the CSR composite index (10%).

The General Meeting of 27 April 2017 authorised the grant of a total of 1,200,000 ordinary shares to members of the Group's senior staff subject to the following performance conditions:

- The average performance including dividends (TSR) of the Getlink SE ordinary share over a period of three years compared to the performance of the Dow Jones Infrastructure Index (40%);

- The economic performance of the business, assessed by reference to the average EBITDA rate of achievement over a period of two years covering 2018 and 2019 (50%);
- The performance of the CSR composite index (10%).

The General Meeting of 18 April 2018 authorised the grant of a total of 1,500,000 ordinary shares subject to performance conditions, as per section 8.2.2 of this Registration Document.

Potential volume of all ordinary share plans

As at 31 December 2018, the total number of stock options granted but not yet exercised (after deduction, if applicable, of stock options cancelled in accordance with the terms of the relevant plan) was 677,925 (31 December 2017: 1,163,925) representing approximately 0.12% of the share capital of Getlink SE as at 31 December 2018.

As at 31 December 2018, the total number of free ordinary shares granted to employees still with the Group was 535,800 ordinary shares (31 December 2017: 573,075 ordinary shares), representing 0.10% of the share capital as at 31 December 2018.

As at 31 December 2018, the total number of preference C shares allotted but not yet irrevocably vested (after deduction, if applicable, of shares cancelled in accordance with the terms of the relevant plan) was 1,156 (31 December 2017: 1,156), representing 578,000 ordinary shares, or approximately 0.11% of the share capital of Getlink SE as at 31 December 2018.

As at 31 December 2018, the total number of preference D shares allotted but not yet irrevocably vested (after deduction, if applicable, of shares cancelled in accordance with the terms of the relevant plan) was 1,500 (31 December 2017: 0), representing 1,500,000 ordinary shares, or approximately 0.27% of the share capital of Getlink SE as at 31 December 2018.

As at 31 December 2018, the total number of free ordinary shares with performance conditions, granted but not yet irrevocably vested (after deduction, if applicable, of shares cancelled in accordance with the terms of the relevant plan) was 2,379,750 (31 December 2017: 2,379,750), or 0.43% of the share capital as at 31 December 2018.

The potential volume of all share plans existing above (including 28 B shares maturing in April 2019 and representing 140,000 ordinary shares). corresponds to 1.06% of Getlink SE's share capital.

The average annual burn rate of the company over the past three fiscal years corresponds to 0.290%.

Year	2018	2017	2016
Annual rate	0.34%	0.26%	0.27%

On 31 December 2018, the Group's employees held 3,132,608 ordinary shares, which represented 0.57% of the share capital and of which 2,070,100 ordinary shares (approximately 0.38% of the total share capital) were held in the Group savings plan in France and 310,087 ordinary shares in the Share Incentive Plan in the United Kingdom. In addition, under the free shares scheme French and British employees hold 669,713 ordinary shares and 715 preference shares in French registered form and, through a trustee, 82,708 ordinary shares in British registered form.

The number of free shares which have been granted or waived during the financial period is detailed in note E.5 to the consolidated financial statements in section 2.2.1 of this Registration Document.

7.1.5 SHARE CAPITAL HISTORY OVER THE LAST THREE YEARS

Over the course of the last three financial years, the share capital of Getlink SE has stayed at 550,000,000 fully paid up ordinary shares with a nominal value of €0.40 each. As indicated in section 7.1.4 of this Registration Document, Getlink SE has authorised the issue of three categories of preference shares convertible into ordinary shares subject to performance conditions for the benefit of the Group's senior managers, in accordance with the authorisation granted by the General Meeting of 29 April 2014 (B preference shares), the General Meeting of 29 April 2015 (C preference shares) and the General Meeting of 18 April 2018 (D preference shares).

7.2 DIVIDEND POLICY

Getlink SE's net profit for the 2018 financial year amounted to €200,331,610.05. The Combined General Meeting on 18 April 2019 will be asked to approve the company's statutory accounts for the year ended 31 December 2018 showing this profit, as well as the transactions reflected in those financial statements, including non-deductible charges (€54,265.52) corresponding to the surplus of the depreciation of the rent on tourist vehicles (article 39-4 of the French General Tax Code).

The current political situation, particularly in the United Kingdom, is likely to generate uncertainty over the short-term impact of the departure of the United Kingdom from the European Union on 29 March 2019. The Group considers that this uncertainty is likely to affect its activity during the first few weeks following that date.

Nevertheless, with confidence in the robustness of its business model and the very good results in 2018, the Group confirms its intention to accelerate the dividend policy for its shareholders. It will therefore propose at the General Meeting to increase the dividend to €0.36 per share for the 2018 financial year, an increase of 20% compared to 2017.

A dividend distribution of €198,000,000 for the 550,000,000 ordinary shares comprising the share capital and with dividend rights less shares held by the company on the date of distribution will be proposed at the General Meeting. It will be proposed that €198,000,000 of the profit for the 2018 financial year be appropriated to the dividend distribution, since the legal reserve has been fully used, and that €2,331,610 be carried forward:

Net profit for the financial year	€200,331,610
Profits carried forward	€182,749,425
Legal reserve	€22,422,885
Dividends	€198,000,000
Balance carried forward	€185,081,035

If, on the date of the distribution of the dividend, the company holds some of its own shares, the amount not paid because of these treasury ordinary shares will be allocated to the balance carried forward.

Getlink SE has made the following dividend distributions over the course of the last three years:

Financial year	2017	2016	2015
Dividend per ordinary share	€0.30	€0.26	€0.22
Theoretical number of ordinary shares involved	550,000,000	550,000,000	550,000,000
Theoretical value of amount allocated to distribution	€165,000,000	€143,000,000	€121,000,000
Actual number of ordinary shares involved*	534,617,424	534,633,788	537,065,436
Actual value of amount allocated to distribution*	€160,385,227	€139,004,785	€118,154,396

* *After adjustment resulting from treasury shares.*

The dividend policy is determined by the Board; it takes into account the Group's investment needs, the economic context and all other factors deemed relevant.

The Group's priority is to ensure a regular increase in the remuneration of its shareholders, while preserving sufficient self-financing capacity to enable investment as required and to ensure the Group's development. As a result, the Group intends to pursue its policy of steady dividend growth for its shareholders.

This objective is by no means a commitment by the Group; future dividends will depend, in particular, on the Group's results and financial position.

7.3 SHARE BUYBACK

The General Meeting of shareholders held on 18 April 2018 authorised Getlink SE to purchase, or procure the purchase of its own ordinary shares, under the conditions set by articles L. 225-209 et seq. of the French Commercial Code.

7.3.1 DESCRIPTION OF THE 2018 SHARE BUYBACK PROGRAMME

The characteristics of the share buyback programme were agreed by the Board on 18 April 2018 and published pursuant to article 241-2 of the General Regulations of the AMF. Pursuant to the 2018 buyback programme, Getlink SE is authorised, for a period of 18 months to purchase, or to procure the purchase of, its own ordinary shares under the conditions set out in articles L. 225-209 et seq. of the French Commercial Code and the provisions of the European Commission Regulation 596/2014 of 16 April 2014, which apply directly.

The following applies in respect of the programme:

- the purchase price per share must not exceed €14, it being stipulated that the Board may nevertheless adjust this purchase price should transactions occur giving rise to an increase in the nominal value of ordinary shares or the creation and grant of free shares, as well as a decrease of the nominal value of the ordinary shares or the consolidation of ordinary shares or any other transaction affecting equity in order to reflect the impact of such transaction on the value of the ordinary shares;
- the maximum amount of funds allocated for the purchase of ordinary shares under this programme may not, based on the number of shares in issue at 20 February 2018, exceed €770,000,000 (corresponding to a maximum of 55,000,000 ordinary shares at a maximum price of €14 per share, as stated above);
- the maximum proportion of the share capital authorised by shareholders at the Getlink SE Combined General Meeting of 18 April 2018 for purchase under the buyback programme is limited to 10% of the total ordinary shares composing Getlink SE's share capital at the time.

The transactions carried out by Getlink SE within the scope of the 2018 buyback programme may be effected with a view to any allocation permissible by law or that may become permissible by the law, in particular for the following purposes:

- to deliver shares upon the exercise of rights attached to negotiable securities giving the right by reimbursement, conversion, exchange, presentation of a warrant or any other means to the allocation of ordinary shares in the company;
- to implement (i) share option schemes; or (ii) free shares plans; or (iii) the granting of ordinary shares purchased by the company under this resolution, to the benefit of employees participating in a company savings plan under the conditions provided by articles L. 3331-1 et seq. of the French Employment Code, or under a transfer or grant of ordinary shares, including under an employee saving plan, including for the purposes of a Share Incentive Plan in the United Kingdom, or (iv) the granting of shares to employees and/or executive officers of the company or any entity connected thereto, in accordance with the relevant laws and regulation in force;

- to implement market practices within the context of a liquidity contract entered into in accordance with a securities ethics charter recognised by the Autorité des marchés financiers; and
- to reduce the capital of the company by way of cancellation of shares pursuant to resolution 22 or any similar authorisation.

7.3.2 SUMMARY OF TRANSACTIONS CARRIED OUT BY GETLINK SE ON ITS OWN SECURITIES UNDER THE BUYBACK PROGRAMME APPROVED BY THE COMBINED GENERAL MEETING ON 18 APRIL 2018

Between 1 January 2018 and 31 December 2018, Getlink SE bought back a total of 1,290,000 ordinary shares for an average purchase price of €11.568.

On 31 December 2018, Getlink SE held[32] 14,834,926 of its own ordinary shares, mainly to cover stock option (677,925) and free share plans (535,800), for the exercise of rights attached to preference shares into ordinary shares (2,218,000), free share plans subject to performance conditions in which the shares are not yet vested (2,379,750) and reserved for subsequent use in exchange or payment in connection with possible external growth transactions (8,372,283). These treasury shares represented 2.70% of Getlink SE's share capital at 31 December 2018, with a nominal value of €5,933,970.40 and a value, based on the average purchase price (€8.443), of €125,249,616 not including the liquidity contract.

	Summary as at 31 December 2018
Percentage of share capital held as treasury shares	2.70%
Number of ordinary shares cancelled over the preceding 24 months	–
Number of ordinary shares in the portfolio	14,834,926
Book value of the portfolio	€125,249,616
Market value of the portfolio	€174,013,682
Positions opened/closed on derivatives	none

As at the date of this Registration Document, with the exception of the ordinary shares acquired by Getlink SE in accordance with the terms and conditions described above, neither Getlink SE nor its subsidiaries hold any ordinary shares.

7.4 MAJOR SHAREHOLDERS

7.4.1 MAJOR SHAREHOLDERS

As at 31 December 2018 and as at the date of this Registration Document, Getlink SE's share capital comprised 550,000,000 ordinary shares and the theoretical number of voting rights to be used to determine the thresholds was 639,363,734. The total number of exercisable voting rights in General Meeting was 624,107,345.

The difference:

- between the theoretical number of voting rights and the number of exercisable voting rights at General Meetings is not significant: it arises from the treasury shares held by Getlink SE as part of its share buyback programme described in section 7.3.1 of this Registration Document, which do not carry voting rights; and
- between the number of shares comprising the share capital and the theoretical number of voting rights is not significant: it arises from double voting rights granted to shareholders holding their shares in registered form as indicated in section 8.2.4 of this Registration Document.

The distribution of Getlink SE's share capital is as follows:

Shareholding (% of capital)	31 December 2018	31 December 2017
– Individuals	7.57%	8.48%
– Custodians	42.09%	49.63%
– Institutions	47.64%	39.07%
– Treasury shares	2.70%	2.82%
Number of shares	550,000,000	550,000,000

Source: TPI analysis and register.

The company may, in accordance with regulations, at any time ask the securities clearing house for the name, nationality and address of persons holding securities that, immediately or in future, give the right to vote at its shareholders' meetings, as well as the number of securities held by each. The company may limit its request for the above information to persons

[32] *Excluding shares acquired by Oddo BHF under the liquidity contract and excluding shares held by Eurotunnel's employee shareholding vehicle (3,132,608 Getlink SE ordinary shares) and Eurotunnel Trustees Limited (1,463 Getlink SE ordinary shares).*

holding a certain number of shares. On the basis of the last such request as at 31 December 2018, the geographical distribution of shareholdings was estimated as follows:

	% of capital
France	26%
United Kingdom	23%
Italy	16%
United States	13%
Rest of World	22%
TOTAL	**100%**

At 20 February 2019, two shareholders held more than 10% of the share capital and two held more than 5%:

Shareholders	Ordinary shares*	% capital**	Theoretical voting rights*	% of theoretical voting rights***
Aero I Global & International	85,170,758	15.49%	170,341,516	26.64%
TCI Fund Management Limited	60,948,743	11.08%	60,948,743	9.53%
BlackRock Inc	27,697,810	5.04%	27,697,810	4.33%
BTP Eiffage	27,684,500	5.03%	27,684,500	4.33%

* *Basis: declaration to the AMF at the time.*
** *On the basis of 550,000,000 ordinary shares as at 31 December 2018.*
*** *On the basis of 639,363,734 theoretical voting rights at 31 December 2018.*

The Goldman Sachs Group, Inc

By letter received on 8 March 2018, the state of Delaware company The Goldman Sachs Group, Inc. (Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware, United States), declared to the AMF (declaration 218C0553) that on 2 March 2018 its holding had indirectly via the intermediary of the companies that it controls, dropped below the thresholds of 25% and 20% of the voting rights and 15%, 10% and 5% of the capital and voting rights of the company Getlink SE and that it indirectly holds 757,763 Getlink SE shares representing the same number of voting rights, i.e. 0.14% and the capital and 0.12% of the voting rights of the company, on the basis of 550,000,000 ordinary shares representing 639,030,648 voting rights, by application of sub-paragraph 2 of article 223-11 of the general regulation as follows:

	Shares	% capital	Voting rights	% of voting rights
Goldman Sachs & Co. LLC	725,188	0.13%	725,188	0.11%
Goldman Sachs Asset Management International	32,575	0.01%	32,575	0.01%
Total The Goldman Sachs Group, Inc.	**757,763**	**0.14%**	**757,763**	**0.12%**

This crossing of the threshold results from the sale of the whole of the share capital of Aero I Global & International S.à r.l., which holds 85,170,758 Getlink SE shares representing 170,341,516 voting rights, by companies controlled by Goldman Sachs Group, Inc. to the company Atlantia S.p.A. The declarer specified that it held 894 Getlink SE shares as per article L. 233-9 I, 4° bis of the French Code of Commerce and articles 223-14 IV and V of the general regulation pursuant to an equity swap contract denoted in cash, and expiring on 28 September 2018.

Atlantia S.p.A

By letter received on 2 March 2018, the Italian law company Atlantia S.p.A (Via Antonio Nibby 20, Rome, Italy), declared to the AMF (AMF declaration no 218C0532) that its holding had on 2 March 2018 indirectly crossed above the thresholds of 5%, 10% and 15% of the capital and voting rights and 20% and 25% of the voting rights of the company Getlink SE and that it indirectly held, via the intermediary of the Luxembourg law S.à.r.l company Aero I Global & International that it controls, 85,170,758 Getlink SE shares representing 170,341,516 voting rights, i.e. 15.49% of the capital and 26.66% of the voting rights, on the basis of 550,000,000 shares representing 639,030,648 voting rights.

These crossings of thresholds result from the acquisition by Atlantia S.p.A of the entire share capital of Aero I Global & International, which holds 85,170,758 Getlink SE shares representing 170,341,516 voting rights.

TCI Fund Management Limited[33]

In a letter received on 29 January 2018, TCI Fund Management Limited (7 Clifford Street, London W1S 2FT, United Kingdom) declared to the AMF (AMF declaration 218C0284) that its holding had on 24 January 2018 crossed above the threshold of 10% of the capital of Getlink SE and that it held 60,948,743 shares representing the same number of voting

[33] *See section 2.3 of this Registration Document: by letter received on 7 March 2019, TCI Fund Management Limited declared to the AMF that its holding had on 1 March 2019 crossed above the 10% threshold in respect of Getlink SE's voting rights and that it held 63,990,156 Getlink SE shares and the same number of voting rights, i.e.11.63% of the share capital and 10.01% of the voting rights.*

rights, i.e. 11.08% of the capital and 9.54% of the voting rights, on the basis of 550,000,000 shares representing 639,048,698 voting rights, as follows:

	Shares	% capital	Voting rights	% of voting rights
The Children's Investment Master Fund	49,279,451	8.96%	49,279,451	7.71%
Talos Capital DAC	11,669,292	2.12%	11,669,292	1.83%
Total TCI fund Management Limited	**60,948,743**	**11.08%**	**60,948,743**	**9.54%**

BlackRock Inc

By letter received on 12 October 2018, the company BlackRock Inc. (55 East 52nd Street, New York, 10055, United States), acting for the account of clients whose funds it manages declared to the AMF (AMF declaration no 218C1673) that its holding had on 11 October 2018 crossed above the threshold of 5% of the capital of Getlink SE and that it holds for the account of those clients and funds 27,697,810 Getlink SE shares representing the same number of voting rights i.e. 5.04% of the capital and 4.33% of the voting rights, based on capital comprising 550,000,000 ordinary shares representing 639,336,613 voting rights by application of sub-paragraph 2 of article 223-11 of the general regulation. This crossing of the threshold results from a receipt of Getlink SE shares held as collateral.

BTP Eiffage

By letter received on 17 December 2018, the company Eiffage SA (3/7 place de l'Europe, 78140 Vélizy-Villacoublay, France) declared to the AMF (AMF declaration no 218C2006) that its holding had on 17 December 2018 indirectly, through the intermediary of the SAS company Dervaux Participations 14, of which Eiffage SA owns the whole of the share capital and voting rights, crossed above the threshold of 5% of the capital of Getlink SE and that it holds 27,684,500 Getlink SE shares representing the same number of voting rights i.e. 5.03% of the capital and 4.33% of the voting rights, based on capital comprising 550,000,000 ordinary shares representing 639,310,894 voting rights. This threshold crossing results from a purchase of ordinary shares on the market.

The Capital Group Companies, Inc

By letter received on 26 January 2018, the Capital Group Companies Inc. (333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1406, United States), declared to the AMF (AMF declaration 218C0240) that its holding had on 24 January 2018 dropped below the threshold of 5% of Getlink SE's share capital and that it held 17,721,401 ordinaryshares, representing the same number of voting rights, i.e. 3.22% of the capital and 2.77% of the voting rights of the company, based on capital comprising 550,000,000 ordinary shares representing 639,048,698 voting rights. This crossing of the threshold results from a sale of ordinary shares on the market.

To the best of the company's knowledge no other shareholder directly or indirectly or acting in concert with another party holds more than 5% of the capital or voting rights.

7.4.2 CONTROL

To the best of the knowledge of Getlink SE, there are no agreements that, if implemented, would bring about a change of control of Getlink SE.

The legal and regulatory obligations apply in the case of a threshold being crossed. Getlink SE's by-laws do not contain any obligations other than those relating to 5%, 10%, 15%, 20%, 25%, 30%, 33⅓%, 50%, 66⅔%, 90% et 95% of the capital and of the voting rights. A proposal to modify the by-laws with the effect of inserting and an obligation to declare when a threshold has been crossed will be proposed for a shareholder vote at the General Meeting on 18 April 2019.

The bylaws of Getlink SE contain no provisions whereby a change of control of Getlink SE can be delayed, deferred or prevented. Getlink SE is aware of no agreements that could bring about restrictions in the transfer of shares or the exercise of voting rights.

Apart from the double voting rights described in section 8.2.4 of this Registration Document, there are no specific voting rights attached to any Getlink SE shares. However, the C and D preference shares, referred to in section 8.2.2 of this Registration Document, do not carry voting rights at ordinary and extraordinary general shareholders' meetings for holders of ordinary shares, although it should be noted that they do carry voting rights at special shareholders' meetings for holders of C and D preference shares.

7.5 TRAVEL PRIVILEGES

Getlink SE offers its shareholders a travel privilege programme for Passenger Shuttle crossings. This programme offers a 30% reduction on the standard fare up to a limit of six one-way tickets (equivalent to three return tickets) per year. Shareholders holding at least 750 ordinary shares continuously for more than three months are eligible for the programme. Getlink SE's Board has renewed this programme on identical terms for a new period of three years until 31 December 2019.

The general conditions of this travel privilege programme are available on the Group's website www.getlinkgroup.com.

8 ADDITIONAL INFORMATION

The Tunnel is governed by Franco-British agreements (the Treaty of Canterbury, signed on 12 February 1986 and the Concession contract of 14 March 1986) and by the relevant European rules and regulations and Franco-British binational transposition regulations.

The Treaty of Canterbury, which authorised the construction and operation of the Fixed Link by private concessionary companies, prohibits the use of government funds. Accordingly, since the Concessionaires do not benefit from public funds they are not bound by the separation obligations imposed on the railway companies and on the infrastructure managers in respect of their activities. These obligations are intended to prevent possible cross-subsidies between activities financed by public funds and other activities, mainly competitive ones.

The Concessionaires do not receive public funds, are not railway companies and are not subject to the separation obligation. This derogatory status is enshrined by the article 2.9 of the 2012/34/EU Directive of 21 November 2012 and Directive 2016/2370/EU Directive of 4 December 2016 (4th railway package) has confirmed the exemption for the Group's Shuttle Services.

8.1 MATERIAL CONTRACTS

Other than the material agreements described in this section, the Group's business activity is not dependent on any industrial, commercial or financial contract. Furthermore, the Group's business is not dependent on any patent or licence agreement.

8.1.1 THE TREATY OF CANTERBURY

The principal purpose of the Treaty of Canterbury is to authorise the construction and operation of the Fixed Link by private concessionaire companies, without any government funds.

Under the terms of the Treaty of Canterbury, the States guarantee FM and CTG, as Concessionaires, under national and EU law, freedom to determine their commercial policy, tariffs and the nature of the services they offer to customers.

The Treaty of Canterbury also includes various other provisions relating to the Fixed Link such as:

- the establishment of the IGC, created by the Treaty of Canterbury to monitor in the name and on behalf of the governments of the United Kingdom and the French Republic all questions relating to the construction and use of the Fixed Link;
- the establishment of the Safety Authority to advise and assist the IGC on all issues relating to the safety of the construction and operation of the Fixed Link. The Safety Authority ensures that the safety regulations and practices applicable to the Fixed Link conform to national or international rules and regulations and to enforce these regulations; it monitors their implementation and considers reports relating to any incident that may affect safety, carries out inquiries and reports on them to the IGC. The members of the Safety Authority are appointed on an equal basis by each of the States;
- the establishment of an arbitration tribunal to settle disputes between the States and the Concessionaires relating to the Concession Agreement;
- the taxation by the two States of profits and revenues generated by the construction and operation of the Fixed Link is governed by applicable legislation, including any double taxation treaties for the prevention of tax evasion in force between the two States and relating to direct taxes, together with any related protocols;
- compliance by the two States with the principle of non-discrimination with respect to taxes relating to charges payable by customers of other directly competing modes of crossing the Channel;
- the absence of any withholding tax by the two States on the transfer of funds and financial payments required for the operation of the Fixed Link, either between the two States, or coming from or going to other countries, other than the general taxation of payments represented by such transfers or financial payments; and
- the commitment of the States to cooperate in a number of areas, including defence, security, policing, border controls, interpretation or application of the Treaty of Canterbury and the Concession Agreement.

8.1.2 THE CONCESSION AGREEMENT

The Concession Agreement was signed on 14 March 1986 between the States and the Concessionaires, pursuant to the Treaty of Canterbury.

Initially entered into for a period of 55 years, the Concession Agreement was extended by 10 years and then 34 years by successive amendments dated, respectively, 29 June 1994 and 29 March 1999, duly ratified by legislative provisions in France and the United Kingdom. The term of the Concession Agreement was therefore extended first from 55 to 65 years, then from 65 to 99 years and expires in 2086.

Pursuant to the terms of the Concession Agreement, the Concessionaires have the right and the obligation, jointly and severally, to design, finance, construct and operate the Fixed Link, and the Concessionaires do so at their own risk and without any government funds or state guarantees regardless of the risks that may materialise during the performance of the Concession Agreement. In particular, the Concessionaires are solely liable for any loss or damage caused to users of the Fixed Link or third parties resulting from its operation.

Accordingly, the principal obligations of the Concessionaires under the Concession Agreement are:

- to operate and maintain the Fixed Link and employ all means necessary to permit the continuous and fluid flow of traffic in safe and convenient conditions; and

- to comply with applicable laws and regulations in relation to the operation of the System and in particular in relation to customs, immigration, security, sanitary and road transport controls and rescue services.

The Fixed Link is an integrated transport system comprising shuttle services for road vehicles (for cars and trucks) and railway network services (for passenger and rail freight trains) with no internal transactions between the two activities. The principle of uniqueness of the Concession arises from article 2.2 of the Concession Agreement, which states that "*[t]he Fixed Link shall include the ancillary installations, connections to the existing transport network and all plant, machinery, movable and immovable equipment and railway shuttle rolling stock, necessary for safe and efficient operation between the two terminals*".

Given the specific nature of the project and its financing, the Fixed Link has a special status. European Union Directive 2012/34/EU of the European Parliament and of the Council dated 21 November 2012 establishing a single European railway area includes an exemption for Eurotunnel: article 2.9 states that "*This Directive shall not apply to undertakings the business of which is limited to providing solely shuttle services for road vehicles through undersea tunnels or to transport operations in the form of shuttle services for road vehicles through such tunnels [. . .].*" Directive 2016/2370/EU of 4 December 2016 (4th railway package) has confirmed the exemption for Eurotunnel's Shuttle Services.

The activities of infrastructure management and Shuttle operations are legally and financially integrated. There is therefore no intra-group flow on these activities to be reported.

a) Tariffs and commercial policy

The Concessionaires are free to set their fares. National laws relating to price and fare controls by public authorities do not apply to the Fixed Link. However, these provisions are without prejudice to the application of national or EU rules relating to competition and abuse of dominant positions. The Concessionaires must not discriminate between users of the Fixed Link, in particular with respect to their nationality or direction of travel. They may however adjust tariffs in accordance with normal commercial practices.

b) Role of the IGC

The IGC, established by the Treaty of Canterbury, was created to monitor, on behalf and with the authority of the States, all issues relating to the construction and operation of the System. The IGC is made up of representatives of each of the States on an equal basis.

The IGC acts as concession authority vis-à-vis the Group on behalf of and under the control of the States, and its duties in this regard are:

- to supervise the construction and operation of the System;
- to take decisions on behalf of the States in relation to the performance of the Concession Agreement, including the right to impose penalties on the Concessionaires in the event of a breach of their obligations under the Concession Agreement;
- to consider the proposals of the Safety Authority;
- to prepare or participate in the preparation of all regulations applicable to the System and monitor their application, including those in relation to maritime and environmental matters; and
- to issue advice and recommendations concerning the States and the Concessionaires.

The functions of the independent railway control body for the economic regulation of the Fixed Link's railway activities provided for in the European Union Directive 2012/34 were conferred on ARAFER in France and its British counterpart, the Office of Rail and Road (ORR). This transfer from the IGC to ARAFER and ORR was formalised by a binational regulation dated 23 March 2015, which took effect on 15 June 2016 by virtue of the implementation decree of 6 July 2016.

A framework agreement has been entered into between the Concessionaires and the two States in the interests of the safety of the Concession and good relations between the Concessionaires and the IGC. This agreement provides for the creation of a fund to invest in safety operations and to promote research and development.

c) Penalties

Any failure by the Concessionaires to perform their obligations under the Concession Agreement shall entitle the States to impose penalties, but no other measure under the Concession Agreement.

Should a breach be identified by the IGC, it would inform the Concessionaires in writing, specifying the nature and subject of the breach. After the Concessionaires have been heard, the IGC may issue a formal notice to remedy the breach within a sufficiently long period of time which may not be less than 30 days.

If at the end of such period, the Concessionaires have not remedied the breach identified by the IGC, it may impose a penalty on the basis of a fixed initial daily sum of between 10,000 and 100,000 ecus at 1986 values (changed to euros at a rate of one to one on 1 January 1999) and proportionate to the seriousness of the breach giving rise to the penalty.

d) Early termination of the Concession Agreement and compensation

Each party to the Concession Agreement may request the arbitration tribunal, established pursuant to the Treaty of Canterbury, to declare the termination of the Concession Agreement in exceptional circumstances, such as war, invasion, nuclear explosion or natural disaster. In such cases, in principle, no compensation is owed to the Concessionaires. However, the States may pay the Concessionaires an amount representing the financial benefits, if any, that they may derive from such termination.

Each of the States may terminate the Concession for reasons of national defence. In such case, the Concessionaires may claim compensation under the conditions laid down in the Treaty of Canterbury. The Treaty of Canterbury specifies that such compensation shall be governed by the law of the relevant State.

Each of the States may terminate the Concession Agreement in the event of a fault committed by the Concessionaires. The Concession Agreement defines a fault as a breach of a particularly serious nature of the obligations under the Concession Agreement or ceasing to operate the Fixed Link. The States may issue a formal notice to the Concessionaires giving them a period of three months, which may be extended up to a maximum period of six months, to remedy the breach. This formal notice is also sent to the lenders that financed the construction and operation of the Fixed Link. If, within such period, the Concessionaires have not remedied the breaches complained of, the States may terminate the Concession Agreement, subject to giving prior notice to the lenders of their right of substitution.

Any termination of the Concession Agreement by the States, other than in a situation described above, gives the Concessionaires the right to payment of compensation. Such compensation shall be for the entire direct and certain loss actually suffered by the Concessionaires and attributable to the States, within the limits of what can reasonably be estimated at the date of the termination, including the damage suffered and operating losses. To calculate this compensation, account is taken of the share of liability of the Concessionaires, if any, in the events which led to the termination.

e) Assignment and substitution by lenders

The Concession Agreement provides that each of the Concessionaires has the right to transfer the Concession Agreement or the rights it confers, with the agreement of the States.

In addition, upon the occurrence of one of the events set out below, and for as long as the effects of the event persist, or any other action or intention that could lead to the termination of the Concession Agreement, the lenders, approved as such by the States pursuant to the Concession Agreement (the “Lenders”) may request of the States that substitution be operated in favour of entities controlled by them (referred to as the “Substituted Entities” in the Concession Agreement) if:

(i) the Concessionaires fail to pay, within a contractual grace period, any sum due and payable under the terms of the finance documents,

(ii) the Concessionaires do not have and cannot procure sufficient funds to finance the forecasted operating costs of the Fixed Link, and the related finance charges,

(iii) it appears that the date of full and final payment of all receivables of the Lenders must be postponed for a significant length of time, or

(iv) in the event of the Fixed Link being abandoned, insolvency, liquidation, enforcement of security by other creditors and related events.

The Substituted Entities must prove to the States, at the time of the substitution, that they have sufficient technical and financial capacity to continue performance of the Concession Agreement.

The amendment to the Concession Agreement dated 29 March 1999 granted an extension to the term of the Concession Agreement for the sole benefit of the Concessionaires, such that the extension would not apply if the Lenders exercised their Substitution Right.

In accordance with Article 32 of the Concession Agreement, the lenders of the Term Loan (and equivalents) have been approved by the States as Lenders able to benefit from the Substitution Right under the terms set out in the Concession Agreement.

f) Taxation and sharing of profits

Taxation and customs matters are decided by the States in accordance with the provisions of the Treaty of Canterbury. If it appears that changes in tax or customs legislation have a discriminatory effect on the Fixed Link, the relevant State will examine the issue with the Concessionaires. Furthermore, in accordance with Article 19 of the Concession Agreement, as a matter of principle, the Concessionaires share equally between CTG and FM at cost price all expenses and all revenues from the Fixed Link for the period during which they operate it. To this end, the consequences of any indirect taxation on the supply of goods or services levied only on one of the Concessionaires will be taken into account in the costs to be shared. Any equalising payment made between FM and CTG will be treated as a capital expense or a revenue payment as determined by the tax legislation of the two States.

With respect to the period between 2052 and 2086, the Concessionaires will be obliged to pay to the States a total annual sum, including all corporate taxes of any kind whatsoever, equal to 59% of all pre-tax profits.

g) Litigation

Disputes relating to the application of the Concession Agreement must be submitted to an arbitration tribunal which will apply the relevant provisions of the Treaty of Canterbury and the Concession Agreement. Provisions of French or English law may, if necessary, be applied, if this is dictated by the performance of specific obligations under French or English law. Relevant principles of international law and, if the parties so agree, the principles of equity may be applied.

8.1.3 RAILWAY USAGE CONTRACT

The Railway Usage Contract was entered into on 29 July 1987 between the Concessionaires and the Railways (BRB and SNCF) at the same time as the Treaty of Canterbury was ratified and the Concession came into force. It sets out the basis on which the Concessionaires allow the trains using the Railway Network to use the Fixed Link, from the date the Railway

Usage Contract came into force until 2052. It also specifies the conditions under which the Railways undertake and are authorised to use the Fixed Link with arrangements for the development of certain services and the installation of certain railway infrastructure and the rolling stock necessary to ensure a sufficient level and quality of traffic in the Tunnel. Likewise, the Concessionaires subscribe to a number of commitments relating to maintenance of the Fixed Link. Pursuant to the Railway Usage Contract, trains using the Railway Network are authorised to use up to 50% of the capacity of the Fixed Link per hour and in each direction, up until 2052.

Under the terms of the Railway Usage Contract, the Railways are obliged to pay the Concessionaires variable charges depending on the number of passengers travelling on passenger trains and the freight tonnage carried through the Fixed Link, as well as fixed annual charges. Mechanisms to reduce the annual charges are set out in the event that the Fixed Link is unavailable. Lastly, under the Railway Usage Contract, the Railways must pay a contribution to the Concessionaires' operating costs and the renewal of the Fixed Link. To this end, the Railways make monthly provisional payments to the Concessionaires against operating costs for the current period. Payments are subsequently adjusted to take account of real operating costs, with the final amount of the contribution determined on the basis of the provisions set out in the Railway Usage Contract, and agreements reached for its implementation.

The Railway Usage Contract is governed by French law.

In addition, the strategy for the re-launch of freight services offers a simplified pricing structure mechanism for goods trains, with a toll per freight train rather than per tonne of freight, based on a charging regime published annually by Eurotunnel in the Fixed Link Network Statement.

A substantial part of the Group's revenues emanating from the Railway Network (see chapter 1) is made up of the variable charges and annual fixed charges referred to above.

In the context of the privatisation of the British railways, BRB entered into back-to-back contracts with certain entities, including Network Rail, DB Cargo UK (formerly EWS and DB Schenker Rail UK) and Eurostar International Limited (formerly Eurostar UK Limited), under the terms of which BRB delegated to those entities operational execution of some of its obligations to the Concessionaires. As part of the agreement with the British and French governments regarding the extension of the Concession Agreement until 2086, the Group undertook, under certain conditions, to work with the entities to which execution of these obligations had been delegated, to ensure the development of passenger train services and goods train services.

In accordance with EU directives governing the liberalisation of the international rail transport market, the Concessionaires publish the Fixed Link Network Statement annually; this offers transparent and non-discriminatory conditions of access to its Railway Network to all Railway Companies and the same tariff framework as that set out by the Railway Usage Contract.

8.1.4 THE TERM LOAN AND ANCILLARY AGREEMENTS

FM and CTG entered into the Term Loan dated 20 March 2007 (as amended and updated from time to time, most recently on 13 April 2018), under which credit facilities in a principal amount of £1,836.5 million and €2,188 million (the "Senior Facilities") were made available to FM and CTG on 28 June 2007 by Goldman Sachs Credit Partners L.P. and Deutsche Bank A.G. (London Branch) (together, the "Initial Lenders"). The financing of the Senior Facilities was arranged by Goldman Sachs International and Deutsche Bank AG (London Branch) (the "Main Lenders").

For the purposes of the management of the Senior Facilities, these loans were securitised on 20 August 2007 with Channel Link Enterprises Finance Plc (CLEF).

a) Principal provisions of the Term Loan

Summary of the tranching and the financial conditions of the Term Loan

The Senior Facilities consist of:

- tranches A1, A2, A3 each denominated in sterling, bearing interest at a fixed rate, indexed on inflation in the United Kingdom;
- tranches A4, A5, A6 each denominated in euros, bearing interest at a fixed rate, indexed on inflation in France;
- a tranche B1 loan denominated in sterling, bearing interest at a fixed rate;
- a tranche B2 loan denominated in euros, bearing interest at a fixed rate;
- a tranche C1A loan denominated in sterling, bearing interest at a fixed rate, which will switch to a variable rate on 20 June 2029;
- a tranche C1B loan denominated in sterling, bearing interest at a fixed rate;
- a tranche C2A loan denominated in euros, bearing interest at a fixed rate, which will switch to a variable rate on 20 June 2022;
- a tranche C2B loan denominated in euros, bearing interest at a fixed rate, which will switch to a variable rate on 20 June 2027;
- a tranche C2C loan denominated in euros, bearing interest at a fixed rate; and
- a tranche C2D loan denominated in euros, bearing interest at a fixed rate.

The C tranches, bearing interest at a variable rate, are hedged as indicated in the paragraph "Hedging arrangements in respect of the Term Loan" below.

The weighted average interest rate applicable to the Senior Facilities and payments relating to the servicing of debt under the Term Loan, are detailed in note G to the consolidated financial statements in section 2.2.1 of this Registration Document.

The borrowings denominated in sterling have been made available to CTG and those in euros have been made available to FM.

Repayment of the Term Loan

The funds borrowed under the Term Loan will be repayable in accordance with their respective repayment schedules.

Repayment of the tranche A loans began in 2018, 11 years after the start of availability of such loans and will be completed at least 35 years after the date of signature of the Term Loan.

Repayment of the tranche B1 and B2 loans began in 2013, six years after the date on which the Term Loan was signed.

Repayment of the tranche C1 and C2 loans will begin 39 and 34 years respectively after the date on which such loans become available and be completed in June 2050.

Prepayment of the Term Loan

The amounts borrowed under the Senior Facilities may be voluntarily prepaid at the instigation of the relevant borrower, subject to the payment of certain market standard prepayment premia.

The amounts borrowed under the Senior Facilities may also be subject to mandatory prepayment, under certain conditions and in certain proportions, in particular from funds arising from insurance proceeds, permitted asset transfers, expropriation of such assets, compensation under the Concession Agreement and, in certain instances, excess cash flow.

If Eurotunnel does not meet certain financial targets, excess cash flow must (i) during the first years following drawdown on the Senior Facilities, be paid into a secured account set up for prepayment of amounts lent under the Senior Facilities and (ii) subsequently be used directly for such prepayment until Eurotunnel once again meets the above mentioned financial targets.

Undertakings and prohibitions under the Term Loan

The Term Loan includes certain undertakings and prohibitions which are customary for a loan of its nature, in particular restrictions relating to:

- the creation or maintenance of liens on Eurotunnel's assets;
- the sale or transfer of Eurotunnel's assets and the acquisition by Eurotunnel of new assets;
- the granting of loans, securities or guarantees for the benefit of third parties; and
- the amendment of contracts which were conditions precedent under the Term Loan, including inter alia the Railway Usage Contract.

In addition, pursuant to the terms of the Term Loan, Eurotunnel is required to meet the following financial covenants: at each reference date, the debt-service coverage ratio must not be less than 1.10 since 28 June 2012. For the purposes of this test, the ratio is calculated, on a rolling 12-month period, on a consolidated basis taking into account (i) as regards the calculation of available cash flow for the servicing of debt, the borrowers and guarantors in connection with the Senior Facilities, and (ii) as regards the calculation of debt servicing, Eurotunnel. Eurotunnel has respected the debt-service coverage ratio for 2018.

While the Term Loan restricts any increase in the financial indebtedness of Eurotunnel, it permits, amongst other items, (i) the borrowing of revolving facilities, bonding facilities or guarantee facilities up to a maximum amount of €75 million (provided that the relevant lender accedes to the Intercreditor Deed (as such term is defined in section "Agreement between Creditors" below)) and (ii) indebtedness of up to £225 million of its Euro equivalent (provided that such indebtedness is unsecured and structurally and (through the accession of the new lender(s) to the Intercreditor Deed) contractually subordinated to all amounts payable under the Term Loan and that the ratings of the Term Loan are affirmed).

The Term Loan permits Eurotunnel to pay dividends, provided that such dividends are paid out of excess cash flow (as defined in the Term Loan) or funds arising from a permitted disposal under the Term Loan (insofar as these funds do not have to be allocated to mandatory prepayment) on the condition that no default is continuing under the Term Loan and that the debt-service coverage ratio is not less than 1.25. For the purposes of this test, the ratio is calculated on the basis of a rolling 12-month period, on a consolidated basis, such consolidation to include (i) as regards the calculation of available cash flow for the servicing of debt, the borrowers and guarantors in connection with the Senior Facilities and (ii) as regards the calculation of debt service, Eurotunnel (with amortisation being calculated by reference to the greater of (i) the hypothetical amortisation of the loan based on an annuity and (ii) the contractual amortisation). Failure to meet this ratio on a six-monthly testing date would not constitute an event of default but would lead to restrictions on the use of Eurotunnel's excess available cash flow on the date of the next interest payment on the Term Loan until such time as the test is met once again. If these conditions are not met on an interest repayment date in connection with the Term Loan, the excess cash flow and funds will be placed into an account dedicated to so-called "capex" expenditure. Failure to meet this test on three consecutive six-monthly testing dates would trigger a prepayment event, under which Eurotunnel's excess available cash flow would have to be used towards prepayment of the Term Loan until the testing date on which the ratio is met once again.

Event of default and acceleration

The Term Loan contains a number of events of default which, in certain instances subject to grace periods, enable the lenders to declare the Term Loan immediately due and payable, to enforce the liens described below or to demand the start of the substitution mechanism provided for under the terms of the Concession Agreement and described in section 8.1.2 of this Registration Document.

The events of default include in particular:

- any failure to pay under the Term Loan;
- a failure to comply with any provision of the Term Loan, the Intercreditor Agreement or related documents. These provisions impose limits relative to indebtedness, acquisitions, sales and other transfers, mergers, loans, guarantees and the granting of new securities by the member companies of Eurotunnel, and include in particular:
  - (i) a financial commitment pursuant to which Eurotunnel Holding SAS is obliged to ensure that at each half-yearly test date subsequent to 31 December 2017, the ratio of cash flow from operational activities over the total cost of servicing the debt resulting from the Senior Facilities is not below 1.10, the said ratio being calculated by reference to the 12-month period preceding the date of the test; and
  - (ii) certain commitments related to the tax treatment of the Group and where non-compliance is reasonably likely to substantially affect the financial situation of FM, CTG or Eurotunnel;
- a declaration or statement made or deemed to have been made by a borrower or a guarantor in relation to the Term Loan, or any other financial document related to it or any other document presented by or on behalf of a borrower or a guarantor in relation to the said financial documents (which contain the declarations and statements that are usual for this type of financing), which proves to have been erroneous or misleading at the time when it was made or deemed to have been made;
- the occurrence of a cross default under any other indebtedness (greater than a certain amount) of any of the companies within Eurotunnel;
- the inability of any borrower or guarantor to pay its debts as they fall due, the insolvency or the opening of any legal proceedings in relation to any borrower or guarantor under the Term Loan;
- the illegality or invalidity of the Term Loan, any related liens or the subordination created under the Intercreditor Agreement;
- the permanent impossibility of carrying on the business of operating the Tunnel, or the destruction of the Tunnel, or the cessation of a substantial part of its activities by a borrower or a guarantor;
- a guarantor ceases to be a wholly-owned subsidiary of Eurotunnel Holding SAS;
- any act or omission of France or the United Kingdom which renders a borrower or guarantor under the Term Loan incapable of performing its obligations under the Term Loan and related documents; and
- the occurrence of litigation (or similar proceedings) against any Eurotunnel member company or its assets, which is reasonably likely to be adversely determined against the relevant company and to have a substantial adverse effect on the financial position of FM, CTG or Eurotunnel.

The Term Loan also includes other events of default that are usual for this type of funding.

Hedging arrangements in respect of the Term Loan

FM and CTG, prior to the drawdown under the Term Loan, entered into various hedging arrangements in order to hedge their respective exposure to interest rate fluctuation in connection with their payment obligations under the Term Loan as indicated in note G.1.2.c) to the consolidated accounts figuring in section 2.2.1 of this Registration Document.

Agreement between creditors

Prior to drawdown under the Term Loan, the Group entered into an intercreditor deed with its bank lenders and its intra-group creditors (the "Intercreditor Deed") pursuant to which the claims of all intra-group creditors are subordinated to the claims of the bank lenders.

The Intercreditor Deed also provides for the security and the guarantees described below to be held by a Security Trustee for the benefit of the lenders under the Term Loan, and, as the case may be, for the benefit of lenders under certain permitted financial indebtedness acceding to the Intercreditor Deed.

b) Guarantees and security relating to the Term Loan

Guarantees

Under the Intercreditor Deed, Eurotunnel Holding SAS, FM, EFL, CTG, ESGIE, Eurotunnel SE, ESL, EurotunnelPlus Limited and Gamond Insurance Company, the guarantors on the date of the corporate reorganisation in 2018 (the "Guarantors"), each jointly and severally guarantee the commitments made by FM and CTG, in their capacity as borrowers under the Term Loan vis-à-vis the Initial Lenders, the arrangers, the Agents and the hedging counterparties of the Term Loan.

The Term Loan provides that, following its execution, certain of the Group companies (other than the Guarantors) will be required also to become guarantors of the Term Loan if, in particular, their contribution to the EBITDA, gross value of assets or Eurotunnel revenue increases above a specified pre-determined threshold.

In order to guarantee their obligations as borrowers under the Term Loan and guarantors under the Intercreditor Deed, the Guarantors have given various securities.

Security granted by Eurotunnel under French law

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Guarantors owning French assets have granted the following security:

i) assignment of trade receivables by way of guarantee under which (i) FM assigns its receivables under the Concession Agreement and the Railway Usage Contract as well as its trade receivables owed by the freight transporters and coach operators and its insurance receivables and intercompany receivables held by it on the French subsidiaries of the Group, (ii) CTG assigns the same categories of receivables as FM with the exception of its trade receivables owed by the freight transporters and coach operators, and (iii) other members of the Group qualifying as guarantor assign their insurance receivables and intercompany receivables held against French companies of Eurotunnel;

ii) unregistered mortgages over FM's and CTG's main real estate assets that are not the subject of short or medium-term development projects;

iii) a non-possessory lien over FM's rolling stock;

iv) a pledge on all bank and investment accounts open in France in the name of any borrower or guarantor under the Term Loan;

v) a pledge on shares in the Eurotunnel members held by the borrowers or guarantors under the Term Loan;

vi) a pledge on the main Eurotunnel trademarks;

vii) a pledge on receivables held by FM under certain pieces of land comprised in the "ZAC 1" and which is the subject of long-term construction leases (*baux à construction*);

viii) a pledge on receivables held by Eurotunnel Holding SAS against FM pursuant to the bonds facility agreement dated 28 June 2007 (as amended on 29 August 2007) and entered into, *inter alia*, Eurotunnel Holding SAS as lender and FM as borrower; and

ix) a pledge over their rights held in connection with the economic interest grouping (*groupement d'intérêt économique* or GIE) by Eurotunnel Holding SAS, FM, CTG and Eurotunnel SE.

Security granted by Eurotunnel under English law

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Guarantors have each granted security over all of their assets held at the date of execution of the Term Loan as well as over their future assets.

Security over the other Eurotunnel assets

All of the shares of the Eurotunnel members that are not subject to security as described above have been pledged by way of security for the obligations of the borrowers under the Term Loan and guarantors under the Intercreditor Deed.

8.1.5 SENIOR SECURED NOTES ISSUED AS GREEN BONDS

Getlink SE issued €550 million 3.625% Senior Secured Notes (the "Notes") on 3 October 2018. The Notes are listed on the Official List of the Irish Stock Exchange (trading as Euronext Dublin) and are admitted to trading on the Global Exchange Market thereof. The Notes align with the June 2018 version of the International Capital Markets Association's Green Bonds Principles and are therefore considered "green" bonds.

The Notes are governed by an English law trust deed (the "Trust Deed") between Getlink SE and BNY Mellon Corporate Trustee Services Limited, as trustee for the holders of the Notes.

The Notes are due on 1 October 2023 and interest thereon is payable semi-annually in arrears on 30 June and 30 December of each year, commencing on 30 December 2018.

Pursuant to the Trust Deed, €19,940,000 was paid into a Debt Service Reserve Account (DSRA).

a) Permitted use of proceeds

The Trust Deed allows the Group to use the net proceeds of the offering of the Notes to refinance the £190 million external loan of Eurotunnel Agent Services Limited, finance capital expenditure in relation to ElecLink and finance other eligible "green" assets.

In accordance with its Green Bond Framework, Getlink will prepare and publish a Green Bond Report within one year of the inaugural Green Bond issuance and annually thereafter until full allocation of the amount equal to the net proceeds of the green issuance. This report will provide information on the allocation and environmental impact of the Green Bonds issued.

b) Security and ranking

The Trust Deed is subject to an English law intercreditor agreement (the "Intercreditor Agreement") between, *inter alios*, Getlink SE and BNY Mellon Corporate Trustee Services Limited, as security agent. The Notes are secured by first ranking liens (the "Notes Security") on (i) all shares in the capital of Eurotunnel Holding SAS and GET Elec Ltd; and (ii) a debt service reserve account set up by the Group.

The Notes:

- are general senior obligations of Getlink SE;
- rank *pari passu* in right of payment with any existing and future senior indebtedness of Getlink SE that is not expressly subordinated in right of payment to the Notes;
- are secured on an equal and rateable basis with certain other *pari passu* obligations of Getlink SE by a first priority lien on the Notes Security; provided, however, that pursuant to the terms of the Intercreditor Agreement, the proceeds of any collection, sale, disposition or other realisation of the Notes Security received in connection with the exercise of remedies will be applied first to repay any super senior liabilities prior to the Notes and any other pari passu obligations of Getlink SE;

- rank senior in right of payment to any existing and future subordinated indebtedness of Getlink SE;
- are effectively senior to any existing and future unsecured indebtedness of Getlink SE to the extent of the value of the Notes Security;
- are effectively subordinated to any existing and future indebtedness of Getlink SE that is secured by liens on property or assets that do not secure the Notes, to the extent of the value of such property or assets so securing such indebtedness; and
- are structurally subordinated to any existing and future indebtedness and other liabilities and commitments (including interest payables, trade payables and lease obligations) of Getlink SE subsidiaries (including the Term Loan).

c) Redemption

Optional redemption

The Notes may be redeemed at any time prior to 1 October 2020 at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and other additional amounts, if any, to the redemption date, plus the applicable “make whole” premium.

In addition, at any time prior to 1 October 2020, Getlink SE may redeem up to 40% of the aggregate principal amount of the Notes using the net cash proceeds of certain equity offerings, at the redemption price of 103.625% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and other additional amounts, if any, to the redemption date.

At any time on or after 1 October 2020, the Notes may be redeemed at a premium of 1.813% in 2020 or 0.906% in 2021, or without a premium after 2022.

The Notes may also be redeemed upon the occurrence of certain tax events.

Repurchase upon a change of control

If an event treated as a change of control occurs, each Note holder has the right to require that Getlink SE repurchase such holder’s Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and other additional amounts, if any, to the date of purchase.

Mandatory redemption

If Getlink SE disposes of its shares in Eurotunnel Holding SAS to a third party in accordance with the requirements of law or a governmental authority, it shall apply the net cash proceeds of such disposal to redeem all outstanding Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and other additional amounts, if any, to the date of purchase, provided that such net cash proceeds shall first be applied to repay the amounts outstanding under the Term Loan.

d) Covenants

The Trust Deed provides for certain covenants that are customary for this type of financing. These incurrence covenants are only tested upon the occurrence of an event, rather than on an on-going basis. Unless certain conditions are respected, certain prohibitions apply in relation to:

- The incurrence of additional debt: for example, additional debt can be incurred as long as, on a pro forma basis, the Group’s (a) Total Net Leverage Ratio is equal to or less than (i) 8.5 to 1.0 until, and including, 30 June 2020 and (ii) 8.0 to 1.0 from, and including, 1 July 2020; and (b) Debt Service Cover Ratio (DSCR) is equal to or greater than 1.25 to 1.0. In addition, there are certain types of debt that can be incurred irrespective of whether there is ratio debt capacity at all. These include a €50 million super senior credit facility basket; a €100 million ElecLink Ltd debt basket; a €100 million Europorte SAS debt basket; and a €50 million basket to finance activities of Getlink SE or any of its subsidiaries. Further, certain types of indebtedness can be classified and reclassified among different eligible baskets.
- The making of certain restricted payments, including dividend payments and the purchase of treasury shares, subject to conditions including if there is an event of default or if the DSCR is less than 1.25.
- Other operations including the sale of assets, the granting of liens and the consummation of mergers.

As is customary for issuances of this type, there are a number of exceptions to the incurrence covenants that are aimed to ensure that the Group has sufficient flexibility to operate its business.

e) Events of default

The Trust Deed lists certain events of default, which permit the trustee or a certain percentage of holders to declare the Notes immediately due and payable. These events of default include:

- a failure to pay principal when due;
- a failure for more than 30 days to pay interest when due;
- a failure to comply with the merger covenant;
- a failure for more than 60 days after receipt of a notice from the trustee or holders of at least 25% of the aggregate principal amount of the Notes outstanding to comply with other covenants or agreements in the Trust Deed;
- a cross-acceleration or payment default under certain other indebtedness;
- a failure to pay certain final judgments;

- an impairment of Notes Security above a certain value; and
- certain customary bankruptcy and insolvency events of default.

8.1.6 MASTER INTRA-GROUP DEBT AGREEMENT

Intra-group debts existed between the various companies of the Group. Some of them were expressed in contracts concluded between 2007 and 2009 for the financial restructuring or simplification of the structure of the Group ("Intra-Group Debts"). Certain of these Intra-Group Debts for which contracts were concluded in 2007 were reorganised in 2009 as part of the transactions prior to the merger of TNU SA into Getlink SE which gave rise to the conclusion of new contracts for intra-group loans.

The Intra-Group Debts, because they were concluded over a period from 2007 to 2009 and partly re-organised in 2009, had different characteristics as to interest rate and maturity which complicated the financial and accounting management of Group companies.

Group companies have therefore concluded a contract entitled the "Master Intra-Group Debt Agreement" the principal object of which is the harmonisation of (i) the rules for current accounts between Group companies, (ii) the interest rates of the various Intra-Group Debts and (iii) where possible, the other conditions of these Intra-Group Debts in order to facilitate the financial and accounting management of Group companies and to reflect the financial policy between the Group's companies.

8.2 CONSTITUTIONAL DOCUMENT AND BY-LAWS

Getlink SE is governed by the French law provisions relating to *sociétés anonymes* with a board of directors, compatible with the regulations relating to European companies.

8.2.1 CORPORATE PURPOSE (ARTICLE 2 OF GETLINK SE'S BY-LAWS)

The corporate purpose of Getlink SE is:

- acquire equity interests by way of the purchase, subscription, transfer or exchange of corporate rights, shares, partnership interests or otherwise, with any co-contracting party, French or foreign, in any company whose purpose is directly or indirectly related to the operation of the Tunnel between France and the United Kingdom or any other fixed links, infrastructure or transport activities;
- participate in any manner whatsoever, directly or indirectly, in any transactions connected with its corporate purpose via the creation of new companies, the contribution, subscription or purchase of securities or corporate rights, merger or otherwise, creation, acquisition, leasing, lease management of all businesses or establishments; taking, acquiring, operating or selling any procedures or patents relating to its activities;
- generally, all industrial, commercial, financial, civil, personal or real property transactions, directly or indirectly related to any of the purposes referred to above or any similar or connected purposes, including in particular, any transport business.

8.2.2 RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES (ARTICLE 11 OF GETLINK SE'S BY-LAWS)

Ownership of an ordinary share implies acceptance of the terms of the by-laws of Getlink SE and of all decisions taken by Getlink SE shareholders in General Meeting.

Ordinary shares

Subject to the provisions set out hereafter, each member of a general meeting is entitled to the same number of voting rights and to cast the same number of votes as the number of fully paid-up ordinary shares that he owns or is representing. However, each fully paid-up ordinary share that has been held by the same shareholder in registered form for two years will carry a double voting right in accordance with applicable laws and regulations.

In addition to voting rights, each ordinary share grants the right to a share in the ownership of the company's assets, profits and liquidation proceeds, in proportion to the fraction of the share capital that it represents.

B preference shares

On the authority of the Extraordinary General Meeting of 29 April 2014, the Board of Directors issued preference shares (B preference shares), convertible into ordinary shares at the end of a period of four years, depending on the evolution of the ordinary share average market price at the conversion date, and the average market price at the grant date, determined by reference to the higher value of the following averages below:

- the average of the six months, according to the Board's decision, preceding the date of grant or conversion;
- the average repurchase price of ordinary shares held in treasury by the company at the date of grant or conversion, pursuant to articles L. 225-208 and L. 225-209 of the French Commercial Code.

The average market price at the grant date agreed by the Board of Directors by reference to the average closing price for the six months preceding 29 April 2014 was €8.17.

The conversion ratio was a maximum of 5,000 ordinary shares per B preference share for a target objective 100% met, with a tapering scale corresponding to the percentage of the objective met. The target objective for the market price of Getlink SE ordinary shares on the conversion date was set at €11.50.

The average closing rate at the date of conversion, agreed by the Board of Directors, by reference to the average rate for the six months preceding the conversion on 27 April 2018 was €11.12. Since the progression over four years represented 88.60% of the target, the Board of Directors set the conversion rate and each B preference share was converted into 4,430 ordinary shares, i.e. a conversion rate of 88.60%.

A proposal will be put to the General Meeting of 18 April 2019 that the by-laws be updated accordingly.

C preference shares

The 12th resolution of the General Meeting of 29 April 2015 authorised the creation of preference shares (C preference shares), convertible at the end of a period of four years to ordinary shares if performance conditions are met.

The definitive grant of the C preference shares was subject to an over-performance condition of EBITDA for 2015 and 2016 as compared to the published objectives for the relevant year with no grant when the achievement is below 100% of the objectives. The number of C preference shares is fixed on the basis of the level of over-performance of the objectives without exceeding a total number of 2,000 C preference shares. At the end of the acquisition period the C shares were issued, with the number being calculated by reference to the extent to which the EBITDA target announced to the market over two years had been exceeded. The allocation rate corresponded to 66% of the C shares i.e. an allocation of 692 preference shares on an initial maximum of 2,000 C preference shares.

C preference shares have a nominal value of €0.01. They will not grant any voting rights at general meetings of the holders of ordinary shares, although the holders of C preference shares will be entitled to attend a special meeting in the event of any amendments to the rights attached to this category of shares. Each C preference share will have distribution rights equal to 1/5,000th of distribution rights and, in the event of dissolution of Getlink SE, rights to the proceeds of liquidation in proportion to the nominal amount represented in share capital. C preference shares will have no preferential subscription rights for rights issues or operations with rights to ordinary shares, although the conversion ratio will be adjusted to maintain the rights of holders, in accordance with the legal, regulatory and contractual conditions.

C preference shares will be converted into ordinary shares on the basis of the conversion ratio, i.e. a maximum of 500 ordinary shares, determined on the basis of the level of achievement of a performance condition calculated at the end of a four year period, from the date of allocation of the C preference shares by the Board, as a mean of the achievement for the following three criteria:

- average percentage of over performance of the EBITDA for 2015, 2016, 2017 and 2018, as compared with the objective announced to the market for 2015, 2016, 2017 and 2018 (70%);
- average percentage of GET ordinary shares (with dividends) over performance as compared with Dow Jones Infrastructure Index for 2015, 2016, 2017 and 2018 (20%);
- average rate of achievement of the CSR composite index for 2015, 2016, 2017 and 2018 (10%).

The conversion ratio will depend on the degree of achievement of performance.

D preference shares

The General Meeting of 18 April 2018 authorised the granting of a total of 1,500 D preference shares convertible into a maximum of 1,500,000 ordinary shares subject to performance criteria. The definitive vesting of the ordinary shares is based on achieving the following three cumulative performance criteria (with one being external to the Group and the two others internal to the Group):

- The **external performance** condition (the "TSR weighting") is based on the average performance including dividends (TSR) of the Getlink SE ordinary share over a period of three years compared to the performance of the Group sector index GPR Getlink Index (40%).
- The first **internal performance** condition (the "EBITDA weighting") is based on the Group's financial performance, assessed by reference to the average rate of achievement of EBITDA over a period of three years covering 2018, 2019 and 2020 (50%).
- The second internal performance condition (the "CSR weighting") is based on the CSR composite index (10%).

The conversion ratio will depend on the degree of achievement of performance.

E preference shares

The creation of preference shares (E preference shares) convertible into ordinary shares subject to certain performance conditions will be the subject of a vote at the General Meeting of 18 April 2019.

8.2.3 ALLOCATION OF PROFITS (ARTICLE 31 OF GETLINK SE'S BY-LAWS)

The following deductions are made from the profits of each financial year, minus any prior losses, in the order set out below:

- at least 5% to constitute the reserve account required by law;
- the amounts determined by the general meeting to constitute such reserves for which it determines the distribution and use; and
- the amounts that the general meeting decides to carry forward.

The balance, if any, shall be distributed among all of the shareholders in proportion to the number of ordinary shares held by each of them.

If the balance sheet prepared during or at the end of the financial year and certified by the statutory auditors indicates that Getlink SE, since the end of the previous financial year, after any necessary depreciation and reserves and after deducting any previous losses and amounts required to constitute the necessary reserves pursuant to applicable laws or the by-laws, has made a profit, interim dividends may be distributed before the accounts for the financial year have been approved. The amount of the interim dividend may not exceed the amount of profit as defined above.

The conditions for the payment of dividends in cash are set by the General Meeting, or failing that, by the Board. Each C preference share will have one distribution right equal to 1/5,000th of the distribution right. Each D preference share will have one distribution right equal to 1/1,000th of the distribution right. In the event of dissolution of Getlink SE, each C or D preference share has a right to the liquidation proceeds in proportion to the share that its nominal amount represents in share capital.

Payment of dividends in cash must be carried out within a maximum period of nine months following the end of the financial year, unless extended by a court authorisation.

8.2.4 MODIFICATIONS OF SHAREHOLDERS' RIGHTS

The modification of the by-laws requires the approval of an extraordinary general meeting in accordance with the quorum and majority required by applicable laws and regulations.

Notice of meeting (article 27 of Getlink SE's by-laws)

General meetings are convened in accordance with applicable laws and regulations.

Venue of meetings (article 27 of Getlink SE's by-laws)

General meetings are held at the registered office of Getlink SE or at any other place referred to in the notice of the meeting.

Attendance at general meetings (article 27 of the by-laws of Getlink SE)

Admission to participate at the General Meetings is subject to the registration of the shares under the shareholder's name or that of his/her financial intermediary, by midnight (Paris time) on the second business day preceding the date of the General Meeting.

Any shareholder may attend general meetings in person or by proxy, regardless of the number of ordinary shares held, upon providing proof of identity and proof of ownership of the ordinary shares, by registering the ordinary shares in the shareholders' name or in the name of the intermediary registered on his behalf, either in the registered accounts held by Getlink SE, or in the bearer's form accounts held by the authorised intermediary in accordance with the provisions of article R. 225-85 of the French Commercial Code. B, C and D preference shares carry no voting rights at ordinary and extraordinary general meetings of holders of ordinary shares, although they carry voting rights at special general meetings of holders of B, C or D preference shares.

Use of electronic means of communication (article 27 of Getlink SE's by-laws)

If the Board so decides at the time the meeting is convened, any shareholder may participate and vote at general meetings by video conference or any other electronic means of communication in accordance with applicable laws and regulations.

For the purposes of calculating the quorum and majority, shareholders participating in the meeting by video conference or another form of electronic communication enabling them to be identified, and the nature and conditions of application of which are set in accordance with applicable laws and regulations, are deemed to be present.

Representation at general meetings (article 27 of Getlink SE's by-laws and articles L. 225-106 et seq. of the French Commercial Code)

Pursuant to articles L. 225-106 et seq. of the French Commercial Code, shareholders may be represented at meetings by the individual or legal entity of their choice under the conditions stipulated in current regulations. The proxy must prove his authority in accordance with article L. 225-106 of the French Commercial Code. He is bound by the disclosure obligations stipulated in current regulations. In addition, owners of securities referred to in the 3rd paragraph of article L. 228-1 of the French Commercial Code may be represented by a registered intermediary in accordance with the provisions of article L. 228-3-2 of the French Commercial Code.

Legal representatives of shareholders without legal capacity and individuals representing corporate shareholders may participate in general meetings, whether or not they are shareholders.

Authority to act as a proxy may be given for one meeting only and shall be in respect of the agenda of that meeting only. The authorisation must specify the meeting for which it is granted and provide necessary information to identify the ordinary shares. Authority may however be given for two meetings, one ordinary and the other extraordinary, held on the same day or within a period of fifteen days. The authority given for one meeting shall be valid for all successive meetings convened with the same agenda. The proxy named in person on the proxy form may not substitute any other person.

All documents required by applicable laws and regulations must be attached to all proxy forms sent to shareholders.

The proxy form must be signed by the shareholder being represented and provide the last name, the first name, the address, the number of ordinary shares owned and the number of votes attached to those ordinary shares. Only proxy forms which have been received two days prior to the meeting will be taken into account by Getlink SE.

The intermediary referred to in article L. 228-1 of the French Commercial Code may, pursuant to a securities management general mandate, send votes or powers of attorney on behalf of a shareholder as defined in article L. 228-1 of the French Commercial Code for the purposes of a general meeting.

Exercise of voting rights (article 27 of Getlink SE's by-laws)

All shareholders may vote by postal ballot under the conditions and within the time limits provided for by law by using a form prepared by Getlink SE and sent to shareholders requesting the form and provided such forms reach Getlink SE two days prior to the general meeting.

Chairmanship of general meetings (article 27 of Getlink SE's by-laws)

General meetings of shareholders are chaired by the Chairman of the Board or, in his absence, by the most senior Director present at the meeting. If the meeting has been convened by the statutory auditors, provisional liquidator or receivers, the general meeting shall be chaired by the person, or one of those persons, who called the meeting.

Quorum and majority at general meetings (articles 28 and 29 of Getlink SE's by-laws)

Ordinary, extraordinary, combined or special general meetings shall be subject to the quorum and majority conditions provided by applicable laws and regulations governing such meetings and shall exercise the powers conferred on them by law. The votes cast do not include those relating to ordinary shares for which the shareholder has not taken part in the vote or has abstained or voted blank or invalid.

Voting rights of holders of ordinary shares and double voting rights (article 11 of Getlink SE's by-laws)

Subject to the provisions set forth below, each member of a general meeting is entitled to as many voting rights and to cast as many votes as the number of fully paid-up ordinary shares he owns or is representing.

However, each fully paid-up ordinary share which has been held by the same shareholder in registered form for two years will carry a double voting right in accordance with applicable laws and regulations.

In the event of a share capital increase by incorporation of reserves, profits or share premiums, this double voting right is conferred from their date of issue to ordinary shares held in registered form and allocated for free to a shareholder by virtue of the existing ordinary shares from which he derived this right.

A merger or demerger of Getlink SE has no effect on the double voting right that may be exercised at shareholder meetings of the surviving companies if the by-laws of such companies so provide.

Any ordinary share converted into bearer form or which is transferred shall lose the double voting right conferred on it as described in the preceding three paragraphs. However, the double voting right is not lost and the time benefits are not affected by a transfer by inheritance, liquidation of assets held jointly by spouses or inter vivos gifts in favour of a spouse or relative entitled to inherit.

Voting rights of holders of C and D preference shares (article 11 of Getlink SE's by-laws)

C and D preference shares do not grant any voting rights at general meetings of the holders of ordinary shares; however, the holders of class C and D preference shares will be entitled to attend a special meeting, in the event of any amendments to the rights attached to this category of shares.

8.2.5 CLAUSES THAT MAY HAVE AN IMPACT ON THE CONTROL OF GETLINK SE

There are no provisions in the by-laws that could have the effect of delaying, deferring or preventing a change of control of Getlink SE.

8.2.6 IDENTIFICATION OF SHAREHOLDERS (ARTICLE 14 OF GETLINK SE'S BY-LAWS)

Getlink SE has the right to request the securities clearing house for information relating to the identification of its shareholders in accordance with applicable laws and regulations (articles L. 228-2 et seq. of the French Commercial Code) as follows: their name or in the case of legal entities, their company name, nationality, address, number of shares held by each of them, any restrictions affecting the shares, the year of birth of the holder, or in the case of a legal entity, the date of its incorporation.

8.3 INFORMATION ON SHAREHOLDINGS

Table of shareholdings as at 31 December 2018

Company name	Registered office	Country	Activities	% of capital and voting rights held by Holding company*	Subsidiaries*	TOTAL*
Centre International de Formation Ferroviaire de la Côte d'Opale SAS (CIFFCO)	1, boulevard de l'Europe, 62231 Coquelles, France	France	Vocational training	100		100
Cheriton Leasing Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 1 Limited**	UK Terminal, Ashford Road, Folkestone, CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 10 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 11 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 12 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 13 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 14 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 15 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 16 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Cheriton Resources 2 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 3 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 6 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 7 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100

Company name	Registered office	Country	Activities	% of capital and voting rights held by Holding company*	Subsidiaries*	TOTAL*
Cheriton Resources 8 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Cheriton Resources 9 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
ElecLink Limited	4 Kingdom Street London W2 6BD United Kingdom	United Kingdom	Electricity transmission		100	100
Euro-Immo GET SAS	1, boulevard de l'Europe, 62231 Coquelles, France	France	Property development	100		100
Europorte Channel SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Traction provider		100	100
Europorte France SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Rail freight operator		100	100
Europorte Proximité SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Goods transport by rail		100	100
Europorte SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Railways operator	100		100
Europorte Terminal Container du Sud-Ouest SAS**	6 rue du Courant 33310 Lormont France	France	Chartering and logistics		100	100
EuroSco SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Rolling stock fleet management		100	100
Euro-TransManche 3Be SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Asset management		100	100
Euro-TransManche 3NPC SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Asset management		100	100
Euro-TransManche Holding SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Asset management	100		100
Euro-TransManche SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Asset management		100	100
Eurotunnel Agent Services Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing	100		100
Eurotunnel Developments Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100

Company name	Registered office	Country	Activities	% of capital and voting rights held by: Holding company*	Subsidiaries*	TOTAL*
Eurotunnel Finance Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Financing	79	21	100
Eurotunnel Financial Services Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Resale of insurance products		100	100
Eurotunnel Holding SAS	3 rue La Boétie 75008 Paris France	France	Asset management	100		100
Eurotunnel Management Services Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Senior executive management	100		100
Eurotunnel Projet SAS**	3 rue La Boétie 75008 Paris, France	France	None	100		100
Eurotunnel SE	35 Square De Meeûs 1000 Brussels Belgium	Belgium	Centralising, management, development and sale of freight tickets		100	100
Eurotunnel Services GIE	3 rue La Boétie, 75008 Paris, France	France	Management of staff in France		100	100
Eurotunnel Services Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Management of UK staff		100	100
Eurotunnel Trustees Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
EurotunnelPlus GmbH**, ***	Dammtorstraße 12, 20354 Hamburg Germany	Germany	None		100	100
EurotunnelPlus Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
France Manche SA	3 rue La Boétie, 75008 Paris, France	France	Operation of the Fixed Link		100	100
Gamond Insurance Company Limited	Maison Trinity, Trinity Square, St Peter Port, Guernsey Channel Islands	Guernsey	Insurance		100	100
GET Elec Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Holding of investment in ElecLink project	100		100
GET Finances SAS**	3 rue La Boétie 75008 Paris France	France	Asset management		100	100
JP Serwices Logistic Transport SARL	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Local road freight transport		100	100
Le Shuttle Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100

Company name	Registered office	Country	Activities	% of capital and voting rights held by Holding company*	Subsidiaries*	TOTAL*
London Carex Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
Manutention Transport Service SAS	7 rue de Dunkerque 67000 Strasbourg, France	France	Non-cargo handling		20	20
MyFerryLink Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
MyFerryLink SAS**	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Asset management		100	100
Orbital Park Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None		100	100
Socorail SAS	Tour LillEurope, 11 parvis de Rotterdam, 59777 Euralille, Lille, France	France	Non-cargo handling		100	100
The Channel Tunnel Group Limited	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	Operation of the Fixed Link		100	100

* *Excluding shares held by Directors.*
** *These companies did not have any significant activity in 2018.*
*** *In the course of being wound up.*

The Group's related party transactions in 2018 are mentioned in note E.3 to the consolidated financial statements set out in section 2.2.1 of this Registration Document and in note V to the Getlink SE parent company financial statements set out in section 2.2.2 of this Registration Document.

8.4 STATUTORY AUDITORS

8.4.1 STATUTORY AUDITORS

KPMG Audit, a division of KPMG SA

2, avenue Gambetta – Tour Eqho – 92066 Paris La Défense Cedex, France.

Date of initial appointment: 9 March 2007

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2018.

In accordance with the French Financial Security Act of 1 August 2003, rotation of KPMG Audit's signatory took place in 2013.

Mazars SA

61, rue Henri Regnault – 92075 Paris La Défense Cedex, France.

Date of initial appointment: 9 March 2007

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2018.

In accordance with the French Financial Security Act of 1 August 2003, rotation of Mazars' signatory took place in 2016.

8.4.2 ALTERNATE STATUTORY AUDITORS

KMPG Audit IS SAS

2, avenue Gambetta – Tour Eqho – 92066 Paris La Défense Cedex, France.

Date of initial appointment: 15 May 2013

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2018.

Mr Hervé Hélias

61, rue Henri Regnault – 92075 Paris La Défense Cedex, France.

Date of initial appointment: 15 May 2013

Date of expiry of term of office: general meeting called to approve the financial statements for the financial year ending on 31 December 2018.

8.5 RESPONSIBLE PERSON

8.5.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE FINANCIAL INFORMATION

Name and position of person responsible: Jacques Gounon, Chairman of the Board and Chief Executive Officer of Getlink SE.

E-mail: PresidentGET@getlinkgroup.com.

8.5.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Registration Document and its annexes is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its significance.

I declare that, to the best of my knowledge: (i) the financial statements for Getlink SE have been prepared in accordance with the applicable accounting standards and represent an accurate view of the assets, financial position and results of Getlink SE and of the companies comprised in the consolidation; and (ii) the management report made up of the sections of this Registration Document listed in the cross reference table set out in the annex to this Registration Document represents an accurate view of the development of the business, the results and the financial position of Getlink SE and of the companies comprised in the consolidation, and that it describes the main risks and uncertainties facing them.

I have obtained a final report from the statutory auditors stating that they have verified the information relating to the financial position and accounting data contained in this Registration Document and have read the whole document.

The historical financial information and reports of the statutory auditors on the historical financial information are incorporated by reference in this Registration Document.

8.6 INFORMATION RECEIVED FROM THIRD PARTIES, STATEMENTS OF EXPERTS AND INTERESTED PARTIES

Nothing to report.

8.7 DOCUMENTS AVAILABLE TO THE PUBLIC

8.7.1 LOCATION OF THE DOCUMENTS AND INFORMATION THAT CAN BE CONSULTED REGARDING GETLINK SE

All of the corporate documents of Getlink SE which are to be made available to shareholders are accessible, as the case may be, on Getlink SE's website (www.getlinkgroup.com) or paper copies may be consulted during normal office hours at the registered office of Getlink SE (3 rue La Boétie, 75008 Paris), telephone: +33 (01) 40 98 04 06.

8.7.2 OTHER INFORMATION

Analysts and investors

Contacts: Michael Schuller / Jean-Baptiste Roussille

Telephone: +44 (0) 1303 288719 / +33 (0) 140980481

Email: michael.schuller@getlinkgroup.com / jean-baptiste.roussille@getlinkgroup.com

Individual shareholders

Telephone: 0845 600 6634 (United Kingdom)

Telephone: 0809 100 627 (France)

Email: shareholder.info@getlinkgroup.com or info.actionnaires@getlinkgroup.com

General questions

Email: CommunicationInternet@getlinkgroup.com

DEFINITIONS

2016 Registration Document	means the registration document relating to Getlink SE filed at the Autorité des marchés financiers on 17 March 2017;
2017 Registration Document	means the registration document relating to Getlink SE filed at the Autorité des marchés financiers on 13 March 2018;
Afep/Medef code	means the corporate governance code for listed companies, drawn up by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) and last updated in June 2018;
AMF	means the Autorité des Marchés Financiers, the French financial market regulator, an independent public organisation, being a legal entity, created pursuant to French Financial Security Act no 2003-706 of 1 August 2003 and which is tasked in particular with protecting savings invested in financial instruments, information for investors and the proper conduct of the markets in financial instruments;
ARAFER	means the Autorité de Régulation des Activités Ferroviaires et Routières, an independent public authority responsible for the smooth running of the opening up of rail and road transport in France to competition;
BRB	means the British Railways Board;
CDI	means the Crest Depositary Interests representing ordinary shares;
CIFFCO	means the simplified limited liability company Centre International de Formation Ferroviaire de la Côte d'Opale;
Concession	means the concession forming the subject matter of the Concession Agreement;
Concession Agreement	means the concession agreement dated 14 March 1986, as amended, between the States and the Concessionaires, under which the States granted to the Concessionaires the right and the obligation to design, finance, construct and operate the Channel Tunnel until 2086;
Concession Coordination Committee	means the joint body specified by clause 18 of the Concession Agreement composed of members nominated by the Concessionaires;
Concessionaire(s)	means FM and CTG, the concessionaires pursuant to the Concession Agreement;
Crossover Junction	means one of the two rail junctions allowing trains and Shuttles to switch from one rail tunnel to the other, particularly during maintenance or renovation works. The two Crossover Junctions divide each rail tunnel into three sections;
CSR or Corporate Social Responsibility	means the integration by companies, on a voluntary basis, of social, environmental and economic concerns in their business and in their interactions with stakeholders;
CTG	means The Channel Tunnel Group Limited, a Concessionaire company incorporated under English law;
Debt	means the debt arising from the Term Loan;
EFL	means Eurotunnel Finance Limited, a company incorporated under English law;
EGP	means Eurotunnel Group UK PLC, a company incorporated under English law and merged with Getlink SE on 31 October 2010;
EPF	means Europorte France SAS;
EPP	means Europorte Proximité SAS;
EPSF	means the French public rail safety authority, Établissement Public de Sécurité Ferroviaire, which is under the authority of the French Ministry of Transport;
EPTSCO	means the simplified limited liability company Europorte TCSO;
ERTMS	means the European Rail Traffic Management System, a European initiative aimed at harmonising European rail signalling;
ESGIE	means Eurotunnel Services GIE;
ESL	means Eurotunnel Services Limited;
ETICA	means Eurotunnel Incentive for Capacity Additions, a Group system of financial support open to all railway companies launching new cross-channel rail freight or high speed rail passenger services;
Europorte	means all rail-freight operation and ancillary activities carried out by Europorte SAS and its subsidiaries;
Europorte SAS	means Europorte, the holding company of all the Europorte companies;
Eurostar	means the brand name used by Eurostar International Limited for its operation of direct high-speed passenger rail services between the United Kingdom and continental Europe;
Fixed Link	means the fixed link across the English Channel;
FM	means France Manche SA, a Concessionaire company incorporated under French law;
Free Cash Flow	means net cash flow from operating activities less net cash flow from investing activities (retreated) and net cash flow from financing activities relating to the service of the debt plus interest received (on cash and cash equivalents and other financial assets). The calculation is shown in section 2.1.3 of this Registration Document;

GBRf	means GB Railfreight Limited, a company incorporated under English law wholly-owned by Europorte SAS up to its sale in November 2016 to EQT Infrastructure II;
Getlink SE	means Getlink SE (*Societas Europaea*);
GPR Getlink Index	means the Group's sectoral index, created in 2018 by an independent firm specialising in the creation of indices at the request of Getlink SE to measure the relative performance of the Getlink SE ordinary share. The index is based on a panel of shares representative of Getlink's operations and is in accordance with a methodology laid down and conforming with the standards of the EU directive UCITS (Undertakings for Collective Investments in Transferable Securities). The index reference panel is made up of the following operators: Flughafen Zurich AG, Fraport AG Frankfurt Airport Services Worldwide, DFDS A/S, Abertis Infraestructuras SA, Aena SME SA, Ferrovial SA, Aéroports de Paris, Eiffage SA, Électricité de France SA, Engie SA, Vinci SA, Firstgroup PLC, National Grid PLC, Stagecoach Group PLC and Atlantia SpA;
Group	means the group of companies comprising Getlink SE and its subsidiaries;
GSM-R	means Global System for Mobile communications – Railways, a wireless communication standard based on GSM technology and developed specifically for railway communications and applications;
GW	means the gigawatt, a unit of power equal to 10^9 watts;
High Speed 1/HS1	means the high-speed rail link and its infrastructure between London and the British end of the Tunnel;
High-Speed Passenger Train	means Eurostar high-speed passenger train and any other future entrant;
IGC	means the intergovernmental commission, to which the British and French governments appoint an equal number of members, and which was established pursuant to the Treaty of Canterbury and the Concession Agreement in order to supervise the construction and operation of the System on behalf of the States;
Intermodal	means containers or swap bodies carried by train from one terminal to another, then transferred to another mode of transport (boat, road, etc.), also referred to as combined transport;
Interval	means the sections of each rail tunnel between the entry portal and a Crossover Junction or between the two Crossover Junctions;
Lift-On/Lift-Off	means the top-loading method using a crane (for mobile containers and swap bodies);
MOOC	means Massive Online Open Course, the first free online training course open to all and provided by CIFFCO and called "Sur les rails de l'emploi", open since 11 January 2016;
Network Statement	means the document published annually by the Group which sets out the conditions of access to its Railway Network;
NRS	means the notes redeemable in Getlink SE ordinary shares issued by EGP in 2007, the early repayment of which was completed on 17 November 2009;
ORR	means the Office of Rail and Road, the economic regulator of Britain's mainline railway and the health and safety regulator on all Britain's railways as well as monitoring England's strategic highways network. It was previously the Office of Rail Regulation;
Passenger Shuttle Service	means the Group's passenger service, which provides for the transport of cars, motor homes, caravans, coaches, motorcycles, and trailers and, since 2016, commercial vans (and their passengers) on shuttles between the United Kingdom and France;
Passenger Shuttles	means the Shuttles used by the Group for the Passenger Shuttle Service;
Railway Company(ies)	means a licensed company (or undertaking) whose main business is to provide rail transport services for freight and/or passengers;
Railway Network	means the railway network located within the perimeter of the Concession;
Railway Usage Contract	means the railway usage contract dated 29 July 1987 between the Concessionaires and the Railways, governing the relationship between the Group and the Railways and setting out the basis upon which the Railways will use the System for the duration of the Contract;
Railways	means, together, SNCF and BRB;
Registration Document	means this registration document relating to Getlink SE;
Roll-On/Roll-Off	means the method of horizontal loading on wheels (for trucks and trailers);
SAFE	means the fire-fighting stations, specially fitted areas in the Tunnel intended to facilitate the management of a fire;
Safety Authority	means the authority established pursuant to the Treaty of Canterbury and the Concession Agreement to advise and assist the IGC on all matters concerning the safety of the construction and operation of the System;
Salamandre Plan	means the set procedures designed to prevent and optimise control of risks pertaining to fire in the Tunnel;
SCOP	means a cooperative company which refers to a worker owned company in which majority shareholders are employees;

Senior Independent Director	means an independent board member, appointed to assist the Chairman and Chief Executive Officer, on the proper functioning of the governing bodies and the prevention of potential conflicts of interest and whose duties are set out in chapter 4 of this Registration Document;
Senior Secured Notes	means €550 million 3.625% Senior Secured Notes issued by Getlink SE on 3 October 2018. The Notes are listed on the Official List of the Irish Stock Exchange (trading as Euronext Dublin) and are admitted to trading on the Global Exchange Market thereof. The Notes align with the June 2018 version of the International Capital Markets Association's Green Bonds Principles and are therefore considered "green" bonds;
Short Straits	means any passenger or freight link connecting Dover, Folkestone or Ramsgate to Calais, Boulogne-sur-Mer, Ostende or Dunkirk;
Shuttle Service(s)	means the Truck Shuttle Services and the Passenger Shuttle Services;
Shuttles	means the Truck Shuttles and the Passenger Shuttles;
SMS	means Safety Management System;
SNCB	means Société Nationale des Chemins de Fer Belges;
SNCF	means Société Nationale des Chemins de Fer Français;
SNCF Réseau (previously RFF)	means the former EPIC (French public industrial and commercial institution) owner and manager of rail infrastructure in France, Réseau Ferré de France, that under article 12 of the law of 4 August 2014, became SNCF Réseau. This amendment created a public rail group, headed up by a public body (SNCF) which controls and directs the strategy, economic consistency, industrial integration and social unity of the group and that of its two subsidiaries: the manager of the rail infrastructure (SNCF Réseau) and the rail operator (SNCF Mobilités);
States	means the French Republic and the United Kingdom of Great Britain and Northern Ireland;
Sustainable development	means a type of economic growth which seeks to reconcile economic and social progress with the protection of the environment, understanding the latter as being the inheritance to be passed on to future generations. The principle of sustainable development involves the development of the business whilst taking into account its short, medium and long-term impact on the environment, social conditions and ethics;
System	means the system made up of the Tunnel together with the related terminals, fixed equipment and installations;
Term Loan	means the term loan, the main characteristics of which are described in section 8.1.4 of this Registration Document;
TNU	means the group of companies comprising TNU SA and TNU PLC merged with Getlink SE in 2009 and 2010;
TNU PLC	means TNU PLC, formerly Eurotunnel P.L.C. merged with Getlink SE on 31 October 2010 and subsequently dissolved;
TNU SA	means TNU SA, formerly Eurotunnel SA, merged with Getlink SE on 6 May 2009 and subsequently dissolved;
Train Operators' Rail Freight Services	means the rail freight services between the United Kingdom and continental Europe operated by Railway Companies such as SNCF, DB Cargo, GB Railfreight, Rail Operations Group, RailAdventure and Europorte, and potentially any freight train operator in open access;
Treaty of Canterbury	means the Treaty between United Kingdom and France, signed on 12 February 1986 and ratified on 29 July 1987, authorising the construction and operation by the private concessionaires of the Fixed Link;
Truck Shuttle Service	means the Group's road freight service, which provides for the transport of trucks on Shuttles between the United Kingdom and France;
Truck Shuttles	means the Shuttles used by the Group for the Truck Shuttle Service;
Tunnel	means the two rail tunnels and the service tunnel under the English Channel.

REGISTRATION DOCUMENT CHECKLIST

The number of the chapter, section or paragraph of this Registration Document containing the information referred to under each heading of Annex I of Commission Regulation (EC) no. 809/2004 of 29 April 2004 are set out in the following table.

Number	Heading as set out in the Regulation	Chapter(s)/section(s)
1	**Persons responsible**	**section 8.5**
1.1	Persons responsible for the information contained in the Registration Document	section 8.5.1
1.2	Declaration by those responsible for the Registration Document	section 8.5.2
2	**Statutory auditors**	**section 8.4**
2.1	Names and addresses of the issuer's statutory auditors	section 8.4
2.2	Statutory auditors having resigned or having been removed during the period covered	not applicable
3	**Selected financial information**	**section 1.1.4**
3.1	Selected historical financial information	section 1.1.4
3.2	Selected financial information for the interim periods, and comparative data covering the same period in the prior financial year	section 1.1.4
4	**Risk factors**	**chapter 3**
5	**Information about the issuer**	**sections 1.1 and 1.6.2**
5.1	History and development of the issuer	section 1.1.1
5.1.1	*Legal and commercial name of the issuer*	section 1.1.3
5.1.2	*Place of registration and registration number of the issuer*	section 1.1.3
5.1.3	*Date of incorporation and length of life of the issuer*	section 1.1.3
5.1.4	*Domicile and legal form of the issuer, legislation under which it operates, country of incorporation, address and telephone number of its registered office*	section 1.1.3
5.1.5	*Important events in the development of the issuer's business*	section 2.2.1 (note A)
5.2	Investments	section 1.6.2
5.2.1	*Principal investments made by the issuer for each financial year for the period covered by the historical financial information*	section 1.6.2 a)
5.2.2	*Principal investments of the issuer that are currently in progress*	section 1.6.2
5.2.3	*Information concerning the issuer's principal future investments on which it has already made firm commitments*	section 1.6.2 b)
6	**Business overview**	**chapter 1**
6.1	Principal activities	sections 1.2, 1.3, 1.4 and 1.5
6.1.1	*Nature of the operations and principal activities performed by the issuer*	sections 1.2 to 1.6
6.1.2	*Significant new products and/or services introduced into the market*	sections 1.2 to 1.6
6.2	Principal markets	sections 1.2 to 1.6
6.3	Exceptional factors which have influenced the information provided pursuant to items 6.1 and 6.2	sections 2.2.1 (note A) and 3.1.1
6.4	Extent of the issuer's dependence on patents and licences, industrial, commercial or financial contracts, or new manufacturing processes	section 1.6.3
6.5	Basis for any statement made by the issuer regarding its competitive position	section 1.2.1
7	**Organisational structure**	**section 1.1.3**
7.1	Description of the Group and the issuer's position within the Group	section 1.1.3
7.2	List of the issuer's significant subsidiaries	sections 1.1.3 and 8.3
8	**Property, plants and equipment**	**section 1.6**
8.1	Information regarding any existing or planned material tangible fixed assets, including leased properties	section 1.6.1
8.2	Environmental issues that may affect the issuer's utilisation of the tangible fixed assets	section 6.8
9	**Operating and financial review**	**section 2.1**
9.1	The issuer's financial condition, changes in financial condition, and results of operations conducted during each financial year and interim period for which historical financial information is required	sections 1.1.4 and 2.1[34]
9.2	Operating results	section 2.1.1

[34] *In application of Article 28-1 of Regulation 809/2004/EC of the European Commission, the operating and financial review for the 2017 financial year has been incorporated by reference in this Registration Document. It appears in chapter 2 of the 2017 Registration Document.*

Number	Heading as set out in the Regulation	Chapter(s)/section(s)
9.2.1	*Significant factors including unusual or infrequent events or new developments materially influencing the issuer's income from operations*	sections 2.1 and 2.2.1 (note A)
9.2.2	*Material changes in net sales or revenues and explanations thereof*	section 2.1.1
9.2.3	*Strategy or governmental, economic, fiscal, monetary or political factors that have substantially influenced or could substantially influence the issuer's operations*	section 3.1.1
10	**Capital resources**	**chapter 2**
10.1	Information on the issuer's capital resources (short and long-term)	section 2.1.2
10.2	Sources and amounts of the issuer's cash flows	section 2.1.3
10.3	Information on the borrowing requirements and funding structure of the issuer	sections 8.1.4, 8.1.5 and 2.2.1 (note G)
10.4	Information on any restriction on the use of capital resources	sections 8.1.4, 8.1.5 and 2.2.1 (note G)
10.5	Information concerning the anticipated sources of funds	section 1.6.2 b)
11	**Research and development, patents and licences**	**section 1.6.3**
	Description of the research and development policies and the amount spent on issuer-sponsored research and development activities	
12	**Trend information**	**section 2.3**
12.1	Significant trends in production, sales and inventory, and costs and selling prices since the end of the last financial year up to the date of the Registration Document	
12.2	Known trends, uncertainty, demand, commitment or event that are reasonably likely to have a material effect on the issuer's prospects, for at least the current financial year	
13	**Profit forecasts or estimates**	**not applicable**
13.1	Statement setting out the principal assumptions upon which the issuer based its forecast, or estimate	not applicable
13.2	Report prepared by independent accountants or auditors stating that, in the opinion of the independent accountants or auditors, the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer	not applicable
14	**Administrative, management and supervisory bodies and senior management**	**chapter 4**
14.1	Information on the activities, absence of convictions and the roles of: ▪ members of the administrative, management or supervisory bodies and senior management; and ▪ any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business	sections 4.2.1 and 4.2.4
14.2	Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management	section 4.2.2
	Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any of the persons referred to in item 14.1 was selected as a member of an administrative, management or supervisory board or as a member of senior management; details of any restriction accepted by the persons described in item 14.1 concerning the sale, within a certain period of time, of their holdings in the securities of the issuer	none
15	**Remuneration and benefits of persons described in point 14.1**	**chapter 5**
15.1	The amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	section 5.1.2
15.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	section 5.1.4
16	**Board practices**	**chapter 4**
16.1	The date of expiration of the current term of office of members of the administrative, management or supervisory bodies	section 4.2.1
16.2	Information about service contracts of members of the administrative, management or supervisory bodies	section 4.1.2
16.3	Information about the issuer's audit committee and remuneration committee	section 4.2.5
16.4	Statement indicating whether or not the issuer is in compliance with its country's incorporation corporate governance regime	section 4.4
17	**Employees**	**section 6.3**
17.1	Number of employees at the end of the period covered by the historical financial information or the average for each financial year of this period and breakdown of the employees	section 6.9.1

Number	Heading as set out in the Regulation	Chapter(s)/section(s)
17.2	Shareholding and stock options:	section 4.2.3
	With respect to each person referred to in item 14.1, information as to their share ownership and any options over such shares in the issuer	section 5.3 and 7.1.4
17.3	Arrangements for involving the employees in the capital of the issuer	section 6.3.2
18	**Major shareholders**	**section 7.4**
18.1	Identity of any person other than a member of the administrative, management or supervisory bodies who holds, directly or indirectly, an interest in the capital or voting rights in the issuer which is notifiable under the applicable national laws governing the issuer	section 7.4.1
18.2	The existence of different voting rights	sections 8.2.2 and 8.2.4
18.3	Ownership or control of the issuer and the measures taken to ensure that such control is not abused	section 3.1.4.e)
18.4	Arrangements, the operation of which may result in a change in control of the issuer	not applicable
19	**Related party transactions**	**section 8.3**
20	**Financial information concerning the issuer's assets and liabilities, financial position and profit and losses**	**chapter 2**
20.1	Historical financial information	section 2.2
20.2	Pro forma financial information	none
20.3	Financial statements (company accounts and consolidated accounts)	section 2.2
20.4	Auditing of historical annual financial information	section 2.5
20.4.1	*Statement that the historical financial information has been audited*	section 8.5.2
20.4.2	*Other information contained in the registration document which has been audited by the auditors*	sections 4.3 and 6.10
20.4.3	*Where financial information contained in the registration document is not taken from the issuer's audited financial statements, state the source and state that the data is unaudited*	not applicable
20.5	Date of the latest audited financial information	section 2.2
20.6	Interim and other financial information	none
20.7	Dividend policy	section 7.2
20.7.1	*Dividend per share*	section 7.2
20.8	Legal and arbitration proceedings	section 3.2
20.9	Any significant change in the financial or trading position of the group which has occurred since the end of the last financial year	section 2.1
21	**Additional information**	**chapters 7 and 8**
21.1	Share capital	section 7.1
21.1.1	*The amount of share capital subscribed for, the number of shares issued, their nominal value and difference between the number of shares in circulation at the beginning of the financial year and at the end*	section 7.1.1
21.1.2	*Shares not representing capital*	section 7.1.3
21.1.3	*The number, book value and face value of the shares held by the issuer or its subsidiaries*	section 7.3.2
21.1.4	*Convertible or exchangeable securities or securities with warrants*	section 7.1.3
21.1.5	*Information about and terms of any acquisition rights and obligation attached to the capital subscribed but not paid up, or undertaking to increase the capital*	section 7.1.4
21.1.6	*Information on the capital of any member of the group that is subject to an option or to an agreement providing for the capital to be subject to an option*	section 7.1.4
21.1.7	*History of the share capital for the period covered by the historical financial information*	section 7.1.5
21.2	Memorandum and Articles of Association	section 8.2
21.2.1	*Description of the issuer's objects and corporate purpose*	section 8.2.1
21.2.2	*Members of the administrative, management and supervisory bodies*	section 4.2.5
21.2.3	*Rights, preferences and restrictions attached to each class of existing shares*	section 8.2.2
21.2.4	*Number of shares required to modify the rights of the shareholders*	section 8.2.4
21.2.5	*Conditions for admission to, and calling of annual general meetings and special meetings of shareholders*	sections 4.5 and 8.2.4
21.2.6	*By-laws provisions that could have the effect of delaying, deferring or preventing a change of control*	none
21.2.7	*By-laws provisions fixing the minimum thresholds for disclosure of shareholder ownership*	none

Number	Heading as set out in the Regulation	Chapter(s)/section(s)
21.2.8	*By-laws provisions regarding the modification of the capital, where such conditions are more strict than those required by law*	none
22	**Material contracts**	**section 8.1**
23	**Third party information, statement by experts and declarations of any interest**	**section 8.6**
24	**Documents on display**	**section 8.7**
25	**Information on holdings**	**section 8.3**
	Information concerning companies in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	section 8.3

TABLE OF CROSS-REFERENCES

This Registration Document includes all the components of the Getlink SE management report required by articles L. 225-100 et seq., including article L. 225-100-I relating to the non-financial performance statement, L. 232-1, II and R. 225-102 of the French Commercial Code. The corporate governance report, the content of which is set out in articles L. 225-37 et seq. of the French Commercial Code, is included in this report. This Registration Document also contains all the information from the annual financial report required by articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulations.

In order to make it easier to read the management and annual financial reports mentioned above, the following table of cross references identifies the sections which make up those reports. The table of cross references also covers the other reports of the Board and of the statutory auditors.

Number	Information	Reference
I	MANAGEMENT REPORT	
1	Situation and business of Getlink SE during the current financial year and, if applicable, of its subsidiaries and the companies it controls	chapter 1 sections 2.1 and 2.2 note A to the accounts contained in sections 2.2.1 and 2.2.2
2	Amendments made to the presentation of the accounts or the assessment method used in prior years	note B to the accounts contained in sections 2.2.1 and 2.2.2
3	Results from the business activities of Getlink SE, its subsidiaries and companies it controls	sections 2.1, 2.2.1 and 2.2.2
4	Key financial performance indicators	sections 2.1.1.a), 2.1.3 and 2.1.4
5	Analysis of the development of business, results and financial situation	section 2.1
6	Progress made or difficulties encountered	section 2.1 and chapter 1
7	Description of the main risks and uncertainties facing Getlink SE (including Getlink SE's exposure to financial risks)	chapter 3
8	Delay in payments customers and suppliers	section 2.4
9	Internal control and risk management procedures put in place by the company, including in particular those relating to the preparation and treatment of financial and accounting information in the statutory accounts and, if applicable, the consolidated accounts	section 3.4
10	Financial risks linked to the effects of climate change and the measures taken to reduce them by implementing a low-carbon strategy in all the elements of its operation	sections 6.5
11	Indications concerning the use of financial instruments and aims and policy of Getlink SE relating to the management of financial risks	sections 3.1.3 and 3.4.2
12	Important events that have occurred since the end of the financial year	section 2.3
13	Anticipated developments concerning Getlink SE and prospects for the future	section 2.3
14	Research and development activities	section 1.6.3
15	Dealings in Getlink SE securities by directors	section 4.2.3
16	Key environmental and social indicators	chapter 6
17	Non-financial performance statement	section 6.2
	▪ Business model	section 1.1.2
	▪ Description of the main risks linked to the company's or group of companies' operations including when relevant and proportionate, the risks created by its business dealings, products and services	section 6.1
	▪ Description of the policies applied by the company or group of companies including as the case may be due diligence procedures put in place to prevent, identify and mitigate the occurrence of risks	sections 6.3 to 6.6
	▪ Results of the policies including key performance indicators	sections 6.3 to 6.6
	▪ Independent third party report	section 6.10
18	Employees shareholdings	sections 7.1.4
19	Company operating classified installations: information on the policy to prevent the risk of technological accidents and the means planned to ensure the management and compensation of victims	not applicable
20	Holdings in any company having their registered office in France representing more than $^1/_{20}$, $^1/_{10}$, $^1/_5$, $^1/_3$, $^1/_2$ or $^2/_3$ of the share capital or the voting rights of such company	section 8.3
21	Disposals of shares for the purpose of regularising cross-holdings	not applicable

Number	Information	Reference
22	Natural or legal persons holding directly or indirectly more than $^{1}/_{20}$, $^{1}/_{10}$, $^{3}/_{20}$, $^{1}/_{5}$, $^{1}/_{4}$, $^{1}/_{3}$, $^{1}/_{2}$, $^{2}/_{3}$ or $^{19}/_{20}$ of the share capital or the Getlink SE voting rights at general meetings	section 7.4
23	Injunctions or fines for anti-competitive practices	not applicable
24	Elements for the calculations and results of the adjustment of the basis of conversion or exercise of securities giving access to the share capital and options to subscribe for or purchase shares	not applicable
25	Information on share buyback programmes [35]	section 7.3
26	Table of results of Getlink SE over the course of the past five financial years	section 2.4
27	Amount of dividends distributed over the last three financial years	section 7.2
28	Information on shareholdings	section 8.3
II	**ANNUAL CORPORATE GOVERNANCE REPORT**	
1	List of appointments and offices held by each director in any company during the past financial year	section 4.2.1
2	Agreements entered into, directly or via an intermediary, between a director or a shareholder holding at least 10% of the voting rights of a company on the one hand and any other company of which the former holds at least half its share capital on the other hand, with the exception of agreements relating to current operations and concluded at arm's length	section 4.3
3	Table summarising of the delegations currently in force agreed by the shareholders in general meeting in relation to increases in capital in application of articles L. 225-129-1 and L .225-129-2, stating those of which use has been made during the financial year	sections 4.5 and 7.1.4
4	On the occasion of the first report or in case of amendment, the choice made between the two types of general management set out in article L. 225-51-1	section 4.1.1
5	Composition and terms applicable to the preparation and work of the Board	section 4.2.5
6	Diversity policy applicable to the Board of Directors	section 4.2.5
7	Limitations imposed by the Board on the powers of the Chief Executive Officer	section 4.1.1
8	When a company chooses to comply with a governance code drawn up by organisations representing businesses, the provisions that have not been followed and the reasons therefor, as well as the place where the code may be consulted	section 4.4
9	Particular arrangements for shareholders to attend general meetings or the provisions of the bylaws setting out those arrangements	sections 4.5 and 8.2.4
10	For each of the corporate officers,	
	▪ Total remuneration and benefits of any nature paid by the company during the financial year, including by allotment of capital securities, debt instruments or any other securities giving access to the equity of the company or companies mentioned in articles L. 228-13 and L. 228-93.	sections 5.1 and 5.2
	▪ Separate description of each of the fixed, variable and exceptional elements that make up such remuneration as well as the criteria used to calculate them or the circumstances followed which they have been allocated	sections 5.1.1 and 5.1.2
	▪ Commitments of any kind undertaken for the benefit of the corporate officers, whether by way of remuneration, indemnities or benefits due or owing as a result of taking up, leaving or changing their role or following any such events, including retirement or other lifetime benefits	section 4.2.8
11	Presentation and if applicable explanation of the following elements when likely to have an impact on any public purchase or exchange offer:	
	▪ Structure of the capital of Getlink SE;	section 7.4
	▪ Statutory restrictions on the exercise of voting rights, transfers of shares, and provisions of agreements of which Getlink SE is made aware pursuant to article L. 233-11 of the French Commercial Code;	sections 8.2.2 and 8.2.4
	▪ Direct or indirect holdings in the capital of Getlink SE, of which Getlink SE is aware in accordance with articles L. 233-7 and L. 233-12 of the French Commercial Code;	section 7.4
	▪ List of holders of all securities carrying special rights of control and a description of those rights;	not applicable
	▪ Control mechanism in any employee share ownership scheme where such control rights are not exercised by employees;	not applicable
	▪ Agreements between shareholders of which Getlink SE is aware and which may involve restrictions on the transfer of shares and the exercise of voting rights;	not applicable

[35] *This information includes average prices of sales and purchases, the total amount of brokering fees, the number of shares registered in the name of Getlink SE at the end of the financial year and their estimated market value as well as their nominal value, reasons for the acquisitions made and the fraction of capital they represent.*

Number	Information	Reference
	▪ Rules applicable to the appointment and replacement of members of the board of directors, as well as amendment of the by-laws of Getlink SE;	sections 4.2.5, 4.5 and 8.2.4
	▪ Powers of the board of directors, in particular the issue or buyback of shares;	sections 4.2.5.a) and 7.3
	▪ Agreements entered into by Getlink SE which may be amended or terminated on a change of control, except if such disclosure could harm its interests and is not legally required;	section 8.1.5.c)
	▪ Agreements providing for indemnities to be paid to members of the board of directors or employees if they resign or are dismissed without cause or if their employment is terminated as a result of a public purchase or exchange offer.	none
12	Presentation of the planned resolutions relating to the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional elements that make up total remuneration and benefits of any kind that may be allocated to the Chairman, Chief Executive Officers and Deputy CEOs by reason of their office	section 5.1.1
13	For each of the corporate officers of the Société Anonyme who have at least one office in a company whose shares are admitted to trading on a regulated market, the information set out in article L. 225-37-3 of the French Commercial Code (cf previously) on remuneration and benefits must be communicated	section 4.2.8
III	**ANNUAL FINANCIAL REPORT**	
1	Company accounts	section 2.2.2
2	Consolidated accounts	section 2.2.1
3	Statutory auditors' report on the company accounts	section 2.2.2
4	Statutory auditors' report on the consolidated accounts	section 2.2.1
5	Management report including at least the information referred to in articles L. 225-100 and L. 225-211 paragraph 2 of the French Commercial Code	please refer to the management report mentioned in I above
	Declaration of the persons responsible for the management report	section 8.5
6	Statutory auditors' fees	section 2.2.1 (note J)
7	Report on corporate governance	please refer to the corporate report mentioned in II above
IV	**OTHER REPORTS**	
1	Statutory auditors' special report on regulated agreements	section 4.3
2	Independent third party's attestation of disclosure and limited assurance report on the social, environmental and societal information published in the management report	section 6.10

GETLINK SE
European Company with a capital of €220,000,007.20
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