2017

Registration Document

Groupe Eurotunnel SE

GETLINK

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GROUPE EUROTUNNEL SE

GETLINK

2017 Registration Document *

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

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 13 March 2018. 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 Groupe Eurotunnel SE. This Registration Document can also be viewed on the websites of the AMF (www.amf-france.org) and Groupe Eurotunnel 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 2017 (£1=€1.127) for balance sheet items, or the average rate for 2017 (£1=€1.140) 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:

- Groupe Eurotunnel 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 Groupe Eurotunnel SE's Registration Document for 2016 filed with the AMF on 17 March 2017;
- Groupe Eurotunnel 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 Groupe Eurotunnel SE's Registration Document for 2016 filed with the AMF on 17 March 2017;
- Groupe Eurotunnel SE's consolidated accounts for the year ended 31 December 2015 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 2015, are included in Groupe Eurotunnel SE's Registration Document for 2015 filed with the AMF on 10 March 2016; and
- Groupe Eurotunnel SE's parent company accounts for the year ended 31 December 2015 prepared in accordance with French accounting standards and the report of the statutory auditors thereon are included in Groupe Eurotunnel SE's Registration Document for 2015 filed with the AMF on 10 March 2016.

* *This document (the "2017 Registration Document") is a free English language translation of Groupe Eurotunnel SE's "Document de Référence 2017" filed with the AMF on 13 March 2018. In the event of any inconsistencies between this document and the original French document, the text of the French document shall be considered authoritative.*

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The term “Groupe Eurotunnel SE” or “GET SE” in this Reference Document refers to the holding company which is governed by French law. The term “Group” or “Getlink” refers to the economic grouping consisting of Groupe Eurotunnel SE and all its subsidiaries.

Unless otherwise indicated, the information in this Registration Document originates from sources within the Group.

Key abbreviations

km = kilometres

km/h = kilometres per hour

1 PRESENTATION OF THE GROUP AND ITS BUSINESSES

1 PRESENTATION OF THE GROUP AND ITS BUSINESSES

1.1 PROFILE

1.1.1 GETLINK TODAY

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

In 23 years, the Tunnel has fundamentally changed commercial exchanges between the United Kingdom and continental Europe by enabling the development of new integrated cross-border logistics chains, as well as access to new markets to be opened up[1]: 30% of British exports to the European Union (some €54.8 billion) and 22% of imports from the European Union (approximately €60 billion) depend on the rapidity and the reliability of the Tunnel. Exports transiting through the Tunnel alone help to support 220,000 jobs in the United Kingdom.

The Tunnel allows, every year, more than 20 million passengers to cross the Channel aboard Le Shuttle Passenger Shuttles and Eurostar passenger trains. The economic footprint generated by the tourists that travel through the Tunnel is estimated at €2.1 billion, contributing to 45,000 additional jobs in the United Kingdom.

The Group was created in 1986 with the signing of the Concession Agreement, which granted the Franco British consortium of France Manche SA and The Channel Tunnel Group Limited the construction, financing and operation of the Channel Tunnel. The operation of the Tunnel started in 1994. In 2007 a new holding company, Groupe Eurotunnel SA (GET 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 (which has since become Groupe Eurotunnel SE) in May 2009 and October 2010 respectively.

On 20 November 2017, the Group became Getlink. 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 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 reactiveness of its teams.
- Green: Getlink operates some of the most environmentally-friendly mobility solutions and infrastructures and the Group is currently 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 THE GROUP'S STRUCTURE

Groupe Eurotunnel SE (GET 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. GET SE is registered with the Paris Trade and Companies Registry under registration number 483 385 142 (SIRET: 48338514200052, NAF code: 6420Z, LEI: 9695007ZEQ7M0OE74G82). The registered office of GET SE is located at 3 rue La Boétie, 75008 Paris, France.

The legal structure of GET 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 the issuer's name changed to Groupe Eurotunnel SE. As a European company, Groupe Eurotunnel SE is a member of ASEP, the Alliance for the Promotion of European Companies.

The ordinary shares issued by Groupe Eurotunnel 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.

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

Under the umbrella of the parent company Groupe Eurotunnel SE, Getlink groups together the following commercial brands:

- Eurotunnel, leader in cross-Channel exchanges (Eurotunnel Le Shuttle and Eurotunnel Le Shuttle Freight),
- Europorte, the leading private rail freight operator in France,
- ElecLink, the future electrical interconnector between the United Kingdom and France, and
- CIFFCO, the first private training centre dedicated to rail industry professions.

On 31 December 2017, as shown in the following chart, the Group consists of a total of 54 subsidiaries, including 21 located in France and 30 located in the United Kingdom.

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[1] *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.*

In 2017, the Group was organised around the following three business sectors:

- the cross-Channel Fixed Link Concession segment known as the “Fixed Link”,
- the Europorte rail freight segment, and
- the ElecLink segment.

The Fixed Link segment

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 current bank financing agreements.

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 6.2 of this Registration Document.

Centre International de Formation Ferroviaire de la Côte d’Opale (CIFFCO) supplies professional training services in the rail sector as described in section 6. 2 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 no longer active.

Euro-Immo GET SAS manages and develops property assets and performs associated activities. Euro-Immo GET SAS absorbed Société Immobilière et Foncière Eurotunnel (SIFE) in 2017.

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

The Cheriton Resources companies are finance or investment companies and are mostly inactive. 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.

Eurotunnel Agent Services Limited holds bonds purchased on the market by the Group. It held the floating rate notes until their redemption in June 2017 as described in note G.1.1.a to the consolidated financial statements contained in section 2.2.1 of this Registration Document and holds the G2 bonds as mentioned in note A.1.2 to the consolidated financial statements contained in section 2.2.1 of this Registration Document.

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), 20% of the share capital of Manutention Transport Service SAS (MTS) and EuroSco (management of the rolling stock belonging to the Europorte companies).

Bourgogne Fret Services, a subsidiary initially created with Cérévia, was acquired 100% by EPF in 2017. EPF, as sole partner, decided the early dissolution of Bourgogne Fret Services.

GB Railfreight Limited (GBRf), a rail freight operator in the United Kingdom, was sold on 15 November 2016.

The ElecLink segment

ElecLink’s corporate purpose is the construction and operation of a 1,000 MW 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 at the beginning of 2020. GET Elec Limited, a subsidiary of GET SE, holds the entire share capital of ElecLink Limited.

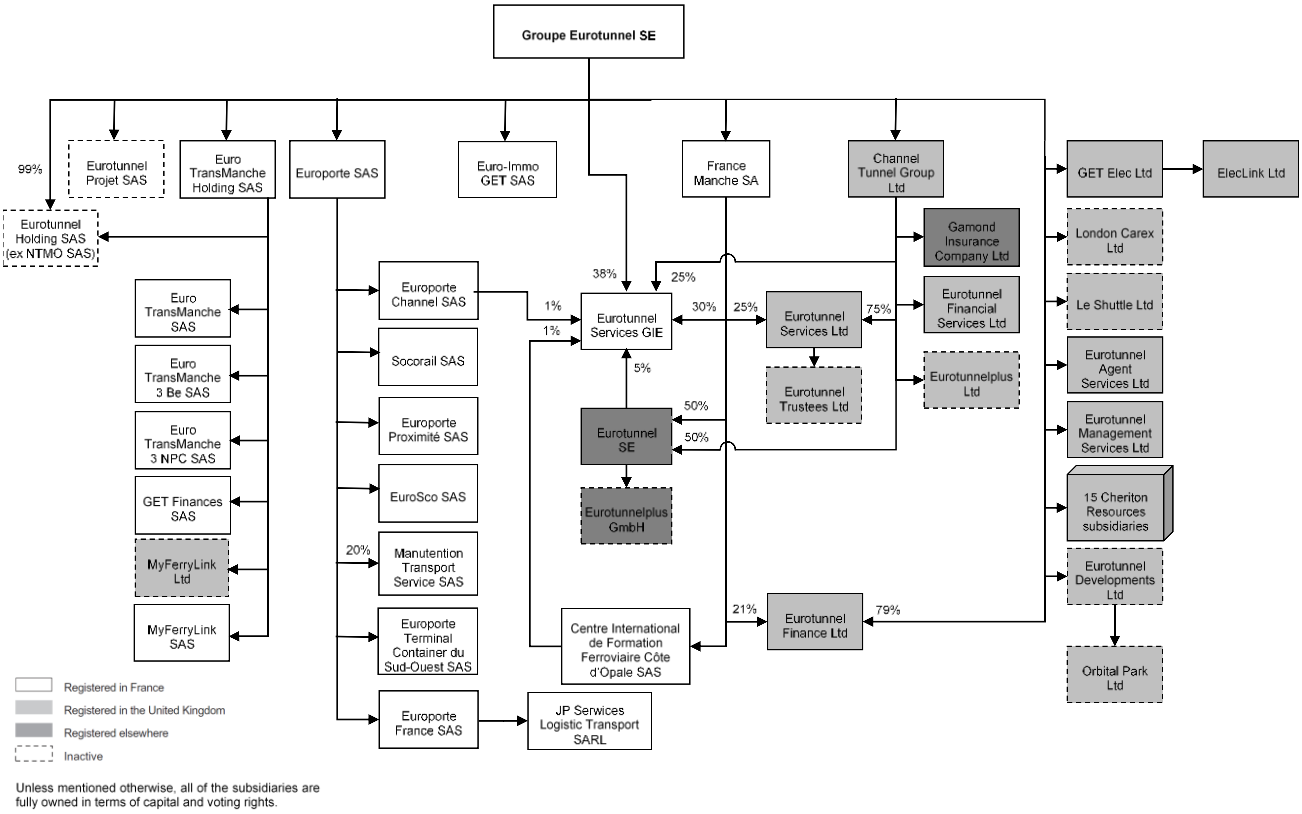
The maritime segment

The Group discontinued its maritime business. On 23 June 2017, the Group sold the vessels Berlioz and Rodin to DFDS A/S and on 10 July 2017, the Nord-Pas-de-Calais was sold to Vansea Shipping Company Limited.

The holding company Euro-TransManche Holding SAS groups together:

- the entities that previously owned the ferries (Euro-TransManche, Euro-TransManche 3Be, Euro-TransManche 3NPC); and
- MyFerryLink SAS which used to carry out the marketing activity.

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



Planned 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 intends to evolve its legal structure so that its main activity, namely the operation of the Fixed Link, is in a different sub-group to the other sectors in the Group; they will be managed and financed separately from the Fixed Link activity.

This internal reorganisation should enable Groupe Eurotunnel SE to be released from its commitments as guarantor under the Term Loan described in section 8.1.4 of this Registration Document. It should also enable a more flexible funding structure to be put in place in future that is more suitable for the Group's development needs.

This evolution is set against the background of the long-term strategy begun by the Group with the aim of developing its core businesses, namely transport infrastructure and operations. It follows the operations begun in December 2015 with the withdrawal of two monolines, followed in 2017 by the refinancing of the variable rate debt, which enabled interest payments to be reduced by €50 million a year and the average cost of the debt to drop below 4%, and then on 7 February 2018 by the conclusion of an agreement to buy the G2 bonds back from FMS with the possibility of acquiring before 2025 all or part of the G1 and/or G3 bonds held by FMS.

The objective is to put a more flexible financing structure in place that will allow the Group to develop and deepen its strategy along the same lines as the ElecLink project.

The reorganisation will involve transferring the companies in the Fixed Link GET SE group to Eurotunnel Holding SAS (in the GET SE consolidated tax group), which will become the new holding company for the Eurotunnel sub-group and the holder of the debt obligations of the Term Loan which currently reside with GET SE.

In order to do this, the shares held by Groupe Eurotunnel SE in the Concessionaires, FM and CTG, will be the subject of an intra-Group contribution in kind agreement in favour of Eurotunnel Holding SAS. This operation will be accompanied by reclassifications, and in particular of the shares of ESGIE and EFL, as well as of certain other intra-Group obligations.

The implementation of certain operations relating to the reorganisation is subject to the prior approval of the Majority Lenders acting on the instructions of Assured Guaranty (Europe) Ltd as Controlling Creditor. Assured Guaranty (Europe) Ltd has given its prior approval subject to certain conditions.

1.1.3 SELECTED FINANCIAL INFORMATION

The tables below are extracted from the Groupe Eurotunnel SE consolidated income statements, statements of financial position and cash flow statements for the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015. For more information, see chapter 2 of this Registration Document.

Consolidated revenue

Group consolidated revenue for 2017 comprises the following main sources of income:

- the Fixed Link 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 made 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.

The 2017 Group revenue breakdown is as follows:

€ million	31 December 2017	31 December 2016	31 December * 2015
Exchange rate €/£	1.140	1.216	1.375
Shuttle Services	604	603	580
Railway Network	293	290	319
Other revenue	18	14	16
Sub-total Fixed Link Concession	**915**	**907**	**915**
Europorte	118	116	123
Revenue	**1,033**	**1,023**	**1,038**

* *Restated in application of IFRS 5 following the sale of GB Railfreight Limited (see note C.2.1 to the Group's consolidated financial statements in section 2.2.1 of this Registration Document).*

Summary income statements

€ million	31 December 2017	31 December 2016	31 December * 2015
Exchange rate €/£	1.140	1.216	1.375
Revenue	1,033	1,023	1,038
Operating costs	(507)	(509)	(518)
Operating margin (EBITDA)	**526**	**514**	**520**
Depreciation	(152)	(150)	(144)
Trading profit	**374**	**364**	**376**
Other net operating (charges)/income	(9)	37	(2)
Operating profit (EBIT)	**365**	**401**	**374**
Share of net result of equity accounted companies	–	(1)	(1)
Net finance cost	(270)	(262)	(261)
Net other financial (charges)/income	(43)	16	(8)
Pre-tax profit from continuing operations	**52**	**154**	**104**
Income tax expense of continuing operations	56	(18)	(8)
Net profit from continuing operations	**108**	**136**	**96**
Net profit from discontinued operations	5	64	4
Net profit for the year	**113**	**200**	**100**

* *Restated in application of IFRS 5 following the sale of GB Railfreight Limited (see note C.2.1 to the Group's consolidated financial statements in section 2.2.1 of this Registration Document).*

Summary statements of financial position

€ million	31 December 2017	31 December 2016	31 December 2015
Exchange rate €/£	1.127	1.168	1.362
Intangible assets and property, plant and equipment	6,493	6,366	6,376
Other non-current assets	229	280	320
Total non-current assets	**6,722**	**6,646**	**6,696**
Trade and related receivables	96	94	129
Other current assets	61	172	67
Assets held for sale	–	–	65
Cash and cash equivalents	613	347	406
Total current assets	**770**	**613**	**667**
Total assets	**7,492**	**7,259**	**7,363**
Total equity	2,051	1,812	1,663
Total financial liabilities	4,346	3,786	4,161
Interest rate derivatives	716	1,309	1,170
Other liabilities	379	352	369
Total equity and liabilities	**7,492**	**7,259**	**7,363**

Summary cash flow statements

€ million	31 December 2017	31 December 2016	31 December 2015
Exchange rate €/£	1.127	1.168	1.362
Net cash inflow from trading	539	532	556
Other operating cash flows and taxation	(7)	(32)	(12)
Net cash inflow from operating activities	**532**	**500**	**544**
Net cash outflow from investing activities	(277)	(94)	(106)
Net cash inflow from financing activities	16	(425)	(432)
Increase/(decrease) in cash in year	**271**	**(19)**	**6**

1.1.4 GROUP STRATEGY

Since its creation, the Group has continually evolved and since 2010 has enjoyed a period of quite remarkable growth as it has constantly sought to grow and create value, guided by an entrepreneurial spirit.

As indicated in an EY study of October 2016[2], "*The Channel Tunnel is an essential part of the UK's transport infrastructure that has revolutionised the country's physical accessibility to continental European markets. Since its opening in 1994, the Channel Tunnel has seen 300 million tonnes of goods, more than 23 million trucks, and 38 million tonnes of rail freight. The opening of the Tunnel has had far reaching economic consequences, enabling the development of new and varied business models. It has enabled the development of integrated cross-border supply chains in sectors such as manufacturing and retail, driving gains in productivity, and delivering clear and direct benefits to the UK economy. It has also helped to facilitate online purchasing, as express delivery companies ship goods to UK consumers via European hubs. The Tunnel has revolutionised business travel, with Eurostar services providing a fast and reliable service to Paris, Brussels and beyond. This has supported businesses in maintaining relationships with overseas customers whilst reducing travel time and cost. The opening of the first completed section of High Speed 1 in 2003, and its completion to St Pancras International in 2007, resulted in considerable reductions in journey times and, for a number of destinations, Eurostar is now faster than air travel.*"

Recent history and context

Attractiveness of a unique infrastructure

The Group has seen outstanding growth in its Shuttle Services since 2010. During that time yields have also increased, 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 since the toll is based on passenger numbers with inflation contributing to revenue growth to a certain extent.

At an industrial level, the Group has been able to absorb this growth while maintaining the high quality of service that has under-pinned its success for nearly 25 years.

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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.*

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

- in rail freight with Europorte in France, and GBRf in the United Kingdom which was sold in 2016 with a return on investment in excess of 28%;
- with ElecLink, the electrical interconnector project between France and the United Kingdom. The Group acquired full control of this project in 2016 and work is now well under way.

A strategic plan for the 21st century

A mobility player of its time

Getlink and the Concession are at the very heart of the changes facing passenger and goods transport this century, with two key challenges emerging: energy transition and the digitalisation of the economy and the customer relationship. Getlink is determined to transform these challenges into opportunities.

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

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, with service quality as the Group's key focus. Getlink will prioritise the fluidity and rapidity of its Short Straits' crossings, which have been its trademark and the source of its success for nearly 25 years. This promise should take account of customer expectations and even anticipate them with digital solutions.

The investment policy to accompany this plan must ensure both controlled and realistic growth in traffic while constantly improving service quality, essential to asserting and strengthening the Tunnel's premium positioning.

The company's digital transformation is key to the plan's success and will evidently require Group employees to be supported through the resulting profound changes in working practices and human relations. This support is an essential factor of the plan.

Beyond this, Getlink, like all long-term transport infrastructure players, is fully aware of the challenges raised by energy transition and the digital economy. Getlink will take an active role in these changes that will transform the 21st century, participating in discussions on mobility in a low-carbon era and the rise of autonomous driving.

Key role of transport infrastructure manager

Getlink plays a key role of transport infrastructure manager for high-speed transport passengers. The Tunnel is ready to receive new routes such as Amsterdam – London and is willing and able to accommodate new services with annual passenger numbers potentially in excess of 15 million. Planned investment to improve track infrastructure will enable this level of growth to be absorbed without difficulty. As indicated in chapter 3 of this Registration Document, the High-Speed Passenger Trains and Train Operators' Rail Freight Services travel through the Tunnel, but Getlink does not operate these services and cannot exert direct influence on their commercial operation. High-Speed Passenger Train services are faced with barriers to development such as difficulties implementing efficient border controls and obtaining rolling stock authorisations (IGC and so on), which can delay, restrict or stop the development of services to new destinations. As indicated in section 1.2.2 of this Registration Document, the Group has developed various actions relating to the national authorities and the rail participants to bring these opportunities to fruition and pursues its long-term efforts to resolve the barriers to development of new services.

ElecLink: a unique growth driver

ElecLink, the 1,000 MW electrical interconnector between France and the United Kingdom currently being built by the Group, is a key component of the Group's development strategy. ElecLink benefits from a 25-year exemption from the application of EU regulations: ElecLink can forward sell capacity and has control over all of its assets and revenue. In addition, ElecLink will make a significant contribution to opening up the UK energy market and will benefit from the congestion income resulting from the imbalance in the electricity wholesale markets on either side of the Channel.

Rail freight: a long-term commitment to a highly-promising sector

The clean-up of the market and the long-delayed restructuring of Fret SNCF is under way. A new profitable business model for a virtuous economy is being implemented. Europorte, the first private rail operator in the market, is ideally positioned to become the rail freight benchmark in France.

Debt management: optimising costs and greater flexibility

The Group's debt was put in place during the 2007 financial restructuring. It included debt restriction and limitation clauses in order to guarantee the Group's strength and stability, but which have the effect of limiting cost optimisation and financial flexibility options. 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. Getlink undertook a third step in its financial re-organisation when it concluded an agreement to purchase the G2 bonds from FMS in order to make progress in the clarification of its structure and correspondingly the optimisation of its financing.

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 asset positions. 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 a significant driver of growth in Group revenues and margins from 2020. Getlink may also perform focused acquisitions, alone or in partnership, such as in the transport infrastructure sector that may generate synergies with current businesses while strengthening the diversification of the Group's business portfolio. That will also contribute 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 sustainable, environmental and social development, inseparable from its long-term goals.

1.2 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 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.

The Fixed Link is an integrated transport system, including road 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 that have a licence allowing them to operate cross-Channel High-Speed Passenger Trains and Train Operators' Rail Freight Services.

1.2.1 MAIN MARKETS

The Fixed Link offers both a Shuttle Service between Calais and Folkestone for the transport of passengers, cars, coaches and trucks, and a Railway Network on 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 to the south west of Folkestone; and
- the North Sea: all routes from continental Europe to ports on the east coast of the United Kingdom to the north of Ramsgate (including the Thames estuary).

The modal distribution varies by geographic zone. For accompanied trucks, the long trip across the English Channel or the even longer trip across the North Sea makes these routes more suitable for Roll-On/Roll-Off unaccompanied and Lift-On/Lift-Off solutions.

By contrast, 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.

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 and can be explained by 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 for several years with growth estimated at close to 4% in 2017 compared to 2016[3].

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 provided by airlines or by High-Speed Passenger Trains are 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

Day trips permanently declined following the end of duty free purchases in 1999, in favour of long stay (five days and over) and short stay (fewer than five days).

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 in respect of 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[4]. On 10 April 2015, the Group filed with the Administrative Court of Lille an application for the annulment of the public service delegation contract, for breach of the principle of equality between candidates, distortion of the basis of public service delegation law and the granting of guarantees representing illegal State aid. The exchange of pleadings was completed in the autumn and the investigation was closed on 6 October 2017. The hearing date is not yet known.

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, only two ferry companies have operated 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 subsidiary of DP World, a worldwide operator of port facilities.

P&O is the largest ferry operator on the Short Straits, with six vessels, and is in direct competition with the Fixed Link in both the freight market and the passenger market.

P&O operates up to six vessels two of which, at 210 metres, are the longest ships deployed on routes to and from Dover.

DFDS Seaways

DFDS Seaways is owned by the Danish company DFDS.

In 2017, DFDS Seaways deployed three vessels on the Dover-Dunkirk route and three on the Calais-Dover route including two of the ferries that were previously owned by the Group, Berlioz and Rodin, renamed Côte des Dunes and Côte des Flandres.

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;
- reliability: unlike the ferries, the Shuttle Service is not affected by sailing conditions and is not dependent on the weather; and

[3] *Source: provisional estimations from International Passenger Survey at the end of October 2017.*
[4] *Source: www.spd-calais.com.*

- environmentally-friendly: the electric power it uses for traction generates much lower greenhouse gas emissions than fossil fuels.

The Group has decided to further enhance these advantages by implementing a digital transformation plan focusing on six key areas (service fluidity; customer experience; maintenance; systems, and so on).

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. 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 FIXED LINK: ACTIVITIES

The Fixed Link is an infrastructure that enables vehicles aboard Shuttles to cross the Channel: the Group operates and directly markets its 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: the Group does not operate these services, but manages their safe and efficient passage through the Railway Network.

a) Shuttle transport activities

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

i. Truck Shuttle Service

Introduction

The Truck Shuttle Service carries trucks between France and the United Kingdom on Shuttle trains. On each terminal, drivers pass through dedicated check-in, security and border control facilities. Real time information has been improved (on-board information system with screens, customer information panels on the approach route and the "Elite" customer information processing software). 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" which were completely refurbished in 2014) 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 value of the service provided by the Group as well as its speed, ease and reliability.

Throughout the year, the Group gives priority to customers under contract, only providing transport to occasional customers as available capacity allows. The Group 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.

Truck Shuttle Service market share

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

	2017		2016	
	Vehicles	Market share (estimate)	Vehicles	Market share
Accompanied trucks *	1,637,280	39.1%	1,641,638	39.2%

* *Number of accompanied trucks transported by the Truck Shuttle Service. The 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 cross-Channel truck market was stable in 2017 year-on-year (growth of 0.1%) after increasing over 5% in 2016, reaching a record high for the overall Short Straits market in 2017, despite the disruptions in the geopolitical environment since 2015.

The number of trucks transported by the Truck Shuttles and their market share in 2017 remained relatively stable compared to 2016. However, the start of 2017 was affected by a temporary decrease in fresh fruit and vegetable traffic due to the exceptionally bad weather conditions in southern Europe. November was affected by a reduction in capacity due to a temporary increase in maintenance operations. These negative factors were compensated by a number of traffic records during the rest of the year and by record traffic for the second half of the year.

ii. Passenger Shuttle Service (Le Shuttle)

Introduction

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

The business model aims to optimise Passenger Shuttle revenue by increasing the average revenue per Shuttle departure.

Since 2016, the Fixed Link has run a service specifically for commercial vans travelling on Passenger Shuttles, the VP (Van on Pax) service, which offers transporters the choice of travelling with their commercial vans on board Passenger Shuttles if they have a reservation. New scanners on the passenger terminals reinforce security measures for this service. By freeing up space on Truck Shuttles while filling up space on Passenger Shuttles, the VP service allows transporters to avoid peak periods for the Truck Shuttle Service and enables the company to optimise the use of available capacity.

Pricing policy: Dynamic Pricing

The pricing system adjusts ticket prices according to departure time and Shuttle load factor. This policy 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. Currently more than 80% of Le Shuttle customer bookings are made online.

Adapting capacity to demand

The capacity of the Passenger Shuttle Service is constantly adjusted to improve load factors and reduce costs. Operational changes are made help to constantly improve this strategy, such as better distribution of Shuttle departures during the day, fewer Passenger Shuttles running at off peak times and more during peak times and the optimisation of train crew management.

This policy allows for an optimisation of the load factor, which has increased from 45% in 2004 to 59% in 2017.

The Customer Experience

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

- Improved communication of real-time information, for each customer at every stage of their experience with the Group, with the roll-out of the digital transformation plan.
- Personalisation of services, that is to say, taking into consideration the specific needs of each customer segment, such as owners of electric vehicles and those travelling with their pets. The Group works constantly to improve the service, renovating the passenger building on the Coquelles terminal (World Duty Free, lounge, and so on), enhancing real-time communication with customers through iBoarding, and installing fast universal chargers (for any type of electric vehicle) and specific charging points for Tesla cars. Since July 2017, the new William Turner building has welcomed Flexiplus premium customers in France and the new Flexiplus building on the UK terminal will open to customers in 2018.
- The terminals are equipped with automatic terminals for check in for all pre-reserved customers as well as a system that reads licence plates. RFID technology (an electronic chip included in the transport document) has been introduced progressively since June 2016.
- In 2017, the Group launched the Fixed Link's digital transformation project. This new collaborative digital vision is founded on five pillars comprising clear goals. Two of these pillars (in addition to optimising infrastructure, data processing and the corporate culture) relate directly to customer service:
  - Optimisation of flows on the terminals to further reduce transit times, by pooling data collection and equipping teams on the ground with digital tools enabling them to access and share this information.
  - Enhancement of the customer experience by meeting their basic needs and providing an internet connection and access to information, particularly in the event of disruption; overhaul of IT systems to implement an extensive, reliable and secure digital plan serving customers and terminal operations.

Passenger Shuttle Service market share

The Group estimates that its share of the car and coach passenger markets on the Short Straits were as follows:

	2017		2016	
	Vehicles	Market share (estimate)	Vehicles	Market share
Cars *	2,595,247	54.9%	2,610,242	55.0%
Coaches **	51,229	39.1%	53,623	38.1%

* *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 increased 4% in 2017, the Short Straits car market remained relatively stable, with a slight contraction of 0.2%. Car market share remained relatively stable compared to the previous year, at 54.9%. Compared to 2016, cross-Channel car traffic in 2017 was affected by non-recurring events including the Euro football tournament in 2016 and elections in France and the UK in 2017.

The Short Straits cross-Channel coach market contracted by approximately 7.0% in 2017 but the Passenger Shuttle's coach market share increased by one point compared to the previous year, to 39.1%.

b) Railway Network

In 2017, the Group earned 28% of its revenue (32% of Fixed Link 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 modernisation of equipment.

This long-term pricing framework for the Railway Usage Contract is applied and published every year by the Concessionaires in the 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 depends solely on variable charges received based on the number of passengers transported by Eurostar High-Speed Passenger Trains and the number of freight trains, as well as the annual fixed charges and the Railways' contribution to operating costs.

In 2017, the Group generated revenue €293 million from the use of its Railway Network.

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

Market developments

The market for High-Speed Passenger Train services (Eurostar and future new market 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 on the other hand a wider flow of passengers travelling between the United Kingdom and France, Belgium, the Netherlands and Germany. 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.

	2017 (estimate)		2016	
Paris-London and Brussels-London passenger market	Passengers (thousands)	Growth	Passengers (thousands)	Growth
Air and rail				
Paris-London	9,442	+2.3%	9,233	-2.9%
Brussels-London	3,763	+5.1%	3,579	-5.5%

Sources: BRB, SNCF and CAA.

Eurostar recorded a growth in traffic of 2% on average over five years (from 2009 to 2014) followed by a decrease after the shock of the terrorist attacks in 2015/2016. A recovery in 2017 saw volumes return to close to (within 1%) of those of 2014-2015.

Market share

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

High-Speed Passenger Train market share (Eurostar)	2017 (estimate) * Passengers (thousands)	2017 (estimate) ** Market share	2016 * Passengers (thousands)	2016 ** Market share
Paris-London	7,192	76.2%	7,019	76.0%
Brussels-London	3,109	82.6%	2,993	83.6%

* *Sources: SNCF and BRB.*

** *Market share percentages are derived by calculating the volume of rail passengers as a proportion of the total volume of air and rail passenger traffic between Paris and London and between Brussels and London as provided by the CAA, BRB and SNCF.*

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

Eurostar's High-Speed Passenger Trains connect London with the centre of Paris and Brussels and compete directly with traditional and low-cost airlines 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. They offer 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 benefited from the high-speed line between London and the Tunnel which 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 2017, Eurostar ran 12 to 18 departures in each direction between Paris and London and 7 to 10 trains in each direction between London and Brussels 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 2017, the number of Eurostar passengers (travelling through the Tunnel) increased by 3% on average over the year to 10.3 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 at the end of the year in December and for the fourth quarter. 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 1.2% in 2017.

Since November 2015, Eurostar has been progressively commissioning the 17 new e320 distributed drive trains ordered from Siemens. More comfortable (with on-board WiFi and individual sockets) and more 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.

Eurostar announced on 9 February 2018[5] the start of its new direct service between London and Amsterdam on 4 April 2018, 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. Initially, passengers will travel direct from London to Amsterdam and Rotterdam although in the direction Amsterdam to London, they will change at Brussels where passport and security checks will be carried out. This is a temporary measure while the UK and Dutch governments reach an agreement regarding 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 before the end of 2019 in order to allow Eurostar to run a direct service in both directions.

Development of new destinations

In 2015, Eurostar launched a new direct service from London to Lyon, Avignon and Marseille, operating seasonally 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 considerable potential for improving competitiveness.

5 *Eurostar press release 9 February 2018.*

Eurostar announced the launch of its new direct service between London, Rotterdam and Amsterdam from April 2018. After having resolved all the technical and equipment issues associated with this project (approval of trains, modifications to stations, train paths, and so on), 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. This requires efficient cooperation between the national authorities.

Further opportunities exist for services to Germany (Cologne, Frankfurt), southern France (Marseille, the French Riviera, Bordeaux) and/or Switzerland (Geneva).

In 2010, Deutsche Bahn stated its intention to launch ICE High-Speed Passenger Train services from London to Cologne and Frankfurt. The operational outline was approved by the IGC in June 2013 but the schedule is yet to be confirmed due to project delays.

To help accelerate the realisation of these 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.

At the same time, the Group also 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 closely 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).

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 service quality independent of weather conditions and road networks.

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

The freight volume transported by the Train Operators' Rail Freight Services is summarised below.

Train Operator's Rail Freight Services	2017	2016
Cross-Channel rail freight (million tonnes)	1.22	1.04
Number of train crossings	2,012	1,797

Sources: Eurotunnel, DB Cargo on behalf of BRB, SNCF and its subsidiaries, GB Railfreight, Rail Operations Group 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 (whether regulatory, social or 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 and potentially any freight 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 policies: (i) development of open access for rail freight operators, (ii) efficient processing of border constraints, and (iii) a simplified and competitive pricing policy.

In 2013, with the aim of promoting the development of Railway Company freight train traffic in the Tunnel, the Group set up 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 in particular the creation of new intermodal services and flows for 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 and the start of a recovery thanks to the ramp-up of services assisted by ETICA-Freight. In 2017, freight train traffic returned to strong growth in train numbers (+12%) and tonnage transported (+17%).

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 2017, the Group launched 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. In addition, the Group extended its ETICA-Freight financial aid programme to support the launch of new services, generating 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 (size, length, capacity, quality, border constraints, etc.). These continue to hold back the development of cross-Channel rail freight and offer considerable potential for efficiencies waiting to be realised.

c) Other revenue

The Fixed Link generated €18 million in other revenue in 2017, 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, (iv) the sale of travel insurance products in the United Kingdom, (v) revenue related to CIFFCO training and (vi) a first revenue from Energy Savings Certificates generated by energy efficiency investment in third generation Truck Shuttles as detailed in chapter 6 of this Registration Document.

i. Revenue from third party retail businesses

The Group has built facilities for its customers on its two terminals in France and the United Kingdom, including shops and other retail outlets.

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. These facilities are operated by third parties under three to ten-year concession agreements on the French side and under leases on the British side.

The Group'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 the Group. 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.

In 1994, a contract was signed for 30 years for the operation of three petrol stations located at the entrance and exit of the two terminals.

The Group also earns modest revenue from renting advertising boards on both terminals and around the terminal exit routes.

ii. Property business

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

At the beginning 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 has paved the way for a major commercial and tourism development project to stand alongside the Cité de l'Europe shopping centre in Coquelles.

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 this 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 Group 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 (a group created to protect the environment in the Montreuil-sur-Mer district) against the prefect's decision to declare the project to be in the public interest was rejected by the Administrative Court of Lille on 24 January 2017. GDEAM appealed this decision to the Administrative Court of Appeal in Douai on 23 March 2017. The proceedings are ongoing and Euro-Immo GET filed its defence on 27 November 2017.

iii. Training activity: CIFFCO, the Opal Coast International Railway Training Centre

CIFFCO is a subsidiary of the Group and an expert in railway operations. 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.

1.2.3 FIXED LINK: CAPACITIES

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 Group'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. In 2017, the maximum number of standard paths used by Passenger and Truck Shuttle Services was ten per hour in each direction.

Rail freight 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 the 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 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 since 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 based on the number of rail freight trains has led to an increase in the average load factor of 45% in 11 years.

Under the terms of the Railway Usage Contract, the Group 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 occupancy rate, which corresponds to the total current consumption of paths (Eurotunnel Shuttles and Railways) to the total capacity available, is 58%, which allows for substantial traffic growth in the future.

As part of its five year strategic thinking for the Fixed Link, and as indicated in section 1.1.4 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 the Group 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 with the replacement of 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 currently) so as to raise System capacity to 24 standard paths per hour in both directions, although this would mean improving the fixed equipment; 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.

A dedicated optical 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.

A ground to train radio communications network in the Channel Tunnel, the GSM-R (Global System for Mobile Communications – Railway) was introduced as part of a strategy of constant improvement and modernisation of its infrastructure in order to offer complete interoperability with the entire trans-European rail network.

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. In order to maintain traffic fluidity and to increase the number of hourly Truck Shuttle departures, capacity at the terminals will be expanded. As stated in section 1.6.2 of this Registration Document, the Terminal 2015 project inter alia enabled the construction at Coquelles of a secure parking area and an increase in the number of toll booths and in the number of access lanes to the check-in barriers.

These systems improve traffic flow and reduce operating costs.

b) Rolling stock

In 2014, the Group ordered three new Truck Shuttles, each with a capacity of 32 trucks and benefiting from the latest technological advances for reinforced robustness and reliability. They were delivered in 2017 and therefore at the date of this Registration Document, the Group has 18 Truck Shuttles (six with a capacity of 31 trucks and 12 with a capacity of 32 trucks). This enhanced fleet will enable the Group to increase its capacity by 20% and, in the long-term, to move to a peak period frequency of eight departures per hour compared to the current six.

The Group has nine Passenger Shuttles each able to carry up to 180 cars or 120 cars and 12 coaches.

Punctuality, reliability, adaptability and safety are the key words of this investment programme, with:

- the planned replacement of six Breda Shuttles by 2021, and
- the comprehensive refurbishment of the entire fleet of nine Passenger Shuttles by 2025 enabling an increase in capacity, a higher utilisation rate and a new customer experience (connectivity, display, comfort, and so on).

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

1.2.4 FIXED LINK: 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 cause minimal 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 and Saturday nights has been limited.

The Group has set itself an objective of limiting service disruptions due to fixed equipment failure to less than 0.75% despite continual traffic growth. This objective was again easily met in 2017.

The operational plan aiming to limit fire risk (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.

Since 2015, the Group has also undertaken work to reinforce the catenary that supplies the power required to operate the Shuttles and trains circulating in the rail tunnels.

b) Rail replacement

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. This strategy aims to avoid systematically replacing both lines of rails, instead replacing only those rails that are worn or that present defects.

c) Maintenance and availability of rolling stock

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

The Group'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, the Group'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 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.

The Group is implementing simplification and renovation programmes aimed at further reducing future maintenance requirements and improving reliability.

The goal of the large scale maintenance (LSM) programme is to:

- meet safety requirements (bogies, brakes, couplings, batteries, and so on);
- restore and improve the reliability of systems that have reached about a third or half of their overall lifespan (canopies, hydraulics on single deck loaders, and so on);
- extend the life of wagons (Breda floors, Arbel floors, and so on); and
- ensure customer comfort (air conditioning, toilets, interiors, and so on).

In November 2017, commercial capacity was reduced for a short period in order to increase maintenance operations temporarily in response to abnormal Shuttle fleet wheel wear discovered during routine maintenance.

d) Maintenance strategy

In order to optimise its infrastructure maintenance, the Group is working on a plan to spend only one night per week (instead of two as at present) on the maintenance of the two rail tunnels, thanks to predictive maintenance 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.

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 minimise 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 the maintenance of Truck Shuttles in order to make available for commercial service an additional Shuttle during the week and to handle the increase in kilometres travelled;
- the technical redesign of maintenance on systems with a high impact on performance and quality, focusing on the relevance of maintenance instructions and the implementation of appropriate LSM programmes; and
- the optimisation of key processes such as corrective maintenance, re-profiling and axle replacement, with improvement in the efficiency of human, industrial and IT resources.

The Fixed Link's digital vision includes two elements that directly relate to maintenance:

- Optimise infrastructure and rolling stock management through data analysis: increase the reliability and availability of infrastructure and rolling stock through predictive maintenance, digitisation of teams on the ground and optimisation of planning schedules.
- Build a global platform to enable collection, visualisation, analysis and prediction from reliable and secure data, accessible to all, in real time.

e) Projects

Various other initiatives should increase the reliability and efficiency of the System including the three third-generation Truck Shuttles which were delivered in 2017. These new Shuttles benefit from improvements stemming from feedback from the Group.

More broadly, as part of a collaborative dynamic, the Group decided to define and direct the Fixed Link strategy for the next five years, identifying issues and challenges and deciding on goals for the five-year plan.

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.
- Improvement of the availability of the rolling stock as specified in section 1.2.4.c) of this Registration Document.
- Site security: additional measures were installed in 2016 to further reinforce site and customer safety.
- Customer experience: as indicated in section 1.2.2.a)ii) of this Registration Document.

- Improvement of 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.

1.3 EUROPORTE ACTIVITIES

1.3.1 EUROPORTE'S MAIN MARKETS

According to figures published by the French Ministère de la Transition Écologique et Solidaire, French rail freight volumes totalled 32.6 billion tonne kilometres in 2016, down 5% compared to 2015 (34.3 billion tonne kilometres). Against this background, Europorte transported 1.7 billion tonne kilometres in 2017, stable compared to 2016, representing an estimated market share of approximately 5%.

1.3.2 EUROPORTE ACTIVITIES

Thanks to its dense coverage in France, Europorte is positioned as a growth vehicle for the Group, present across the entire rail freight transport logistical chain, from collecting and routing on primary and secondary networks (Europorte France) or loading and unloading of wagons on private branch lines on industrial sites (Socorail), 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 2017 increased by 2% compared to 2016 to €118 million, stimulated by growth in the transport of chemical products.

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 railway authorisations (licence and certificate).

For its operations, which averaged around 166 commercial trains per week in 2017, 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 2016, Europorte launched two major transport contracts in the petrochemical sector: transport of potash for a German mining company and the transport of chemicals for a French petroleum group. 2017 was a continuation of 2016 with a consolidation of its petrochemical and cement segments as illustrated by the gain of a vinyl chloride monomer traffic contract between France and Belgium and the start of the transport of clinker for a French cement group and limestone for a Belgian industrial group.

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 at Lérouville, Dijon, Lyon, Fos/Marseille and Toulouse. EPF continued to develop its range of one-off services (spot trains) which it started in 2013, 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.

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 on tablets 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, traffic information, alert reports and so on.

Europorte France continues to provide cross-Chanel rail freight services (which represents only a very minor part of its activity). 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.

b) Socorail

For more than 40 years, Socorail has been providing internal logistical 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 branched terminal installations 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 materials 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 2016 and 2017, all the large French ports have renewed or confirmed their delegated port management contracts which have arrived at their term with Socorail, with the exception of the port at Rouen. In 2017, the company was the successful bidder for two calls for tender for rail infrastructure management contracts of feeder lines in the Hauts-de-France and eastern France. At the same time, the company is pursuing its efforts to explore and develop its logistics business on industrial sites.

The delegated port infrastructure management sector is Socorail's largest business, accounting for 36% of its 2017 revenue, followed by oil/hydrocarbon refining with 16%. Chemicals and services to port terminals contributed 15% and 11%, respectively.

c) Europorte Proximité (EPP)

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

d) Bourgogne Fret Service (BFS)

Europorte, in partnership with its customer Cérévia, (union of agricultural cooperatives), developed its operations as a freight forwarder mostly of grain transport. Bourgogne Fret Services, initially a joint venture with Cérévia, was taken over 100% by EPF, and in 2017 EPF, as sole shareholder, decided to dissolve BFS and carry on the activity itself.

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

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 transport capacity of 1,000 MW via a high-voltage direct current cable installed in the north rail tunnel under the Channel.

In 2014, ElecLink obtained a regulatory derogation granted by the French Energy Regulation Commission (CRE) and its UK equivalent, the Office of Gas and Electricity (Ofgem). This regulatory derogation was also approved by the European Commission.

Project construction formally commenced at the end of 2016 and ElecLink awarded the construction work 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 (CTSA) of the IGC.

At the date of this Registration Document, the project construction works are progressing in line with the initial time and forecasts. The same is true for the regulatory and commercial preparations in readiness for entry into commercial service in 2020, with certification applications submitted before operations begin to the French regulator (CRE) and to the UK regulator (Ofgem).

The investment in this project is described in section 1.6 of this Registration Document.

ElecLink successfully took part in a capacity auction organised from 6 to 8 February 2018 in the United Kingdom and won a capacity contract for the period October 2021 to September 2022. Following this first participation, ElecLink now has confirmed annual revenues for this period of approximately £5.8 million (2016/17 values). These additional revenues will complement the main source of ElecLink's revenue namely that arising from the marketing of its interconnector capacity (congestion rents) which will be the main source of ElecLink's revenue.

1.5 OTHER ACTIVITIES

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 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 will be completed in 2018. Initial contacts made in Germany were continued. In November, London Carex suspended its participation in Euro Carex pending the outcome of Brexit negotiations.

1.6 PROPERTY, PLANT AND EQUIPMENT AND MAJOR INVESTMENTS

1.6.1 PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2017, 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 Passenger and Truck Service terminals 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 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. As set out in notes A.2 and C.2 to the consolidated financial statements contained in section 2.2.1 of this Registration Document, the ferries owned by the Euro-Transmanche companies were sold in 2017. 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 Group's 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.1.1 to the consolidated financial statements in section 2.2.1 of this Registration Document.

1.6.2 MAJOR INVESTMENTS

a) Main investments over the last three years

The Group's investments in the last three years total €140 million for the 2015 financial year, €150 million for the 2016 financial year and €262 million for the 2017 financial year.

Over the last three financial years, the Group has invested more than €219 million in the Fixed Link, including:

- the purchase of three new Truck Shuttles (approximately €42 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 Terminal 2015 project (approximately €23 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;

- the installation of GSM-R (approximately €50 million since the beginning of the project, including €13 million over the last three financial years);
- finalisation of the security improvements on the French terminal through the use of appropriate measures, including the installation of more than 30km of 4 metre high security fencing protected by detection cables on the fences themselves or buried underground, 9km of infra-red barriers, the installation of 600 video cameras (day and night), the construction of a new security control centre capable of monitoring up to 1,500 alarms, the purchase of a further two X-ray scanners (for vans and railway traffic), the construction of a building fitted with a heartbeat detection system to detect human presence on trucks and a rail siding, a large part of which is reimbursed by the British government;
- the replacement of rails in the Tunnel (approximately €11 million);
- the construction and fit-out of a new lounge for Flexiplus customers at each terminal (approximately €10 million); the lounge at the French terminal was inaugurated in 2017 and that at the British terminal will be open to customers in 2018;
- the replacement of couplings on the rolling stock (approximately €8 million);
- the strengthening of the electrical traction network by building a new booster converter twice as powerful as the existing one (approximately €5 million) in a project to be completed over the next two years; and
- the replacement of the units of the Tunnel's cooling plants and air conditioning that use R22 gas (about €5 million) as described in chapter 6 of this Registration Document.

Over the last three years, the Group's investments in the Europorte segment have totalled approximately €92 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 2017, the Group's investment in the ElecLink project has amounted to €239 million.

b) Major future investments

Investment projects planned for 2018 fall into two categories: projects to replace existing equipment before it becomes obsolete and projects to improve the quality of service. 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 and given the risk of increased competition in the cross-Channel market, these investments are for the most part essential to sustaining the competitiveness and market shares of the Fixed Link's activities.

In 2018, 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 in particular on loader wagons, the fire detection and fire-fighting system and the air conditioning units. The Breda Truck Shuttle renewal programme will also commence this year. For infrastructure maintenance, a replacement programme will be launched for the fleet of shunting engines that pull work trains in the Tunnel for maintenance activities, as will studies for a maintenance train to measure track parameters.

As part of service quality improvement measures, the programme to improve the electrical power supply will continue with the installation of the new boost converter and an increase in the catenary capacity with the addition of high-voltage coaxial cables. In 2017, the Group launched the Freight Traffic Management System project which is aimed at providing comprehensive real-time monitoring of each truck from before check-in and right up until loading in order to optimise traffic flows whilst providing drivers and hauliers with accurate real-time information.

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.

The external costs of constructing the ElecLink project are estimated at €580 million at the current exchange rate, corresponding to the EPC (engineering, procurement and construction) contracts to provide technological architecture solutions and the construction for the project, the study and realisation of connections to national grids and project management, as described in sections 1.4 and 1.6.2 of this Registration Document (excluding payments to the Group, contingent liabilities and operating costs).

As set out in note A.1.2 to the consolidated financial statements as set out in section 2.2.1 of this Registration Document, the Group signed a commitment on 29 December 2017 to acquire some of the index-linked bonds issued by Channel Link Enterprises Finance Plc (CLEF) in 2007. On 9 February 2018, the Group concluded this transaction and acquired all CLEF's G2 bonds. This transaction was carried out by a British subsidiary of the Group, Eurotunnel Agent Services Limited, and was partly financed by an external loan of £190 million.

Sources of funds for future investments

The main future investments for the Fixed Link are expected to be self-funded. As at 31 December 2017, the balance on the "Capex Reserve" account earmarked to finance long-term investment projects such as those described above, was £8 million.

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

With regard to the investment in the ElecLink project, the Group seeks to retain the financing structure that is best adapted to the Group's financing strategy and to the constraints and the opportunities of the project.

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 2017 and, under normal conditions, the Group generates a Free Cash Flow of more than €200 million per year.

The Group seeks to preserve as long as possible the flexibility offered by the strength of its balance sheet, with the aim of minimising the cost of financing and optimising the profitability of the project. With this in mind, the Group has decided, for the time being, to finance the project internally using its own funds for all or part of it. The Group remains attentive and is continuing to explore different financing possibilities for the project according to the optimal proportion of the transmission capacity of the interconnector on the basis of medium-term contracts.

As indicated in note A.1 to the consolidated financial statements set out in section 2.2.1 of this Registration Document, the Group completed in 2017 and at the beginning of 2018 two important steps of its strategy to optimise its financial structure, and the financing of the ElecLink project forms an integral part of this.

The project involves significant construction works in 2018 and 2019 and then revenues from 2020. Given these specific constraints, the estimated income profile (either capacity auction or "merchant" models) and the macroeconomic conditions (base rates, energy market conditions in France and the United Kingdom) are elements that are integrated into the different financing scenarios.

1.6.3 RESEARCH AND DEVELOPMENT, TRADEMARKS, PATENTS AND LICENCES

a) Research and development

The Group focuses its research and development policy on increasing the reliability of its infrastructure and rolling stock as well as on improving traffic flow at its terminals, while strengthening customer safety.

The Group has launched a study programme to design a new generation of Truck Shuttles. This comprehensive research programme is based on the success of innovative projects such as the design of new superstructures on its Truck Shuttles and the redesign of new floors with outstanding fire-retardant characteristics. This research and development project should enable the Group to significantly increase the performance of its Shuttles while still reducing as many of the constraints as possible resulting from a rapid change in traffic levels and the consequences in terms of maintenance. Full-scale tests and studies conducted together with companies known for their technical expertise have made it possible to design reliable solutions that are adapted to the operating conditions of the Channel Tunnel.

In order to deal with ever increasingly intense operational issues specific to it, the Group has initiated a research programme to develop a new sleeper block (the piece of concrete on which the rail is laid) which is stronger and so more able to meet the demands of increased traffic. This project uses internal resources and those of external partners, whose railway and materials expertise provides a better understanding of the phenomena and enables the development of innovative solutions to overcome identified technical issues. This project is also the result of the endowment of a research professorship for railway transport sciences set up by the Group at the École Nationale des Ponts et Chaussées (ENPC), aimed at researching technological developments in infrastructure, 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 thanks to a method measuring vibrational frequencies. The objective is to create an automated carriage enabling fast sleeper block inspection.

The Group is also a founding member of the board of the French Fondation de Coopération Scientifique Railenium (a foundation for scientific cooperation). Railenium is an institute for technological research in the rail industry, selected within the framework of France's economic stimulus plan (the "Grand Emprunt"). It is composed of a Foundation for Scientific Cooperation and a test centre. Railenium's mission is to provide a platform for rail infrastructure research and development, testing, engineering and training. The Foundation pools the work of research bodies and companies to develop research and development programmes in the field of rail infrastructure and systems, which may go as far as industrial prototyping. The Foundation's partners include seven research and training organisations, 15 industrial companies involved in construction, services and engineering, and three infrastructure operators (SNCF Réseau, SNCF and the Group). Two research and development projects were born out of this organisation in 2016 and will continue in the upcoming years: the development of an innovative solution for the remote monitoring of track devices and the designing of a maintenance train that makes it possible to check many parameters simultaneously such as the condition of the rail, signalling and the catenary, all whilst circulating at high speed without disturbing the commercial operation of the Channel Tunnel.

Concerned with guaranteeing optimal safety for its customers while still optimising traffic flow through its terminals, the Group is devoting substantial research and development effort to designing an innovative solution for detecting over-height truck antennas upstream of the boarding platforms. In collaboration with companies that are experts in acoustic and sound solutions, the purpose of this project is to detect any antenna that exceeds the regulatory height for Truck Shuttles regardless of the speed at which the truck is travelling (up to the speeds limits authorised at the terminals) and the position of the antenna. Prototypes have been installed at various strategic points of passage along the customer's path in order to rigorously determine the most reliable solution.

Finally, the Group has adopted an ambitious digital plan, with a view to making its exchanges with customers, employees and partners even more fluid and personal in the interests of improving the customer experience. Built around the Group's customers, employees 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.

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 nearly 370 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. A fourth patent concerning measuring equipment is currently being filed.

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 RESULTS AND OUTLOOK

2.1 ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Pursuant to EC Regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of Groupe Eurotunnel SE for the financial year ended 31 December 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2017.

The following information relating to Groupe Eurotunnel 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.

2.1.1 ANALYSIS OF CONSOLIDATED INCOME STATEMENT

In order to enable a better comparison between the two years, the 2016 consolidated income statement presented in this section has been recalculated at the exchange rate used for the 2017 income statement of £1=€1.140.

During the first half of 2016, the Group's 49% share in ElecLink Limited's result (a loss of €1 million for the 49% holding) was accounted for in the consolidated income statement under "Share of result of equity-accounted companies". Since the purchase by the Group of Star Capital's 51% holding in ElecLink Limited on 23 August 2016, ElecLink Limited has been fully consolidated in the Group's accounts.

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".

For more information on these operations, see notes A.2 and C.2.1 to the consolidated financial statements contained in section 2.2.1 of this Registration Document.

a) Summary

In 2017, the Group's consolidated revenues amounted to €1,033 million, an increase of €36 million (4%) compared to 2016. Operating costs totalled €507 million, an increase of €4 million compared to 2016. EBITDA improved by €32 million (6%) to €526 million and the trading profit improved by €30 million to €374 million. At €365 million, the operating profit for 2017 was down by €16 million compared to 2016 which benefited from the €50 million profit arising from the full consolidation of ElecLink. Net finance costs increased by €16 million as a result of the impact of higher British and French inflation rates on the index-linked tranche of the debt. Other net financial charges in 2017 include a provision of €55 million in respect of the undertaking concluded in December 2017 to acquire inflation-linked bonds (see note A.1.2 to the consolidated accounts). The pre-tax result for the Group's continuing operations for the 2017 financial year was a profit of €52 million, a reduction of €89 million compared to 2016 restated.

After taking into account a tax income of €56 million, the net result for the continuing activities of the Group was a profit of €108 million compared to a profit of €124 million in 2016. The Group's net consolidated result for 2017 was a profit of €113 million compared to a net profit of €188 million in 2016 which included a gain of €50 million arising from the integration of ElecLink and a €64 million net profit arising from discontinued operations.

€ million Improvement/(deterioration) of result	2017	2016 * restated	Variance €M	Variance %	2016 published
Exchange rate €/£	1.140	1.140			1.216
Fixed Link	915	881	34	+4%	907
Europorte	118	116	2	+2%	116
Revenue	**1,033**	**997**	**36**	**+4%**	**1,023**
Fixed Link	(394)	(386)	(8)	-2%	(392)
Europorte	(112)	(116)	4	+3%	(116)
ElecLink	(1)	(1)	–	–	(1)
Operating costs	**(507)**	**(503)**	**(4)**	**-1%**	**(509)**
Operating margin (EBITDA)	**526**	**494**	**32**	**+6%**	**514**
Depreciation	(152)	(150)	(2)	-1%	(150)
Trading profit	**374**	**344**	**30**	**+9%**	**364**
Other net operating (charges)/income	(9)	37	(46)		37
Operating profit (EBIT)	**365**	**381**	**(16)**	**-4%**	**401**
Share of result of equity-accounted companies	-	(1)	1	-100%	(1)
Net finance costs	(270)	(254)	(16)	-6%	(262)
Net other financial (charges)/income	(43)	15	(58)		16
Pre-tax profit from continuing operations	**52**	**141**	**(89)**	**-63%**	**154**
Income tax income/(expense)	56	(17)	73		(18)
Net profit from continuing operations	**108**	**124**	**(16)**	**-13%**	**136**
Net profit from discontinued operations	5	64	(59)		64
Net consolidated profit for the year	**113**	**188**	**(75)**	**-40%**	**200**

* *Restated at the rate of exchange used for the 2017 income statement (£1=€1.140).*

The evolution of the pre-tax result from continuing operations by segment compared to 2016 is presented below:

€ million	Fixed Link	Europorte	ElecLink	Total Group
Pre-tax result from continuing activities: 2016 restated *	**110**	**(11)**	**42**	**141**
Improvement/(deterioration) of result:				
Revenue	+34	+2	-	+36
Operating expenses	-8	+4	-	-4
EBITDA	**+26**	**+6**	**-**	**+32**
Depreciation	-2	-	-	-2
Trading result	**+24**	**+6**	**-**	**+30**
Other net operating income/charges	-3	+4	-47	-46
Operating result (EBIT)	**+21**	**+10**	**-47**	**-16**
Net financial costs and other	-76	+1	+2	-73
Total changes	**-55**	**+11**	**-45**	**-89**
Pre-tax result from continuing operations for 2017	**55**	**-**	**(3)**	**52**

* *Restated at the rate of exchange used for the 2017 income statement (£1=€1.140).*

b) Fixed Link Concession segment

The Group's core business is the Channel Tunnel Fixed Link Concession 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. This segment also includes the Group's corporate services.

€ million			Variation	
Improvement/(deterioration) of result	**2017**	*** 2016**	**M€**	**%**
Exchange rate €/£	1.140	1.140		
Shuttle Services	604	585	19	+3%
Railway Network	293	282	11	+4%
Other revenue	18	14	4	+29%
Revenue	**915**	**881**	**34**	**+4%**
External operating costs	(212)	(214)	2	+1%
Employee benefits expense	(182)	(172)	(10)	-6%
Operating costs	**(394)**	**(386)**	**(8)**	**-2%**
Operating margin (EBITDA)	**521**	**495**	**26**	**+5%**
EBITDA/revenue	*57.0%*	*56.3%*	*0.7%*	

* *Restated at the rate of exchange used for the 2017 income statement (£1=€1.140).*

i. Fixed Link Concession revenue

Revenue generated by this segment, which in 2017 represented 89% of the Group's total revenue, increased by 4% compared to 2016, to €915 million.

Shuttle Services

Traffic (number of vehicles)	**2017**	**2016**	**Change**
Truck Shuttle	1,637,280	1,641,638	0%
Passenger Shuttle:			
Cars *	2,595,247	2,610,242	-1%
Coaches	51,229	53,623	-4%

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

Shuttle Services' revenue for 2017 amounted to €604 million, up 3% compared to the previous year mainly due to an increase in yields which have benefited from the Group's strategy of optimising the profitability of its Shuttle business through its dynamic pricing policy for both truck and passenger traffic.

Truck Shuttle

The Short Straits cross-Channel truck market was stable in 2017 compared to the previous year. In 2017, the number of trucks transported by the Truck Shuttles and their market share (39.1%) remained at the same level as in 2016. Truck Shuttle traffic and market share were both affected by the decrease in fresh fruit and vegetable traffic due to the exceptionally bad weather conditions in southern Europe at the beginning of 2017 and in November by a reduction in capacity due to a temporary increase in maintenance operations. Despite these factors, a number of traffic records were set with five record months compared to the same months in previous years and a record second half of the year.

Passenger Shuttle

In a Short Straits cross-Channel market in slight contraction in 2017 (approximately 0.2%), car market share remained relatively stable at 54.9%. Compared to 2016, cross-Channel car traffic in 2017 was affected by non-recurring events including the Euro football tournament in 2016 and elections in France and the UK in 2017.

The Short Straits cross-Channel coach market contracted by approximately 7.0% in 2017 but the Passenger Shuttle's coach market share increased by a point compared to the previous year, to 39.1%.

Railway Network

Traffic	2017	2016	Change
High-Speed Passenger Trains (Eurostar)			
Passengers *	10,300,622	10,011,337	3%
Train Operators' Rail Freight Services **:			
Number of tonnes	1,219,364	1,041,294	17%
Number of trains	2,012	1,797	12%

* *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, etc.).*

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

The Group earned revenues of €293 million in 2017 from the use of its Railway Network by Eurostar's High-Speed Passenger Trains and by the Train Operators' Rail Freight Services, up 4% compared to 2016.

The number of Eurostar passengers using the Tunnel increased by 3% in 2017 compared to the previous year, thanks to a strong recovery since the series of terrorist attacks.

In 2017, cross-Channel rail freight continued the trend seen at the end of 2016, with strong growth of 12% compared to the previous year as a result of additional traffic generated by the good quality of service delivered since the beginning of 2016 and by the work carried out by the Group and other concerned parties to re-launch this traffic following the disruptions to services caused by the migrant crisis and the loss of half of its customers and traffic during the autumn of 2015 which diverted to other commercial routes.

ii. Fixed Link Concession operating costs

The Fixed Link segment's operating costs amounted to €394 million in 2017, an increase of only 2% compared to 2016. This €8 million increase was due mainly to increased activity and maintenance costs.

c) Europorte segment

The Europorte segment covers the entire rail freight transport logistics chain in France and includes notably Europorte France and Socorail. The UK subsidiary GB Railfreight Limited was sold in November 2016.

€ million			Variance	
Improvement/(deterioration) of result	2017	2016	€M	%
Revenue	**118**	**116**	**2**	**+2%**
External operating costs	(66)	(67)	1	+1%
Employee benefits expense	(46)	(49)	3	+6%
Operating costs	**(112)**	**(116)**	**4**	**+3%**
Operating margin (EBITDA)	**6**	**–**	**6**	**n/a**

In 2017, Europorte's revenues increased by 2% compared to 2016 and operating costs decreased by 3%. EBITDA increased by a substantial €6 million thanks to the plan to sustainably reinforce the profitability of this segment launched by the Group in 2016.

d) ElecLink segment

ElecLink's activity is the construction and operation of a 1,000 MW 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 at the beginning of 2020.

Costs directly attributable to the project are capitalised. Investment on the project during 2017 amounted to €181 million.

Operating costs for 2017 amounted to €1 million.

e) Operating margin (EBITDA)

EBITDA by business segment evolved as follows:

€ million	Fixed Link	Europorte	ElecLink	Total Group
EBITDA 2016 restated *	495	–	(1)	494
Improvement/(deterioration):				
Revenue	34	2	–	36
Operating costs	(8)	4	–	(4)
Total changes	**26**	**6**	**–**	**32**
EBITDA 2017	**521**	**6**	**(1)**	**526**

* *Restated at the rate of exchange used for the 2017 income statement (£1=€1.140).*

At €526 million in 2017, the Group's operating margin improved by €32 million compared to 2016 (+6%) as a result of an increase in revenue, control of the Fixed Link's costs and improved profitability of the Europorte segment. Europorte's EBITDA improved by €6 million thanks to the plan to sustainably reinforce the profitability of this segment.

f) Operating profit (EBIT)

Depreciation charges increased by €2 million to €152 million compared to 2016 as a result of the completion in 2016 and 2017 of capital investment projects such as Terminal 2015 and the GSM-R.

At €374 million in 2017, the trading profit improved by €30 million (9%) compared to 2016.

In 2016, other net operating income of €37 million included a gain of €50 million resulting from the revaluation at their fair value of the shares in ElecLink Limited already held by the Group when it took full control of the subsidiary in August 2016 partially offset by provisions and advisors' fees.

In the absence of this one-off gain, the operating profit for the 2017 financial year was down by €16 million (4%) compared to 2016, to €365 million.

g) Net financial charges

At €270 million for 2017, net finance costs increased by €16 million compared to 2016 at a constant exchange rate, mainly as a result of the impact of the increase in inflation rates in the UK and France on the index-linked tranches of the debt partially offset by the capitalisation of interest on the financing of the ElecLink project amounting to €9 million.

"Other net financial charges" in 2017 of €43 million include a provision of €55 million in respect of the undertaking concluded in December 2017 to acquire inflation-linked bonds (see note A.1.2 to the consolidated financial statements set out in section 2.2.1 of this Registration Document), net exchange gains of €10 million and interest received on the floating rate notes held by the Group of €3 million, as well as a net charge of €2 million arising from the partial refinancing of the Group's debt concluded in June 2017 (see notes A.1.1 and G.1.1.a to the consolidated financial statements set out in section 2.2.1 of this Registration Document) consisting of:

- a profit of €14 million from the redemption of the floating rate notes held by the Group,
- a net gain of €12 million after termination costs arising from the partial termination of the hedging contracts resulting from the favourable conditions negotiated with the counterparties to the contracts,
- a charge of €21 million corresponding to the outstanding unamortised balance of the fees and costs on the debt that was extinguished as a result of the refinancing, and
- costs of €7 million for the refinancing operation which are not attributable to the issue of the new debt.

h) Net result from continuing operations

The Group's pre-tax result for continuing operations for the 2017 financial year was a profit of €52 million, a reduction of €89 million compared to 2016 at a constant exchange rate.

In 2017, income tax net income amounted to €56 million and included an income of €9 million following the French authorities' cancellation of tax on dividends and a deferred tax income of €50 million mainly arising from the activation of an additional two years of deficits.

The Group's post-tax result for continuing operations for the 2017 financial year was a profit of €108 million, a reduction of €16 million at a constant exchange rate.

i) Net result from discontinued operations

€ million	2017	2016	Variance €M
Maritime segment MyFerryLink	2	17	(15)
GB Railfreight Limited	3	47	(44)
Net profit from discontinued operations	**5**	**64**	**(59)**

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

j) Net consolidated result

The net consolidated result for the Group for the 2017 financial year was a profit of €113 million compared to a profit of €188 million (restated at an equivalent exchange rate) for 2016 which included one-off transactions conducted during the year totalling €114 million (€50 million profit resulting from the integration of ElecLink and €64 million profit arising from discontinued activities).

The table below shows the impact of non-recurring items on the consolidated net result for the 2017, 2016 and 2015 financial years:

€ million	2017	* 2016	* 2015
Exchange rate €/£	1.140	1.140	1.140
Consolidated net result	113	188	63
- Net result from discontinued activities	(5)	(64)	(2)
- Net gain arising from the integration of ElecLink	–	(50)	–
- Deferred tax: impact from the activation of an additional two years of deficits in 2017	(57)	–	–
- Provision for the acquisition of inflation-linked bonds in 2017/ consent fees in 2015	55	–	17
Consolidated net result adjusted for non-recurring items	**106**	**74**	**78**

* *Restated at the rate of exchange used for the 2017 income statement (£1=€1.140).*

Excluding these non-recurring items, the underlying result improved in 2017 by €32 million.

2.1.2 ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	31 December 2017	31 December 2016
Exchange rate €/£	1.127	1.168
Fixed assets	6,493	6,366
Other non-current assets	229	280
Total non-current assets	**6,722**	**6,646**
Trade and other receivables	96	94
Other current assets	61	172
Cash and cash equivalents	613	347
Total current assets	**770**	**613**
Total assets	**7,492**	**7,259**
Total equity	2,051	1,812
Financial liabilities	4,346	3,786
Interest rate derivatives	716	1,309
Other liabilities	379	352
Total equity and liabilities	**7,492**	**7,259**

The table above summarises the Group's consolidated statement of financial position as at 31 December 2017 and 31 December 2016. The main elements and changes between the two dates are as follows:

- "Fixed assets" include property, plant and equipment and intangible assets amounting to €6,016 million for the Fixed Link segment, €396 million for the ElecLink segment (including €181 million in 2017) and €81 million for the Europorte segment at 31 December 2017. The increase between 31 December 2016 and 31 December 2017 results mainly from investment in the ElecLink project.

- "Other non-current assets" include a deferred tax asset of €217 million, an increase of €96 million compared to December 2016 of which €50 million relates to the hedging contracts and €52 million relates to the activation of tax losses (see note I.2.1 to the Group's consolidated financial statements as at 31 December 2017). The floating rate notes held by the Group and amounting to €151 million at 31 December 2016, were redeemed as part of the partial debt refinancing operation completed on 6 June 2017.
- At 31 December 2016, "Other current assets" included receivables relating to the finance lease contracts for the maritime segment's three ferries. During 2017, the Group exercised the put options that were included in the contracts signed with the lessees and completed the sales of the three ferries. These transactions, which gave rise to a receipt by the Group of a total of €116 million, are reflected in the consolidated accounts by the settlement of receivables recognised in respect of their finance leases (see note A.2 to the Group's consolidated financial statements as at 31 December 2017 for further details).
- At 31 December 2017, "Cash and cash equivalents" amounted to €613 million after payment of the €139 million dividend, net capital expenditure of €277 million, €230 million in debt service costs (interest, repayments and fees) as well as a net amount of €259 million generated by the refinancing operation completed in June 2017 (see notes A.1.1 and G.1.1.a to Group's consolidated financial statements as at 31 December 2017 for further details) and the receipt of €116 million from the sale of the ferries.
- "Equity" increased by €239 million as a result of the favourable change in the valuation of the "Interest rate derivatives" liability on the hedging contracts and related deferred tax (€177 million), the evolution of the cumulative translation reserve (€57 million) and the net profit for the year (€113 million) partly offset by the impact of the dividend payment (€139 million).
- "Financial liabilities" have increased by €560 million compared to 31 December 2016 as a result of the €602 million additional debt raised by the operation to partially refinance the Term Loan concluded on 6 June 2017 and an increase of €48 million arising from the effect of inflation on the index-linked debt tranches of the Term Loan partially offset by the effect of the reduction in the exchange rate on the sterling-denominated debt (€65 million) and the contractual debt repayments of €26 million.
- "Interest rate derivatives" decreased by €593 million mainly as a result of the partial termination of the hedging contracts (€502 million) and a reduction of €88 million in the mark-to-market valuation of the contracts.
- "Other liabilities" include €304 million of trade and other payables and provisions, as well as retirement liabilities of €74 million.

2.1.3 ANALYSIS OF CONSOLIDATED CASH FLOWS

In order to enable a better comparison between the two years, the 2016 cash flow presented in this section has been recalculated at the exchange rate used for the statement of financial position at 31 December 2017 of £1=€1.127.

a) Consolidated cash flows

€ million	2017	2016 * restated	Change	2016 published
Exchange rate €/£	1.127	1.127		1.168
Continuing activities:				
Net cash inflow from trading	540	517	23	520
Other operating cash flows and taxation	6	(17)	23	(18)
Net cash inflow from operating activities	**546**	**500**	**46**	**502**
Net cash outflow from investing activities	(275)	(201)	(74)	(202)
Net cash outflow from financing activities	(365)	(446)	81	(449)
Net cash inflow from financing operation	259	–	259	–
Increase/(decrease) in cash in year from continuing activities	**165**	**(147)**	**312**	**(149)**
Discontinued activities **:				
Net cash (outflow)/inflow from trading	(1)	12	(13)	12
Other operating cash flows and taxation	(13)	(14)	1	(14)
Net cash inflow from operating activities	**(14)**	**(2)**	**(12)**	**(2)**
Net cash outflow from investing activities	–	(21)	21	(22)
Net cash (outflow)/inflow from sale of subsidiary	(2)	130	(132)	130
Net cash inflow from financing activities	122	24	98	24
Increase in cash in year from discontinued activities	**106**	**131**	**(25)**	**130**
Total increase/(decrease) in cash in year	**271**	**(16)**	**287**	**(19)**

* *Restated at the rate of exchange used for the statement of financial position at 31 December 2017 (£1=€1.127).*
** *Maritime segment and GB Railfreight Limited, see note C.2.1 to the consolidated accounts at 31 December 2017.*

i. Continuing activities

At €540 million in 2017, net cash generated from trading by continuing operations improved by €23 million compared to 2016 at a constant exchange rate (€517 million restated). This change is explained mainly by:

- an increase in activities relating to the Fixed Link to €531 million (2016: €516 million), and
- an increase in Europorte activities to €9 million (2016: €2 million).

ElecLink expenditure remains stable at €1 million (2016: €1 million).

The €23 million improvement in "Other operating cash flows and taxation" is composed of a €20 million favourable variance related to taxes (including €8 million in respect of the cancelling of the dividend tax and €12 million in respect of corporation tax) as well as a €3 million reduction in other net operating charges.

At €275 million in 2017, net cash payments from investing activities increased by €74 million, comprising mainly:

- €78 million relating to the Fixed Link (2016: €67 million). The main expenditure was €39 million on rolling stock (including €24 million on the three new Truck Shuttles which entered service in February, August and October 2017), €10 million for "Customer Experience" (including the new Flexiplus buildings) and €5 million on the GSM-R project, and
- an investment of €196 million in the construction works on the ElecLink project which started in the second half of 2016 (€51 million in 2016).

On 6 June 2017, the Group completed the partial refinancing of its debt. This operation covered the C tranches of the Term Loan, the variable rate tranches that were fully hedged by fixed rate interest swaps (see notes A.1 and G.1 to the consolidated financial statements at 31 December 2017 for further details). This operation generated net cash totalling €259 million comprising:

- a net receipt of €602 million being the difference between the drawdown of the new tranches (€1,950 million) and the reimbursement of the old C tranches (€1,347 million),
- a receipt of €164 million from the redemption of the floating rate notes held by the Group, and
- fees paid in relation to the partial break costs on the hedging contracts of €482 million and €25 million in relation to other costs and fees of the operation.

This operation enables the Group to:

- reduce its annual interest payments by some €50 million and its annual financial charges in the income statement by an estimated €7 million per year for at least the five next years,
- decrease the average annual cost excluding indexation of the Term Loan to below 4% for this same period compared to 6% previously, and
- raise additional cash of €265 million which could be used to finance the ElecLink project.

The other net financing payments in 2017 amounted to €365 million compared to €446 million in 2016. During 2017, cash flow from financing comprised:

- debt service costs of €230 million:
  - €197 million of interest paid on the Term Loan, associated hedging transactions and on other borrowings (€225 million restated in 2016),
  - €26 million paid in respect of the scheduled repayments on the Term Loan and other borrowings (€36 million in 2016), and
  - €7 million in relation to fees on the operation to simplify the debt completed at the end of 2015 (€17 million in 2016).
- €9 million paid in respect of the share buyback programme (€59 million in 2016),
- €139 million paid in dividends (2016: €118 million), and
- net receipts of €13 million from the liquidity contract and interest received (including €3 million on the floating rate notes held by the Group until June 2017).

ii. Discontinued activities

The cash out flows relating to discontinued operations in 2017 were €1 million from operating activities and a tax payment of €13 million in respect of the sale of the ferries. The cash flow from discontinued activities includes the €122 million received under the finance leases and from the sale of the three ferries and 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 defines its Free Cash Flow as net cash flow from operating activities less net cash flow from investing activities (excluding the initial investment in new activities and the acquisition of shareholdings in subsidiary undertakings) and net cash flow from financing activities relating to debt service plus interest received (on cash and cash equivalents and other financial assets).

€ million	2017	2016 * restated	2016 reported
Exchange rate €/£	1.127	1.127	1.168
Net cash inflow from operating activities	532	498	500
Net cash outflow from investing activities	(79)	(97)	(98)
Debt service costs (interest paid, fees and repayments)	(230)	(281)	(285)
Interest received and other receipts	13	19	19
Free Cash Flow	**236**	**139**	**136**
Dividend paid	(139)	(118)	(118)
Purchase of treasury shares and net movement on liquidity contract	(4)	(58)	(58)
ElecLink: project expenditure	(196)	(51)	(51)
ElecLink: acquisition of shares	–	(74)	(75)
Refinancing operation:			
Drawdown of new tranches	1,950	–	–
Repayment of old tranches	(1,347)	–	–
Fees and expenses (including the partial termination of the hedging contracts)	(507)	–	–
Redemption of the floating rate notes	164	–	–
Sale of GB Railfreight Limited	(2)	130	130
Sale of ferries	116	–	–
Cash received from drawdown of borrowings	–	16	17
Use of Free Cash Flow	**35**	**(155)**	**(155)**
Increase/(decrease) in cash in the year	**271**	**(16)**	**(19)**

* *Restated at the rate of exchange used for the statement of financial position at 31 December 2017 (£1=€1.127).*

At €236 million in 2017, Free Cash Flow has increased by €97 million compared to 2016 restated (€139 million) for the reasons set out in section a) above.

2.1.4 DEBT COVER RATIOS

Financial covenants

The debt service cover ratio and the synthetic service cover ratio for Groupe Eurotunnel SE at 31 December 2017, as described in note G.1.1.b) of the consolidated financial statements contained in section 2.2.1 of this Registration Document, were 3.49 and 3.19 respectively, and thus the financial covenants for the Term Loan for the period were respected.

EBITDA to finance cost ratio

The ratio of the Group's consolidated EBITDA to its finance costs (excluding interest received and indexation) is 2.3 at 31 December 2017 (2016 restated: 2.1).

€ million	2017	2016 * restated
Exchange rate €/£	1.140	1.140
EBITDA	**526**	**494**
Finance cost	272	256
Indexation	(48)	(24)
Finance cost excluding indexation	**224**	**232**
EBITDA / finance cost excluding indexation	**2.3**	**2.1**

* *Restated at the rate of exchange used for the 2017 income statement (£1=€1.140).*

Net debt to EBITDA ratio

The Group defines its net debt to EBITDA ratio as the ratio between financial liabilities less the value of the floating rate notes that were held by the Group until June 2017 and cash and cash equivalents, and consolidated EBITDA. At 31 December 2017, the ratio was 7.1 compared to 6.4 at 31 December 2016.

€ million	31 December 2017	31 December 2016
Non-current financial liabilities	4,220	3,687
Current financial liabilities	67	31
Other non-current liabilities	52	61
Other current liabilities	7	7
Total financial liabilities	**4,346**	**3,786**
Floating rate notes	–	(151)
Cash and cash equivalents	(613)	(347)
Net debt	**3,733**	**3,288**
EBITDA	526	514
Net debt / EBITDA	**7.1**	**6.4**
Statement of financial position exchange rate €/£	*1.127*	*1.168*
Income statement exchange rate €/£	*1.140*	*1.216*

2.2 ANNUAL FINANCIAL STATEMENTS

2.2.1 GET SE'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2017 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 2017

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 Groupe Eurotunnel SE for the year ended 31 December 2017.

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 2017 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 2017 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) 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 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 €6,493 million as of 31 December 2017, compared to a total balance sheet of €7,492 million.

Regarding intangible assets, as indicated in note F.1 of the consolidated financial statements, in 2017, the Group completed the allocation of the goodwill that was accounted for on the acquisition of ElecLink in 2016. This goodwill was fully allocated to an intangible asset representing the fair value estimate, as at the date of acquisition of ElecLink in 2016, of the license and the exemption granted to ElecLink by national regulators in 2013 and 2014.

The Group performed impairment tests on Concession assets, Europorte assets and ElecLink assets. 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 the allocation of ElecLink's goodwill:

- we reviewed the modality of implementation of the allocation, which was the subject of a report by an independent expert;
- we verified the appropriateness of the approach used to determine the fair value of the license and the exemption;
- we assessed the reasonableness of the main assumptions used and verified the calculations that led to the determination of this value;
- we assessed the appropriateness of the information given in the notes to the consolidated financial statements.

Regarding Concession assets, Europorte 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 transactions completed in the context of the reorganisation of the Term Loan

Risk identified

Financial liabilities of €4,287 million and interest rate derivatives of €716 million are among the largest items in the balance sheet as of 31 December 2017.

As detailed in notes A.1.1 and G.1.1 of the consolidated financial statements, in June 2017 the Group completed a partial refinancing of its debt, which related to the C tranches of the Term Loan (the variable rate tranches that were fully hedged by fixed rate interest swaps). This transaction included different phases: 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).

As mentioned in note A.1.2 of the consolidated financial statements, the Group concluded an agreement in December 2017, with one of the holders of the bonds issued by CLEF, to acquire the G2 inflation-indexed bonds. The analysis of the terms of the commitment resulted in the recognition of a provision in accordance with IAS 37, related to a contribution to the costs incurred by the holder of the bonds. The transaction was completed on 9 February 2018.

Given the characteristics of the transactions, there is a risk of error in the accounting treatment that we considered to be a key point of the audit. The particular points of focus are the qualification of the refinancing operation, the analysis and treatment of transaction costs, the treatment of the partial termination of the hedging contracts, the identification and the accounting translation of the commitment to purchase the bonds and the information given in the consolidated financial statements.

Our response

Regarding the refinancing operation:
- 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 analysis and accounting treatment of transaction costs: residual transaction costs not yet amortised and expenses incurred on the new debt;
- we reviewed the accounting treatment of the interest rate derivatives which were amended to suspend their application;
- we checked the documentation of derivative instruments.

Regarding the commitment to acquire index-linked bonds:
- we took note of the agreements reached on 29 December 2017;
- we assessed the commitment made by the Group regarding IAS 37;
- we verified the calculation of the provision as of 31 December 2017;
- we followed the conclusion of the transaction in accordance with the terms of the commitment signed on 29 December 2017.

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

Verification of the information pertaining to the Group presented in the management report

As required by law 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.

Report on other legal and regulatory requirements

Appointment of the statutory auditors

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

As at 31 December 2017, audit firms KPMG Audit and Mazars were in the 11th 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; and
- 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 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) 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 2018

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 2017	31 December 2016
Revenue	D.2	1,032,978	1,023,480
Operating expenses	D.3	(278,184)	(285,578)
Employee benefits expense	E	(228,550)	(224,272)
Operating margin (EBITDA)	D.4	**526,244**	**513,630**
Depreciation	F	(152,590)	(149,240)
Trading profit		**373,654**	**364,390**
Other operating income	D.5	1,289	51,004
Other operating expenses	D.5	(10,241)	(14,557)
Operating profit		**364,702**	**400,837**
Share of result of equity-accounted companies	C.1	–	(762)
Operating profit after share of result of equity-accounted companies		**364,702**	**400,075**
Finance income	G.3	1,808	2,048
Finance costs	G.3	(272,031)	(263,927)
Net finance costs		(270,223)	(261,879)
Other financial income	G.4	69,245	64,436
Other financial charges	G.4	(112,092)	(48,944)
Pre-tax profit from continuing operations		**51,632**	**153,688**
Income tax expense of continuing operations	I.1.2	56,534	(17,449)
Net profit from continuing operations		**108,166**	**136,239**
Net profit from discontinued operations	C.2.1	5,116	64,034
Net profit for the year		**113,282**	**200,273**
Net profit attributable to:			
Group share		112,932	200,585
Minority interest share		350	(312)
Earnings per share (€):	H.2		
Basic earnings per share: Group share		0.21	0.37
Diluted earnings per share: Group share		0.21	0.37
Basic earnings per share from continuing operations		0.20	0.25
Diluted earnings per share from continuing operations		0.20	0.25

Consolidated statement of other comprehensive income

€'000	Note	31 December 2017	31 December 2016
Items that will never be reclassified to the income statement:			
Actuarial gains and losses on employee benefits	E.4	26,560	(15,595)
Related tax	I	(300)	713
Items that are or may be reclassified to the income statement:			
Foreign exchange translation differences		56,608	266,693
Movement in fair value of hedging contracts	G.1.1.c	96,104	(138,744)
Related tax	I	50,434	2,272
Net income recognised directly in equity		**229,406**	**115,339**
Profit for the year – Group share		112,932	200,585
Total comprehensive income – Group share		**342,338**	**315,924**
Total comprehensive income/(expense) – minority interest share		650	(308)
Total comprehensive income for the year		**342,988**	**315,616**

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

Consolidated statement of financial position

€'000	Note	31 December 2017	31 December 2016
ASSETS			
Goodwill	F.1	20,392	119,955
Intangible assets	F.1	119,955	–
Total intangible assets		**140,347**	**119,955**
Concession property, plant and equipment	F.2.1	6,013,175	6,086,544
Other property, plant and equipment	F.2.2	339,529	159,678
Total property, plant and equipment		**6,352,704**	**6,246,222**
Deferred tax asset	I.2	217,420	121,698
Other financial assets	G.5	11,697	158,361
Total non-current assets		**6,722,168**	**6,646,236**
Inventories		1,843	3,009
Trade receivables	D.6.1	96,422	94,336
Other receivables	D.6.2	58,781	62,066
Other financial assets	G.5	–	107,036
Cash and cash equivalents	G.6	612,533	346,637
Total current assets		**769,579**	**613,084**
Total assets		**7,491,747**	**7,259,320**
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	(286,106)	(555,788)
Profit for the year		112,932	200,585
Cumulative translation reserve		292,390	235,782
Equity – Group share		**2,051,012**	**1,812,375**
Minority interest share		–	(650)
Total equity		**2,051,012**	**1,811,725**
Retirement benefit obligations	E.4	73,970	99,887
Financial liabilities	G.2	4,219,528	3,687,213
Other financial liabilities	G.1.1	52,078	61,084
Interest rate derivatives	G.1.1	716,371	1,308,986
Total non-current liabilities		**5,061,947**	**5,157,170**
Provisions	D.8	73,059	6,701
Financial liabilities	G.2	67,872	31,265
Other financial liabilities	G.1.1	6,885	6,858
Trade payables	D.7	197,925	207,328
Other payables	D.7	33,047	38,273
Total current liabilities		**378,788**	**290,425**
Total equity and liabilities		**7,491,747**	**7,259,320**

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 2016	220,000	1,711,796	(337,877)	100,451	(30,911)	**1,663,459**	(342)	**1,663,117**
Transfer to consolidated reserves	–	–	100,451	(100,451)	–	**–**	–	**–**
Payment of dividend	–	–	(118,154)	–	–	**(118,154)**	–	**(118,154)**
Share based payments	–	–	8,797	–	–	**8,797**	–	**8,797**
Acquisition/sale of treasury shares	–	–	(57,651)	–	–	**(57,651)**	–	**(57,651)**
Result for the year	–	–	–	200,585	–	**200,585**	(312)	**200,273**
Minority interests	–	–	–	–	–	**–**	4	**4**
Profit / (loss) recorded directly in other comprehensive income:								
▪ Actuarial gains and losses on employee benefits	–	–	(15,595)	–	–	**(15,595)**	–	**(15,595)**
▪ Related tax	–	–	713	–	–	**713**	–	**713**
▪ Movement in fair value of hedging contracts	–	–	(138,744)	–	–	**(138,744)**	–	**(138,744)**
▪ Related tax	–	–	2,272	–	–	**2,272**	–	**2,272**
▪ Foreign exchange translation differences	–	–	–	–	266,693	**266,693**	–	**266,693**
31 December 2016	**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 (note H.1.4)	–	–	(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 (note G.1.1.c)	–	–	96,104	–	–	**96,104**	–	**96,104**
▪ Recycling of the fair value on the partially terminated hedging contracts (note G.1.1.c)	–	–	30,233	–	–	**30,233**	–	**30,233**
▪ Related tax	–	–	50,434	–	–	**50,434**	–	**50,434**
▪ Foreign exchange translation differences	–	–	–	–	56,608	**56,608**	–	**56,608**
31 December 2017	**220,000**	**1,711,796**	**(286,106)**	**112,932**	**292,390**	**2,051,012**	**–**	**2,051,012**

* *See note H.3.*

** *Of which €3,849,000 is in respect of free shares and €2,123,000 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 2017	31 December 2016
Operating margin (EBITDA) from continuing operations		526,244	513,630
Operating margin (EBITDA) from discontinued operations	C.2.1	(681)	10,630
Exchange adjustment	*	(3,397)	(12,748)
Decrease/(increase) in inventories		153	(2,126)
(Increase)/decrease in trade and other receivables		(3,106)	6,861
Increase in trade and other payables	**	19,713	15,622
Net cash inflow from trading		**538,926**	**531,869**
Other operating cash flows		(5,302)	(22,147)
Taxation paid		(1,406)	(9,454)
Net cash inflow from operating activities		**532,218**	**500,268**
Payments to acquire property, plant and equipment		(275,240)	(145,271)
Sale of property, plant and equipment		169	31
Purchase of shares		300	(74,270)
Change in loans and advances		–	(3,897)
Sale of subsidiary	C.2.1.b	(2,338)	129,660
Net cash outflow from investing activities		**(277,109)**	**(93,747)**
Dividend paid		(139,005)	(118,154)
Exercise of stock options		2,365	521
Purchase of treasury shares		(8,695)	(59,053)
Liquidity contract (net)		4,816	879
Cash received from loans	G.1.1.a	1,949,757	16,936
Fees paid on loans	G.1.1.a	(25,177)	–
Fees paid for partial termination of hedging contracts	G.1.1.a	(481,982)	–
Early repayment of loans	G.1.1.a	(1,347,486)	–
Cash received from redemption of floating rate notes	G.1.1.a	163,995	–
Fees paid on loans	G.1.1.a	(7,151)	(17,249)
Interest paid on loans		(162,954)	(163,561)
Interest paid on hedging instruments		(33,703)	(66,136)
Scheduled repayment of loans		(25,968)	(38,257)
Cash received under finance leases	C.2.1.a	121,807	10,357
Interest received on cash and cash equivalents		2,641	2,072
Interest received on other financial assets		2,742	6,024
Net cash inflow/(outflow) from financing activities	***	**16,002**	**(425,621)**
Increase/(decrease) in cash in year		**271,111**	**(19,100)**

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

** *In the 2016 Registration Document as published on the Group's website as well as in the printed version of the document, this table contained an error affecting the amount of the increase in trade and other payables as of 31 December 2016. An erratum was published. This current document has been rectified for this erratum and therefore contains the correct amount.*

*** *The fees paid during the renegotiation of tranche C totalling €25 million were recognised for €18 million as an adjustment to the amount of the debt. The fees paid on the termination of the swaps correspond to the fair value of the instruments (€502 million on the transaction date) after taking into account the discount obtained from the counterparties and the negotiation costs.*

Movement during the year

€'000	Note	2017	2016
Cash and cash equivalents at 1 January		346,637	405,912
Effect of movement in exchange rate		(5,395)	(40,077)
Increase/(decrease) in cash in year		271,111	(19,100)
Increase/(decrease) in interest receivable in year		180	(98)
Cash and cash equivalents at 31 December	G.6	**612,533**	**346,637**

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

Notes to the financial statements

Groupe Eurotunnel SE, whose registered office is at 3 rue La Boétie, 75008 Paris, France and whose shares are listed on Euronext Paris and on NYSE Euronext London, is the Group's consolidating entity. The term "Groupe Eurotunnel SE" or "GET SE" refers to the holding company which is governed by French law. The term "Group" refers to Groupe Eurotunnel 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), the rail freight activity of the Europorte segment as well as the construction and operation (expected for the beginning of 2020) of the 1,000 MW electricity interconnector in the Tunnel by ElecLink. The maritime activity was discontinued in 2015 (see note A.2 below).

The consolidated financial statements were finalised by the Board of Directors on 20 February 2018 and will be submitted for approval to the shareholders' general meeting.

A. Important events

A.1 Optimisation of the structure of the debt

During 2017, the Group continued its strategy, begun at the end of 2015, of the optimisation of its debt structure. The objective of this long-term initiative is to enable the Group to benefit from a financing structure that is more appropriate to its business and its needs and to realise savings compared to the current cost of its debt. The operations carried out and committed in 2017 are part of this strategy, which will be pursued in 2018 by the reorganisation of the Group's legal structure.

A.1.1 Partial refinancing of the debt in June 2017

On 6 June 2017, the Group completed the partial refinancing of its debt, which related to the C tranches of the Term Loan (the variable rate tranches that were fully hedged by fixed rate interest swaps). This operation, whose terms and treatment in the accounts are set out in notes G.1.1.a and G.5.1 below, comprised:

- the refinancing of tranches C1 and C2 of the Term Loan and the partial termination of the corresponding hedging contracts,
- the drawing of three new tranches of debt for a total of €602 million (at the exchange rate at 31 December 2017) in order to finance the cost of the partial termination of the hedging contracts and the costs of the operation, and
- the redemption of the floating rate notes issued by Channel Link Enterprises Finance Plc (CLEF) as part of the securitisation of tranche C of the debt in 2007 and held by the Group.

At 31 December 2017, this operation is reflected in the Group's consolidated financial statements as follows:

- In accordance with IAS 39, the refinancing of tranches C1 and C2 is accounted for as the extinguishment of the existing debt and the recognition of a new financial liability, with the recognition in the income statement of the unamortised costs of tranches C1 and C2 amounting to €21 million.
- The new tranches are recorded at their fair value. Costs of €18 million which are directly attributable to the issue of the new debt are recognised as an adjustment to the carrying value of the new tranches and will be amortised over its life using the effective interest rate method.
- Following the partial termination of the hedging contracts, the interest rate derivatives liability in the consolidated balance sheet was reduced by €502 million which will be recycled from equity to the income statement over the periods of suspension of the hedging contracts.
- The redemption of the floating rate notes held by the Group and which were previously accounted for as "Other financial assets", generated a profit of €14 million which was recognised in the consolidated income statement under "Other financial income" which corresponds to the portion of the discount realised on their acquisition in 2011 and 2012 that had not yet been recognised in the income statement.

A.1.2 Commitment to acquire inflation-linked bonds

On 29 December 2017, the Group reached an agreement with one of the holders of the bonds issued by CLEF in 2007 in relation to all the bonds that they held. The agreement provides for:

- the acquisition by the Group of the G2 inflation-indexed bonds which have a nominal value of €150 million,
- options for the Group to purchase the G1 bonds (which have a nominal value of £300 million) and the G3 bonds (which have a nominal value of £100 million), and
- the Group to be able to put in place the restructuring of its legal structure in 2018.

All the conditions related to the implementation of this commitment having been met, the operation was completed on 9 February 2018.

The Group paid an indemnity of £48 million in respect of the G2 bonds corresponding to a contribution to the costs incurred by the holder of the bonds. This indemnity was provided for in the consolidated accounts as at 31 December 2017 in accordance with IAS 37.

A.2 Discontinued operation: maritime segment

Since the cessation 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. Information relating to the maritime segment is presented in note C.2.1.a below.

Exercise of the put options for the sale of the ferries

In June 2015, the Group reached an agreement with the DFDS group in relation to two of the ferries, Berlioz and Rodin (since renamed Côte des Flandres and Côte des Dunes) and on the 4 May 2016, the Group reached an agreement with Vansea Shipping Company Limited relating to the Nord-Pas-de-Calais ferry (since renamed AL Andalus Express).

These agreements provided for the lease of the ferries with a put option, exercisable by the Group, for their subsequent sale. At the start of the lease of the ferries in 2016, the Group recorded them as finance leases in the consolidated balance sheet for an amount equivalent to the value of the minimum payments receivable.

The Group exercised the put option on the Berlioz and Rodin on 12 June 2017 and on 23 June 2017, completed the sale of the two ferries to DFDS A/S for the price set out in the agreement made in June 2015. The put option of the Nord-Pas-de-Calais was exercised by the Group on 5 July 2017 and the sale was completed on 10 July 2017.

MyFerryLink paid €13 million for maintenance and repair works before the transfer of the Rodin and the Berlioz.

These transactions, through which the Group received €116 million in 2017, are treated in the consolidated financial statements at 31 December 2017 as a settlement of the finance lease receivables and an income of €15 million was recognised in the income statement under discontinued activities.

In the context of the exercise of the put option on the Berlioz and Rodin, DFDS notified the Group that it disagreed with the option exercise price. It has since introduced a claim in arbitration for restitution of part of the purchase price. The Group considers that the amount paid is what was agreed in the option agreement. The arbitration case will be heard in the second half of 2018.

A.3 ElecLink

ElecLink's construction works continued in 2017 in accordance with the plan in terms of both cost and timetable. Investment in the project during 2017 amounted to €181 million, bringing the total investment since the Group took full control of ElecLink in 2016 to €239 million.

B. Principles of preparation, main accounting policies and methods

The consolidated accounts consist of the consolidation of the accounts of GET 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 2017 are prepared in accordance with international accounting standards as published by IASB and approved by the European Union as at 31 December 2017. These international standards include IAS (International Accounting Standards), 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.

The Group did not anticipate the application of standards and interpretations, the implementation of which is not mandatory in 2017.

B.2 Changes in accounting standards as at 31 December 2017

The accounting policies and valuation rules applied by the Group in the consolidated financial statements at 31 December 2017 are identical to those used in the financial statements as at 31 December 2016.

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 2017, are as follows:

- amendments to IAS 19 "Defined Benefit Plans: Employee Contributions";
- amendments to IAS 16 and IAS 38 "Clarification of Acceptable methods of depreciation and amortisation";
- amendments to IAS 1 "Disclosure Initiative";
- amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Application of the Exception to Consolidation";
- amendments to IFRS 11 "Acquisition of an interest in a joint operation";
- amendments to IAS 12 "Recognition of deferred tax assets for unrealised losses";
- amendments to IAS 7 under the "Disclosure Initiative" project.

The application of these texts has no significant impact on the Group's consolidated financial statements.

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

IFRS 15 "Revenue from Contracts with Customers"

On 22 September 2016, the European Union adopted IFRS 15 "Revenue from Contracts with Customers", which is mandatory from 1 January 2018. The associated amendments, subject to their adoption by the European Union, will be applicable on the same date as IFRS 15.

The Group has not applied this standard in advance.

The Group's accounting policies in relating to the accounting of its income are set out in note D.2 below. The Group's analysis of income and contracts with customers in its various activities did not identify any significant impact of the application of this standard on the consolidated financial statements.

IFRS 9 "Financial Instruments"

"IFRS 9 - Financial Instruments", issued by the IASB in July 2014 and adopted by the EU on 29 November 2016, will replace IAS 39 "Financial Instruments" as of 1 January 2018. This new standard defines new principles for the classification and measurement of financial instruments, impairment for credit risk on financial assets and hedge accounting.

The Group has not applied this standard in advance.

The analysis carried out by the Group on the first application of this new standard has not identified any significant impact on its consolidated financial statements.

IFRS 16 "Leases"

IFRS 16 "Leases" will be mandatory for financial years beginning on or after 1 January 2019. Under this standard, all leases other than short-term leases and those for low-value assets must be recognised in the lessee's statement of financial position, in the form of a right-of-use asset and in consideration of a financial debt.

The Group currently presents "simple" rentals off-balance sheet. The analysis of the potential impact of this standard, which mainly concerns the Europorte segment, is currently being finalised.

The Group has not applied this standard in advance.

Amendments to IFRS 4

The amendments to IFRS 4 "Application of IFRS 9 and IFRS 4" will be mandatory for financial years beginning on or after 1 January 2018. The Group has not applied this standard in advance.

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

The following texts concerning accounting rules and methods specifically applied by the Group have not yet been approved by the European Union:

- amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate/joint venture";
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- interpretation IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- interpretation IFRIC 23 "Uncertainty over Income Tax Treatments";
- IAS 40 "Transfers of investment property";
- IFRS 14 "Regulatory Deferral Accounts";
- IFRS 17 "Insurance Contracts";
- amendments to IFRS 9 "Prepayment Features with Negative Compensation";
- amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures";
- amendments to IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements";
- amendments to IAS 12 "Income Taxes"; and
- amendments to IAS 23 "Borrowing Costs".

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

GET 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 2017 and 2016 are as follows:

€/£	2017	2016
Closing rate	1.127	1.168
Average rate	1.140	1.216

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. 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.7).

Brexit: the United Kingdom's exit from the European Union

Following the UK's decision to leave the European Union on 23 June 2016, formal negotiations between the UK government and the European Commission on the terms and mechanisms of the exit which started on 19 June 2017, entered the second phase in December 2017 and are continuing as of the closing date of these accounts.

During 2017, the Group has not noted any significant impact of this decision on its business but continues its process of active monitoring and detailed follow-up of potential risks that may arise.

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 2017 as set out above.

Evaluation of deferred tax

In updating its estimate of deferred tax as at 31 December 2017, the Group extended the period of activation of its recoverable deficits from three to five years in order to align it with the horizon of its latest business plan. The estimate of deferred taxes as at 31 December 2017 also takes into account changes in future tax rates in the UK and France and changes in the UK rules on the use of tax loss carryforwards.

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.

Investments in companies accounted for under the equity method

Entities over which the Group exercises significant influence and entities that are jointly controlled are consolidated under the equity method. These investments are initially recorded at cost, including any goodwill generated. Their carrying amount is subsequently increased or decreased to take into account the Group's share in profits or losses realised after the acquisition date. When losses exceed the value of the Group's net investment in an equity-accounted company, these losses are not recognised unless the Group has a contractual commitment to recapitalise on behalf of that company.

If there is an indication of impairment, the recoverable amount is tested and the impairment losses resulting from these impairment tests are recorded as a reduction of the carrying amount of the corresponding investments.

The Group has chosen to present the operating result of its share of the net result of companies accounted for by the equity method, the operational nature of which is in line with the Group's activity, after the operating profit and before a subtotal entitled "Operating profit after share of result of equity-accounted companies".

C.1 List of consolidated companies

For the purposes of consolidation, GET SE comprises the following companies at 31 December 2016 and 31 December 2017:

	Country of registration or incorporation	Consolidation method	31 December 2017		31 December 2016	
			% interest	% control	% interest	% control
Fixed Link segment						
Groupe Eurotunnel SE (GET SE)	France	FC		Holding	company	
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
Centre International de Formation Ferroviaire de la Côte d'Opale SAS (CIFFCO)	France	FC	100	100	100	100
Cheriton Resources 14 Limited	England	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 Financial Services Limited	England	FC	100	100	100	100
Eurotunnel Management 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
Société Immobilière et Foncière Eurotunnel SAS *	France	FC	–	–	100	100
Europorte segment						
Bourgogne Fret Services SAS	France	FC	–	–	63	100
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 2017						
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
NTMO SAS	France	FC	100	100	100	100
Orbital Park Limited (OPL)	England	FC	100	100	100	100

* *Euro-Immo GET SAS absorbed Société Immobilière et Foncière Eurotunnel (SIFE) in 2017.*

Bourgogne Fret Services SAS, a subsidiary initially formed in conjunction with Cérévia, was fully taken over by Europorte France SAS in 2017. Europorte France SAS, as a sole shareholder, decided to dissolve Bourgogne Fret Services SAS.

At 31 December 2016 and at 31 December 2017, all the Group's companies are fully consolidated. Up to the purchase by the Group in August 2016 of Star Capital's 51% shareholding in ElecLink Limited, GET SE's shareholding of 49% (held by its subsidiary GET Elec Limited) was accounted for under the equity method.

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	2017	2016
Maritime segment	a) below	2,230	17,127
GB Railfreight Limited	b) below	2,886	46,907
Net result from discontinued activities		**5,116**	**64,034**
Earnings per share from discontinued activities (€):			
Basic		0.01	0.12
Diluted		0.01	0.12

a) 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. The ferries Côte des Flandres and Côte des Dunes (formerly the Berlioz and the Rodin) have been leased to the DFDS group since February 2016 and the AL Andalus Express (formerly the Nord-Pas-de-Calais) has been leased to Vansea Shipping Company Limited since 4 May 2016. At the start of the lease of each of the ferries, the lease contracts were recognised as finance leases for an amount equivalent to the minimum lease payments to be received in accordance with IAS 17 “Leases”. Accordingly, the Group recorded an income net of tax of €24 million in the consolidated income statement in 2016.

As indicated in note A.2 above, the Group received in 2017 €114 million from DFDS and €3 million from Vansea Shipping Company Limited in consideration for the sale of the ferries in accordance with the agreements concluded between the parties. During this process of selling the two ferries on 23 June 2017, DFDS notified the Group that it disagreed with the option exercise price. The amount of the disagreement represents €15 million.

In 2017, the Group extinguished the finance lease receivables previously recognised in “Other financial assets” in the statement of financial position. The sale of the two ferries generated an income of €15 million which is recognised in the income statement of the discontinued operations at 31 December 2017 under “Other operating income”. The capital gain generated by the sale gives rise to a current tax charge in 2017 and the reversal of the deferred tax charge recorded in 2016.

The Group is the subject of a number of legal claims following the cessation of its maritime activity, including those by the liquidator of SCOP SeaFrance and the AGS (the French insolvency fund for the management of employee claims) as well as the contestation by DFDS as to the exercise price of the put options for the two ferries. In a judgment delivered on 30 January 2018, one of the claims by the liquidator of SCOP SeaFrance, that relating to the contribution by the Group to the losses of the SCOP on the basis of the existence of a company created in fact between the two entities, was dismissed at first instance. In its consolidated accounts at 31 December 2017, the Group has recognised a provision for risk of €12 million in relation to the various ongoing disputes relating to its maritime segment in the income statement of the discontinued operations under “Other operating charges”.

Maritime segment’s income statement

€’000	2017	2016
Operating costs	(681)	(5,333)
Operating margin (EBITDA)	**(681)**	**(5,333)**
Other operating income/(charges)	2,911	38,267
Operating profit/(loss)	**2,230**	**32,934**
Other financial (charges)/income	–	(17)
Pre-tax profit/(loss)	**2,230**	**32,917**
Deferred tax	15,790	(15,790)
Income tax expense	(15,790)	–
Net profit/(loss)	**2,230**	**17,127**

Maritime segment’s cash flow statement

€’000	2017	2016
Net cash flow from operating activities	(13,371)	(17,516)
Net cash flow from investing activities	75	–
Net cash flow from financing activities	121,807	10,357
Increase/(decrease) in cash in year	**108,511**	**(7,159)**

b) GB Railfreight Limited

Subsequent to completion on 15 November 2016 of the sale of its subsidiary GB Railfreight Limited, the purchaser submitted a claim to the Group on 29 December 2016 for a price adjustment under the terms of the sale contract. As a consequence, the Group included a provision of €5 million in its consolidated accounts as at 31 December 2016 as part of the calculation of the net profit on the sale recognised in “Other operating charges”. During 2017, an agreement was reached with the purchaser on a final price adjustment of €2.3 million. Accordingly, in its 2017 consolidated accounts, the Group has released the provision accounted for at the end of 2016 and has adjusted the related tax; the net impact amounts to an income of €2.9 million.

Income statement for the discontinued operation of GB Railfreight Limited

€'000	31 December 2017	* 31 October 2016
Revenue	–	128,814
Operating expenses	–	(112,851)
Operating margin (EBITDA)	**–**	**15,963**
Depreciation	–	(6,638)
Trading profit	**–**	**9,325**
Other operating income/(charges)	2,886	39,336
Operating profit (EBIT)	**2,886**	**48,661**
Net finance costs and other financial charges	–	(1,754)
Pre-tax result	**2,886**	**46,907**
Current income tax for the period in the UK at 20%	–	(1,469)
Current income tax for the period in France at 34.43%	(994)	(13,622)
Tax consolidation and utilisation of tax loss carryforwards	994	15,091
Net tax	–	–
Net result	**2,886**	**46,907**

* *The most recent financial statements of the company available at 31 October 2016 were used as the basis for accounting for its exit from the scope of consolidation.*

Cash flow statement for the discontinued operation of GB Railfreight Limited

€'000	2017	2016
Net cash flow from operating activities	–	15,780
Net cash flow from investing activities	–	(21,734)
Proceeds from sale of GB Railfreight Limited	(2,338)	129,660
Net cash flow from financing activities	–	14,091
(Decrease)/increase in cash in period	**(2,338)**	**137,797**

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.

The Group is organised around the following three activities, which corresponded to the internal information reviewed and used by the main operational decision makers (the Executive Committee):

- the “Concession for the cross-Channel Fixed Link” segment which includes the Group’s corporate services,
- the “Europorte” segment, the main activity of which is that of rail freight operator, and
- the “ElecLink” segment, whose activity is the construction and operation of a 1,000 MW electricity interconnector running through the Channel Tunnel.

D.1.1 Information by segment

€'000	Fixed Link	Europorte	ElecLink	Consolidation adjustments	Total of continuing operations	Discontinued operations *	Total
At 31 December 2017							
Revenue	915,484	118,447	–	(953)	**1,032,978**	–	**1,032,978**
EBITDA	522,058	5,939	(800)	(953)	**526,244**	–	**526,244**
Trading profit/(loss)	375,423	12	(828)	(953)	**373,654**	–	**373,654**
Pre-tax result of continuing operations	53,936	325	(3,329)	700	**51,632**	–	**51,632**
Net consolidated result					**108,166**	5,116	**113,282**
Investment in property, plant and equipment	76,913	3,648	180,964	705	**262,230**	–	**262,230**
Property, plant and equipment (intangible and tangible)	6,015,767	80,829	395,817	638	**6,493,051**	–	**6,493,051**
External financial liabilities	4,273,823	13,577	–	–	**4,287,400**	–	**4,287,400**
At 31 December 2016							
Revenue	907,736	115,811	–	(67)	**1,023,480**	–	**1,023,480**
EBITDA	515,313	(157)	(1,459)	(67)	**513,630**	–	**513,630**
Trading profit/(loss)	371,735	(5,814)	(1,464)	(67)	**364,390**	–	**364,390**
Pre-tax result of continuing operations	122,556	(11,161)	42,360	(67)	**153,688**	–	**153,688**
Net consolidated result					**136,239**	64,034	**200,273**
Investment in property, plant and equipment	65,951	5,931	58,420	(67)	**130,235**	19,843	**150,078**
Property, plant and equipment (intangible and tangible)	6,088,577	83,178	194,489	(67)	**6,366,177**	–	**6,366,177**
External financial liabilities	3,703,921	14,557	–	–	**3,718,478**	–	**3,718,478**

* *See note C.2 above.*

D.1.2 Geographical information

The Fixed Link'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.

Fixed Link

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	2017	2016
Shuttle Services	604,082	602,687
Railway Network	292,802	290,870
Other revenues	17,647	14,112
Sub-total Fixed Link	**914,531**	**907,669**
Europorte	118,447	115,811
Total	**1,032,978**	**1,023,480**

D.3 Operating costs

Operating costs are analysed as follows:

€'000	2017	2016
Operations and maintenance: subcontracting and spares	104,782	108,239
Electricity	30,086	31,905
Cost of sales and commercial costs	16,349	19,999
Regulatory costs, insurance and local taxes	40,040	39,276
General overheads and centralised costs	20,166	18,709
Sub-total Fixed Link	**211,423**	**218,128**
Europorte	66,252	66,612
ElecLink	509	838
Total	**278,184**	**285,578**

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	2017	2016
Revaluation of shares already held in ElecLink	–	49,872
Other	1,289	1,132
Sub-total other operating income	**1,289**	**51,004**
Net loss on disposal or write-off of assets	(4,733)	(2,198)
Other	(5,508)	(12,359)
Sub-total other operating expenses	**(10,241)**	**(14,557)**
Total	**(8,952)**	**36,447**

Other operating expenses relate mainly to provision for risk and legal and advisory costs arising from non-recurring transactions.

D.6 Trade and other receivables

ACCOUNTING PRINCIPLES

When a trade receivable is considered doubtful, an impairment allowance is made for the full amount due except in a small number of cases where the Group considers that recovery is possible.

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 2017	31 December 2016
Road haulage companies	44,995	45,027
National railways	23,456	21,330
Rail freight sector	26,315	28,663
Other	14,294	13,624
Gross value	**109,060**	**108,644**
Allowance for impairment	(12,638)	(14,308)
Net value	**96,422**	**94,336**

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 2017	Gross	71,527	19,459	4,477	13,597
	Allowance for impairment	–	–	165	12,473
At 31 December 2016	Gross	73,366	16,833	4,393	14,052
	Allowance for impairment	–	–	302	14,006

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

€'000	2017	2016
Balance at 1 January	14,308	10,457
Impairment loss recognised	613	4,475
Impairment loss recovered	(2,276)	(501)
Exchange difference	(7)	(123)
Balance at 31 December	**12,638**	**14,308**

D.6.2 Other receivables

€'000	31 December 2017	31 December 2016
Suppliers	917	588
State debtors	40,328	42,459
Prepayments	9,518	4,794
Other	8,018	14,225
Total	**58,781**	**62,066**

D.7 Trade and other payables

€'000	31 December 2017	31 December 2016
Trade cash advances	1,301	1,531
Trade creditors and accruals	107,191	95,151
Taxation, social security and staff	63,716	59,637
Property, plant and equipment creditors and accruals	25,717	51,009
Trade payables (current)	**197,925**	**207,328**
Deferred income*	29,865	28,582
Other	3,182	9,691
Other payables (current)	**33,047**	**38,273**
Total	**230,972**	**245,601**

* *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 2017	Charge to income statement	Release of unspent provisions	Provisions utilised	31 December 2017
Continuing activities (note A.1.2)	6,694	56,545	(40)	(2,140)	**61,059**
Discontinued maritime activity (note C.2.1.a)	7	12,000	(7)	–	**12,000**
Total	**6,701**	**68,545**	**(47)**	**(2,140)**	**73,059**

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

Operating lease contracts

The contractual payments of operating lease contracts which are non-cancellable in the short term are set out in the table below:

€'000	31 December 2017	31 December 2016
Less than one year	10,497	9,140
From one to five years	10,425	15,625
More than five years	–	–
Total	**20,922**	**24,765**

These relate to the leasing commitments for rolling stock by the rail freight subsidiaries. At 31 December 2017, the contracts have a residual duration of up to three years and usually include options for renewal. In order to take into account changes in leasing market conditions, the rental amounts of certain contracts are reviewed every year.

During the year, leasing charges of €11.3 million were accounted for relating to operating leases on rolling stock (2016: €11.7 million).

E. Personnel expenses and benefits

E.1 Employee numbers and employee benefits expense

	2017	2016
Number of persons employed at year end	3,400	3,336
Average number of persons employed	3,409	3,348
Employee benefits expense (in €'000)*	228,550	224,272

* *Including employment costs and directors' remuneration (10 non-executive Directors at 31 December 2017 and at 31 December 2016).*

In 2017, employee benefits expense include charges of €5,759,000 (2016: €7,934,000) 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 GET SE Board who served during 2017 was €1.80 million (2016: €1.75 million) before pension contributions. This remuneration, which includes attendance fees payable to members of the Board for a total of €0.7 million (2016: €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 2016 and 2017, is given in the table below. There were 7 members of the Executive Committee (excluding Board Directors) at 31 December 2017 (6 at 31 December 2016).

€'000	2017	2016
Current employment benefits	1,998	1,710
Post-employment benefits	–	8
Other long term benefits	–	–
Payments in respect of termination of service	–	–
Cost of share-based payments	823	570
Total	**2,821**	**2,288**

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 2017	31 December 2016
United Kingdom	62,714	89,172
France	11,256	10,715
Total	**73,970**	**99,887**

E.4.1 UK employee defined benefit obligations

GET 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 2017	31 December 2016
Analysis of plan assets:		
Return seeking investments:		
Equities	201,774	185,134
Other	26,405	25,384
Liability matching investments:		
Gilts	25,915	25,978
Bonds	56,249	54,271
Other	390	262
Fair value of plan assets	**310,733**	**291,029**
Present value of funded obligations	369,386	379,915
Present value of net obligations	**58,653**	**88,886**
Effect of asset ceiling	4,061	286
Recognised liability for retirement obligations (see below)	**62,714**	**89,172**

Assumptions

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

	2017	2016
Discount rate	2.7%	2.9%
Inflation rate	3.4%	3.5%
Future pension increases	3.3%	3.4%

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 2017	Increase	Decrease
Discount rate: +/-1%	(62,300)	82,400
Inflation: +/-1%	52,300	(49,700)
Mortality: +/-1 an	14,100	(13,900)

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 2018 financial year will be €3.7 million, of which €1.9 million will be in respect of current service costs for the period and €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 23 years.

Movements in the present value of retirement obligations

€'000	2017	2016
Opening liability at 1 January	379,915	358,876
Current service costs	4,772	4,211
Interest on obligation	10,675	12,074
Contributions received from employees	1,358	1,614
Benefits paid and transfers	(5,451)	(5,130)
Actuarial gain/(loss) and curtailment	(8,555)	62,476
Exchange rate adjustment	(13,328)	(54,206)
Closing liability at 31 December	**369,386**	**379,915**

Movements in the fair value of plan assets

€'000	2017	2016
Fair value of plan assets at 1 January	291,029	283,676
Contributions received from employer	4,324	4,835
Contributions received from employees	1,358	1,614
Benefits paid and transfers	(5,451)	(5,130)
Expected return on plan assets	8,241	9,647
Actuarial gain/(loss) on plan assets	21,759	38,854
Exchange rate adjustment	(10,527)	(42,467)
Fair value of plan assets at 31 December	**310,733**	**291,029**

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

€'000	2017	2016
Opening net liability at 1 January	89,172	75,938
Company contributions paid	(4,324)	(4,835)
Recognised in the income statement	7,216	6,667
Recognised in other comprehensive income	(26,496)	23,232
Exchange rate adjustment	(2,854)	(11,830)
Closing net liability at 31 December	**62,714**	**89,172**

Expense recognised in the income statement

€'000	2017	2016
Current service costs	4,772	4,211
Interest on obligation and administration costs	2,444	2,456
Total	**7,216**	**6,667**

Profit/(loss) recognised in other comprehensive income

€'000	2017	2016
Actuarial profit/(loss) on assets	21,759	38,854
Actuarial profit/(loss) on retirement obligation	8,555	(62,476)
Effect of asset ceiling	(3,818)	390
Total	**26,496**	**(23,232)**

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 2017 relating to this scheme was €984,000 (2016: €792,000).

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 both the Fixed Link and Europorte companies.

€'000	2017	2016
Provision for retirement liabilities at 1 January	10,715	9,363
Current service cost	678	666
Interest on obligation	135	174
Total charge to the income statement in Employee benefits expense	**813**	**840**
Actuarial losses and (gains)	(68)	623
Indemnities paid	(204)	(111)
Provision for retirement liabilities at 31 December	**11,256**	**10,715**

Assumptions

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

	31 December 2017	31 December 2016
Discount rate	1.30%	1.31%
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 GET 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 has 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 GET 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 GET 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 GET 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

Information on the share option plans

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

	2017		2016	
	Average weighted exercise price (in euros)	Number of options	Average weighted exercise price (in euros)	Number of options
In issue at 1 January	6.67	1,641,250	6.66	1,741,700
Renounced during the period	6.81	(25,000)	6.59	(21,000)
Exercised during the period	6.58	(452,325)	6.56	(79,450)
In issue at the end of the period	**6.70**	**1,163,925**	**6.67**	**1,641,250**
Exercisable at the end of the period	6.70	1,163,925	6.67	1,641,250

Of the 1,163,925 options in issue at 31 December 2017:

- 164,500 are exercisable, subject to staff remaining as employees of the Group, at a price of €6.42 until July 2020,
- 346,000 are exercisable, subject to staff remaining as employees of the Group, at a price of €7.52 until July 2021, and
- 653,425 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 on the grant date

The fair value of the rights granted to staff as part of the share option plan on the grant date was calculated by applying the binomial Black & Scholes model and the Monte Carlo approach. The assumptions used to measure the fair value of the share option plan 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 with no performance conditions

Following the approval by the general meeting of shareholders on 27 April 2017 of the plan to issue existing free shares, GET SE's board of directors decided on 27 April 2017 to grant a total of 253,800 GET SE ordinary shares (75 shares per employee) to all employees of GET SE and its related companies with the exception of executive and corporate officers of GET SE. The vesting period for these shares is one year and is followed by a three-year lock-up period.

During 2017, 332,100 free shares issued in 2015 and 248,825 free shares issued in 2016 were acquired by employees.

Number of shares	2017	2016
In issue at 1 January	954,550	1,264,750
Granted during the period	253,800	302,325
Renounced during the period	(54,175)	(43,325)
Acquired during the period	(581,100)	(569,200)
In issue at the end of the period	**573,075**	**954,550**

The assumptions used to measure the fair value of the free shares were as follows:

Year of grant	2017	2016	2015	2014	2012	2011
Fair value of free shares on grant date (€)	9.38	10.45	13.16	9.28	5.89	6.62
Share price on grant date (€)	10.095	11.17	14.085	9.68	6.26	7.232
Number of beneficiaries	3,384	4,031	3,890	3,691	3,556	3,302
Risk-free interest rate (based on government bonds)	0.0%	0.0%	0.015%	0.33%	1.05%	2.25%

b) Free share plan subject to performance conditions

On 27 April 2017, the general meeting of shareholders 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 1,200,000 ordinary shares with a nominal of €0.40 each. Under this authorisation, the Board of Directors approved on 15 June 2017, the allocation of 1,200,000 shares.

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

Date of grant / main staff concerned	Number of options	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 GET 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 GET 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

Information on the free share plan subject to performance conditions

Number of ordinary shares	2017	2016
In issue at 1 January	1,179,750	–
Granted during the period	1,200,000	1,179,750
Renounced during the period	–	–
Exercised during the period	–	–
Expired during the period	–	–
In issue at the end of the period	**2,379,750**	**1,179,750**
Exercisable at the end of the period	–	–

Assumptions used for the fair value measurement on the grant date

The fair value on grant date of the rights granted to staff as part of the plans was calculated by using the Monte Carlo valuation model. 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 (treated as equity instruments)

On 29 April 2014, the general meeting of shareholders authorised the Board of Directors to grant to executives and senior staff of GET SE and its subsidiaries preference shares (class B shares) with a nominal value of €0.01 each with no voting rights which are convertible into GET SE ordinary shares subject to performance conditions at the end of a four-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 29 April 2014 the grant of 300 preference shares, each convertible at the end of the four-year period into a maximum of 5,000 ordinary shares.

On 29 April 2015, the general meeting of shareholders authorised the Board of Directors to grant to executives and senior staff of GET SE and its subsidiaries preference shares (class C shares) with a nominal value of €0.01 each with no voting rights which are convertible into GET SE ordinary shares subject to performance conditions at the end of a four-year period. The total number of preference shares may not give the right to more than 1,000,000 ordinary shares of a nominal value of €0.40 each. Under this scheme, the Board approved on 29 April 2015 the grant of 2,000 preference shares, each convertible at the end of the four-year period into a maximum of 500 ordinary shares.

Characteristics and conditions of the preference share plans

Date of grant / main staff concerned	Number of options	Conditions for acquiring rights	Vesting period
Preference shares granted to key executives and senior staff on 29 April 2014 (B shares)	300	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	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 GET 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

Information on the preference share plans

	C shares 2015		B shares 2014	
Number of preference shares	**2017**	**2016**	**2017**	**2016**
In issue at 1 January	1,784	1,995	112	300
Granted during the period	–	–	–	–
Renounced during the period	(25)	(211)	–	(22)
Acquired during the period	(1,295)	–	(23)	(166)
Expired during the period	–	–	–	–
In issue at the end of the period	**464**	**1,784**	**89**	**112**
Exercisable at the end of the period	–	–	–	–

Assumptions used for the fair value measurement on the grant date

The fair value on grant date of the rights granted to staff as part of the plan (the 1,500,000 ordinary shares on conversion of the B preference shares and the 1,000,000 ordinary shares on conversion of the C preference shares) was calculated by using the Monte Carlo valuation model. The assumptions used to measure the fair value of the plans on grant date were as follows:

	C shares	B shares
Fair value on grant date (€)	5.33	2.68
Share price on grant date (€)	14.09	9.68
Number of beneficiaries	63	36
Risk-free interest rate (based on government bonds)	0.011%	0.583%

E.5.4 Charges to income statement

€'000	**2017**	**2016**
Stock options	–	341
Free shares	3,731	6,066
Preference shares convertible into ordinary shares	2,028	1,527
Total	**5,759**	**7,934**

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.

€'000	2017	2016
At 1 January	119,955	19,308
Exchange difference	–	(3,572)
Change in scope of consolidation: sale of GB Railfreight Limited	–	(15,736)
Change in scope of consolidation: full acquisition of ElecLink Limited	–	119,955
Allocation of goodwill arising from the acquisition of ElecLink *	(99,563)	–
At 31 December	**20,392**	**119,955**

* *Net of the deferred tax liability recognised on the intangible asset.*

During 2017, the Group completed the allocation of the goodwill that was accounted for on the acquisition of ElecLink in 2016. The goodwill of €119,955,000 at 31 December 2016 was fully allocated 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, for a period of 25 years, from the date of start of operation of ElecLink's interconnector.

Residual goodwill 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.

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 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**
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**
Cost							
At 1 January 2016	106,815	6,549,501	2,082,535	3,255,801	2,024,912	113,766	**14,133,330**
Additions	49,436	–	1,159	11,931	1,683	1,351	**65,560**
Transfers	(56,221)	–	1,974	46,671	3,857	3,719	**–**
Disposals	–	–	(27,479)	(2,775)	(4,499)	(3,558)	**(38,311)**
At 31 December 2016	**100,030**	**6,549,501**	**2,058,189**	**3,311,628**	**2,025,953**	**115,278**	**14,160,579**
Depreciation/impairment							
At 1 January 2016	–	3,237,657	1,138,304	2,124,346	1,364,817	101,591	**7,966,715**
Charged in the year	–	46,811	17,583	36,417	37,763	4,805	**143,379**
Disposals	–	–	(25,815)	(2,430)	(4,386)	(3,428)	**(36,059)**
At 31 December 2016	**–**	**3,284,468**	**1,130,072**	**2,158,333**	**1,398,194**	**102,968**	*** 8,074,035**
Net book value							
At 1 January 2016	106,815	3,311,844	944,231	1,131,455	660,095	12,175	**6,166,615**
At 31 December 2016	**100,030**	**3,265,033**	**928,117**	**1,153,295**	**627,759**	**12,310**	**6,086,544**

* *Including €2,937 million of exceptional depreciation on tangible fixed assets following impairment tests carried out in 2003, 2004 and 2005 (2016: €3,002 million).*

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 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**
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**
Cost:						
At 1 January 2016	36,785	5,260	3,469	182,009	7,657	**235,180**
Exchange differences	(3,212)	(751)	(347)	(14,032)	(31)	**(18,373)**
Additions	65,908	321	662	16,828	799	**84,518**
Transfers	(12,446)	–	545	11,576	325	**–**
Change in scope of consolidation (GB Railfreight and ElecLink)	(9,640)	(3,581)	(1,746)	(92,758)	(123)	**(107,848)**
Disposals	–	–	–	(234)	(2,629)	**(2,863)**
At 31 December 2016	**77,395**	**1,249**	**2,583**	**103,389**	**5,998**	**190,614**
Depreciation:						
At 1 January 2016	–	3,131	2,008	41,562	5,400	**52,101**
Exchange differences	–	(558)	(221)	(3,536)	(23)	**(4,338)**
Charged in the year	–	269	482	9,838	913	**11,502**
Change in scope of consolidation (GB Railfreight and ElecLink)	–	(2,294)	(1,073)	(22,062)	(63)	**(25,492)**
Disposals	–	–	–	(213)	(2,624)	**(2,837)**
At 31 December 2016	**–**	**548**	**1,196**	**25,589**	**3,603**	**30,936**
Net book value:						
At 1 January 2016	36,785	2,129	1,461	140,447	2,257	**183,079**
At 31 December 2016	**77,395**	**701**	**1,387**	**77,800**	**2,395**	**159,678**

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: 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 2017, 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 2017 confirmed that the recoverable value of assets remained higher than their net accounting value on the basis of a discount rate of 5.65% (31 December 2016: 6.11%) 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 2017.

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). The interconnector is due to start operating at the beginning of 2020.

At 31 December 2017, the Group performed a test of value in use of the ElecLink CGU. This test, carried out in accordance with the rules and methods described above and applying WACC of 7.86%, confirms that the value in use of the ElecLink CGU's assets is greater than its carrying amount at 31 December 2017.

The Group also carried out a sensitivity analysis on reasonably possible changes to key assumptions (discount rate, financing rate, cost and time of construction and capacity selling price). This analysis did not reveal any likely scenario which could lead to an impairment of goodwill.

In carrying out these valuation tests, the Group used the best estimates available to it at the balance sheet date. 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 2017, 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 2017.

G. Financing and financial instruments

ACCOUNTING PRINCIPLES

Financial instruments

Financial assets

In accordance with IAS 39, the Group's financial assets have been classified in one of the following four categories:

i. *Financial assets at fair value through profit and loss*

These are financial assets held by the Group for the purpose of generating a short-term profit, or assets designated to this category at inception. These assets are measured at their fair value with changes in the carrying amount being taken to the income statement.

These financial instruments include short-term treasury investments which are classified as current assets in cash equivalents.

ii. *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not listed on an active market and that are not held for trading purposes and are not available for sale.

These assets are initially measured at their fair value and subsequently at their amortised cost using the effective interest rate method. For short-term receivables that do not have a contractual rate of interest, the fair value is assimilated to the original invoiced amount except where the effective interest rate has a significant impact.

These assets are subject to impairment tests if there is an indication of impairment losses. An impairment loss is recognised whenever the carrying amount exceeds the estimated recoverable amount.

Receivables arising on shares and trade receivables are included in this category. They are shown as financial assets and as trade receivables.

iii. *Held-to-maturity investments*

Held-to-maturity investments are financial assets, other than loans and receivables, with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. At the end of the reporting period, the Group has not designated any financial asset to this category.

iv. *Available-for-sale financial assets*

All financial assets that are not classified in another category are classified as available-for-sale. They are measured at their fair value. Unrealised gains and losses are recognised in equity until the asset's sale or derecognition. However when there is objective evidence that an available-for-sale asset may be impaired, the cumulative net loss is recognised in profit or loss. Impairments on equity securities cannot be reversed in subsequent accounting periods. The impairment criteria defined by the Group for securities and shares (securities with variable returns) correspond to a prolonged or significant loss. For debt instruments, the impairment is only charged to the income statement when impairment is indicated that is related to a counterparty risk.

Fair value, for listed securities, equates to the market price. For unlisted securities, the fair value is determined by reference to recent transactions or by using valuation techniques incorporating reliable and observable market data. However, when no reliable estimate of the fair value of a security can be made, it is measured at historical cost. These assets are subject to impairment tests to establish their recoverability.

This category includes shares in non-consolidated subsidiaries and other financial assets.

The classification defines the accounting treatment of these instruments. The classification is designated by the Group at the date of initial recognition depending on the purpose for which the assets were acquired. The purchase and sale of financial assets are accounted for on the transaction date, being the date on which the Group has contracted for the purchase or sale of the asset.

Financial liabilities

Financial liabilities include, in accordance with IAS 39:

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. If the modification is not accounted for as an extinguishment of debt, all costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

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.2 on financial liabilities, meet the criteria set out in IAS 39 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 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 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%. As the new conditions of the index-linked tranches of the Term Loan do not constitute a substantial change in their terms, this operation was accounted for as a renegotiation of the existing loan and the associated costs have been added to the carrying amount of the loan and will be spread over its remaining life. The fees incurred for this operation totalled €123 million of which €66 million was paid between 2015 and 2017, €7 million will be paid in 2018 and €52 million will be paid over the remaining life of the tranche A loans.

a) Refinancing of tranche C of the debt on 6 June 2017

As indicated in note A.1.1 above, the Group completed the partial refinancing of its debt on 6 June 2017 which consisted of:

- the refinancing of tranches C1 and C2 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 under "Other financial assets".

Refinancing of tranche C1

Put in place in 2007 for a nominal value of £350 million, tranche C1 bore a variable rate of interest (LIBOR) plus a margin of 3.39% and was fully hedged by a fixed/floating interest rate swap for which the Group paid a fixed rate of 5.26% and received a floating rate (LIBOR). In 2016, the effective interest rate of this tranche including hedging was 8.8%. Repayment of this tranche was to begin on 20 June 2046 and to end on 20 June 2050.

This variable rate debt was refinanced on 6 June 2017 by the issue of a new tranche, C1a. This new tranche of £350 million bears a fixed interest rate of 3.043% until June 2029. In the absence of a refinancing prior to this date, tranche C1a will revert to bearing a variable interest rate of LIBOR +5.78% (being a margin of 1.78% plus a step-up of 4%) and be fully hedged by a fixed/floating interest rate swap for which the Group will pay a fixed rate of 5.26% and will receive a floating rate (LIBOR). The contractual maturity and amortisation profile of this tranche remain the same as those of the tranche C1 it refinances.

Refinancing of tranche C2

Put in place in 2007 for a nominal value of €953 million, tranche C2 bore a variable rate of interest (EURIBOR) plus a margin of 3.39% and was fully hedged by a fixed/floating interest rate swap for which the Group paid a fixed rate of 4.90% and received a floating rate (EURIBOR). In 2016, the effective interest rate of this tranche including hedging was 8.43%. Repayment of this tranche was to begin on 20 June 2041 and to end on 20 June 2050.

This variable rate debt was refinanced on 6 June 2017 by the issue of two new tranches:

- Tranche C2a of €425 million bears a fixed interest rate of 1.761% until June 2022. In the absence of a refinancing prior to this date, tranche C2a will revert to bearing a variable interest rate of EURIBOR +5.55% (being a margin of 1.55% plus a step-up of 4%) and be fully hedged by a fixed/floating interest rate swap for which the Group will pay a fixed rate of 4.90% and will receive a floating rate (EURIBOR).
- Tranche C2b of €528 million bears a fixed interest rate of 2.706% until June 2027. In the absence of a refinancing prior to this date, tranche C2b will revert to bearing a variable interest rate of EURIBOR +5.90% (being a margin of 1.90% plus a step-up of 4%) and be fully hedged by a fixed/floating interest rate swap for which the Group will pay a fixed rate of 4.90% and will receive a floating rate (EURIBOR).

The contractual maturity and amortisation profile of these tranches remain the same as those of the C2 tranche they refinance.

Partial termination of the interest rate hedging contracts

As a result of the structure of the new tranches of the debt and in accordance with the stipulations of the Term Loan, the hedging contracts were amended to suspend their application for the duration of the initial fixed-rate periods of the new tranches C1a, C2a and C2b. The cost of the partial termination was €490 million (£154 million and €311 million), being €502 million corresponding to the market value of the contracts for the periods of their suspension less the discounts net of fees negotiated with the counterparties to the contracts.

The portion of the fair value of the partially terminated hedging instruments amounting to €502 million was recorded as a reduction in the liability of derivative instruments on the statement of financial position and, in accordance with IAS 39, will be recycled to the consolidated income statement over the period of partial termination of the contracts.

The net profit from the discounts negotiated with the counterparties for the partial termination of the hedging contracts less the associated costs is recognised in the income statement in 2017 in "Other financial income".

The partial termination of the hedging contracts, in connection with the change in the Group's exposure to interest rate risk on its debt, is in line with the interest rate risk management strategy put in place in 2007. As a result, these contracts continue to qualify as cash flow hedges in accordance with their designation as of the date of initial recognition.

Tranches C1b, C2c and C2d

In order to finance the costs of the partial termination of the hedging contract and the costs of the refinancing, the Group contracted three new tranches of debt for a total amount of €602 million (at the exchange rate of 31 December 2017):

- Tranche C1b for £336.5 million bears a fixed interest rate of 3.848% until its contractual maturity in June 2050. Its amortisation profile (2046-2050) is the same as that of the old C1 tranche.
- Tranches C2c and C2d for €83 million and €140 million respectively, bear a fixed interest rate of 3.748% until their contractual maturity in June 2050. Their amortisation profiles (2041-2050) are the same as that of the old C2 tranche.

Costs and fees of the 2017 refinancing operation

Costs of the operation totalling €25 million are treated as follows in the consolidated accounts as at 31 December 2017:

- Costs directly related to the issuance of the new debt amounting to €18 million are recorded as an adjustment to the carrying amount of each new tranche and will be amortised using the effective interest rate. In the case of new tranches C1a, C2a and C2b, the costs allocated to these tranches are amortised over the initial fixed-rate period of these debts.
- Other costs of the operation amounting to €7 million are recorded in "Other financial charges" in the consolidated income statement at 31 December 2017 (see note G.4 below).

Redemption of the floating rate notes

In 2011 and 2012, the Group acquired notes issued by Channel Link Enterprises Finance Plc (CLEF) which corresponded to the securitisation of tranche C of the Group's debt. These notes, which had a nominal value of €164 million and were recorded under "Other financial assets" on the statement of financial position, had been acquired at an average discount of approximately 11%.

As part of the refinancing of tranche C on 6 June 2017, the nominal value of these notes was redeemed by the Group and as a result, the discount that had not yet been recognised by this date, amounting to €14 million, was recorded in "Other financial income" in the income statement at 31 December 2017 (see note G.4 below).

b) Structure of the Term Loan

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

Million	Currency	Amount in currency	Amount in EUR *	Rate	Effective interest rate	Contractual interest rate	Maturity
Tranche A1	GBP	300	338	Fixed rate linked to the UK All Items Retail Price Index published by the United Kingdom Office for National Statistics.	7.31%	2.89%	June 2018 - June 2042
Tranche A2	GBP	150	169		7.34%	2.89%	
Tranche A3	GBP	300	338		7.52%	3.49%	
Tranche A4	EUR	73	73	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.	5.86%	3.38%	June 2018 - June 2041
Tranche A5	EUR	147	147		5.86%	3.38%	
Tranche A6	EUR	147	147		5.96%	3.98%	
Tranche B1	GBP	328	370	Fixed rate	6.77%	6.63%	June 2013 - June 2046
Tranche B2	EUR	556	556	Fixed rate	6.33%	6.18%	June 2013 - June 2041
Tranche C1a **	GBP	350	394	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%.	3.29%	3.04%	June 2046 - June 2050
Tranche C1b	GBP	337	380	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%.	2.40%	1.76%	June 2041 - June 2050
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%.	3.03%	2.71%	
Tranche C2c	EUR	83	83	Fixed rate	3.86%	3.75%	
Tranche C2d	EUR	140	140	Fixed rate	3.86%	3.75%	
Total			**4,088**		**5.18%**		

* *Nominal amount excluding impact of effective interest rate and inflation indexation and at the exchange rate at 31 December 2017 (£1=€1.127).*

** *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 6.31%, 7.77% and 6.52%.*

The effective rate of interest includes costs directly attributable to the debt, and for the A tranches, also includes the effect of the indexation on the nominal value. The transaction costs used for the determination of the effective interest rate at 31 December 2017 correspond to the issue costs for the Term Loan in 2007 remaining to be amortised amounted to €29 million and fees for the renegotiation of the A tranches completed in December 2015 remaining to be amortised amounted to €92 million and for costs for the refinancing transaction on tranche C in June 2017 remaining to be amortised amounting to €17 million. These costs relate mainly to financing, legal and bank fees.

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 Group;

- to the transfer of the assets of the Group and to the acquisition by the Group 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, the Group 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. GET SE is required to ensure that at each six-monthly test date since 31 December 2007, this ratio is not less than 1.25. For the purposes of this test, the ratio is calculated. Failure to meet this ratio on a six-monthly testing date would lead to restrictions on the use of the Group'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 the Group 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 Group'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.

The debt service cover ratio and the synthetic service cover ratio for Groupe Eurotunnel SE at 31 December 2017 were 3.49 and 3.19 respectively, and thus the financial covenants for the period were respected.

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, the main companies in the Group 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 the Group 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 the trade receivables held by it against the freight transporters and coach operators, its insurance receivables and the intercompany receivables held by it against French companies of the Group, (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 Group qualifying as guarantors assign their insurance receivables and intercompany receivables held against French companies of the Group;
- 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 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 GET SE against FM pursuant to the bonds facility agreement dated 28 June 2007 (as amended on 29 August 2007) and entered into, inter alia, GET SE as lender and FM as borrower; and
- a pledge over their rights held in connection with the GIE (*groupement d'intérêt économique*) by GET SE, FM, CTG and Eurotunnel SE.

Security granted by the Group under English law:

The main companies in the Group 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 assets of the Group:

All of the shares of member companies of the Group that are not subject to security as described above (with the exception of Europorte SAS and its subsidiaries) 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 the Group, and include, in particular:
  - a financial covenant which requires GET SE 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 the Group to the extent that a breach is reasonably likely to have a materially adverse effect on the financial position of FM, CTG or the Group;
- 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 Group (other than Groupe Eurotunnel SE);
- 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;
- the Group 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 Groupe Eurotunnel SE;
- 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 any Group 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 the Group.

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 in place 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 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.1.1.a) above.

These derivatives generated a charge of €62 million in 2017 which was accounted for in the income statement (2016: charge of €67 million).

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

€'000	31 December 2016	Partial termination June 2017	* Changes in market value	Exchange difference	31 December 2017
Contracts in euros	903,487	(315,105)	(84,865)	–	503,517
Contracts in sterling	405,499	(187,148)	(2,953)	(2,544)	212,854
Total	**1,308,986**	**(502,253)**	**(87,818)**	**(2,544)**	**716,371**

* *Recorded directly in equity.*

The amount of reserves for hedging instruments changed as follows:

€'000	31 December 2016	Recycling of partial termination June 2017	Changes in market value	Exchange difference	31 December 2017
Contracts in euros	903,487	(22,164)	(84,865)	–	796,458
Contracts in sterling	405,499	(8,069)	(2,953)	(8,287)	386,190
Total	**1,308,986**	**(30,233)**	**(87,818)**	**(8,287)**	**1,182,648**

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.8.2 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.1.2 Other loans

"Other loans" in the above table amounting to €13.6 million at 31 December 2017 represent 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.

G.2 Financial liabilities

The movements in financial liabilities during the year were as follows:

€'000	**31 December 2016 published**	**31 December 2016 restated***	**Reclass-ification**	**Drawdown**	**Repayment**	**Interest, indexation and fees**	**31 December 2017**
Term Loan (note G.1.1)	3,673,637	3,609,058	(61,766)	1,949,757	(1,347,486)	57,410	4,206,973
Other loans (note G.1.2)	13,576	13,576	(1,021)	–	–	–	12,555
Total non-current financial liabilities	**3,687,213**	**3,622,634**	**(62,787)**	**1,949,757**	**(1,347,486)**	**57,410**	**4,219,528**
Term Loan	25,342	24,988	61,766	–	(24,988)	–	61,766
Other loans	981	981	1,021	–	(980)	–	1,022
Accrued interest on Term Loan	4,942	4,858	–	–	–	226	5,084
Total current financial liabilities	**31,265**	**30,827**	**62,787**	**–**	**(25,968)**	**226**	**67,872**
Total	**3,718,478**	**3,653,461**	**–**	**1,949,757**	**(1,373,454)**	**57,636**	**4,287,400**

* *The financial liabilities at 31 December 2016 (calculated at the year-end exchange rate of £1=€1.168) have been recalculated at the exchange rate at 31 December 2017 (£1=€1.127) in order to facilitate comparison.*

G.3 Net finance costs

€'000	**2017**	**2016**
Finance income	1,808	2,048
Total finance income	**1,808**	**2,048**
Interest on loans before hedging	(163,761)	(165,511)
Interest on hedging instruments	(31,706)	(67,113)
Amortisation of hedging costs	(30,326)	–
Capitalisation of interest on the ElecLink project	9,444	492
Effective rate adjustment	(7,715)	(6,806)
Sub-total	**(224,064)**	**(238,938)**
Inflation indexation of the nominal	(47,967)	(24,989)
Total finance costs after hedging	**(272,031)**	**(263,927)**
Total net finance costs after hedging	**(270,223)**	**(261,879)**

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.1.1 above.

Information relating to financial liabilities and hedging instruments is presented in note G.1.1.c above.

G.4 Other financial income and (charges)

€'000	2017	2016
Financial income arising from the debt refinancing operation:		
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 **	27,164	52,421
Interest received on floating rate notes	2,607	6,347
Other exchange gains	9,042	5,534
Other	1,071	134
Other financial income	**69,245**	**64,436**
Financial charges arising from the debt refinancing operation:		
Unamortised costs on the old C1 and C2 tranches *	(20,547)	–
Costs of the operation *	(7,361)	–
Cost of the partial termination of the hedging contracts *	(3,344)	–
Cost of the acquisition of the G2 notes (see note A.1.2)	(54,720)	–
Sub-total	**(85,972)**	**–**
Unrealised exchange losses **	(15,510)	(40,641)
Other exchange losses	(10,575)	(8,272)
Other	(35)	(31)
Other financial charges	**(112,092)**	**(48,944)**
Total	**(42,847)**	**15,492**
Of which net unrealised exchange gains/(losses)	*11,654*	*11,780*

* *See note G.1.1a) above.*
** *Mainly arising from the re-evaluation of intra-group debtors and creditors.*

G.5 Other financial assets

€'000	31 December 2017	31 December 2016
Floating rate notes	–	150,987
Other	11,697	7,374
Total non-current	**11,697**	**158,361**
Accrued interest on floating rate notes	–	184
Finance lease contracts	–	106,852
Total current	**–**	**107,036**

G.5.1 Floating rate notes

The Group holds notes issued by Channel Link Enterprises Finance (CLEF), the structure that securitised the Group's debt in 2007. These purchases, carried out by way of private transactions for €150 million, related to floating rate notes with a nominal value of €167 million, representing an average discount of approximately 11%. These notes corresponded to the securitisation of tranche C of the Group's debt and had the same characteristics in terms of maturity and interest.

As part of the operation to refinance tranche C as described in notes A.1.1 and G.1.1a) above, the floating rate notes that were held by the Group were redeemed in June 2017.

G.5.2 Finance lease contracts

The assets under finance leases related to contacts for the lease of the Group's three ferries concluded by the Euro-TransManche maritime subsidiaries during the first half of 2016. As described in notes A.2 and C.2.1a) above, the Group sold these ferries during 2017.

G.6 Cash and cash equivalents

€'000	31 December 2017	31 December 2016
Investments in €	20,444	29,950
Investments in £	361,746	143,570
Sub-total: cash equivalents	**382,190**	**173,520**
Cash at bank and in hand	230,343	173,117
Total	**612,533**	**346,637**

Cash equivalents represents short-term investments in certificates of deposit, deposit accounts and money market funds (see note G.8.5 below). At 31 December 2016 and 31 December 2017, none of these investments were unavailable for more than three months.

G.7 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. This fair value is measured for the purpose of the information in the notes to the accounts as part of the receivables acquired following the business combinations.

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 to the extent that the carrying amount is a reasonable approximation of fair value.

At 31 December 2017

€'000				Carrying amount				Fair value			
Class of financial instrument	Note	Assets at fair value through profit and loss	Available-for-sale financial assets	Loans and receivables	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.5	–	–	11,697	–	–	**11,697**	–	–	–	**–**
Trade receivables	D.6	–	–	96,422	–	–	**96,422**	–	–	–	**–**
Cash and cash equivalents	G.6	612,533	–	–	–	–	**612,533**	612,533	–	–	**612,533**
Financial liabilities measured at fair value											
Interest rate derivatives	G.1.1.c	–	–	–	716,371	–	**716,371**	–	716,371	–	**716,371**
Financial liabilities not measured at fair value											
Financial liabilities	G.2	–	–	–	–	4,287,400	**4,287,400**	–	–	5,627,226	**5,627,226**
Other financial liabilities	G.1.1	–	–	–	–	58,963	**58,963**	–	–	–	**–**
Trade payables	D.7	–	–	–	–	197,925	**197,925**	–	–	–	**–**

At 31 December 2016

€'000				Carrying amount				Fair value			
Class of financial instrument	Note	Assets at fair value through profit and loss	Available-for-sale financial assets	Loans and receivables	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.5	–	–	265,397	–	–	**265,397**	–	–	–	**–**
Trade receivables	D.6	–	–	94,336	–	–	**94,336**	–	–	–	**–**
Cash and cash equivalents	G.6	346,637	–	–	–	–	**346,637**	346,637	–	–	**346,637**
Financial liabilities measured at fair value											
Interest rate derivatives	G.1.1.c	–	–	–	1,308,986	–	**1,308,986**	–	1,308,986	–	**1,308,986**
Financial liabilities not measured at fair value											
Financial liabilities	G.2	–	–	–	–	3,718,478	**3,718,478**	–	–	5,097,000	**5,097,000**
Other financial liabilities	G.1.1	–	–	–	–	67,942	**67,942**	–	–	–	**–**
Trade payables	D.7	–	–	–	–	207,328	**207,328**	–	–	–	**–**

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 Group's debt and in particular its 30 to 40-year maturity profile (see note G.8.2 below).

The Group's estimate of the fair value of the long-term loan is based on a level three fair value.

The modelling techniques used involve the discounting of future cash flows determined at the calculation date. The discounting parameters are derived from a zero-coupon curve and an estimated credit spread based on a sample of companies with comparable ratings with an adjustment to take into account the particularly long maturity of the Group's debt.

On this basis, the Group estimates the fair value of the Term Loan to be €5,627 million compared to a carrying value of €4,274 million at 31 December 2017. 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 €602 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 2017 are set out in note G.1.1.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.8 below.

G.8 Financial risks

G.8.1 Exchange rate exposure

Groupe Eurotunnel 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 2017, 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	2017				2016			
Variation in exchange rate	**Rate**	**Published**	**+10%**	**-10%**	**Rate**	**Published**	**+10%**	**-10%**
Revenue	1.140	1,033	1,075	991	1.216	1,023	1,067	980
Operating margin (EBITDA)	1.140	526	556	496	1.216	514	544	483
Pre-tax profit from continuing operations	1.140	52	62	41	1.216	154	173	134
Equity	1.127	2,051	2,270	1,832	1.168	1,812	1,603	2,021

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 £1.765 billion and in euros for a total of €2.099 billion at 31 December 2017. 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 2017 is €250 million; a 10% change in the euro/sterling parity would result in unrealised exchange gains or losses of approximately €25 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.8.2 Liquidity risk

The contractual cash flow reflects the structure of the financial liabilities and confirms that the Group is able to meet its liquidity risks. The contractual maturity profile of the financial liabilities (including interest payments and excluding the impact of offset agreements) is as follows:

At 31 December 2017

€ million	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)	–
Tranches C – 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)	–
Tranches C – 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 bank loans (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 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 renegotiation fees (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.*

** *The C tranches are at a variable rate of interest, and are presented in the liquidity table on the basis of forecast long-term interest rates.*

At 31 December 2016

€ million	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*	914	(2,450)	(31)	(235)	(345)	(1,009)	(830)	–
Tranche B1 – GBP	332	(877)	(31)	(94)	(116)	(230)	(406)	–
Tranche C1 – GBP **	345	(881)	(14)	(61)	(87)	(177)	(225)	(317)
Total in GBP	**1,591**	**(4,208)**	**(76)**	**(390)**	**(548)**	**(1,416)**	**(1,461)**	**(317)**
Fixed Link: guaranteed EUR bank loans:								
Tranche A4 to A6 – EUR *	341	(794)	(15)	(103)	(138)	(361)	(177)	–
Tranche B2 – EUR	565	(1,088)	(50)	(185)	(231)	(456)	(166)	–
Tranche C2 – EUR **	940	(2,234)	(31)	(134)	(219)	(480)	(929)	(441)
Total in EUR	**1,846**	**(4,116)**	**(96)**	**(422)**	**(588)**	**(1,297)**	**(1,272)**	**(441)**
Total Fixed Link bank loans (expressed in EUR)	**3,704**	**(9,031)**	**(184)**	**(877)**	**(1,228)**	**(2,951)**	**(2,978)**	**(812)**
Europorte bank loans (expressed in EUR)	14	(16)	(2)	(14)	–	–	–	–
Total bank loans (expressed in EUR)	**3,718**	**(9,047)**	**(186)**	**(891)**	**(1,228)**	**(2,951)**	**(2,978)**	**(812)**
DERIVATIVE FINANCIAL LIABILITIES								
GBP interest rate swaps used for hedging	347	(428)	(16)	(60)	(65)	(125)	(136)	(26)
EUR interest rate swaps used for hedging	903	(1,036)	(48)	(182)	(176)	(310)	(289)	(31)
Total swaps (expressed in EUR)	**1,309**	**(1,536)**	**(67)**	**(253)**	**(251)**	**(457)**	**(448)**	**(60)**
OTHER FINANCIAL LIABILITIES								
Renegotiation fees in GBP	52	(52)	(5)	(15)	(10)	(17)	(5)	–
Renegotiation fees in EUR	7	(7)	(1)	(4)	(1)	(1)	–	–
Total renegotiation fees (expressed in EUR)	**68**	**(68)**	**(7)**	**(22)**	**(12)**	**(22)**	**(5)**	**–**
Net cash flow after hedging (expressed in EUR)	**5,095**	**(10,651)**	**(260)**	**(1,167)**	**(1,491)**	**(3,430)**	**(3,431)**	**(872)**
SUPPLIERS AND OTHER CREDITORS								
In GBP	49	(49)	(49)	–	–	–	–	–
In EUR	155	(155)	(155)	–	–	–	–	–

* *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 are at a variable rate of interest, and are presented in the liquidity table on the basis of forecast long-term interest rates.*

The credit agreements 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 additional credit line of up to £225 million (or equivalent in euros).

G.8.3 Interest rate risk exposure

The risk of an unfavourable movement in rates during the duration of the Term Loan is covered by the fact that tranches B1 and B2 are at a fixed rate of interest, the A tranches which are indexed on inflation are at a fixed rate of interest, and tranches C1a, C2a and C2b are at a variable rate of interest but are covered by fixed/variable rate hedging contracts. 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 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 €282 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 €425 million.

G.8.4 Inflation risk

The inflation risk relates to the interest and the repayments of principal on the indexed tranches (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.8.5 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 2017.
- 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 credit risk exposure by only investing in i) short-term deposits and certificates of deposit with a maximum term of one year with counterparties with a minimum short-term rating of P-1 from Moody's or ii) in monetary SICAVs (the French equivalent of mutual funds) and money market funds with a minimum long-term rating of Aaa from Moody's or AAA from S&P.

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.

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 2017	31 December 2016
Financial assets	–	150,987
Trade receivables	96,422	94,336
Cash and cash equivalents	612,533	346,637
Total	**708,955**	**591,960**

At 31 December 2016, financial assets included the floating rate notes (see note G.5.1 above).

G.9 Related parties with a significant influence on the Group

Two of Goldman Sachs's infrastructure funds (GS Global Infrastructure Partners I, L.P., and GS International Infrastructure Partners I, L.P., together known as GSIP) hold (on the basis of the last declaration of threshold crossing in September 2011) approximately 15.5% of GET SE's share capital at 31 December 2017.

During the financial restructuring in 2007, the Group concluded interest rate hedging contracts with financial institutions, in the form of swaps. Goldman Sachs International was one of the counterparties to these hedging contracts, and at 31 December 2017 held 2.69% of the contracts, representing a charge of €1.7 million in 2017 and a liability of €19.3 million at 31 December 2017.

As part of the partial refinancing of the debt in June 2017, the Group paid to Goldman Sachs:

- €12 million in respect of the partial termination of the hedging contracts to which it is a counterparty, and
- €12 million in respect of their mandate as investment advisory and investment bank in connection with the operation.

G.10 Off-balance sheet commitments relating to financing

G.10.1 Commitments in respect of the Term Loan

GET SE, 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.1.1 above.

G.10.2 Commitment to acquire index-linked bonds

As set out in note J below, the Group concluded an agreement in respect of the bonds issued in 2007 by CLEF on 29 December 2017.

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 2017	31 December 2016
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	2.78	2.67
Category C fully paid-up preference shares each with a nominal value of €0.01	6.92	–
Total	**220,000,009.70**	**220,000,002.67**

During the first half of 2017, 22 category B preference shares issued under the 2014 programme of preference shares convertible into ordinary shares were cancelled.

On 27 July 2017, 33 category B preference shares and 692 category C preference shares were issued under the 2014 and 2015 programmes of preference shares convertible into ordinary shares.

The programmes of preference shares convertible into ordinary shares is described in note E.5.3 above.

H.1.3 Treasury shares

ACCOUNTING PRINCIPLES

GET 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 2017	15,684,151	760,000	**16,444,151**
Share buyback programme	849,000	–	**849,000**
Shares transferred to staff (free share scheme)	(581,100)	–	**(581,100)**
Exercise of stock options	(452,325)	–	**(452,325)**
Net purchase/(sale) under liquidity contract	–	(480,000)	**(480,000)**
At 31 December 2017	**15,499,726**	**280,000**	**15,779,726**

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 27 April 2017 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 and 2017.

As part of the 2017 share buyback programme, GET 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, GET 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 GET SE's shares and to avoid price differences not justified by market trends. At 31 December 2017, the following means were allocated to the balance of the liquidity contract: 280,000 GET SE ordinary shares and €10,904,949.96 in cash. On the basis of a price of €10.720 per share, this combined amount represented 0.24% of GET SE's capital in issue at 31 December 2017.

H.1.4 Changes in equity

Dividend

On 27 April 2017, Groupe Eurotunnel SE's shareholders' general meeting approved the payment of a dividend relating to the financial year ended 31 December 2016, of €0.26 per share. This dividend was paid on 26 May 2017 for a total of €139 million.

H.2 Earnings per share

H.2.1 Number of shares

	2017	2016
Weighted average number:		
– of issued ordinary shares	550,000,000	550,000,000
– of treasury shares	(15,806,980)	(14,295,058)
Number of shares used to calculate the result per share (A)	**534,193,020**	**535,704,942**
– effect of share options	447,642	531,990
– effect of free shares	3,072,091	1,943,874
– effect of preference shares	1,303,457	1,501,796
Potential number of ordinary shares (B)	**4,823,190**	**3,977,660**
Number of shares used to calculate the diluted result per share (A+B)	**539,016,210**	**539,682,602**

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 2017. 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 2017. 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

	2017	2016
Group share: profit/(loss)		
Net result (€'000) (C)	112,932	200,585
Basic earnings per share (€) (C/A)	**0.21**	**0.37**
Diluted earnings per share (€) (C/(A+B))	**0.21**	**0.37**
Continuing operations: profit/(loss)		
Net result (€'000) (D)	108,166	136,239
Basic earnings per share (€) (D/A)	**0.20**	**0.25**
Diluted earnings per share (€) (D/(A+B))	**0.20**	**0.25**
Discontinued operations: profit/(loss)		
Net result (€'000) (E)	5,116	64,034
Basic earnings per share (€) (E/A)	**0.01**	**0.12**
Diluted earnings per share (€) (E/(A+B))	**0.01**	**0.12**

H.3 Detail of consolidated reserves by origin

€'000	31 December 2017	31 December 2016
Hedging contracts	(1,182,648)	(1,308,986)
Share options, free shares and preference shares	(96,011)	(101,083)
Retirement liability	(28,039)	(54,598)
Deferred tax	107,224	57,090
Retained earnings	913,368	851,789
Total	**(286,106)**	**(555,788)**

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.

Additional tax payable on the distribution of dividends is accounted for when the dividends are recognised as a liability.

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	2017	2016
Current tax:		
Income tax	(2,724)	954
Tax on dividends	8,889	(3,545)
Total current tax	**6,165**	**(2,591)**
Deferred tax	50,369	(14,858)
Total	**56,534**	**(17,449)**

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 results 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 latest business plan.

In 2016, the current tax income corresponded to a tax refund in respect of previous years.

I.1.3 Reconciliation between the effective tax rate and the applicable tax rate

€'000	2017		2016	
Result for the continuing activities before tax		51,632		153,688
Theoretical tax charge	**34.43%**	**(17,777)**	**34.43%**	**(52,915)**
Impact of tax rates in foreign jurisdictions		(724)		13,780
Share of ElecLink's result which is not taxable		–		(152)
Effect of permanent differences		(2,579)		15,722
Profit arising on the revaluation of ElecLink shares which is not taxable		–		10,012
Effect of change in tax rate		(950)		(5,820)
Activation of previously unrecognised fiscal deficits		69,675		5,469
Tax on dividends and other		8,889		(3,545)
Income tax		**56,534**		**(17,449)**

For the French tax group at 31 December 2017, the proof of tax has been prepared for the 2017 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 2018 and 2022.

For the British tax group, in view of its not being fiscally profitable at 31 December 2016 or at 31 December 2017, deferred tax was calculated for the years 2018 to 2022 on the basis of the Group's estimates using the rates applicable between 2018 and 2022.

I.2 Effect on the statement of financial position

I.2.1 Deferred tax

€'000	At 31 December 2016 published	At 31 December 2016 recalculated	2017 impact on: change in consolidation scope	2017 impact on: income statement	2017 impact on: statement of financial position	2017 impact on: other comprehensive income	At 31 December 2017
Tax effects of temporary differences related to:							
Property, plant and equipment	217,520	224,740	–	(56,783)	–	–	**167,957**
ElecLink goodwill	–	–	–	–	(20,392)	–	**(20,392)**
Deferred taxation of restructuring profit	(394,762)	(394,762)	–	42,409	–	–	**(352,353)**
Hedging contracts	53,817	53,817	–	–	–	50,434	**104,251**
Profit on sale of ferries	(15,790)	(15,790)	15,790	–	–	–	**–**
Other	(918)	(636)	–	4,820	–	(300)	**3,884**
Tax losses	261,831	254,150	–	59,923	–	–	**314,073**
Net tax assets/(liabilities)	**121,698**	**121,519**	**15,790**	**50,369**	**(20,392)**	**50,134**	**217,420**

Property, plant and equipment

The impact of taxation on property, plant and equipment corresponds mainly to the conditions relating to the deductibility of the Fixed Link'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 2017, 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 Groupe Eurotunnel SE, which in turn is subordinated to the Term Loan which matures in 2050.

Hedging contracts

At 31 December 2017, the Group recognised in equity a deferred tax asset amounting to €104 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 described in note G.1.1 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 €314 million at 31 December 2017 (€73 million for the French tax group and €241 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 2017	**Base**			
€'000	**Total**	**Recognised**	**Unrecognised**	**Unrecognised tax**
Deductible temporary differences	1,572,915	817,162	755,753	167,483
Tax losses	7,384,671	3,192,634	4,192,037	943,743
Total assets	**8,957,586**	**4,009,796**	**4,947,790**	**1,111,226**
Temporary differences	3,098,216	3,098,216	–	–
Total liabilities	**3,098,216**	**3,098,216**	**–**	**–**
Net total	**5,859,370**	**911,580**	**4,947,790**	**1,111,226**

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.

GET SE is the parent company of the consolidated tax group which it forms with all the Group's French subsidiaries.

At 31 December 2017, the cumulative tax losses of the tax group which can be carried forward indefinitely, after adjustments in 2017, amount to €2,782 million (31 December 2016: €2,853 million), consisting essentially of:

- cumulative tax losses which can be carried forward indefinitely of €868 million generated by the GET SE consolidated tax group since 1 January 2008 and chargeable to the taxable profits of the members of this group (31 December 2016: €923 million); and
- cumulative tax losses which can be carried forward indefinitely of €1,914 million (31 December 2016: €1,921 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 €661 million (on a base of €2,531 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 2017, the tax losses carried forward for the British companies amounted to £2,730 million (31 December 2016: £2,694 million).

Potential unrecognised tax assets in respect of the carried forward tax losses of the British tax group amount to €282 million (on a base of €1,661 million).

J. Events after the reporting period

Acquisition of index-linked bonds

As set out in note A.1.2 above, the Group signed a commitment on 29 December 2017 to acquire some of the index-linked bonds issued by Channel Link Enterprises Finance Plc in 2007.

On 9 February 2018, the Group concluded this transaction and acquired all the G2 bonds. This transaction was carried out by a British subsidiary of the Group, Eurotunnel Agent Services Limited, and was partly financed by an external loan of £190 million.

K. Statutory auditors fees for the 2017 financial year

Pursuant to the 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	309	29%	204	23%
Controlled entities	460	43%	557	63%
Sub-total	**769**	**71%**	**761**	**86%**
Services other than the certification of accounts*:				
Issuer	269	25%	117	13%
Controlled entities	38	4%	5	1%
Sub-total	**307**	**29%**	**122**	**14%**
Total	**1,076**	**100%**	**883**	**100%**

* *Nature of services other than certification of accounts provided to the consolidating entity and its controlled subsidiaries: comfort letter for the prospectus as part of the refinancing of tranche C of the Term Loan; technical consultation regarding the refinancing of tranche C of the Term Loan; diligence on the report on environmental, social and societal data.*

2.2.2 GET SE PARENT COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2017 AND THE STATUTORY AUDITORS' REPORT THEREON

CONTENTS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *

* *Groupe Eurotunnel 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 2017

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

This statutory auditors' report includes information specifically required by European regulation and French law in such reports, whether modified or not.

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,

I. Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Groupe Eurotunnel SE for the financial year ended 31 December 2017.

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 2017 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.

II. 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 2017 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) 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

III. 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 these matters.

VALUATION OF INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND INTERCOMPANY RECEIVABLES (NOTES E AND F)

Risk identified

The shares in subsidiary undertakings, set out in the balance sheet at 31 December 2017 for a net amount of €1,512 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 2017, the intercompany receivables amounted to €2,117 million.

As indicated in note E, 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 France Manche SA and Channel Tunnel Group Limited 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.

IV. Verification of the management report and of the other documents provided to shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

V. Information given in the management report and other documents sent to shareholders on the financial position and the annual accounts

We have no matters to report regarding 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 provided to shareholders with respect to the financial position and the financial statements.

VI. Corporate governance information

We attest the existence, in the section of the management report of the Board of Directors relating to corporate governance, of the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

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 this work, we attest the accuracy and fair presentation of this information.

VII. Report on other legal and regulatory requirements

Appointment of the statutory auditors

KPMG	Mazars
Appointed as statutory auditor of Groupe Eurotunnel SE by the annual general meeting on 9 March 2007.	Appointed as statutory auditor of Groupe Eurotunnel SE by the annual general meeting on 9 March 2007.
As at 31 December 2017, KPMG were in the eleventh year of total uninterrupted engagement.	As at 31 December 2017, KPMG were in the eleventh year of total uninterrupted engagement.

VIII. Responsibilities of management and those charged with governance for the 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 risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were authorised for issue by the Board of Directors.

IX. Statutory auditors' responsibilities for the audit of the financial statements

Objectives and audit approach

Our responsibility 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; and

- 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, if any, report 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. We describe these matters in this audit report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) 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 2018

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 2017 Gross	Impairment	Net	31 December 2016 Net
ASSETS					
Intangible assets	C	–	–	–	116,552
Tangible assets	D	301	1	300	–
Investments in subsidiary undertakings	E	1,566,389	54,360	1,512,029	1,510,427
Loans	F.1	2,080,826	–	2,080,826	1,966,233
Treasury shares	G	85,077	–	85,077	81,308
Other		83	–	83	82
Fixed assets		**3,732,676**	**54,361**	**3,678,315**	**3,674,602**
Advances and deposits		30	–	30	27
Trade receivables and related accounts		–		–	367
Receivables from Government and other public bodies		2,675	–	2,675	6,568
Other receivables		503	41	462	8
Group and associates	F.3	17,207	–	17,207	22,966
Other financial assets	F.1	18,982	–	18,982	17,416
Investments in securities	H	73,776	–	73,776	75,173
Cash and cash equivalents	H	97,417	–	97,417	128,059
Current assets		**210,590**	**41**	**210,549**	**250,584**
Prepaid expenses		1,113	–	1,113	516
Exchange adjustment asset		12,411	–	12,411	793
Total assets		**3,956,790**	**54,402**	**3,902,388**	**3,926,495**
LIABILITIES					
Share capital	I.1			220,000	220,000
Share premium	I.2			1,711,796	1,711,796
Legal reserve	I.2			22,422	22,422
Special reserve and other reserves	I.2			598,797	598,797
Retained earnings	I.2			273,385	326,118
Result for the year	I.2			69,750	86,273
Total equity and shareholders' funds				**2,896,150**	**2,965,406**
Provision for risk and charges	J			28,334	16,006
Financial liabilities				18	15
Group and associates	F.2			952,912	914,858
Trade payables				11,142	11,854
Tax and social security liabilities				6,964	4,594
Fixed asset trade payables and related accounts				262	–
Other liabilities				196	224
Debts *				**971,494**	**931,545**
Exchange adjustment liability				6,410	13,538
Total liabilities				**3,902,388**	**3,926,495**

* *More than one year with third parties: none (2016: none).*

The notes form an integral part of the annual financial statements.

Income statement

€'000	Note	31 December 2017	31 December 2016
Operating revenue			
Revenue from sale of services	K	19,437	18,230
Cost transfer	L	5,415	11,966
Total operating revenue		**24,852**	**30,196**
Operating expenses			
Purchases and external costs	M	(16,324)	(17,413)
Salaries and charges	N	(5,197)	(4,417)
Taxes		(567)	(695)
Depreciation		(1)	–
Provisions		(4,887)	(6,989)
Other expenses		(687)	(732)
Total operating expenses		**(27,663)**	**(30,246)**
Operating result		**(2,811)**	**(50)**
Financial income			
Income from investments in subsidiary undertakings		36,751	40,000
Interest and similar income	P	28,015	24,524
Release of provisions	Q	2,265	20,786
Net income on sales of investments		–	–
Exchange gains	O	10,192	910
Total financial income		**77,223**	**86,220**
Financial charges			
Depreciation and provisions	Q	(12,280)	(8,436)
Interest and similar charges	P	(7,829)	(6,443)
Net charges on sales of investments		–	(4)
Exchange losses	O	(2,725)	(4,703)
Total financial charges		**(22,834)**	**(19,586)**
Financial result		**54,389**	**66,634**
Exceptional result	R	3,698	(1,345)
Tax	S	14,474	21,034
Net result for the year		**69,750**	**86,273**

The notes form an integral part of the annual financial statements.

Notes to the financial statements

Groupe Eurotunnel SE, whose registered office is at 3 rue La Boétie, 75008 Paris, France and whose shares are listed on Euronext Paris and on NYSE Euronext London, is the Group's consolidating entity. The term "Groupe Eurotunnel SE" or "GET SE" refers to the holding company which is governed by French law. The term "Group" refers to Groupe Eurotunnel 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), the rail freight activity of the Europorte segment as well as the construction and operation (expected for the beginning of 2020) of the 1,000 MW electricity interconnector between the UK and France by ElecLink. The maritime activity was discontinued in 2015.

GET SE provides various services to its subsidiaries such as administrative and financial management, corporate strategy and shareholder relations. In 2017, GET SE charged its subsidiaries €19.4 million for these services, of which €16.7 million was charged to the Concessionaires.

A. Important events

A.1 Financing of the ElecLink project

Following the acquisition of 100% of ElecLink Limited by the Group in August 2016, GET SE concluded on 10 July 2017 a loan agreement with its subsidiaries GET Elec Limited and ElecLink Ltd. This intra-group loan, which includes the shareholder advances already granted to GET Elec Limited at the date of signature, was granted within the framework of the financing of the ElecLink project and to cover the acquisition of ElecLink's shares in 2016.

At 31 December 2017, the loan from Groupe Eurotunnel SE to its subsidiary GET Elec Limited amounted to €368 million (see note F.1 below).

A.2 Repayment of the Euro-TransManche Holding SAS loan

The Group completed the sale of its maritime segment's three ferries on 23 June 2017 for the Berlioz and the Rodin and on 5 July 2017 for the Nord-Pas-de-Calais. These sales were carried out by three subsidiaries of Euro-TransManche Holding SAS, subsidiary of GET SE.

The receipts from these sales were partially used to fully repay the intra-group loan from GET SE to its subsidiary Euro-TransManche Holding SAS (see note F.1 below).

A.3 Repayment of the Eurotunnel Agent Services Limited loans

On 6 June 2017, the Group concluded the partial refinancing of its debt which included the redemption of floating rate notes held by the Group. The receipt from this was used to fully repay the intra-group loans from GET SE to its subsidiary Eurotunnel Agent Services Limited (see note F.1 below).

A.4 Payment of a dividend by Europorte SAS

On 24 May 2017, by decision of the chairman of Europorte SAS and in accordance with articles L. 232-12 and R. 232-17 of the French Commercial Code and by reference to article L. 227-1 of the said code, it was decided to pay a dividend of €0.54 per share, representing an amount of €22.8 million, to Groupe Eurotunnel SE.

A.5 Payment of an interim dividend by Eurotunnel Agent Services Limited

On 7 June 2017, Eurotunnel Agent Services Limited decided to pay an interim dividend of £12.1 million (equivalent to €13.9 million) to Groupe Eurotunnel SE.

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. 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 F below).

Brexit: the United Kingdom's exit from the European Union

Following the UK's decision to leave the European Union on 23 June 2016, formal negotiations between the UK government and the European Commission on the terms and mechanisms of the exit which started on 19 June 2017, entered the second phase in December 2017 and are continuing as of the closing date of these accounts.

During 2017, the Group has not noted any significant impact of this decision on its business but continues its process of active monitoring and detailed follow-up of potential risks that may arise.

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 2017 as set out above.

B.2 Valuation of intangible and tangible assets

Intangible assets consist of goodwill (see note C below). This goodwill has been allocated to the underlying assets in accordance with ANC 2015-06. This goodwill has been reclassified in 2017 as "other financial assets" because it is related to the Amended Bond Debt.

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

GET 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

GET 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 GET 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, GET 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.

C. Intangible assets

The goodwill of €116,552,000 which resulted from the merger of TNU SA into GET SE in 2009 previously accounted for as an intangible asset has been reclassified since 1 January 2017 as a financial asset to reflect the treatment of the underlying asset in accordance with regulation ANC 2015-06 (see note F.1 below).

D. Tangible assets

€'000	Assets in course of construction	Office equipment	2017
Cost			
At 1 January	–	–	–
Acquisitions	293	8	301
Transfers	–	–	–
Disposals	–	–	–
At 31 December	**293**	**8**	**301**
Depreciation			
At 1 January	–	–	–
Charged in the year	–	1	1
Disposals	–	–	–
At 31 December	**–**	**1**	**1**
Net book value			
At 1 January	–	–	–
At 31 December	**293**	**7**	**300**

No indication of impairment was identified following the valuation test performed as at 31 December 2017.

E. Investments in subsidiary undertakings

At 31 December 2017, shares in subsidiary undertakings are analysed as follows:

€'000	Gross value at 31 December 2016	Investments	Gross value at 31 December 2017	Depreciation	Net accounting value at 31 December 2017
Channel Tunnel Group Limited (CTG)	1,163,879	–	1,163,879	–	1,163,879
Entités Cheritons	33	–	33	–	33
Europorte SAS	72,674	–	72,674	–	72,674
Euro-TransManche Holding SAS (ETMH)	89,000	–	89,000	54,360	34,640
Eurotunnel Agent Services Limited (EASL)	–	–	–	–	–
Eurotunnel Developments Limited (EDL)	–	–	–	–	–
Eurotunnel Finance Limited (EFL)	1	–	1	–	1
Eurotunnel Management Services Limited (EMSL)	–	–	–	–	–
Eurotunnel Services GIE (ESGIE)	1	–	1	–	1
France Manche SA (FM)	239,450	–	239,450	–	239,450
GET Elec Limited	–	–	–	–	–
NTMO SAS	–	–	–	–	–
Eurotunnel Project SAS	1	–	1	–	1
Société Immobilière et Foncière Eurotunnel (SIFE)	1,350	(1,350)	–	–	–
Euro Immo GET SAS	–	1,350	1,350	–	1,350
Total	**1,566,389**	**–**	**1,566,389**	**54,360**	**1,512,029**

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
CTG £	401,130	95,857	35,509	57,375	**188,741**	100%	100%	1,163,879	1,163,879	*
EASL £	–	–	(10,101)	10,105	**4**	100%	100%	–	–	*
EDL £	–	7,257	(11,615)	–	**(4,358)**	100%	100%	–	–	*
EFL £	–	1	–	–	**1**	79%	100%	1	1	*
EMSL £	275	–	100	26	**126**	100%	100%	–	–	*
Cheritons £	–	4	83	–	**87**	100%	100%	33	33	*
GET Elec £	–	–	(3,382)	(4,443)	**(7,825)**	100%	100%	–	–	*
Total in £	**401,405**	**103,119**	**10,594**	**63,063**	**176,776**			**1,163,913**	**1,163,913**	
ESGIE €	131,511	2	–	–	**2**	38%	100%	1	1	*
ETMH €	109	5,106	11,777	2,451	**19,334**	100%	100%	89,000	34,640	*
Europorte €	6,526	42,318	27,697	2,850	**72,865**	100%	100%	72,674	72,674	*
FM €	452,115	95,857	100,857	33,403	**230,117**	100%	100%	239,450	239,450	*
ET Project €	–	1	–	–	**1**	100%	100%	1	1	*
NTMO €	4	–	–	–	**–**	99%	100%	–	–	*
Euro Immo GET €	–	701	569	(21)	**1,249**	100%	100%	1,350	1,350	*
Total in €	**590,265**	**143,985**	**140,900**	**38,683**	**323,568**			**402,476**	**348,116**	

* *This information is provided in note U below.*

The value in use of the investments in subsidiary undertakings in France Manche SA and Channel Tunnel Group Limited 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 an adjusted book value of the asset.

The value in use of GET Elec Limited's investments in subsidiary undertakings has been assessed taking into account the most recent valuation of the future activity.

F. Group and associates

F.1 Other financial assets

€'000		31 December 2017	31 December 2016
Other non-current financial assets:			
Amended Bond Debt (ABD):			
- Channel Tunnel Group Limited	*	251,453	261,330
- France Manche SA	*	1,127,062	1,127,062
- Goodwill		116,552	–
Sub-total ABD		**1,495,067**	**1,388,392**
NRS Redemption Premium Debt: France Manche SA	*	66,159	66,159
NRS Redemption Premium Debt: Channel Tunnel Group Limited	*	71,514	82,073
NRS Commission Loan: France Manche SA	*	80,200	80,200
Intra-group loan: Eurotunnel Agent Services Limited		–	148,656
Intra-group loan: GET Elec Limited		367,886	144,153
Intra-group loan: Euro-TransManche Holding SAS		–	56,600
Net total		**2,080,826**	**1,966,233**
Other current financial assets:			
Accrued interest on the ABD: Channel Tunnel Group Limited	*	4,282	5,166
Accrued interest on the ABD: France Manche SA	*	9,137	9,811
Sub-total accrued interest on ABD		**13,419**	**14,977**
Accrued interest on loan to Eurotunnel Agent Services Limited		–	184
Accrued interest on NRS Commission Loan: France Manche SA	*	983	1,079
Accrued interest on loan to GET Elec Limited		4,580	1,176
Total		**18,982**	**17,416**

* *These receivables (totalling €1,610,790,000) are governed by the Master Intra-Group Debt Agreement as described in chapter 8 of the 2017 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. This agreement falls within the scope of R. 225-31 of the French Commercial Code relating to regulated agreements and commitments.*

Amended Bond Debt (ABD)

The ABD corresponds to the original bond holdings purchased by EGP as part of the 2007 financial restructuring with the proceeds from the issue of the NRS. This receivable was transferred by EGP to GET SE in 2008 and in 2009 on the basis of a valuation by an expert. The ABD, the nominal value of which at 31 December 2017 was €1,361 million and £242 million, is accounted for by GET SE taking into account the discount on its purchase.

The ABD bears interest at EONIA +1% for the receivable from France Manche SA and at LIBOR +1% for the receivable from Channel Tunnel Group Limited. The ABD is subordinate to the Group's external financial liabilities supported by France Manche SA and Channel Tunnel Group Limited, the contractual termination date for which is 2050.

The change in the amount of the ABD with Channel Tunnel Group Limited arises as result of a variation in the exchange rate for the year. Unrealised gains and losses are recognised on the statement of financial position in exchange adjustment asset or in exchange adjustment liability as appropriate.

Since 2017, the goodwill arising from the merger of TNU SA into GET SE (see note C above) has been recognised as a financial asset. It is affected to the ABD owed by France Manche SA.

NRS Redemption Premium Debts

The NRS Redemption Premium Debts correspond to the premium of 40% paid by EGP on the early cash redemption of the NRS I in April and July 2008 and which was due from France Manche SA and Channel Tunnel Group Limited to EGP in accordance with the terms of the ABD.

The NRS Redemption Premium Debts carry interest at EONIA +1% for the receivable from France Manche SA and LIBOR +1% for the receivable from Channel Tunnel Group Limited. During 2017, £6.8 million was repaid.

The change in the amount of the NRS Redemption Premium Debts arises as result of a variation in the exchange rate for the year. Unrealised gains and losses are recognised on the statement of financial position in exchange adjustment asset or in exchange adjustment liability as appropriate.

NRS Commission Loan

The NRS Commission Loan corresponds to the amount due by France Manche SA relating to commissions paid by EGP as part of the financial restructuring in 2007.

The NRS Commission Loan bears interest at EONIA +1%.

Intra-group loans: Eurotunnel Agent Services Limited

These loans were repaid in full in 2017 following the redemption of the floating rate notes as part of the partial refinancing of the debt in June 2017.

Intra-group loan: Euro-TransManche Holding SAS

The intra-group loan made by GET SE to it subsidiary Euro-TransManche Holding SAS (the holding company for the Group's maritime activities) was made in order to finance the acquisition of certain assets from the former SeaFrance group, the rehabilitation of the ferries and to meet the ongoing cash flow requirements of this activity.

This loan was repaid in full in 2017 following the sale of the maritime segment's ferries.

Intra-group loan: GET Elec Limited

Following the acquisition of 100% of ElecLink Limited by the Group in August 2016, GET 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 within the framework of the financing of the ElecLink project and to cover the acquisition of ElecLink's shares in 2016.

At 31 December 2017, the loan amounted to €367.9 million or £326 million (31 December 2016: €144 million or £123.4 million).

This loan bears interest at 3.748% for the euro tranche and at 3.848% for the sterling tranche.

F.2 Debt with other Group companies

€'000		31 December 2017	31 December 2016
Debt relating to the Funding Loan: France Manche SA	*	196,540	196,636
Debt relating to the Funding Loan: Channel Tunnel Group Limited	*	121,940	126,552
Current account: Eurotunnel Services Limited		1,403	267
Current account: Eurotunnel Services GIE		141	64
Current account: Eurotunnel Management Services Limited		27	16
Current account: Europorte SAS		98	2,460
Current account: Europorte Proximité SAS		2	6
Current account: Euro-TransManche Holding SAS		–	1,284
Current account: France Manche SA	*	568,237	587,573
Current account: Channel Tunnel Group Limited	*	64,523	–
Current account: Eurotunnel SE		1	–
Total		**952,912**	**914,858**

* *These debts (totalling €951,240,000) are governed by the "Master Intra-Group Debt Agreement".*

The current accounts with GET 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 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 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) plus the accrued interest (€1,311,000) and the amount included in the accounts relating to the Funding Loan from Channel Tunnel Group Limited corresponds to the nominal value of the debt (€120,443,000 or £106,861,000) plus the accrued interest of €1,497,000.

F.3 Receivables from other Group companies

€'000	31 December 2017	31 December 2016
France Manche SA	12,661	13,918
Eurotunnel Services GIE	56	3,000
Centre International de Formation Ferroviaire de la Côte d'Opale SAS	231	60
Europorte SAS	1,441	601
Channel Tunnel Group Limited	–	1,377
Société Immobilière et Foncière Eurotunnel SAS	–	497
Euro Immo GET SAS	498	–
Eurotunnel Project SAS	–	–
Eurotunnel SE	254	154
Eurotunnel Management Services Limited	72	36
Europorte France SAS	544	245
Socorail SAS	533	242
Eurosco SAS	130	105
GET Elec Limited	241	151
ElecLink Limited	439	–
Euro-TransManche Holding SAS	15	32
Euro-TransManche 3 SAS	26	576
MyFerryLink SAS	–	27
GET Finances SAS	–	1,238
Euro-TransManche 3 BE SAS	30	699
Euro-TransManche 3 NPC SAS	36	8
Total	**17,207**	**22,966**

Receivables from other Group companies relate mainly to the invoicing of management fees.

G. 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 2017	6,449,845	760,000	**7,209,845**	9,234,306	**16,444,151**	38,532	6,730	**45,262**	81,308	**126,570**
Shares transferred to staff (free shares)	(581,100)	–	**(581,100)**	–	**(581,100)**	(3,839)	–	**(3,839)**	–	**(3,839)**
Share buyback programme	–	–	**–**	849,000	**849,000**	–	–	**–**	8,695	**8,695**
Exercise of stock options	(452,325)	–	**(452,325)**	–	**(452,325)**	(2,388)	–	**(2,388)**	–	**(2,388)**
Allocated to plans	550,000	–	**550,000**	(550,000)	**–**	4,926	–	**4,926**	(4,926)	**–**
Net purchase/(sale) under liquidity contract	–	(480,000)	**(480,000)**	–	**(480,000)**	–	(3,729)	**(3,729)**	–	**(3,729)**
At 31 December 2017	**5,966,420**	**280,000**	**6,246,420**	**9,533,306**	**15,779,726**	**37,231**	**3,001**	**40,232**	**85,077**	**125,309**

* *See note H below.*

At 31 December 2017, GET SE held 15,499,726 treasury shares as part of the share buyback programme renewed by the general meeting of shareholders and implemented by decision of the Board on 27 April 2017. 5,966,420 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 and 2017.

H. 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 2017	31 December 2016
Treasury shares	G	40,232	45,262
Investments in EUR		5,530	29,911
Short-term certificates of deposit in GBP		27,952	–
Accrued interest on securities		62	–
Sub-total		**73,776**	**75,173**
Cash at bank and in hand		97,417	128,059
Total		**171,193**	**203,232**

At 31 December 2017, GET SE held 280,000 treasury shares purchased by Oddo BHF under the liquidity contract. At 31 December 2017, the value of these shares amounted to €3,002,000 (31 December 2016: €6,866,000) compared to a cost of acquisition of €3,001,000 (31 December 2016: €6,730,000).

At 31 December 2017, short-term certificates of deposit amounted to €27,952,000 corresponding to an investment of £24,800,000.

I. Equity

I.1 Share capital

€	31 December 2017	31 December 2016
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	2.78	2.67
Category C fully paid-up preference shares each with a nominal value of €0.01	6.92	–
Total	**220,000,009.70**	**220,000,002.67**

During the first half of 2017, 22 category B preference shares issued under the 2014 programme of preference shares convertible into ordinary shares were cancelled.

On 27 July 2017, 33 category B preference shares and 692 category C preference shares were issued under the 2014 and 2015 programmes of preference shares convertible into ordinary shares.

The programmes of preference shares convertible into ordinary shares is described in note I.3.2.b below.

I.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 2016	220,000	1,711,796	22,422	598,797	405,817	38,455	**2,997,287**
Payment of dividend	–	–	–	–	(79,699)	(38,455)	**(118,154)**
Result for the year	–	–	–	–	–	86,273	**86,273**
At 31 December 2016	**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**

I.3 Employee share option plans

I.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 GET 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 has 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 GET 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 GET 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 GET 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

Information on the share option plans

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

	2017		2016	
	Average weighted exercise price (in euros)	Number of options	Average weighted exercise price (in euros)	Number of options
In issue at 1 January	6.67	1,641,250	6.66	1,741,700
Renounced during the period	6.81	(25,000)	6.59	(21,000)
Exercised during the period	6.58	(452,325)	6.56	(79,450)
In issue at the end of the period	**6.70**	**1,163,925**	**6.67**	**1,641,250**
Exercisable at the end of the period	6.70	1,163,925	6.67	1,641,250

Of the 1,163,925 options in issue at 31 December 2017:

- 164,500 are exercisable, subject to staff remaining as employees of the Group, at a price of €6.42 until July 2020,
- 346,000 are exercisable, subject to staff remaining as employees of the Group, at a price of €7.52 until July 2021, and
- 653,425 are exercisable, subject to staff remaining as employees of the Group, at a price of €6.33 until July 2022.

I.3.2 Grant of free shares

a) Free share plans with no performance conditions

Following the approval by the general meeting of shareholders on 27 April 2017 of the plan to issue existing free shares, GET SE's board of directors decided on 27 April 2017 to grant a total of 253,800 GET SE ordinary shares (75 shares per employee) to all employees of GET SE and its related companies with the exception of executive and corporate officers of GET SE. The vesting period for these shares is one year and is followed by a three-year lock-up period.

During 2017, 332,100 free shares issued in 2015 and 248,325 free shares issued in 2016 were acquired by employees.

Number of shares	2017	2016
In issue at 1 January	954,550	1,264,750
Granted during the period	253,800	302,325
Renounced during the period	(54,175)	(43,325)
Acquired during the period	(581,100)	(569,200)
In issue at the end of the period	**573,075**	**954,550**

b) Free share plans with performance conditions

On 27 April 2017, the general meeting of shareholders 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 1,200,000 ordinary shares with a nominal of €0.40 each. Under this authorisation, the Board of Directors approved on 15 June 2017, the allocation of 1,200,000 shares.

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

Date of grant / main staff concerned	Number of options	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 GET 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 GET 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

Information on the free share plan subject to performance conditions

Number of ordinary shares	2017	2016
In issue at 1 January	1,179,750	–
Granted during the period	1,200,000	1,179,750
Renounced during the period	–	–
Exercised during the period	–	–
Expired during the period	–	–
In issue at the end of the period	**2,379,750**	**1,179,750**
Exercisable at the end of the period	–	–

I.3.3 Preference shares convertible into ordinary shares (treated as equity instruments)

On 29 April 2014, the general meeting of shareholders authorised the Board of Directors to grant to executives and senior staff of GET SE and its subsidiaries preference shares (class B shares) with a nominal value of €0.01 each with no voting rights which are convertible into GET SE ordinary shares subject to performance conditions at the end of a four-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 29 April 2014 the grant of 300 preference shares, each convertible at the end of the four-year period into a maximum of 5,000 ordinary shares.

On 29 April 2015, the general meeting of shareholders authorised the Board of Directors to grant to executives and senior staff of GET SE and its subsidiaries preference shares (class C shares) with a nominal value of €0.01 each with no voting rights which are convertible into GET SE ordinary shares subject to performance conditions at the end of a four-year period.

The total number of preference shares may not give the right to more than 1,000,000 ordinary shares of a nominal value of €0.40 each. Under this scheme, the Board approved on 29 April 2015 the grant of 2,000 preference shares, each convertible at the end of the four-year period into a maximum of 500 ordinary shares.

Characteristics and conditions of the preference share plans

Date of grant / main staff concerned	Number of options	Conditions for acquiring rights	Vesting period
Preference shares granted to key executives and senior staff on 29 April 2014 (B shares)	300	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	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 GET 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

Information on the preference share plans

	C shares 2015		B shares 2014	
Number of preference shares	2017	2016	2017	2016
In issue at 1 January	1,784	1,995	112	300
Granted during the period	–	–	–	–
Renounced during the period	(25)	(211)	–	(22)
Acquired during the period	(1,295)	–	(23)	(166)
Expired during the period	–	–	–	–
In issue at the end of the period	**464**	**1,784**	**89**	**112**
Exercisable at the end of the period	–	–	–	–

J. Provision for risks and charges

€'000	1 January 2017	Charge to income statement	Release of unspent provisions	Provisions utilised	31 December 2017
Provision for exchange losses	792	12,280	–	(662)	12,410
Provision relating to share options and free shares	14,927	4,835	–	(4,176)	15,586
Other	287	51	–	–	338
Total	**16,006**	**17,166**	**–**	**(4,838)**	**28,334**

K. Revenues from sale of services

This item comprises revenues from services charged to the Concessionaires France Manche SA and Channel Tunnel Group Limited, the rail freight companies via their holding company Europorte SAS and to the maritime companies.

L. Cost transfers

This item includes the re-invoicing to subsidiaries of the cost of share-based payments and expenses related to the disposal of discontinued operations and to the acquisition of ElecLink Limited.

M. Purchases and external costs

This item includes costs incurred on behalf of subsidiaries including the Concessionaires.

N. Staff numbers

The average number of staff employed during the year was 17 (2016: 17).

At 31 December 2017, 19 staff were employed by the company (31 December 2016: 16).

O. Exchange gains and losses

In 2017, this included realised exchange gains and losses arising from intra-group payables and receivables.

P. Interest and related income and charges

€'000		2017	2016
Interest and related income			
Interest due from Channel Tunnel Group Limited on the ABD	*	4,283	5,166
Interest due from France Manche SA on the ABD	*	9,137	9,811
Interest due from Eurotunnel Agent Services Limited		2,441	5,991
Interest due from France Manche SA on the NRS Commission Loan and the NRS Redemption Premium Loan	*	983	1,079
Interest due from Europorte on intra-group loans		–	634
Interest due from GET Elec Limited		10,635	1,176
Interest due from Euro-TransManche Holding SAS		339	472
Bank interest		197	195
Total		**28,015**	**24,524**
Interest and related charges			
Interest due to France Manche SA on the Funding Loan	*	1,311	1,408
Interest due to Channel Tunnel Group Limited on the Funding Loan	*	1,497	1,741
Interest due on intra-group current accounts	*	5,021	3,294
Total		**7,829**	**6,443**

* *These amounts (totalling €6,574,000: received €14,403,000, paid €7,829,000) are governed by the Master Intra-Group Debt Agreement.*

Q. Financial depreciation and provisions

€'000	Note	31 December 2017	31 December 2016
Release of provision/ (provision) for depreciation of investment in subsidiary undertakings and associated receivables	A.2	1,602	(8,436)
Release of provision/ (provision) for exchange losses		(11,617)	20,786
Total		**(10,015)**	**12,350**

R. Exceptional result

€'000	31 December 2017	31 December 2016
Exceptional charges	(4,795)	(8,044)
Exceptional income	4,424	3,201
Other provisions	–	(63)
Release of other provisions	4,069	3,561
Total	**3,698**	**(1,345)**

Exceptional charges and income relate primarily to the gains and losses recognised on the sale of treasury shares (see note B.5 above).

In 2017, GET SE released a provision for free shares for €4,069,000 (€3,320,000 in 2016) (see note B.5 above) against a charge of €3,839,000 (€3,320,000 in 2016) following the transfer of shares to Group staff (see note G above).

S. Tax and fiscal situation

GET SE is the parent company of the consolidated tax group which it formed on 1 January 2008 with all the Group's French subsidiaries.

S.1 Taxation accounted for through the income statement

€'000	31 December 2017	31 December 2016
Tax income/(expense) of tax consolidation	(37,221)	988
Utilisation of brought forward fiscal deficits	18,810	–
Total income tax	**(18,411)**	**988**
Tax on dividends	8,889	(3,545)
Tax consolidation of subsidiaries	23,996	23,591
Total tax	**14,474**	**21,034**

Information presented on the basis of the tax rate applicable in 2017 on taxable transactions of 34.43%.

GET SE's taxable result, excluding integration, was a profit of €25 million (2016: loss of €34 million). The taxable result for the consolidated tax group was a profit of €115 million (2016: €21 million).

In 2016, the current tax income corresponds to a tax refund in respect of previous years.

S.2 Reductions and increases in future tax liabilities

	31 December 2017		31 December 2016	
€'000	Base	Tax	Base	Tax
Tax losses	868,222	227,949	884,625	255,834
Other (including exchange difference liabilities and provision for exchange risk)	19,158	4,948	14,618	5,033
Total reductions in future tax liabilities	**887,380**	**232,897**	**899,243**	**260,867**
Unrealised gain on the restructuring profit	1,364,387	352,353	1,364,387	394,635
Other (including exchange difference assets)	12,411	3,205	793	273
Total increases in future tax liabilities	**1,376,798**	**355,558**	**1,365,180**	**394,908**

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 2017, 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 €868 million (31 December 2016: €923 million adjusted following the filing of a claim).

Losses carried forward from the old consolidation group TNU SA

At 31 December 2017, cumulative tax losses of the old tax consolidation group TNU SA amounting to €7.2 million were charged to the taxable profits of the members of this group. These deficits, which amounted to €1,914 million at 31 December 2017 (31 December 2016: €1,921 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 2017, €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 F.1 above) between the Concessionaires (France Manche SA and Channel Tunnel Group Limited) and Groupe Eurotunnel SE, which in turn depends on the repayment of the Term Loan by the Concessionaires which matures in 2050.

T. Earnings per share and effect of dilution

	2017	2016
Weighted average number:		
– of issued ordinary shares	550,000,000	550,000,000
– of treasury shares	(15,806,980)	(14,295,058)
Number of shares used to calculate the result per share (A)	**534,193,020**	**535,704,942**
– effect of share options	447,642	531,990
– effect of free shares	3,072,091	1,943,874
– effect of preference shares	1,303,457	1,501,796
Potential number of ordinary shares (B)	**4,823,190**	**3,977,660**
Number of shares used to calculate the diluted result per share (A+B)	**539,016,210**	**539,682,602**
Net profit (€'000) (C)	69,750	86,273
Profit per share (€) (C/A)	**0.13**	**0.16**
Profit per share after dilution (€) (C/(A+B))	**0.13**	**0.16**

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 2017. The exercise of these options is conditional on the criteria described in note I.3.1 above;
- on the assumption of the acquisition of all the free shares allocated to staff; details of free shares are given in note I.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 2017. Conversion of these preference shares is subject to achieving certain targets and remaining in the Group's employment as described in note I.3.3 above.

U. Commitments and contingent liabilities

GET SE, France Manche SA, Channel Tunnel Group Limited, Eurotunnel SE, Eurotunnel Finance Limited, ESGIE, ESL and EurotunnelPlus Limited jointly and severally guarantee the obligations of France Manche SA and Channel Tunnel Group Limited in respect of the Term Loan. In order to guarantee these obligations, these companies have granted security as described in note G.1.1 to GET SE's consolidated financial statements.

V. Related party transactions

V.1 Subsidiaries of Groupe Eurotunnel 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 2017	31 December 2016
Other non-current financial assets	F.1	2,080,826	1,966,233
Group and associates receivables	F.3	17,207	22,966
Other current financial assets	F.1	18,982	17,416
Assets		**2,117,015**	**2,006,615**
Group and associates	F.2	952,912	914,858
Liabilities		**952,912**	**914,858**

INCOME STATEMENT *(€'000)*	**2017**	**2016**
France Manche SA	16,692	15,259
Europorte SAS	2,354	2,750
Euro-TransManche Holding SAS	109	219
Centre International de Formation Ferroviaire de la Côte d'Opale SAS	(3)	2
GET Elec Limited	285	–
Sales	**19,437**	**18,230**
Recharge of cost of free share plans	5,063	6,475
Europorte SAS	(250)	2,740
GET Elec Limited	–	1,679
ElecLink Limited	390	–
MyFerryLink SAS	20	–
Euro-TransManche SAS	80	480
Euro-TransManche 3 BE SAS	80	583
Euro-TransManche 3 NPC SAS	32	7
Cost transfers	**5,415**	**11,964**
Eurotunnel Services GIE	846	645
Eurotunnel Services Limited	439	432
GB Railfreight Limited	–	178
Eurotunnel Management Services Limited	331	248
Europorte SAS	82	158
NTMO SAS	4	–
Purchases	**1,702**	**1,661**
France Manche SA	5,217	4,702
Channel Tunnel Group Limited	2,612	1,741
Financial charges	**7,829**	**6,443**
France Manche SA	10,120	10,890
Channel Tunnel Group Limited	4,282	5,166
Euro-TransManche Holding SAS	339	472
GET Elec Limited	10,635	1,176
Europorte SAS	–	634
Eurotunnel Agent Services Limited	2,441	5,992
Financial income	**27,817**	**24,330**

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 2017 Registration Document.

W. Events after the reporting period

Acquisition of index-linked bonds

On 9 February 2018, Eurotunnel Agent Services Limited (an English subsidiary of Groupe Eurotunnel SE), concluded a transaction to acquire some of the index-linked bonds issued by Channel Link Enterprises Finance Plc in 2007. This acquisition was financed by an intra-group loan granted by Groupe Eurotunnel SE to its subsidiary Eurotunnel Agent Services Limited and by an external loan of £190 million.

X. Statutory auditors fees

The fees paid to the statutory auditors relating to the 2017 financial year are presented in note K to the Group's consolidated accounts.

2.3 TRENDS, OUTLOOK, RECENT EVENTS AND EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are described in note J to the consolidated financial statements for the financial year set out in section 2.2.1 of this Registration Document.

Trends

In 2017, the Group has once more demonstrated the strength and balance of its economic model in all circumstances.

The Group remains very confident in the sustainability of its Fixed Link business and in its potential for growth. The Fixed Link continues to be, and will increasingly assert itself as, the principal choice for trade and movement of people between the UK and continental Europe.

The Group follows developments relating to the exit of the United Kingdom from the European Union, and is pleased that negotiations have proceeded to the second stage and that a transition period with follow the exit on 29 March 2019.

Analysis of economic forecasts for areas that are important for the Group's business (Greater London, Kent, Western Europe), reinforces these fundamental strengths.

The Group is determined to grow traffic volumes through the Tunnel whilst also increasing its margins. To do this, the Group will pursue a commercial policy that is attractive based on the quality of service, the digitalisation of processes and cooperation with railway operators, all whilst achieving targeted investments such as the enlargement of the terminals or the opening of the new Flexiplus lounge on the Folkestone terminal which is forecast for the first half of 2018.

The Group, which has created value through its rail freight activity, will continue with the development of Europorte in 2018, whilst continuing to focus on the profitability of its operations.

The Group will continue to optimise its financing structure to enable, when market conditions permit, in order to minimise the cost of servicing its debt over the long term.

Objectives[6]

With confidence in its future, the Group confirms its financial objective of an increase in EBITDA to €545 million in 2018. This objective is the update of the one announced previously, taking into account an exchange rate of £1=€1.14 and a four-month delay in the implementation of the new London-Amsterdam service.

The start of ElecLink operations in 2020 will represent a significant step change in the Group's profitability. In total, in the current context, the Group believes it should exceed an EBITDA of €700 million (at £1=€1.14) in 2022.

The Group confirms its intention to continue with its policy of a regular growth in dividend payments to shareholders with a target increase per share of €0.05 per year.

Forecasts

The Group does not publish forecasts.

Recent events

Acquisition of index-linked bonds

As set out in note A.1.2 to the consolidated financial statements as set out in section 2.2.1 of this Registration Document, the Group signed a commitment on 29 December 2017 to acquire some of the index-linked bonds issued by Channel Link Enterprises Finance Plc in 2007.

On 9 February 2018, the Group concluded this transaction and acquired all the G2 bonds. This transaction was carried out by an English subsidiary of the Group, Eurotunnel Agent Services Limited, and was partly financed by an external loan of £190 million.

Major shareholders

On 2 March 2018, between the finalisation of the management report on 20 February 2018 and the date of this Registration Document, Atlantia S.p.A declared that it had exceeded the thresholds of 15% of capital and 25% of voting rights of Groupe Eurotunnel SE, having acquired 100% of the capital and voting rights of Aero I Global & International S.à.r.l, the company which holds 85,170,758 of the 550,000,000 ordinary shares that make up the share capital and to which 170,341,516 voting rights are attached (on the basis of 639,030,648 theoretical voting rights), as set out in chapter 7 of this Registration Document.

In accordance with article L. 233-7 II of the French Commercial Code, Atlantia S.p.A declared that it is not acting in concert with third parties in respect of Groupe Eurotunnel SE, that it is considering continuing with its purchases depending on market conditions, that it is not considering acquiring control of Groupe Eurotunnel SE and that it is considering seeking the appointment of a number of directors consistent with its shareholding.

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6 *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 "Risks and controls" 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.*

2.4 OTHER FINANCIAL INFORMATION

Table of GET SE parent company results for the last five financial years

	2017	2016	2015	2014	2013
Capital at end of financial year					
Share capital (€)	220,000,009.70	220,000,002.67	220,000,000.00	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	970	267	–	–	–
Maximum number of future ordinary shares to be created on exercise of rights of holders of securities giving access to GET SE equity *	4,823,190	3,977,660	4,726,223	2 316 726	1 398 503
Transactions and results for the year (€'000)					
Revenue excluding tax	17,280	21,121	16,752	17 586	12 761
Payroll costs	3,353	2,940	2,869	2 706	1 862
Amount of benefits	1,844	1,477	1,759	1 579	917
Number of employees	17	17	16	14	11
Result before tax, employee participation and depreciation and provisions	5,242	63,503	39,569	128 598	31 716
Tax on profits	14,474	21,034	(2,834)	(2 750)	(1 847)
Result after tax, employee participation and depreciation and provisions	69,750	86,273	38,455	98 809	1 889
Distributed result**	165,000	139,005	118,154	97 272	80 886
Earnings per share (€)					
Result after tax, employee participation and before depreciation and provisions	0.14	0.15	0.07	0.18	NS
Result after tax, employee participation and depreciation and provisions	0.13	0.16	0.07	0.18	NS
Dividend per ordinary share**	0.30	0.26	0.22	0.18	0.15

* *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 2018 of the appropriation of the 2017 result.*

Delay in payments from customers of GET SE

	1-30 days	31-60 days	61-90 days	> 91 days	Total >1 day
Invoices issued and unpaid at 31 December 2017					
Number of invoices					**15**
Total amount including tax (in euros)	–	–	–	48,645	**48,645**
% revenue for year (including tax)	0.00%	0.00%	0.00%	0.21%	**0.21%**
Invoices excluded for disputed or unrecorded debts and receivables					
Number of invoices			–		

The customer invoices issued by GET SE mainly concern intra-Group re-invoicing.

Delay in payments to suppliers of GET SE

	1-30 days	31-60 days	61-90 days	> 91 days	Total >1 day
Invoices received and unpaid at 31 December 2017					
Number of invoices					**70**
Total amount including tax (in euros)	101,363	238,646	140,255	-36,419	**443,846**
% revenue for year (including tax)	0.43%	1.01%	0.60%	-0.15%	**1.89%**
Invoices excluded for disputed or unrecorded debts and receivables					
Number of invoices			53		
Total amount including tax (in euros)			701,597		

Flows between the companies of the Group

Various agreements have been entered into between GET SE and its subsidiaries (provision of services and financing) to structure the following operational and financing flows as set out below.

Concerning operational flows, GET SE undertakes, on behalf of its subsidiaries, various services which include financing and administrative management and general strategy. The cost of these services is equally shared between FM and CTG in accordance with article 19 of the Concession Agreement under which the two Concessionaires share equally at cost price, all expenses and all revenues from the Fixed Link for the period during which they operate. GET SE also charges its services to the other operating subsidiaries of the Group as “management charges” which correspond to head office charges and services provided for the needs and the development of its subsidiaries.

The financial flows between GET SE and its subsidiaries fall within 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 financing of GET SE’s activities by the Concessionaires;
- flows put in place in order to finance new businesses.

Specific loans have also been set up for the purposes of financing the business 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 2017 are mentioned in note G.9 to the consolidated financial statements in section 2.2.1 of this Registration Document and in note V to the GET 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 GET 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 GET SE for the year ended 31 December 2017 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 GET SE for the years ended 31 December 2016 and 31 December 2015 (contained in section 2.2 of the 2016 Registration Document and in section 20.3 of the 2015 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 2017.

Interim and other financial information

None.

3 RISKS AND CONTROLS

3.1 RISK FACTORS

Like any business, the Group 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 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 applies the provisions of the reference framework published by the AMF (the French financial markets regulator) for internal control and risk management systems. The general system of risk identification and management put in place is presented in section 3.4 of this Registration Document.

For the 2017 financial year, Getlink 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 2017.

The main risk factors to which the Group considers itself exposed at the date of this Registration Document are described hereafter. This list is not exhaustive and there may be other risks of which the Group had 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) Economic and political situation

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.

Brexit

The United Kingdom's referendum vote on 23 June 2016 to leave the European Union opened a period of uncertainty. Article 50 of the European Union Treaty was triggered by the United Kingdom on 29 March 2017 with an official leaving date of 29 March 2019. The leaders of the European Union countries formally approved the opening of a new phase of negotiations with the United Kingdom on 15 December 2017.

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 United Kingdom's economy continues to grow, albeit at a slower rate in 2017 compared to 2016. While the Group's business has demonstrated its resilience during periods of crisis, the worsening or stagnation of economic conditions could have a direct impact on cross-Channel traffic volumes for both passenger and freight activities.

The Group has accordingly introduced a specific process to monitor potential risks as well as detailed monitoring of regulatory risks, risks relating to taxation and financing as well as macro-economic risks relating to the business's activities. 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.

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 examine the practical implications of each scenario.

Risk of a fall in British economic growth

The 2017 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[7] published in October 2016, confirming the status of the Tunnel as a vital link uniting the United Kingdom and continental Europe. In this study, EY estimated that a quarter of commercial exchanges between the United Kingdom and continental Europe pass through the Tunnel. 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).

After a downturn in 2016, Eurostar traffic recorded an increase in passenger numbers in 2017, as presented in section 2.1.1 of this Registration Document.

Risk of a fall in the pound sterling

The pound sterling exchange rate was immediately impacted by the 2016 referendum results and stabilised in 2017. A change in the exchange rate could affect the Group's profits since the consolidated financial statements are presented in

[7] *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 http://www.eurotunnelgroup.com/uploadedFiles/assets-uk/the-channel-tunnel/EY-Channel-Tunnel-UK.pdf*

euros: a fall in the exchange rate translates into a decrease in the Group's revenue when reported in euros, even though its intrinsic value has not changed in the original currency. This risk is more specifically developed in paragraph c)iv) of this section. Nevertheless, a fall in the pound sterling reduces financial costs on loan tranches denominated in pounds.

As part of its work on the 2017 financial statements, the Audit Committee kept a particularly close eye on the methods of calculating translation and foreign exchange differences. In particular, it monitored the periods used to calculate average exchange rates in order to select relevant time intervals, representative of actual fluctuations in exchange rates, especially for particularly material operations.

Risk of an increase in inflation

Although an increase in British inflation leads to an increase in the cost of debt, it has a limited impact on the Group's other costs, which are mostly paid in euros, and it could even have a positive effect if it is reflected in Shuttle tariffs.

Risk of an increase in border controls and customs duties

With regard to goods, a "hard" exit of the United Kingdom could lead to the introduction of tighter controls on goods crossing the border. If these potential new controls were to be carried out on the Fixed Link's terminals, they could cause difficulties for smooth and effective operations and would thus present a risk to the Shuttle revenues. The introduction of customs duties could have a negative impact on the cross-Channel market. The impacts of a hard border would extend well beyond the Group and its customers and even the local economies of Kent and the Hauts-de-France region. They would affect thousands of companies that trade with the United Kingdom. There is also a security issue for a Europe that is facing migratory pressure.

With regard to passengers, the Treaty of Canterbury, presented in chapter 8 of this Registration Document, will continue to apply. This treaty commits the two countries to providing smooth traffic conditions through the implementation of juxtaposed identity controls. Travellers taking the Eurostar or the Shuttle are controlled by the French Border Police and then directly by the UK Border Force on the departure terminal. Eurostar passengers and Shuttle vehicles are not controlled on arrival.

The same principle also 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. As indicated in section 1.6.2 of this Registration Document, the Group has invested several million euros with the support of the authorities to improve the efficiency of the strengthened migration controls, while maintaining the same transit time for Truck Shuttle customers and goods trains, notably by increasing the number of posts, available lanes and staff performing controls.

Regulatory and legal risk

Like any business with an activity in the United Kingdom, the Group is faced with legal and regulatory uncertainty.

The United Kingdom's exit from the European Union has no impact on the status of the Fixed Link, which depends on bilateral treaties, thus protecting its business model. It is not known if the exit of the United Kingdom from the European Union could lead to the UK's exit from the Internal Energy Market, the system that allows the coupling of electricity markets and facilitates cross-border balance; if that happens, it could affect the ElecLink business model.

Terrorist threats or attacks

The Group constantly faces the risk of a terrorist threat or attack on its installations, particularly the Fixed Link, or on neighbouring infrastructure required for circulation of the trains or Shuttles. This risk has increased following the terrorist attacks since 2015 in France and elsewhere in Europe. The Group carries out activities on behalf of the States and consequently 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 and which could have an adverse effect on the Group's image, competitive advantages, activity, financial position or results 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, etc.), 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.

Migratory crisis

In 2017, Europe continued to face a major migration crisis and the Group further strengthened the means necessary to secure its site. The Fixed Link 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 that the Group stands for. 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.

Economic context

All economic risks are measured and monitored at meetings of the management committees to anticipate and prepare for changes in the economic environment, and to make any necessary strategic and tactical adjustments.

b) Competition

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.

The Group's Fixed Link activities face competition from cross-Channel transportation 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 which may affect competitors' pricing policies. As indicated in chapter 1 of this Registration Document, the Group's commercial and operating strategy could be affected by this context, where service quality remains a crucial distinguishing factor. The reduction in the number of competitors in the Short Straits to two has reduced this risk.

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 2017, competition between operators remained lively and the historic operator still dominated the market. In addition, increasing competition from building and public works sector companies for rail maintenance activities could have an impact on the renewal of certain Europorte contracts.

Fixed Link and Europorte activities 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.

Competition leads the teams to give of their best in the service of customers. In this context, improving profitability and ensuring growth are constant challenges. The Group adjusts its operations and processes in order to adapt its cost structure, offering new services to its customers and enhancing its commercial offering.

The Group adapts its commercial strategy to this competitive environment, particularly during operational reviews of its various business segments. Since 2016, Europorte's management has thus redefined its strategy and objectives for the coming five years, concentrating on contracts offering added value in order to improve productivity.

c) Market risks

i. Rate risks

The Group's financial debt at the closing rate on 31 December 2017 was €4,287 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	–	–	–
Financial liabilities	68	239	3,981
Net position	**68**	**239**	**3,981**

As part of the Group's treasury management procedures described in section 3.1.1c)v 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.

ii. Interest rate

As indicated in note G.8.3 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.

iii. Inflation rate

As indicated in note G.8.4 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. 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.

iv. 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 2017 in relation to sterling exchange rate fluctuations:

€ million	2017				2016			
Variation in exchange rate	**Rate**	**Published**	**+10%**	**-10%**	**Rate**	**Published**	**+10%**	**-10%**
Revenue	1.140	1,033	1,075	991	1.216	1,023	1,067	980
Operating margin (EBITDA)	1.140	526	556	496	1.216	514	544	483
Pre-tax profit from continuing operations	1.140	52	62	41	1.216	154	173	134
Equity	1.127	2,051	2,270	1,832	1.168	1,812	1,603	2,021

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 payable in euros. The Group's Term Loan is denominated in sterling for the nominal amount of £1.765 billion, and in euros for the nominal amount of €2.022 billion at 31 December 2017.

At 31 December 2017, 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	922	(2,793)	–	(1,871)	–	(1,871)
Sterling	672	(3,201)	–	(2,529)	–	(2,529)

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 GET 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 currency hedging 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 Audit Committee.

v. Credit and counterpart risks

Customer credit risk

The Group's exposure to credit risk is limited to 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 2017;
- the Group's Passenger Shuttle customers pay for their tickets in advance, particularly via the Internet; 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 2017.

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.

Short-term investments

The Group's maximum exposure to credit risk on short-term investments is set out in note G.8.5 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 twelve months, and with counterparties with a short-term rating of at least P-1 from Moody's, and (ii) funds and money market funds with a long-term rating of at least Aaa from Moody's or AAA from S&P.

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.

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.8.2 to the consolidated financial statements in section 2.2.1 of this Registration Document.

The contractual conditions pertaining to the Group's bank loans and, in particular, the cases of default and early repayment, as well as the financial covenants with which the Group must comply in servicing its debt, are set out in section 8.1 of this Registration Document and in note G.1.1 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.1.1.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.

As indicated in note G.8.2 to the consolidated financial statements in section 2.2.1 of this Registration Document, 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 2.1.4 of this Registration Document, at 31 December 2017, the Group was in compliance with its debt service cover ratios (financial covenants).

GET SE received a Baa2 rating from Moody's in 2007, which is still valid at the date of this Registration Document.

vi. Energy and commodities risks

The Group uses electricity as its main source of energy for the Fixed Link, particularly for train traction. The supply of electricity represents a significant expense for the Group (accounting for about 6% of overall operating expenditure in 2017) and an overall major increase in the cost of commodities and electricity could have an 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.

High 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 was launched in 2017.

For Europorte, the risk associated with changes in the price of fuel is covered by price revision clauses in its contracts with customers.

vii. Risk on shares and other financial instruments

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.

viii. Significant volatility in the share price

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.

d) 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 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.

e) Exceptional weather events

The Shuttle Service, unlike the ferries, is unaffected by sea conditions and is not dependent on the weather. However, extreme weather conditions, such as major storms, heavy snowfall or heatwaves can make road networks impassable, thus preventing customers from accessing the Fixed Link and can make operating conditions more difficult. Such events can also disrupt the functioning of the Fixed Link infrastructure, that of Railway Companies using the Fixed Link and/or that of service providers and key supply networks that are indispensable to the operation of the Fixed Link (electricity, water, roads, fuel, etc.). Finally, they can also affect rail freight transport activities or the financial position of their customers. Thus, extreme weather events can affect the Group's business and impact its revenue.

For the Concession, the Group has on-site weather stations to forecast these events. Moreover, operational continuity plans ensure the continuity of operations in degraded mode for a given period. In such cases, the Group also has management plans for road traffic in the vicinity of the terminals.

f) Risks related to health epidemics

In the European and global health context, the outbreak of an epidemic or the fear of an epidemic are likely to have a negative impact on traffic, leading to a fall in revenue and/or an increase in costs linked to public health measures.

For the implementation of its operational continuity plans, particularly with regard to operation of the Concession, the Group has a crisis management structure in charge of deciding any operational adjustments that may be required and working closely and continuously with the authorities entrusted with governmental responsibilities.

3.1.2 RISKS RELATED TO THE CONDUCT OF THE GROUP'S BUSINESS

a) External growth operations and investments by the Group's activities

As part of its development strategy, the Group 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 implemented by the Group, in particular due diligence procedures, aim for the best possible assessment of the uncertainties that apply in such a case to these various risks.

Given the time required to build and commission new or replacement equipment for the Fixed Link, investments must 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.

b) Implementation of the ElecLink project

The ElecLink project concerns the electricity interconnector through the Tunnel connecting the electricity distribution networks in France and the United Kingdom. The Group, as the only shareholder, is exposed to 100% of the risk of ElecLink Limited. The technical complexity of projects such as this may lead to difficulties in relation to design, construction and installation, resulting in delays and additional costs. 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 these controls, the risk of a disturbance to Fixed Link activities remains.

Regulatory changes could also have an impact on the activity and revenue of this project. Since the work and operations must be carried out in the Tunnel, which is a highly regulated environment as indicated in section 3.1.2i)i) of this Registration Document, the regulatory authorities may impose specific technical or regulatory restrictions on the project. A change in the business model due to the regulatory framework or political and regulatory instability post-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 English electricity tariffs once it goes into operation.

c) Image and reputation

In a globalised world, where 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 is challenged, which could have a negative effect on the Group's business, results, image and development outlook.

The flow of migrants on the outskirts of Calais could have affected the image of the Short Straits and of the area around Calais with the corresponding risk of customer disaffection. However, the sustainability of the resources put in place from 2015 and strengthened in 2017 has helped to secure the site and prevent service interruption.

As a business whose reputation and stakes 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 acknowledges its social responsibilities 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.

d) Operational risks

i. Operational risks inherent in rail transport and infrastructure operation

Maintenance

The Group has more than 20 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 salty 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.

Safety of employees and sub-contractors

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 workers is a priority for the Group. 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.

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.

With regard to past incidents, the occurrence of another major fire would 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, they cannot reduce the likelihood of recurrence.

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.

Security: duty of excellence and first priority

The growth of the Group rests largely on its capacity to conduct its activities securely and efficiently. This requires the full involvement of every one of the Group's employees at their respective levels of responsibility, with all sub-contractor personnel present on the Group's sites or within its teams taking ownership of the rules. The Group seeks to strengthen the culture of security of each individual involved in the processes.

In the context of the migrant crisis, the action plan initiated by the Group from 2015 and continued in 2017 (as indicated in section 1.2.1.d of this Registration Document) has put a stop to the intrusion attempts on the Eurotunnel site and to the interference with operations. In order to guarantee a trouble-free crossing for the various businesses, transporters and all its customers in the medium term, the Group has continued its efforts on the various measures to strengthen the security of the site.

A new peak in the migrant crisis in Europe could require the investment of additional resources or deteriorate the fluidity, the capacity and thus the quality of service, which could affect the performance of this business as well as the safety and security of employees and customers.

Europorte

Europorte is seeking to optimise its current rolling stock fleet and is implementing a policy to anticipate requirements in advance, aiming to adapt the size of the fleet accordingly to ensure the profitability of the business.

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 on 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.

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 current terrorist threat, which could lead to a change in passenger behaviour. This risk was reflected by a slow-down in Eurostar traffic in 2016. 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. In particular, in the pricing framework of the Railways Usage Contract defined in the Network Statement it 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.

e) Human resources management

Skills

The Group's business encompasses a wide range of occupations and calls on a variety of skills. In the context of an inverted age pyramid for the Fixed Link, the replacement of some staff and potential retraining plans are areas managed and anticipated by the Group's Human Resources Department.

Calling for a broad spectrum of requirements, particularly in terms of safety, technical expertise and psychological aptitude, occupations in the rail industry require lengthy training. Staff shortages and the difficulty of replacement from within existing teams, including the management team, connected with stiff competition among the various operators, could affect developments.

In order to anticipate the risk of the loss of key skills or the growing scarcity of workers for certain jobs, the Group is pursuing a human resources policy that focuses on forward-looking job management adapted to different contexts and on encouraging employability through the development of training, as indicated in chapter 6 of this Registration Document. In the absence of government training programmes leading to qualifications in the rail sector, the Group has set up CIFFCO, which is dedicated to providing rail industry training courses. In addition, in order to retain its key employees and motivate their performance, the Group has introduced long-term incentives and a free shares plan for all Group employees.

Labour relations

In the current climate, the risk of deteriorating labour relations and staff disputes cannot be ruled out. Strikes, walkouts, industrial action or other forms of unrest could disrupt the activities of the Group. Such events could occur not only from within the Group, but could also occur at its customers, subcontractors or suppliers. Developments within the Group could mean that consultation and negotiation no longer effectively regulate relations between management and staff. In the event of a breakdown in the negotiation process, those relations could deteriorate, leading to loss of motivation and trust among employees, and affecting the Group's external and internal image.

The Group has already implemented restructuring and reorganisations in the past. Further measures cannot be completely ruled out in the future. Reorganisation could affect the Group's relations with its employees, giving rise to labour disputes such as stoppages, strikes and other forms of disruption that could have a negative effect on the Group's business and results.

Labour-related risk management procedures are described in section 6.2 of this Registration Document.

Quality of working life

In the prevailing economic and political climate, the Group may be affected by psychosocial risks.

One of the Group's ambitions is to create the right conditions for employee engagement, motivation and to prevent work-related stress. To help its managers cope with the growing complexity of their work, the Group has invested in the promotion of managerial practices that place an emphasis on staff development. The Group has implemented initiatives in the most appropriate areas of the organisation: listening to employees (telephone helpline, psychological support unit, etc.), strategic workforce planning, career ladder information, development of skills, optimisation of internal mobility and the annual deployment of a Personnel Management Cycle whose main objective is to identify, recognise and promote the Group's best talents, and also to spot potential talent that could develop towards certain roles of responsibility or prominent positions within the organisation.

f) 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 Fixed Link 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 the unavailability of train paths 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.

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.

g) Environmental risks

The Group is subject to French, UK and European environmental regulations, as well as local regulations that require it to either obtain authorisation for the disposal of certain waste materials or contract an accredited company to remove and dispose of the waste. Any breach of the environmental regulations would result in a fine for causing pollution. The regulations also stipulate that the authorities may force the closure of any facility that does not comply with decisions requiring certain environmentally harmful activities to cease or be modified.

The Group's environmental protection and sustainable development policy is described in chapter 6 of this Registration Document. However, there is no guarantee that the United Kingdom, French, European, national or local authorities will not impose new regulations leading to additional expenditure which could have an adverse impact on the results or financial position of the Group. Due to the nature of its activities and its potential new projects or developments, the Group, while being attentive to compliance with applicable environmental regulations, could experience delays in these developments because of possible constraints or claims.

As a local developer, the Group may be subject to the risk of litigation or claims from environmental protection associations, as is the case with the dispute brought by the environment defence association of Peuplingues and Sangatte against the decision of the prefect which approved the ElecLink project. This administrative step is not a major risk for the project. No procedure timetable has been set. The Administrative Court of Lille and the Conseil d'État (highest French administrative jurisdiction) rejected the same claimants last year stating there was no legal interest in bringing the proceedings in another procedure.

The management of environmental risks is closely monitored, as stated in chapter 6 of this Registration Document, through an environmental analysis, which identifies the various risks and assesses their potential impact. The resources required to minimise this impact can then be identified.

In the United Kingdom, the Concessionaires, as managers of an infrastructure of major importance to the British economy, were required by DEFRA (Department for Environment Food and Rural Affairs) to carry out a study under the 2008 Climate Change Act of the ability of their infrastructure to withstand the foreseeable effects of climate change.

h) Societal acceptability

The industrial sites and areas in which Europorte operates, and the products transported, present a risk in terms of the environment and industrial safety

The main customers of Socorail, the Europorte subsidiary specialising in the provision of industrial logistical services, include actors from the chemical and oil industries subject to the SEVESO classification (hazardous industrial facilities). These industries are subject to very strict safety regulations, and therefore impose extremely stringent safety criteria on subcontractors. Although Socorail has ISO 9001 version 2008 and MASE (business safety improvement manual) safety certification, the danger, toxicity or flammability of some raw materials could cause risks and particularly risks of accidents, fires, explosions and damage to the environment and wildlife, and could harm the environmental image of Europorte and the Group. The same applies when Europorte's rail freight subsidiaries transport various hazardous, toxic or flammable products. Furthermore, the rail freight haulage business may present environmental risks in the event of a rail accident, due to the materials transported or the zones crossed.

The industrial safety and environmental risk prevention policy is described in sections 6.2.1 and 6.4.1 of this Registration Document.

i) Legal risks

i. 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, their interpretation or their application by the regulators, the authorities or the courts can lead to additional costs for the Group and affect its activity, its financial position and its results. As an example, tightening the measures taken to enforce regulations governing immigration, customs 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[8].

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 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 Fixed Link. 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

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[8] *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."*

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 given the current heightened sensitivity to terrorism. These measures could be strengthened and have an impact on the operations of the Fixed Link, for example by leading to a reduction in the quality of service and to customer dissatisfaction. 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 conceding 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. Since these entities are independent, the Group cannot exert any influence over them.

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 State 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). The State has presented a measure to reduce this subsidy. A reduction of 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 State.

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 dense, 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 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.

ii. 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.

iii. 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 2017 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 transportation 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.

The following table shows the payment schedule for the Group's trade receivables at 31 December 2017 and 2016:

Million	**Total**	**Not yet due**	**0 - 30 days**	**31 - 90 days**	**Over 90 days**
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
31 December 2016:					
France (€)	34.1	24.6	5.1	1.3	3.1
United Kingdom (£)	3.7	2.6	0.5	(0.1)	0.7

iv. Financial partners

The undertakings under the Group's Term Loan are described in chapter 8. These undertakings, combined with the level of the Group's debt, 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 note G to the consolidated financial statements in section 2.2.1 of this Registration Document.

As indicated in section 1.1.2 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.

v. GET SE's main shareholder holds a significant percentage of the capital and voting rights

The main shareholders of Groupe Eurotunnel SE indicated 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. As indicated in chapter 7 of this Registration Document, these shareholders disclosed in their respective statements of intent to the AMF, notably on 29 January 2018 for TCI, that they do not hold their investment with the intent to implement a specific strategy or to exercise significant influence over the company.[9]

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.

j) Risks related to information systems

In 2017, 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

[9] *Since approval of the management report on 20 February 2018, Aero has changed control, as indicated in section 2.3 of this Registration Document.*

identified as an absolute priority at the highest level of Group management and is taken into account as early as the system design phase.

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 three key areas: protecting systems, employees and sub-contractors, detecting unusual activity and drafting multi-scenario crisis management plans. These challenges remain a priority for 2018 and coming years, so that in 2017 the Group 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 developed rapidly.

k) Risk of internal control failure

The Group has established an internal control system which, however refined 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.

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, and to improve procedures to minimise 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.

During the sale of the ships, DFDS notified the Group that it disagreed with the option exercise price. It has since 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 will be heard in the second half of 2018.

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 enforcement judge set the penalty. An appeal has been filed with the Court of Appeal covering the very principle of communicating the disputed documents and the amount of the penalty.

On 12 May 2017, the liquidator also filed an action before the Commercial Court of Paris to obtain recognition of the existence of a *de facto* partnership between SCOP SeaFrance, GET 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[10].

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 GET SE. The proceedings are at the pre-trial stage.

The Société d'Exploitation des Ports du Détroit (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 the Fixed Link activity

The expertise carried out at the Concession site following the 2008 fire is ending and the Group is waiting for the report. The case is expected to go before the court to process the claims of carriers, which have been frozen since 2008. 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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[10] *Since approval of the management report on 20 February 2018, on 8 March 2018, the liquidator lodged an appeal against this judgment.*

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. Within the Group, no physical person, with a managerial position or not, has been indicted. Staff and subcontractors' safety and security always come first for the Group, as indicated in section 6.2.1 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 to cancel this decision (proceedings on the merits) and to contest the late payment penalties and occupation fees invoiced to Europorte by GPMB.

SMPA has been unable to operate the Verdon port terminal. Its appointment will end on 21 March 2018 pursuant to the provisions of the port terminal agreement. On 7 July 2017, GPMB launched a new tendering process to award a new port terminal agreement.

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 results of the tendering process. 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 Group operates in two countries applying different tax systems. Tax regulations are constantly evolving and are subject to interpretation. The Group cannot guarantee that its interpretation will not be challenged, which could lead to negative consequences on its finances and/or results. The Group performs standard monitoring of tax matters. The audits of its accounts launched by the tax authorities for the years 2010 to 2012 have now been completed and the Group is considering the outcome. 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 twelve 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 2017, the amount of provisions for all litigation or procedural risks in which the Group is involved amounts to €13 million.

3.3 INSURANCE AND RISK COVERAGE

Getlink'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 2017 for a period of three years, ending on 31 December 2019 for the first layer and for a period of two years, ending on 31 December 2018 for the excess layers.

The specific insurance programme for EPF, EPP and Socorail which was already in place, has been renewed for the period 1 January 2018 to 31 December 2018. 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 2017, the insurance coverage was sufficient for its needs.

3.4 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

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 employees. 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.

The aim of the various policies approved by the Board is to develop a culture of ethical practice and compliance. 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. 225-10061 of the French Commercial Code, the Groupe Eurotunnel 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 GET SE on 20 February 2018.

b) Definition, objectives and scope of internal control and risk management

Internal control is a system comprising 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.

Specifically, the system 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.

The internal control and risk management system extends throughout the Group and to all its subsidiaries included in the consolidated financial statements.

Since 2015, as part of its continuous improvement approach, the Group has taken the following actions to strengthen the internal control and risk management system:

- the procedures have been structured, updated and enhanced for the Group and the business units;
- the register of Group risks, based on a reference framework common to all subsidiaries, and the individual registers for each subsidiary as set up in 2013, were updated during the 2017 annual review.

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. It provides greater security in the business's decision making and in its processes, which promotes the achievement of its objectives. It fosters consistency between the business's actions and its values and seeks to mobilise the Group's employees around a common vision of the main risks and to promote awareness among them of the risks inherent in their work.

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. A risk can be either a threat or a missed opportunity. It is characterised by an event, which has one or more sources and one or more consequences. This identification will be followed by an analysis which involves examining the potential consequences of the key risks (consequences that may be financial, human, legal or related to reputation) and estimating the likelihood that they may occur. This dual approach is a continuous process.

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 GET 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 in 2017, a mapping of corruption risk was added to identify, analyse and prioritise the Group's risk of exposure to external solicitations for corruption purposes. In 2018, a specific focus will be placed on the risk of fraud.

The Group's Financial Control Department, with the main business units and senior management, continued to measure in 2017 the risk appetite approved by the Board, 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 mitigating 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.

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'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 Groupe Eurotunnel 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 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 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, under the direction of Internal Audit. 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. A Securities Ethics Charter, in place since 2010 and regularly updated, sets out the measures to prevent insider trading and establishes so-called “trading close periods”.

With regard to professional ethics and compliance, the Board's Ethics and Governance Committee – renamed the Corporate Committee – launched the implementation of the Ethics and Governance Code, which refers to all the procedures. This Committee ensures the communication within the Group of an ethical culture and principles and thus inspires the work of the other Board committees and executive and corporate officers.

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 employee training and information campaigns to raise awareness of major fraud and corruption risks. An anti-corruption policy and whistleblowing system have been implemented. All employees 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. A mapping of corruption and fraud risks has been prepared to identify, analyse and prioritise the Group's risk of exposure to corruption and influence peddling.

In addition, since 30 September 2017, companies are liable if an associated person (including employees, customers and suppliers) criminally 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.

With regard to Human Resources, the French Group Committee was set up in 2014 to provide 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, set up in 2014, enables each and every employee to have access to information on his or her subsidiary and on Getlink, particularly where internal control procedures are concerned. With regard to payroll functions, formal procedures are in place and strict segregation of duties is applied for the key stages of the payroll process.

In the area of Corporate Social Responsibility, the Group has adopted a formal CSR policy (signed on 13 March 2015) and 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. Moreover, since 2013, the Group is 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 employee 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. 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 SGS (security 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 company's customers, employees, sub-contractors and visitors are exposed, and the measures in place to manage them. The SGS is formally approved by the IGC in its capacity as Safety Authority.

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 employees 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, French, British and European legislation is complied with, particularly in the areas of competition and personal data protection.

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, a 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 Groupe Eurotunnel 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 Groupe Eurotunnel 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 Groupe Eurotunnel SE receive reports of concern to them at each of their periodic meetings. The chairmen of these committees keep the Board of Directors of Groupe Eurotunnel SE informed of the work of their committees.

The members of the Executive Committee of Groupe Eurotunnel 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, launched in 2014, which allows each employee to obtain information on the Group's main activities and on new policies and procedures applicable within the company. In addition, a newsletter is produced for each subsidiary. Periodic meetings called the Management Forum, bring together the Group's key managers for general discussions.

v. Monitoring and supervision

Monitoring entails periodic assessment of the internal control system. It 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 2017 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 Groupe Eurotunnel SE, and the following parties:

General management

The mission of general management is to define the key 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 Audit and Internal Control Institute), 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),
- risk committee,
- 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

Corporate general management 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 by 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 GET SE Board;
- at these meetings, the Committee receives formal reports drawn up by the statutory auditors, financial management, internal audit, and treasury and risk management.

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 ECC, is used across all accounting entities except ElecLink. 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 schedule, which specifies the nature and timing of each disclosure and the person 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

On 20 February 2018, the Board drew up a report on corporate governance in accordance with article L. 225-37 of the French Commercial Code. The information is mainly contained in chapters 4 and 5 of this Registration Document and is listed in detail in the Table of Cross-References annexed to it and covers 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 first report or subsequent amendment;
- the composition of the Board and the terms applicable to the preparation and organisation of its work;
- 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;
- the limitations, if any, on the powers of the Chief Executive Officer;
- the corporate governance code which GET SE has applied; and
- 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 by including contributions from several departments, including the Finance Department, the Financial Control Department, the Internal Audit Department, Internal Control and the Legal Department. The report was presented to the Remuneration Committee, the Audit Committee, the Corporate Committee and the statutory auditors, and 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 2018.

The corporate governance code to which GET SE refers is the code for listed companies established 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 GET 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 engaged in a continual bid to support the overall development vision of the business:

- to ensure the viability of the business in the first phase of Groupe Eurotunnel SE's history and
- then to prioritise more effective and responsive management 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 in changing regulatory, competitive and market environments.

The environment within which the Group is evolving may become much more complex as a result of Brexit, as indicated in chapter 3 of this Registration Document. Brexit may cause shockwaves and it is essential to do everything necessary to manage it and strengthen the Group's position. In such a political period, keeping the Chairman and Chief Executive Officer in place ensures continuity in the way that the Group is represented at the highest levels in relationships with governments. It keeps the constant dialogue that the Chairman and Chief Executive Officer has with the company's political partners. 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.

Within the geopolitical background in which the business operates, the Board wishes to continue to draw on the experience of Jacques Gounon, which he demonstrated during the migrant crisis in the Calais area, to support the company during the Brexit transitional period for two years. Following that, the Board is minded to split the roles of chairman and chief executive officer. The Board considers that during this transitional period it is important to keep the roles of Chairman of the Board and of Chief Executive Officer combined in order to ensure that the Group is represented at the highest level in its dealings with third parties and so remains particularly efficient in the light of Jacques Gounon's experience.

The significant development of the Group for more than ten years is due to the strategy put in place by Jacques Gounon. From the time of his arrival at the head of the company in February 2005, he has crafted a new business model involving the creation of a plan to save the Group that has led to a reduction in the debt of almost €5 billion. He has rationalised operations and maintenance and he has adapted costs and resources. The continued increase in profits is testament to the Group's recovery, which allows it to invest in core activities and innovate in high value-added solutions. The Group has become the leader in its markets, Europorte is the only profitable rail freight operator in France and ElecLink, the future electricity interconnector between France and the UK, is an important growth stream for GET SE. Today, the growth in its revenue (up 50% in 10 years), an operating margin above 50% in 2017, good cash flow visibility up to 2086 (when the Concession ends) and almost €600 million returned by way of dividends to shareholders since 2008 demonstrate the relevance and resilience of the strategy, particularly in specific economic and geopolitical contexts such as the UK's departure from the European Union.

The governance structure and the question of splitting the roles are a specific question in the Board self-assessment questionnaire. In 2017 the current governance model (combined chairman and chief executive officer) was still largely supported taking into account the prospect of the roles being split at the end of the two-year extension of Jacques Gounon's term of office.

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 size of the Board allows for real debate to take place and for clear and rapid decision-making, particularly as Directors are committed to their role, are independently minded and bring a wide range of skills to the business. In the 2017 Board self-assessment, the Directors confirmed their satisfaction as to the quality of discussions, conduct of business by the Board Chairman, freedom of expression and time reserved for discussion;
- the Board is very active (9 meetings in 2017): six Board committees have been set up and each is very active: in 2017, more than 31 committee meetings took place, representing a total of 40 meetings including full Board meetings;
- the majority of Board Directors are independent (91%);
- some of the committees, including the Audit Committee, the Nominations Committee and the Remuneration Committee, are exclusively composed of independent Board Directors;
- the Ethics and Governance Committee (comprising the chairmen of various Board committees), which has been merged with the Strategy and Sustainable Development Committee going forward, 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 GET 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 section 4.1.2 of this Registration Document.

The Chief Executive Officer represents GET SE in its relations with third parties. GET 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 GET 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, supervises the operational functions of the Concession and safety as well as the Finance and Legal Departments.
- Michel Boudoussier, Chief Operating Officer supervises major projects and the Business Services and the Group Human Resources Departments.[11]
- Pascal Sainson, Europorte Chief Operating Officer.
- Philippe de Lagune, Chief Security Officer.
- Steven Moore 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 65 years old. On reaching the age of 65, any Chief Executive Officer or Deputy Chief Executive Officer in office is deemed to have resigned. In the interests of having the best organisational arrangements in the current geopolitical

[11] *On 12 March 2018, Michel Boudoussier was appointed Group Chief Corporate Officer and Laurent Fourtune joined the Group as Eurotunnel Chief Operating Officer.*

situation, the Board has decided to increase the age limit in the by-laws from 65 to 68 years. This will be proposed at the 2018 General Meeting.

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.

4.1.2 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;
- 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.

4.1.3 SERVICE CONTRACTS BETWEEN MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT AND GET SE

GET 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.

At the time that Jacques Gounon became the Group's Chairman and Chief Executive Officer he started receiving part of his remuneration from Eurotunnel Services Limited due to the binational nature of the Concession. By virtue of English law, which cannot be derogated or waived, such payments technically created a service contract governed by English law. This was complied with since it is a mandatory provision of English law although the effect was limited to the strict legal minimum. This contract did not involve any undertaking by the Group for Jacques Gounon's benefit in terms of a contractual severance package. However, recommendation 21 of the Afep/Medef Code, which is to terminate a person's employment contract if they are appointed as a corporate officer, could not be applied to the Chairman and Chief Executive Officer, since it was in contradiction with the mandatory provision of English law referred to above.

In the interests of removing this non-compliance with the Afep/Medef Code, which was disclosed every year in the Registration Document, the Board decided to put an end to all payments to Jacques Gounon by Eurotunnel Services Limited.

Therefore and with effect from January 2018, the whole of Jacques Gounon's remuneration is paid to him through Groupe Eurotunnel SE. In this way the payments that create an English law contract of service have stopped. Since the contract has no commitment on the part of the company to pay any contractual severance indemnity, it has been brought to an end without any severance or other payment.

4.1.4 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 Operating Officer
Philippe de Lagune	Chief Operating Officer – Safety
Steven Moore	Chief Executive Officer – ElecLink
Patrick Etienne	Safety, Sustainable Development and Business Services Director
Pascal Sainson	Chief Operating Officer – Europorte
Jo Willacy	Commercial Director – Concession

The Executive Committee ensures the coordination between GET 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 GET SE, in which members of the Executive Committee of GET 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		
Michel Boudoussier	–	–	–
Philippe de Lagune	–	–	–
Patrick Etienne	–	–	–
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
Steven Moore	–	–	–
Pascal Sainson	–	–	–
Jo 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.

Michel Boudoussier

Michel Boudoussier, 54, studied at the École Normale Supérieure and subsequently became an Engineer at the Corps des Mines. He joined the Group on 3 May 2010 as Chief Operating Officer in charge of the 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, 57, joined the Group in 1992 after 10 years with SNCF Armement Naval. As Head of IT systems sales, he managed the 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 management activities of the Group. He also manages the Property Development Department of the Group. He is chairman of EuroSco SAS, Euro-Immo GET and SIFE (Société Immobilière et Foncière Eurotunnel). He is also chairman of the Euro-TransManche ferry-owner companies. Patrick Etienne was named Safety, Sustainable Development and Business Services Director on 1 January 2016.

François Gauthey

François Gauthey, 55, joined Groupe Eurotunnel SE in September 2015 as Chief Operating Officer. He was appointed Deputy Chief Executive Officer on 1 May 2016. 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.

Pascal Sainson

Pascal Sainson, 60, 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.

Philippe de Lagune

Philippe de Lagune is 69. He joined Groupe Eurotunnel SE as Security Director on 9 September 2013. Philippe de Lagune, Prefect, 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, 48, 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.

Jo Willacy

Jo Willacy, 54, 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 ACTIVITIES OF THE BOARD OF DIRECTORS

4.2.1 BOARD OF DIRECTORS

As at the date of this Registration Document, the members of the Board of GET SE are as follows:

Name	Position	Gender	Nationality	Start of 1st term	Date of last renewal	Date term expires	Years on the Board
Executive officers							
Jacques Gounon	Chairman and Chief Executive Officer	M	French	2007	29 April 2014	General meeting called to approve the financial statements for the year ending 31 December 2017	11
Independent Directors							
Corinne Bach	Director	F	French	2016	N/A	General meeting called to approve the financial statements for the year ending 31 December 2017	1
Bertrand Badré	Director	M	French	2017	N/A	General meeting called to approve the financial statements for the year ending 31 December 2017	0
Patricia Hewitt	Director Chairwoman of the Economic Regulations Monitoring Committee	F	Australian	2010	29 April 2014	General meeting called to approve the financial statements for the year ending 31 December 2017	7
Peter Levene	Director	M	British	2012	27 April 2016	General meeting called to approve the financial statements for the year ending 31 December 2019	5
Colette Lewiner	Director Chairwoman of the Audit Committee	F	French	2012	27 April 2016	General meeting called to approve the financial statements for the year ending 31 December 2019	5
Colette Neuville	Director Chairwoman of the Remuneration Committee Senior Independent Director	F	French	2007	27 April 2016	General meeting called to approve the financial statements for the year ending 31 December 2019	11
Perrette Rey	Director Chairwoman of the Nominations Committee	F	French	2013	27 April 2016	General meeting called to approve the financial statements for the year ending 31 December 2019	4

Name	Position	Gender	Nationality	Start of 1st term	Date of last renewal	Date term expires	Years on the Board
Jean-Pierre Trotignon	Director Chairman of the Safety and Security Committee	M	French	2010	27 April 2016	General meeting called to approve the financial statements for the year ending 31 December 2019	7
Philippe Vasseur	Director	M	French	2007	29 April 2014	General meeting called to approve the financial statements for the year ending 31 December 2017	10
Tim Yeo	Director Chairman of the Corporate Committee	M	British	2007	29 April 2014	General meeting called to approve the financial statements for the year ending 31 December 2017	10

Evolution of governance: preparation of the terms of office

The terms of office of six of the 11 directors will come to an end at the close of the General Meeting called on 18 April 2018 to approve the accounts for the financial year ended 31 December 2017. The directors in question are Corinne Bach, Patricia Hewitt, Jacques Gounon, Bertrand Badré, Philippe Vasseur and Tim Yeo.

The Corporate Committee, in conjunction with the Nominations Committee, has considered the future composition of the Board of Directors in order to recommend the most appropriate changes. At the end of 2017 and the start of 2018, part of the work of the Board was dedicated to considering the expiry of the terms of office and how best to smooth them. The Board took a decision taking into account the contribution of the members of the Board and also how their competences dovetailed with each other as well as the overall balance of the future composition of the Board.

The environment within which the Group is evolving may become much more complex as a result of Brexit. In the interests of having the best arrangements to promote Group performance in the current specific geopolitical context, the Board has sought to create a progressive rotation of board members in a transitional phase so as to avoid compromising the balanced functioning of the Board by a renewal *en masse*.

The table below sets out the appointments held by members of the Board of GET 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 risks committee	Aéroports de Paris	Euronext Paris
Corinne Bach	None	None	None
Bertrand Badré	None	None	None
Patricia Hewitt	None	None	None
Peter Levene	Director	China Construction Bank (Asia) Corporation Limited	Shanghai
Colette Lewiner	Director	Bouygues/Colas (Bouygues' subsidiary)	Euronext Paris
	Director	Nexans (S.A.)	Euronext Paris
	Director	Ingenico Group (SA)	Euronext Paris
	Director	EDF	Euronext Paris
Colette Neuville	Director	ATOS	Euronext Paris
Perrette Rey	None	None	None
Jean-Pierre Trotignon	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 GET 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, as at the date of this Registration Document:

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
Corinne Bach	Director	The Copyrights Group Limited	2017 to date
	Director	Marketreach Licensing Services Limited	2017 to date
	Director	Festival Production SAS	2016 to date
	Chairwoman	Talents et Spectacles Cameroun SAS	2016 to date
	Chairwoman	Talents et Spectacles Guinée SAS	2016 to date
	Chairwoman	Talents et Spectacles Togo SAS	2016 to date
	Chairwoman	Talents et Spectacles Sénégal SAS	2016 to date
	Chairwoman	Talents et Spectacles Congo SAS	2016 to date
	Chairwoman	Talents et Spectacles RDC SAS	2016 to date
	Chairwoman	Talents et Spectacles Gabon SAS	2016 to date
	Chairwoman	Talents et Spectacles Burkina Faso SAS	2016 to date
	Chairwoman	Talents et Spectacles Bénin SAS	2016 to date
	Chairwoman	Talents et Spectacles Niger SAS	2016 to date
	Director	Magic Makers SAS	2016 to date
	Director	L'Olympia SAS	2015 to date
	Chairwoman and chief executive officer	CanalOlympia SA	2015 to date
	Chairwoman	Vivendi Analytics SAS	2015 to date
	Director	MyBestPro SAS	2015 to date
	Vice-Chairwoman	Vivendi Village SAS	2015 to date
	Chairwoman	Société d'investissement et de gestion 106 SAS	2014 to date
	Director	Watchever Group SA	2015 to 2017
Bertrand Badré	President and director general	Blue like an Orange Sustainable Capital	2016 to date
	Chairman, chairman of the audit committee	Wealthsimple	2017 to date
	Chairman	BlueOrange Consultants	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	2016 to date
	Chairman of the board	Tikehau Investments Limited	2013 to date
	Director	China Construction Bank (Asia) Corporation Limited	2013 to date
	Vice chairman of the board	Starr International Company, Inc.	2011 to date
	Chairman of the board	Starr Underwriting Agents Limited	2011 to date
	Director	Haymarket Group Limited	2006 to date
	Chairman of the board	General Dynamics United Kingdom Limited	2001 to date
Colette Lewiner	Independent director, member of the audit and financing committee and of the strategy committee	Ingenico Group (SA)[12]	2015 to date
	Director, member of the audit committee and the nominations and remuneration committee and chairwoman of the ethics committee	EDF	2014 to date
	Independent director, member of the accounts committee, of the selection and remunerations committee and of the ethics and sponsorship committee	Colas (S.A.)	2011 to date

12 *Colette Lewiner leaves the Ingenico board of directors on 16 May 2018. She joins the CGG board of directors on 8 March 2018.*

Name	Other positions held outside the Group	Company	Dates
	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, 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
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 Vasseur	Director	Bonduelle SAS	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
	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

Name	Other positions held outside the Group	Company	Dates
	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	Clean Energy Solutions Africa (Holdings) Limited	2017 to date
	Director	Clean Energy Solutions Africa Limited	2017 to date
		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

For the purposes of their roles within the Group, the business address of the Directors is the registered office of GET SE at 3 rue La Boétie, 75008 Paris, France.

Biographical details for each of the members of the Board of Directors of GET SE as at the date of this Registration Document are presented below:

Jacques Gounon

Jacques Gounon, 64, 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 Groupe Eurotunnel SE in 2007. He is also a director of Aéroports de Paris and chairman of the Transalpine Committee.

Corinne Bach

Corinne Bach, 44, is a graduate of the École Polytechnique and also holds qualifications from Imperial College London, INSEAD and Telecom Paris. She is chairwoman and chief executive officer of CanalOlympia and vice-chairwoman of Vivendi Village within the Vivendi group. She also gained experience working at SFR and NavLink, in both France and the USA. Corinne Bach's appointment as a Director of the Board of GET SE was ratified by the General Meeting held on 27 April 2017.

Bertrand Badré

Bertrand Badré, 49, 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 Groupe Eurotunnel SE on 18 December 2017, to replace Philippe Camu, for the remainder of that director's term of office. It is proposed that the appointment will be ratified at the GET SE General Meeting called to vote on the 2017 statutory accounts.

Philippe Camu

Philippe Camu, a graduate of the French HEC, was a member of the Board of GET SE from 26 May 2010 to 18 December 2017. He is partner – managing director of Goldman Sachs, London. He manages the European activity of Goldman Sachs Infrastructure Partners, the Goldman Sachs fund for investment in infrastructure. Philippe Camu began his career with Goldman Sachs in 1992 in the corporate finance department and joined the real estate principal investment department in 1997.

Patricia Hewitt

Patricia Hewitt, 69, a graduate of Cambridge University and was 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 Groupe Eurotunnel SE on 26 May 2010. She chairs the Economic Regulations Monitoring Committee.

Peter Levene

Peter Levene, 76, a Foundation Shareholder of Eurotunnel, joined the defence group 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 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. 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 GET SE was ratified by the General Meeting held on 26 April 2012.

Colette Lewiner

Colette Lewiner, 72, 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 Ingenico Group. 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 Grand Officer of the Légion d'Honneur and of the Ordre National du Mérite. Colette Lewiner's appointment as a Director of the Board of GET SE was ratified by the General Meeting held on 26 April 2012. Colette Lewiner chairs the GET SE Audit Committee.

Colette Neuville

Colette Neuville, 81, 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) for the government of Morocco and for the Loire-Brittany 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 GET SE since 9 March 2007 and chairs the Remuneration Committee. She is also a member of the Audit Committee. She was appointed as Senior Independent Director by the Board on 14 February 2014.

Perrette Rey

Perrette Rey, 75, 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 GET SE and her appointment was ratified by the General Meeting on 15 May 2013. Perrette Rey chairs the GET SE Nominations Committee.

Jean-Pierre Trotignon

Jean-Pierre Trotignon, 67, is a graduate of 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 Port Autonome de Dunkerque. 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 GET SE in 2010 and chairs the Safety and Security Committee. He is a director and chairman of the board of directors of a Swiss company, BG Bonnard et Gardel Holding SA.

Philippe Vasseur

Philippe Vasseur, 74, 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). He is a director of Bonduelle and chairman of Réseau Alliances, which brings together 260 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 GET SE since 20 June 2007.

Tim Yeo

Tim Yeo, 72, is a graduate from Cambridge University and was the Member of the House of Commons representing 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 is chairman of Sheffield University Energy 2050 Industrial Advisory Board. He was chairman of AFC Energy PLC 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 GET SE since 20 June 2007 and chairs the Corporate Committee.

4.2.2 CONFLICTS OF INTEREST WITHIN THE BOARD OF DIRECTORS, THE MANAGEMENT AND SUPERVISORY BOARDS AND IN GENERAL MANAGEMENT

To GET SE's knowledge, there are no potential conflicts of interest between the duties owed to GET SE by any of the persons referred to in sections 4.1.1, 4.1.4 and 4.2.1 of this Registration Document, and their private interests or other obligations.

GET SE has measures in place to prevent potential conflicts of interest between the Directors and GET SE which are described in section 4.2.5.a)vii) of this Registration Document.

4.2.3 DIRECTORS' AND EXECUTIVE OFFICERS' INTERESTS IN GET SE'S SHARE CAPITAL

Name	Position	Number of shares *
Jacques Gounon	Chairman and Chief Executive Officer	71,318
François Gauthey	Deputy Chief Executive Officer	17,000
Corinne Bach	Member of the Board	2,000
Bertrand Badré	Member of the Board	3,000
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
Jean-Pierre Trotignon	Member of the Board	6,110
Philippe Vasseur	Member of the Board	5,000
Tim Yeo	Member of the Board	7,005

* *GET SE ordinary shares and CDIs.*

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 GET SE financial instruments carried out by any member of the Board, the Chairman and Chief Executive Officer or the Deputy Chief Executive Officer, or any persons to whom they are related, must be declared[13].

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 other members of the Board of GET SE or any persons to whom they are related during the 2017 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 *
Jacques Gounon	Options	Exercise	05/01/2017	Euronext Paris	6.42	20,872	133,998.24
Jacques Gounon	Options	Exercise	30/05/2017	Euronext Paris	6.42	8,128	52,181.76
Jacques Gounon	Options	Exercise	30/05/2017	Euronext Paris	7.52	14,200	106,784
Jacques Gounon	Options	Exercise	28/12/2017	Euronext Paris	6.42	29,000	186,180
Jacques Gounon	Options	Exercise	28/12/2017	Euronext Paris	7.52	18,300	137,616
Jacques Gounon	Options	Exercise	28/12/2017	Euronext Paris	6.33	29,075	184,044.75
Jacques Gounon	Shares	Sale	28/12/2017	Euronext Paris	10.765	21,000	226,065
Jacques Gounon	Shares	Sale	28/12/2017	Euronext Paris	10.7427	16,000	171,883.2
Jacques Gounon	Shares	Sale	28/12/2017	Euronext Paris	10.7566	21,000	225,888.6
Bertrand Badré	Shares	Purchase	09/01/2018	Euronext Paris	11.13	3,000	33,390
Patricia Hewitt	Shares	Purchase	04/12/2017	Euronext London	£9.66	1,850	£17,873.03
Colette Lewiner	Shares	Purchase	15/03/2017	Euronext Paris	8.6	1,000	8,600
Colette Lewiner	Shares	Purchase	08/12/2017	Euronext Paris	11.06	2,000	22,120
Jean-Pierre Trotignon	Shares	Sale	25/10/2017	Euronext Paris	10.515	417	4,384.75
Philippe Vasseur	Shares	Purchase	26/01/2017	Euronext Paris	8.8669	3,000	26,760.09

* *Unless otherwise indicated, amounts in euros.*

Any transactions performed by the corporate officers in GET 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 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 GET 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.

Tim Yeo was a director of TMO Renewables Limited until 8 February 2017. This company entered 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 GET SE has 11 Directors, of whom ten are independent (i.e. 91% of Board Directors in office).

The Board has five female Board Directors, representing more than 45% of the Board, 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 non-French resident Board Directors is 36%.

The Board of Directors is very active: in 2017, there were a total of 40 meetings of the Board and its Committees.

[13] *Where transactions carried out by any one of these Directors or executive officers total more than €20,000 in any one calendar year.*

The average age of Board Directors is 68. In order to lower the collective age of the Board while still retaining balance in the way it functions, and in the interests of having the best arrangements to promote Group performance in the current specific Brexit geopolitical context, the Board has decided to speed up the renewal of board members and to bring about a speedier progressive rotation of its members.

The complementary expertise and 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). In December 2016, the Board strengthened equality by appointing a new female director, Corinne Bach, and, with regard to the specific expertise required by the Board, strengthened the specific added value of the Board via her cutting-edge knowledge of new technologies and digital media challenges.

In 2017, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and against the background of its review of the composition of the Board, decided to appoint a young director, with recognised expertise and experience in international private and public financial and ethical matters and so co-opted Bertrand Badré in a move aimed at speeding up the rotation of the Board.

	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
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	
Jean-Pierre Trotignon	X	X		X	X		X		X
Philippe Vasseur	X	X	X		X	X	X	X	
Tim Yeo	X	X			X		X	X	

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 amongst other things 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 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. 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, GET 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 IFA.

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 people 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 GET 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 an unofficial translation in English. Documents provided to members for meetings of the Board, as well as minutes of the meeting, are prepared in French with an unofficial translation in 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 GET 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 GET SE and takes decisions in this respect in the interest of all shareholders.

In its relations with third parties, GET 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, internal rules, code of conduct)

Since the beginning, 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 best governance and ethical practices, within the Group.

Governance

The Ethics and Governance Committee of the Board (which became the Corporate Committee in December 2017) 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 policy 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 market laws and regulations, as well as best practice with regard to corporate governance, and ensures they are transposed into internal rules and 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 employee, whatever the circumstances or the country, by reference to the OECD guidelines for companies as indicated in chapter 6 of this Registration Document. This Charter includes an internal whistleblowing system.

As an extension of this Charter, the Board of Directors has drawn up a policy for the fight against corruption, supported by the Chairman and Chief Executive Officer's zero tolerance message and which defines and illustrates the different types of unacceptable behaviour. A tailored training system seeks to ensure the effectiveness of this policy. This Charter contains a whistleblowing procedure and has been supplemented by implementation guidelines.

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 Directors: *"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 Groupe Eurotunnel SE or any of the companies in which Groupe Eurotunnel SE has an interest, or any company with which Groupe Eurotunnel 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.

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 30 January 2018.

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

As part of its management responsibilities, and in compliance with governing laws and the by-laws of GET 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 GET 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 GET 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 GET 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

- 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 the specific character of the business, its activities or its business sector, such training being organised by GET SE on its own initiative or at the request of the Board.

- Each Director is required to notify the AMF and GET SE of any acquisition, disposal, subscription or exchange of financial instruments issued by GET 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 GET 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 GET 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.
- 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

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

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

The Board may establish temporary or permanent special committees, each consisting of at least three and no more than six 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 section 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 GET SE;
  - an employee, chief executive officer of a company or a director of a company consolidated within GET 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 GET SE holds, either directly or indirectly, a directorship or in which an employee appointed as such or an executive corporate officer of GET SE (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 GET SE or the Group,
  - or for whom GET SE or the Group represent a significant part of their business.

The evaluation of how significant the relationship is with GET 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 GET 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.

After consideration of their individual position by the Nominations Committee, the Board resolved on 20 February 2018 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 Board, on the recommendation of the Nominations Committee, has confirmed that there are no significant business relationships between Group companies, and other companies outside the Group in which independent Board members of Groupe Eurotunnel SE are also appointed as a director.

The Board considered a multi-criteria analysis carried out by the Nominations Committee. 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 2017, 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 period 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, on the recommendation of the Nominations Committee, confirmed the absence of any significant business relationship in 2017.

Therefore, as at 20 February 2018, 10 of the 11 Board Directors are independent (i.e. 91% of the Directors in office). 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	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	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 GET 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 2017, the Senior Independent Director established the practice of having meetings without the executive officers present ("executive sessions").

Employee representative Director

In accordance with the provisions of article L. 225-27 of the French Commercial Code, Groupe Eurotunnel SE will put a proposal to a shareholder vote on 18 April 2018 that the by-laws be amended to approve the formalities for the appointment of the requisite number of employee representative director(s) as required by law. The appointment will be made in the six months following approval of the amendment of the by-laws. The employee representative Director has the same status, rights and responsibilities as the other Directors.

b) Operation of the Board of Directors

In 2017, the Board held 9 meetings. The average attendance rate per meeting for Board Directors was 96%.

Attendance at meetings of the Board in 2017

Board Meetings	Number of meetings	Attendance	
Jacques Gounon	9	9	100%
Corinne Bach	9	9	100%
Bertrand Badré *	n/a	n/a	n/a
Philippe Camu	9	9	100%
Patricia Hewitt	9	8	89%
Peter Levene	9	8	89%
Colette Lewiner	9	7	78%
Colette Neuville	9	9	100%
Perrette Rey	9	9	100%
Jean-Pierre Trotignon	9	9	100%
Philippe Vasseur	9	9	100%
Tim Yeo	9	9	100%

* *Bertrand Badré was co-opted at the end of the Board meeting on 18 December 2017 so did not attend any Groupe Eurotunnel SE Board meetings in 2017.*

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 2017, 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 2017 financial year, the Board finalised the financial statements as at 31 December 2016 and prepared the half-year financial statements for the six-months ended 30 June 2017. 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 2018 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. It considered the level of risk that the company is willing to accept in a given area in order to attain its objectives.

The Board also made preparations for the combined 2017 General Meeting and, in particular, drew up the draft resolutions. The Board decided to renew the share buyback programme.

Regarding corporate governance, during 2017 the Board approved the update to the internal rules. It carried out a self-assessment and approved the Chairman's report on internal control procedures for 2016. The Board determined the Chairman and Chief Executive Officer's variable remuneration for 2016, on the recommendation of the Remuneration and Nominations Committee, and set the targets that would determine the variable portion of the remuneration of the Chairman and Chief Executive's Officer and of the Deputy Chief Executive Officer for 2017. 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 established a practice of holding Board meetings without executive officers or internal executives present (executive sessions). In addition, Groupe Eurotunnel 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 was informed throughout the year of developments in the migrant crisis and measures taken to strengthen site security.

During the annual strategy seminar, Board members undertook a detailed strategic analysis of the Group in its competitive environment. It debated and heard presentations on the Group's financial, strategic, employee and regulatory position and the results of actions taken. The major issues and opportunities concerning the various segments were presented and debated. The Board examined and decided the Group's strategic direction with respect to the different potential strategic transactions impacting its scope.

Specific topics

During 2017, the Board monitored progress in 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 oversaw the implementation of the partial refinancing of the debt on the C Tranches of the Term Loan on 6 June 2017. The Board also monitored progress of the Group's project to acquire the G2 bonds, including the implementation of the commitment conditions and the completion of the operation.

The Board also discussed its composition, following a proposal of the Nominations Committee, in the interests of having the best arrangements to promote Group performance in the current specific geopolitical context, the Board has sought to create a progressive rotation of board members in a transitional phase so as to speed up the renewal of board members while avoiding renewal *en masse.* It will also propose to the General Meeting that the by-laws be amended to increase the age limit of the Chief Executive Officer to 68. The Board prepared the amendment of the by-laws to enable the requisite number of employee representative Directors to be appointed. The Board approved the Group's proposed anti-corruption policy.

The Board met twice between the beginning of this year and 20 February 2018, the date on which the Board finalised the financial statements for the year ended 31 December 2017. The average attendance rate was 100%. These meetings focused on the risk review, on finalising the consolidated and parent company financial statements as at 31 December 2017, on consideration of the management report and the governance report both 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 self-assessment of the Board, 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 2017 financial year, the remuneration policy and the 2018 remuneration criteria. The Board considered the information to be given to shareholders in this Registration Document, so that shareholders are fully able to evaluate the company's management, its Board and its 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. At the end of 2017, the Board of Directors decided to split the Nomination and Remuneration Committee into two committees. It also decided to merge the Ethics and Governance Committee with the Strategy and Sustainable Development Committee to form a single Corporate Committee. The provisional Energy Committee, created at the end of 2016, was dissolved and the Board created an Economic Regulations Monitoring Committee.

Composition of the Board Committees (at 20 February 2018)

Committee	Audit	Nominations	Remuneration	Corporate	Safety and Security	Economic regulations
Jacques Gounon				☐	☐	☐
Corinne Bach						☐
Bertrand Badré						
Patricia Hewitt				☐	☐	●
Peter Levene				☐		
Colette Lewiner	●			☐		
Colette Neuville	☐	☐	●	☐		
Perrette Rey	☐	●	☐	☐		
Jean-Pierre Trotignon		☐		☐	●	☐
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 have a minimum of expertise in financial and accounting matters 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, etc.).
- 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, etc.) 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 2017

At 20 February 2018, the Audit Committee is composed of Colette Lewiner (Chairwoman), Colette Neuville and Perrette Rey. 100% of the Committee members are female and all members of the Committee are independent Board Directors. GET SE complies with the recommendation of the Afep/Medef Code relating to the presence of two thirds of independent Board Directors.

The three 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).

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 seven times in 2017 with an average attendance rate of 100%.

Audit Committee meeting attendance in 2017

Committee meetings	**Number of meetings**	**Attendance**	
Colette Lewiner	7	7	100%
Colette Neuville	7	7	100%
Perrette Rey	7	7	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 2017, the Audit Committee examined the parent company and consolidated financial statements for the year ended 31 December 2016 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 discontinued operations, 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 Audit Committee reviewed in 2017 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 2018. The Committee reviewed the regulated agreements.

The Internal Audit Director reported to the Committee on the activity of the Internal Audit Department in the second half of 2017. The Audit Committee reviewed the internal audit plan for 2018. It also reviewed the Audit Committee Charter and renewed for a year the transactions pre-authorised under that Charter.

The Audit Committee worked on the implementation of the partial debt refinancing of the Term Loan C Tranches and the Group's project to acquire the G2 bonds.

The Audit Committee met three times between the beginning of this year and 20 February 2018. The attendance rate of its members was 100%. These meetings focused on the proposed consolidated and parent company financial statements at 31 December 2017, 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 13 February 2018, seven days before the Board meeting. The Committee monitored the independence of the statutory auditors.

Nomination and Remuneration Committee

Composition and duties set out in the internal rules

On 18 December 2017, the Nominations Committee separated from the Remuneration Committee.

Until 18 December 2017, the Nomination and Remuneration Committee was composed of 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 16.3 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 Nomination and Remuneration Committee must not:

- have any personal financial interests in the decisions of the Nomination and Remuneration Committee, other than those of a Director and a member of the Nomination and Remuneration Committee; and
- have any reciprocal relationship with an executive Director of GET SE that could suggest that they reached an agreement to increase their respective remuneration.

The Committee made recommendations to the Board with regard to the selection of new Directors, assessed the size and composition of the Board and identified 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 Nomination and Remuneration Committee oversees the assessment process for candidates to the position of Director.

The Nomination and Remuneration 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 Nomination and Remuneration Committee was able to request external technical research.

Composition, duties and proceedings in 2017

Until 18 December 2017, the Nomination and Remuneration Committee was composed of Colette Neuville (Chairwoman), Philippe Vasseur and Perrette Rey. In the interests of strengthening the role of independent Directors, all members of the Committee are independent Board Directors and the Committee is chaired by an independent Board member.

The Nomination and Remuneration Committee met seven times in 2017. The average attendance rate of members per meeting was 100%.

Nomination and Remuneration Committee meeting attendance in 2017

Committee meetings	Number of meetings	Attendance	
Colette Neuville	7	7	100%
Perrette Rey	7	7	100%
Philippe Vasseur	7	7	100%

During these meetings, the Nomination and 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 Nomination and 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 a system to link the remuneration of employees and of management to the business's performance, adopted by the General Meeting of 27 April 2017, including a collective free share award plan for all Group employees and the grant of free performance shares to senior managers and executive officers.

The Committee examined the Board's proposed report to the General Meeting on the remuneration of executive corporate officers.

The Committee also reviewed the independence of Board Directors. The Committee prepared the proposals presented for consideration and approval by the Board. The Committee participated in every step of the appointment process for a new Director. The Committee convened to choose the selection criteria, meet the candidates and organise the introduction of the potential candidate to the Board of Directors. 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 an employee representative with voting rights on the Board of Directors.

The Nomination and Remuneration Committee, as part of normal succession planning work, has proposed that the age limit of the Chief Executive Officer be increased in the by-laws and that Jacques Gounon's term of office be extended. It informed the Board of its work in those areas.

On 18 December 2017, the Nomination and Remuneration Committee was split into two separate committees:

- the Nominations Committee, chaired by Perrette Rey and including Perrette Rey, Colette Neuville, Jean-Pierre Trotignon and Philippe Vasseur; and
- the Remuneration Committee, chaired by Colette Neuville and including Colette Neuville, Perrette Rey and Philippe Vasseur.

The Remuneration Committee met twice between the start of this year and 20 February 2018. 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 2017, and set the criteria for determining the Chairman and Chief Executive Officer's and Deputy Chief Executive Officer's variable remuneration for 2018. The Committee worked on a 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 GET 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 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 2017 (ex post), as contained in chapter 5 of this Registration Document.

The Nominations Committee met once between the beginning of this year and 20 February 2018, with an attendance rate of 100%. The Committee worked together with the Corporate Committee on the implementation of a plan to renew the company's governance including the accelerated renewal of the Board of Directors. The Committee reviewed the independence of members of the Board of Directors.

The Nominations Committee and the Remuneration Committee have sought external technical research.

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. This Committee is tasked with monitoring safety and security issues within each sector of activity of the Group.

Composition, duties and proceedings in 2017

The Committee met seven times in 2017 to discuss matters relating to the Concession, with an attendance rate of 75%.

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. Security (prevention of attempts to illegally cross the Channel and illegal intrusions onto the Coquelles site, coordination with government authorities to strengthen controls, cybersecurity) remains an important concern for the Committee.

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.

Above all, the Committee spent four meetings 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 committee also met twice to consider issues related to the Group subsidiary Europorte: 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 2017 jointly with the Audit Committee to review risks.

The key operational managers attend each of the Committee meetings with regards to their area of the business:

- for the Concession: the Chief Operating Officer for the Concession, 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 managing director of the subsidiary, the operations director and the safety manager.

Other managers may attend the Committee meetings depending on the matters under consideration by the Committee, in particular, the Deputy Chief Executive Officer and the Group's safety director.

The Committee met once between the start of this year and 20 February 2018.

Strategy and Sustainable Development Committee

Composition and duties set out in the internal rules

The Strategy and Sustainable Development Committee considers all questions concerning the strategic and environmental objectives 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 GET SE and the Group,
- significant acquisition or disposal transactions and strategic partnership agreements,
- sizeable internal restructuring operations,
- operations outside the approved strategy of GET SE or the Group,
- significant financing operations or those likely to substantially change the financial structure of GET SE or the Group.

In its sustainable development role, this Committee, which was founded as part of the Group's longstanding policy on health, safety and the environment, is responsible for considering the performance of GET SE and the Group in environmental matters and the strategic objectives designed to promote good environmental management, preserve natural resources and limit the impact of GET SE and the Group's activities on the environment.

The Strategy and Sustainable Development Committee is composed of a maximum of four Directors appointed by the Board. The Chairman and Chief Executive Officer of GET SE is a member of the Committee. The Strategy and Sustainable Development Committee meets at least once every six months, and is convened by its chairman. Depending on the agenda, the Committee may invite persons who deal with issues relating to sustainable development in the various parts of the business and representatives from the various operational departments of GET SE, the Group or the rail freight subsidiaries.

Composition, duties and proceedings in 2017

Until 18 December 2017, this Committee was composed of Tim Yeo, Chairman, Philippe Camu, Peter Levene and Jacques Gounon. The Committee met twice in 2017. The attendance rate of the Committee was 100%.

In its strategic role, the Committee examined various development projects and monitored the progress of the project to run a high-voltage direct current cable through the Tunnel, providing interconnector capacity between France and England.

As part of its environmental brief, the Committee contributed to formalise the Group's CSR policy, as indicated in chapter 6 of this Registration Document, which sets the environmental priorities of a long-term sustainable development programme built around the themes used in the Group's overall CSR strategy and detailing targets and requirements for each proposal.

On 18 December 2017, this Committee merged with the Ethics and Governance Committee to form the Corporate Committee.

Ethics and Governance Committee

Composition and duties set out in the internal rules

The growth and longevity of the Group cannot be envisaged without sharing a common heritage of ethical values and principles, which must inspire and guide the everyday actions of all the men and women of the Group. In order to enable the Directors to encourage best governance and ethical practices in the Group, the Board set up the Ethics and Governance Committee, to perform the following specific tasks:

- to develop and recommend to the Board corporate governance principles applicable to the company and monitor their subsequent implementation;
- to ensure ethical conduct and discuss any related matters that the Board (or its chairman) submits for examination.

The Ethics and Governance Committee ensures that the ethics culture and the governance principles applicable to all the employees and the executive officers are circulated within the Group.

The Ethics and Governance Committee comprises all the chairpersons of the Board's Committees. This Committee is chaired by the Chairman and Chief Executive Officer of GET SE who calls meetings of the Committee. Depending on the agenda, the Committee may invite persons who deal with issues relating to ethics and corporate governance and representatives from the various operational departments of GET SE, the Group or its subsidiaries.

Composition, duties and proceedings in 2017

Until 18 December 2017, this Committee was composed of five Board members, Jacques Gounon (Chair), Colette Neuville, Colette Lewiner, Tim Yeo and Jean-Pierre Trotignon, each of whom were chairs of Board committees so that the predominantly ethical principles adopted by the Ethics and Governance Committee might inform the work of each of the other committees.

It met five times in 2017 with an attendance rate of 87%. The Committee specifically reviewed the 2017 season of general meetings of SBF120 companies, studied the comments and observations received from investors ahead of the General Meeting of Groupe Eurotunnel SE of 27 April 2017, analysed the AMF annual report on governance and compensation and that of the Haut Comité de Gouvernement d'Entreprise (corporate governance main committee). The Committee decided upon the actions to be taken and gave guidelines for the work of the various Board committees in 2018, identifying areas for improvement. The Committee monitored the implementation of the compliance structure and the application of the compliance programme. The Committee also considered the implementation of the so-called Rebsamen Law of 17 August 2015 on social dialogue and employment, which provides for the appointment of an employee representative with voting rights to boards of directors. The Committee worked together with the Nominations Committee on the implementation of a plan to renew the company's governance including the accelerated renewal of the Board of Directors.

Corporate Committee

The Corporate Committee is the result of the merger of the Ethics and Governance Committee and the Strategy and Sustainable Development Committee.

It was formed on 18 December 2017 and is chaired by Tim Yeo. Its other members are Patricia Hewitt, Colette Lewiner, Colette Neuville, Perrette Rey, Peter Levene, Jean-Pierre Trotignon, Philippe Vasseur and Jacques Gounon.

The Committee met once between the start of this year and 20 February 2018 to discuss the presentation to the market of environmental data for 2017, the refinancing project, development opportunities and the development of the ElecLink project and corporate governance. It also considered investor feedback gathered during governance roadshows, identified areas of improvement and oversaw the practical steps needed to deliver them.

Energy Committee

The Board of Directors set up, on a temporary basis, a committee in charge of monitoring the ElecLink project as regards the financial, economic and commercial aspects of the project, as well as the regulatory constraints (national and European) whilst the Safety and Security Committee monitors the safety and security aspects.

The Energy Committee comprises five members chosen from among the Directors. The Board nominated the following:

- Patricia Hewitt, Chair,
- Tim Yeo,
- Jacques Gounon,
- Colette Lewiner, and
- Philippe Camu.

The Committee met three times in 2017 with an attendance rate of 100%. On 21 November 2017, the Board of Directors decided to dissolve the Energy Committee and form an Economic Regulations Monitoring Committee.

Economic Regulations Monitoring Committee

The rail transport and electricity distribution sectors have undergone a number of major reorganisations initiated directly by the public authorities when setting up a single European market. Since the 1990s, 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 Channel 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/proceedings

The Committee has a maximum of five members who appoint a Chairman or Chairwoman. Meetings are convened by the Chairman/Chairwoman. The Board of Directors appointed the following Directors to the Committee:

- Patricia Hewitt, Chairwoman;
- Corinne Bach;
- Jean-Pierre Trotignon;
- Tim Yeo; and
- Jacques Gounon.

Duties

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 Economic Regulations Monitoring Committee fall within the recognised roles and powers of Directors. They do not involve the daily monitoring of activities, as Committee members have only a limited amount of time and resources.

Monitoring does not require continuous action by the Committee but should enable it to act at any time it considers necessary or appropriate.

For example, the Committee is not involved in setting the pricing policy for rail transport or electricity distribution activities, but ensures that account is taken of regulatory provisions such that these policies comply with economic regulations.

Where, based on information received, the Committee identifies warning signs, it meets with general management and, where necessary, communicates information to the Board of Directors. The Committee's role is not to replace general management or act directly where it has knowledge of a failure or a risk of failure. 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 immediately of any difficulties encountered.

4.2.6 BOARD OF DIRECTORS' SELF-ASSESSMENT

An 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. Using a questionnaire makes the assessment process more objective and, as a result, the assessments made by the Directors may be weighted.

This questionnaire comprises 74 questions around six main themes:

- composition of the Board and term of office;
- meetings of the Board (organisation of meetings, Directors' access to information, content and quality of debates, relations with committees, Directors' training, minutes);
- internal rules;
- attendance fees;
- quality of the assessment;
- role and performance of specialised committees.

11 questions relate to the committees (common items and specific items).

All members of the Board (other than the Chairman and Chief Executive Officer and Bertrand Badré who was appointed on 18 December 2017), namely nine Board Directors, responded. They were invited to give a score of 1 to 5 with 1 corresponding to "fully satisfied" and 5 to "totally unsatisfied".

The Senior Independent Director presented an analysis of the findings to the Board. It was the subject of a specific agenda item at its meeting on 30 January 2018.

The overall average score is 1.41 (1.33 in 2016 and 1.42 in 2015). The overall opinion of Directors on the Board and its workings is largely positive. The Directors confirmed their satisfaction regarding the quality of the relations between the Directors, the quality of discussions, the information provided to the Directors, as well as the number of committees, their membership, the number of meetings and the attendance of the members. With an average score of 1.30, the effective contribution of each Director to the proceedings of the Board (skills and involvement) was considered very satisfactory. The Board discussed the manner in which it operates in a collegiate pooling of impartial views, and considered pragmatic ways to improve and how these might be put into practice through specific actions. The areas of improvement as highlighted by the assessment mostly related to the need to increase the participation of executive officers in Board meetings, as well as the co-ordination of the work of the Board with that of the Strategy Committee and reporting on the work programme and work of the committees. In order to respond to this expectation, the Strategy and Sustainable Development committee has merged with the Ethics and Governance Committee. The Board anticipates that the next evaluation will be conducted using the assistance of external consultants.

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 2018, 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 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the statutory auditors' special report on regulated 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 2017

To the Shareholders,

In our capacity as your company's statutory auditors, we hereby report to you on regulated 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 2017.

Complementary defined contribution pension plans

Purpose and conditions:

François Gauthey, deputy Chief Executive Officer of GET SE since 1 May 2016, benefits from the complementary pension and contingency scheme under article L. 242-1 of the French Social Security Code. François Gauthey benefits from the complementary pension scheme open to all executives above 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 was 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 regulated agreements in accordance with the ordinance of 31 July 2014.

Employer contributions to the complementary pension and contingency scheme amounted to €12,553, out of a total of €72,616 for all beneficiaries for the reporting period ending on 31 December 2017.

Statutory auditors, 20 February 2018

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 GET 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 company complies with all the recommendations of the Afep/Medef Code.

Afep/Medef Code	Recommendation not applied
	None

The Afep/Medef Code is available at www.getlinkgroup.com.

4.5 ATTENDANCE BY SHAREHOLDERS AT THE GENERAL MEETING

The arrangements for attendance are described in articles 11, 27 and 29 of GET 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.

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 of 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 Groupe Eurotunnel SE.

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 2018, upon the proposal of the Remuneration Committee. In accordance with the French law of 9 December 2016 on transparency, anti-corruption and modernisation of economic life, known as the “Sapin 2 Law”, this policy will be the subject of a vote by the General Meeting.

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 consistent with the Group’s remuneration overall policy, especially with the policy 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 consistent with the long-term interests of the company and 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 net profit.
  - 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 company in the medium- to long-term. From the outset, Groupe Eurotunnel SE’s executive officer remuneration policy has been designed to support the high-level development vision of the company and that is what prevails when the remuneration criteria are being decided:
    - to ensure the viability of the company in the first phase of Groupe Eurotunnel SE’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);
    - all while having regard to the preservation of 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 social 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”. Faced with the challenge of quantifying this criterion, the Remuneration Committee wished to formalise matters so in 2014 the Nomination and Remuneration Committee 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. The 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 relating to comparable organisations from an independent firm specialising in the remuneration of executive leaders. In addition, after a detailed study the Group established an international sectoral panel including the following companies: Abertis Infraestructuras SA, Aena SME SA, Atlantia SpA, 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;
  - 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 relation to remuneration paid by peer groups; and
  - linked to the performance of the ordinary shares of GET SE, in order to optimise the performance of committed capital and to align incentives between executive officers and shareholders.

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 this 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 2018

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 is not eligible to benefit from the collective schemes for the allocation of free shares that are in place within the Group for all the 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 2018

The Remuneration Committee considered the results of a study carried out by Mercer, a firm specialising in the study of executive remuneration, which compared the relative remuneration of the Chairman and Chief Executive to that of his peers, and noted that his fixed annual remuneration (€500,000) was below the first quartile (€663,000) and that it was much less than the average (€773,900). After discussion with investors and various voting agencies during Groupe Eurotunnel SE governance roadshows and in light of the results of votes at recent General Meetings, the Board of Directors decided to carry out the rebalancing. Even when increased to €600,000 gross per year, the fixed part of the Chairman and Chief Executive Officer's remuneration is still below the first quartile (€663,000) and much less than the average (€773,900).

The fixed part of the gross annual remuneration of the Chairman and Chief Executive Officer set at €500,000 since 2013, is increased to €600,000 with effect from 1 April 2018.

This increase consists of (i) 10% due to the re-evaluation of the fixed part of his salary, in line with average inflation for the period in France and the UK, as well as the average increase in salaries in the Group over the period and (ii) 10% in the interests of balancing firstly the overall structure of the remuneration in which the variable elements were more than 70% of the whole and equally the fixed amount, taking the gap between market practice for similar roles into account in order to be able to attract and keep the talent necessary for the success of the Group.

Annual variable remuneration for 2018

Annual variable remuneration is intended to reflect the personal contribution of the head of a 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 relevant to the strategy of the business. For 2018, it is made up of 50% quantitative financial criteria (net result and EBITDA) aimed at rewarding economic performance, 10% on quantitative CSR criteria and 40% on qualitative criteria.

Quantitative objectives

- Consolidated net result for the year compared with the net result forecast in the budget (25%); at a constant exchange rate and over the whole scope of current activities: Fixed Link, Europorte and ElecLink.
- EBITDA target (25%) as set by the Board of Directors on 20 February 2018: €545 million in 2018, based on an exchange rate of £1=€1.14 for current continuing activities: Fixed Link, Europorte and ElecLink.

Qualitative objectives

- Implementation of Group strategy (20%) including for the Chairman and Chief Executive Officer:
  - Co-ordination of the work of the Chief Operating Officers in relation to the implementation of new objectives for the period of the five-year plan; digital development; quality of service;
  - Actions to ensure a smooth Brexit transition, representing the Group in its relations with governments and the business's political partners;
  - Actions to develop the Railway Companies' traffic:
    - Putting an ETICA in place for passenger traffic;
    - Contact with the Railway Companies to stimulate the launch of services to new destinations;
    - Initiatives aimed at reducing barriers to the development of new and existing services (safety and border controls, authorisation of rolling stock, investment in inter-operability, etc.), in particular in co-operation with rail infrastructure managers.
  - ElecLink (certification: control procedures relating to compliance by transport network managers with the organisation and independence rules of companies carrying out a production or supply activity);
- Evolution of governance (10%), towards:
  - Against the background of preparations to separate the roles of Chairman and Chief Executive Officer, a project being led by the Nominations Committee: transition to a disassociated form of governance within two years. The role of the Chairman and Chief Executive Officer will be in particular to ensure the cohesion of the overall approach; process to appoint a Chief Executive Officer; a multi-dimensional process that will take account of the competences and qualities needed for the business's current state of development;
  - Rejuvenation of and acceleration of the rotation of the Board Directors;
  - Internal reorganisation: after completion of the stage relating to the contribution in kind of the Concession referred to in section 1.1.2 of this Registration Document and reflecting on the optimal financing arrangements, complete the transition of the governance so as to be in a positon to accomplish the Group's 2018 objectives and more generally achieve overall effectiveness. Implement the new financial and operational structure with the emphasis on the necessary collective and collaborative aspects and in accordance with the Group strategy;
- Contact with investors and evolution of the shareholding (10%): further developing relations with investors and monitoring of shareholder relations and shareholder support.

Quantitative objectives

Composite CSR Index (10%): for 2018, the Board has decided to maintain the composite CSR performance index which is stable, relevant, and balanced. This index is structured around four themes directly related to the Group's operations: health/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 the auditors in their capacity as an independent third-party organisation.

Methodology

The budgetary targets for 2018 were determined according to the Group's forecast budget, as reviewed by the Board. For confidentiality reasons, the quantitative 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. The Board of Directors has decided to update the scale to take account of the economic advances made by the Group since the scale was first introduced, by removing the lower achievement levels (80 and 85%) and refining the higher ones.

Payment rate (EBITDA and operating cash flow)

Achievement rate	-2.10	-1.05	**Target**	+1.05	+2.10	+3.15	+4.21	**Maximum**
Payment rate	93.34%	95%	**100%**	105%	107%	112%	115%	**120%**

Payment rate (quantitative 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 120% set by the Board for the variable part of the remuneration.

Long-term variable benefits for 2018

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 Board has set a principle whereby no single executive officer may receive more than 10% of any allocation of shares. Moreover, in order to respond to the expectations of certain investors, an absolute cap of 200,000 ordinary shares was agreed by the Board on 20 February 2018 in respect of any allocation to the Chairman and Chief Executive Officer, which represents 0.036% of the current share capital.

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.

For a number of years while operating the LTI scheme, the Group used the Dow Jones Infrastructure index to measure the performance of the GET ordinary share. However, this index includes stocks in respect of which the core activity is very remote from that of the Group (including satellite operators such as SES and Eutelsat, and gas and oil stocks such as Enagas and Vopak). The Dow Jones Infrastructure index contains a company that makes up more than a quarter of the index (National Grid at 26%) and does not include some companies whose activities are closer to those of the Group (such as Vinci, Eiffage and DFDS). The Group wished to find a more representative index of its activities so in the interests of improving the relevance of the comparison it worked with an external firm, a subsidiary of the Dutch bank Kempen & Co and a specialist in creating indices to construct an index composed of stocks representative of the Group's activities.

This index (**GPR Getlink Index**), which has been created entirely independently by this firm and is in accordance with a methodology laid down and conforming with the EU directive UCITS (Undertakings for Collective Investments in Transferable Securities), includes:

- European transport infrastructure companies reflecting the Fixed Link activities such as 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 the 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, Aeroports de Paris, Eiffage SA, Électricité de France SA, Engie SA, Vinci SA, Firstgroup PLC, National Grid PLC, Stagecoach Group PLC and Atlantia SpA.

On 18 April 2018, the General Meeting will be asked to authorise the granting of up to 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 Group sector index GPR Getlink Index. This element determines **40% of the total number** 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 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 the 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 two years covering 2018, 2019 and 2020 at constant exchange rates and comparable scope. This element determines **50% of 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 2018, 2019 and 2020 be strictly less than 100% of the average of the EBITDA communicated to the market by Groupe Eurotunnel SE for these years, no shares will be granted; and
  - should the average rate of achievement of EBITDA in 2018, 2019 and 2020 be equal to 100% of the average of the EBITDA target communicated to the market by Groupe Eurotunnel SE for these years, 15% of the number that can be granted will effectively be granted, with the whole being capped at 50% of the number that can be granted;
- the second internal performance condition (the "CSR weighting") would be based on the Group CSR composite index described above. This element determines **10% of the total number** of shares that can be granted.

The exact number of ordinary shares that would be acquired by the beneficiaries at the end of the vesting period would depend on the degree of achievement of the performance, keeping in mind that should the target objective not be met, no shares would be granted and that starting at 100% achievement, the grant would be made according to a progressive scale in stages, depending on the degree of achievement of the objectives. 100% of the shares would be acquired only if the global weighted performance reaches 112%.

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 allotted upon exercise of the options 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, 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.

Benefits in kind and attendance fees for 2018

The Chairman and Chief Executive Officer receives an allowance for the use of his personal vehicle in accordance with the current Human Resources Group company car scheme.

The Chairman and Chief Executive Officer receives attendance fees for his role as a Board Director of GET SE, just as the other members of the Board of Directors do.

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 a supplementary pension plan applicable to all senior managers above the B remuneration bracket and from a supplementary pension plan.

The Chairman and Chief Executive Officer is covered by a death and disability insurance, as well as by an individual accident policy that is available to GET SE staff.

ii. Deputy Chief Executive Officer for 2018

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 2018

The fixed part of the annual gross remuneration of the Deputy Chief Executive Officer is increased from €390,000 to €400,000 as from 1 May 2018. The positioning of the remuneration of the Deputy Chief Executive Officer was assessed with respect to the responsibilities assumed and by taking into account the levels of remuneration granted for the executive officers of comparable companies, as well as the remuneration policy of the members of the Executive Committee.

Annual variable remuneration for 2018

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.

90% of this remuneration is subject to quantitative criteria of which 50% corresponds to two financial criteria: EBITDA and operating cash flow.

Quantitative objectives (financial)

- Consolidated EBITDA target (25%): set on 20 February 2018: €545 million for 2018, based on an exchange rate of £1=€1.14 for current continuing activities: Fixed Link, Europorte and ElecLink.
- Consolidated operating cash flow for the year, compared with the amount forecast in the budget (25%) at a constant exchange rate and for current continuing activities: Fixed Link, Europorte and ElecLink.

Quantitative objectives (operational) (40%)

- Concession (35%): objective criteria of which 25% are quantitative:
  - Increase in Truck market share on the Short Straits by one point, while maintaining yield (7.5%);
  - Quality of service (10%), measured via four KPIs namely adherence to the timetable, mystery shopper scores and complaints;
  - Digitalisation plan: implementation and follow-up; including the completion of 80% of phase 1 of the plan (7.5%);
- ElecLink (10%): achievement of the project according to the technical plan and the budget;
- Europorte (5%): consolidate its return to profitability by pursuing developments in line with the strategic plan and the budget.

Quantitative objectives (operational) (10%)

- Concession: human resources: management of the managerial transition.

Methodology

The budgetary targets for 2018 were determined according to the Group's budget as reviewed by the Board. For confidentiality reasons, the quantitative 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. The Board of Directors has decided to update the scale to take account of the economic advances made by the Group since the scale was first introduced, by removing the lower achievement levels (80 and 85%) and refining the higher ones.

Payment rate (EBITDA and operating cash flow)

Achievement rate	-2.10	-1.05	**Target**	+1.05	+2.10	+3.15	+4.21	**Maximum**
Payment rate	93.34%	95%	**100%**	105%	107%	112%	115%	**120%**

Payment rate (quantitative 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 2018

As for the remuneration of the Chairman and Chief Executive Officer, the General Meeting on 18 April 2018 will be asked to authorise the granting to senior officers, including the executive officers, 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 2017 scheme (with one being external to the Group and the two others internal to the Group).

Benefits in kind for 2018

The Deputy Chief Executive Officer has a company car, which represents a benefit in kind worth €242.45 per month.

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 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 Deputy Chief Executive Officer an estimated pension of €8,633 per year (non-commutable annuity), assuming retirement at the age of 65.

The Deputy Chief Executive Officer is covered by the staff private death and disability insurance and the personal accident policy available to employees of GET SE.

5.1.2 REMUNERATION OWED OR AWARDED FOR THE 2017 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 2017 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 2017 financial year and approved by the 2017 General Meeting.

Article L. 225-100 of the French Commercial Code arising from the Sapin 2 law introduces an *ex-post* vote of shareholders that is different from the advisory vote previously carried out by issuers under the Afep/Medef code. Whereas the Afep/Medef code provided for an advisory vote on the remuneration due or awarded for the previous financial year to each executive officer, the new law provides for a binding vote which has the following characteristics:

- the vote is on the items paid or granted for the previous financial year;
- the variable or exceptional remuneration elements can only be paid after approval of the said remuneration by the General Meeting which will vote *ex-post*.

The remuneration due or awarded to the executive officers in respect of the 2017 financial year is subject to the vote of the General Meeting on 18 April 2018. The compensation 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 of the Chairman and Chief Executive Officer for 2017

The remuneration owed to the Chairman and Chief Executive Officer, Jacques Gounon, for 2017 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 2017

The fixed part of the gross annual remuneration of the Chairman and Chief Executive Officer owed for 2017 is €500,000.

Annual variable remuneration for 2017

Limit

The ceiling for the variable part of the Chairman and Chief Executive Officer's annual remuneration is 120% of the annual basic salary, calculated on the basis of a target equal to 120% of the annual fixed remuneration.

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, 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 28 February 2017: €530 million for 2017 based on an exchange rate of £1=€1.175;
- ElecLink (10%): strategic leadership of the ElecLink project (balance between quality, cost and time);
- Completion of the debt refinancing (10%);
- Consolidation of long-term security on the Coquelles site (5%);
- Composite CSR Index (10%): for 2017, the Board decided to maintain the composite CSR performance index.

Qualitative objectives

Long-term strategy (15%): outline of strategic orientation (objectives, financing, communication – valuation of the ordinary share more in line with fundamentals).

The variable remuneration of the Chairman and Chief Executive Officer was adjusted as follows, depending on the degree of achievement of the target concerned:

- 50% of the maximum if 80% of the target is achieved;
- 60% of the maximum if 85% of the target is achieved;
- 80% of the maximum if 90% of the target is achieved;
- 90% of the maximum if 95% of the target is achieved;
- 100% of the maximum if 100% of the target is achieved; with a linear progression of the percentage up to a cap of 120%.

On 13 February 2018, the Remuneration Committee examined the performance of the Chairman and Chief Executive Officer by comparing the results achieved with the above target indicators and made recommendations to the Board.

With regard to the criterion of achieved net profit, and in order to allow for a comparison on a like-for-like basis and at the same exchange rate, so as to use data that is genuinely comparable, the net result generated in 2017 was recalculated at the rate of exchange at which the budget had been prepared and to exclude net exchange gains. After restatement, the level of achievement of the target, and the level of achievement excluding the restatement, were both met with more than 100%. The Committee noted that in either case, the bonus would be capped at €150,000.

The Committee noted that for the EBITDA objective calculated on the basis of an exchange rate of £1=€1.175, had been achieved with 101.02% of the 25%.

With regard to refinancing, the Committee noted the partial refinancing of the debt concluded on 6 June 2017, which allowed the Group to:

- reduce its annual interest payments by around €50 million a year and its income statement financial charges by an estimated €7 million a year, over the next five years; and
- lower the average annual cost of its Term Loan excluding indexation, which is lower than 4% over the same period (compared to 6% previously).

The Committee welcomed the work carried out on the third stage of the financial reorganisation by completing an agreement to buy the G2 bonds held by FMS in order to advance the process of simplifying the structure and thereby optimising the financing. The Committee considered that this objective had been fully achieved (€60,000).

In relation to finalising the long-term security of the site, the Committee considered the adequacy of the expenditure and security measures taken and the pursuit of technological surveillance. The Committee agreed with the approach taken to secure the site by means of a follow up of the risk analysis and the installation of inherent prevention measures, through the use of adapted and evolving arrangements. The Committee appreciated the tripartite process (infrastructure expenditure, deployment of human resources and relations with the States) and their results, and declared that the objective had been achieved (100%).

With regard to the ElecLink project, the Committee acknowledged the strategic leadership undertaken, with an end-to-end smooth project flow and an appropriate balance between quality/cost/time (100%).

As for the CSR composite index, the Committee considered that, in the light of the 2017 results compared to the base values and the marked improvement in relation to accidents, the objective was reached and the CSR index was achieved at 117%.

With regard to the long-term strategy, the Committee considered the work as a whole including the strategic plan which was presented to the Board during the strategy seminar on 20 October 2017 and then reviewed when the five year plan was agreed during the Board meeting on 18 December 2017. The strategy underlying these plans is presented in summary form in section 1.1.4 of this Registration Document.

Details concerning the annual variable remuneration owed for 2017

Criteria	Weighting	Performance rate	Amount owed (euros)
Net result	25%	117%	175,845
EBITDA	25%	101%	151,300
ElecLink	10%	100%	60,000
Completion of the debt refinancing	10%	100%	60,000
Securing the site over the long-term	5%	100%	30,000
Composite CSR index	10%	117%	70,200
Long-term strategy	15%	100%	90,000

At its meeting on 20 February 2018, 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 2017 at a capped amount of €600,000, being a reduction of €37,345 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 2018.

Benefits in kind and attendance fees for 2017

For 2017, Jacques Gounon received an indemnity for the use of his personal vehicle which, in application of the Group's car policy cash allowance, was £800 per month, or €10,944 for the year (2016: £9,600 or €11,674 based on the exchange rate used for the 2016 income statement).

Jacques Gounon received attendance fees for his role as a Director of GET SE as set out in the table in section 5.4.1.

Supplementary defined contribution pension plan/death and disability insurance for 2017

The Chairman and Chief Executive Officer does not have a defined benefit pension plan. The Chairman and Chief Executive Officer benefits, with respect to the French portion of his remuneration, from the same supplementary pension plan available to any other 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 €4,392 per year (non-commutable annuity), assuming he retires at the age of 65.

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 2017, the employer contributions for this supplementary pension scheme amounted to €6,276 (2016: €6,179) out of a total of €72,626, or 77,437 with ElecLink (2016: €70,265) for all employees concerned.

With respect to the French and British portion of his remuneration, he benefits from a basic retirement benefits and a supplementary retirement benefits scheme. In 2017, the contributions for the supplementary pension scheme amounted to €19,562 (2016: €19,258) for the employee contribution and €31,666 (2016: €31,172) for the employer contribution.

The Chairman and Chief Executive Officer is covered by the staff private death and disability insurance and the personal accident policy available to employees of GET SE.

Long-term variable benefits for 2017

As part of partnership governance, where the interests of all stakeholders are taken into account, Groupe Eurotunnel 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 authorised by the General Meeting of 27 April 2017.

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 2017 plan.

Performance condition shares for 2017

For the 2017 financial year, Jacques Gounon was granted 120,000 free shares subject to performance criteria, the granting of which was authorised by the General Meeting of 27 April 2017 which authorised the granting of a total of 1,200,000 ordinary shares at a fair value per unit of €6.93 and subject to performance criteria. 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 GET ordinary share over a period of three years compared to the performance of the Dow Jones Infrastructure Index. This element determines 40% of the total number 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 TSR of the components of the index over the period, no shares will be granted;
  - should the TSR of the GET ordinary share be equal to the performance of the index over the period, 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") is based on the Group's financial performance, assessed by reference to the average rate of achievement of EBITDA over a period of two years covering 2018 and 2019. This element determines 50% of the total number of shares that can be granted. The final attribution of shares linked to this condition will 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 2018 and 2019 be strictly less than 100% of the average of the EBITDA communicated to the market by Groupe Eurotunnel SE for these years, no shares will be granted; and

  - should the average rate of achievement of EBITDA in 2018 and 2019 be equal to 100% of the average of the EBITDA communicated to the market by Groupe Eurotunnel SE for these years, 15% of the number that can be granted would effectively be granted, with the whole being capped at 50% of the number that can be granted.
- the second internal performance condition (the "CSR weighting") is based on the CSR Composite Index as described in the remuneration policy described above. This element determines 10% of the total number of shares that can be granted.

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, keeping in mind that should the target objective not be met, no shares will be granted and that starting at 100% achievement, the grant will be made according to a progressive scale in stages, depending on the degree of achievement of the objectives. 100% of the shares will be acquired only if the global weighted performance reaches 112%.

LTI plans available in 2017

No share plans subject to performance conditions became available during the 2017 financial year.

The class B preference shares, described in section 8.2.2 of this Registration Document, the issue of which was authorised by the Extraordinary General Meeting of 29 April 2014, will be converted into ordinary shares on 29 April 2018, according to the movement in the average share price between the allocation date (€8.17) and the conversion date, calculated by reference to the six months preceding the conversion date. The class C preference shares, described in section 8.2.2 of this Registration Document, are not yet available.

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.

b) Remuneration of the Deputy Chief Executive Officer for 2017

François Gauthey has been Deputy Chief Executive Officer of Groupe Eurotunnel 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 Nomination and Remuneration Committee, was comprised in 2017 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 2017

The fixed remuneration of the Deputy Chief Executive Officer was €125,000 for the period from 1 January to 30 April 2017, on the basis of gross annual remuneration of €375,000, and €260,000 for the period from 1 May to 31 December 2017, on the basis of gross annual remuneration of €390,000 from 1 May 2017, i.e. a total of €385,000 for the 2017 financial year.

Annual variable remuneration for 2017

The annual variable remuneration of the Deputy Chief Executive Officer is capped at 65% of the fixed remuneration.

For 2017, the Board set the following two financial criteria:

Financial objectives

- EBITDA target (25%): as set on 28 February 2017: €530 million for 2017 based on an exchange rate of £1=€1.175;
- Consolidated annual operating cash flow, by comparison with the operating cash flow forecast in the budget (25%).

Quantitative objectives

- Completion of the refinancing project (15%);
- ElecLink (15%): operational control of the project (timescales and budget);
- Europorte (10%): achievement of the plan to improve performance as forecast in the budget: quantitative criteria fixed according to the achievement of budgetary objectives.

Qualitative objectives

- Fixed Link investment plans (10%).

On 13 February 2018, the Remuneration Committee met and concluded that the 2017 EBITDA target was met at 101.02% (€64,021) and that the operating cash flow was met at 103.52% (€65,599).

The Committee welcomed the work carried out on the third stage of the financial reorganisation i.e. the completion of an agreement to buy the G2 bonds held by FMS in order to advance the process of simplifying the structure and thereby optimising the financing. The Committee considered that this objective had been fully achieved (€38,025).

The Committee acknowledged the measures in respect of the ElecLink project operational control (100%).

With regard to Europorte, the Committee noted the achievement of the performance improvement plan as forecast in the budget, both in terms of the achievement of the EBITDA and the net profit targets (120%).

In relation to investment plans, the Committee took particular note of the Deputy CEO's ability to review investment plans for the Fixed Link by reference to their complexity, cost and potential gain and to set the plans in the context of the Group's medium- and long-term investment strategy and evaluate their prospects for success, how realistic they are in terms of cost/benefit and their capacity to add value.

Breakdown concerning the annual variable remuneration due for 2017

Criteria	Weighting	Performance rate	Amount owed (euros)
EBITDA	25%	101%	64,021
Operating cash flow	25%	104%	65,599
Finalisation of the refinancing process	15%	100%	38,025
ElecLink	15%	100%	38,025
Europorte	10%	120%	30,420
Investment plan for the Fixed Link	10%	120%	30,420

At its meeting on 20 February 2018, 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 2017 at €253,500, €13,011 below the maximum. Payment is conditional on the approval of the General Meeting.

Benefits in kind for 2017

The Deputy Chief Executive Officer had a company car, which represented a benefit in kind worth €242.42 per month.

Supplementary defined contribution pension plan/death and disability insurance for 2017

The Deputy Chief Executive Officer does not have a defined benefit pension plan. He benefited from the same supplementary pension plan offered to all senior managers above the B remuneration bracket. This plan, whose beneficiaries extends 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 €8,633 per year (non-commutable annuity), assuming retirement at the age of 65.

In 2017, employer contributions to this supplementary defined contribution pension scheme totalled €12,553 out of a total of €72,616 for all employees concerned.

The Deputy Chief Executive Officer benefits from a basic retirement benefits and supplementary retirement benefits plan. In 2017, employee contributions to the additional pension scheme totalled €24,453 and employer contributions totalled €39,583.

The Deputy Chief Executive Officer was covered by the staff private death and disability insurance and the personal accident policy available to employees of GET SE.

Compensation linked to taking up a position

No "golden hello" payment was awarded to François Gauthey, and nor was he granted any exceptional indemnity.

Long-term variable benefits for 2017

For the 2017 financial year, François Gauthey was allocated 105,000 free shares, at a fair value per unit of €6.93, and subject to performance criteria, the granting of which was authorised by the General Meeting of 27 April 2017 which authorised the granting of a total of 1,200,000 ordinary shares subject to performance criteria. The vesting of the ordinary shares is based on achieving the following three cumulative performance criteria (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 GET ordinary share over a period of three years compared to the performance of the Dow Jones Infrastructure Index. This element determines 40% of the total number 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 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 index over the period, 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") is based on the Group's financial performance, assessed by reference to the average rate of achievement of EBITDA over a period of two years covering 2018 and

2019. This element determines 50% of the total number of shares that can be granted. The final attribution of shares linked to this condition will 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 2018 and 2019 be strictly less than 100% of the average of the EBITDA communicated to the market by Groupe Eurotunnel SE for these years, no shares will be granted; and
- should the average rate of achievement of EBITDA in 2018 and 2019 be equal to 100% of the average of the EBITDA communicated to the market by Groupe Eurotunnel SE for these years, 15% of the number that can be granted would effectively be granted, with the whole being capped at 50% of the number that can be granted.

- 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% of the total number of shares that can be granted.

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, keeping in mind that should the target objective not be met, no shares will be granted and that starting at 100% achievement, the grant will be made according to a progressive scale in stages, depending on the degree of achievement of the objectives. 100% of the shares will be acquired only if the global weighted performance reaches 112%.

LTI plans available in 2017

No share plans subject to performance conditions became available during the 2017 financial year.

François Gauthey joined the organisation in 2016. He benefits from no plans in existence prior to his arrival.

5.1.3 ALIGNMENT ASSESSMENT OF REMUNERATION AGAINST PERFORMANCE

In order to assess the remuneration against the total return for shareholders, the Nomination and Remuneration Committee referred to two comparative analyses prepared by an independent firm (Mercer) specialising in executive compensation studies.

The first 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 executive officers of an inter-sectoral panel of 23 French companies in the SBF 120, with characteristics in common with the Group in terms of number of employees and revenue. 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 showed that:

- the annual base salary of Jacques Gounon (€500,000) is below the first quartile (€663,000) and is much less than the average (€773,900);
- the annual variable remuneration in 2016 for Jacques Gounon (€550,000) is between the first quartile (€537,700) and the median (€774,700); it is much less than the average (€794,500);
- long-term share-based incentives granted in 2016 to Jacques Gounon, is around the median (€602,300);
- total annual remuneration in 2016 for Jacques Gounon is less than the median (€1,993,100) and the average of the panel (€2,352,600); and
- 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.
- The annual fixed remuneration of François Gauthey (€390,000 for a full year) is very close to the median (€400,000) and is within the average (€391,800). His potential maximum annual variable remuneration is around the median (€258,300) and translates into an annual cash total above the first quartile (€430,200) and below the average (€720,800). His long-term share remuneration for 2017 is above the third quartile.

The second study was designed to assess changes in the remuneration of the Chairman and Chief Executive Officer in relation to that of the relative performance of the company compared to the panel of its peers as used for the Group’s sectoral index, consisting of twelve comparable companies in terms of nature of business: Abertis Infraestructuras SA, Atlantia SpA, Eiffage SA, Engie SA, Ferrovial SA, Firstgroup PLC, Flughafen Zurich AG, Fraport AG, Frankfurt Airport Services Worldwide, National Grid PLC, Stagecoach Group PLC and Vinci SA.

The performance of these companies has been measured using three performance indicators: revenue, the total return on equity (Total Shareholder Return) and net profit or loss. The results of these three indicators were compared over three years with changes in the remuneration of the Chairman and Chief Executive Officer of the Groupe Eurotunnel SE, given however, that for this second study, to take the method used by some analysts, the instruments granted in the long-term compensation are only taken into account at the time they are vested, that is to say, when all the performance conditions related to the instruments have been met. Thus, for option plans, the value of options granted to executive officers was assessed when they may be exercised, to the extent that the performance conditions have been met.

This analysis showed a correlation coefficient of 0.64 of the total remuneration of Jacques Gounon for the Group compared to an optimal alignment measurement of one.

5.1.4 TOTAL AMOUNT SET ASIDE OR OTHERWISE RECOGNISED BY GET 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 CHIEF 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 paid for the previous financial year.

The ordinary General Meeting of 18 April 2018 will be asked to vote on all the remuneration elements paid or allocated for the 2017 financial year.

The variable and exceptional 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 2017 are set out in the following tables.

5.2.1 REMUNERATION OWED OR AWARDED IN RELATION TO THE 2017 FINANCIAL YEAR TO JACQUES GOUNON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Elements of remuneration Chairman-CEO	Amount owed (euros)	Comments
Fixed remuneration	500,000	Gross annual fixed remuneration set by the Board on 1 April 2013.
Annual variable remuneration	600,000	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 2017 at its meeting on 20 February 2018. The amount of the annual variable portion amounted to €637,345 or 127.47% of the fixed element that the Board capped at €600,000 after applying the remuneration policy. *Financial objectives:* ▪ Net result: in line with the budget: 25% of the total bonus ▪ EBITDA: in line with published 2017 EBITDA target: 25% of the total bonus *Quantitative:* ▪ ElecLink: 10% of the total bonus ▪ Refinancing: 10% of the total bonus ▪ Consolidation of the long-term security of the site: 5% of the total bonus ▪ CSR Composite Index: 10% of the total bonus *Qualitative:* ▪ Long-term strategy: outline of strategic orientation: 15% of the total bonus 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. There is no provision for any multi-annual variable remuneration.
Deferred variable remuneration	n/a	Jacques Gounon did not receive any deferred variable remuneration. There is no provision for any deferred variable remuneration.
Attendance fees	72,050	(amounts before withholding tax or deductions at source.)
Exceptional remuneration	n/a	Jacques Gounon did not receive any exceptional remuneration. There is no provision for any exceptional remuneration.
Allocation of stock options and/or performance shares	831,600	120,000 free 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 and 2019. ▪ External performance conditions (50%): - TSR (40%): performance of the GET SE ordinary share price compared to the performance of the DJI Index (with dividend) over a period of 3 years. - CSR performance: (10%) performance of the CSR Composite Index target 2018. Percentage of share capital: 0.02%. The fair value (€6.93) on the date of allocation of the rights granted under the scheme has been calculated using the Monte Carlo model. Authorised by the Combined General Meeting on 27 April 2017 (resolution 16) and granted by decision of the Board on 15 June 2017.
Benefits in kind	10,944	Jacques Gounon receives an allowance of £800 per month for the use of his personal vehicle in accordance with the Group’s policy in force.

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. The French law dated 26 July 2005 imposes a requirement for general meetings to vote on this. The decision to admit Jacques Gounon to this scheme was taken before publication of said law; since this decision is not subject to the regulated agreements procedure, it is not necessary for this agreement to be ratified by the General Meeting based on a special auditors' report (L. 225-42 of the French Commercial Code).

Shares granted to Jacques Gounon during the year subject to performance conditions

	2017 plan
Number of free shares granted during the financial year, subject to performance conditions	120,000
Value of the shares based on the method used for the consolidated financial statements	€6.93* per share subject to performance conditions, i.e. €831,600 for the 120,000 ordinary shares
Vesting date	June 2020
Availability date	June 2020
Performance condition	Section 5.1.1 c) of this Registration Document

* *The fair value on the date of allocation of the rights granted has been calculated using the Monte Carlo model.*

Remuneration summary: Jacques Gounon, Chairman and Chief Executive Officer

	2017		2016		2015	
Gross amounts in euros	[1] Owed	[2] paid	[1] owed	[2] paid	[1] owed	[2] paid
Fixed remuneration	500,000	499,305	500,000	[3] 498,203	500,000	500,138
Annual variable remuneration	600,000	[2,3] 550,413	555,000	[2,3] 488,395	495,000	[2,3] 500,109
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	72,050	[4] 50,435	69,050	[4] 48,335	65,650	[4] 45,955
Benefits in kind	10,944	10,944	11,674	11,674	8,910	8,910
Total	**1,182,994**	**1,111,097**	**1,135,724**	**1,046,607**	**1,069,560**	**1,055,112**

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 2017 corresponds to variable remuneration owed for the 2016 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 *30% tax having been deducted at source (€21,615 in 2017).*

Summary of remuneration, options and shares: Jacques Gounon, Chairman and Chief Executive Officer

Gross amounts in euros	2017	2016
Remuneration owed for the year	1,182,994	1,135,724
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	831,600	615,600
Total	**2,014,594**	**1,751,324**

Share options granted during the year to Jacques Gounon by the issuer and by any Group company

Plan date and number	2017	2016	2015	2014	2013	2012	2011	2010
Type of option (existing or newly issued shares)	n/a	n/a	n/a	n/a	n/a	purchase	purchase	purchase
Value of options based on the method used for the consolidated financial statements	n/a	n/a	n/a	n/a	n/a	€2.13	€2.69	€2.02
Number of options granted during the year	n/a	n/a	n/a	n/a	n/a	137,000	130,000	116,000
Exercise price	n/a	n/a	n/a	n/a	n/a	€6.33	€7.52	€6.42
Exercise period	n/a	n/a	n/a	n/a	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 restated 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	2010 plan	2010 plan	2010 plan	2011 plan	2011 plan	2012 plan
Value of options based on the method used for the consolidated financial statements (€)	2.02	2.02	2.02	2.69	2.69	2.13
Number of options exercised during the year	20,872	8,128	29,000	14,200	18,300	29,075
Exercise price (€)	6.42	6.42	6.42	7.52	7.52	6.33
Exercise date	05/01/2017	30/05/2017	28/12/2017	30/05/2017	28/12/2017	28/12/2017

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 available during the financial year for Jacques Gounon

	2017
Number and date of the plan	n/a
Number of shares available during the financial year	n/a
Conditions	n/a
Vesting year	n/a

No share plan subject to performance conditions became available during the 2017 financial year. The class B preference shares, the issue of which was authorised by the Extraordinary General Meeting of 29 April 2014, will be converted into ordinary shares on 29 April 2018, according to the movement in the average share price between the allocation date (€8.17) and the conversion date (29 April 2018), calculated by reference to the higher of the averages below:

- the average of the six months preceding the conversion date; and

- the average buy back price of treasury shares held by the company at the allocation date or the vesting date, in accordance with articles L. 225-208 and L. 225-209 of the French Commercial Code.

On 20 February 2018, on the basis of the average price of the ordinary share over the last six months, the conversion ratio of the class B shares into ordinary shares would be 3,724 ordinary shares, against a maximum ratio of 5,000 ordinary shares per class B preference shares for a target objective of 100% set at €11.50, being an achievement rate of 74%.

The class C preference shares, the issue of which was authorised by resolutions 12 and 13 of the Combined General Meeting of 29 April 2015 are not yet available.

Table of multi-annual variable remuneration for Jacques Gounon

	2017	2016	2015
Jacques Gounon	n/a	n/a	n/a

Employment contract: Jacques Gounon, Chairman and Chief Executive Officer

	Employment contract with GET 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 2017 FINANCIAL YEAR TO FRANÇOIS GAUTHEY, DEPUTY CHIEF EXECUTIVE OFFICER

Elements of remuneration Deputy Chief Executive Officer	Amount (euros)	Comments
Fixed remuneration	385,000	Gross annual fixed remuneration for the period 1 January to 30 April 2017 of €125,000 (based on an annual salary of €375,000) and for the period 1 May to 31 December 2017 of €260,000 (based on an annual salary of €390,000).
Annual variable remuneration	253,500	Target: 65% of the gross annual fixed remuneration. €253,500 awarded on the basis of the achievement of the following criteria: *Financial objectives:* ▪ EBITDA target: 25% of the total bonus ▪ Operating cash flow: 25% of the total bonus *Quantitative objectives:* ▪ Finalisation of the debt refinancing process: 15% of the total bonus ▪ ElecLink: 15% of the total bonus ▪ Europorte: 10% of the total bonus *Qualitative objective:* ▪ Investment plans for the Fixed Link: 10% of the total bonus During its meeting on 20 February 2018 and on the recommendation of the Remuneration Committee, the Board of Directors evaluated the variable annual remuneration of François Gauthey for the 2017 financial year at €266,511. The Board capped it at €253,500 after applying the remuneration policy.
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 GET SE Board and therefore he does not receive attendance fees.
Exceptional remuneration	n/a	François Gauthey did not receive any exceptional remuneration.

Elements of remuneration Deputy Chief Executive Officer	Amount (euros)	Comments
Allocation of stock options and/or performance shares	727,650	105,000 free shares subject to performance conditions in 2020. 100% subject to performance conditions over three years: ▪ Internal performance condition (50%): long-term 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 and 2019. ▪ External performance conditions (50%): - TSR (40%): performance of the GET SE ordinary share price compared to the performance of the DJI Index (with dividend) over a period of 3 years. - CSR performance: (10%) the performance of the CSR Composite Index target 2018. Percentage of share capital: 0.02%. The fair value on the date of allocation of the rights granted under the scheme has been calculated using the Monte Carlo model. Authorised by the Combined General Meeting on 27 April 2017 (resolution 16) and allocated by decision of the Board on 15 June 2017.
Benefits in kind	2,909	François Gauthey has a company car which represents a benefit in kind worth €242.42 per month.
Compensation linked to taking up or leaving a position	n/a	François Gauthey received no payment linked to his taking the position of Deputy Chief Executive Officer.
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		The decision to admit François Gauthey to this scheme was subject to the regulated agreements procedure and the General Meeting ratified this agreement based on a special auditors' report (L. 225-40 of the French Commercial Code). François Gauthey benefitted from the company's death, disability and health insurance scheme.

No service provision agreement has been concluded with the executive officers.

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

	2017 plan
Number of preference shares/free shares subject to performance conditions allocated during the period	105,000
Value of shares based on the method used for the consolidated financial statements	€6.93 per share subject to performance conditions, i.e. €727,650 for 105,000 ordinary shares
Vesting date	June 2020
End of lock-in period	June 2020

Remuneration summary: François Gauthey, Deputy Chief Executive Officer

	2017		2016 (8 months)	
Gross amounts in euros	[1] Owing	[2] Paid	[1] Owing	[2] Paid
Fixed remuneration	385,000	[4] 401,667	250,000	[3] 233,333
Annual variable remuneration	253,500	161,687	161,687	–
Multi-annual variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a
Benefits in kind	2,909	2,909	1,669	1,669
Total	**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 2017 relates to the sums allocated for the 2016 financial year.*
3 *€201,506 net of deductions (€31,827).*
4 *Including €16,667 due from 2016.*

Summary of remuneration, options and shares: François Gauthey, Deputy Chief Executive Officer

Gross amounts in euros	2017	2016
Remuneration owed for the year (8 months in 2016)	641,409	413,356
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	727,650	564,300
Total	**1,369,059**	**977,656**

Shares subject to performance conditions and preference shares (convertible into ordinary shares) becoming available for François Gauthey during the financial year

	2017 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

Multi-annual variable remuneration

	2017	2016	2015
François Gauthey	n/a	n/a	n/a

Employment contract: François Gauthey, Deputy Chief Executive Officer

	Employment contract with GET 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 of options and preference shares	2010 plan	2011 plan	2012 plan	2014 B preference shares	2015 C preference shares	2016 performance condition shares	2017 performance condition 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
Board of Directors or of the directory, as appropriate	16/07/2010	21/07/2011	20/07/2012	29/04/2014	29/04/2015	20/10/2016	15/06/2017
Total number of shares which can be subscribed or purchased, the number of which can be subscribed or purchased by:		3,900,000		1,500,000	1,000,000	1,200,000	1,200,000
Chief executive officers							
J. Gounon, Chairman-CEO	116 000	130 000	137 000	30	200	120 000	120 000
F. Gauthey, Deputy CEO	n/a	n/a	n/a	n/a	n/a	110 000	105,000
Total number of recipients	57	56	57	36	63	60	55
Starting point for exercising options	July 2014	July 2015	July 2016	April 2018	April 2019	Oct. 2019	June 2020
Expiry date	July 2020	July 2021	July 2022	April 2018	April 2019	Oct. 2019	June 2020
Subscription or purchase price	€6.42	€7.52	€6.33	n/a	n/a	n/a	n/a
Forms of exercising right (when the plan consists of several brackets)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of subscribed shares at 20/02/2018 J. Gounon, Chairman-CEO	58,000	32,500	29,075	n/a	n/a	n/a	n/a
Cumulative number of subscription or purchase shares cancelled or expired at year end: J. Gounon, Chairman-CEO	n/a	65 000	34 250	n/a	n/a	n/a	n/a
Subscription or purchase share options remaining at year end: J. Gounon, Chairman-CEO	58,000	32,500	73,675	30	200	120 000	120,000
Subscription or purchase share options remaining at year end: F. Gauthey, Deputy CEO	n/a	n/a	n/a	n/a	n/a	110 000	105,000

The characteristics and performance conditions of the class B and C 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 GET SE receive attendance fees.

The maximum total amount of attendance fees was reviewed by the Combined General Meeting of 27 April 2017, which increased it from €750,000 to €825,000.

The breakdown of attendance fees was reviewed by the Board in 2014 and 2017, following the recommendation of the Nomination and Remuneration Committee to ensure that, in accordance with article 20.1 of the Afep/Medef Code, this remuneration is predominantly variable.

They 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 the chairs of committees receiving a fixed complementary sum:

- fixed element of €1,950 per month (increased for the committee chairs);
- physical presence at a Board meeting: €2,250 per meeting;
- increase of €500 for physical attendance if it involves crossing a border;
- reduction of half the fee if attendance at a Board meeting is by telephone call or video conference.

The total amount of attendance fees* owing by GET SE to its Directors for the 2017 financial year is €690,200 (2016: €685,050), as detailed in the table below:

€	2017*	2016*
Jacques Gounon	72,050	69,050
Corinne Bach	42,125	–
Bertrand Badré	–	–
Philippe Camu	53,750	48,500
Patricia Hewitt	66,575	58,950
Peter Levene	41,025	44,600
Colette Lewiner	71,250	58,950
Colette Neuville	76,725	79,250
Perrette Rey	64,350	67,450
Robert Rochefort	–	64,650
Jean Pierre Trotignon	79,250	74,150
Philippe Vasseur	52,450	57,250
Tim Yeo	70,650	62,250
Total	**690,200**	**685,050**

* *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 appointments in other companies in the Group.

In addition, the non-executive members of the Board of GET 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 employees 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 employees and managers in the long term, while strengthening employee ownership.

The members of the Nomination and 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 Nomination and Remuneration Committee also examine the alignment of the managers' remuneration principles.

The remuneration of the Chief Operating Officers 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	Weighted average price (€)	2010 plan	2011 plan	2012 plan
Options 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 granted (overall data)	–	–	–	–	–
Options exercised by the ten employees within the said entities with the greatest number of options bought or subscribed (overall data)	204,000	10,399	4,000	37,500	162,500

6 CORPORATE SOCIAL RESPONSIBILITY

6.1 OVERVIEW OF GETLINK'S APPROACH TO CSR

6.1.1 ORIGIN OF GETLINK'S COMMITMENT AND APPROACH TO CSR

Group's history and commitments

From the very beginning, as an innovative rail company and responsible infrastructure manager Getlink has adopted a social responsibility policy that seeks to reconcile financial performance, social equity and environmental protection all within a framework of continuous improvement.

Social responsibility is at the heart of Getlink's operations and its interactions with its various internal and external stakeholders, thereby clearly demonstrating its commitment to its partners, such as its employees, customers, suppliers, shareholders and investors as well as regional government bodies, local authorities, associations and communities.

Overview of the CSR policy

The Group has set up a formal CSR policy, supported and sustained at the highest level of the organisation by the Chairman and Chief Executive Officer and the Board. This policy, which entered into force in 2015, dictates the Group's principles, challenges and commitments. The CSR objectives are defined each year and are included in the objectives assigned to the directors and the heads of the various entities of the Group.

True to its principles, for over twenty years the Group has implemented a policy that is both demanding and concrete in three main areas that represent the strategic priorities of its business:

- ***People***, i.e. each of the 3,400 Group employees;
- ***Region***, i.e. all communities the Group is connected to everywhere in France, in the UK and in Europe;
- ***Nature***, i.e. the environment and ecosystems with which its growing operations interact.

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 2017, this Group report was classified at the highest Global Compact level (GC Advanced), thereby placing Getlink amongst the 84 French companies that reached this classification in 2017 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.

Scope

As indicated in section 6.7 (methodological note) of this Registration Document, consolidation of the 2017 data covers all entities of the Group except ElecLink in respect of environmental data.

6.1.2 MATERIALITY AND DIALOGUE WITH STAKEHOLDERS

Group teams listen to their stakeholders in each of their respective areas and primarily to their clients in order to match their expectations and the Group's long-term goals. Constructive dialogue based on trust is clearly established with the various stakeholders. To go even further, the Group seeks to formalise the results of this dialogue at different levels of its organisation. After conducting a materiality analysis in 2015, aimed at identifying its most significant ethical, social or environmental challenges, both internal and external to the company, the Group intends to take stock of the state of its various public CSR communications in 2018 to assess to what extent they meet the recommendations in respect of "integrated reporting".

Methodology

The materiality analysis consisted of identifying and ranking the main CSR challenges, based on its operations and its stakeholders' expectations. This analysis was verified by KPMG in three main steps:

- Step 1 – Identification: 57 challenges were identified through an internal and external documentary review of the Group (Group's publications and publications by companies in the same sector, analysis of media coverage, and benchmarks).
- Step 2 – Assessment by the stakeholders: 25 internal and external stakeholders were polled by an independent third party based on a questionnaire. The top 25 CSR challenges were identified.
- Step 3 – Prioritising challenges: This is represented as a materiality matrix that reflects the importance given by the respondent stakeholders and the impact that each challenge has on the Group's business.

Results

By establishing this ranking, the analysis identified a list of challenges arranged in their order of priority (top priority, very important, important):

CHALLENGES	1	Development of the business activity	Safety and security of sites
	2	Development of the business activity	Efficiency and reliability of equipment and infrastructures
	3	Investing in our employees	Employee safety
	4	Development of the business activity	Safety of travellers and goods
	5	Environmental performance	General policy governing environmental management

The Group assessed all the policies, procedures and means adopted for each of the challenges in order to determine the actions to be conducted to consolidate or step up its performance, as part of a continuous improvement process.

This procedure highlighted the primary values of the Group according to its stakeholders: safety and security, service, employees, environment, innovation.

6.1.3 MAIN DIMENSIONS OF THE CSR POLICY AND 2017 HIGHLIGHTS

The table below illustrates the most material challenges for the Group in each of its three areas of responsibility, as identified by the materiality analysis, and shows the key events for 2017:

	Ambition	The most material challenges	Key events in 2017
People	As a responsible employer, Getlink is committed to providing a working environment that fosters personal development and fulfilment in order to attract and retain good and qualified staff.	Health and safety (including that of infrastructure and industrial sites) Working conditions Dialogue and labour relations Employment Training	Awareness campaign, “Safety takes to the screen”, in the Fixed Link. 12 short video featuring operational safety teams were released in 2017, 6th Europorte Safety Week on the theme "behaviour and human factors". The Success Factors software, already implemented to process data collected during the managers' annual appraisals, was extended in 2017 to all employees of the Fixed Link, in France and the United Kingdom.
Region	As a committed partner in the economic and social environment in which it operates, Getlink is actively engaged in establishing its regional foothold and has created several thousand direct, indirect and related jobs in Kent and the Calais area since its establishment. The Group also demonstrates its corporate social responsibility in its concrete commitments and solidarity with the community, in partnership with the local authorities and associations.	Traveller safety Customer satisfaction and loyalty-building Promotion of rail transportation Regional development	A partnership agreement was signed with the CGénial Foundation in June 2017. This partnership establishes lasting links with the educational community, raises awareness of the wealth of the Group's know-how and can contribute to the creation of railway vocations among young people in the region.
Nature	As part of its commitment to low-carbon transport, the Group undertakes to reduce the impacts of its own operations on the environment, to raise awareness among its staff about civic environmentalism practices, to opt for innovative and environmentally-friendly products, and to strengthen actions that promote the protection of diversity.	Climate change and energy policy Circular economy Protection of biodiversity	13th successive Green Flag. In 2017, Getlink obtained the renewal of the Fixed Link's Carbon Trust Standard certification for its policy and results in reducing its carbon footprint over the 2015-2016 period.

6.1.4 POLICY STEERING AND ORGANISATION

Governance – Board

The Strategy and Sustainable Development Committee of the Board examines the environmental objectives of the company or the Group and reports its findings to the Board. The Committee is responsible for regularly examining the performance of GET SE and the Group in environmental matters and the strategic initiatives designed to promote environmental management, preserve natural resources and limit the impact of GET SE’s and the Group’s activities on the environment.

The work undertaken by the Committee is described in chapter 4 of this Registration Document. The Committee oversees the establishment of the Group’s CSR policy and sets environmental priorities, structured around the themes included in the global CSR policy. In view of the ethical importance of CSR, the Strategy and Sustainable Development Committee has been merged with the Ethical and Governance Committee to form a single committee namely the Corporate Committee.

Remuneration

For 2017, the Remuneration Committee maintained the composite CSR performance index: stringent, stable, pertinent and balanced, this index is structured around four areas that are directly linked to the Group's activities: safety / security, 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. This index is used to calculate 10% of the annual variable remuneration of the Chairman and CEO and 10% of the free shares plans subject to performance conditions. The composite index was audited in 2017, as part of the audit of social information by the statutory auditors.

6.1.5 REPORTING METHODS AND DATA CERTIFICATION

The Group's social and environmental reporting is based on the labour and environmental information stipulated in article 225 of French law 2010-788 of 12 July 2010, known as "Grenelle 2", and on the transparency principles of the Global Reporting Initiative (GRI). Following the materiality analysis that was carried out, the challenges deemed as the most material by the internal and external stakeholders were also identified as such by the Group.

6.1.6 INDICES AND AWARDS

Indices

In 2017, Getlink was included in the following sustainable development indices:

- The Deutsche Boerse STOXX Global ESG Leaders family of indices, in particular EURO STOXX Sustainability and Stoxx Europe Sustainability;
- The Gaia Index, the ISR index for midcaps developed by IDMidCaps and EthiFinance for the sixth year running;
- The Euronext Low Carbon 100 Europe® index: in December 2015, the Group entered the new version of the Low Carbon 100 Europe® index that measures the performance of the 100 largest European companies with the lowest CO_2 emission levels in their respective business sectors. The selection is based on an in-depth and accurate assessment of the carbon footprint of each company and is overseen by a scientific committee composed of experts, NGOs, public partners and financial sectors;
- The FTSE4Good index, included following the update in September 2014: the FTSE4Good index measures the performance of companies whose commitment to the environmental, social and corporate social responsibility (CSR) fields is significant.

In this respect, Groupe Eurotunnel SE is regularly monitored by several non-financial rating agencies.

Awards

In 2017, the Group won the following awards:

- Silver trophy in the Dynamic Governance category at the 14th Grand Prix du Gouvernance d'Entrerprise (annual corporate governance awards) organised by AGEFI, a French economic and financial trade journal.
- Green Flag Award: for the 13th year running, the Group received the green flag in recognition of its accomplishments in safeguarding the environment at Samphire Hoe, a natural reserve in England that is home to many rare species of fauna and flora. The Group in collaboration with White Cliffs Countryside Partnership jointly manages Samphire Hoe which welcomes over 80,000 visitors each year.
- Gold level award granted to the Europorte subsidiary Socorail by Eco Vadis. This is awarded to the top 5% of companies noted for their commitment to CSR.

6.2 PEOPLE

Overview of the Group policy

As a responsible employer, the Group seeks to promote the personal development and fulfilment of its employees, which it considers a key factor in its corporate strategy. Its human resources policies have been developed in order to foster equal opportunities and treatment for all Group employees throughout their career.

These human resources policies recognise each employee's contribution, taking account of the employee's qualifications, level of responsibility and individual performance.

The Group staff members who work for the Fixed Link in the United Kingdom are employees of ESL and in France, Germany, the Netherlands and Spain they are employees of ESGIE. Employees involved in rail freight transport and port infrastructure management activities are employed by the entities of the Europorte segment. ElecLink has recruited the necessary team for the interconnector project between France and the UK.

Staff may also be seconded to other Group companies. The company who acts as employer bills the other Group companies for their respective staff costs. The Group's senior managers are mostly employed by GET SE.

The most material challenges

The Group's commitment is focused on the challenges that have been deemed the most material in the materiality analysis:

- Safety of employees, travellers, goods and sites, as well as the efficiency and reliability of the equipment and infrastructures;

- Well-being at work and work-life balance;
- Implementation of efficient forms of dialogue with employees;
- Working conditions;
- Employment and development of appeal.

6.2.1 HEALTH AND SAFETY

Group policy and challenges

Site safety and security, safety of employees, travellers and goods, as well as the efficiency and reliability of equipment and infrastructures were identified by the Group's stakeholders during the materiality analysis as being the priority challenges for the Group. Several mechanisms and procedures, which are reinforced on a regular basis, are used within the Group and its entities to ensure and reinforce work safety and security:

- The Group defines security as protection against external risks, resulting more specifically from deliberate, malicious acts;
- Safety involves the protection against risks arising from faults, damage, errors and hazards, of a physical, emotional or psychological nature, etc.

For the Group, health is a comprehensive state of physical, mental and social well-being that is promoted in the company by monitoring employees, listening to them and conducting preventive actions with the department of occupational health (monitoring of aptitudes, interviews with medical staff, psychological help, vaccination campaigns, improvement of working conditions, recognising hardship, etc.).

Performance in matters of safety is monitored regularly as part of the continuous improvement process with appropriate corrective actions taken as needed. The Group has adopted policies and procedures to ensure the health, safety and well-being of its staff (SAFD – health and safety and OENV – operating environment).

Security was at the heart of the Fixed Link design. The transport system has a level of safety recognised as good, reinforced by feedback received since the beginning of operations. The health and safety measures put in place by the Group ensure that employees are guaranteed work conditions in accordance with the legislation in force in each of its locations and the human resources policies of each subsidiary.

In order to test response plans for the emergency services and good coordination in the event of an accident in the Tunnel, the Group and the public authorities organise an annual major full-scale safety exercise: the Binat (as in binational). Held in January 2018, the latest Binat was the 28th since the construction of the Tunnel and the 21st since the opening of commercial services in 1994. France was the pilot State this year for the purposes of the exercise.

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.

Like safety, health has always been a major concern for the Group. Its policy in this area is based on transparency, discipline and discussion at all levels in the company. It is communicated to everyone and reviewed regularly.

In France, a charter on the handling of work-related psychosocial risks has been in force since April 2009 for ESGIE employees. This establishes the procedure adopted by the company to deal with cases of problems at work. In keeping with this charter, a commission was set up to anticipate and address work-related psychosocial risks and a psychological unit was created in July 2015 with the members of the CHSCT (the health, hygiene, security and working conditions committee). The commission meets quarterly with an associated plan of action. In July 2015, ESGIE also signed a company agreement on the gift of rest days to parents of seriously ill children, which agreement was extended to cover spouses and co-workers who are seriously ill, isolated and vulnerable.

Actions and means implemented

Organisation

Within the Board, the Safety and Security Committee ensures that mechanisms and procedures designed to ensure the safety of customers, employees, subcontractors and all stakeholders are implemented. The actions and responsibilities of this Committee are described in section 4.2.5 of this Registration Document. Additionally, each segment of the Group has its own safety and sustainable development department whose main task is to define the company's safety objectives and to guarantee the implementation and application of all the safety rules. It is also responsible for measuring performance within the various departments, with the objective of maintaining a safe and healthy work environment. Safety performance is regularly monitored by each of the entities as part of a programme for continuous improvement and any corrective actions are taken as necessary.

The main security expenditure (to ensure System security) in 2017 totalled a net amount of approximately €19 million (€19 million in 2016 and €29 million in 2015) for the Fixed Link.

Safety of facilities

The safety management system of Europorte's French entities licensed as rail companies is governed by the legislation of the different countries in which they operate.

The operating system for the Shuttle was designed under the supervision of the Intergovernmental Commission (IGC) and the Safety Authority. Each phase of the initial design was examined by the IGC and formally acknowledged by way of a no-objection statement.

The IGC and the Safety Authority, which were created under the Treaty of Canterbury and the Concession agreement, are charged with supervising the construction and operation of the System on behalf of the United Kingdom and France. In addition, audits and inspections are carried out by representatives of the French and British Safety Committee delegations.

Safety features and procedures are updated regularly and are part of the Safety Management System, which ensures the validity of the operating certificate issued by IGC, in accordance with laws and regulations resulting from the enactment of the European Union's Railway Safety Directive 2004/49/EC of 29 April 2004.

More generally, the System has detailed safety, security and policing features meeting the requirements of the United Kingdom and French authorities. These measures have been reinforced in the geopolitical context of the past two years, as indicated in chapter 3 of this Registration Document.

Safety and security measures for High-Speed Passenger Trains and for Train Operators Rail Freight Services have been developed by the operators after discussion with, and with the approval of, the United Kingdom and France. The Train Operators work with the Group as the infrastructure manager to implement and continuously improve these safety measures. Automated passport control incorporating facial recognition technology is operational for the Eurostar departing from the Gare du Nord in Paris[14]. Identical systems have been used at St Pancras station in London since June 2016. These systems check the traveller's identity using facial recognition. After London and Paris, Eurostar plans to install the same systems at the Brussels Midi station.

In the course of 2016, the IGC transferred its economic regulation authority to two regulators in France and the United Kingdom (ARAFER and ORR). Checks and terms of operation of the Railway Companies are now overseen by ARAFER and ORR.

Safety, the highest priority for the Fixed Link

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.

Site safety

Intrusion attempts at the Coquelles site (Hauts-de-France) decreased in 2017 compared to 2016 and 2015, thanks in particular to the setting up by the Group of an important programme with the support of the French and British states, responsible for border control. This multi-year action plan is described in section 1.6.2 of this Registration Document.

Health and safety in the workplace

All safety events are recorded and analysed in order to issue recommendations and produce action plans. Additionally, various safety indicators are monitored continuously and systematically, notably by the Safety and Security Committee at Board level, in order to ensure improved overall performance. This is particularly true for the indicators concerning the safety of employees and subcontractors and the transportation system.

Prominence is also given to feedback that is implemented routinely in the Group's subsidiaries after an exercise or following a significant event. This feedback allows the integration of lessons learned and contributes to the effective development of organisational methods, with a view to making them more efficient.

The Group takes special care to ensure that its safety and security rules and procedures are enforced by its subcontractors who are required to sign a contractual agreement on compliance with labour laws and regulations. While on a Group subsidiary site, subcontractors are required to adhere to the same rules as the Group's employees. They also have to undergo safety training before they are authorised to enter a Group site or the site of one of the Group's customers. Moreover, subcontractors are submitted to audits and to on-site monitoring. Socorail sends accreditation questionnaires and annual evaluations to its subcontractors, as well as the policy and objectives of the organisation in relation to the health and safety of subcontractors. If there is a safety breach, corrective actions are put in place; these can be accompanied by warnings, penalties, suspensions of operations or by exclusion. Despite these efforts and vigilance, the risk of an accident cannot be totally avoided, as stated in section 3.1.2 of this Registration Document.

Each subsidiary deploys procedures and action programmes to limit and prevent the major risks inherent to the activities of its employees and to improve their quality of life in the workplace.

A committee dedicated to improving working conditions

In France, committees on hygiene, safety and working conditions (CHSCT) are set up and 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 the education and the promotion of health issues, and through the suitable control measures that are set up to improve working conditions. Composed of representatives of employees and company 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. For ESGIE in France and ESL in the United Kingdom, the Group has an occupational healthcare service staffed by an occupational health doctor and two nurses to take care of employees' health.

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[14] *Source: Eurostar press release, 15 February 2017.*

In 2017, Getlink also continued its actions promoting health and safety by conducting awareness-raising and training sessions for its employees:

- Europorte organised its 6th Safety Week, on the theme of “Behaviour and human factors”. In 2017, Europorte’s CODIR carried out more than 60 site visits throughout France, during which fruitful discussions took place on staff safety, incidents linked to a lack of compliance with procedures and to significant incidents.
- An awareness-raising campaign, entitled “Safety takes to the screen”, was launched by the general management of the Fixed Link in 2016 and continued in 2017. 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 Fixed Link organised several other events in 2017:
  - the mobilisation of managers with a very strong presence on the ground (up 75%);
  - exchanges between suppliers and staff to share safety knowhow;
  - automated monthly safety reporting implemented;
  - a mobile app to collect safety incidents.

Results of the year

Lost time work-related accidents		2017		2016
Frequency rate[1]	✓	7.4	✓	8.6
Severity rate[2]	✓	0.6	✓	0.6

1 The frequency rate for lost time work-related accidents corresponds to the number of lost time accidents which occurred during the year for the Group’s workforce 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 accidents resulting in time off 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 the whole workforce.

All information identified by the symbol ✓ was verified with a reasonable level of accuracy by an independent third party.

In 2017, the Group recorded a decrease in the frequency of work-related accidents to 7.4 (compared with 8.6 in 2016 and 11.0 in 2015).

Also, in France, 17 applications requesting the recognition of occupational disease were recorded (16 files for ESGIE and one for Socorail), during 2017. Most of the requests concerned musculo-skeletal problems.

The Group had no fatal employee accidents in 2017.

6.2.2 WORKING CONDITIONS

Group policy and challenges

In accordance with its Global Compact commitments, Groupe Eurotunnel SE is committed to preventing any forms of modern slavery, human trafficking or child labour within its business and supply chain. Its policies and procedures reflect its aim to act ethically and with integrity in all its business relationships.

As regards work time organisation, the Group policy is based on the compromise sought between two major priorities: the determination to satisfy and best serve the company’s customers, and the need to maintain a balance between its employees’ work and family lives.

The Group’s policy is driven by a flexible and responsive approach that enables the company – in particular the Fixed Link – to operate 24/7, 365 days of the year under the Concession agreement.

Actions and means implemented

Getlink ensures that all its subsidiaries comply with legal and contractual obligations regarding working hours. In the United Kingdom, the average working week for ESL employees is 37 hours (i.e. 1,924 hours per year) based on individual contracts and agreements in place with the trade union Unite and the staff representative bodies.

In France, employees’ working hours (with the exception of certain senior managers and directors) must not exceed an average of 35 hours a week over the year, and in any event, not more than 1,600 hours per year.

Results for the year

Working hours

Breakdown of workforce	2017	2016
Staggered hours	67.1%	67.2%
Office hours	32.9%	32.8%
Part-time	6.2%	5.8%
Full-time	93.8%	94.2%

Overtime

No Group entity makes routine use of overtime. Overtime hours worked are usually in response to unplanned events affecting a transport business and the organisation of its operations.

Indicator: number of overtime hours

	2017	2016
Number of overtime hours	117,180	117,190

Absenteeism

	2017		2016
Absenteeism rate	4.5%	✓	4.5%

The absenteeism rate of 4.5% in 2017 is comparable to 2016. The main cause of absenteeism is sickness other than occupational disease.

However, efforts are being made by the Group's subsidiaries to reduce absenteeism. A follow-up of sick leave is carried out by the Human Resources Department, which has established processes including return to work interviews. Action plans are also developed to draw the attention of staff to the consequences of absenteeism in terms of the disruption to services.

6.2.3 DIALOGUE AND LABOUR RELATIONS

Group policy and challenges

The implementation of efficient forms of dialogue with employees was identified as a highly important challenge in the materiality analysis. Labour relations are very important for the Group, particularly negotiations with staff representative bodies. The Group has always strived to establish long-term and constructive relations with all its employees.

Actions and means implemented

Getlink has created the following bodies for dialogue with its employees:

	Tasks and working	Actions in 2017
Works Councils Health, hygiene and safety	In France, all subsidiaries have a Works Council and a Health and Safety Committee, which meet according to the specific terms of reference governing each committee. In the United Kingdom, the Company Council and the Safety, Health and Environment Committee are the 2 organisations for ESL employees with which permanent dialogue has been established. These 2 committees meet once every 2 months.	9 meetings were held during 2017 between ESGIE management and HSC and 11 with Works Council members. The Company Council met 6 times in 2017, and the Safety, Health and Environment Committee met 6 times during the same year. 6 meetings were held in 2017 between the ESL management and the trade union Unite.
European Works Council for the Fixed Link	The Fixed Link's European Works Council, a truly transnational body, is a venue for information, consultation, exchange of views and dialogue. The European Works Council supplements the existing national staff representative bodies, with its own prerogatives. The Fixed Link's European Works Council normally meets twice a year. It is informed about and, where appropriate, consulted on transnational issues having an impact on the Fixed Link's employees. The Group's European Works Council is composed of 16 incumbents. It is informed about the economic, financial and employee-related strategies of the Group.	No meetings in 2017.
Getlink Group Committee	The committee was set up on 31 January 2014 following a unanimous agreement between the Group's management and 4 unions. It is intended to operate as a forum for mutual information, to exchange views and to maintain dialogue between staff representatives and management on strategic guidelines and major employee-related issues. To this end, it is informed annually of the developments that have taken place and the future outlook. The Group Committee comprises 6 incumbent staff representatives and 6 alternate staff representatives appointed by the labour unions. It is supplemented by a union representative for each labour union. It meets twice a year in a plenary session, when convened by the Chairman or the Chairman's representative.	The Committee met twice in 2017 in the presence of the Group Chairman and CEO, the Deputy CEO (for the second meeting) and the Group Head of Human Resources.

	Tasks and working	Actions in 2017
European Company Committee	The staff representatives on the European Company Committee are employees of Group Eurotunnel SE's subsidiaries who are elected or appointed according to the rules applicable in the country that employs them, for a four-year period, as from 1 January 2015. The committee is composed of 12 incumbent staff representatives and 12 alternate staff representatives who are elected or appointed according to the rules applicable in the country that employs them, and is supplemented by a union representative for each participating labour union that appointed members to the European Company Committee. The committee is informed formally prior to any significant decision relating to the European company's scope, legal or financial structures, and the consequences, if any, on employment. The committee meets twice a year in an ordinary plenary session. Extraordinary meetings may be held in the event of exceptional circumstances that are likely to affect the employees' interests.	The Committee met twice in the presence of the Group Chairman and CEO (for the second meeting), the Deputy CEO, the Chief Operating Officer (for the first meeting) and the Group Head of Human Resources, who outlined the Group's operations, financial results and key events.
Committee for occupational health and well-being	The committee was set up in 2015 following the conclusions of a study performed by an outside firm to assess the workplace health and well-being of ESGIE employees. In addition to the CHSCT, this committee is in charge of considering actions aimed at improving working conditions and well-being at work, as an observer.	The Committee met 5 times in 2017.

Dialogue and internal communication

The Group regularly holds meetings with staff representatives and directors which demonstrates the Group's determination to reinforce internal communication and social dialogue.

In addition, internal communications are mainly intended to nurture and strengthen the commitment and involvement of all employees. The Group uses different tools to communicate with and inform these employees (magazine, intranet, project-specific communications, etc.). The circulation of information relating to the Group strategy, objectives and results as well as the promotion of achievements and/or innovative initiatives are examples of actions taken to keep the employees of the Group informed in real time.

In February 2016, Europorte decided to carry out a survey called "Europorte And You", which it entrusted to an independent company. The approach enabled the identification of areas for improvement in modes of communication, relations within the company and life in the workplace. Three areas of progress were identified, in respect of which action was taken in 2017: supporting mobility, sharing company strategy and promoting communication between services.

Results of the year

No labour disputes or strikes disrupted operations in 2017.

Summary of collective bargaining agreements

During the 2017 financial year, 12 company-level agreements and/or amendments were signed by the Group's subsidiaries on topics such as the right to disconnect, end of career planning and wage negotiations. In France, employees of ESGIE are represented by four trade unions and covered by a collective bargaining agreement as part of a company-level agreement. The employees of Europorte subsidiaries are also represented by four unions and come under two collective bargaining agreements.

The employees of ESGIE come under the collective bargaining agreements mainly relating to the 35-hour work week, night work, strategic workforce planning, profit-sharing, and professional equality and efficiency gains. Specifically, in 2017, ESGIE signed four agreements and riders on the right to disconnect, end of career planning, a health scheme and fees, as well as the mandatory annual pay negotiations. The Europorte subsidiaries entered into eight agreements and/or amendments in 2017, covering procedures to organise working time, wage negotiations and the time savings account. ESL entered into no agreements in 2017.

In the United Kingdom, due to the voluntary agreement on single union representation signed in 2000 by ESL with the union Unite, all employees of ESL (with the exception of supervisory staff) are represented by Unite during collective negotiations. Employees may nevertheless belong to the union of their choice for their individual representation.

Company welfare facilities

In 2017, in France ESGIE paid 0.8% of its gross total wage bill as restated to the Works Council, amounting to €621,048 for the development and management of its company welfare facilities (compared to €580,702 in 2016). ESGIE also contributed 0.2% of its total gross wage bill, i.e. €155,262, towards the operation of the Works Council (€145,175 in 2016).

In the 2017 financial year, Socorail contributed 0.50% of its gross total wage bill to its Works Council for developing and managing company welfare facilities, of which 0.20% was for its operation (compared to 0.56% and 0.20% in 2016). In respect of Europorte France, the figures were 0.42% and 0.20%.

In the United Kingdom, the Company Council, which receives contributions from ESL equal to 0.8% of its gross total wage bill as restated, received £255,962 in 2017 for developing and managing company welfare activities (compared to £243,916 in 2016). ESL also contributed 0.2% of its gross total wage bill, i.e. £63,990, towards the operation of the Company Council (compared to £60,979 in 2016).

6.2.4 EMPLOYMENT

Group policy and challenges

Getlink pays particular attention to the recruitment and employment of its employees and their remuneration in order to closely match workforce numbers and skills to its actual business needs.

Age pyramid

The Group is continuing its forward management of the age pyramid. For several years it has pursued a recruitment policy aimed at lowering the age of the workforce at the same time as facilitating the transfer of skills. It is also committed to promoting the maintenance of employees aged 55 and over in active employment, and to improve the working conditions of older employees.

Recruitment

The recruitment policy aims to equip the Group with the best skills in order to support its development. True to its values, the Group's recruitment process places great importance on applicants' cultural openness, their ability to work as part of a team, and their entrepreneurial spirit.

Remuneration

The Group remuneration policy is based on equitable and transparent remuneration, which ensures full cohesion between individual and company objectives. Getlink's strategy consists of sharing its success with its employees and making them a partner in its growth.

Recognition of individual performance is a major element in the Group's remuneration policy, and is intended to motivate all Group's employees, with a view to rewarding and retaining the most talented. The differences in remuneration between employees can be justified and reflect the responsibilities shouldered, the work experience and the potential of each person.

Career management

The Group is committed to the improvement of its employees' performance, and considers the individual annual performance review as an indispensable management tool for human resources management. It therefore fixes the target number of interviews at 100% for all the managers of the company.

Since 2015, the Group has used a new computer application called Success Factors that centralises the information gathered from annual performance reviews of the Group's managerial staff. This tool measures the needs of the different entities in the short, medium and long term and enables an assessment of the individual and collective potential of human capital and their deployment, as well, when necessary, the anticipation of the succession process for key jobs. Put in place to assimilate annual appraisal interview data for managerial staff, Success Factors was extended in 2017 so that it covers all Fixed Link staff both in France and the United Kingdom and not just managerial staff.

Employee share ownership and profit-sharing

The Group has put in place a number of mechanisms related to statutory and non-statutory profit-sharing, stock options and free shares, which are all systems intended to involve each of the employees in the Group's financial performance.

Temporary employment and subcontracting

The Group employs temporary staff, mainly to replace employees who are absent due to sickness or on leave, or to handle exceptional traffic peaks. It also relies on subcontractors to manage activities outside its core businesses or those requiring specific skills.

Actions and means implemented

The Group has taken various measures to cope with the risk of mismatch between the development of its activities and the human resources necessary to implement its strategy.

Recruitment

The Group tends to favour permanent work contracts, keen to demonstrate its commitment to its employees over the long term and guarantee them lasting employment.

Since 2014, Getlink has been working with Réseau Alliances to promote an employment support programme for new graduates.

Remuneration

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.

For four years, the Group's employees have received a Total Benefits Statement detailing their overall remuneration and all the benefits they receive (and two years ago it began to be sent in dematerialised form).

Employee share ownership and profit-sharing

The Group pursues an active policy of encouraging employee shareholders so that they can share in the company's success. Thus, the Board has awarded shares to all employees of GET SE and its related companies or groups (excluding executives and corporate officers of GET SE), as indicated in note E.5 to the consolidated financial statements included in section 2.2.1 of this Registration Document.

In addition, all employees of GET SE's French subsidiaries have the possibility to invest in ordinary shares in a Group savings plan via a "Eurotunnel shareholding" Plan Commun de Placement d'Entreprise – PCPE (corporate shareholding plan). The sums invested in this fund receive a matching contribution within the legal caps in force. At 31 December 2017, 1,755,375 ordinary shares were held under this plan, representing 0.32% of outstanding share capital.

The Group's employees also receive statutory and non-statutory profit-sharing bonuses. Thus, in France, amendments to the profit-sharing agreements were put in place within Socorail for the period from 2015 to 2017 and an agreement was put in place for the period from 2017 to 2019 for Europorte SAS. For 2017, ESGIE staff received a profit-sharing bonus of €2,010.

Although the French statutory profit-sharing scheme is not transposable to the United Kingdom, employees of ESL nevertheless benefit from a collective bonus scheme that resulted in the payment of £923 per ESL employee in 2017 (£1,035 in 2016). During the 2017 wage negotiations, a supplementary bonus of £600 per employee was agreed by way of adjustment to the 2016 bonus.

Work-study

Each year, the different entities of the Group offer training opportunities in the form of a work-study programme. Such agreements have been signed with various secondary schools and universities in the Hauts-de-France region and in the Paris region.

In this area, Europorte has initiated a collaboration with E2C Grand Lille (second chance school in Lille) to guide unskilled and unemployed young adults aged 18 to 25 into first-time employment and social inclusion, by providing them with professionalisation contracts, work-study training or internships.

In 2017, two recruitment sessions for professionalisation contracts were organised between CIFFCO, the French "Pôle Emploi" and the Group.

The various subsidiaries of the Group also take on trainees, apprentices and young people under professionalisation contracts. In France, 281 trainees, apprentices and young people under professionalisation contracts joined the Group in 2017. In addition, the Concession welcomed young graduates as part of the International Business Volunteering scheme that allows French companies to give a young person (up to 28 years old) a professional post abroad.

Number of employees		2017		2016
Student apprentices		82		87
Professional training contracts		105		85
Trainees		94		104
Total	✓	**281**	✓	**276**

As a part of its commitment and active involvement to promote the employability of young people, in 2017 the Group participated in several forums dedicated to recruitment to introduce its line of business and propose jobs or internships (the "Jeunes d'Avenirs" fair, the "Job d'Avenirs" forum, the seventh edition of Cross-border job fair at Fréthun, and the salon "Permis Sport Emplois" organised by FACE in the Calais area).

Diversity and equal opportunity

The Group has openly taken a stance in fighting discrimination, by its Charter of Ethics and Behaviour and through fair human resources policies for recruitment, remuneration and training. Moreover, 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 combating 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, 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.

Professional equality between men and women is a particularly 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. The human resources policies of every Group entity are based on the inviolable principle of gender equality, and the Charter of Ethics and Behaviour addressed to all Group employees describes the principles that must govern the behaviour of every employee in relation to respect for people, 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.

Under its human resources policy, the Group conducts various actions and develops partnerships with economic stakeholders, the business sector and local players to foster employment. Since 2015, the Group has participated in a partnership with the "Capital Filles" association that organises mentoring of young girls in technical secondary schools by female professionals to promote accessibility by women to traditionally male dominated job sectors. In 2017, 6 sponsorships of this kind were established at the Calais secondary school, Lycée Léonard de Vinci.

An agreement on professional equality to do away with wage gaps between men and women was signed in June 2009 by ESGIE with the trade unions for an indefinite period.

In the United Kingdom, the Rate for the Job remuneration system and the HAY method (that notably measures the extent of the responsibilities entrusted and the difficulty inherent to them) ensures fair remuneration for ESL employees.

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 competence. ESGIE approached APF several times in connection with this partnership, for various services. Through this collaboration, four persons have been provided with permanent, full-time employment.

As in 2016, the Group conducted several awareness-raising actions in 2017 within the Group on disability with the specialised company “Made in TH”, by appointing a dedicated ambassador, setting up a monthly consultation session on site, conducting interviews and setting up support measures. In addition, a training program was set up within the framework of a partnership between the Group and a temporary employment agency specialising in helping disabled people. At the same time, another action was carried out with the Direccte of the Hauts-de-France, which allowed the placement of a handicapped worker for a one-year service contract. Europorte signed a contract for the cleaning of work clothes with an ESAT organisation helping people back to work in the North-West region. This option will be considered when renewing contracts in other regions.

Results of the year

During the year, the Group experienced an increase of close to 2% in its workforce compared to 2016. This trend is mainly concentrated in the Fixed Link with an increase of close to 4%.

Workforce and geographical distribution

Number of employees	**31 December 2017**		**31 December 2016**
France	2,452		2,435
United Kingdom	948		901
Total	**3,400**	✓	**3,336**

At 31 December 2017, the Group employed 3,400 persons. 72.1% of the workforce is employed in France and 27.9% in the United Kingdom (2016: 73% and 27% respectively).

Breakdown of workforce by gender

Number of employees	**31 December 2017**		**31 December 2016**
Men	2,587	✓	2,556
Women	813	✓	780

At 31 December 2017, women made up 23.9% of the total workforce (23.4% in 2016 and 22.7% in 2015). This breakdown reflects the specific requirements of jobs within the Group, especially those related to railway maintenance.

Gender equality

At 31 December 2017, there were 813 women in the Group’s workforce, including 185 women in the managerial population. This represents a female manager rate of 22.76% (22.37% in 2016).

Breakdown of workforce by age group

Number of employees	31 December 2017	31 December 2016
Under 25 years	125	134
25 - 29 years	338	325
30 - 34 years	368	323
35 - 39 years	298	308
40 - 44 years	422	463
45 - 49 years	748	751
50 - 54 years	533	498
55 - 59 years	365	346
60 - 64 years	169	161
65 years and over	34	27

At the end of the 2017 financial year, more than 24% of the Group's workforce are under 35 years of age and around 46% are under 45 years of age. The number of employees aged 55 and over is slightly higher than in the previous year: they represent almost 17% of the workforce, compared to 16% in 2016. There are 203 employees over 59 years of age representing 6% of the workforce (compared with 188 in 2016, i.e. 5.6%).

The average age of the workforce in 2017 is ✓44 years (2016: 46 years, 2015: 45 years).

As indicated in section 6.2.4 of this Registration Document, the Group is continuing its work on the age pyramid.

Breakdown of workforce by category

At 31 December 2017, the proportion of managerial staff in the Group's workforce was ✓ 23.9% of which 22.7% were women.

Recruitment

Number of employees	2017	2016
Permanent employment	256	223
Fixed-term employment	40	46
Total	**296**	**269**

At 31 December 2017, more than 86% of all persons recruited were hired under permanent work contracts. The rate of temporary employment (fixed-term contracts/temporary work contract) was 6.7% in 2017 compared to 6.4% in 2016.

Departures

Number of employees	2017	2016
Dismissal	44	38
Layoff	6	18
Contractual termination and termination by mutual consent	19	27
Resignation	53	66
Retirement	35	34
End of contract	36	64
Transfer within the Group	14	16
Transfer outside the Group	11	25
Unsuccessful trial period	12	14
Death	3	6
Total	**233**	**308**

In a context of low staff turnover (as shown below), the balance between hirings (296) and departures (233) is positive. Resignations (23% in 2017, 21% in 2016, 22% in 2015) constitute the main reason for employees leaving in 2016 and 2017.

Staff turnover

In 2017, the average turnover rate for the Group's workforce was 5.8%. After an increase in 2016 (7.1%) due to more departures, particularly in Europorte, this rate is in line with the historical trend (5.4% in 2015, 5.2% in 2014, 5.0% in 2013 and 5.4% in 2012).

Remuneration

In France, all employees received a collective increase in basic salary and of all allowance payments linked to working conditions from 1 January 2018, representing 1.3% for ESGIE staff, 1% for Socorail staff, 1% for EPP staff, 1.2% for EPF staff and 0.3% for Europorte SAS staff.

In the United Kingdom, a 2.4% collective increase to pay and allowance payments linked to working conditions was negotiated by the management and the trade union Unite for ESL from 1 April 2017.

For 2017, the results of the Fixed Link (ESGIE and ESL) translated into an operating bonus of 1.38% and a financial bonus of 0.72%, representing a general bonus of 2.10%. A management bonus is also paid to management staff, equal to a salary percentage that changes with the management level.

Indicator: gross total wage bill and employee contributions

€'000	**2017**	**2016**
Gross total wage bill	149,723	146,403
Social security contributions	36,518	33,648

Data is consolidated in euros at the exchange rate used for the income statement for the year. The gross total wage bill and the social security contributions cover 100% of the workforce as at 31 December 2017.

Workforce external to the company

	2017	**2016**
Average monthly temporary workforce	230	215
Subcontracting costs (in €'000)	78,061	72,521

Employment and inclusion of disabled employees

In France, the employment rate for disabled workers in 2017 for ESGIE, EPF and Socorail, calculated on the basis of the data contained in the mandatory annual declaration of employment submitted to the AGEFIPH (French national association responsible for managing the fund for disabled employees), is 3.37%, 0.69%, and 0.79%, (2016: 4.06%, 0.75%, and 0.69%, respectively and 2015: 3.73%, 0.45%, and 0.92%).

While data cannot be gathered for this indicator in the United Kingdom as there is no specific “disabled worker” status, the British entities of the Group, like all the Group, are nevertheless bound by the same commitments and the fundamental principles of the Group’s Charter of Ethics and Behaviour as concerns equality. Also, they implement an equal opportunities policy intended to ensure that all employees are treated identically, as in the French subsidiaries.

6.2.5 TRAINING

Group policy and challenges

The Group, which operates in highly technical business segments, has always placed training at the forefront of its concerns.

The main focus of the Group’s training policy is to strengthen the key competencies of its employees and to maintain a high level of operational performance within teams, enabling them to contribute to the development of the business. Emphasising a common culture in the areas of safety, security and the environment and improving the adaptation of employees to their job position are key priorities.

Actions and means implemented

CIFFCO, with its training centre, 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. It provides dedicated training programmes with a focus on rail-related activities in the national Railways and other networks, as described in section 6.3.2 of this Registration Document.

Results for the year

	2017		**2016**
Number of training hours	109,072	✓	84,508
Average number of training hours	32	✓	25
Cost of training (in €000)	4,411		4,025
Proportion of the total wage bill represented by training	2.95%		2.75%

In 2017, 109,072 hours were devoted to employee vocational training, representing an average of 32 training hours per employee, up by more than 29%. Most of the increase lies in vocational training (up by 17,965 hours compared to 2016) and safety (up by 5,332 hours compared to 2016). The cost of training represents nearly 2.95% of the total wage bill and totalled €4,411,494 in 2017, compared to €4,024,579 in 2016.

6.3 REGION

Overview of the Group's policy

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.

Recap of the biggest challenges

The Group's commitment is focused on the most pressing challenges as indicated in the materiality analysis:

- Customer satisfaction and loyalty-building;
- Expansion of the railways and in particular, the links with national and European regulations;
- Development of local employment and the local economy.

6.3.1 CUSTOMER SATISFACTION AND LOYALTY-BUILDING

Group policy and challenges

The materiality analysis placed customer satisfaction and loyalty-building, as well as the management of traffic, capacity and railway path availability among the very important challenges for the Group. Free movement of goods and people are included in the important challenges.

The Group has placed customer care at the heart of its development strategy. For the staff in all of its subsidiaries, safety and quality of service are a priority as well as a daily and strategic requirement. Deeply rooted in a binational and customer-centric culture, the Group invests continuously in adapting its services, in quality care to customers, punctuality, smooth operation, comfort and safety, hinging on a central goal: to constantly expand the high-level quality of service which is the foundation for its economic growth.

Actions and means implemented

As described in section 1.6.2 of this Registration Document, the Group has deployed various actions to respond to the expectations of its customers (passenger buildings, Flexiplus) and to increase capacity (three new Truck Shuttles, programme to extend the terminals at Coquelles and Folkestone, etc.). The Group has adopted an ambitious digital plan, with a view to making its exchanges with customers, employees and partners even more fluid and personal in the interests of improving the customer experience. Built around the Group's customers, employees and partners, this strategic plan aims to integrate and rethink the place of digitalisation throughout the customer journey, improve the offer to customers and continue its development.

Europorte's sales policy seeks to transform the traditional approach of the rail transport sector based on short-term traffic into structured medium-term partnerships.

6.3.2 PROMOTION OF RAIL TRANSPORTATION

Group policy and challenges

The Group's dependence on national and European railway regulations was identified as a very important challenge by the materiality analysis. As world leader in rolling motorway and piggyback transport, Getlink campaigns for the use of railways to leverage the development of regions, as indicated in section 1.2.2.b) of this Registration Document, while keeping the environmental impact low.

Actions and means implemented

Vocational training in the rail industry

CIFFCO, the first private training centre dedicated to rail industry professions, was created in 2011 and is 100% owned by the Group. CIFFCO offers its services to all rail operators, infrastructure maintenance companies and industrial concerns for the training of their staff.

CIFFCO has:

- a Franco-British team with expertise in railway training;
- a building entirely devoted to training;
- 14 modern and efficient micro-simulators essential for the training of train drivers;
- a new platform for distance learning;
- the necessary approvals to operate as a railway training centre; CIFFCO is certified by Établissement Public de Sécurité Ferroviaire (EPSF, a public rail safety association) to provide train safety training on the French national rail network. The train driver training of CIFFCO is listed in the French national directory of professional certifications, as well as the training of ground staff. It can award a professional qualification recognised by the French State. CIFFCO is therefore today the first, and only, private training organisation authorised to offer these qualifications, in addition to the French public operator.

On 5 December 2017, EPSF invited the CEO of CIFFCO to present the training centre's actions and vision relating to the digital transformation applied to training.

CIFFCO has also invested in a partnership with the Association Activer des solutions pour le Fret Ferroviaire, 2A2F, which promotes rail freight, and so emphasises CIFFCO's attraction for logistics professionals.

In 2017, CIFFCO provided a total of 4,989 railways training days for 419 people from all over France but also from Belgium, Switzerland and Italy (Group employees and outside companies). In total, since the opening of the centre, 272 ground staff and nearly 550 trainee train drivers have been trained, with half of the training provided to companies outside the Group.

During the year, the training mainly concerned drivers of service and works trains on the French railway network, as well as ground and maintenance staff. CIFFCO contributes to creating skilled jobs and promoting employability. It also is a key driver in the development of railway transport and of its related jobs and, more generally, is involved in the economic development and the enhanced influence of the Hauts-de-France region. In 2017, CIFFCO and ESGIE along with other partners, arranged a seven week training course for disabled job seekers.

As part of its strong commitment to young people, the Group develops its relations with universities and schools in order to promote better knowledge of the jobs it offers and help young people enter the world of employment:

- 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;
- Agreement with the École Nationale des Ponts et Chaussées engineering school to establish an education and research "Railway transport sciences" chair dedicated to the study of railway activity, until the year 2018. The aim of this chair is training and research on the topics associated with infrastructure and transport services. This initiative attests to the Group's willingness to share its expertise in order to advance science and innovation, and to position the railway industry as a profession of the future;
- Partnerships with the Institut Catholique des Arts et Métiers (ICAM) and the Institut d'Administration des Entreprises (IAE), two Lille institutions, in order to develop a new approach to the maintenance trade;
- Participation in November 2017 in the "Professeurs en entreprises" operation initiated by Fondation C Génial, a foundation for scientific and technical culture. This operation is aimed at teachers (and other members of the national education system) at the secondary level 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 managers of the Fixed Link rolling stock were deployed in support of this activity.

Group partnerships for the development of the railways

The Group offers its expertise in managing transport infrastructures and rail activities to various public bodies at European, national and regional levels.

The Group also contributes to the work of the European Committee for Standardisation as part of the working group responsible for drafting a proposed standard for calculating the greenhouse gas emissions of transport services.

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.

The Group is also 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.

6.3.3 REGIONAL DEVELOPMENT

Group policy and challenges

The development of local employment and the local economy are listed among the important challenges in the materiality analysis.

Getlink has carved a niche for itself in its environment and has shaped that environment in a positive manner. As an employer, it participates directly and actively in local economic development, and pursues its mission as 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. Its mission is fully in line with ensuring that it is rooted in the regions in which it operates.

The Group considers its commitment to regional matters to be crucial, especially as it contributes to improving the overall performance of the company, internal climate and social cohesion, and to enhancing employee loyalty.

To meet these challenges, the Group endeavours to establish links with all the local communities by providing active support to the associations, schools, universities and organisations with which it works closely on both sides of the Fixed Link. This commitment notably relies on its dialogue with all its stakeholders.

The decision by the United Kingdom to leave the European Union, which will take effect officially on 29 March 2019, represents a significant challenge for the Group. The economic consequences for the Group and the risks arising from Brexit (as set out in section 3.1.1 of this Registration Document) will depend on the outcome of negotiations between the parties.

Actions and means implemented

Development of local employment

For over 20 years now, 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.

As indicated in section 1.1.4 of this Registration Document, EY has published a report evaluating the economic contribution of the Tunnel to trade and tourism and its role in the economic growth of the United Kingdom. Pursuant to the regeneration agreement signed in 2006 with the French State, Getlink 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, the Group 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 employees 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 about 1,530 full time equivalent positions in 2017 for various work including services.

Development of the local economy

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.

The Group'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.

In France, the Europorte companies as a whole are developing their 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. However, without political will on the part of the bodies responsible for developing transport infrastructure, the progressive deterioration or eventual disappearance of the feeder networks could have, as described in chapter 3 of this Registration Document, a major impact on the income of EPF, which obtains an important part of its business from the transportation of grain.

Under an agreement similar to a public-private partnership, the Group, 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.

Solidarity actions

A key player in the natural, economic and human environment, the Group 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 the Group and Secours Populaire, was renewed for two more years (2017-2019).
- Active support to 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 Concession Works Council regularly backs good causes actively supported by colleagues.

Sponsorship

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.

6.3.4 BEST BUSINESS PRACTICES: BEING FAIR AND RESPONSIBLE

Group policy and challenges

The setting up of the Code of Ethics and the responsible purchasing policy were identified as important challenges in the materiality analysis. The Group is committed to building a climate of trust and fair relations with all of its stakeholders both inside and outside the Group.

Actions and means implemented

Ethics

In its Charter of Ethics and Behaviour, approved by the Board in 2013, the Group sets out the common rules regarding respect for people, fair competition, internal controls and environmental protection.

The Group operates as a collection of entities in various sectors of activity and geographical areas. These principles and guidelines for action apply to all the employees of the Group and its subsidiaries, as well as to their subcontractors and suppliers. Failure to abide by these ethical rules by employees of the Group can lead to disciplinary action.

The Group has strengthened its arrangements to fight corruption, as set out below and in section 3.4.2.

Relations with suppliers

The relations between Getlink and its suppliers go beyond the mere purchasing of goods and services. In compliance with the principles set down by the Charter of Ethics and Behaviour, the ACHA 0019 procedure (professional ethics code) set out the Group's ethics standards. These standards not only ensure compliance with applicable laws and regulations, but beyond legal criteria, they make for the building of a climate of trust in exchanges between Group representatives and third parties. Each Group buyer or other employee undertakes to abide by the professional ethics code and to seek suppliers who share these commitments. The tender process is designed to guarantee the fair treatment of suppliers during consultations.

In representing the Group's CSR values and engagements, the Procurement Departments of the various entities have taken actions that, beyond referring to the Group's Charter of Ethics and Behaviour in all new contracts, require their suppliers to comply with its fundamental principles and to sign the Compliance Policy (article 23). Article 23.2.1 requires that suppliers comply with the French regulations on corruption, as well as UK corruption laws, notably the Bribery Act 2010.

The sustainable development aspect is included by the Concessionaires as part of their tendering process for sub-contracted work on their Fixed Link sites. Subcontractors are required to commit contractually to respecting labour laws and regulations. Europorte operates mainly on its customers' sites, so as regards the management of port infrastructure it integrates the port authorities' requirements into its own subcontracting contracts.

In January 2012, the Group signed the "Charter for Responsible Supplier Relations". 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. 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. In addition, the ethics and compliance steering committee worked on the implementation of a Group anti-corruption policy, approved by the Board Ethics and Governance Committee and the Board of Directors, which aims to reinforce the dissemination of the rules of conduct which form the foundation of the Group's integrity and ethics. Digital anti-corruption training was put in place in 2017. It is available to all staff.

6.4 NATURE

Overview of the Group policy

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.

Material challenges

The environmental commitment of the Group is focused on the challenges that have been deemed the most material, such as the ones highlighted in the materiality analysis:

- the general policy on the management of the environment and, in particular, the training of employees on environmental issues;
- the management of the consumption of energy and the increased use of renewable energy;
- the circular economy policy and waste management;
- the Tunnel and its rail transport system are intrinsic environmental assets;
- the Tunnel runs entirely underground and does not interfere in any way with the marine environment; and
- the use of electric power, 90% of which is of nuclear or hydraulic origin, for haulage produces little atmospheric pollution and much lower greenhouse gas emissions than fossil fuels.

Spurred on by the Group, Europorte has stepped up its environmental practices. As well as the implementation of transparent reporting on abstractions from and discharge into the environment, an environmental impact assessment of the activities of Europorte's French entities was completed in 2013, resulting in various measures being taken to mitigate those impacts namely:

- energy consumption optimised to reduce the impact on the greenhouse effect;
- environmental criteria taken into account when planning maintenance programmes for its shunting engines (oil leaks and engine particulate emissions). As at the end of 2017, 42% of the Socorail site is now equipped with new-generation engines;
- appropriate processes set up for sorting/collecting and treating the various types of waste produced;
- environmentally-friendly products chosen;
- green areas created to park and maintenance of machines;
- improved management of hazardous situations involving customers;
- awareness-raising among staff about the ways in which they can be green citizens.

In 2017, Europorte organised its first “Green Week”, which acted as a reminder of Europorte’s commitment to reduce its environmental impact. It also promoted good behaviour in team members in different topics such as saving energy and water and recycling both at work as well as in their everyday lives.

6.4.1 GENERAL ENVIRONMENTAL POLICY

In the materiality analysis, the general policy for the environment was classified amongst the priorities, and environmental training for employees was included amongst the important challenges for the Group.

Governance/steering

Above and beyond compliance with the legal and regulatory constraints for which a monitoring report is conducted and published each month, the Concessionaires created a safety and sustainable development department in 2006 to demonstrate their constant commitment to the environment.

The general policy of the Europorte subsidiaries sets out environmental considerations that require Europorte to control its environmental impacts, particularly as regards energy consumption. Progress on the resulting environmental action plans is monitored monthly by the Europorte safety committee and during management reviews. The deployment and the implementation of this plan are handled by Europorte’s central safety, quality and environment department and more specifically, the environment quality department and taken up by the regional safety and quality officers.

Certifications and labels

As early as 2002, the Concessionaires installed an environmental management system based on the requirements of the ISO 14001 standard and put in place trained environment officers and internal auditors. An “Environmental Requirements” clause was also introduced into agreements with its subcontractors. Each year, the Safety and Sustainable Development Department carries out targeted audits in France and the United Kingdom; in 2017, six internal audits relating to service providers were carried out.

Since 2014, Europorte has implemented a continuous improvement procedure using the SQAS Rail (safety and quality assessment system) assessment procedure every three years for all its subsidiaries. This assessment supplements the MASE and ISO 9001 certifications mentioned in section 3.1.2 of this Registration Document.

Within the framework of the regulatory developments arising from France’s Grenelle Environment Round Table programme, in September 2013, Socorail obtained EcoPhyto certification for weeding activities conducted on the rail networks of certain ports and industrial sites. The system implemented is intended to limit the use of phytosanitary products and to better control their impact.

Risk prevention

Pursuant to French law no. 76-663 of 19 July 1976 relating to installations classified for the protection of the environment (ICPE) the terminals in Coquelles and Sangatte are designated ICPE sites due to the potential dangers and risks that activities such as refrigeration, air-conditioning, storage and use of flammable liquids, maintenance workshops and paint may pose to the surrounding area and to health, safety, nature and the environment. These activities are set out in a list which, on the basis of the severity of the dangers or risks that they may represent, requires them either to be reported to or authorisation sought from the Prefecture of the Pas-de-Calais. These activities are monitored by the Direction Régionale de l’Environnement, de l’Aménagement et du Logement (DREAL, the French regional authority for the environment, planning and housing). Similarly, pursuant to French law 92-3 of 3 January 1992 on water, the Concessionaire France Manche must request authorisation from the relevant administrative authority for any proposed construction, work or activities to be carried out outside of the ICPE area, which may pose a danger to public health and safety, endanger the free flow of water, reduce the availability of water, substantially increase the risk of floods or seriously damage the quality or diversity of the marine environment.

From the construction of the Tunnel onwards, expenditure has been incurred to prevent the harmful consequences of business activities for the environment. The System includes separate rain water and waste water collection networks, retention basins and treatment plants.

The Group has not set aside any provisions for environmental risks, nor did it pay out any compensation for environmental damage as a result of any court orders during the course of the year. The obligation to establish a financial guarantee as defined in article L. 516-1 of the French Environmental Code against potential environmental damage does not apply to the Group’s activities.

No fine of any nature has been imposed on the Group nor has it been reported for non-compliance of its operations.

Employee awareness/training

As part of their induction to the company, every new employee learns about the company’s environmental policy, its targets, and the arrangements put in place to minimise the environmental impacts of its activity. Moreover, the Group is working on setting up digital CSR training, aimed at increasing employee awareness of the actions undertaken and the challenges faced by the Group in the areas of social responsibility.

6.4.2 CLIMATE CHANGE AND ENERGY POLICY

Group policy and challenges

The materiality review identified the management of energy consumption and the increased use of renewable energy as very important and important priorities respectively.

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 throughout France and the United Kingdom.

Actions and means implemented

Emission level measurement

The Group has developed a policy for monitoring and managing the greenhouse gas emissions of its subsidiaries in anticipation of the publication of the implementing regulations of article 228 – II of the "Grenelle 2" law. The regulations relate to mandatory disclosures by entities providing transport services or organising the provision of transport services on the quantity of carbon dioxide emitted by the mode(s) of transport used to carry out that service. In order to better satisfy the transparency requirements imposed by article 173 of law 2015-992 of 17 August 2015 on energy transition for green growth, the Group has initiated a study aimed at identifying the primary sources of greenhouse gas emissions which should make it possible to provide a detailed qualitative analysis for the next financial period in the Fixed Link and elsewhere.

Since 2009, the Group has been certified by The Carbon Trust Standard, an independent organisation that 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 period 2015-2016.

The Group is moreover the only cross-Channel operator to have conducted and published a carbon footprint assessment. An exhaustive carbon footprint assessment of the Fixed Link was performed in 2007 in both France and the United Kingdom, using the method developed by ADEME. This carbon footprint assessment identified the Fixed Link's primary sources of greenhouse gas emissions. This was followed by an action plan focused on two factors that accounted for 80% of the emissions, namely refrigeration fluid leakages and the use of energy provided by electricity and fossil fuels.

In the United Kingdom the Concessionaires, as the manager of an infrastructure of major importance to the British economy, 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 and at the request of the British Department for Environment, Food and Rural Affairs (DEFRA).

In keeping with the 1992 Montreal Protocol, actions were implemented to reduce emissions of all gases leading to the depletion of the ozone layer. Halon is being removed from the Fixed Link infrastructure. Also, refrigerants used in the cooling ducts in Sangatte and at Shakespeare Cliff were also replaced. All were replaced on the French side and half on the British side, with new cooling units that are more energy-efficient and have no significant negative impact on the environment.

Customer offer

The Group is committed to leading the way in environmentally responsible transport and makes its expertise and leadership available to its subsidiaries and customers to help them reduce the carbon footprint of their activities.

An eco-comparison tool is available on the Fixed Link website and can be used by customers to calculate the average savings on CO_2 emission levels when using the Truck Shuttles.

Since 2015, the Group has provided a fast and free of charge recharge facility at the Fixed Link sites in Coquelles (Pas-de-Calais) and Folkestone (Kent) for customers with electric cars. In thirty minutes, they can charge 80% of the battery capacity (universal battery chargers), providing a range of over 250 km. There are 16 dedicated spots that can be used simultaneously at the two terminals of the Channel Tunnel. These are the only sites in Europe to provide such a comprehensive offering. The number of customers using the Passenger Shuttle in electric cars increased from 40 in 2014 and 800 in 2015 to more than 3,500 in 2016 and 5,805 in 2017. This number is expected to reach 6,000 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, electric cars and bicycles 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, 70 employees have already signed up for the government "Cycle to Work" scheme set up in 2016 and some of them joined in the national "Cycle to Work" day on 13 September. These initiatives contribute to minimise the business's carbon footprint and to promote employees' well-being.

Since 2014, Europorte's subsidiaries have been awarded TK' Blue status by the European TK' Blue Agency. This measures the ecoresponsible engagement level and the technical, economic, environmental and social performance of their transport services.

Energy policy

Since 2016, the Group has worked to put in place actions to improve energy performance, as identified in the comprehensive energy audits of the Concession's operations.

Given their mutual interest in the matter, France Manche and EDF have entered into partnership to promote 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 Truck Shuttle, made of 32 rail motorway wagons at the end of December 2017, contributed to the granting of Certificats d'Économies d'Énergie (CEEs, energy savings certificates) as part of the "Rail Motorway Wagon" CEE project.

In 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. As at the end of 2017, the fleet of 100% electric vehicles operating on the Concession terminals had grown to 39 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. Since 2015, 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.

The energy audits carried out for Europorte in December 2015 and conducted by an approved organisation made it possible to identify opportunities for reducing energy consumption. As such, an initial experiment in pool-sharing of company cars was set up in the Lyons area. In January 2016, Arval awarded the eco-responsible mobility award to Europorte for this initiative.

Results of the year

Greenhouse gases (GHG) emission indicator (scope 1 and scope 2 of the Kyoto protocol[15])

Tonnes of CO_2 equivalent		2017		2016
France		69,854		62,740
United Kingdom		29,335		22,106
Total	✓	**99,189**	✓	**84,846**

The Group constantly strives to limit the impact of its activities on the environment.

In 2017, the Group's greenhouse gas emissions rose by 16.9% compared to the previous year. This increase is:

- on the one hand, to be put in perspective compared to the reductions recorded in previous years; and
- on the other hand, should be viewed:
  - in respect of the Fixed Link in the context of the gradual elimination of halon gases, of an accidental discharge for reasons of fire safety and of an increase in the use of electricity from the UK for traction efficiency reasons (rather than the extended power supply available in France, the electron being seven times more carbonised in the UK than its French equivalent); and
  - for Europorte the increased use of non-electric engines using non road diesel (NRD) on lines not wholly electrified.

Such an increase may occur from time to time and is linked to exceptional events (discharge of halon, increase in the use of electricity from the UK) or to situations over which the Group has no control. This is the case in respect of the non-electrification of certain lines of the French rail network which requires the Europorte subsidiaries to use, as part of their commercial operations, diesel locomotives for journeys not equipped with electrified lines.

It should also be noted that whilst emissions increased in 2017 compared to 2016, they recorded a decrease of 4.3% between 2013 and 2017, which demonstrates the constant and long-term commitment of the Group to limit the impact of its activities on the environment.

Efforts are continually being made to reduce the energy consumption of the Group and consequently CO_2 emissions. For that reason, the Shuttle on-board air conditioning systems have been equipped with 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 on-board air-conditioning systems is being considered.

In 2016 and 2017, an investment was made with the purchase of new HVAC (heating, ventilation and air conditioning) units for the Passenger Shuttles (150 out of a fleet of 450) in order to address the ageing of this equipment. A contract has been entered into for the complete prototyping of the HVAC system, as part of a project to renew the Passenger Shuttles.

Since the Truck Shuttles began operations, the Group has enabled savings of nearly 3.9 million tonnes of CO_2 compared to the ferries and the Group's carbon footprint (scope 1 and 2) and greenhouse gas emissions have fallen by 55% since 2006.

[15] *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).*

Energy source indicator

Energy source	Total consumption in 2017	Total consumption in 2016	Unit
Electricity	570,049,202	561,376,759	kWh
Natural gas	8,079,345	7,691,510	kWh
Non-road diesel (NRD)	8,822,595	7,094,666	Litres
Liquid petroleum gas (LPG)	7,074	7,290	Litres
Diesel	799,615	808,242	Litres
Petrol	39,844	43,970	Litres

The 1.5% increase in electricity consumption compared to the previous year is linked to the increase in Shuttle traffic. It should however be noted that the current lighting has been replaced by more economical LED lighting when maintenance or renewal work has been undertaken in the Concession workshops. This is in addition to the installation of movement detectors in the administration buildings and the sub-stations. A study is moreover under way to replace the lighting in the maintenance workshops. Efforts are also being undertaken to replace electrical resistance heating systems with more economical thermodynamic heating systems.

NRD consumption has risen sharply (24.4% increase) compared to last year because of more sustained Europorte activity, using non-electric engines on fully non-electrified lines.

Natural gas consumption rose by 5%, due primarily to an increase of almost 25% at Europorte because maintenance work on engines required a constant background workshop temperature to be maintained.

Efforts are continually being made to reduce consumption. For that reason, all the old boilers have on the UK terminal been replaced by condensing boilers.

LPG and petrol consumption also dropped by 3% and 9.4% respectively, compared to the previous year.

Water consumption indicator

Cubic metres		2017		2016
Water from public network				
France		129,723		125,811
United Kingdom		144,978		122,777
Total	✓	**274,701**	✓	**248,588**
Groundwater				
France		30,457		34,908
United Kingdom		0		0
Total	✓	**30,457**	✓	**34,908**

The consumption of water from the public network rose by 10% compared to the previous year, primarily due to a change in the Tunnel cooling system valves on the British side and to an accidental water leak in a Europorte maintenance workshop. Notwithstanding this and with a view to putting in place in 2020 a plan to reduce water consumption across the Concession, a network of connected meters has been installed in order better to identify the consumption sources.

Consumption taken from the underground water table dropped 12.8% across the Group, which can be attributed to the malfunctioning of a meter in a fire reservoir portal.

In addition, water offtakes respect the relevant legal constraints.

6.4.3 CIRCULAR ECONOMY AND WASTE MANAGEMENT

Group policy and challenges

According to the findings of the materiality analysis, the circular economy policy and waste management are among the important challenges for the Group, which has a waste collection and treatment strategy that 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.

It should moreover be noted that, given the nature of its activities, food wastage is not a material issue for the Group. This subject concerns on-site food services only and data on this subject will not be published for the 2017 financial period.

Actions and means implemented

In France, the Fixed Link sorts hazardous and non-hazardous industrial waste, 95% of which is recycled. This process was made possible by the emergence of new solid fuel recovery channels. There are three ways of recovering waste: improved sorting, waste buyback and outlets and recycling or free recovery.

For 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 at Dunkirk, Nantes-Saint Nazaire and Le Havre-Rouen, and

Europorte Proximité's locomotive maintenance workshop at Arc-les-Gray. In both these activities, waste is sorted internally and passed on to a waste service provider for treatment.

Results of the year

Waste indicator

Tonnes		2017		2016
Hazardous industrial waste				
France		183		186
United Kingdom		221		168
Total	✓	**404**	✓	**354**
Non-hazardous industrial waste				
France		2,860		5,499
United Kingdom		2,824		1,688
Total	✓	**5,684**	✓	**7,187**

The production of hazardous industrial waste rose by 14% compared to last year. In respect of ESL, this increase is due to the change in interceptors (a hydrocarbon filtration arrangement) and a treatment of disposable and rechargeable lamp batteries as well as in respect of Europorte the increase in activity of a mechanical maintenance workshop. By contrast, the quantities of non-hazardous industrial waste decreased (almost 21%) since in 2017 the business did not embark on a tree felling and vegetation clearance programme, as it had done for security reasons in 2016.

The noise of commercial activities and maintenance around installations is also closely monitored. A past study shows that the activities of the Fixed Link breach no noise standards, whether at the edge of the property or in regulated surrounding areas, during the day or at night. Measurements were taken in compliance with (i) the technical annex to the Ministerial Order dated 23 January 1997 on limiting environmental noise by installations classified for environmental protection (ICPE) without derogating from any of its provisions, and (ii) Standard NF S 31-010 of December 1996 on the characterisation and measurement of environmental noise-specific measurement methods.

By the nature of its activities, neither the consumption of raw materials nor improving the efficiency of use are relevant issues for the Group.

6.4.4 PROTECTION OF BIODIVERSITY

Group policy and challenges

In the area of biodiversity, Getlink complies with the letter and the spirit of the Convention on Biological Diversity whose main goals include the conservation of biodiversity and the sustainable use of its elements.

Actions and means implemented

The Concessionaires have large land reserves in France and the United Kingdom and since the construction of the Tunnel have created several dozen hectares of nature reserves for the conservation and development of biodiversity. In France, the nature reserves are located within the Concession perimeter and therefore not open to the public. In France, the Jardins Ordonnés with its seven-hectare lake situated next to the Coquelles terminal are a much-used haven for migrating species and an essential nest-building site for many birds.

In the United Kingdom, the Samphire Hoe site is a real example of the Group's determination to take measures to develop biodiversity and protect the environment. Samphire Hoe, a nature reserve spanning about thirty hectares at the foot of the Dover cliffs, was created using five million cubic metres of blue chalk and marl extracted from the Channel subsoil when the Tunnel was bored. This strip of land reclaimed from the sea was gradually transformed into a nature reserve. The White Cliffs Countryside Partnership (WCCP), in charge of the day-to-day management of this protected space, is supported by many volunteers living in and around Kent. The partnership between the Concessionaires and WCCP was awarded its 13th successive Green Flag Award® in 2017, recognising the high ecological quality of this nature reserve.

Samphire Hoe attracts over 80,000 visitors each year. Since 2014, a new reception centre, financed jointly by Getlink and the Heritage Lottery Fund, provides a fully-equipped educational centre for school groups all year round.

In another partnership with WCCP, the Concessionaires are also involved in the upkeep and conservation of the Doll's House Hill site, the steep slope overlooking the Folkestone terminal facilities, whose plant and wildlife belong to a Site of Special Scientific Interest (SSSI).

The soil and plant life in Biggins Wood were removed when the Folkestone terminal was built and replanted close by in order to safeguard this testimony of Britain's primary forest.

6.5 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	6.2.4 Employment: Workforce and geographical distribution
Breakdown of employees by gender	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution	6.2.4 Employment: Breakdown of workforce by gender
Breakdown of employees by age	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution	6.2.4 Employment: Breakdown of workforce by age group
Breakdown of employees by geographical region	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution	6.2.4 Employment: Workforce and geographical distribution
Hirings	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution	6.2.4 Employment: Recruitment
Dismissals	LA1	Total number and percentage of new employees hired and staff turnover by age, gender, and geographical distribution	6.2.4 Employment: Departures
Remuneration	LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	6.2.4 Employment: 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	6.2.4 Employment: Remuneration
Work Organisation			
Organisation of work time	LA	Labour practices and decent work	6.2.2. Working conditions: Working hours
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	6.2.2. Working conditions: Absenteeism
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 *Equivalence Charter of Ethics and Behaviour: pages 2 and 3*	6.2.3 Dialogue and labour relations
Organisation of social dialogue	LA4	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements *Equivalence Charter of Ethics and Behaviour: pages 2 and 3*	6.2.3 Dialogue and labour relations: Summary of collective bargaining agreements
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	6.2.1 Health and safety: Health and safety in the workplace
Agreements signed with trade unions on workplace health and safety	LA8	Health and safety topics covered in formal agreements with trade unions	6.2.1 Health and safety: Health and safety in the workplace
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	6.2.1 Health and safety: Work-related accidents

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
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	6.2.1 Health and safety: Work-related accidents
Occupational diseases	LA7	Employees exposed directly and frequently to diseases related to their activity	6.2.1 Health and safety: Work-related accidents
Training policy			
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.	6.2.5 Training
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 *Equivalence Ethics and Behaviours Charter: page 2*	6 .2.4 Employment: Diversity and equal opportunity
Gender equality	LA13	Ratio of basic salary and remuneration of women to men by employee category and by significant locations of operation *Equivalence Charter of Ethics and Behaviour: page 2*	6.2.4 Employment: Diversity and equal opportunity, Gender equality
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	6.2.4 Employment: Employment and inclusion of disabled employees
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 *Equivalence Charter of Ethics and Behaviour: page 2*	6.2.4 Employment: Diversity and equal opportunity
Promotion and respect of ILO values (Human Rights)			
	LA and HR	Labour Practices and Decent Work / Human Rights *Equivalence Charter of Ethics and Behaviour: page 2*	6.1.1 Origin of commitment and approach to CSR
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 *Equivalence Charter of Ethics and Behaviour: page 6*	6.4.1 General Environmental Policy
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 *Equivalence Charter of Ethics and Behaviour: page 6*	6.4.1 General Environmental Policy
Allocation of resources to prevent environmental risks and pollution	EN31	Total environmental protection expenditures and investments by type	6.4.1 General Environmental Policy: Risk prevention
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	6.4.1 General Environmental Policy: Risk prevention

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
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	6.4.3 Circular economy and waste management: waste indicator
Taking account of noise and other forms of pollution specific to an activity	EN24	Number and total volume of substantial discharges	6.4.3 Circular economy and waste management
Circular economy **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
Circular economy **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	6.4.2 Climate change and energy policy: water consumption indicator
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	6.4.2 Climate change and energy policy: energy source indicator
Soil use	EN5 / EN6 / EN7		6.4.2 Climate change and energy policy: energy policy
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	6.4.2 Climate change and energy policy: greenhouse gases (GHG) emission indicator (scope 1 and scope 2 of Kyoto protocol)
Adaptation to the impact of climate change	EC2	Financial implications and other risks and opportunities for the organisation’s activities due to climate change	6.4.2 Climate change and energy policy

Grenelle 2 – article R.225-105-1	GRI equivalent G4	Title	Equivalent in chapter 6 of the Registration Document
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	6.4.4 Protection of biodiversity
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.	6.3.3 Regional development: Development of local employment, Development of the local economy
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.	6.3.3 Regional development: Development of local employment 6.3.4 Best business practices: being fair and responsible
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	6.3.3 Regional development: Solidarity actions, Sponsorship
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	6.3.4 Best business practices: Being fair and responsible
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	6.3.4 Best business practices: Being fair and responsible
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. Confirmed incidents of corruption and actions taken *Equivalence Charter of Ethics and Behaviour: page 3*	6.3.4 Best business practices: Being fair and responsible
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	6.2.1 Health and safety: Safety of facilities, Site safety

6.6 CSR POLICY: PRINCIPLES, CHALLENGES AND COMMITMENTS

CSR at the heart of the Group's strategy

Corporate social responsibility (CSR) requires companies to integrate environmental and social issues into their business model and strategy. A self-regulation initiative which in its early days was adopted on a voluntary basis, CSR has been enshrined in a regulatory framework initiated in France since 2001-2002 by the French law Nouvelles Régulations Economiques (new economic regulations). The verification of sociological, social and environmental data by an independent third party has gone on to become mandatory for French businesses following the publication in 2012 of the decree implementing article 225 of the Grenelle 2 law and subsequently the ruling of 13 May 2013. The Group has exceeded this obligation and its initiative goes beyond simple verification.

The Group places social responsibility at the heart of its activities and its interactions with its various internal and external stakeholders and provides clear information about its commitments to its partners: employees, customers, suppliers, shareholders, investors, regional government bodies, local authorities, associations and communities. True to its principles, for over 20 years it has operated a policy that is both demanding and concrete in respect of corporate social responsibility, in three main areas that represent the strategic priorities of its business:

- People, i.e. each of the 3,400 Group employees;
- Nature, i.e. the environment and the eco-systems with which its growing operations interact;
- Region, i.e. all communities the Group is connected to everywhere in France, in the UK and in Europe.

The Group has developed a CSR policy which is based on the respect of fundamental rights as defined by the major founding international texts: the Universal Declaration of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

The Group’s Board and its Chairman and Chief Executive Officer fully support the principles stated in these international codes and standards. The purpose of this policy is to translate this support into a set of operational procedures defining a common approach for all Group entities.

Compliance with this policy will be continuously monitored under the close scrutiny of the Group’s Board supported by the Strategy and Sustainable Development Committee. Stakeholders shall also be informed of the policy via the Group’s various annual reports.

The CSR targets will be defined each year and will form part of the targets set for the directors and managers of the various Group entities. They shall be monitored and assessed during individual annual reviews.

Each manager shall be charged with ensuring that the stated principles are communicated to all employees and are further understood and observed by them.

Challenges

The Group has identified five major challenges which correspond to core issues set out in the major founding texts and the various international frameworks and standards (Global Compact; GRL, ISO 26000). These challenges can be split into several categories: social, regional, environmental, economic and ethical.

- Social challenges: respecting the rights of employees;
- Regional challenges: developing close links with the region;
- Environmental challenges: reducing the impact of the business activity on the environment;
- Economic challenges: managing relationships with customers;
- Ethical challenges: continuing with policy development and value sharing within the Group in connection with stakeholders.

Answering these challenges has been and remains a priority for the Group which, since its inception, has been committed to a social responsibility policy reconciling economic performance, social equity and environmental protection as part of a programme of continuous improvement.

Social challenges

For the Group, responding to the social challenges involves a commitment to fully support a work environment which fosters the personal development and growth of its workers. The human resources policies are developed on the basis of criteria which support truly equal opportunities and treatment for all employees. In its Charter of Ethics and Behaviour, the Group has effectively committed itself to combating all forms of discrimination. In the same Charter, it strongly reasserts its adherence to the principles and values of the 1948 Universal Declaration of Human Rights and to the fundamental conventions of the International Labour Organization as well as to the principles of the United Nations Global Compact.

In order to reinforce the development of its workers and to guarantee a stable and safe working environment for them, the Group has made the issue of improving security and health at work a major concern with the renewed and expressed target of zero accidents. Mindful of the progression of its employees’ performance, the Group considers the individual annual review to be an essential management tool for human resources and has therefore set a target for all managers in the company of 100% reviews.

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 of better integrating young people into the world of work. This is why an agreement was signed in January 2013 with the Ecole Nationale des Ponts et Chaussées creating for a period of five years an education and research chair for the science of railway transport dedicated to the study of railway activity. The aim of this chair is training and research on the topics associated with infrastructure and transport service. This initiative attests to the Group’s willingness to share its expertise in order to advance science and innovation and to position the railway sector as a profession of the future.

The Group is also strongly focused on training for careers in the railway sector. Created by the Group in 2011, the CIFFCO international railway training centre contributes to the creation of skilled jobs and professional integration. It plays a leading role in the development of railway transport and its associated businesses and, more generally, plays a part in the economic development and influence of the Hauts-de-France region.

Regional challenges

As a committed partner in its economic and social environment, the Group has always been a leading economic player and local employer. As part of its mission, it fully subscribes to a logic of "community involvement", understood as defined by ISO 26000 "proactive outreach work undertaken by an organisation within the community with the aim of preventing and solving problems, fostering partnerships with local organisations and stakeholders and being a good citizen of the community".

The Group has contributed to the creation of several thousand direct, indirect and induced jobs in Kent and the Calais region and has, as part of its role as a developer, strongly contributed to the growth of the local economy at either end of the Tunnel and to the positive transformation of the environment in which it operates.

The Group is conscious of the fact that community involvement is not limited to responsibility for the impact of its activities on the environment but involves responsible behaviour and good citizenship. It is also constantly seeking ways to strengthen its integration into its immediate environment by means of firm commitments and actions of solidarity geared towards the community. The Group also supports education and culture and is conscious that sharing knowledge is a factor which promotes more equal opportunities.

The Group considers its regional commitment to be essential as it contributes to the company's overall performance, to the internal climate and social cohesion and to the loyalty of its employees.

In order to meet these challenges, the Group is committed to strengthening links with local communities by actively supporting associations, schools, universities and organisations with which it works closely on both sides of the Fixed Link.

Environmental challenges

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.

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 business and areas of expertise other than the Fixed Link, namely infrastructure management and railway operations.

Since the construction of the Tunnel, expenditure has been incurred to prevent the harmful consequences of business activities for the environment. There are two separate sewer systems for rain water and waste water, retention ponds, treatment stations, etc. Furthermore, an environmental management system based on the requirements of ISO 14001 was put in place by the Concessionaires in 2002.

For 2018, the Group is committed to acting in line with the principles of sustainable development and in accordance with the principles of the Global Compact relating to the environment. In order to achieve this, the Group has four commitments:

- to reduce the environmental impacts of its own operations by focusing on reducing greenhouse gas emissions, reducing its energy consumption, increasing its fleet of electric vehicles and optimising waste management;
- to raise awareness amongst staff of their responsibilities as eco-citizens;
- to choose innovative and environmentally friendly products;
- to strengthen actions which support the protection of diversity.

In addition to these commitments, the Group will pay special attention to the environmental approach of its suppliers and will ask them to implement actions which would support the protection of the environment.

Economic challenges

The Group places a focus on each individual customer at the heart of its development plan. Quality of service is both an everyday and a strategic priority and expectation for its teams within all of its subsidiaries.

Rooted in a binational culture where the concept of "customer" prevails, the Group is continually investing in adapting its offer, the quality of customer services, punctuality, smoothness, comfort and security around a central objective: to constantly increase the high level of quality of service which forms the basis of its economic growth. A golden rule is applied: every innovation and every investment project must demonstrate that it benefits customers before being adopted. This continuous improvement initiative is of particular importance today when, more than 20 years after the start of operations, a new generation of customers is emerging.

This commitment was consolidated in 2013 by the launch of important projects in the various Group subsidiaries, such as the creation of a Customer Experience Department, the renovation of the terminals and Truck Shuttle wagons, a mobile telephone service throughout the Tunnel, etc.

The leading private railway operator in France and the UK, Europorte, a Group subsidiary, stands out by the quality of its service.

Committed to a continuous improvement initiative, the Group is carrying out a transformation project in its terminals where the reception capacity will be increased in order to offer, as of 2015, more departures, toll lanes and secure parking to respond smoothly to the expected growth in truck traffic.

The Group and its subsidiary service companies aim to achieve a higher level of quality of service for 2018. Customer satisfaction is an absolute priority for the Group. For 2018, it has set a central goal for the sector of a customer satisfaction rate of 90% for the passenger activity and 85% for commercial truck activity.

In order to meet the challenges of responsible supply, the Group has undertaken work to identify and evaluate its main suppliers in the field of sustainable development.

Ethical challenges

In order to define its priorities, the Group is involved in and is continuing an ongoing dialogue with its internal and external stakeholders including employees, customers, suppliers, shareholders, local communities, competitors, public authorities and trade unions. This dialogue helps the Group to better understand societal developments and the associated challenges, to develop new topics and to start reflecting on the pilot projects.

The Group's aim is to be viewed as a benchmark and a model within the transport industry in the area of corporate social responsibility and intends to maintain its role as a major player in cross-Channel transport and its position as global leader in piggyback transport.

This ambition requires clearly stated commitments. The Group achieves this by committing through this policy to developing a climate of trust and loyal relationships with all of its internal and external stakeholders. It is particularly committed to:

- staying loyal to its customers and partners;
- instigating, maintaining and encouraging an open dialogue with the various stakeholders;
- strengthening its community involvement;
- strictly observing the fundamental rights as defined in the major international principles: the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- reporting its economic, social and environmental results with the greatest transparency.

6.7 METHODOLOGICAL NOTE RELATING TO CORPORATE SOCIAL RESPONSIBILITY

The Group's social and environmental reporting is based on information stipulated in article 225 of French law 2010-788 of 12 July 2010, known as the "Grenelle 2" law, and the transparency principles of the Global Reporting Initiative (GRI).

The Group's CSR data is consolidated under the responsibility of the Group Human Resources Department.

Consolidation period for CSR reporting

The period used for annual reporting of workforce and societal data is the calendar year (1 January 2017 to 31 December 2017).

Environmental data, however, is reported on a rolling year basis (from 1 October 2016 to 30 September 2017) as data and supporting evidence for the full year is not available within a timescale compatible with the publication date of the Registration Document.

Scope of consolidation

Data is consolidated for all Group entities, with the exception of ElecLink and GET 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,
- 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 indicators chosen are appropriate to the Group's activities,
- allow monitoring of the Group's performance on key environmental issues.

Internal consolidation and control

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 each Group entity and is then consolidated by the Group Human Resources Department.

During consolidation of workforce and environmental data, consistency checks are carried out at Group level. Comparisons are made with the results from previous years and discrepancies deemed significant are analysed and examined in greater detail.

Societal 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 harmonisation 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,
- the practical methods used to collect and input this data.

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.

Europorte 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 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.

Salary and employers' costs are extracted from the payroll systems by the human resources departments.

Rate of non-permanent employment

Trainees and student-apprentices on professionalisation contracts are excluded.

External audit

In order to ensure that it provides reliable information, each year the Group requests the opinion of an independent third party regarding the quality of its workforce and environmental information collection and reporting procedures. In 2017, the audit was carried out by KPMG. The 2017 assurance report expresses reasonable assurance for three environmental indicators, ten social indicators (information marked ✓) and one societal indicator, and limited assurance for all other information presented in chapter 6 of this Registration Document.

6.8 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

This is a free English translation of the statutory auditors' 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.

For the year ended 31 December 2017

To the Shareholders,

In our capacity as statutory auditor of Group Eurotunnel SE, (hereinafter named the "Company"), appointed as independent third party and certified by COFRAC under number 3-1049[16] , we hereby report to you on the consolidated human resources, environmental and social information for the year ended 31 December 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a system of

[16] *Whose scope is available at www.cofrac.fr.*

quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

Statutory auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);
- at the request of the Company and out of the scope of certification, express reasonable assurance, that information selected[17] by the Group and identified by the symbol (√) in the chapter 6 of the management report is fairly presented, in all material respects, in accordance with the Guidelines (Reasonable assurance on a selection of CSR information).

However, it is not our responsibility to pronounce on the compliance with the relevant legal provisions applicable if necessary, in particular those envisaged by article L. 225-102-4 of the French Commercial Code (Duty of care) and by the law n° 2016-1691 of 9 December 2016 known as Sapin II (fight against corruption).

Our work involved six persons and was conducted between September 2017 and February 2018 during a thirteen-week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000[18] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code, within the limitations set out in section 6.8 of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted fifteen interviews with the persons responsible for preparing the CSR Information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important and presented in Appendix:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us[19] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile

[17] *See appendix.*

[18] *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

[19] *Europorte, Eurotunnel Services GIE, Eurotunnel Services Ltd.*

the data with the supporting documents. The selected sample represents 99% of headcount considered as material data of social issues and 100% of environmental data considered as material data[20] of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are 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. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

3. Reasonable assurance on a selection of CSR Information

Nature and scope of our work

For the information selected by the Group and identified by the symbol ✓, our audit consisted of work of the same nature as described in paragraph 2 above for CSR information considered the most important, but in more depth, particularly regarding the number of tests.

The selected sample represents 99% of headcount considered as material data of social issues and 100% of quantitative environmental information identified by the symbol ✓ published.

We consider that this work enables us to express a conclusion of reasonable assurance for the information selected by the Group and identified by the symbol ✓.

Conclusion

In our opinion, the information selected by the Group and identified by the symbol ✓ is fairly presented, in all material respects, in compliance with the Guidelines.

Paris – La Défense, 20 February 2018
KPMG S.A.

Philippe Arnaud
Partner
Sustainability Services

Fabrice Odent
Partner

Appendix

Human resources indicators	Level of assurance
Total workforce and workforce broken down by gender	Reasonable
Average age of workforce	
Management to workforce ratio	
Temporary employment rate Number of student apprentices and employees on work experience	
Number of training hours Average number of training hours per employee	
Frequency rate for lost time work related accidents	
Severity rate of work related accidents	
Absenteeism rate	

Environmental indicators	Level of assurance
Water consumption	Reasonable
Greenhouse gas emissions (scope 1 and 2)	
Waste produced (hazardous and non-hazardous)	

[20] *See environmental indicators listed in Appendix.*

Social indicators	Level of assurance
Composite index	Reasonable

Qualitative information	
Human resources information	Occupational health and safety conditions Organisation of social dialogue Policies implemented regarding training
Environmental information	The organisation of the company to integrate environmental issues Energy consumption and measures implemented to improve energy efficiency Greenhouse gas emissions
Social information	Territorial, economic and social impact of the company activity regarding regional employment and development Partnership and sponsorship actions

7 SHARE CAPITAL AND OWNERSHIP

7.1 SHARE CAPITAL

7.1.1 AMOUNT OF SHARE CAPITAL (ARTICLE 6 OF THE GET SE BY-LAWS)

On 31 December 2017 and at the date of this Registration Document, the share capital of GET SE was €220,000,009.70, divided into 550,000,000 ordinary shares with a nominal value of €0.40 each, fully paid-up and 970 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 GET SE's by-laws.

As at the date of this Registration Document, GET 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 GET 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, there are no securities that do not represent share capital and there are no securities redeemable in shares or securities with warrants attached in issue.

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 2017.

The table below summarises the authorisations granted to the Board by the GET SE Combined General Meeting, held when first convened on 27 April 2017, in order to increase the share capital. The authorisations are summarised as follows:

Brief summary	Date of grant of the delegation of authority	Duration	Maximum nominal amount of the authorisation	Use made as of the date of this Registration Document
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	26 months	50% of share capital €110 million €900 million (debt instruments)	None
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	26 months	10% of share capital €22 million	None
Delegation of authority granted to the Board to increase the share capital to the benefit of employees (18th resolution)	27 April 2017	26 months	€2 million	None
Overall limitation of the authorisations above, i.e. resolution 12 and 13 (14th resolution)	27 April 2017	26 months	50% of share capital €110m including a lower limit of 10% of share capital for increases without preferential subscription rights. €900m (debt instruments)	None

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 GET 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 statement in section 2.2.1 of this Registration Document.

Date of grant / main staff concerned	Number of options at 31 December 2017	Conditions for acquiring rights	Contractual duration of options
2010 options granted to key executives and senior staff	Granted: 1,164,000 Exercisable: 164,500	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: 346,000	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: 653,425	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 1,163,925 ordinary shares held as part of the share buyback programme to cover these options.

Free shares – collective plans

The General Meeting of shareholders of 28 April 2011, in its 7th resolution, authorised the Board to proceed, on one or more occasions, to grant free ordinary shares already in issue to all employees of GET SE and of companies or entities related to it (pursuant to article L. 225-197-2 of the French Commercial Code), including companies or entities located abroad (except for executive employees and executive officers of GET SE referred to in article L. 225-197-1 II of the French Commercial Code who waived their rights). The total number of free ordinary shares granted pursuant to the 7th resolution approved at the general meeting of shareholders of 28 April 2011, cannot, over three years, exceed 1,748,000 ordinary shares. On 28 April 2011 and 26 April 2012, GET SE awarded each of the Group's employees (excluding executive employees and executive officers) free of charge, 200 ordinary shares (2011) and 310 ordinary shares (2012). 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 GET SE and of companies or entities related to it (except for senior management and executive officers of GET 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, the Board granted 583,500 free ordinary shares to all employees of GET SE and of companies or entities related to it (except for senior management and executive officers of GET 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, the Board granted 302,325 free ordinary shares to all employees of GET SE and of companies or entities related to it (except for senior management and executive officers of GET 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, the Board granted 253,800 free ordinary shares to all employees of GET SE and of companies or entities related to it (except for senior management and executive officers of GET 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.

Preference shares

Groupe Eurotunnel 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) and by the General Meeting on 29 April 2015 (C preference shares). A proposal will be put to the General Meeting of 18 April 2018 that further preference shares (D preference shares) be created, convertible into ordinary shares subject to certain performance conditions. These shares are described in section 8.2.2 of this Registration Document.

Free ordinary shares with performance conditions

The General Meeting of 27 April 2017 which authorised the grant of a total of 1,200,000 ordinary shares subject to performance criteria to members of the Group's senior staff. 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 GET ordinary share over a period of three years compared to the performance of the Dow Jones Infrastructure Index. This element determines 40% of the total number 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 as follows:
  - should the TSR of the GET ordinary share be strictly less than the performance of the TSR of the components of the index over the period, no shares would be granted;
  - should the TSR of the GET ordinary share be equal to the performance of the index over the period, 15% of the number that can be granted will be granted up to a maximum of 40% of the number that can be granted;
- 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 two years covering 2018 and 2019. This element determines 50% of the total number of shares that can be granted. The final attribution of shares linked to this condition will vary according to the degree of achievement of the objective as follows:
  - should the average rate of achievement of EBITDA in 2018 and 2019 be strictly less than 100% of the average of the EBITDA communicated to the market by Groupe Eurotunnel SE for these years, no shares would be granted; and
  - should the average rate of achievement of EBITDA in 2018 and 2019 be equal to 100% of the average of the EBITDA communicated to the market by Groupe Eurotunnel SE for these years, 15% of the number that can be granted would effectively be granted up to a limit of 50% of the total number that can be granted.
- the second internal performance condition (the "CSR weighting") is based on the CSR Composite Index. This element determines 10% of the total number of shares that can be granted.

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. Final vesting of the ordinary shares depends on fulfilment of the following three cumulative performance conditions:

- The external performance condition (TSR) represents 40% of the total that can be granted and depends on the performance with dividend of the Groupe Eurotunnel SE ordinary share compared to the median TSR of the components of the Dow Jones Infrastructure index, over a period of three years:
  - There will be no allocation if the TSR of the GET SE ordinary share does not reach the median TSR of the components of the index;
  - If the performance is comparable to the median, the allocation will be 15% of the initial amount.
- The first internal performance condition represents 50% of the total that can be granted and depends on the economic performance of the business, calculated by reference to the average EBITDA achievement rate (50%):
  - If the EBITDA achievement rate is strictly less than 100% of the average of the EBITDA for 2017 and 2018 announced to the market, there will be no allocation.
  - If the performance is comparable to the objective, the allocation will only be 15%.
- The second internal performance condition represents 10% of the total that can be granted and depends on the CSR composite index.

Potential volume of all share plans

As at 31 December 2017, 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 1,163,925 (compared to 1,641,250 at 31 December 2016) representing approximately 0.21% of the capital of GET SE as at 31 December 2017.

As at 31 December 2017, the total number of free ordinary shares granted to employees still with the Group was 573,075 ordinary shares (compared to 954,550 ordinary shares at 31 December 2016), representing 0.10% of the share capital as at 31 December 2017.

As at 31 December 2017, the total number of preference B shares allotted but not yet irrevocably vested (after deduction, if applicable, of shares cancelled in accordance with the terms of the relevant plan) was 278 (compared to 278 at 31 December 2016), representing 1,390,000 ordinary shares, representing approximately 0.25% of the capital of GET SE as at 31 December 2017.

As at 31 December 2017, 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 (compared to 1,784 at 31 December 2016), representing 578,000 ordinary shares, representing approximately 0.16% of the capital of GET SE as at 31 December 2017.

As at 31 December 2017, 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 (compared to 1,179,750 at 31 December 2016), representing 0.43% of the share capital as at 31 December 2017.

The potential volume of all share plans existing above would correspond to 1.11% of GET SE's share capital.

The average annual burn rate of the company over the past three fiscal years corresponds to 0.27%.

Year	2017	2016	2015
Annual rate	0.26%	0.27%	0.29%
Burn rate over 3 years			0.27%

On 31 December 2017, the Group's employees held 2,797,500 ordinary shares, which represented 0.51% of the share capital. Of these 1,755,375 ordinary shares (approximately 0.32% of the total share capital) were held in the Group savings plan in France and 223,846 ordinary shares in the Share Incentive Plan in the United Kingdom. In addition, under the free shares scheme French and British employees hold 746,060 ordinary shares and 881 preference shares in French registered form and, through a trustee, 71,338 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

Class C preference shares

The General Meeting held on 29 April 2015 authorised the Board to grant to executive officers and executive employees of the company and its subsidiaries preference shares with a nominal value of €0.01 (C preference shares) without voting rights, which may, after a four-year period, be converted into ordinary shares subject to performance conditions. Description of the terms and conditions of the C preference shares is set out under section 8.2.2 of this Registration Document.

7.2 DIVIDEND POLICY

GET SE's net profit for the 2017 financial year amounted to €69,749,545. The General Meeting of 18 April 2018 will be asked to approve the company's statutory accounts for the year ended 31 December 2017 showing this profit, as well as the transactions reflected in those financial statements, including non-deductible charges (€53,230) corresponding to the surplus of the depreciation of the rent on tourist vehicles (article 39-4 of the French General Tax Code).

GET SE intends to maintain and reinforce its dividend policy. On 18 April 2018, GET SE will propose to its shareholders a dividend distribution of €0.30 per ordinary share with a nominal value of €0.40 comprising the share capital and with dividend rights. GET SE will propose to its shareholders a dividend distribution of €165 million 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. It will be proposed at the annual General Meeting that the entire profit for the 2017 financial year be allocated to the dividend distribution together with €95,250,455 from previous years' retained earnings, since the legal reserve has been fully used.

Net profit for the financial year	€69,749,545
Profits carried forward	€273,385,107
Legal reserve	€22,422,885
Dividends	€165,000,000
Balance carried forward	€178,134,652

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 retained earnings.

GET SE has made the following dividend distributions over the course of the last three years:

Financial year	**2016**	**2015**	**2014**
Dividend per ordinary share	€0.26	€0.22	€0.18
Theoretical number of ordinary shares involved	550,000,000	550,000,000	550,000,000
Theoretical value of amount allocated to distribution	€143,000,000	€121,000,000	€99,000,000
Actual number of ordinary shares involved*	534,633,788	537,065,436	540,399,917
Actual value of amount allocated to distribution*	€139,004,785	€118,154,396	€97,271,985

* *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 in the Tunnel and to ensure the Group's development. As a result, the Group intends to pursue its policy of steady dividend growth for its shareholders with a view to achieving an objective of a dividend of €0.35 per share for the 2018 financial year and of €0.40 per share for the 2019 financial year. In this perspective, the Group will therefore propose to increase the dividend for the 2017 financial year to €0.30 per ordinary share with dividend rights.

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 27 April 2017, authorised GET 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 2017 SHARE BUYBACK PROGRAMME

The characteristics of the share buyback programme were determined by the Board on 27 April 2017 and published pursuant to article 241-2 of the General Regulations of the AMF. Pursuant to the 2017 buyback programme, GET 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 EU Commission Regulation 596/2014 of 16 April 2014, which applies directly.

The following applies in respect of the programme:

- the purchase price per share must not exceed €13, 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 28 February 2017, exceed €715,000,000 (corresponding to a maximum of 55,000,000 ordinary shares at a maximum price of €13 per share, as stated above);
- the maximum proportion of the share capital authorised by shareholders at the GET SE combined General Meeting of 27 April 2017 for purchase under the buyback programme was limited to 10% of the total ordinary shares composing GET SE's share capital at the time.

The transactions carried out by GET SE within the scope of the 2017 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 AMF; and
- to reduce the capital of the company by way of cancellation of shares pursuant to resolution 17 (subject to its approval) or any similar decision.

7.3.2 SUMMARY OF TRANSACTIONS CARRIED OUT BY GET SE ON ITS OWN SECURITIES UNDER THE BUYBACK PROGRAMME APPROVED BY THE COMBINED GENERAL MEETING ON 27 APRIL 2017

Between 1 January 2017 and 31 December 2017, GET SE purchased a total of 849,000 ordinary shares for an average purchase price of €10.241.

On 31 December 2017, GET SE held[21] 15,499,726 of its own ordinary shares, mainly to cover stock option (1,163,925) and free share plans (573,075), the conversion of preference shares into ordinary shares (1,968,000), free share plans with 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 own shares represented 2.82% of GET SE's share capital at 31 December 2017, with a nominal value of €6,199,890.40 and a value, based on the average purchase price (€7.891), of €122,307,571 not including the liquidity contract.

	Summary as at 31 December 2017
Percentage of share capital held by GET SE	2.82%
Number of ordinary shares cancelled over the preceding 24 months	–
Number of ordinary shares in the portfolio	15,499,726
Book value of the portfolio	€122,307,571
Market value of the portfolio	€173,131,939
Positions opened/closed on derivatives	–

As at the date of this Registration Document, with the exception of the ordinary shares acquired by GET SE in accordance with the terms and conditions described above, neither GET SE nor its subsidiaries hold any ordinary shares.

21 *Excluding shares acquired by Oddo BHF under the liquidity contract and excluding shares held by Eurotunnel's employee shareholding vehicle (1,755,375 GET SE ordinary shares) and Eurotunnel Trustees Limited (1,463 GET SE ordinary shares).*

7.4 MAJOR SHAREHOLDERS

7.4.1 MAJOR SHAREHOLDERS

As at 31 December 2017 and as at the date of this Registration Document, GET 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 639,025,866. The total number of exercisable voting rights in General Meeting was 623,244,677.

The difference:

- between the theoretical number of voting rights and the number of exercisable voting rights at General Meeting is not significant: it arises from the treasury shares held by GET SE as part of its share buyback programme described in section 7.3.1 of this Registration Document and the voting rights for which have been suspended; 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 GET SE's share capital is as follows:

Shareholding (% of capital):	31 December 2017	31 December 2016
– Individuals	8.48%	9.39%
– Custodian	49.63%	59.12%
– Institutions	39.07%	28.64%
– Treasury	2.82%	2.85%
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 holding a certain number of shares. On the basis of the last such request as at 31 December 2017, the geographical distribution of shareholdings was estimated as follows:

	% of capital
France	14%
United Kingdom	26%
United States	36%
Rest of World	24%
TOTAL	**100%**

At 20 February 2018, two shareholders held more than 10% of the share capital:

Shareholders[1]	Ordinary shares[2]	% capital[3]	Theoretical voting rights	% of theoretical voting rights
Aero	85,170,758	15.49%	170,341,516	26.66%
TCI Fund Management Limited	60,948,743	11.08%	60,948,743	9.54%

1 Basis: declaration to the AMF at the time.
2 On the basis of 550,000,000 ordinary shares as at 31 December 2017.
3 On the basis of 639,025,866 theoretical voting rights at 31 December 2017.

Aero 1 Global & International S.à.r.l. (Aero)

In a letter to the AMF dated 26 September 2011, The Goldman Sachs Group, Inc., incorporated in Delaware (Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware, USA), declared (AMF declaration 211C1770) that its holding of shares in GET SE had, on 22 September 2011, indirectly, via the companies it controls, exceeded the thresholds of 20% and 25% of voting rights for GET SE and held indirectly, 85,289,551 ordinary shares, representing 164,315,953 voting rights, i.e. 15.64% of the capital and 26.05% of the voting rights, based on capital comprising 545,344,183 ordinary shares representing 626,903,140 voting rights, pursuant to the 2nd paragraph of article 223-11 of the general regulations, distributed as follows:

	Shares	% capital	Voting rights	% of voting rights
Aero 1 Global & International S.à.r.l (Aero)	85,170,758	15.62	163,197,160	26.03
Goldman Sachs & Co (GSCO)	3,862	ns	3,862	ns
Goldman Sachs International (GSI)	114,931	0.02	114,931	0.02

NB: since the date of the management report (20 February 2018) Aero has changed control, as set out in section 2.3 of this Registration Document.

TCI Fund Management Limited

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 of shares in GET SE had exceeded the threshold of 10% of the capital of GET SE and that it held 60,948,743 shares representing the same number of voting 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**

This threshold crossing results from a purchase 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.

History

For the record, The Capital Group Companies Inc has, since January 2018, reduced its stake in the share capital below the 5% threshold:

- 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 of shares in GET SE had, on 24 January 2018, dropped below the threshold of 5% of GET SE's share capital and that it held 17,721,401 ordinary shares, 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 threshold crossing results from a sale of ordinary shares on the market.

7.4.2 CONTROL

To the best of the knowledge of GET SE, there are no agreements that, if implemented, would bring about a change of control of GET SE.

The legal and regulatory obligations apply in the case of a threshold being crossed. GET 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.

The bylaws of Groupe Eurotunnel SE contain no provisions whereby a change of control of Groupe Eurotunnel SE can be delayed, deferred or prevented. Groupe Eurotunnel 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 GET SE shares. However, the B preference shares and the C 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 B shares and C shares.

7.5 TRAVEL PRIVILEGES

GET 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. GET 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, to deal with all issues relating to the construction and operation of the Fixed Link in the name of the States and by express delegation of their authority;
- 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 also assists in drawing up regulations applicable to the safety of the Fixed Link and monitors compliance of such regulations with applicable national or international rules and regulations. 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 the Group: 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 [. . .].*" Directive 2016/2370/EU Directive of 4 December 2016 (4th railway package) has confirmed the exemption for the Group'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 approve 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 implementing 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 thirty 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 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 BRB and SNCF rail networks when 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 Railways 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, the Railways 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 majority of the Group's revenues emanating from its rail 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 rail 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 6 June 2017), 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 notes G.1.1 and G.8.2 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 A tranche loans will begin 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 the Group 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 the Group 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 the assets of the Group;
- the sale or transfer of Group assets and the acquisition by the Group 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, the Group 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, the Group. GET SE has respected the debt-service coverage ratio for 2017.

While the Term Loan restricts any increase in the financial indebtedness of the Group, 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 the Group 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, the Group (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 the Group’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 the Group’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 the Group, and include in particular:
  - (i) a financial commitment pursuant to which GET SE is obliged to ensure that at each half-yearly test date subsequent to 31 December 2007, 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 since 28 June 2012, the said ratio being calculated by reference to the twelve-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 the Group;
- 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 the Group;
- 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 GET SE;
- 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 Group 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 the Group.

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.1.1 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, GET SE, FM, EFL, CTG, ESGIE, Eurotunnel SE, ESL, EurotunnelPlus Limited and Gamond Insurance Company (the “Original 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. EGP, TNU SA and TNU PLC, each of which were Original Guarantors, have been merged into GET SE, and EurotunnelPlus Distribution SAS, which was also an Original Guarantor, has been merged into Eurotunnel SE.

The Term Loan provides that, following its execution, certain of the Group companies (other than the Original 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 turnover of the Group 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 Initial Guarantors have given various securities.

Security granted by the Group under French law

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Initial 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 the Group;

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 Group members held by the borrowers or guarantors under the Term Loan;

vi) a pledge on the main Group 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 GET SE against FM pursuant to the bonds facility agreement dated 28 June 2007 (as amended on 29 August 2007) and entered into, *inter alia*, GET SE 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 GET SE, FM, CTG and Eurotunnel SE.

Security granted by the Group under English law

To secure their obligations as borrower under the Term Loan or guarantor under the Intercreditor Deed, the Initial 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 assets of the Group

All of the shares of members of the Group that are not subject to security as described above (with the exception of Europorte SAS and its subsidiaries) 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 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 GET 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

GET SE is governed by the French law provisions relating to *sociétés anonymes* with a board of directors, compatible with the SE regulations.

8.2.1 CORPORATE PURPOSE (ARTICLE 2 OF GET SE'S BY-LAWS)

The corporate purpose of GET 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 GET SE'S BY-LAWS)*

Ownership of one ordinary share implies acceptance of the terms of the by-laws of GET SE and of all decisions taken by GET SE shareholders in general meetings.

Shares (ordinary shares)

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.

Class B preference shares

The 14th resolution of the general meeting of 29 April 2014 authorised the creation of class B preference shares, convertible at the end of a period of four years into ordinary shares if market performance conditions of the ordinary shares are met. Class B preference shares will be vested after a period of two years (29 April 2016) for the French scheme and four years for beneficiaries who are not French tax residents (29 April 2018).

Class B preference shares may be converted into ordinary shares, depending on the evolution of the average market price of the GET SE ordinary shares at the conversion date, and the average market price at the grant date, determined by reference to the higher value of the following averages:

- 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 was €8.17. The conversion ratio will be a maximum of 5,000 ordinary shares per class B preference share for a target objective 100% met, with a tapering scale corresponding to the percentage of the objective met and set such that, as appropriate, the entire amount of ordinary shares may be allocated.

The target objective for the market price of GET SE ordinary shares on the conversion date, calculated according to the above terms, is set at €11.50.

Class B preference shares will have a nominal value of €0.01. They 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 the class B preference shares. Holders of class B preference shares meet at a special meeting for any proposed modification to the rights attached to class B preference shares. Moreover, in accordance with the provisions of article L. 228-17 of the French Commercial Code, any company merger or spinoff plans pursuant to which class B preference shares cannot be exchanged for shares carrying specific equivalent rights will be subject to approval by any special general meeting concerned.

Class B preference shares issue entitlement to only 1/5,000th of the amount of any distribution or, where applicable, asset sharing, decided to the benefit of each ordinary share. They have no preferential subscription rights in any rights issue or operations with rights to ordinary shares; the conversion ratio, however, may be adjusted so as to maintain the rights of holders of class B preference shares, in accordance with legal and regulatory conditions, as stated in article 37 of the company's by-laws. With respect to ownership of assets, class B preference shares issue entitlement to the proceeds of liquidation in proportion to the amount of share capital they represent.

Class C preference shares

The 12th resolution of the general meeting of 29 April 2015 authorised the creation of class 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 class C preference shares is 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 class C preference shares is fixed on basis of the level of over-performance of the objectives without exceeding a total number of 2,000 class C preference shares. Allocation of class C preference shares to beneficiaries will be definitive after a vesting period of two years (ending on 29 April 2017), and beneficiaries must keep these shares for two years following their definitive allocation. For beneficiaries who are not resident in France for tax purposes, class C preference shares will be converted after the period of four years stipulated in the free share allocation plan.

Class C preference shares will 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 class 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 class C preference share will have distribution rights equal to 1/5,000th of distribution rights and, in the event of dissolution of GET SE, rights to the proceeds of liquidation in proportion to the nominal amount represented in share capital. Class 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.

Class C preference shares will be converted into ordinary shares on the basis of the conversion ratio, 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 class 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%).

Subject to any adjustment in accordance with legal and regulatory conditions, the class C preference shares conversion ratio will be a maximum of 500 shares for each class C preference share, for a maximum over-performance of 115% and 135 ordinary shares when the objectives have been 100% achieved, with a scale by step so that no class C preference shares will be converted into ordinary shares in the event of any percentage achievement below 100% of the target objective. After a period of four years, class C preference shares will either be converted into ordinary shares according to the conversion ratio or, if the performance conditions have not been met, purchased by GET SE at their nominal value, in order to cancel them.

Class D preference shares

The creation of preference shares (class D preference shares) convertible into ordinary shares will be the subject of a vote at the General Meeting of 18 April 2018.

8.2.3 ALLOCATION OF PROFITS (ARTICLE 31 OF GET 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 GET 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 shareholders' general meeting, or failing that, by the Board. Each class B and class C preference share will have one distribution right equal to 1/5,000th of distribution right and, in the event of dissolution of GET SE, one right to the liquidation proceeds in proportion to the share that its nominal amount represent 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 GET SE's by-laws)

General meetings are convened in accordance with applicable laws and regulations.

Venue of meetings (article 27 of GET SE's by-laws)

General meetings are held at the registered office of GET 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 GET 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 GET 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. Class B and C 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 class B and C preference shares.

Use of electronic means of communication (article 27 of GET 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 GET 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 GET 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 GET 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 GET SE and sent to shareholders requesting the form and provided such forms reach GET SE two days prior to the general meeting.

Chairmanship of general meetings (article 27 of GET 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 GET 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 GET 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 GET 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 proceeds 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 class B or C preference shares (article 11 of GET SE's by-laws)

Class B and C preference shares do grant any voting rights at general meetings of the holders of ordinary shares; however, the holders of class B and 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.

8.2.5 CLAUSES THAT MAY HAVE AN IMPACT ON THE CONTROL OF GET SE

There are no provisions in the by-laws that could have the effect of delaying, deferring or preventing a change of control of GET SE.

8.2.6 IDENTIFICATION OF SHAREHOLDERS (ARTICLE 14 OF GET SE'S BY-LAWS)

GET 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 2017

				% of capital and voting rights held by		
Company name	**Registered office**	**Country**	**Activities**	**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

Company name	Registered office	Country	Activities	% of capital and voting rights held by Holding company*	Subsidiaries*	TOTAL*
Cheriton Resources 7 Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
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	91 Wimpole Street London W1G 0EF 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

Company name	Registered office	Country	Activities	% of capital and voting rights held by Holding company*	Subsidiaries*	TOTAL*
Eurotunnel Developments Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
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** (formerly NTMO SAS)	3 rue La Boétie 75008 Paris France	France	Asset management	99	1	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	38	62	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

Company name	Registered office	Country	Activities	% of capital and voting rights held by		
				Holding company*	Subsidiaries*	TOTAL*
Le Shuttle Limited**	UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom	United Kingdom	None	100		100
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	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 2017.*

The Group's related party transactions in 2017 are mentioned in note G.9 to the consolidated financial statements in section 2.2.1 and in note V to the GET SE parent financial statements in section 2.2.2 of this Registration Document.

8.4 GET SE'S 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 Groupe Eurotunnel 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 Groupe Eurotunnel SE have been prepared in accordance with the applicable accounting standards and represent an accurate view of the assets, financial position and results of Groupe Eurotunnel 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 Groupe Eurotunnel 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.

This report does not contain any observations relating to this Registration 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 GET SE

All of the corporate documents of GET SE which are to be made available to shareholders are accessible, as the case may be, on GET SE's website (www.getlinkgroup.com) or paper copies may be consulted during normal office hours at the registered office of GET 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

2014 Registration Document	means the registration document relating to Groupe Eurotunnel registered by the *Autorité des marchés financiers* on 27 March 2015;
2015 Registration Document	means the registration document relating to Groupe Eurotunnel registered by the *Autorité des marchés financiers* on 10 March 2016;
2016 Registration Document	means the registration document relating to Groupe Eurotunnel registered by the *Autorité des marchés financiers* on 17 March 2017;
Afep/Medef code	means the corporate governance principles deriving from the combined report by two employers' organisations, the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) and last updated in November 2016;
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 the investment of savings in financial instruments, the information of investors and the proper conduct of the markets in financial instruments;
ARAFER	means the l'Autorité de Régulation des Activités Ferroviaires et Routières, an independent public authority responsible for the smooth running of the opening to competition of rail and road transport in France;
BFS	means the simplified limited liability company Bourgogne Freight Services;
BRB	means the British Railways Board;
CDI	means the Crest Depositary Interests representing ordinary shares;
CHSCT	means the *comité d'hygiène, de sécurité et des conditions de travail*, the health, hygiene, security and working conditions committee, composed of representatives of employees and the employer, responsible for contributing to the protection of the health and safety of employees;
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 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 as amended;
Concession Coordination Committee	means the single executive 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 company incorporated under English law;
Debt	means the debt owed on 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 GET SE on 31 October 2010;
EPF	means Europorte France SAS;
EPP	means Europorte Proximité SAS;
EPSF	means the French public rail safety authority, l'Établissement Public de Sécurité Ferroviaire which is under the authority of the French Minister of Transport;
EPTSCO	means the simplified limited liability company Europorte TCSO;
ERTMS	means the European Rail Traffic Management System, a European 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 for railway operators launching new intermodal rail freight services through the Channel Tunnel;
Europorte	means all rail-freight operation and ancillary activities carried out by Europorte SAS and its subsidiaries;
Europorte SAS	means the holding company of all the Europorte companies;

Eurostar	means the brand name used by SNCF, Eurostar International Limited and SNCB for the joint operation of direct high-speed passenger rail services which they operate between the United Kingdom and continental Europe;
Fixed Link	means the fixed link across the English Channel;
FM	means France Manche SA, a Concessionnaire 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 (Term Loan and hedging instruments) plus interest received (on cash and cash equivalents). 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;
GET SE	means Groupe Eurotunnel SE (*Societas Europeas*);
Group	means the group of companies comprising GET 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;
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	means together SNCF and BRB;
Network Statement	means the document published annually by Eurotunnel which sets out the conditions of access to its rail network;
NRS	means the notes redeemable in GET SE ordinary shares issued by EGP pursuant to the safeguard plan which have been admitted to Euronext Paris and to the London Stock Exchange, in accordance with the 2007 securities note approved by the AMF on 4 April 2007 under number 07-113;
ORR	means the economic regulator of Britain’s mainline railway, and health and safety regulator on all Britain’s railways as well as monitoring England’s strategic highways network;
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 until the expiry of the Railway Usage Contract;
Railways	means, together, SNCF and BRB;
Registration Document	means this registration document relating to Groupe Eurotunnel 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 Tunnel areas intended to facilitate the management of a fire;
Safeguard Procedure	means the safeguard procedure opened for the benefit of 17 TNU group companies on 2 August 2006, under which the company was financially restructured in application of the safeguard plan determined by the Paris commercial court on 15 January 2007, which recognised its complete implementation on 23 December 2008;
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 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 governance bodies and the prevention of potential conflicts of interest and whose duties are set out in chapter 4 of this Registration Document;
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 annex buildings;
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;
TNU PLC	means TNU PLC, formerly Eurotunnel P.L.C. merged with GET SE on 31 October 2010 and subsequently dissolved;
TNU SA	means TNU SA, formerly Eurotunnel SA, merged with GET 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 and Europorte, and potentially any freight train operator in open access;
Treaty of Canterbury	means the Treaty between France and the United Kingdom, 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 1.1.3**
3.1	Selected historical financial information	section 1.1.3
3.2	Selected financial information for the interim periods, and comparative data covering the same period in the prior financial year	section 1.1.3
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 1.1.2
5.1.2	*Place of registration and registration number of the issuer*	section 1.1.2
5.1.3	*Date of incorporation and length of life of the issuer*	section 1.1.2
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 1.1.2
5.1.5	*Important events in the development of the issuer's business*	section 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 and 1.4
6.1.1	*Nature of the operations and principal activities performed by the issuer*	sections 1.2 to 1.5
6.1.2	*Significant new products and/or services introduced into the market*	sections 1.2 to 1.5
6.2	Principal markets	sections 1.2 to 1.5
6.3	Exceptional factors which have influenced the information provided pursuant to items 6.1 and 6.2	section 2.2.1 (note A) and section 3.3.1
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 1.1.2**
7.1	Description of the Group and the issuer's position within the Group	section 1.1.2
7.2	List of the issuer's significant subsidiaries	sections 1.1.2 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 6.5
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 1.1.3 and 2.1 [22]
9.2	Operating results	section 2.1.1

[22] *In application of Article 28-1 of Regulation 809/2004/EC of the European Commission, the operating and financial review for the 2016 financial year has been incorporated by reference in this Registration Document. It appears in chapter 2 of the 2016 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 and 2.2.1 (note G)
10.4	Information on any restriction on the use of capital resources	sections 8.1.4 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 4.1 and 4.2.1
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 4.1.3
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

Number	Heading as set out in the Regulation	Chapter(s)/section(s)
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 6.3.4
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
17.3	Arrangements for involving the employees in the capital of the issuer	section 6.3.4
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	section 8.2.4
18.3	Ownership or control of the issuer and the measures taken to ensure that such control is not abused	section 3.1.2
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 2.4
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 2.4
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 6.9
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 2.4
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

Number	Heading as set out in the Regulation	Chapter(s)/section(s)
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
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 elements of the management report of GET SE required by articles L. 225-100 et seq., 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 GET SE during the current financial year and, if applicable, of its subsidiaries and the companies it controls	chapter 1 section 2.1 and 2.2, note A to the accounts contained in section 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 section 2.2.1 and 2.2.2
3	Results from the business activities of GET 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 GET SE (including GET 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 3.1.2.g) et 6.4.2
11	Indications concerning the use of financial instruments and aims and policy of GET SE relating to the management of financial risks	section 3.1.1 and 3.4.2
12	Important events that have occurred since the end of the financial year	section 2.3
13	Anticipated developments concerning GET SE and prospects for the future	section 2.3
14	Research and development activities	section 1.6.3
15	Dealings in GET SE securities by directors	section 4.2.3
16	Key environmental and social indicators	chapter 6
17	Workforce information: ▪ Employment ▪ Work organisation ▪ Employee relations ▪ Health and safety ▪ Training ▪ Diversity and equal opportunities ▪ Promotion and compliance with the provisions of the fundamental texts of the International Labour Organisation	section 6.2 section 6.2.4 section 6.2.2 section 6.2.3 section 6.2.1 section 6.2.5 section 6.2.4 sections 6.1.1, 6.2.4 and 6.6
18	Employees shareholdings	sections 7.1.4
19	Environmental information: ▪ General environmental policy Pollution: ▪ Circular economy: - prevention and management of waste - sustainable use of resources ▪ Climate change ▪ Protection of biodiversity	section 6.4 section 6.4.1 section 6.4.3 section 6.4.2 section 6.4.2 section 6.4.4

Number	Information	Reference
20	Information regarding social commitments to support sustainable development: ▪ Territorial, economic and social impact of the business of the company ▪ Relations with persons or organisations with an interest in the business of the company, in particular associations working towards integration, educational bodies, environmental protection associations, consumer associations and neighbouring people ▪ Sub-contracting and suppliers ▪ Good commercial practices ▪ Other actions taken in favour of human rights	section 6.3 section 6.3.3 section 6.3.2 section 6.3.4 section 6.3.4 section 6.1.1
21	Information on policy concerning the prevention of technological accidents, GET SE's ability to cover its public liability risk in relation to any classified facilities, and the measures planned to indemnify victims of any such technological accident for which GET SE was found liable	sections 6.2.1 and 6.4.1
22	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
23	Disposals of shares for the purpose of regularising cross-holdings	not applicable
24	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 GET SE voting rights at general meetings	section 7.4
25	Injunctions or fines for anti-competitive practices	not applicable
26	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
27	Information on share buyback programmes [23]	section 7.3
28	Table of results of GET SE over the course of the past five financial years	section 2.4
29	Amount of dividends distributed over the last three financial years	section 7.2
30	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 225-129-1 and 225-129-2, stating those of which use has been made during the financial year	section 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	Application of the principle of gender diversity on the Board	section 4.2.5
7	Limitations imposed by the Board on the powers of the Chief Executive Officer	section 4.1.2
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	section 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. ▪ 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 and 5.2 sections 5.1.1 and 5.1.2

[23] *This information includes average prices of sales and purchases, the total amount of brokering fees, the number of shares registered in the name of GET 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
	▪ 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	chapter 5
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 GET SE;	section 7.1
	▪ Statutory restrictions on the exercise of voting rights, transfers of shares, and provisions of agreements of which GET 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 GET SE, of which GET 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 GET SE is aware and which may involve restrictions on the transfer of shares and the exercise of voting rights;	not applicable
	▪ Rules applicable to the appointment and replacement of members of the board of directors, as well as amendment of the by-laws of GET 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 GET 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;	none
	▪ 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 K)
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 of Groupe Eurotunnel SE	section 6.8

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GROUPE EUROTUNNEL SE
European Company with a capital of €220,000,009.70
483 385 142 R.C.S. Paris
LEI: 9695007ZEQ7M0OE74G82
3, rue La Boétie
75008 Paris – France
www.getlinkgroup.com