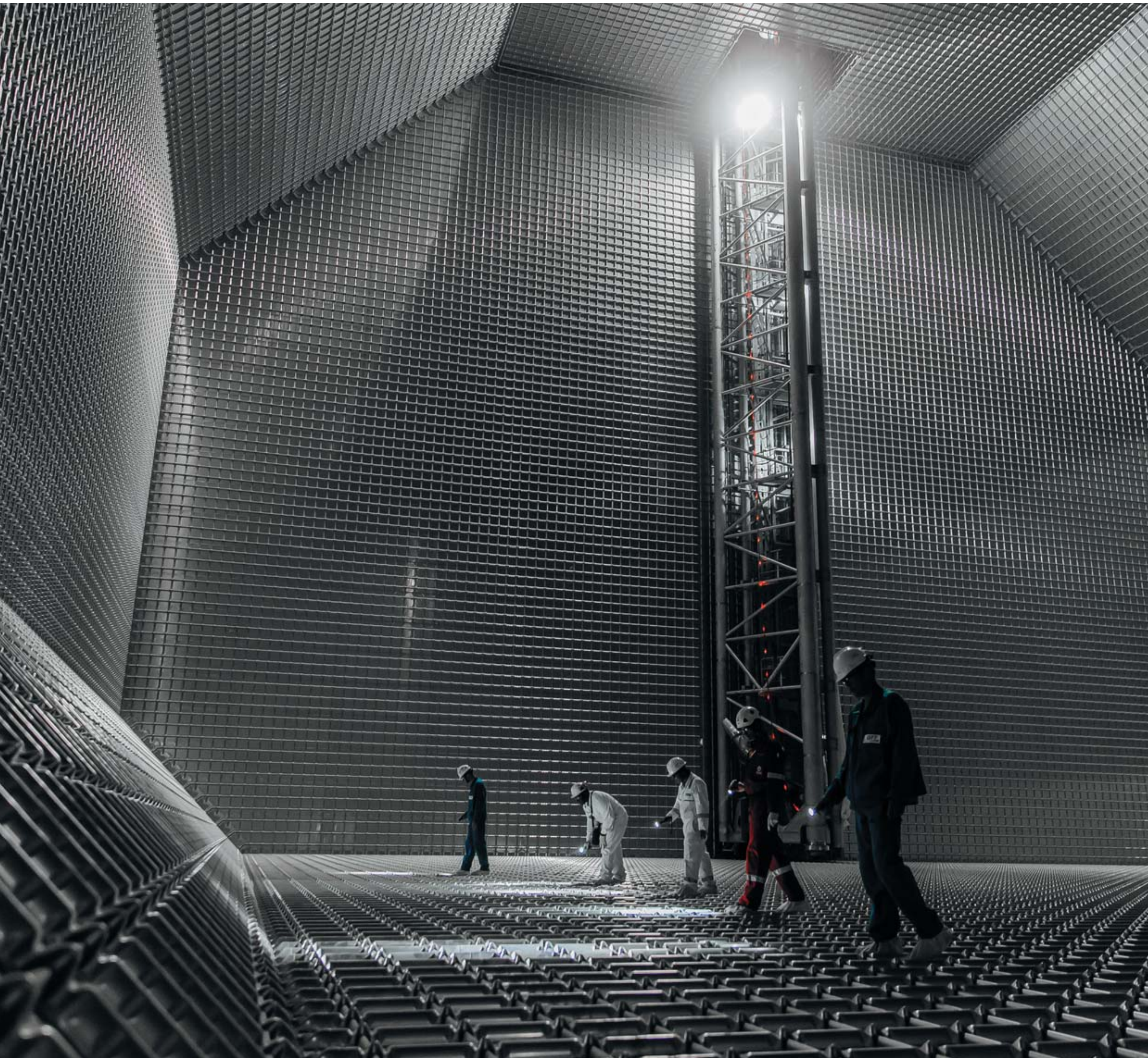
REGISTRATION DOCUMENT 2017

INCLUDING ANNUAL FINANCIAL REPORT



Expert in LNG

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

Profile

GTT is an engineering group specialised in membrane containment systems dedicated to the transport and storage of liquefied gas. For more than 50 years, GTT has been developing solutions for the liquefied gas industry, in particular for Liquefied Natural Gas (LNG), and builds trusting relationships and lasting partnerships with all its stakeholders: shipyards, ship-owners, gas companies, terminal operators and classification societies.

Thanks to the know-how of its experienced team of engineers and its continuing efforts in research and development, the Group designs and markets technologies which combine operational efficiency and safety to equip LNG carriers, LNG floating platforms and multi-gas transport vessels. It also offers solutions for using LNG as fuel for vessel propulsion and for onshore storage tanks, as well as a wide range of services: engineering, support in emergency situations, consultancy, training, maintenance support and production of technical studies. In December 2017, the Group strengthened its services with the acquisition of Ascenz, which is specialised in operational reporting systems and the monitoring of bunkering operations.

Assets

Core business

Unique positioning in its core business
Solid economic fundamentals
Capacity for innovation and unique know-how
Potential for growth in adjacent fields
Sustainable development

Finance

High profitability
A strong balance sheet
High dividend

€232M
in consolidated revenues in 2017

89
current orders [1] as at December 31, 2017

335
employees at the end of December 2017

(1) Excluding LNG as fuel.

AMF

This Registration Document was registered with the Autorité des marchés financiers (AMF) on 25 April 2018, in accordance with Article 212-13 of its General Regulation. It can be used in connection with a financial transaction if supplemented by an information notice authorised by the AMF. This document was drawn up by the issuer and its signatories are liable for its contents.

Copies of this Registration Document are available, free of charge, from the registered office of GTT, 1 route de Versailles – 78470 Saint-Rémy-lès-Chevreuse, and on the website of the Company (www.gtt.fr) and that of the Autorité des Marchés Financiers (www. amf-france.org).

Philippe Berterottière

"2017 enabled us to demonstrate our ability to implement all of the strategic focuses we defined"

Interview with the Chairman

What are the highlights of the 2017 financial year?

Firstly, 2017 was marked by the net upturn in LNG carrier orders and the boom in FSRUs, thus confirming our vision of the market's needs. The growth in demand for LNG recorded in 2017, especially in Asia and the new import countries, shows that the LNG market continues to develop. The upturn in orders for LNG carriers is in line with our forecasts and the emergence of FSRUs is a proof of confidence in the future.

In 2017, following several years work, we successfully entered the particularly promising LNG as fuel market. The orders recorded in this sector are particularly emblematic and significant.

A third significant factor, and a result of our strategic road map: the acquisition of Ascenz, a "smart shipping" specialist, will accelerate our development in services by offering new solutions to ship-owners, especially as part of the development of environmental reporting.

You mentioned the roadmap; what does it hold for 2018?

2017 enabled us to demonstrate our ability to implement all of the strategic focuses we defined: a good performance by our "core business", arrival in the LNG as fuel market, a targeted external growth operation and accelerated development in our services business. The watchword is simple: we need to continue in 2018.

2018 started rather well. As at the end of March, we have already recorded ten orders for LNG carriers, one order for an FSRU and one order to equip a bunker vessel. This pace of orders is a strong signal about the good performance of the LNG market. Although we remain cautious, we believe that the liquefaction projects under construction, particularly in the United States, should generate a significant need for additional LNG carriers. Several liquefaction projects should also benefit from investment decisions to meet medium-term LNG needs, with LNG carrier orders as a result.

There should be other developments in the LNG as fuel sector as the recent orders from CMA CGM have created considerable interest in the shipping industry. As for services, they have the dual advantage of providing greater recurring revenues and real added value for our final customers, particularly ship-owners. We will continue our efforts in this area.

With respect to the outlook for the current year, and given the good level of orders recorded in 2017 and the beginning of 2018, we estimate that our 2018 consolidated revenues should be within a range of 235 to 250 million euros, consolidated EBITDA within a range of 145 to 155 million euros, and that the dividend amount will be maintained for 2018.

What must GTT do to continue its medium-term growth?

In the medium term, GTT must keep its assets intact. The quality of our business model, the quality of the men and women that make up GTT, the quality of the products and services offered to our customers – all this must continue to enable us to seize the opportunities created by the growth in gas and LNG.

We must also be actors in the development of LNG as fuel. In an increasingly restrictive regulatory and environmental context for merchant vessels, we must be able to convince the major ship-owners to opt for propulsion by gas, which is the cleanest fossil fuel and a widely available resource. We have considerable experience in this sector, as gas has always been the fuel used for LNG carrier propulsion. We have the right know-how and technology… The first order for nine ultra-large container vessels highlights our ability to meet ship-owner needs in this area. Our partnerships with major industry players are one of the key factors to ensure GTT's development in this new eco-system.

With the emergence of LNG as fuel, the global LNG market should also start to benefit from the consumption of merchant vessels. It's a virtuous circle. Beyond the benefits for GTT, the use of LNG as fuel for merchant vessels is a true asset for reducing polluting emissions.

Key figures & highlights

HIGHLIGHTS

▸ FEBRUARY 2017

Signature of a Technical support contract with Teekay including a new range of intervention and advisory services.

▸ APRIL 2017

Launch of the GTT MARS™ technology dedicated to LPG transport.

▸ JUNE 2017

Delivery of Prelude Shell's Floating Liquefied Natural Gas and storage vessel (FLNG).

▸ OCTOBER 2017

Signature of a service contract for Shell's Prelude FLNG membrane cargo containment system.

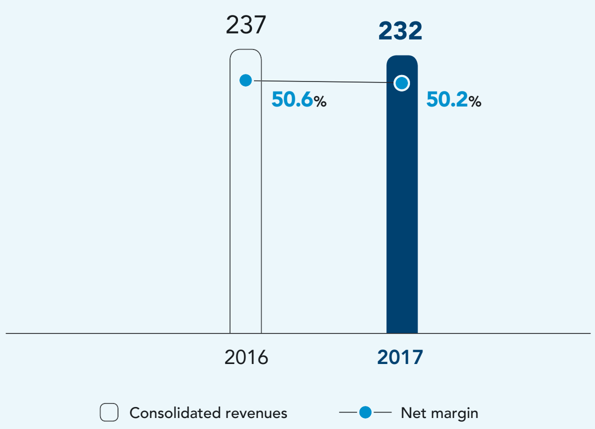
▸ NOVEMBER 2017

GTT enters the field of LNG as fuel with an order from Hudong-Zhonghua and CMA CGM for the design of LNG tanks for the nine largest container vessels ever built.

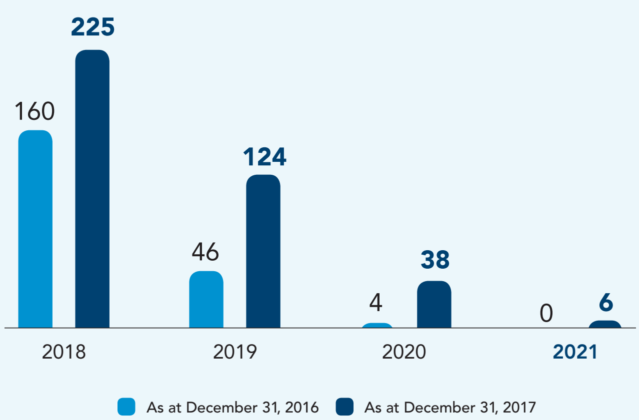
▸ DECEMBER 2017

- Announcement of the acquisition of 75% of the shares of Ascenz (Singapore) specialised in Smart Shipping.
- Cooperation agreement with Wärtsilä (Finland) to create an integrated solution dedicated to vessels fuelled by LNG.
- GTT and DSEC (South Korea) decide to collaborate on the deployment of membrane containment systems.
- Signature of a new global services contract with Chevron Transport Corporation Ltd.

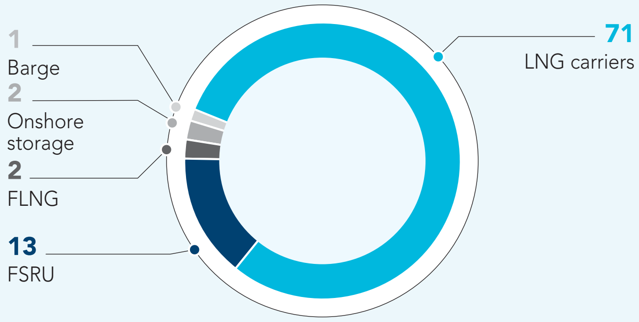
▸ CONSOLIDATED REVENUES (in millions of euros) AND NET MARGIN (in %)



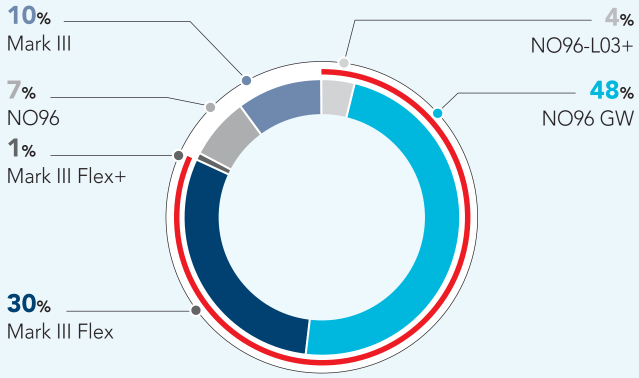
▸ ORDER BOOK IN VALUE (in millions of euros)



ORDER BOOK AT DECEMBER 31, 2017 (in units)

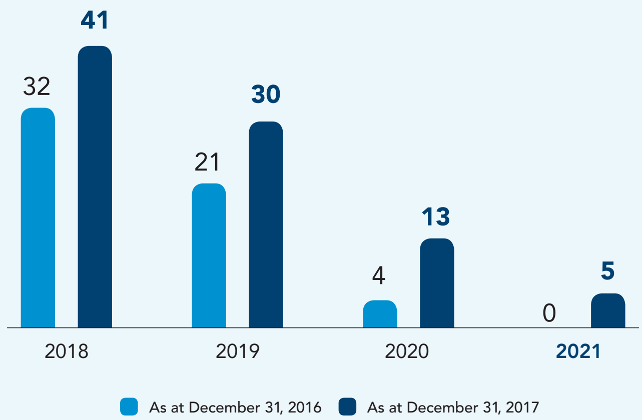


ORDER BOOK BY TECHNOLOGY AT DECEMBER 31, 2017 (in %)

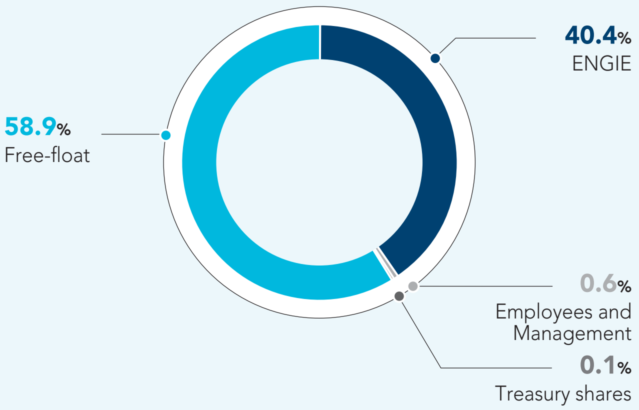


Recently developed technologies represent more than 80% of the order book

DELIVERY SCHEDULE BASED ON THE ORDER BOOK (in units)



SHAREHOLDERS' STRUCTURE AT MARCH 31, 2018 (in %)



Applications & services

ADVANCED **TECHNOLOGIES**

The GTT Group is a key player in the field of liquefied gas and, in particular, Liquefied Natural Gas (LNG). It offers established, secure and efficient technologies for the containment of liquefied gas at low temperatures or in cryogenic conditions during shipping, onshore and offshore storage.

GTT originally created its "membrane" technologies to cut the cost of LNG maritime transportation by loading it, in bulk, into the vessel's holds.

These holds have to be equipped with cryogenic coatings known as membranes to contain the LNG at a temperature of -163°C and sealed with a totally impermeable layer between the liquid cargo and the vessel's hull, while also limiting loss through evaporation (boil-off).

With Mark and NO, GTT has two major cargo membrane containment systems that have many advantages over its main competitors:

- optimisation of the cargo volume carried, by fitting perfectly into the vessel's hull;
- reduced vessel construction and operating costs;
- better energy efficiency; and
- better vessel seaworthiness.

GTT's technologies are approved by international classification societies, and they are recognised and recommended by major gas production companies worldwide and enjoy unparalleled level of feedback from actual use at sea. These technologies are also continually being optimised to meet the requirements of ship-owners and shipyards, while also complying with regulatory changes affecting the sector.

© Engie - credits: BS coatings/Antoine Gonin

The Group is recognised for its unique expertise, and builds trusting relationships with all of the players in the maritime and gas sector: shipyards, ship-owners, gas companies, terminal operators, installers of insulation systems, repair sub-contractors and classification societies. Shipyards and industrial companies access GTT technologies *via* license contracts. Teams of the licensed partners are then trained by GTT in the principles of membrane installation. This procedure has made it possible to equip more than 330 LNG carriers worldwide.

A WIDE RANGE OF **APPLICATIONS**

© Engie - credits: Bestimage/Yann Werdefroy

LNG transport – GTT's core business

With more than 50 years expertise and feedback, GTT is a leading player when it comes to LNG transport and membrane technologies.

At the end of 2017, the Group had an order book of 71 LNG carriers, 12 of which were new orders received during the year.

Solutions for offshore storage

GTT's sustained research and development efforts have led in designing new solutions for the LNG offshore industry, especially for LNG Floating Storage & Regasification Units (FSRU) and Floating Liquefied Natural Gas vessels (FLNG).

26 FSRUs are currently in operation around the world. This is a dynamic segment of particular interest to new importing countries, for which FSRUs represent an economic alternative to onshore storage and a flexible solution. All units currently under construction will be equipped by GTT.

The GTT Group participated in the Prelude FLNG project, delivered in 2017. It is the largest floating LNG unit in the world, equipped with 10 Mark III tanks. At the end of 2017, the Group had an order book comprising 13 FSRUs and two FLNGs, of which nine new orders received during the year (eight FSRUs and one FLNG).

© GTT

Solutions for onshore storage

GTT is developing membrane solutions for onshore storage tanks using its GST® technology which provides a high level of operating efficiency. 19 EPC contractors are currently licensed to deploy this technology.

Two tanks are under construction in the Philippines and Indonesia. GTT is also contributing to the development of tanks designed to contain liquid argon for the LBNO-DEMO [(1)] scientific consortium.

Multi-gas transport

GTT also meets the needs for the transport and storage of liquid gases other than LNG, such as ethane, ethylene, propane, butane and propylene, which have different characteristics in terms of density and temperature.

Six large capacity ethane carriers currently in operation use technology developed by GTT, thereby demonstrating the viability of its containment systems for transportation of different liquefied gases.

In 2017, the Group launched the commercialisation of a new technology called GTT MARS™, designed specifically for the transportation of LPG, which has a different temperature and density than LNG. It is based on the characteristics of the proven Mark III membrane technology, but has been adapted and simplified in order to meet the specific requirements of LPG.

© Engie - credits: BS coatings/Antoine Gonin

(1) LBNO-DEMO: a consortium including CERN (European Organisation for Nuclear Research) and ETH Zurich (Swiss Federal Institute of Technology in Zurich).

A NEW FIELD OF APPLICATION:
THE USE OF LNG AS SHIPPING FUEL

With the emergence of LNG as fuel, GTT is adapting its technologies to meet the requirements of shipowners who want to use an LNG propulsion system. To facilitate this energy transition, the Group is also developing solutions dedicated to the entire logistics chain and bunkering operations.

The applications for using LNG as fuel are varied. In addition to proposing its technologies to equip commercial vessel tanks (cargo and passenger), GTT offers solutions for each link in the logistic chain:

- small and medium-capacity LNG carriers used as refuelling vessels and suitable for inland waterways and coastal zones;
- bunker barges used to bunker vessels in proximity to ports and coasts, to reduce LNG transfer time from vessel to vessel;
- floating storage structures and bunkering stations placed on the seabed (Gravity Based System).

© GTT

In November 2017, GTT received an order from Hudong-Zhonghua and CMA CGM for the design of cryogenic tanks for nine LNG-fuelled container vessels. These vessels will be capable of carrying 22,000 containers each, compared to 21,000 for the largest container vessels currently in operation. The LNG fuel tanks will be equipped with Mark III technology, and will provide 18,600 m^3 of capacity for each vessel. This order marks the Group's entry into the field of LNG as fuel and demonstrates the ship-owners' determination to switch the industry over to this method of propulsion.

In February 2018, GTT received an order from Hudong-Zhonghua to equip a bunker vessel, with a capacity of 18,600 m^3, on behalf of the ship-owner Mitsui OSK Lines Ltd. and Total Marine Fuels Global Solutions. It will be positioned in Northern Europe, and will be used, in particular, to supply LNG to CMA CGM's future container vessels.

© GTT - credit: Matthieu Pesquet

A RANGE OF COMPLEMENTARY SERVICES

GTT and its subsidiaries assist their customers and partners, and more generally the LNG industry, throughout the life cycle of a project. The Group is present during the construction, operation and maintenance phases to guarantee safety, quality, performance and operational flexibility.

ENGINEERING STUDIES

In addition to the studies provided to shipyards and EPC service providers for their construction projects, GTT provides studies on highly specialised technical issues, whether for the pre-project phase or for vessels or units that are in operation.

They consist of making changes to the characteristics of a vessel in operation, *e.g.* to convert from an LNG carrier to an FSRU, to install a requalification unit on an LNG carrier, etc.

GTT also provides studies relating to operations at sea, aiming to deliver operational flexibility, *e.g.* in order to predict the quantity of gas generated during a transfer between two vessels, and simulate management of this gas, or to assess the risk represented by sloshing of LNG in tanks in conditions not foreseen in the vessel's design.

© GTT - credits: Roland Mouron

OPERATIONS SUPPORT

Training services

GTT Training, a Group subsidiary, capitalises on its extremely wide-ranging expertise in issues relating to LNG, to offer the LNG industry a catalogue of training courses adapted both to customers who want to discover the world of LNG, and customers who are already doing business in the industry, such as operators of LNG carriers.

GTT Training also provides an LNG and liquefied gas operations simulator called G-Sim. It is intended, in particular, to train crews working on vessels fuelled by LNG or on LNG carriers.

On-board services

- SloShield™ is a solution for detecting the impact of liquid movements in tanks, called sloshing. This tool analyses structural vibrations and feeds back the data on-board in real time.
- LNG Advisor™ was launched at the end of 2015. It is used to monitor LNG evaporation during its transportation. This real-time service transmits reliable data at sea and on land about the energy performance of vessels.

Following the acquisition of Ascenz announced at the end of 2017, its portfolio of on-board services is now part of the GTT Group's service portfolio.

Assistance service

GTT provides a telephone hotline service for assistance in emergency situations called HEARS (Hotline Emergency Assistance & Response Service). The service provides operators and their crews with advice and assistance from Group specialists 24/7.

MAINTENANCE SERVICES

The Group provides technical support for the inspection, maintenance and repair of membrane vessels. GTT has selected a network of approved shipyards to perform maintenance operations in optimum conditions. The Group also provides an on-site maintenance service for fixed units such as FLNGs and certain FSRUs.

Furthermore, Cryovision®, a subsidiary of the Group, provides the following membrane test services:

- TAMI® (Thermal Assessment of Membrane Integrity) makes it possible to test the integrity of secondary membranes, while maintaining continuity of operations, since the tests can be performed during navigation while the tanks are full. Cryovision has tested more than 300 tanks using this method since 2012;
- MOON® (MOtorizedBalloON) is a drone-like tool allowing quick and easy deployment of standard inspection methods for the primary membrane of tanks.

Board of Directors
& Executive Committee

COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors takes into account AFEP-MEDEF criteria (independence, gender balance). The biographies of the directors are available in chapter 6 of this Registration Document.

Christian Germa
Independent director

Ana Busto
Director

Philippe Berterottière
Chairman and Chief Executive Officer

Philippe Salle
Independent director

Michèle Azalbert
Director

Françoise Leroy
Independent director

Andrew Jamieson
Independent director

Cécile Prévieu
Director

Didier Holleaux
Director

Benoît Mignard
Observer[(1)]

PROFILE OF THE BOARD OF DIRECTORS

9
directors

7
Number of meetings in 2017

44%
women on the Board of Directors

44%
independent directors

55 years old
/Average age

(1) Non-voting Board member.

2 SPECIAL COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE:

Since its creation at the time of the initial public offering in 2014, the members of this committee have been selected for their expertise in finance and accounting.

The three members of the Audit and Risk Management Committee, including the Chairman, have the task of reviewing the financial statements and monitoring issues related to risk management.

Committee Chairman: **Christian Germa**

Composition: **Françoise Leroy, Christian Germa** and **Didier Holleaux**

COMPENSATION AND NOMINATIONS COMMITTEE:

This committee was also created at the time of the initial public offering in 2014.

Consisting of five members, including its Chairman, the committee is responsible for assisting the Board of Directors in selecting the members of the Board, of the Board's committees and of General Management and for making recommendations on compensation issues to the Board of Directors .

Committee Chairman: **Philippe Salle**

Composition: **Françoise Leroy, Christian Germa, Philippe Salle, Didier Holleaux** and **Andrew Jamieson**

EXECUTIVE COMMITTEE AT MARCH 31, 2018

Philippe Berterottière
Chairman and Chief Executive Officer

Frédérique Coeuille
Innovation Director

Isabelle Delattre
Human Resources Director

Lélia Ghilini
General counsel

Marc Haestier
Chief Financial Officer

David Colson
Commercial Director

Karim Chapot
Technical Director

CONTENTS

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1.1 GTT presentation

1.1.1 GROUP OVERVIEW

Profile

The Group operates in the market of cryogenic or very low temperature containment systems, used for the transport by ship and the storage at sea or onshore of liquefied gases, and in particular LNG. It was founded in 1994 by the merger of Gaztransport and Technigaz, which together had more than 50 years' experience in the field of cryogenic containment systems.

The containment systems designed by the Group draw on its membrane technologies: Mark, NO, GTT MARS™ and GST™. These systems offer safe and reliable transport and storage of bulk LNG. They use thinner, lighter materials than the main competing containment systems, optimising the LNG storage capacity and reducing construction and operational costs of vessels and tanks. GTT's membrane containment systems are mainly used by shipyards, ship-owners, gas companies, and terminal operators.

The Group has licensed its membrane technology to leading shipyards worldwide, including Samsung Heavy Industries, Hyundai Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hudong Zonghua. These shipyards use the Group's technologies for the construction of vessels for the transport or storage of LNG and other types of gas. The purchasers of vessels equipped with the Group's technology are major gas companies, such as Qatargas, Shell, BP, TOTAL, ENGIE, Chevron, Eni and Petronas, and ship-owners, such as GasLog, Golar LNG and Maran Gas Maritime, which place orders for vessels based on the requirements of the major gas companies.

The Group also provides engineering services, consultancy, training, maintenance support and technical studies at all stages of the LNG chain. Furthermore, the Group has adapted its technologies to cover new LNG markets, in particular the use of LNG as fuel for vessel propulsion), and the development of small and medium-sized maritime and inland waterway LNG carriers.

The Group created five subsidiaries between 2012 and 2015:

- Cryovision, based in Paris (France), which offers innovative services to ship-owners and terminal operators;
- GTT North America, based in Houston (United States of America), which enables it to access the rapidly-growing LNG sector in North America (particularly the bunkering market);
- GTT Training Ltd, based in London (United Kingdom), which develops the training business intended to train gas officers operating on LNG carriers, as well as simulation tools related to this activity;
- GTT SEA PTE Ltd, based in Singapore, responsible for commercial development in Asia; and
- Cryometrics, based in Paris (France), intended to market tools related to the operational performance of carriers of LNG and other liquefied gases, as well as ships fuelled by LNG.

Group organisation chart

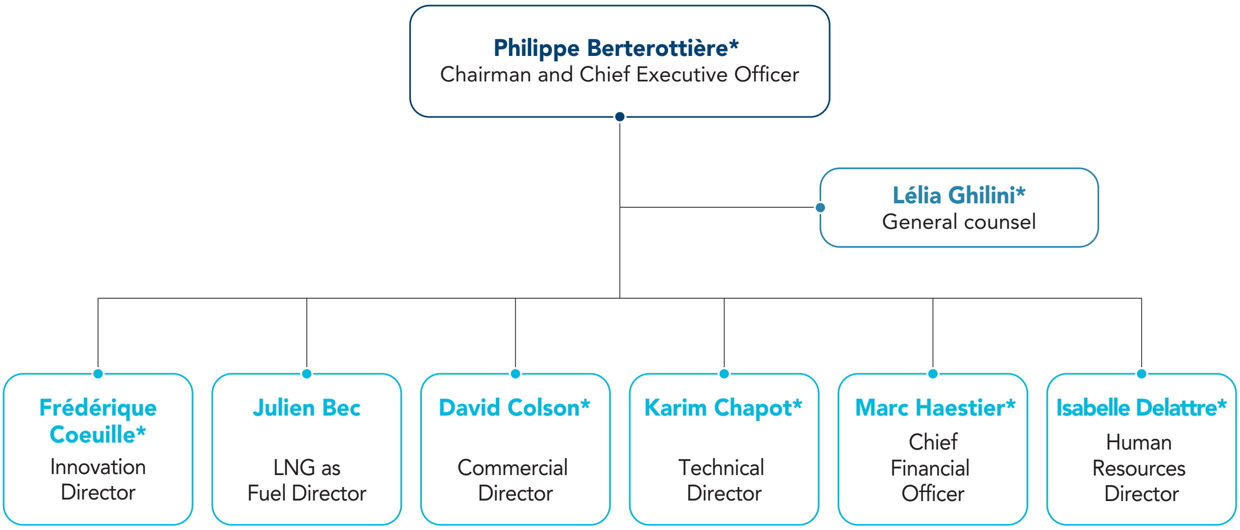
The simplified organisation chart presented below shows the Group's situation at the date of registration of this Registration Document.

On the date of filing of this Registration Document, the Company held all of the share capital and voting rights of its subsidiaries, with the exception of Ascenz, for which it holds 75%.

Group organisation

GTT's senior management team is highly experienced in the containment system industry.

The Group's organisation chart at December 31, 2017 is shown below:



** Member of the Executive Committee.*

Biographies of the members of the Executive Committee

- Philippe Berterottière, Chairman and Chief Executive Officer, joined GTT in 2009. He has 35 years of experience of working in advanced technology sectors. He previously held a number of management positions at companies in the aerospace sector: with Airbus as a contract negotiator, then Business Development Director, with Matra as Sales Director within the defence division, and with Arianespace, where he held several sales positions before becoming Commercial Director and a member of the Executive Committee. He is a graduate of the HEC *(Hautes Études Commerciales)* business school and of the IEP *(Institut d'Études Politiques)*.
- Isabelle Delattre, Human Resources Director, joined GTT in 2016. She has 27 years of experience, primarily in the engineering sector. She began her career with several HR positions at Groupe Promodès. She then created the HR Southern Europe position at ADP GSI before moving to Groupe AKKA Technologies. She holds a degree from the *Institut Supérieur du Commerce*.
- Lélia Ghilini, General counsel, joined GTT after two years of experience at the Ministry of Economy and Finance as a technical advisor (European Affairs). Admitted to the bars of Paris and New York, she had previously worked for nearly 10 years in mergers/acquisitions in several prominent law firms. Lélia holds a DESS in business law and a legal consultant's degree in business (DJCE) from the University Paris II (Panthéon-Assas). She also holds an LLM from New York University.
- Frédérique Coeuille, Innovation Director, joined GTT in early 2014 as the manager of the Materials, R&D and suppliers department within the innovation department. She has 22 years experience in engineering and construction in the Oil and Gas industry. She previously occupied several positions in research and development, then in project engineering before joining the SAIPEM group, where she carried out duties in project management, expert appraisal and as department manager until 2013. She holds a PhD in Physics from the *École Nationale Supérieure des Mines de Paris*.
- Marc Haestier, Chief Financial Officer, joined GTT in early 2017. He began his career holding several financial positions at the paper group Arjo Wiggins in Belgium and UK, from 1985 to 1997. He then joined the Alstom group in Paris in 1997 as Finance and Treasury Director. He moved to Gaz de France in 2004 as Deputy Chief Financial Officer. He became Chief Financial Officer and Support Functions Director of the ENGIE group's Infrastructure Business Line in 2010. He holds a degree in Applied Economic Sciences and an MBA from the University of Louvain.
- David Colson, Commercial Director, joined GTT in 2004 and has 28 years of experience, gained primarily in the automotive industry and then with GTT. During his career with GTT, he was a shipyard project manager until 2008 and head of the business development department until 2010, when he was appointed Commercial Director. Previously, he held several positions at APV, ACOME and Valeo Filtration Systems. He graduated in mechanical engineering and business administration from the University of Birmingham (Bachelor of Engineering and Bachelor of Commerce).

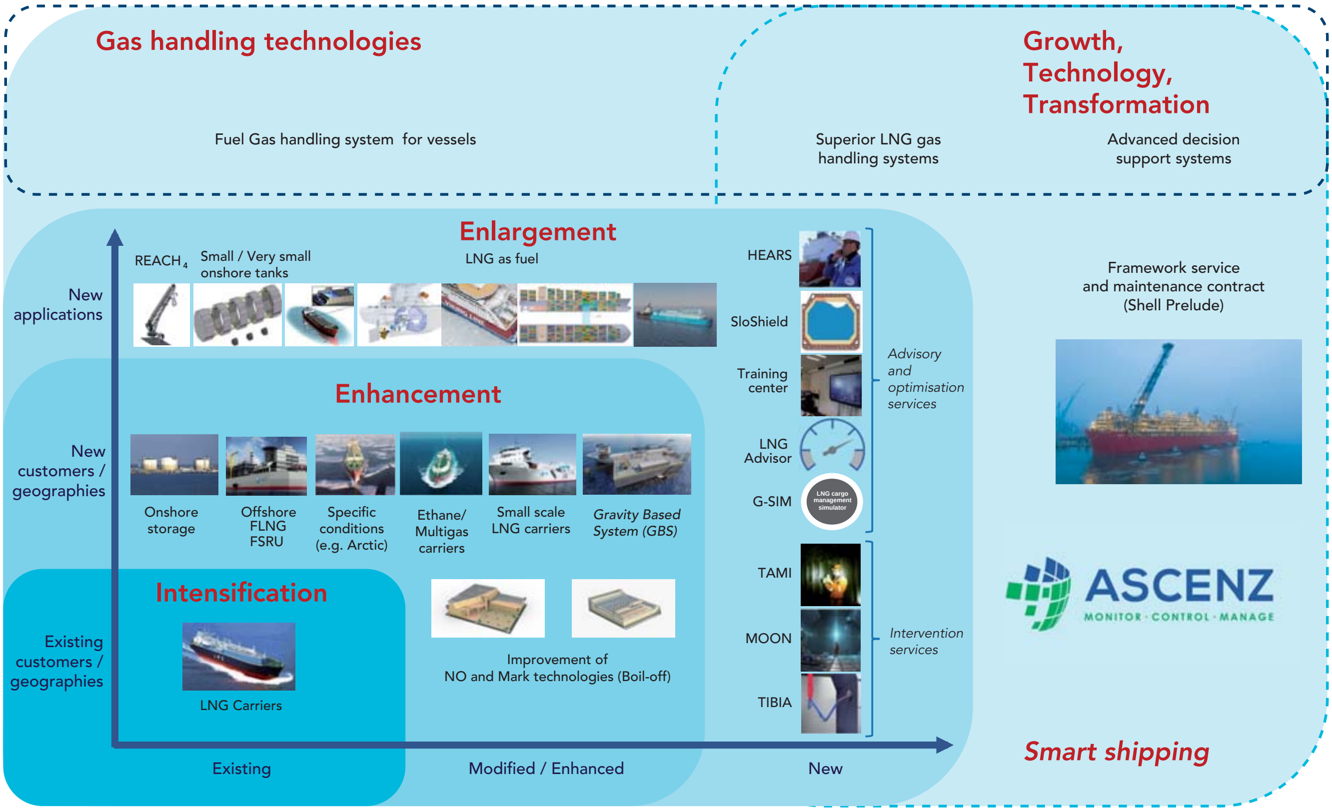
- Karim Chapot, Technical Director, joined GTT as an engineer in 1999 and has worked in the maritime transportation industry for 21 years. In 2002, he became head of structural calculations and was then promoted to Development Director in 2007. Previously, he held various positions at the Cherbourg and Le Havre shipyards. He graduated in naval and offshore architecture from ENSTA Bretagne *(École Nationale Supérieure de Techniques Avancées Bretagne)* and completed the Executive MBA programme at HEC *(Hautes Études Commerciales).*

History of the Group

- 1963: Gazocean (ship-owning company held by Gaz de France and NYK Line) sets up Technigaz.
- 1965: Gaztransport is founded by Worms (51%), Forges et Chantiers de la Méditerranée (24%), Ateliers et Chantiers de Dunkerque et Bordeaux (15%) and Gaz de France (10%).
- 1994:
  - GTT is created after the merger of Gaztransport and some Technigaz shipping businesses;
  - change in the shareholding structure: Gaz de France (40%), Total (30%), Bouygues Offshore (30%).
- 2011: Launch of the Mark III Flex technology, an improved version of existing Technigaz technology.
- 2012:
  - launch of NO96 Evolution, developed from the historical Gaztransport technology;
  - creation of Cryovision, a subsidiary specialising in innovative services to ship-owners and terminal operators.
- 2013:
  - creation of the GTT North America subsidiary (based in Houston) in order to be part of the rapid growth of the LNG sector in North America (particularly that of bunkering);
  - set up of the "HEARS" hotline (emergency intervention telephone service).
- 2014:
  - GTT initial public offering on Euronext Paris compartment A in February;
  - creation of GTT Training Ltd in the United Kingdom, a subsidiary specialising in training intended for gas officers operating on LNG carriers, as well as simulation tools related to this activity;
  - GTT receives ten orders for ice-breaking LNG carriers;
  - first order for the construction of six VLECs (Very Large Ethane Carriers), "multi-gas" vessels designed to transport ethane, but also several other types of gas in liquid form, such as propane, butane and propylene;
  - launch of SloShield™, a system for real-time monitoring of sloshing in tanks, which provides control of the effects of sloshing in LNG carrier tanks.
- 2015:
  - Conrad Industries is the Group's first licensed shipyard in the United States since the 1970s;
  - an order for an LNG bunker barge, the first of its kind in the North American offshore market;
  - creation of GTT SEA PTE, a commercial development subsidiary based in Singapore;
  - creation of Cryometrics, a subsidiary dedicated to operational performance services for vessels.
- 2016:
  - delivery of the first Floating Liquefied Natural Gas vessel (FLNG) and the first multi-gas vessel for the transport of ethane;
  - opening of an office in Shanghai.
- 2017:
  - delivery of the largest floating unit, the FLNG Prelude;
  - arrival on the LNG as fuel market with a first order by CMA CGM for nine giant container vessels;
  - -acquisition [1] of 75% of Ascenz Singapore's shares.

(1) Subject to suspensive conditions as at December 31, 2017, the acquisition was completed at the end of January 2018.

1.1.2 THE GROUP'S STRATEGY



Consolidating the Group's position in the LNG and other liquefied gases industry through innovation. Innovation is a major priority for the GTT Group in order to meet the needs of shipyards, ship-owners and terminal operators at every key stage of the liquefied gas chain, in particular, for LNG. GTT also maintains close relationships with all major classification societies and major gas companies worldwide in order to ensure that they support and recommend its membrane containment systems. This focus on innovation, reflected by the 49 million euros that the Company has invested in research and development from 2015 to 2017, has resulted in a significant ongoing renewal of its patent portfolio and has contributed to maintaining its position in the LNG shipping industry.

Capitalising on the expected strong growth of LNG as fuel (bunkering), of small- and medium-size carriers and of storage. GTT believes that it is in an ideal position to strengthen its presence in LNG as fuel market, especially with the equipment of large vessels. In this respect, the first order from CMA CGM to equip nine giant container vessels represents a major step forward. GTT's membrane technology offers efficiency, safety and cost reductions which are significantly better than those of competing technologies.

Expanding the service offering. GTT assists its customers and partners, and more generally the LNG industry, throughout the life cycle of a project, during the construction, operation and maintenance phases.

During the preparation for a planned build, the Group assists shipyards and ship-owners with tank optimisation or tailored studies, as well as providing detailed engineering services, based on the main characteristics, hardware specifications and project approvals.

For the operations phase, GTT provides training for users of its products and technologies, as well as on-board services and monitoring software such as SloShield™ to manage sloshing and LNG Advisor™ to manage the boil-off rate, and a telephone hotline providing support for emergency operations (HEARS).

In the area of maintenance operations, the Group has focused in particular on developing innovative tools and services, such as leak tests (with the TAMI™ thermal camera, and MOON, the motorised balloon.

Furthermore, the Group is also seeking to expand its range of services through targeted acquisitions. The acquisition of Ascenz, finalised in January 2018, enables GTT to expand its operations in complementary fields, such as Smart Shipping.

1.1.3 THE IMPORTANCE OF INNOVATION AND R&D

Objectives

GTT's research and innovation activities aim to strengthen the position of the Group as a leading technology provider for the LNG chain.

Accordingly, its innovation policy pursues three main objectives:

- to remain receptive to the expectations and needs of LNG chain participants and develop innovative technological solutions by enhancing the performance and value in use of the technologies provided by the Group;
- to establish the excellence of the Group's expertise in key areas such as how materials behave at cryogenic temperatures, thermodynamic system modelling and liquid motion in tanks; and
- to promote innovation by ensuring processes, organisation and skills of the highest level within the Group.

GTT's innovation policy is based:

- upstream, on a development strategy deriving from relationship with clients, ship-owners, gas companies and academic partners, ideas resulting from an in-house policy promoting creativity and internal or external specific expertise; and
- downstream, on a development projects management drawn up in accordance with methods and practices accepted by innovation management experts.

The Group has thus chosen to invest resolutely in developing its skills and motivating its employees as means of fostering innovation.

In particular, an incentive-based policy of rewarding inventions has been introduced to foster innovation within the Group. It has been promoted significantly towards employees and facilitates the emergence and maturing process for new ideas.

Resources dedicated to innovation and R&D

For its research and development activities, the Group spent 21 million euros during the financial year ended December 31, 2015, 19.7 million euros during the financial year ended December 31, 2016 and 18.2 million euros during the financial year ended December 31, 2017. The Group's research and development activities are mainly financed by the Group's free cash flow.

Research and development accounted for more than 20% of the total amount of the Group's operating expenses (1) in 2017. Research and development investment represented 30% of the aggregated total amount of the Group's investments for financial years 2015, 2016 and 2017 (2).

The Group received 5,624 thousand euros for the research tax credit for 2016.

At the end of December 2017, in light of the research and development activity in financial year 2017 and the amounts already declared, the Group estimated the research tax credit (CIR) at 3,620 thousand euros for the financial year.

The Group has a division specifically dedicated to innovation, which had a headcount of 94 employees as at December 31, 2017, with external consultants brought in when required. In addition, other Group departments also carry out R&D work: during the 2017 financial year, 10 full-time equivalent engineers and technicians worked on these projects in addition to the innovation department workforce.

Development focus and projects

The development of technologies to meet our customers' needs

The appearance and use of more efficient alternative types of fuels now justifies the need for insulation systems with improved thermal performance, in order to reduce the rate of liquefied gas boil-off from tanks. In addition, the requirements of the market are changing and more resistant insulation systems are necessary to enable operations offshore (FLNG, FSRU, etc.), in order to obtain more operational flexibility or even to transport gases which are heavier than LNG.

The NO and Mark have evolved over the last 50 years, on the basis of significant feedback from operational experience, in order to always meet the needs of the market more closely.

GTT is thereby introducing new systems in order to minimise the guaranteed boil-off rate and to optimise the insulation's dynamic resistance.

GTT has finalised the development, validation and industrialisation of the NO96 Max system. A mock-up for cryogenic validation tests was created within the framework of a cooperation agreement signed in February 2016 with the South Korean shipyard Daewoo Shipbuilding & Marine Engineering (DSME). While retaining the two gas-tight membranes made of Invar® in the NO96 system, NO96 Max offers a new design of carrying structure. The plywood screens are replaced by composite wood pillars. By this means, the thermal flows in the system can be reduced considerably, with a favourable direct impact on the thermal insulation performance of the system. In addition, the design selected for the NO96 Max is flexible; the load carrying structure can be adapted depending on the requirement (insulation/strength).

An improved version of Mark III Flex was recently introduced to the market. This technology was developed to offer a significant

(1) Operating expenses consist of personnel expenses, external expenses, consumed purchases and taxes and duties.

(2) Acquisitions of fixed financial assets were subtracted from total capital expenditure.

improvement on the thermal performance of the Mark III Flex system. The thermal insulation and the membrane support are provided by prefabricated panels made of reinforced polyurethane foam. The total thickness of the insulation system has been increased by 20%. In combination with this increased thickness, a solution to strengthen the system's composite and glued secondary barrier is used to guarantee reliable operation. The Mark III Flex+ system benefits from the considerable feedback from this product family, and constitutes a competitive, reliable solution to meet market needs in terms of a reduced Boil-Off Rate.

The systems have been approved by the classification societies. The latest version of the Mark III system, the Mark III Flex+, was chosen early in 2018 to equip an initial LNG carrier, already included in GTT's order book.

LNG as fuel projects

More and more ship-owners are currently considering LNG as fuel for their vessels. This new use for LNG will be accompanied by new technical and industrial challenges, which GTT, based on a solid experience in the gas and shipbuilding fields, is attacking *via* three vectors for development:

- **adaptation of the membrane technology and development of a high added value product specifically for LNG fuel tanks.** Membrane technologies provide for an unequalled level of compactness for the LNG tanks, enabling more space to be used for the ship's cargo;
- **implementation of economic bunkering solutions.** Although LNG is relatively cheap, its price delivered on board increases substantially as a result of the cost of the bunkering infrastructures. GTT's aim is to significantly reduce the cost of bunkering through more competitive bunkering solutions; and
- **distribution of LNG as fuel.** The aim is to propose increasingly accessible offers, encouraging the use of LNG as fuel.

These three vectors for development will provide for innovative new responses to the problems of ship-owners or shipyards interested in the use of LNG as fuel. GTT's proximity to these industrial partners will allow it to rapidly propose these innovations to the market.

The Mark III Flex technology was selected to equip the tanks of a bunker vessel, with a capacity of 18,600 m^3. This vessel, positioned in Northern Europe, will supply LNG to the nine future CMA CGM container vessels, the tanks of which will also be fitted with Mark III Flex technology combined with high-density polyurethane foam. The bunker vessel and container vessels will be built in China by Hudong-Zhonghua.

Boil-off and the services

In order to extend the Group's existing offer, since 2014 particular attention has been paid to the development of services dedicated to better management of cargo and of boil-off (evaporation). Better management of boil-off represents a significant operational challenge for players in the chain since, for any given vessel, the losses tied to boil-off are in the order of ten million dollars a year. This means that a 1% saving in boil-off gas represents a value of around 100,000 US dollars *per annum* [(1)]. The objective of these developments is to propose solutions to optimise boil-off based on models of the thermodynamic behaviour of cargo, validated by operational data.

In 2015, *via* its Cryometrics subsidiary, GTT developed and marketed a tool called LNG Advisor™ specifically designed for the monitoring of indicators linked to the boil-off phenomenon. LNG Advisor™ allows the real-time transmission, on-board and on land, of reliable vessel energy performance data. In addition, LNG Advisor™ and the sloshing management software, SloShield™, can be combined to obtain overall visibility concerning the behaviour of the cargo, both from the point of view of the energy efficiency of the ship and control of the sloshing effects in the tanks.

Sloshing

Sloshing, a phenomenon relating to the movement of LNG inside the ship's tanks, continues to be carefully studied by the Group. The Group has recognised expertise in this field, in both modelling and testing.

The Group is pursuing its work to increase the performance of its technologies in thermo-mechanical and cost aspects.

Onshore tanks

The Group is also working on its containment technologies for onshore storage tanks to optimise its current technology and increase the cost differential between GTT's technologies and those implemented by its competitors.

This is an important matter, especially for the storage requirements of smaller quantities of LNG (< 50,000 m^3) such as infrastructures for the supply of LNG as shipping fuel which are undergoing strong growth. In this field, the Group's ability to offer competitive technological solutions also contributes to increasing the appeal of LNG as fuel by reducing the cost of distribution and LNG bunkering for this usage.

Intellectual property

The Group has filed patent applications covering its principal technologies in (i) countries in which shipbuilding and repair companies have their registered office, (ii) emerging countries in LNG (such as India and Russia) and (iii) LNG exporting countries (such as Australia, Russia, the United States of America and Qatar) and LNG-importing countries (such as South Korea, China and Japan). GTT's technologies are protected by an extensive portfolio of patents. As at December 31, 2017, GTT held 1,240 patents, of which 610 had been issued and another 630 patent applications were under review in close to 60 countries.

The Group has established an internal procedure that aims to identify and protect inventions and enables the Group to file new patents on a very regular basis.

(1) GTT analysis based on operational data, and on the basis of an LNG price of 7 US dollars/Mbtu.

The Group's objective is to maintain a high level of protection for its intellectual property rights, in particular by increasing the number of patent applications and giving up patents regarded as ineffective, which no longer correspond to its customers' requirements.

Type and scope of patents held by the Group

The number of patents and patent applications reflects the efforts made by the Group to refine its existing technologies and innovate. Almost 185 different inventions are covered by the 1,240 patents and patent applications in force as at December 31, 2017, encompassing the technologies already commercialised by GTT and the additional technologies that may be used by the Group to commercialise its future products.

Protected territory

The main technologies currently marketed by the Group give rise to patents or patent applications, where applicable based on the specificities of each patent, (i) in countries where the registered office of construction and repair shipyards are located and/or (ii) in emerging LNG countries (such as India and Russia), and/or (iii) in LNG exporting countries (such as Australia, Russia and Qatar) and in LNG importing countries (such as South Korea, China and Japan).

Protection of Group employee inventions

The employment contracts of GTT employees assigned to the Group's research and development activities contain a standard clause concerning the ownership of inventions arising from their work. This clause states that their duties entail studies and research assignments and hence include permanent invention-based activities.

The ownership of the inventions arising from their work automatically lies with the Group pursuant to Article L. 611-7 of the French Intellectual Property Code. The specific clause related to inventions arising from their work incorporated in the employment contracts of GTT's employees restates the legal principles attributing to the employer ownership of the intellectual property rights arising from their work and the employee's undertaking to report any invention in line with the internal procedure implemented by GTT. It is being specified that, in accordance with the provisions of the French Intellectual Property Code, the employee has the right in return for additional compensation for any patentable invention, which takes the form of one or more flat-rate payments.

Protected know-how

(i) Securing of the Group's information system

The activities of the Group, which are predicated on its know-how and expertise, require protection of all the working documents and information created, classified and exchanged internally *via* its IT network.

The Group implements the appropriate human, physical and technical resources to ensure the safety and fair use of the information system and backing up of its IT data. All the applicable rules are shared in an internal memo entitled "Charter for the use of GTT's information system", which has been signed by all of the Group's employees and is annexed to its Internal Regulations. The information systems department is responsible for controlling and overseeing the smooth operation of the information system and ensures that the rules in the charter are applied.

The Group's employees are not allowed to connect equipment to both the internal IT network and the Internet at the same time to avoid any unlawful intrusions into GTT's internal network.

(ii) Contractual protection of the Group's know-how

Aside from the protection of new inventions, the Group monitors the protection of its know-how very carefully. It systematically adds a confidentiality clause to its contracts with third parties. In particular, a confidentiality clause is added to Technical Assistance and Licensing Agreements (TALAs) under which GTT grants its clients rights to its technologies and to a large portion of its know-how.

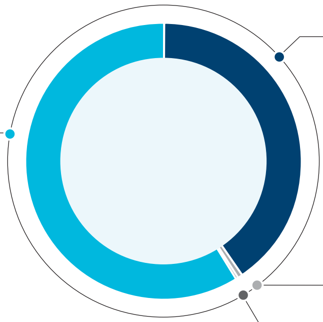
The confidentiality clause stipulated in most TALAs prohibits licensees benefiting from GTT's intellectual property rights and know-how from disclosing technical information communicated by the Group without the latter's prior consent. This obligation must be satisfied for the whole term of the TALAs and for a further period of ten years after it is terminated.

Furthermore, the Group's general policy is to add to engineering services or *ad hoc* services contracts, or cooperation, research or partnership agreements confidentiality clauses protecting the Group against the disclosure of information, technical documents, designs or other written or oral information communicated by GTT in connection with its services and research work.

1.2 GTT and its shareholders

1.2.1 SHAREHOLDING

Shareholders' structure as at March 31, 2018 (in %)



1.2.2 SHAREHOLDER AND INVESTOR CONTACTS

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information-financiere@gtt.fr
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Indicative dates for GTT's financial reporting are as follows:

Shareholders' Meeting	May 17, 2018
H1 2018 results	July 26, 2018
Activity in the third quarter of 2018	October 26, 2018

1.2.3 KEY FIGURES FOR INVESTOR RELATIONS IN 2017

- **Two publications of results:** GTT General Management presented the half-year and annual results during meetings transmitted as webcasts on its website.
- **Two publications of information relating to the 1st quarter and the first nine months of the year:** the Chief Financial Officer presented the period's activity *via* telephone conferences.
- More than **400 investor meetings** were held with members of the Executive Committee or the Investor Relations team.
- **11 days of road-shows** in 5 countries.
- Participation in **13** sector-based or generalist **conferences.**
- Coverage of the share by **7 stock market companies.**

1.2.4 THE GTT.FR WEBSITE

The **gtt.fr** website is an essential tool for communication with shareholders, analysts and investors.

In particular, it contains:

- the published financial documents;
- the regulated information.

1.2.5 GTT SHARES

The GTT share (ISIN code FR0011726835 – mnemonic: GTT) has been listed in compartment A of the Euronext Paris market since February 27, 2014.

Since June 23, 2014, the GTT share is part of the SBF 120, CAC Mid 60, CAC Mid & Small and CAC All-tradable indices.

Dividends paid in the last five financial years

The Group paid the following dividends over the past five financial years:

	Financial year ended December 31				
In euros	2016	2015	2014	2013	2012
Total dividend payout	98,559,807	98,550,583	98,617,273	127,008,784	40,153,105
Net dividend per share	2.66	2.66	2.66	3.43	1,735

In accordance with GTT's dividend distribution policy, on the basis of a decision by the Board of Directors on July 20, 2017, an interim dividend of an amount of 49,302,733 euros, or 1.33 euro per share was paid entirely in cash. This interim dividend was attached on September 27, 2017 and paid on September 29, 2017.

1.3 Key figures – first quarter 2018

In thousands of euros	Q1 2017	Q1 2018	Change
Revenues	**57,091**	64,169	+12.4%
From royalties	53,574	61,530	+14.9%
LNG carriers	*45,652*	54,567	+19.5%
FSRU	*5,958*	6,244	+4.8%
FLNG	*1,482*	496	-66.5%
Onshore storage	*445*	-	nm
Barges	*36*	223	nm
From services	**3,518**	2,639	-25.0%

Consolidated revenues for the first quarter of 2018 were 64.2 million euros, up 12.4% compared to the first quarter of 2017.

Revenues from royalties (new construction) was €61.5 million, up 14.9%. Royalties from LNG carriers rose 19.5% to €54.6 million, while royalties from FSRUs grew by 4.8% to €6.2 million. Other royalties came from FLNGs for 0.5 million euros and barge for 0.2 million euros.

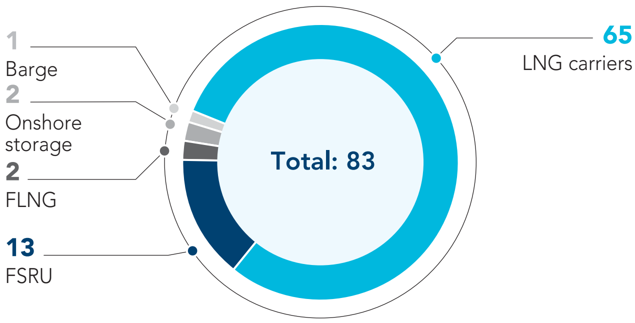
Service-related revenues amounted to 2.6 million euros, down by 25.0% compared to the first quarter 2017, due mainly to a decrease in studies and supplier accreditations and the limited impact of the Ascenz acquisition (two months).

CHANGES IN THE ORDER BOOK

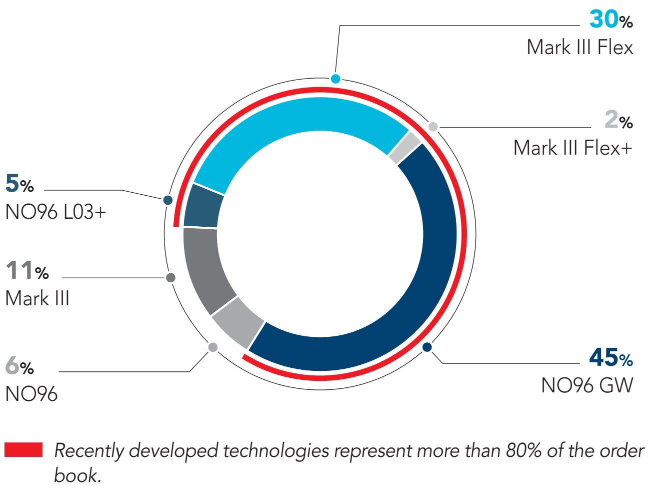
GTT's order book, which contained 89 units [(1)] at January 1, 2018, has added the following orders since that date:

- 17 LNG carrier deliveries;
- 10 LNG carrier orders;
- 1 FSRU order.

Order book [(1)] as at March 31, 2018 (in units)



Order book by technology [(1)] as at March 31, 2018 (in %)



Moreover, during Q1 2018, the Group received an order to equip a bunker vessel, bringing the number of vessels on order in the LNG as fuel segment to 10.

(1) *Excluding LNG as fuel.*

2 ACTIVITY REPORT

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

2.1 The liquefied gas sector

The Group operates in the market of cryogenic or very low-temperature containment technologies used for the transport, transfer or storage at sea of liquefied gas, in particular, liquefied natural gas. This market includes several types of vessels: LNG carriers, FSRUs (Floating Storage Regasification Unit) and FLNGs (Floating Liquefied Natural Gas) as well as multi-gas carrier vessels (in particular ethane, LPG, propylene and ethylene).

2.1.1 LIQUEFIED NATURAL GAS

Liquefied natural gas is natural gas (methane) which has been liquefied through cooling to a temperature of -163°C. It is odourless, colourless, non-toxic, non-corrosive and represents approximately 1/600th of the volume of natural gas in gaseous form. Natural gas is liquefied in LNG liquefaction plants, which allow it to be contained and shipped between regions in liquid form within LNG carriers. After shipping, LNG is returned to a gaseous state in regasification terminals in which the liquid is vaporised then gradually warmed until its temperature rises above 0°C, with the natural gas then typically transferred into distribution networks or consumed.

In gaseous form, natural gas can only be transported by pipeline. Geopolitical, geographic and economic factors can deter investment in and operation of this infrastructure. Hence, LNG is an attractive alternative to natural gas (in gaseous form) in countries that want to avoid pipeline dependence given the associated geopolitical risks, as well as in regions where gas pipelines would be uneconomical (this is particularly the case in deep water, Arctic regions and remote field locations). LNG also allows producers operating in saturated energy markets to export natural gas to more commercially attractive locations.

In 2017, the main LNG producing countries were Qatar, Malaysia, Australia, Nigeria and Indonesia.

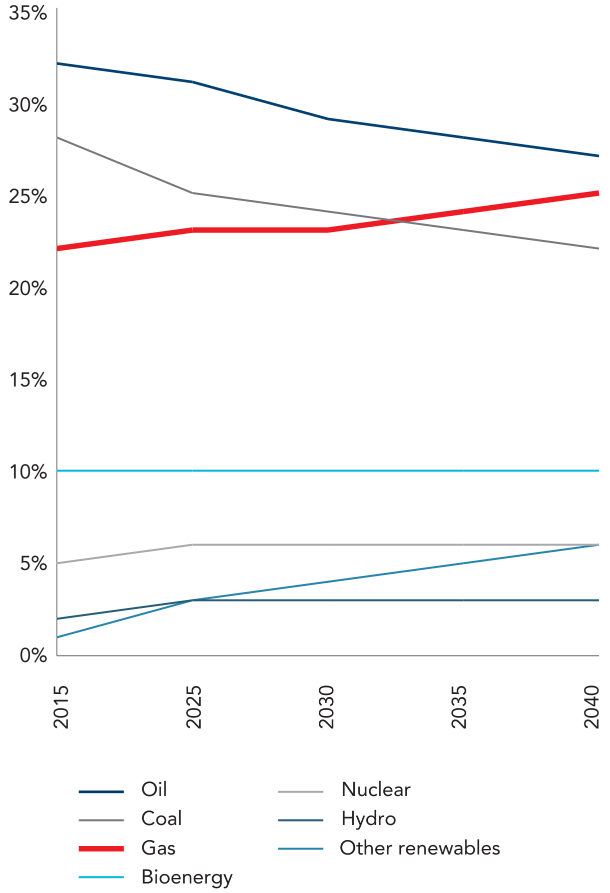
The main LNG import region in 2017 was Asia, concentrating over 70% of demand with, in particular, Japan, South Korea and China which accounted for over 50% of global demand in 2017. The second LNG import region was Europe with 14% of global demand (mainly Spain, the United Kingdom, France and Italy).

2.1.1.1 LNG market

Overview and trends in natural gas

According to the International Energy Agency (IEA), natural gas consumption is, and is expected to remain, the fastest-growing of fossil fuels, with global consumption set to increase at an estimated average annual rate of 1.6% from 2016 to 2040 against 0.5% for oil and 0.2% for coal [(1)]. The share of gas in the global energy mix should thus rise from 22% in 2016 to 25% in 2040, with production going from 3,000 Mtoe to 4,400 Mtoe. Gas is currently the third contributor to world energy needs and should surpass coal between 2035 and 2040 and hold second place behind oil, which is tending to decline.

Changes in the global energy mix according to the IEA (New Policies Scenario)



(1) World Energy Outlook, IEA 2017 – New Policies Scenario.

The high growth of natural gas consumption relative to other fossil fuels is driven by a number of factors:

- abundant reserves, driven by the boom in unconventional gas;
- competitive costs: natural gas is cheaper than oil in many regions despite the fall in oil prices. Natural gas is also an attractive fuel for new power generation plants due to its higher average thermal efficiency versus coal;
- a reduced carbon footprint compared to other fossil fuels (coal and oil). This makes it an attractive source of fuel in countries where governments are implementing policies to reduce emissions of greenhouse gases;
- progressive phasing-out of nuclear power: many countries, such as Germany, Switzerland, Belgium and Italy have accelerated the phasing-out of nuclear power since the Fukushima disaster, or have attempted to reduce the share of nuclear power in their domestic energy mix.

According to the IEA, over 60% of gas exports will be in LNG form by 2040 (compared to 39% in 2016); LNG exports should surpass exports by pipeline by 2035.

LNG supply

The LNG supply includes existing liquefaction projects, with growth driven by new liquefaction projects commencing operations as well as the expansion of existing installations. Global LNG supply has increased steadily from 2007 to 2017, with average annual growth of around 6.1% going from 175 to 295 Mtpy; LNG production increased strongly by over 10% in 2017, with almost 30 Mtpy in additional production.

This growth reflects expansion in current core producing regions including Qatar, Malaysia and Australia, as well as supply increases in new growth areas such as Nigeria, the USA and Russia. 2017 also saw the entry into production of the Yamal liquefaction plant in the Russian Far North region, becoming the first project to produce LNG in the Arctic.

LNG supply growth forecasts confirm this trend, with expected annual average growth between 2018 and 2027 of 3.1% in Poten & Partners' base-case scenario, and 3.6% in the high-case scenario.

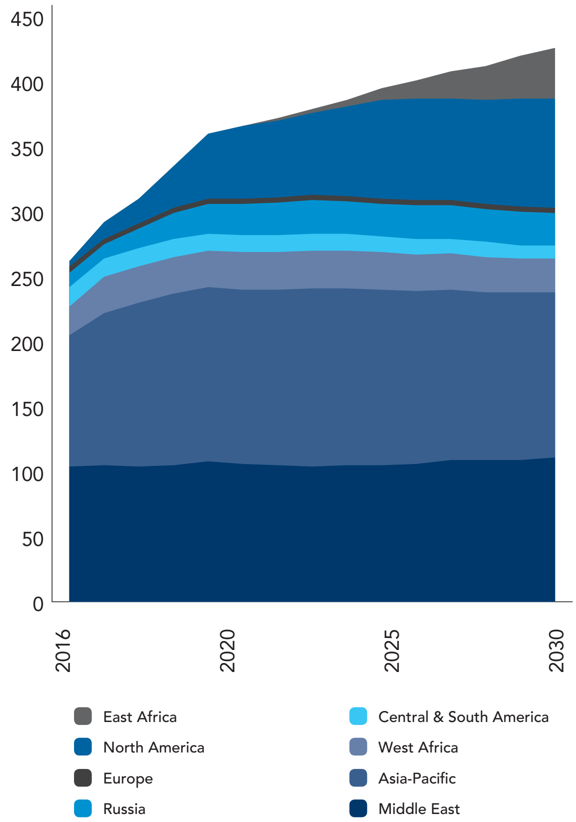
LNG prices remained low throughout most of 2017, but at the end of the year, spot prices reached their highest level for three years, driven by record demand in China. Asian prices reached over 10 US dollars/Mbtu in December, up 65% compared to May.

Henry Hub prices remained stable during 2017 at around 3 US dollars/Mbtu. The LNG exported from the United States is not indexed to oil prices, as is mostly the case globally today, but to the price of the Henry Hub, *i.e.*, the price of gas resulting from the supply and demand on the American market, to which a margin is added as well as the costs of liquefaction and transport.

The fall in the prices of LNG erodes the profitability of liquefaction projects, which may be reflected by a delay in capital investment decisions on certain projects. Furthermore, the fall in LNG prices in Asia has reduced the competitiveness of American LNG.

Nonetheless, this does not cast doubt on the forecasts for increased supplies of LNG in the long term, which are driven by growth in total demand.

Base business scenario – LNG global supply according to Poten & Partners (in Mtpy)



Source: Poten & Partners.

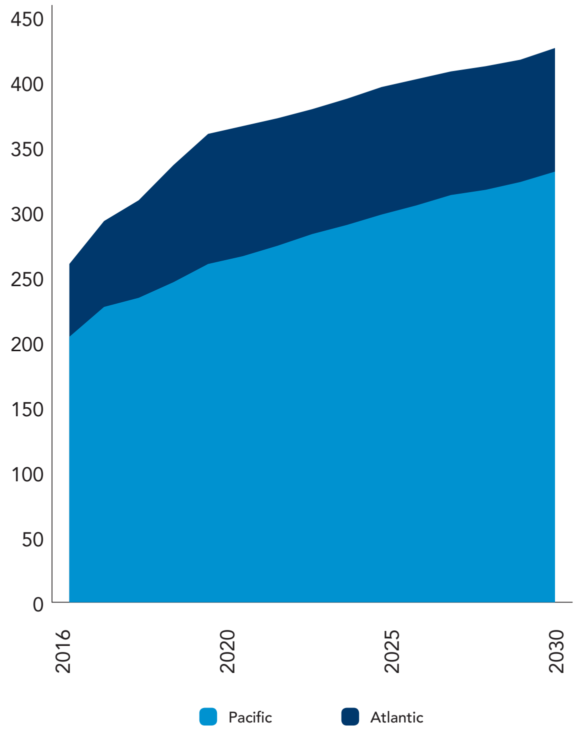
LNG demand

Global LNG demand increased at a compound average annual growth rate of 5.4% in the period from 2007 to 2017, from 170 Mtpy to 287 Mtpy. According to Poten & Partners' base-case scenario, this increase is expected to continue at a rate of 3.1% on average over the 2018-2027 period or 3.6% *per annum* under its high-case scenario. According to Shell [(1)] group, LNG demand should increase by an average of 4% *per annum* between 2018 and 2035.

Most of this consumption increase will come from Asia, and more particularly from China, which became the second global LNG importer in 2017 behind Japan, but surpassing South Korea.

(1) *Shell LNG Outlook for 2018, February 26, 2018.*

Base business scenario – Global demand for LNG according to Poten & Partners (in Mtpy)



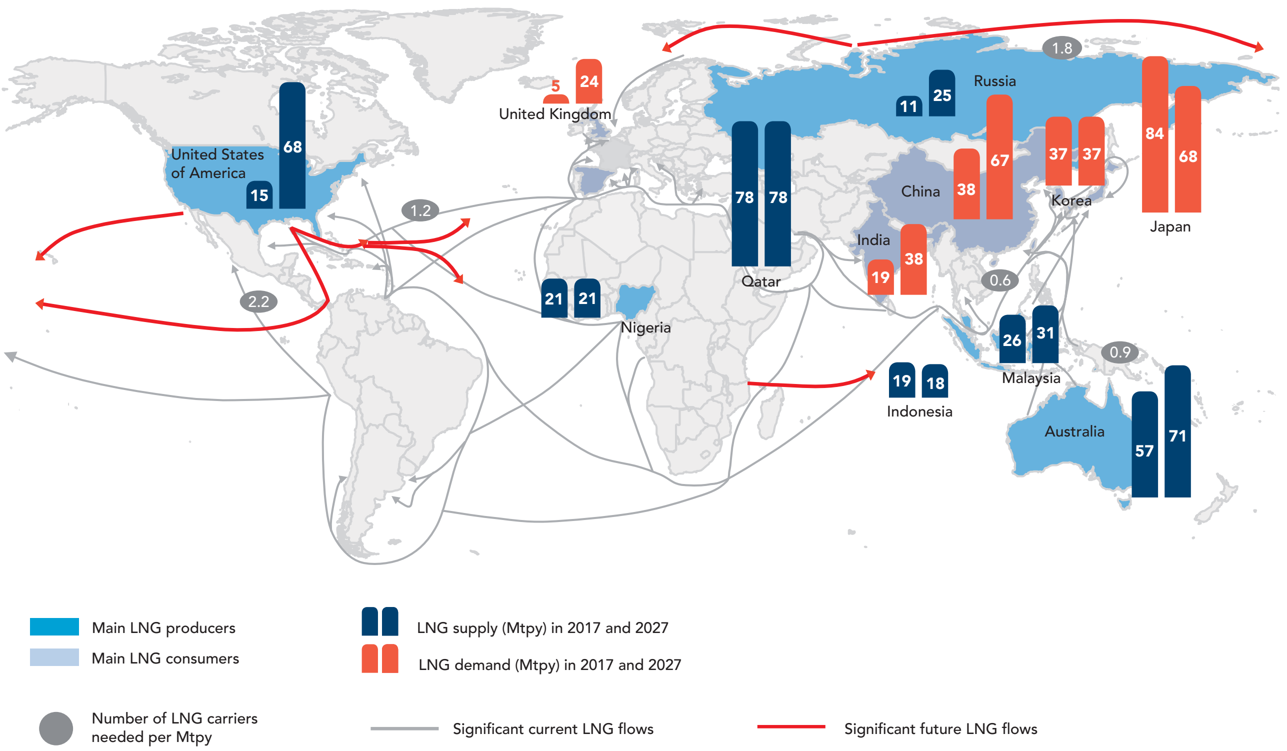
Source: Poten & Partners [(1)].

(1) Middle East countries are counted in the Pacific section.

LNG transport and flows

LNG trade routes in 2017 are illustrated in the map below.

Map of LNG flows



Source: Company.

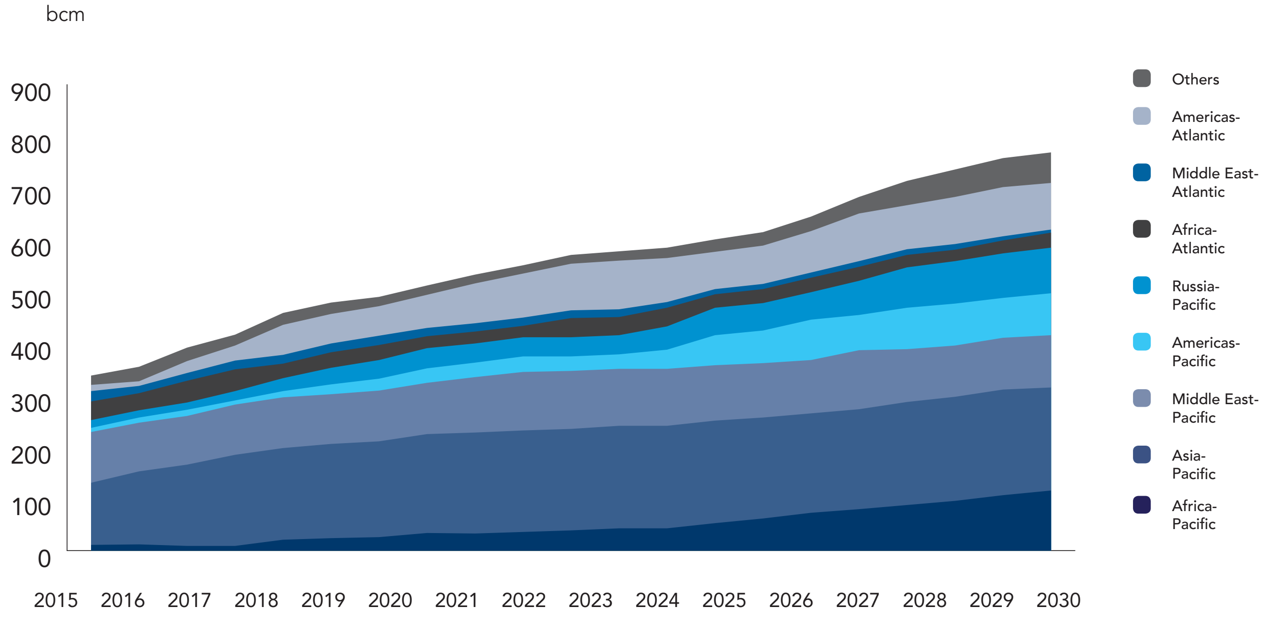
Source: Wood Mackenzie LNG tool Q4 2017 – the data on offer only include existing projects and projects under construction/Poten & Partners forecasts for the number of LNG carriers necessary per Mtpy, October 2016/GTT.

The strong forecast growth in both LNG production and consumption creates a structural need for increased LNG maritime transportation capacities.

Current liquefaction projects typically have a fleet of vessels dedicated to the project, which may be supplemented by other vessels to respond to supply and demand.

New liquefaction projects also use dedicated vessels which are ordered in advance of liquefaction installation start-up. The number of vessels required for the project will depend upon the expected supply from the project and the likely targeted export area for the LNG (*i.e.* the maritime transportation distance and time required to transport the LNG).

Transport of LNG



Source: Wood Mackenzie, November 2017.

In addition to the underlying growth of LNG, other factors should increase the need for transport capacity. Medium-term forecast growth of LNG exports from the USA is a significant driver of increased shipping activity. The increase in US exports to Asia will naturally lead to increased distances and transport times. Therefore, an increased number of LNG carriers will be needed for these new liquefaction projects.

Furthermore, trade routes are becoming more numerous and complex within LNG shipping, particularly with the development of inter-region trade. LNG contracts now also often include diversion clauses, which provide flexibility over the end destination of the LNG, but are also liable to increase LNG distances and shipping times, and consequently, the number of vessels required for LNG shipping.

Operational costs remain a key driver within LNG shipping, and ship-owners are seeking to overhaul their fleets by investing in highly efficient vessels. Vessels which offer a low boil-off rate have more competitive operating costs.

New international regulations and technological advances have also impacted LNG carrier design and construction, with recent developments including improved ballast water management and propulsion system efficiency.

Principal players in LNG

The prescription of containment technologies takes place as follows:

1. the classification societies validate the reliability and robustness of the Group's containment technologies, which can then offer them to the shipyards, the direct customers of the Group;
2. the gas companies, which purchase the gas from the liquefaction terminals, decide to charter an existing or new LNG carrier;
3. the ship-owner of the future LNG carrier issues a call for tender to the shipyards, usually with a precise technical specification for the type of technologies under consideration, and taking account any recommendations by the gas company;
4. the shipyards then provide proposals including the technologies appearing on the ship-owner's technical specification. The ship-owner chooses the most attractive offer.

(a) Shipyards

As at December 31, 2017, South Korean shipyards, chiefly Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hyundai Heavy Industries have built over 60% of the existing LNG carrier fleet [(1)].

As at December 31, 2017, Japanese shipyards (such as KHI, Imabari/Koyo, MHI, and MES) have built around 20% of the existing LNG carrier fleet, after seeing their orders decline heavily due to their lack of competitiveness (cost of the containment technology used, high labour costs, strong currency and limited capacity).

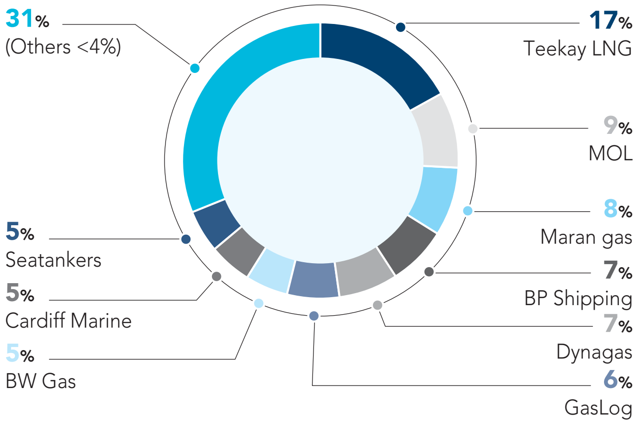
China is now actively focusing on building LNG carriers. Incentive policies have been introduced to promote LNG carrier construction in China, in order to import LNG into the country. Currently, only one shipyard, Hudong Zhonghua, has secured orders, but a number of others have ambitions in the Chinese LNG sector.

(b) Ship-owners

The LNG carrier fleet is mainly controlled by independent owners (ship-owners) and governments. Independent owners typically have long-term charter contracts with public utilities companies or related to LNG production projects.

(1) Source: Group.

Order book by ship-owner as at December 31, 2017 [1] (in %)



Over the last 15 years, over 60 ship-owners have ordered vessels equipped with GTT technology [2].

(c) Gas companies

With respect to the construction of LNG carriers, gas production companies have the most significant influence in prescription, together with buyers of gas, to the extent that they have an ongoing need to transport the LNG continuously produced by liquefaction plants. They rely on ship-owners that commission large LNG carriers using highly reliable technologies enabling them to reduce the risk of disruption to their gas production and the risk of reputational damage from an LNG transportation accident.

As a result, the gas companies often carry out referencing of the various technologies used in LNG carrier construction, a process by which they select technologies which they believe to be effective and reliable. This process enables ship-owners using approved technology to do business with gas companies.

(d) Classification societies

Classification societies are non-governmental organisations that form an integral part of the shipping industry, and are often referred to as "Class". They play two roles:

- they establish safety rules for vessels and make sure that they are implemented through periodic visits and inspections on behalf of ship-owners during the construction and then during the service life of vessels; and
- they may also be mandated with a public service mission by the government of the registration country to issue certificates of compliance with rules for vessels, that they have sometimes established themselves.

In the course of performing their duties, each classification society establishes and maintains standards for the construction and classification of vessels, confirms that construction designs and calculations meet these rules, checks the quality of a vessel's key components on shipyards' sites (in particular steel, engines and generators) and takes part in trials at sea before issuing a classification certificate, which is required by the insurers. Classification societies also periodically inspect vessels in service to ensure that they continue to comply with the rules and required codes.

Classification societies are grouped in the International Association of Classification Societies (IACS) which comprises 12 members.

Members of the International Association of Classification Societies

American Bureau of Shipping	Croatian Register of Shipping
Korean Register of Shipping	Polish Register of Shipping
Bureau Veritas	DNV-GL
Lloyd's Register	RINA
China Classification Society	Russian Maritime Register of Shipping
Nippon Kaiji Kyokai (ClassNK)	Indian Register of Shipping

Among these classification societies, the Group uses the services of the American Bureau of Shipping, Bureau Veritas, Lloyd's Register and DNV-GL, which have a particularly strong reputation in the LNG carrier field.

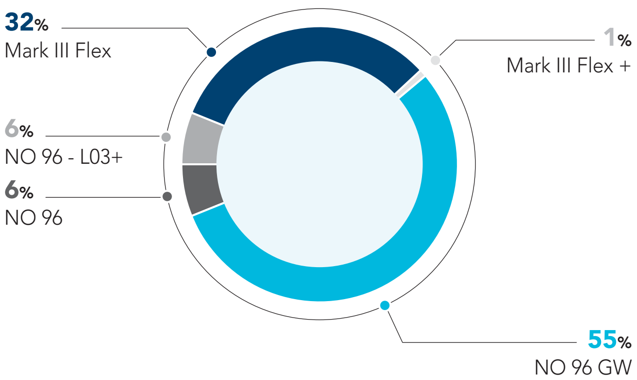
(1) This breakdown does not take into account the order for nine vessels fuelled by LNG for CMA CGM presented in section 2.3.1 – LNG-fuelled vessels.

(2) Source: Company.

2.1.1.2 LNG carriers

GTT is a key player in the market for LNG carrier containment systems.

The 71 LNG carriers on order as at December 31, 2017 will be built with GTT systems, broken down as follows [1]:

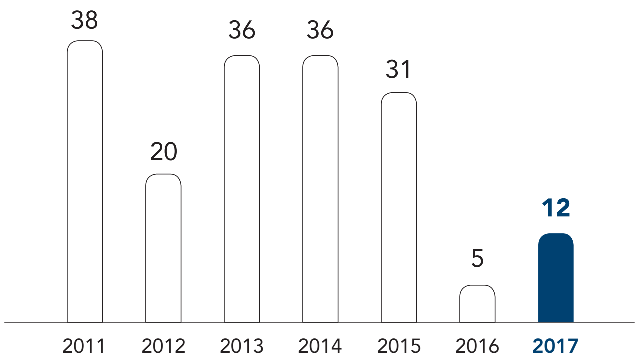


Historical trend and order books

The first LNG carriers were built and delivered in the early 1960s. After relatively sluggish growth in LNG carrier construction during the 1960s and 1970s (average of just two orders per year) and a modest number of orders in the 1980s, the pace of construction sped up during the 1990s (five orders per year on average).

Throughout the 2000s, orders increased significantly (an average of 23 orders per year) on the back of strong growth in global demand for natural gas and LNG. However, the number of orders declined between 2008 and 2010, due to the financial crisis and the temporary decline in exports linked to shale gas production in the USA, before picking up again in mid-2011.

GTT LNG carrier orders from 2011 to 2017
(in units)



Between 2011 and 2017, out of the 212 LNG carriers ordered worldwide, 178 use or will use GTT containment systems.

At the end of 2017, 447 LNG carriers of over 30,000 m^3 were in operation, of which 334 were equipped with GTT technology [1].

On average, it takes two to three years from the time an order is placed to deliver the LNG carrier, which accounts for the difference in any given year between the number of orders and the number of LNG carriers delivered. It should be noted that the orders issued to GTT have very rarely been the subject of cancellation (see section 5.1.1 – *Economic environment* of this Registration Document).

GTT's technologies faced with competing LNG carrier technologies

The Group faces competition in LNG carriers from certain rival technologies, already developed or under development.

Moss Maritime Technology

Based in Oslo (Norway), Moss Maritime is a subsidiary of the Eni-Saipem group. Moss Maritime developed its technology in the late 1960s and patented an LNG containment system in 1971 using spherical tanks supported by a single cylinder. The technology is a type B independent containment system (based on the IMO's international classification) consisting of externally insulated welded aluminium spheres.

The first vessels using this technology were built by Norwegian shipyards in 1969 and 1973. Although Moss Maritime was a major player in the 1980s and 1990s, its presence has diminished today. High labour costs and the strong yen have severely reduced the competitiveness of Japanese shipyards in all vessel types. Historically, Japanese shipyards were the main users of the Moss Maritime technology. Only one South Korean shipyard (Hyundai Heavy Industries) has used or is using this technology at the date of filing of this Registration Document.

The Group believes that Moss Maritime technology has several drawbacks compared with its own membrane technology:

- LNG carriers using Moss Maritime technology are more difficult to navigate due to their higher centre of gravity;
- LNG carriers using Moss Maritime technology are more costly to build as they need more steel and thick aluminium panels. According to the Group, the price of an LNG carrier with a capacity of 170,000 m^3, built by a South Korean shipyard, is around 10% to 15% more expensive when it uses Moss technology rather than GTT technology;
- LNG carriers using Moss Maritime Technology have more limited capacity due to their shape: the largest LNG carrier using Moss Maritime Technology currently in use has a capacity of 177,000 m^3 (compared with 266,000 m^3 for vessels equipped with GTT technology). In addition, carriers using Moss Maritime technology are also larger and heavier for the same LNG capacity. Consequently, vessels using Moss Maritime do not have the same degree of access to certain ports, which represents a major handicap for them when using the Panama Canal, and they incur higher port charges, Suez Canal fees and fuel costs;

(1) *Source: Group.*

- the LNG spherical tank is heavy and this is detrimental to the vessel's energy efficiency.

SPB Technology

The SPB system (type B) was developed by Ishikawajima Harima Heavy Industries, a Japanese engineering and shipbuilding group, at the end of the 1970s. It was first tested on LPG carriers, and then adapted to LNG carriers.

Each tank is subdivided into four spaces by a watertight longitudinal bulkhead and a perforated bulkhead. The aluminium tanks are insulated externally with polyurethane foam panels.

Only two small LNG carriers of 87,500 m^3 delivered in 1993 are fitted with SPB's technology.

Four LNG carriers of with a capacity of 165,000 m^3 were ordered in 2014 from a Japanese shipyard, Japan Marine United (JMU), but construction problems associated with tank insulation led to considerable delays and a significant increase in the initially forecast costs. This setback could lead to this technology being abandoned, at least in Japan.

The Group believes that SPB technology has several drawbacks compared with its own membrane technology:

- less efficient use of space as an inspection space has to be provided all around the tanks;
- higher costs due to the thickness of the tanks' aluminium walls and the difficulty in designing tank supports; and
- little experience in implementing and operating this technology, which is a drawback for the gas companies influencing decisions in this market.

SPB technology is now in the public domain and some copies are under development under various names.

Since 2007, Mitsubishi Heavy Industries has been developing a specific SPB-like system, SPB type B, and has obtained approval in principle from classification societies.

In addition, in 2010, Daewoo Shipbuilding & Marine Engineering developed ACT-IB (Aluminium Cargo Tank-Independent Type B System), which is also similar to SPB's technology. This system has obtained approval in principle from the classification societies.

See also section 5.1.1.2 – *Competitive environment* in this Registration Document.

KC-1 Technology

In South Korea, Kogas has been developing KC-1 technology since 2008. Initially designed as an onshore application (onshore tank) – two tanks are currently in use at the Incheon plant in South Korea – this technology was redirected toward marine structures (ship tanks).

Since March 2014, Kogas has developed its technology to meet the needs of marine structures. The technology has been approved (GASA – General Approval for Ship Application) by various classification societies.

In January 2015, Kogas announced that it had ordered two 170,000 m^3 vessels equipped with KC-1 technology from Samsung Heavy Industries [(1)]. These two vessels were delivered during Q1 2018 with several months' delay.

The Group considers, on the basis of published information, that its technologies offer major advantages over KC-1. Specifically, KC-1 shows a BOR of 0.12%, which has an impact on the operating costs of the ship. On the basis of the publicly available information about KC-1 technology, GTT estimates, using its own calculation methods, that the BOR for this technology is 0.16%.

The Group believes that the containment system promoted by Samsung Heavy Industries has little chance of convincing the main gas companies and ship-owners, which are the key parties influencing the choice of containment technologies. The latter would, without a doubt, have reservations about using a confinement system that is not supported by independent technical expertise or proven over several years, unlike the ones provided by the Group. Furthermore, since the cost of GTT technology for the containment system is minimal compared with the overall cost of building a vessel (around 4% of the total price of a 160,000 m^3 LNG carrier), the saving derived from using a less expensive technology, such as the KC-1 technology, compared to the Group's technology can be counterbalanced by the risks mentioned above.

See also section 5.1.1.2 – *Competitive environment* in this Registration Document.

Other competing technologies

At the date of this Registration Document, other LNG containment technologies have been developed, such as the membrane containment technologies of Samsung Heavy Industries (KC-S), Hyundai Heavy Industries (HMCCS) and of Daewoo Shipbuilding & Marine Engineering (SOLIDUS) but none of them has secured any orders as far as the Group is aware.

Lastly, the Group also has to contend with competition from new technologies that are regularly marketed by maritime engineering companies, shipyards and independent businesses (the General Dynamics system, or FSP LNG system, a partnership between the Breamar LNG engineering company and the General Dynamics-NASSCO shipyard). The Group believes that these systems, generally based on type A or B self-supporting technologies, have drawbacks, including a lower LNG transport capacity and a higher cost owing to the large amount of metal required for their construction. Irrespective of the interest they have attracted, these new technologies do not represent a viable alternative in the Company's opinion.

Risks related to competing technologies are presented in section 5.1.1.2 – *The Group's competitive environment* in this Registration Document.

(1) *Source: Group.*

Long-term outlook

The Group expects to receive between 235 and 255 orders for LNG carriers between 2018 and 2027. The Group favours the assumption that liquefaction terminals will be extended (additional trains) or regasification terminals converted ("brownfield" projects) in North America. To the extent that LNG will be mainly destined for Asia and Europe, this will result in an increase in transport distances and the number of NPG carriers necessary.

2.1.1.3 FSRUs and regasification vessels

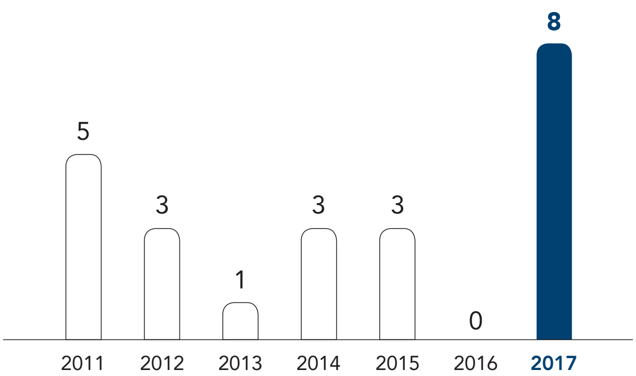
FSRUs are stationary vessels able to receive, store and regasify LNG from LNG carriers. They send the regasified natural gas to land through gas pipelines. Regasification vessels (FRU) have the same regasification function but they directly distribute the gas in the network rather than storing it.

Compared with onshore reception terminals, the advantages of a FSRU are lower costs, shorter construction times and a smaller environmental footprint.

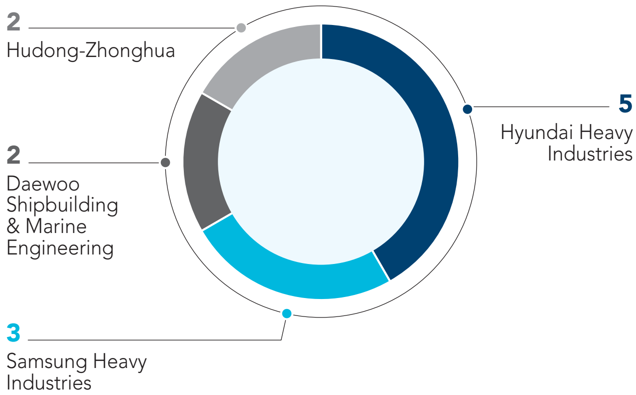
Historical trend and order books

The development of FSRUs has emerged only recently, with the first unit entering service in 2005. 26 FSRUs are currently in operation. The 12 FSRU orders as at December 31, 2017 are for new units that will all be equipped with GTT technology. Eight of the orders were generated in 2017, showing the dynamic trend in the FSRU market.

GTT FSRU orders from 2011 to 2017 (in units)



GTT FSRU and regasification vessel orders by shipyard as at December 31, 2017 (in units)



Source: Group. In total: 12 vessels.

Growth in FSRUs is driven by strong demand for LNG, greater acceptability levels among local populations, shorter construction times and flexibility:

- FSRUs take less time to build than onshore regasification terminals (less than three years compared to three and a half years);
- FSRUs can be used as an alternative to onshore storage terminals and onshore regasification terminals;
- due to their offshore location, FSRUs are less likely to meet resistance from local communities than their onshore counterparts, making it easier to obtain the requisite permits;
- FSRUs can be used on a seasonal basis. They can be chartered during peak demand periods and for a specific location, then used as trading vessels or at another terminal location for the rest of the year;
- FSRUs can be used as interim solutions in order to delay the need for onshore investment. Numerous players are interested in regasification units. Four of the seven new importers of LNG since 2015 used FSRU: Egypt, Jordan, Pakistan and Colombia. Other countries, such as Panama, are deciding to use this technology as a rapid start-up solution pending the completion of an onshore installation.

The conversion of former LNG carriers was preferred to new-builds in the past for cost reasons, but this trend has changed in the last few years. Thus, 24 new-builds were ordered in the 2011-2017 period [(1)].

The following factors explain the ship-owners' preference for new-builds rather than conversions of existing units: (i) a desire to increase storage capacities combined with the lack of availability and high price of large vessels and (ii) high charter rates encouraging the re-commissioning of smaller, older LNG carriers, which are therefore no longer available for conversion.

(1) *Source: Group.*

GTT's FSRU technologies faced with competing technologies

The Group believes that GTT's membrane technology has a strong advantage when used in the construction of FSRUs, as it is less expensive than either SPB or Moss Maritime technology.

Long-term outlook

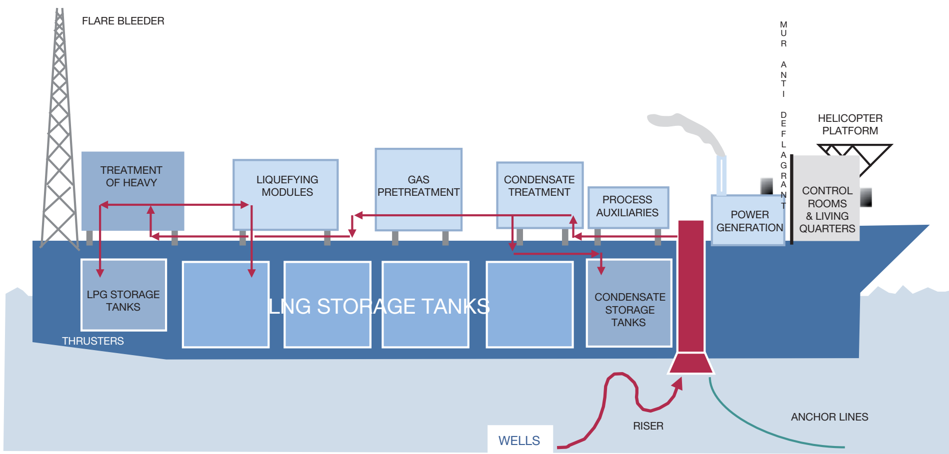
GTT Technologies were used in all FSRUs newly built with a large capacity.

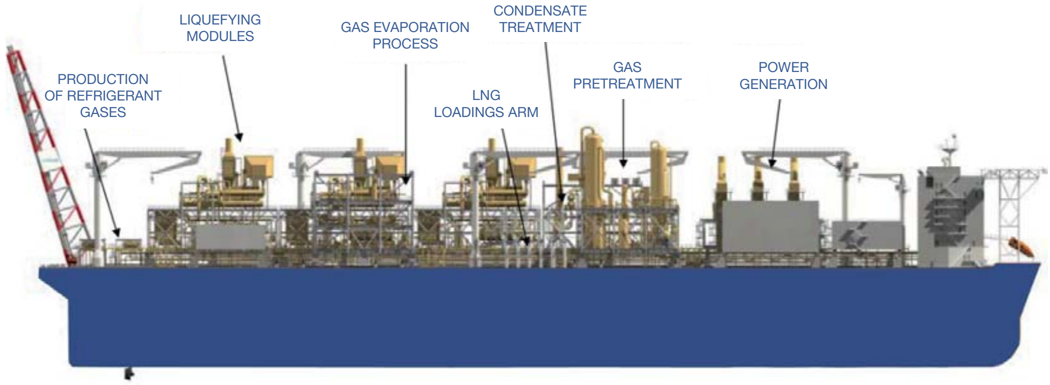
GTT expects 30 to 40 FSRU orders over the 2018-2027 period. This is due to the way of carrying out LNG import projects, which should favour the choice of FSRUs rather than on-shore facilities. Enabling a more flexible installation and at a controlled price, FSRUs respond to the needs of emerging markets, islands and seasonal needs.

2.1.1.4 FLNGs

FLNGs are offshore platforms that receive the gas produced on remote sites, remove impurities from natural gas coming from offshore gas fields, process the gas, liquefy it and store it until it is offloaded on an LNG carrier.

Demand for FLNGs is driven by the need to monetise "remote" offshore gas reserves or monetise smaller gas fields. FLNGS can be used to tap into deep water oil and gas resources that would not be cost effective with classic seabed pipelines.





Historical trend and order books

At the end of 2017, two FLNGs were in operation, both equipped with GTT Technology.

In 2016, one FLNG with a storage capacity of 177,000 m^3 and a liquefaction capacity of 1.2 Mtpy equipped with a GTT NO96 system built by Daewoo Shipbuilding & Marine Engineering was delivered to Petronas.

During 2017, the "Prelude" FLNG, equipped with a GTT Mark III system and built by Samsung Heavy Industries, was delivered to Shell for its activities in the Prelude field in Australia. The "Prelude" FLNG is a double-hulled steel barge, 480 metres long and with a breadth of 80 metres, equipped with ten LNG/LPG membrane storage tanks with a total LNG/LPG storage capacity of 326,000 m^3 and 3.6 Mtpy liquefaction capacity. Shell's choice of GTT's containment system for the "Prelude" project reflects its satisfaction with membrane containment technology and preference for this system over others less sea-proven or less cost-effective.

Two other FLNG orders are ongoing, both equipped with the GTT Mark III containment system and built by Samsung Heavy Industries.

Petronas' FLNG 2 was ordered in 2014 for an expected delivery in 2020 (two-year postponement requested by Petronas compared to the initial date). The FLNG will include eight tanks for a total storage volume of 177,000 m^3 and a liquefaction capacity of 1.5 Mtpy.

ENI's Coral FLNG was ordered in 2017 to operate off the Mozambique coast. This 3.4 Mtpy capacity project with 238,700 m^3 in storage volume should be delivered at the end of 2021.

GTT's FLNG technologies

The Group believes that GTT's membrane technologies offer significant competitive advantages compared with Moss Maritime technologies due to the large flat deck that can accommodate the liquefaction unit and other related equipment.

According to the Group, the technologies competing with GTT are not necessarily well-suited to floating platforms. The Moss Maritime containment system is unsuitable for floating platforms because its restricted deck space cannot accommodate the necessary liquefaction equipment.

Ishikawajima Harima Heavy Industries' SPB system also has a flat deck, but costs from 100 to 250 million US dollars more than GTT's membrane system as it requires a much larger quantity of expensive metal.

Long-term outlook

All FLNGs currently under construction [(1)] use GTT technologies.

GTT expects between 5 and 10 FLNG orders over the 2018-2027 period. The choice of FLNGs is an alternative to on-shore facilities, notably in cases where the volume to be produced is smaller, the costs of the installation must be managed, or it is advisable to limit the political risks associated with obtaining the required authorisations.

2.1.2 THE MULTI-GAS SECTOR

Multi-gas vessels are designed to transport various types of gas, depending on their liquefaction temperature and their density. The two most used types of vessels are ethane and LPG carriers. These vessels can transport other gases in a liquid state, of which the characteristics – liquefaction temperature and density – resemble ethane or LPG, such as in particular ethylene and propylene.

2.1.2.1 Multi-gas ethane carriers

Multi-gas ethane carriers are vessels designed to transport liquid ethane at around -92°C. Furthermore, this characteristic enables them to transport other gases (*e.g.* propane, butane, propylene and ethylene), of which the liquefaction temperature is close to or greater than that of ethane and of which the density is similar. As for LNG carriers with natural gas, ethane carriers are an economically relevant alternative to transport by pipeline; they allow supply and demand for ethane to be met in a more flexible manner.

Historical trend and order books

The first multi-gas vessels were built in the 70's in Japan, primarily for the transport of ethylene, with a capacity of about 1,000 m^3. This business expanded in the 80s, in terms of both fleet and vessel size, reaching capacities greater than 10,000 m^3 and up to more than 20,000 m^3 in the 2000s. At the end of 2017, according to Clarksons Research, the fleet of multi-gas carriers stood at 185 vessels, with a further 16 vessels on order.

This business is seeing a significant increase in the capacity of the vessels, with the delivery in 2016 and 2017 of the largest ethane carriers in the world (6 ships of 87,500 m^3) for the Indian petrochemicals group Reliance. These six vessels, built by the

(1) Does not take conversions into account.

South Korean shipyard Samsung Heavy Industries, are equipped with GTT membrane containment systems, which represents the first order for the Group in this field. These new "multi-gas" vessels, equipped with the Mark III Flex technology, are designed to transport ethane, as well as several other types of gas in liquid form. The Group has also received five agreements in principle from classification societies (ABS, BV, CCS, DNV-GL and LR) for the transport of liquefied gases other than LNG. These orders place the Group favourably amongst the competition worldwide for the emerging business of large capacity ethane carriers.

GTT's ethane carrier technologies faced with competing technologies

Historically, type B and type C technologies were dominant on multi-gas vessels.

Like in other maritime segments in which the Group is positioned (LNG carriers, offshore, etc.), the GTT membrane has the advantage of optimising the cargo volume transported for vessels of the same size. The fact that it matches the shape of the ship's hull allows it to take full advantage of the available space, while using the shell as a supporting structure, which reduces both the capital investment and the operating costs.

2.1.2.2 LPG segment

Liquefied Petroleum Gases, known as LPG, are present in natural gas and oil fields. They result from the extraction of oil or gas (60% of global production), or from the refining of crude oil (40% of global production). In addition, LPG combustion does not produce particulate matter and significantly limits NO_x and CO_2 emissions.

The LPG market

The LPG market is driven by the production of oil and natural gas as well as refining activities and not by demand for PNG.

The Middle East is historically the primary LPG exporting region. According to Poten & Partners (August 2016), the Americas should equal the exports of the Middle East by 2025 thanks to its development of shale gas, with over 40 Mtpy exported (around 1/3 of global exports).

On the demand side, Asia Pacific should maintain its top consumer position, with over 70 Mtpy in imports expected in 2025 (around 2/3 of global imports), with demand sustained by Chinese petrochemical companies and individual consumption in India.

Thus, the panorama of LPG trade over the coming years should see strong development in the North America – Asia-Pacific route (18% of trade by 2025 compared with 12% today), increasing the average distance of maritime routes and consequently leading to growing demand for large capacity vessels.

GTT's LPG carrier technologies faced with competing technologies

LPGs can be transported in three types of vessels (pressurised, semi-refrigerated and refrigerated), which depend primarily on the size of the vessel. Pressurised vessels are equipped with type C confinement technology. Refrigerated vessels are primarily equipped with type A technology. Pressurised and semi-refrigerated vessels generally transport up to 12 different kinds of gases.

MGCs (Multigas Carriers) chiefly transport LPG and ammonia and VLGCs (Very Large Gas Carriers) carry LPG only. In addition, larger capacity vessels are often used on the longest routes.

Mark and NO technologies are adapted to LPG transportation and storage. Different LNG vessels, including the Descartes and the Ben Franklin, transported LPG in the past. Currently, 4 out of the 10 Prelude FLNG tanks for Shell are designed to store LPG. However, these Mark and NO technologies are optimised for LNG, and not for LPG. The Group has, therefore, decided to develop a new GTT MARS™ technology to specifically meet this market's needs. It is intended for the transport of all liquefied gases whose boiling point is greater than -55°C and whose density is less than 700 kg/m^3, at atmospheric pressure. It is intended to reduce construction costs for the shipyards and operating costs for ship-owners while maintaining the same level of performance and the same reliability as Mark III and NO96 technologies.

2.2 Onshore storage

Onshore storage tanks are installed next to LNG loading and unloading terminals in order to transport, regasify and distribute the LNG. The installed tanks have a volume of approximately 150,000 m^3 (larger capacities are available, particularly with membrane type tanks) and there are usually several tanks per terminal.

Tanks are designed to withstand cryogenic temperatures, maintain the liquid at a low temperature and minimise evaporation.

GTT's current commercial strategy is to license the onshore storage technology to EPC contractors enabling project sponsors to benefit from competition and lower project costs. GTT aims to strengthen its operations in onshore storage significantly over the next ten years. As at the date of this Registration Document, GTT has 20 licensees.

Historical trend and order books

Technigaz developed a technology for onshore gas storage in the late 1960s, which was used for 33 tanks between 1970 and 2006 (29 for LNG storage, 2 for ethylene storage and 2 for LPG storage).

Since 2006, GTT has won 2 orders for onshore storage tanks in 2009 and 2012 from Energy World Corporation, in Indonesia and the Philippines. GTT was highlighted in 2014 by an order from CERN for a small storage tank of 17 m^3 intended for liquid argon (-187°C), followed by two orders for 600 m^3 for the same purpose in 2016.

The 37 onshore storage tanks built or on order employing the GST™ technology developed by Technigaz then GTT are mainly located in Asia (Japan, Taiwan and South Korea), except for four tanks in France. Seventeen of the tanks are above-ground tanks, of which three are under construction. Nineteen tanks are in-ground and one tank is a "pilot cavern" entirely belowground [(1)]. Three of the largest LNG onshore storage tanks in service around the world are equipped with GTT's membrane technology. These are three 200,000 m^3 in-ground tanks in Japan belonging to Tokyo Gas, the first of which was delivered in 1996.

The Group wants to increase its presence in the segment over the next ten years.

Demand for LNG onshore storage should continue to increase, supported by the following sector drivers:

- the need for additional storage capacity in connection with the development of new regasification and liquefaction projects (for example in Russia and Canada);
- the increase in the average size of LNG carriers requires larger storage tanks and the construction of new onshore storage capacity;
- growth in trading volumes is supporting the construction of numerous projects with lower utilisation rates to take advantage of sector opportunities;
- the liberalisation of certain energy markets is encouraging new players to invest in their own infrastructure;
- the emergence of bunkering and the retail distribution of LNG, which may also justify the construction of new onshore storage facilities to offer re-export services;
- substantial demand for peak-shaving facilities, especially in China and India, where consumption is expected to grow very rapidly with significant additional storage needed by 2020.

GTT's onshore storage technologies faced with competing technologies

Where membrane containment tanks are concerned, GTT has three main competitors: Ishikawajima Harima Heavy Industries and Kawasaki Heavy Industries, which developed their technologies in the 1970s, and Kogas, which developed its technology in the 2000s.

There are currently different types of onshore storage tanks, with the most common types being full integrity containment with thick sheet metal and full integrity membrane containment (GTT and others).

Although GTT has unparalleled experience in maritime LNG containment systems, it has been involved in less than 10% of installed onshore storage tanks.

The change in regulations since 2006 which now classifies above-ground membrane tanks as full integrity (against single integrity previously), thus avoiding the requirement for a retention basin, has made membrane technology more attractive for this type of above-ground storage.

GTT is confident that it can strengthen its presence given its extensive know-how, the major competitive cost advantage of its onshore storage technology and its revamped marketing efforts since 2009.

Overall, GTT's membrane tanks lead to cost-savings of 10% to 35% of total storage cost compared to full integrity systems [(1)].

GTT's membrane tanks comply with the European EN 14620 standard. In 2015, the membrane technology was included in

(1) Source: Group.

the Canadian CSA Z276 standard and, since December 28, 2015, the US NFPA standard accepted membrane technology. This American standard is applied and considered to be the reference standard in many regions, such as North America, Latin America, Asia-Pacific, the Middle East and Africa. This success will facilitate GTT's marketing actions and enable it to access new markets.

Long-term outlook

Over the 2018-2027 period, GTT expects between five and 10 orders for large onshore storage tanks.

2.3 Development of new activities by the Group

The Group is devoting special attention to adapting its membrane technology to LNG as fuel for the propulsion of vessels ("bunkering") and the development of small- and medium-sized maritime and river carriers.

Bunkering involves developing storage solutions for the entire logistics chain supplying LNG to merchant vessels other than LNG carriers (which mostly use LNG as fuel). Bunkering allows for the development of LNG as fuel storage solutions and related systems for these merchant vessels, to replace conventional fuel oils.

The logistics chain comprises onshore storage tanks (bunkering redistribution terminals located in or close to ports), which are supplied by small LNG carriers from existing terminals and bunkering vessels, used in some cases to supply merchant vessels. Small LNG carriers can also be used to supply merchant vessels.

2.3.1 VESSELS FUELLED BY LNG

Of the LNG sector segments to which GTT has devoted particular attention in its research programme, "bunkering" has significant potential due to a legal and regulatory environment conducive to its development as well as to the attractive cost of LNG compared with the sulphur-free fuels currently used by vessels. The intensification and globalisation of marine environmental regulations seen in 2016, and to come in 2020, will significantly stimulate the development of the market for LNG as shipping fuel.

Competitive environment

At the end of 2017 [(1)], 119 vessels powered by LNG were in service and 127 vessels had been ordered, which is only 0.1% of the worldwide fleet but 3.5% of vessels ordered. The fleet has increased at the rate of about thirty orders a year since 2013. Europe is in advance in this area, with 70% of the fleet in service operated by European ship-owners. The market in North America is benefiting from the region's entry into the ECA in 2012 and Asia is also tending to see strong growth, due in particular to the riverboat market in China and the development of local regulations.

All of the vessels in service are equipped with type C tanks, for which average capacity is constantly increasing (around 1,000 m^3 in 2015 compared to 200 m^3 in 2005). They can reach almost 4,000 m^3 on cruise ships, a market which is growing strongly.

The main suppliers of type C tanks for these vessels are Wartsila, TGE, Dalian LGM and Chart Industrie. Chart and Dalian LGM are positioned on small and medium capacities (a few hundred m^3 on average). Wartsila and TGE deal with the whole range of volumes. TGE supplies larger capacity tanks (nearly 1,000 m^3 on average).

Regulations

In order to comply with the introduction of regulations to reduce sulphur dioxide emissions, vessels will be required to switch to propulsion methods that use low-sulphur fuels or process sulphur oxide (SO_x) and nitrogen oxide (NO_x) emissions.

From a cost point of view, LNG propulsion is one of the most competitive propulsion solutions, enabling compliance with the reduced emission levels resulting from the new regulations.

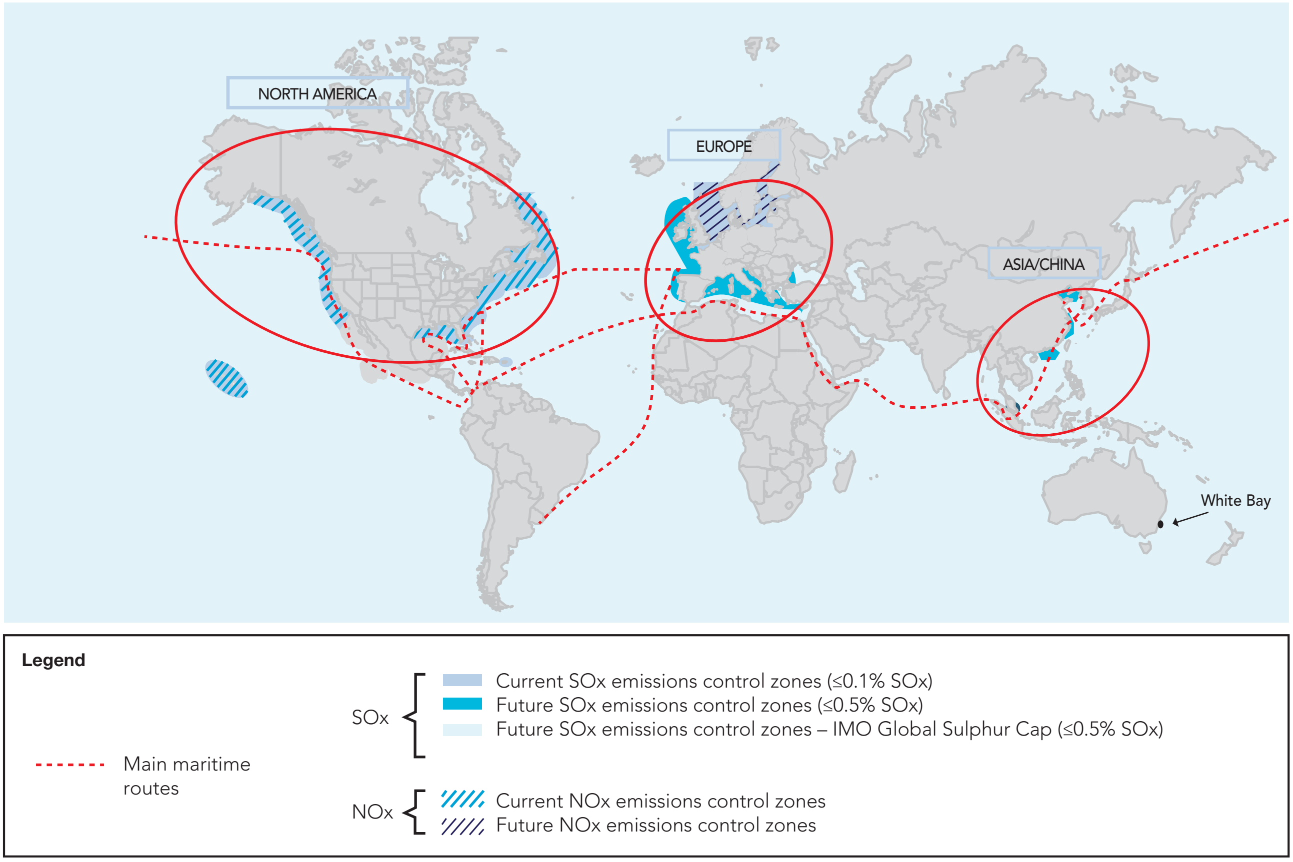
(1) Source: DNV-GL, Clarksons.

(a) New regulations encouraging the use of LNG

SO_x

Vessel emissions of sulphur dioxide (SO_2) are covered by regulations based on EU directives and agreements adopted by the International Maritime Organisation (IMO). Directive 1999/32/EC as amended by Directive 2012/33/EU regulates the sulphur content of exhausts emissions produced by maritime transportation and has enacted certain rules adopted by the IMO into European Union law.

As part of global efforts to reduce emissions, the IMO introduced measures in 2008 to reduce vessel emissions of SO_2 that will gradually enter into force around the world. The gradual entering into effect of these measures is summarised in the mapping below:



	Sulphur oxide emissions limit (% of mass/total mass)	
Effective date	ECA *	Outside the ECA
2010	1.5%	4.5%
2010 (July)	1.0%	
2012		3.5%
January 1, 2015	0.1%	
2020		0.5%

* *Emission Control Areas comprising the Baltic Sea, North Sea, English Channel, North American coasts and the coasts of certain Caribbean islands as at January 1, 2014.*

At the end of 2016, the IMO confirmed the implementation in 2020 of the Global Sulfur Cap which will limit sulphur emissions in the world's oceans to 0.5% (excluding ECA). This announcement was made two years ahead of the initial schedule to allow enough time for market players, in particular ship-owners, to comply with the rule. The industry believes that the decision will accelerate the adoption of new propulsion solutions, including LNG as fuel.

On a regional level, the European Union had already announced the implementation of a zone limiting sulphur to 0.5% along its coasts in 2020, and China a plan to limit the emissions of vessels in many ports and high traffic areas.

New ECA (0.1% sulphur) which were mentioned in the past (Norway, the Mediterranean, Japan, etc.) do not appear to be coming into effect.

In order to comply with the new measures, vessels have the option of using one of the following three solutions: (i) be equipped with smoke scrubbers, (ii) be converted to LNG propulsion or (iii) switch to a low-sulphur fuel, such as marine diesel oil, low-sulphur heavy fuel oil (LS-HFO for =0.5% S zones only), ultra-low sulphur heavy fuel oil (ULS-HFO, conforming to 0.1% S) or methanol/ethanol.

LNG propulsion has been used successfully on LNG carriers since 1964. Using LNG as fuel almost totally eliminates sulphur oxide emissions (SO_x) compared to fuel oil propulsion. Using LNG is also expected to ensure compliance with the regulations regarding NO_x, CO_2 and particle emissions and, in particular, with the Marpol international convention.

NO_X AND CO_2

The regulations applicable to certain new vessels in relation to NO_x emissions are due to be tightened up in ECA. The applicable rules (called "Tier" rules) on the limitation of emissions of NO_x, summarised in the table below, are set based on the engine speed of the vessel.

		Limitations to nitrogen oxide emissions in g/kWh		
Applicable Tier Rules	Date	n[(1)] < 130	130 ≤ n < 2000	n ≥ 2000
Tier I	2000	17.0	45 x n- 0.2	9.8
Tier II	2011	14.4	44 x n- 0.23	7.7
Tier III	2016[(2)]	3.4	9 x n- 0.2	1.96

(1) "n" corresponding to the engine speed of the vessels (revolutions per minute).
(2) In ECA (Tier II rules will remain applicable outside ECA).

At the end of 2016, the IMO also extended NO_x controls from the "North America" ECA to the "Northern Europe – Baltic" ECA.

In 2011, the IMO adopted strict measures to reduce the emission of greenhouse gases from international maritime transportation. LNG combustion reduces CO_2 emissions by approximately 20% compared with fuel oil combustion.

Regulations on particle emissions are likely to be extended to other areas, and LNG propulsion has the advantage of totally eliminating particle emissions by comparison with fuel oil.

(b) LNG and competing technologies

The Group believes that both smoke scrubbers and low-sulphur fuel oil (MDO/MGO and LS/ULS-HFO) have major drawbacks.

MDO/MGO AND LS/ULS-HFO

These fuels meet regulatory requirements. Their prices remains high in comparison with the alternatives and their availability therefore creates a significant problem. In addition, a scrubber will be necessary in order to comply with the Tier III NO_x limits.

SMOKE SCRUBBERS

Sulphur oxide smoke scrubbers make it possible to continue using heavy fuel oils (known as HFO or IFO) as a fuel. This technology is proven in power plant situations, but has a limited track record in vessels. Catalytic converters have many disadvantages. They are expensive, consume a significant amount of energy, take up vessel space, require maintenance as well as chemical injection and chemical waste disposal processes (acid sludge) and are considered to have a low level of reliability. In addition, technologies referred to as "open-loop", using seawater to clean the smoke, discharge a part of the atmospheric pollution into the sea; "closed-loop" technologies are more costly and pose the problem of dealing with the waste water and sludge generated by the smoke scrubbing. However, the technology exists and the bunkering infrastructures for HFO are already in place. At the end of 2017, according to Clarksons Research, 254 sulphur oxide smoke scrubbers had been installed on vessels of more than 100 GT and 128 vessels are on order.

SUMMARY

The regulatory compliance of the main fuels and propulsion solutions is summarised in the table below.

Pollutant	Level	Heavy fuel oil (HFO)	Low sulphur heavy fuel oil (LS-HFO)	Ultra low sulphur heavy fuel oil (ULS-HFO)	Diesel oil/ Diesel (MGO/MDO)	Smoke scrubber (+HFO)	LNG
SOx	3.5%						
	0.5%						
	0.1%						
NOx[2]	Tier I & II						
	Tier III	+EGR/SCR[3]					*Except with the MAN ME-GI engine*

1) Only DMA and DMB fuel categories
2) Depends primarily on the engine/turbine propulsion technology
3) EGR: Exhaust Gas Recirculation; SCR: Selective Catalytic Reduction

Compliant: Yes | With conditions | No

Source: Group.

(c) An economic incentive for using LNG

Due to the implementation of stricter limitations for SO_x emissions on a global level (0.5% instead of the current rate of 3.5% [(1)]) in 2020, the availability of heavy fuel with a low sulphur content (Low Sulfur Heavy Fuel Oil – LS-HFO) might become a problem, which would result in an automatic increase in prices which would potentially become similar to those of MDO and MGO. Its use would become unprofitable for long routes and push ship-owners towards a choice between smoke scrubbers, selective catalytic reductions and LNG.

Historical trend and order books

2017 was marked by GTT's first order for LNG-fuelled vessels equipped with a membrane. It is for 9 CMA CGM container vessels equipped with 18,600 m^3 tanks. These vessels will have a total consumption of 0.3 Mtpy. This historical order from a leading player marks the beginning of use of LNG as marine fuel over long distances on the high seas.

Moreover, the development of the marine fuel's use has a favourable impact on GTT's business: It is a business on its own, it increases activity for LNG carriers transporting LNG to vessel loading locations, and it develops the use of bunker vessels (for which GTT won its first order at the beginning of 2018, see section 2.3.2 in this Registration Document).

Outlook

The LNG as fuel solution, subject to past and present considerable rapid expansion in the North European countries, is now seriously considered by major industrial countries such as the USA and China. LNG as fuel for short sea and deep sea transport is from now on a considered economical solution for the coming years.

The adoption of LNG as shipping fuel is subject to numerous factors: the financial feasibility of construction, the price of LNG relative to traditional marine fuels, the timing of the implementation of regulations (for example, implementation of the global sulphur cap), the credibility of control methods and associated sanctions, the development of a wider LNG supply chain and bunkering network at major ports, and the relative effectiveness of alternative solutions in meeting environmental regulations.

The Group believes that the economic and environmental benefits of LNG coupled with those of membrane technologies, including optimum use of vessel volumes, will pave the way for the sector to embrace its technologies rapidly. The Group will thus be in a position to satisfy a higher number of tank design requests for different vessel types.

(1) % of the mass as a percentage of the total mass.

New builds

According to estimates by Poten & Partners in November 2017, cumulative orders for vessels powered by LNG (bulk carriers, tankers, container ships, *i.e.* over 80% of global tonnage) between 2018 and 2027 will amount to almost 1,200 in their base-case scenario and more than 1,600 in their high-case scenario.

Conversions and "LNG ready" vessels

According to a Clarksons Research estimate, around 45% of the merchant fleet of over 2,000 GT spends part of its time at sea in active ECA. The level of exposure varies greatly depending on ship type. For example, the bulk carrier fleet spends relatively small amounts of its time in ECA, while vessels in sectors such as multi-purpose vessels, "Ro-Ro", cruise ships, ferries and offshore support vessels have a relatively higher level of exposure to ECA. Given the current location of ECAs, another important consideration is the area in which vessels typically operate: ships that trade principally in the Atlantic basin are likely to have a higher level of exposure to ECAs than those that operate in the Middle East and the Asia-Pacific.

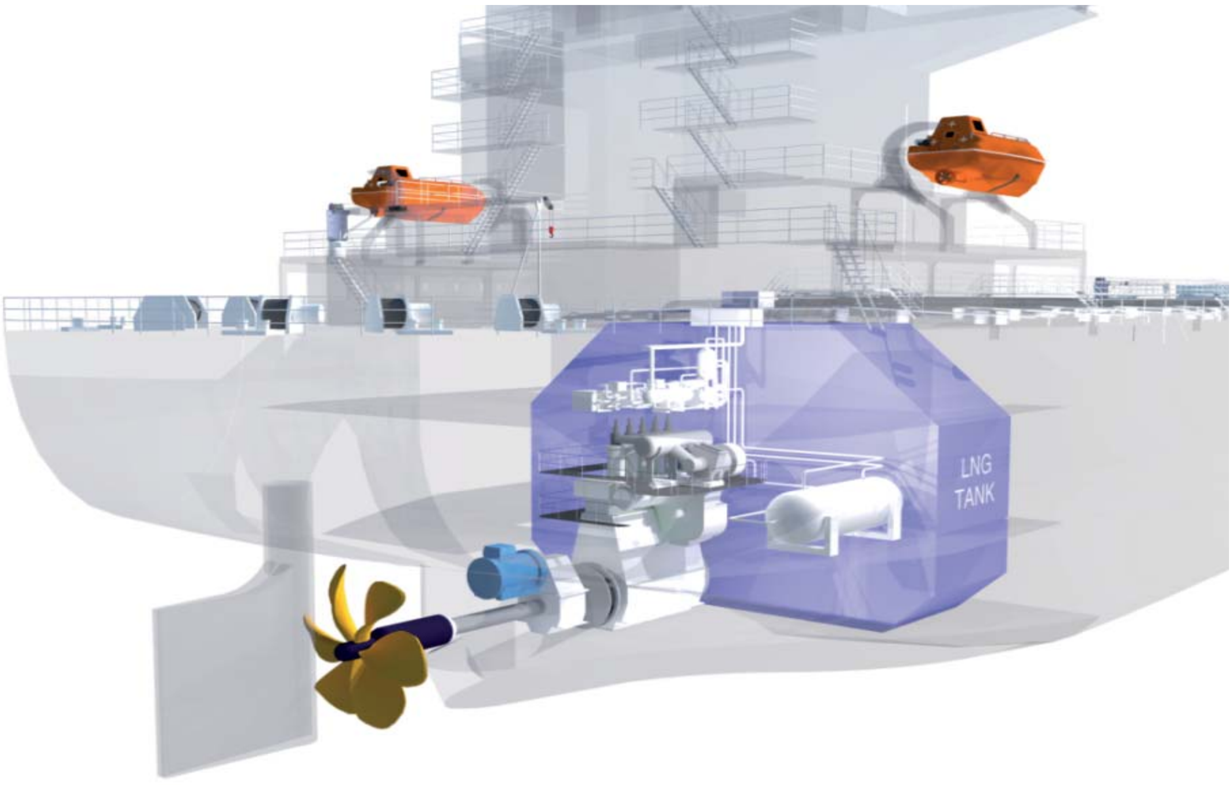
According to the Group, while there has been increasing interest in converting vessels to use LNG as fuel for power, there has been relatively limited conversion activity to date. According to DNV-GL, at the end of 2017, seven vessels of over 100 GT had been converted and six were awaiting conversion.

Ship-owners interested in the LNG solution but with no immediate intention of investing are taking an interest in the construction of vessels qualified as "LNG Ready", which will use traditional marine fuels on delivery but which are designed to be easily converted to LNG if necessary. According to DNV-GL, at the end of December 2017, there were 54 "LNG Ready" vessels in service and 56 on order.

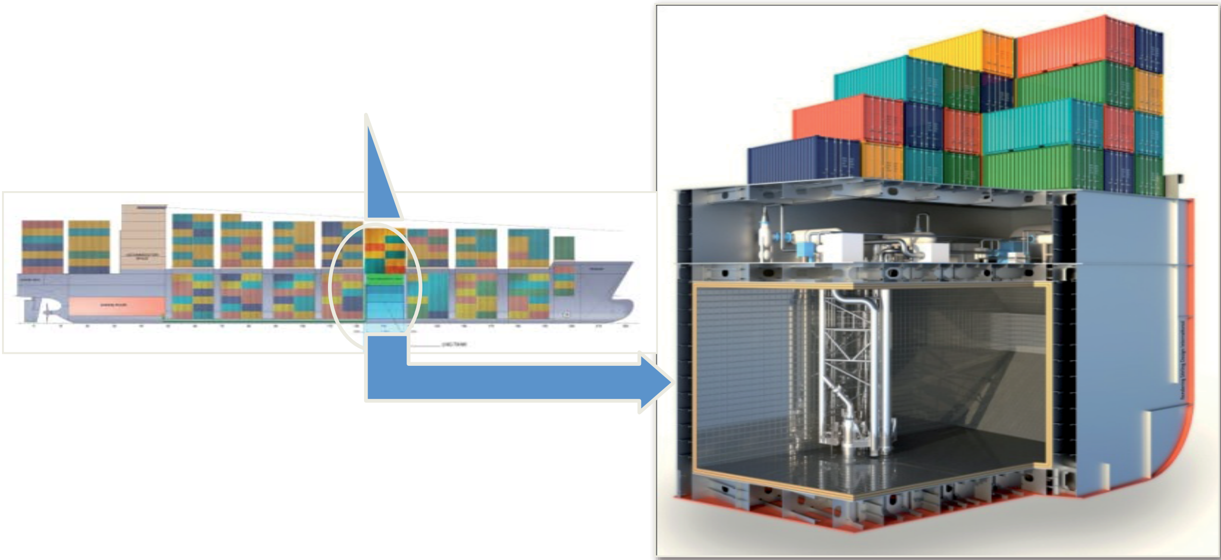
GTT offer

Accordingly, GTT is developing various innovations to adapt its membrane containment technology for use in bunker tanks within merchant vessels. The following charts provide some examples of membrane tanks being installed to store LNG as fuel for this type of propulsion system.

1. Example of an LNG tank integrated on a merchant vessel (typically a bulk carrier or oil tanker or a refined/ chemical products carrier). Volume varying between 2,000 and 5,000 m^3



2. Example of a large coastal container ship converted through "jumboisation" and insertion of a vessel section containing the LNG fuel tank and the gas preparation unit. Tank volume typically of between 2,000 and 5,000 m³



GTT believes that, starting at a certain volume, GTT's membrane technology offers superior efficiency, reliability and cost savings compared with competing technologies.

In particular, the Group believes that GTT's membrane containment tanks can also fit into unused parts of the ship and optimise cargo volumes with a low level of reduction in the vessel capacity unlike type C tanks which, given their long cylindrical shape, are generally not as efficient in their use of space as membrane tanks.

To comply with the new sulphur emission regulations, ship-owners can choose between refitting the propulsion system of their existing vessels and purchasing a new-build vessel. GTT is already looking to position itself in these two segments, both conversions and new builds.

2.3.2 SMALL LNG CARRIERS AND LNG VESSELS/BUNKER BARGES

The sector's high potential has prompted GTT to devote some of its research efforts to developing a version of its containment technologies specially geared to LNG transportation in small LNG carriers. The latter are crucial for supplying merchant vessels with LNG, but also to ensure onshore transport and gas power stations in isolated regions.

These small LNG carriers are either part of a small-scale logistical chain (liquefaction terminals with capacity of less than 1 Mtpy, regasification terminals with a capacity of less than 0.5 Mtpy and LNG carriers of less than 30,000 m³), or the standard chain. In the second case, small LNG carriers are supplied by liquefaction terminals known as "semi-bulk", which allow for fractioning the LNG received by the large-scale liquefaction terminals, into smaller volumes.

Currently, Scandinavia, Japan and China dominate this market.

Competitive environment

According to Clarksons, the fleet of small LNG carriers went from 6 vessels in 2000 to 14 in 2010, and 33 at the end of 2017. The order book includes 7 vessels with 4 ordered in 2017.

Type C is the most commonly used technology. It equips 26 of the vessels in service and 5 out of the 7 vessels on order. The majority of the vessels are built in Asian, and particularly, Chinese shipyards. TGE Marine is also a supplier of type C technology. However, it does not build vessels, rather it assists shipyards with the construction. Moss and SPB are also present in the small LNG carrier market, with 3 vessels in service. The Group is also already positioned in this market, with six vessels built since 1964 [(1)].

(1) Two have a capacity of 35,500 m³, slightly exceeding the category of "small LNG carriers" as defined.

GTT's technologies can be used for small tanks and make it possible to build smaller carriers to meet this need. Even so, the use of GTT's technologies in smaller LNG carriers is less cost-efficient and thus less competitive than in larger LNG carriers. Accordingly, GTT aims to develop its technologies and its partnerships with shipyards and engineering companies to improve their competitiveness.

The bunker barge/vessel activity is beginning to develop. 2017 saw the delivery of three LNG bunker units with capacities ranging from 2,200 to 6,500 m^3. Out of the six units in service or on order at end 2017, five are equipped with type C technology supplied by TGE Marine and are intended for the European market. One is equipped with GTT's Mark III Flex technology and is intended for the American market. These barges are built in South Korea, at HHIC and Hyundai Mipo, in Europe at Royal Bodewes and in the USA, at Conrad Industries [(1)].

The beginning of 2018 saw GTT win an order to equip the MOL bunker vessel chartered by Total to supply CMA CGM's LNG-fuelled vessels. This vessel, with a capacity of 18,600 m^3, will be the first capable of supplying significant quantities of LNG in one single bunkering operation.

GTT has also developed an LNG bunkering solution called GBS ("Gravity Based Structure") in partnership with the Spanish company Acciona Industrial. The bunkering station consists of a concrete chamber built by Acciona Industrial and a membrane containment tank designed by GTT. It sits on the seabed and can be installed in a port or isolated area and requires no additional infrastructure. This reduces installation costs while limiting the environmental impact.

Note that the LNG bunkering market is also growing in China. To date the applications have been exclusively river based.

Outlook for the global market and for GTT

The construction of small LNG carriers and LNG bunker barges/vessels will continue to develop, as will that of LNG-propelled vessels. There are currently two major drivers of this growth:

- the use of LNG for maritime, river and onshore transportation, against a background of stricter environmental standards (Marpol, etc.). The numerous infrastructure and bunkering projects (existing and in the course of discussion or approval) will contribute logistical support to small LNG carriers/methane carriers. Singapore, China, Europe and North America are the regions which are actively seeking to develop logistics for the LNG chain, and therefore in which the emergence of small LNG carriers will be facilitated;
- the use of LNG for the production of secondary energy (electricity, heat), with the development of satellite stations for the storage of LNG in order to smooth out peaks in demand ("peak shaving"), and the supply of LNG to isolated regions (most often on islands) for which a connection by pipeline is not economically viable. Southeast Asia, with Indonesia, as well as the Caribbean, are particularly concerned.

According to Poten & Partners, demand for retail LNG could almost triple in the next ten years, from nearly 15 Mtpy in 2017 to over 40 Mtpy in 2017, primarily as a result of LNG for transportation (on-shore, maritime, river, and even rail).

(1) Source: Group.

2.4 Services

DESIGN

- Feasibility studies
- FEED

CONSTRUCTION

- Materials certification
- On-site technical assistance
- Gas trials

OPERATIONS

- Training courses and customised training simulator
- Smart on-board services
- Emergency hotline
- On-board technical assistance

MAINTENANCE

- Inspections, maintenance and repair assistance
- Smart membrane test solutions

AMELIORATION

- Engineering support for retrofit, life extension projects

GTT, through its services offering, assists its customers and partners, and more generally the LNG industry, throughout the life cycle of a project, during the construction, operation and maintenance phases.

2.4.1 BUILDING

Engineering studies

As a recognised expert in the design of cryogenic membrane containment systems for maritime transportation, GTT is also regularly called on for engineering studies. The performance of these services for the leading players in LNG enables GTT to forge stable, long-term relationships with all these players and thus build trust in its technologies, its know-how and its teams.

The Group regularly supports shipyards and EPC contractors for their tender offers, to ensure the feasibility and optimisation of the selected solutions. In 2017, the Group specifically invested in the development of innovative projects both for LPG transportation and for the implementation of high-performance LNG bunkering solutions.

It is also approached to provide its expertise directly to ship-owners and vessel operators, charterers, oil and gas companies, engineering companies and classification societies. They seek engineering support for projects such as:

- making changes to vessels in service: for example, converting an LNG carrier into a FSRU, installing a reliquefaction unit on an LNG carrier, modifying the propulsion system for an LNG-propelled vessel, increasing the maximum pressure of an LNG tank, extending the useful life of an LNG carrier, etc.;
- particularly complex operations at sea. These studies provided by GTT are designed to deliver operational flexibility, *e.g.* in order to predict the quantity of gas generated during a transfer between two vessels and simulate management of the gas, or to assess the risk represented by sloshing of LNG in tanks in conditions not foreseen in the vessel's design;
- Front End Engineering Design (FEED) studies for vessels (LNG carriers, ethane carriers, GBS, FSRU and FLNG) and onshore storage facilities.

Accreditation of suppliers

Suppliers of certain materials used by the shipyards or EPC contractors to build the membrane systems must be approved by GTT and comply with a demanding approval process. Approval is given for a limited period of time and is subject to renewal. During the approval process, GTT's teams perform tests by random sampling and on-site inspections.

In 2017, 80 material accreditations of all types were carried out and many companies indicated their intention to be certified by GTT. In addition, GTT is continuing to diversify its suppliers and their location based on the new applications and customers targeted, particularly in China for new LFS projects.

2.4.2 OPERATIONS

Training

GTT offers a training programme for newly licenced partners to enable them to understand and master the technologies, as well as their construction methodologies. In addition, GTT Training, a GTT subsidiary, offers training courses on membrane technologies four times a year to engineers representing ship-owners, classification societies and repair shipyards. Other training courses, such as "LNG Cargo Operations", in accordance with the skills standards for maritime transportation of the SIGTTO [(1)] (management level), as well as FSRU operations training for staff in marine LNG terminals and "LNG as fuel" are also offered by GTT each year.

G-Sim simulation software

The G-Sim simulation software, marketed by the GTT Training subsidiary, offers a complete simulation of all the on-board systems provided for the management and handling of LNG cargo and fuel in order to guarantee the safety of ship maintenance.

Since the launch of the software in early 2016, it has been installed in six training centres worldwide for clients including Chevron, Teekay, SK Shipping and USCG.

Management of sloshing

Sloshing is a major concern for ship-owners and LNG carrier operators around the world. It can generate liquid impacts on tank walls that can damage the membrane and is also a known factor in exacerbating the boil-off rate in tanks. Possessing the right tools to control this phenomenon, is thus a major technical and business priority for companies involved in maritime transportation LNG.

GTT has been developing vibro-dynamic tank analysis concepts since 2009 to offer monitoring solutions to detect impacts caused by liquid cargo sloshing. The studies have resulted in a system which provides crews with real-time information about tank impacts caused by sloshing-related phenomena in each tank. This led to GTT's launch, in the summer of 2014, of its sloshing monitoring solution, called SloShield™, a concept that combines simplicity (installation is even possible at sea on a ship in operation) and high performance in detecting sloshing impacts.

SloShield™ is marketed by Cryometrics, a GTT subsidiary, as a turnkey solution which includes studies, validation by classes, supply, installation and commissioning. Cryometrics works closely with its partner Cryovision for the supply, installation and commissioning of the system. In addition, GTT's experts are able to analyse the sloshing data, correlated with environmental and operational parameters, to capitalise on the feedback specific to each ship. In parallel, sloshing data is reported almost in real time (on the hour) to shore and an initial analysis is available *via* the Cryometrics Online portal to offer transparency and immediate access by the land-based teams, in virtually real time, to the sloshing situations that the crew may encounter.

The SloShield™ package combines the unmatched expertise of GTT in the measurement and analysis of sloshing in tanks at sea, with Cryovision's experience on the ground and its responsiveness. The system is currently validated at sea on Mark and CS1 type technologies. Several efforts are underway to validate the detection on NO96 technology, which has different vibratory response characteristics that are more complicated to capture. SloShield™ is installed and operational on five vessels including an FSRU unit.

Managing boil-off gas: LNG Advisor™

Launched in 2015, LNG Advisor™ is a new service offering specifically designed for LNG carriers for the monitoring of LNG evaporation (boil-off gas) during transport. LNG Advisor™ allows the real-time transmission, on board and on land, of reliable vessel energy performance data. The consumption of gas, marine diesel and heavy fuel and the rate of natural and forced evaporation of the LNG are measured automatically and in real time. Other critical parameters such as the tank pressure, the speed of the LNG carrier and its motion are also tracked in real time. In addition, the system calculates the pressure of the saturated vapour from the LNG, which provides for better determination of the thermodynamic state of the cargo. Lastly, it incorporates a liquid calculator giving the crew the information necessary to estimate the LNG requirement for the lightship voyage after a

(1) Society of International Gas Tanker and Terminal Operators.

six month observation period. LNG Advisor™ therefore provides better visibility to ship-owners and, optionally, to charterers, concerning the operational performance of vessels. LNG Advisor™ is marketed by Cryometrics. Five systems have been installed and commissioned since 2016, validating the installation and commissioning procedures at sea. Cryometrics launched an online portal in 2016, called "Cryometrics Online", which enables land-based fleet management teams to follow key performance indicators of vessels equipped with LNG Advisor™ in real time.

Cryometrics will develop other high added-value services based on the operational performance and operational safety of LNG and other liquefied gas carriers, as well as vessels fuelled by LNG.

To allow ship-owners to access this technology under the best conditions, GTT is promoting its "SloShield-ready" concept with shipyards so that new vessels are fitted prior to leaving the yard.

HEARS Hotline

The Group implemented a 24/7 emergency assistance hotline ("HEARS") *via* which the Group's specialists can answer questions from ship-owners and their crews about incidents encountered with GTT's systems. GTT began developing the service in 2016 by adding an on-board monitoring system enabling GTT experts to receive actual navigation data to better answer crew questions in the event of an incident.

In 2017, 70 vessels were enrolled (+100% compared to 2016) from 6 companies, notably Chevron and Teekay following the signature of 2 framework service provision agreements.

In 2017, GTT expanded the service with an HEARS-FLNG offer, and intends to propose an offer for each market segment (LFS, FSRU…) in the long term.

2.4.3 MAINTENANCE

Maintenance assistance

GTT assists its co-contractors as part of vessel tank maintenance by shipyards. The Group is contractually linked to a number of shipyards worldwide for repairs, as well as to ship-owners and vessel operators, test companies and repair sub-contractors. It provides technical expertise, training and qualifications as well as maintenance and repair procedures to be followed under its supervision. GTT participated in 62 breakdowns at shipyards and provided assistance 5 times in harbour or at sea in 2017.

Tests for leaks

Cryovision is a GTT subsidiary created in January 2012 based on an innovative idea for managing the gas-tightness of vessels equipped with membranes: TAMI™, has since become a key player in its segment. Since 2016, Cryovision has been recognised as a specialist in gas-tightness testing for LNG carriers (thermal and acoustic) under IACS Unified Recommendations Z17. The Company was certified OHSAS 18001 in 2016, in addition to the ISO 9001 certification obtained in 2013.

TAMI™ leak test

Cryovision has developed a method for checking the integrity of secondary barriers using thermal cameras on vessels with Mark, NO and CS1™ type membranes. This process, known as "TAMI™" (Thermal Assessment of Membrane Integrity) is most often carried out at sea, on a loaded vessel. This inspection method thus reduces the repair time spent in dry dock and provides precise knowledge of the condition of the tanks.

TAMI™ is a qualifying test for the secondary barrier for Mark III technology, in the same way as the standard pneumatic tests, which must be carried out every five years by the ship-owners, under the terms of the international agreement for the construction and equipment of vessels transporting liquefied gas in bulk (IGC). TAMI™ offers significant advantages, particularly in terms of implementation, because it can be carried out on the high seas during the voyage. The cost savings which result are significant for the ship-owners. TAMI™ is currently the only means of inspection which does not require the ship to be in port.

Since the creation of Cryovision, over 300 tanks have been tested with all membrane technologies and on vessels of all sizes [1].

MOON motorised balloon

Cryovision, in collaboration with GTT, has developed an innovative tool which enables the verification systems to be positioned very close to the membrane. This tool, known as "MOON", "MOtorized balloON" can transport up to 10 kg of material to within a few centimetres of the membrane in complete safety. In addition, this system does not require the use of equipment in direct contact with the membrane, such as scaffolding, thereby reducing any risks of damaging the insulation system.

Acoustic emissions tests

Cryovision carries out local acoustic emissions tests (AE Test) on the tanks of LNG carriers, mainly on special zones such as the domes. The AE test is used in addition to the SBTT or TAMI™ tests, in accordance with the recommendations of the classification societies and/or GTT.

(1) *Source: Group.*

TIBIA tool for inspection of floating units

TIBIA (Tank Inspection By Integrated Arm) is a tool developed by GTT to carry out maintenance tasks on the primary membrane of the NO96 or Mark technologies on board FLNGs and FSRUs. TIBIA facilitates access to areas which are difficult to access, thereby generating a time-saving during maintenance. TIBIA can be installed in just eight hours by five operators, without the ship being in dry dock or in port. TIBIA is also equipped with an anchoring tool which immobilises the nacelle in relation to the membrane, thus allowing delicate repairs to be carried out, even when sea conditions are not calm. TIBIA provides numerous advantages in comparison with scaffolding: reduced maintenance time, lower operating costs and reduction in handling operations inside the tank.

2.5 Summary of orders received in 2017 and 2018

The orders received by the Group during 2017 are set out in the table below:

Type	Technology	Shipyard/ Manufacturer	Ship-owner	Delivery
FSRU	Mark III	HHI	Hoegh LNG	2018
FSRU	Mark III	SHI	Hoegh LNG	2019
FSRU	Mark III	HHI	Confidential	2019
FSRU	Mark III	HHI	Triumph Offshore	2019
LNG carrier	Mark III Flex	HHI	Knutsen	2019
LNG carrier	Mark III Flex	HHI	Knutsen	2019
LNG carrier	NO96 GW	DSME	Confidential	2019
LNG carrier	NO96 GW	DSME	Confidential	2019
LNG carrier	NO96 03+	HZ	MOL	2019
LNG carrier	NO96 03+	HZ	MOL	2020
LNG carrier	NO96 03+	HZ	MOL	2020
LNG carrier	NO96 03+	HZ	MOL	2020
LNG carrier	Mark III Flex	Confidential	Confidential	2020
LNG carrier	Mark III Flex	Confidential	Confidential	2020
LNG carrier	Mark III Flex	Confidential	Confidential	2020
LNG carrier	Mark III Flex	Confidential	Confidential	2020
FSRU	Mark III	SHI	Confidential	2020
FSRU	NO96	DSME	Maran Gas	2020
FSRU	NO96 GW	HZ	Dynagas	2021
FSRU	NO96 GW	HZ	Dynagas	2021
FLNG	Mark III	SHI	ENI	2021
NEW MARKETS				
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020
LNG container vessel	Mark III	HZ	CMA CGM	2020

Orders received by the Group since January 1, 2018:

Type	Technology	Shipyard/ Manufacturer	Ship-owner	Delivery
LNG carrier	Mark III Flex	SHI	Confidential	2020
LNG carrier	Mark III Flex	SHI	Confidential	2020
LNG carrier	Mark III Flex	HSHI	NYK	2020
FSRU	NO96 GW	Confidential	Confidential	2020
LNG carrier	NO96	Confidential	Confidential	2020
LNG carrier	Mark III Flex	HSHI	Confidential	2020
LNG carrier	Mark III Flex	HSHI	Confidential	2020
LNG carrier	Mark III Flex+	SHI	Confidential	2020
LNG carrier	NO96 GW	DSME	Confidential	2019
LNG carrier	NO96 GW	DSME	Confidential	2020
LNG carrier	Mark III Flex	HHI	Confidential	2020
NEW MARKETS				
Bunker vessel	Mark III Flex	HZ	Mitsui OSK Lines	2020

A complete list of current orders received by the Company is presented in section 1.3 – *Q1 2018 Highlights* of this Registration Document.

3 THE FINANCIAL STATEMENTS

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

3.1 Review of the financial situation

3.1.1 ANALYSIS OF 2017 ANNUAL CONSOLIDATED INCOME

Condensed income statement

In thousands of euros	2017	Proforma 2016
Revenues from operating activities	**231,591**	**237,029**
Costs of sales	(1,830)	(2,042)
External expenses	(36,788)	(44,324)
Personnel expenses	(41,162)	(43,248)
Taxes	(4,183)	(4,357)
Depreciation, amortisations and provisions	(17,201)	(7,711)
Other operating income and expenses	7,927	6,800
Operating income (EBIT)	**138,353**	**142,147**
EBIT margin on revenues (in %)	**59.7%**	**60.0%**
Financial income	423	1,319
Profit before tax	**138,777**	**143,466**
Income tax	(22,532)	(23,598)
Net result	**116,245**	**119,868**
Net margin on revenues (in %)	**50.2%**	**50.6%**
Basic earnings per share (in euros)	3.14	3.24
Calculated indicator		
EBITDA	**142,096**	**146,388**
EBITDA margin on revenues (in %)	**61.4%**	**61.8%**

Net profit stands at 116,245 thousand euros for financial year 2017, down 3,623 thousand euros compared to the previous year. The net margin remains at a level relatively comparable to that of 2016, above 50%.

The change in income compared to 2016 is mainly due to a provision for tax risk in the amount of 15,208 thousand euros, partially compensated by (i) control of operating expenses, in particular for sub-contracting, personnel expenses and fees items, and (ii) revenue from the research tax credit recognised in respect of disputed claims for the years 2009 to 2011, 2013 and 2014 for an amount of 3,826 thousand euros.

Evolution and distribution of revenues (see "operating activities" in the income statement)

In thousands of euros	2017	Proforma 2016
Revenues	**231,591**	**237,029**
Annual growth (in %)	-2.3%	4.0%
Of which vessels under construction	*218,381*	*227,286*
LNGC carriers/VLEC	*191,541*	*201,487*
FSRU	*22,262*	*21,024*
FLNG	*2,631*	*2,105*
onshore storage tanks	*1,511*	*1,956*
barges	*370*	*713*
vessels fuelled by LNG	*66*	*0*
From services	*13,211*	*9,742*
Maintenance/assistance for vessels in service	*8,577*	*5,177*
Accreditation	*1,964*	*2,909*
Studies	*2,051*	*1,322*
Training	*516*	*137*
Other	*103*	*197*

Revenues decreased from 237,029 thousand euros in 2016 to 231,591 thousand euros in 2017, a decrease of 2.3% over the period. This change is mainly explained by the slowing in activity in 2016, a year during which the Group received five orders.

2017 was marked by an upturn in activity with 21 orders recorded, comprising 12 LNG carriers, eight FSRUs and one FLNG.

In 2017 the Group's revenues for LNG Carriers/VLEC was 191,541 thousand euros, corresponding to 82.7% of total revenues (compared to 85% in 2016). In 2016, 84.6% of the revenue from LNG carriers was generated by vessels ordered in 2012, 2013 and 2014. In 2017, 64.2% of revenues came from vessels ordered between 2011 and 2014, 32.7% from vessels ordered in 2015, 0.6% from vessels ordered in 2016 and 2.5% from vessels ordered in 2017.

Revenues from FSRUs (Floating Storage and Regasification Units) rose by 5.9% between 2016 and 2017. The Group received eight orders for FSRUs during 2017, of which seven orders generated 35.8% of revenues for the financial year. 64.2% of the revenue was generated by orders from 2014 and 2015.

Revenues generated by FLNG orders (Floating Liquefied Natural Gas) were up 25% between 2016 and 2017. In 2017, 4.3% of these revenues originated from an order placed in 2011, 56.8% of the revenues originated from an order placed in 2014, and 38.9% of the revenues originated from a new order placed in 2017.

The 2015 order for a bunker barge from the United States generated 370 thousand euros in revenues over the 2017 financial year.

In addition, in 2017, the Group received an order for the design of cryogenic tanks for nine LNG fuelled container ships. This order marks the Group's entry into the LNG as fuel market.

Revenues from services were up 35.6% during the financial year, increasing from 9,742 thousand euros to 13,211 thousand euros. They accounted for 5.7% of 2017 revenues. This growth mainly stems from maintenance service activities, which represent 64.9% of services revenues in 2017, pre-project studies which represent 15.5% of services revenues, as well as accreditations which represent 14.9% of revenues, in addition to other services representing 4.7%.

Composition of operating income

External expenses

In thousands of euros	2017	Proforma 2016
Tests and studies	12,581	18,018
Leasing, maintenance & insurance	5,788	5,580
External staff	295	339
Fees	5,557	6,049
Transport, travel and reception expenses	8,565	9,424
Postal & telecommunication charges	220	263
Others	3,782	4,651
EXTERNAL EXPENSES	**36,788**	**44,324**
% of revenues from operating activities	15.9%	18.7%

The Group's external expenses fell from 44,324 thousand euros in 2016 to 36,788 thousand euros in 2017.

The 17% drop in external expenses over the period can mainly be explained by the 5,437 thousand euro drop in tests and studies expenses, the 492 thousand euro drop in fees, the 859 thousand euro drop in transport and travel items, and the 869 thousand euro drop in other external expenses. The decrease in tests and studies expenses is explained by the substantial reduction in on-site sub-contracting, due to refocusing of the vessels activity carried out by internal resources, and by less use of sub-contracting for research and development projects. The reduction in travel expenses is the result of cost optimisation and reduction efforts, and the decrease in the Group's workforce.

External expenses accounted for 15.9% of 2017 revenues, as opposed to 18.7% in 2016.

Personnel expenses

In thousands of euros	2017	Proforma 2016
Wages and salaries	23,303	24,695
Social security costs	10,953	11,625
Share-based payments	830	885
Profit-sharing and incentives scheme	6,076	6,044
PERSONNEL EXPENSES	**41,162**	**43,248**
% of revenues from operating activities	17.8%	18.2%

Personnel expenses fell from 43,248 thousand euros in 2016 to 41,162 thousand euros in 2017, a decrease of 4.8% over the period.

This reduction is mainly explained by the decrease in the Group's workforce.

The profit-sharing and incentives schemes remained stable for the period, compared to 2016.

Depreciation, amortisation and provisions

In thousands of euros	2017	Proforma 2016
Net allocations for depreciation of fixed assets	3,349	3,459
Net provisions	13,458	3,470
Impairment following value tests	394	782
AMORTISATION AND PROVISIONS (REVERSALS)	**17,201**	**7,711**

Depreciation, amortisation and provisions correspond to expenses over the period. They increased from a net allocation amount of 7,711 thousand euros in 2016 to a net allocation amount of 17,201 thousand euros in 2017. The observed change is mainly due to (i) the provision for tax adjustment risk of 15,208 thousand euros, and (ii) a reversal during the financial year of 1,479 thousand euros of the provision for contract loss, allocated 1,864 thousand euros in 2016.

Other operating income and expenses

In thousands of euros	2017	Proforma 2016
Research tax credit	7,687	6,384
Other operating income/expense	240	416
OTHER OPERATING INCOME AND EXPENSES	**7,927**	**6,800**

Other operating income and expenses consist mostly of the research tax credit, whose amount recognised at the end of year consists of an estimated expense for the current year, to which is added the remainder from the previous year. Estimates are made of projects considered eligible according to the criteria of the research tax credit and historically recorded amounts. The change in the research tax credit between 2016 and 2017 is explained by (i) the reimbursements obtained for financial years prior to 2016 as a result of claims, (ii) an estimate of the credit in 2016 that was too conservative and was increased in 2017, and (iii) the reduction in the estimate for the financial year, due to the decrease in sub-contracting expenses on research projects.

Change in operating profit (EBIT) and EBITDA

In thousands of euros	2017	Proforma 2016
EBITDA	142,096	146,388
EBITDA margin (in %) – EBITDA as a ratio of revenue	61.4%	61.8%
Operating income (EBIT)	138,353	142,147
EBIT margin (in %) – EBIT or operating income as a ratio of revenue	59.7%	60.0%

The Group's EBIT was down 3,794 thousand euros from 142,147 thousand euros in 2016 to 138,353 thousand euros in 2017.

This change is mainly explained by:

- the slump in revenues for 5,439 thousand euros;
- the increase in depreciation, amortisation and provisions for 9,490 thousand euros;
- compensated by the drop in personnel expenses and external expenses, for 9,622 thousand euros.

The EBIT to revenues ratio remained relatively stable, falling from 60.0% in 2016 to 59.7% in 2017. The reduction in external and personnel expenses was compensated by the provisions allocated to cover the tax risk. Without this allocation, the EBIT margin would have increased by 6 points.

The change in EBITDA and the margin rate on EBITDA are in line with that of the EBIT and the margin rate on EBIT over the same period.

Composition of financial income

In thousands of euros	2017	Proforma 2016
Exchange gains and losses	(6)	295
Other financial charges	(51)	(35)
Financial income on short term investments	381	783
Proceeds on equity portfolio	-	-
Proceeds on disposal of securities	-	-
Changes in the fair value of financial assets	110	285
Changes in the fair value of retirement plan assets (see note 15.2)	(10)	(9)
FINANCIAL INCOME	**423**	**1,319**

The decrease in financial income is essentially due to (i) the drop in financial income on short-term investments, the value of which fell from 783 thousand euros in 2016 to 381 thousand euros in 2017 because of less favourable investment conditions in the 2017 financial year, and (ii) the decrease in exchange rate gains in 2017.

Income tax

Analysis of income tax

In thousands of euros	2017	Proforma 2016
Current tax	(22,430)	(21,461)
Deferred tax	(102)	853
Income tax on profit	(22,532)	(20,608)
Distribution tax	-	(2,990)
TOTAL INCOME TAX CHARGE	**(22,532)**	**(23,598)**

GTT operations taxed at the ordinary rate generate deficits every year as, essentially, it is a taxation on services and charges for the financial year. Given its activity, the Group is mostly taxed at the reduced rate applicable to long-term capital gains applied to its net revenue from licence royalties. The tax losses generated at the normal rate are offset against profits taxed at the reduced tax rate in accordance with French tax rules.

Current income tax charge: the increase in current income tax expense between 2016 and 2017 (21,461 thousand euros compared to 22,430 thousand euros) is mainly due to the absence of deduction, in 2017, of the provision for tax risk, which resulted in an increase in taxable income.

Deferred tax: the amount of deferred tax recorded in profit or loss for the period consists primarily of temporary differences in allocations to provisions which cannot be deducted for tax purposes.

Composition of net income and earnings per share

	2017	Proforma 2016
Net income in euros	116,245,007	119,867,731
Average number of shares outstanding (excluding treasury shares)	37,052,681	37,036,945
Number of diluted shares	37,135,224	37,164,303
BASIC EARNINGS PER SHARE (IN EUROS)	**3.14**	**3.24**
DILUTED EARNINGS PER SHARE (IN EUROS)	**3.13**	**3.23**

The Group's net income fell from 119,868 thousand euros in 2016 to 116,245 thousand euros in 2017.

Basic earnings per share were calculated based on 37,052,681 shares, which corresponds to the average weighted number of ordinary shares outstanding (excluding treasury shares) during the period.

Therefore, basic earnings per share rose from 3.24 euros to 3.14 euros over the period.

Diluted earnings per share are calculated by taking into account the allocations of free shares decided by the Group. At December 31, 2017, the Group had allocated 82,543 free shares, taken into account in the calculation of net diluted earnings per share. Net diluted earnings per share rose from 3.23 euros to 3.13 euros.

3.1.2 ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

Non-current assets

In thousands of euros	2017	Proforma 2016
Intangible assets	1,097	1,008
Property, plant and equipment	17,483	18,137
Non-current financial assets	3,240	5,863
Deferred tax assets	1,520	1,737
NON-CURRENT ASSETS	**23,341**	**26,746**

The change in non-current assets between December 31, 2016 and December 31, 2017 is mainly due to the drop in non-current financial assets during the period, falling from 5,863 thousand euros to 3,240 thousand euros, and which is mainly explained by the sale of a short-term investment.

Current assets

	As at December 31	
In thousands of euros	2017	Proforma 2016
Customers	101,056	78,150
Current tax receivable	18,975	22,952
Other current assets	5,098	6,110
Financial current assets	-	7,669
Total cash and cash equivalent	99,890	78,209
CURRENT ASSETS	**225,018**	**193,089**

Current assets were up between December 31, 2016 and December 31, 2017, from 193,089 thousand euros to 225,018 thousand euros.

This change is mainly the result of (i) the increase in trade and other receivables rising from 78,150 thousand euros on December 31, 2016 to 101,056 thousand euros as at December 31, 2017 due to a temporary delay in customer payment, (ii) the increase in cash, and (iii) the decrease in tax receivables.

Total equity

	As at December 31	
In thousands of euros	2017	Proforma 2016
Share capital	371	371
Share premium	2,932	2,932
Treasury shares	(3,728)	(1,765)
Reserves	20,585	(644)
Net income	116,245	119,868
TOTAL EQUITY	**136,405**	**120,762**

The rise in equity between December 31, 2016 (120,762 thousand euros) and December 31, 2017 (136,405 thousand euros) is primarily from changes in reserves.

The rebuilding of the reserves item over the financial year was the result of the allocation of 2016 comprehensive income in the amount of 119,868 thousand euros, offset by the distribution of dividends in the amount of 98,593 thousand euros.

Changes in equity

In thousands of euros	Number of shares	Share capital	Share premium	Treasury shares	Reserves	Net income	Foreign exchange gains (losses)	Total Equity
As at December 31, 2015	37,064,407	371	2,932	(5,617)	(15,229)	117,788	-	100,245
Profit for the period	-	-	-	-	-	119,868	-	119,868
Other items of comprehensive income	-	-	-	-	(231)	-	7	(224)
Allocation of the profit from the previous financial period	-	-	-	-	117,788	(117,788)	-	-
(Purchases)/sales of treasury shares	-	-	-	(28)	(330)	-	-	(358)
Delivery of treasury shares to the beneficiaries	-	-	-	3,880	(3,880)	-	-	-
Share-based payments	-	-	-	-	885	-	-	885
Distribution of dividends	-	-	-	-	(99,654)	-	-	(99,654)
As at December 31, 2016	37,036,945	371	2,932	(1,765)	(651)	119,868	7	120,762
Profit for the period	-	-	-	-	-	116,245	-	116,245
Actuarial Gains and Losses	-	-	-	-	300	-	-	300
Foreign exchange gains (losses)	-	-	-	-	-	-	(59)	(59)
Taxes related to other comprehensive income items	-	-	-	-	(45)	-	-	(45)
Other items of comprehensive income	-	-	-	-	255	-	(59)	196
Allocation of the profit from the previous financial period	-	-	-	-	119,868	(119,868)	-	-
(Purchases)/sales of treasury shares	-	-	-	(3,212)	176	-	-	(3,036)
Delivery of treasury shares to the beneficiaries	-	-	-	1,249	(1,249)	-	-	-
Share-based payments	-	-	-	-	830	-	-	830
Distribution of dividends	-	-	-	-	(98,592)	-	-	(98,592)
AS AT DECEMBER 31, 2017	**37,135,224**	**371**	**2,932**	**(3,728)**	**20,637**	**116,245**	**(52)**	**136,405**

Non-current liabilities

In thousands of euros	2017	Proforma 2016
Non-current provision	3,967	4,626
Financial liabilities – non-current part	244	616
Deferred tax liabilities	222	261
NON-CURRENT LIABILITIES	**4,433**	**5,503**

Provisions at the end of 2017 consist mainly of:

- provisions intended, in particular, to cover potential risks in disputes between GTT and employees, as well as a claim made against GTT by a legal expert involved in an action brought by a third party against a repair shipyard. These provisions amounted to 1 million euros at December 31, 2017;
- a provision corresponding to a risk on a construction project of 2.4 million euros; and
- a provision for retirement benefits for 556 thousand euros.

Non-current financial liabilities comprise the balance of advances from the Hydrocarbon Support Fund, which are not yet due. They have reduced due to being reclassified under current financial liabilities in advance of falling due in 2017.

Current liabilities

In thousands of euros	As at December 31 2017	Proforma 2016
Trade and other payables	10,574	8,970
Tax and social security payables	19,070	19,411
Deposits and advance payments received on orders	(0)	1,221
Other debts	293	278
Deferred income	55,407	54,911
Total other current non-financial liabilities	74,771	75,820
Current provisions	15,604	1,864
Current tax debts	6,194	6,427
Current financial liabilities	379	488
CURRENT LIABILITIES	**107,521**	**93,569**

This balance sheet item rose from 93,569 thousand euros at the end of 2016 to 107,521 thousand euros at the end of 2017. This change was mainly caused by (i) the rise in current provisions, and (ii) the rise in financial liabilities, up from 8,970 thousand euros to 10,574 thousand euros, and a decrease in other current non-financial liabilities.

Current provisions consist of a provision for tax risk following an adjustment proposal received on December 20, 2017.

Current financial liabilities correspond to a repayment of advances from the Hydrocarbon Support Fund being classified as payable in under one year.

3.1.3 DEBT AND EQUITY

The Group's equity was 136,405 thousand euros at December 31, 2017, compared with 120,762 thousand euros at December 31, 2016. The changes in equity during this period are presented in section 3.1.2 – *GTT balance sheet analysis* of this Registration Document.

The Group has no short-, medium- or long-term financial debt.

Activities of the Group generate significant cash-flow from operating activities, which enable it to finance its investments.

	As at December 31	
In thousands of euros	2017	Proforma 2016
Marketable securities	90,876	48,695
Cash and cash equivalent	9,014	29,514
Cash in balance sheet	99,890	78,209
Bank overdrafts and equivalent	-	-
TOTAL CASH AND CASH EQUIVALENTS	**99,890**	**78,209**

Financing by capital

No capital increase or issuance of securities giving or capable of giving access to capital is expected in the short and medium term, to finance the development of the Group.

Financing by repayable cash subsidies

	As at December 31	
In thousands of euros	2017	Proforma 2016
Advances repayable to the FSH	623	1,104

Between 1987 and 2001, the Group received repayable subsidies from the Hydrocarbon Support Fund (HSF). These subsidies were intended to finance investment projects in the framework of research programs approved by the French Government.

The repayment of these advances is based on the sales generated by the relevant projects which have been funded. They are recognised as "other non-current liabilities" and "other current liabilities" for the portion at less than one year. The advances due were gradually recorded as income, and there was an accounting discount of 2% per year. This should lead to a gradual settlement of the liability.

Financing by research tax credits

	As at December 31	
In thousands of euros	2017	Proforma 2016
Research tax credit	7,687	6,384
Employment and competitiveness tax credit (CICE)	158	189

The amounts booked as research tax credits are provisional amounts which differ from the amounts actually declared to the tax authorities after year-end.

In respect of the 2016 research tax credit (CIR), the Group received 5,601 thousand euros, whereas 5,358 thousand euros had been provisioned.

The remainder of the 2015 CIR in the amount of 1,026 thousand euros is also added to the 5,358 thousand euros for 2016.

At the end of December 2017, in light of the research and development activity over the 2017 financial year, the Group estimated the research tax credit for the financial year at 3,620 thousand euros, to which the remainder of the 2016 CIR (mentioned above), in the amount of 243 thousand euros, was added.

In respect of the years 2009 to 2011 and 2013, GTT received notification of the decision to accept the claim entered for reimbursement of the CIR and in July 2017 received the amount of 2.7 million euros. In respect of 2014, GTT submitted a corrective declaration to request reimbursement of an additional CIR of 1 million euros. Since the request was identical to the requests made in 2009 to 2011 and 2013, GTT recorded the corresponding income.

Off-balance sheet commitments

The Group signed contracts with three banks for lines of credit for a total of 50 million euros during the 2016 financial year.

- On June 30, 2016, GTT SA agreed to a line of credit with BNP Paribas in the amount of 25 million euros for a period of five years renewable for two years, with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, the end of this line of credit was extended by one year, until 2022.

- On July 6, 2016, GTT SA agreed to a line of credit with Crédit du Nord in the amount of 15 million euros for a period of seven years, without guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default.
- On July 12, 2016, GTT SA agreed to a line of credit with Société Générale in the amount of 10 million euros for a period of five years renewable for two years with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, the end of this line of credit was extended by one year, until 2022.

The lines of credit were not used during 2017.

3.1.4 CASH FLOW

The Group's business model is characterised by its strong ability to generate cash flow mainly due to:

- high operating margin levels;
- capital expenditure requirements related mainly to research and development; and
- a negative working capital requirement for a large part of the construction of the vessel because the amounts are billed and collected prior to recognition in the accounts as revenue. This is particularly the case when the Group has recorded stable and significant orders for several consecutive years.

Cash flow from operating activities

The following table presents the reconciliation of the net income of the Group to cash flow from operations.

In thousands of euros	2017	Proforma 2016
Consolidated income	**116,245**	**119,868**
Elimination of income and expenses with no cash impact:		
▸ Depreciation, amortisation and provisions	17,095	7,162
▸ Net book value of disposals of property, plant and equipment and intangibles assets	273	205
Free shares	830	885
Financial expenses (Income)	(423)	(1,319)
Tax expense (income) for the financial year	22,532	23,598
Internally generated funds from operations	**156,551**	**150,399**
Tax paid out in the financial year	(18,685)	(22,576)
Change in working capital requirement:		
▸ Trade and other receivables	(22,906)	542
▸ Trade and other payables	1,604	322
▸ Other operating assets and liabilities	(38)	(33,702)
NET CASH FLOW GENERATED BY THE BUSINESS (TOTAL I)	**116,525**	**94,984**

Between financial years 2016 and 2017, operating cash flows increased by 21.5 million euros, mainly due to an improvement in the variation in the working capital requirement of 11.5 million euros and the change in depreciation, amortisation and provisions of 9.9 million euros.

Cash flow from investing activities

In thousands of euros	2017	Proforma 2016
Investment operations		
Acquisition of non-current assets	(3,434)	(4,521)
Disposal of non-current assets	-	-
Financial investments	(2,864)	(768)
Disposal of financial assets	13,260	12,534
Treasury shares	(3,005)	(415)
Change in other fixed financial assets	-	-
NET CASH FLOW FROM INVESTMENT OPERATIONS (TOTAL II)	**3,957**	**6,830**

During the 2017 financial year, the cash flow generated by investment activities was down by 2,873 thousand euros. This is mainly explained by:

- the increase in acquisitions of marketable securities as part of the liquidity contract for 2,096 thousand euros;
- the increase in treasury share buybacks for 2,590 thousand euros;
- compensated by the drop in acquisitions of non-current assets for 1,087 thousand euros.

The acquisition of non-current assets in 2017 related primarily to the acquisition of software and test and studies equipment.

Cash flow from financing activities

	As at December 31	
In thousands of euros	2017	Proforma 2016
Financing operations		
Dividends paid to shareholders	(98,592)	(99,654)
Capital increase	0	0
Change in FSH advances	(488)	(538)
Interest paid	(21)	(36)
Interest received	366	783
NET CASH FLOW FROM FINANCE OPERATIONS (TOTAL III)	**(98,736)**	**(99,445)**

Cash flows from finance operations principally consist of payment of the dividend. It was comparable to the dividend distributed in 2016.

3.2 Consolidated accounts

The consolidated financial statements prepared in accordance with IFRS for the financial year ended December 31, 2017 are included for reference in this Registration Document. They are available on the Group's website (www.gtt.fr) and on the website of the *Autorité des Marchés Financiers* (www.amf-france.org).

GTT is presenting consolidated financial statements for the first time in 2017. A comparison of the individual IFRS 2016 financial statements and the proforma 2016 consolidated financial statements is provided in note 2.23 of the section 3.2.2 – *Notes to the financial statements* in this Registration Document.

3.2.1 CONSOLIDATED FINANCIAL STATEMENTS PREPARED ACCORDING TO IFRS FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2017

Balance sheet

In thousands of euros	Notes	December 31, 2017	Proforma December 31, 2016
Intangible assets	6	1,097	1,008
Property, plant and equipment	7	17,483	18,137
Non-current financial assets	8.1	3,240	5,863
Deferred tax assets	17.6	1,520	1,737
Non-current assets		23,341	26,746
Customers	9.1	101,056	78,150
Current tax receivable		18,975	22,952
Other current assets	9.1	5,098	6,110
Financial current assets	8.2	-	7,669
Total cash and cash equivalent	10	99,890	78,209
Current assets		225,018	193,089
TOTAL ASSETS		**248,359**	**219,835**

In thousands of euros	Notes	December 31, 2017	Proforma December 31, 2016
Share capital	11.1	371	371
Share premium		2,932	2,932
Treasury shares		(3,728)	(1,765)
Reserves		20,585	(644)
Net result		116,245	119,868
Total Equity		136,405	120,762
Non-current provision	16	3,967	4,626
Financial liabilities – non-current part		244	616
Deferred tax liabilities	17.6	222	261
Non-current liabilities		4,433	5,503
Current provision	16	15,604	1,864
Suppliers	9.2	10,574	8,970
Current tax debts		6,194	6,427
Current financial liabilities		379	488
Other current liabilities	9.2	74,771	75,820
Current liabilities		107,521	93,569
TOTAL EQUITY AND LIABILITIES		**248,359**	**219,835**

Income statement

In thousands of euros	Notes	2017	Proforma 2016
Revenue from operating activities		**231,591**	**237,029**
Costs of sales		(1,830)	(2,042)
External expenses	4.2	(36,788)	(44,324)
Personnel expenses	4.1	(41,162)	(43,248)
Taxes		(4,183)	(4,357)
Depreciations, amortisations and provisions	4.3	(16,807)	(6,929)
Other operating income and expenses	4.4	7,927	6,800
Impairment following value tests		(394)	(782.0)
Operating profit		138,353	142,147
Financial income	5	423	1,319
Profit before tax		**138,777**	**143,466**
Income tax	17.5	(22,532)	(23,598)
Net result		116,245	119,868
Basic earnings per share (in euros)	12	3.14	3.24
Diluted earnings per share (in euros)	12	3.13	3.23
Average number of shares		37,052,681	37,036,945
Number of diluted shares		37,135,224	37,164,303

In thousands of euros	Notes	2017	Proforma 2016
Net result		116,245	119,868
Items that will not be reclassified to profit or loss:			
Actuarial Gains and Losses			
Gross amount	15.1	300	(271)
Deferred tax		(45)	40
Total amount, net of tax		**255**	**(231)**
Items that may be reclassified subsequently to profit or loss			
Foreign exchange gains (losses)		(59)	7
Other comprehensive income for the year, net of tax		196	(224)
INCOME STATEMENT		**116,441**	**119,644**

Cash flow statement

In thousands of euros	Notes	2017	Proforma 2016
Consolidated income		116,245	119,868
Removal of income and expenses with no cash impact			
Allocation (Reversal) of amortisation, depreciation, provisions and impairment		17,095	7,162
Proceeds on disposal of assets		273	205
Financial expenses (income)		(423)	(1,319)
Tax expense (income) for the financial year	17.5	22,532	23,598
Payments by delivery of shares	11.3	830	885
Cash-flow		**156,551**	**150,399**
Tax paid out in the financial year	17.1	(18,685)	(22,576)
Change in working capital requirement:			
▸ Trade and other receivables	9.1	(22,906)	542
▸ Trade and other payables	9.2	1,604	322
▸ Other operating assets and liabilities	9.3	(38)	(33,702)
Net cash-flow generated by the business (Total I)		116,525	94,984
Investment operations			
Acquisition of non-current assets		(3,434)	(4,521)
Disposal of non-current assets		-	-
Financial investments	8	(2,864)	(768)
Disposal of financial assets	8	13,260	12,534
Treasury shares		(3,005)	(415)
Net cash-flow from investment operations (Total II)		3,957	6,830
Financing operations			
Dividends paid to shareholders	11.2	(98,592)	(99,654)
Change in FSH advances		(488)	(538)
Interest paid		(21)	(36)
Interest received		366	783
Net cash-flow from finance operations (Total III)		(98,736)	(99,445)
Effect of changes in currency prices (IV)		(65)	309
Change in cash (I+II+III+IV)		***21,681***	***2,678***
Opening cash	10	78,209	75,531
Closing cash	10	99,890	78,209
Cash change		**21,681**	**2,677**

Statement of changes in equity

In thousands of euros	Share capital	Share premium	Treasury shares	Reserves	Net income	Foreign exchange gains (losses)	Total Equity
As at December 31, 2015	371	2,932	(5,617)	(15,229)	117,788	-	100,245
Profit for the period	-	-	-	-	119,868	-	119,868
Other items of comprehensive income	-	-	-	(231)	-	7	(224)
Allocation of the profit from the previous financial period	-	-	-	117,788	(117,788)	-	-
(Purchases)/sales of treasury shares	-	-	(28)	(330)	-	-	(358)
Delivery of treasury shares to the beneficiaries	-	-	3,880	(3,880)	-	-	-
Share-based payments	-	-	-	885	-	-	885
Distribution of dividends	-	-	-	(99,654)	-	-	(99,654)
As at December 31, 2016	371	2,932	(1,765)	(651)	119,868	7	120,762
Profit for the period	-	-	-	-	116,245	-	116,245
Other items of comprehensive income	-	-	-	255	-	(59)	196
Allocation of the profit from the previous financial period	-	-	-	119,868	(119,868)	-	-
(Purchases)/sales of treasury shares	-	-	(3,212)	176	-	-	(3,036)
Delivery of treasury shares to the beneficiaries	-	-	1,249	(1,249)	-	-	-
Share-based payments	-	-	-	830	-	-	830
Distribution of dividends	-	-	-	(98,592)	-	-	(98,592)
AS AT DECEMBER 31, 2017	**371**	**2,932**	**(3,728)**	**20,637**	**116,245**	**(52)**	**136,405**

3.2.2 NOTES TO THE FINANCIAL STATEMENTS

DETAILED SUMMARY

NOTE 1 GENERAL PRESENTATION

Gaztransport & Technigaz – GTT, parent company of the Group, is a *société anonyme* (joint stock limited liability company) under French law, whose registered office is located in France, at 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse.

It is specialised in services related to the construction of storage and transport facilities for liquefied gas, in particular Liquefied Natural Gas (LNG). It offers engineering services, technical assistance and patent licenses for the construction of LNG carrier tanks installed mainly on LNG carriers. The Group is based in France and operates mainly with shipyards in Asia.

The Group is presenting consolidated financial statements for the first time this year. The statements comprise the financial statements of the parent company, and those of its subsidiaries: Cryovision, which provides maintenance services for vessels equipped with membranes, GTT Cryometrics, specialised in on-board services, GTT Training, responsible for the Group's training activities, and GTT North America and GTT South East Asia responsible for business development activities in their respective geographical areas.

These financial statements are presented for the period beginning on January 1, 2017 and ending December 31, 2017.

NOTE 2 ACCOUNTING RULES AND METHODS

2.1 Basis of preparation of the financial statements

The financial statements for all periods presented have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and in force on December 31, 2017.

These standards are available on the website of European Commission:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The financial statements are presented In thousands of euros, rounded to the nearest thousands euros, unless otherwise indicated.

Standard no.	Name
Amendments to IAS 7	Information relating to financing activities
Amendments to IAS 12	Recognition of deferred tax assets with respect to unrealised losses

The Group elected not to apply the standards, interpretations and amendments that are not yet compulsory.

Standard no.	Name
IFRS 9	Financial instruments: classification and measurement
IFRS 15	Revenues from operating activities from contracts signed with clients (EU regulation of 22/09/2016)
IFRS 16	Leases

The expected significant impacts of the application of IFRS 15 are presented in note 21 of these financial statements. IFRS 9 & IFRS 16 should not have any significant impact on the Group's financial statements.

The Group does not apply the standards, amendments and interpretations published by the IASB, but not yet adopted by the European Union.

Standard no.	Name
Amendments to IFRS 2	Classification and evaluation of transactions the payment of which is based on shares
Amendments to IFRS 4	Interactions between IFRS 4 and IFRS 9
Amendments to IAS 40	Concerning clarifications of events bringing to light a change of use
Annual improvement cycle 2014-2016	IFRS 1 – IFRS 12 – IAS 28
IFRIC 22	Transactions in foreign currencies and non-reimbursable advances paid or received
IFRIC 23	Recognition of uncertain fiscal positions

2.2 Use of judgements and estimates

In preparing these interim financial statements in accordance with IFRS, management has made judgments, estimates and assumptions that affect the book value of assets and liabilities, income and expenses, and the information mentioned in the notes.

Certain financial accounting information has required significant estimations to be made: mainly deferred tax assets, provisions for risks and retirement benefit plans.

2.3 Significant events during the period

During 2017, the Group signed its first contract for the design of cryogenic tanks for LNG-fuelled container ships.

In addition, it signed several cooperation agreements with actors present on the LNG as fuel market in order to accelerate deployment of solutions benefiting both the shipyards and ship-owners.

- With a shipyard in Sweden in order to explore new business opportunities in the maritime sector relating to LNG storage, gas engine supply methods and associated services.
- With a Korean engineering company in order to meet the needs of customers who wish to adapt their LNG fuel membrane tanks for all types of vessels (cruise ships, container ships, bulk carriers or ro-ro ships, etc.).
- With a shipyard in China relating, in particular, to the construction and renovation of vessels fuelled by LNG and small LNG carriers.

On December 6, 2017, GTT SA, the Group's parent company, signed a contract for the acquisition of 75% of the shares of Ascenz. Payment of the transaction and definitive acquisition of the shares took place once all the suspensive conditions had been lifted, on January 31, 2018, as detailed in note 22 describing events after the reporting period attached to these consolidated financial statements.

Following verification of the accounting relating to financial years 2012 to 2014, the Group received an adjustment proposal from the *Direction des Vérifications Nationales et Internationales* (French national and international audit office). The information relevant to this adjustment proposal is detailed in note 20.2 to these consolidated financial statements.

2.4 Functional and presentation currency

The financial statements are presented in euros, which is the Group's functional currency. Almost all of the Group's transactions are denominated in euros.

2.5 Revenue recognition

Contracts between GTT and shipyards are based on royalties, whereby the shipyards pay royalties for the use of the Group's technology. GTT also provides experts (engineers and technicians) in order to accompany shipyards (GTT's customers) that apply its technology.

A general contract/TALA (Technical Assistance and License Agreement) defines the general relationship between the parties. The contract sets out the basis for calculating the royalties (based on the number of vessels built by the shipyard) and also indicates the terms of payment of royalties.

Subsequently, for each order, a special contract/MoU (Memorandum of Understanding) is signed which defines the specific conditions of application of the general contract.

Under licensing agreements for the construction of tanks with shipyards, GTT:

- carries out engineering analyses for the implementation of its patents, and delivers to the shipyard detailed specifications (including plans and nomenclature necessary to build the tanks using GTT's patented technology) at the moment of steel cutting;
- grants a non-exclusive licence to use patents with the support of its engineers and technicians for the construction of tanks (from the steel-cutting phase); and
- supplies technical assistance services by providing skilled engineers and technicians for a contractually defined number of man days from the launch phase until receipt of the final order equipped with tanks which comply with the GTT technology as ordered by the ship-owner, being the shipyard's customer.

All of these services are invoiced on a "recurring royalties" basis; the invoice amounts are proportional to the number of square metres of tanks under licensed construction and based on a man/day rate for technical assistance, which may be adjusted for example, if a series of identical LNG carriers is to be constructed. The billing is payable following a contractual schedule based on the key phases of the construction of the LNG carrier:

- effective date of the contract;
- steel-cutting;
- keel laying;
- launching;
- delivery.

Billing is recognised as revenue from operating activities as and when the services are performed:

- the part corresponding to the conducting of studies, which is only applicable to the first LNG carrier in a series, is recognised *prorata temporis* from the date of signature of the license agreement (which marks the beginning of activity with the shipyard for the fabrication of the tanks), to delivery of the final specifications at the moment of steel-cutting;
- the part corresponding to the non-exclusive license to use the patents with the support of GTT engineers and technicians is recognised *prorata temporis* from the moment of steel-cutting until the final delivery of the final LNG carrier; and
- finally, the part corresponding to the technical assistance provided during the project is recognised as such assistance is performed, generally on-site, by GTT's engineers and technicians from the launch of the LNG carrier until final delivery and acceptance by the customer.

Beyond the volume of contractual technical assistance, GTT can offer further technical assistance, upon request, which is recognised as revenue when such assistance is effectively performed by the engineers and technicians on-site.

2.6 Other revenue

Other revenues include the amounts for the Research Tax Credit (CIR) granted to companies by the French Tax Authorities in order to encourage technical and scientific research activities.

Companies that justify eligible expenses receive a tax credit that can be credited against the income tax due for the period in which the expenditure was incurred. Any unutilised amount may be carried forward for offset in the following three years, with any excess beyond this date, being reimbursed. Only research expenditure is taken into account for the basis of calculating the research tax credit.

2.7 Intangible assets

Intangible assets are recorded at their acquisition cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over their useful economic life, using the straight-line method.

Research and development costs

The Group regularly incurs research and development costs. Research costs are expensed as incurred. Development expenditures are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility required for completion of the development project;
- its intention to complete and its ability to use or sell the asset;
- the capacity to use the intangible asset;
- the probability of future economic benefits being generated;
- the availability of technical, financial and other resources to complete the project; and
- the ability to reliably measure the development expenditure.

At the date these financial statements were prepared, the Group considered that these criteria had not been met before the costs were incurred.

As a result, development costs have been recognised as an expense in the period in which they were incurred.

The Group spent 18 million euros on research and development during the financial year ended on December 31, 2017, compared with 20 million euros in the financial year ended December 31, 2016.

Software

Software acquired from third parties is capitalised and amortised over a period of three years.

At the year-end, intangible assets recorded in the balance sheet mainly comprise software.

2.8 Property, plant and equipment

Property, plant and equipment are initially accounted for at their acquisition cost.

With regard to the building used since 2003 as the registered office of the Group, its historical cost under the first time application of IFRS, has been determined using the transfer price paid by GTT in January 2003 to the previous tenant in order to obtain the rights and obligations relative to the leasing contract of this building, increased by the outstanding capital element of the lease at the date of the lease transfer, to be amortised over the remaining term of the lease contract. GTT became the owner of this building at the end of the contractual lease period in December 2005.

Amortisation, calculated from the date of commissioning of the building, is recognised as an expense to reduce the book value of assets over their estimated useful lives, on a straight-line basis over the following period:

- Buildings 20 years;
- Leased assets 15 years;
- Technical installations 6 years and 8 months/10 years;
- Other assets
  - Transport vehicles 3 years,
  - IT and office equipment 3 years/5 years,
  - Office furniture 6 years and 8 months.

Amortisation expense is recognised within the Income Statement as "Amortisations".

2.9 Leases

Assets financed through finance lease contracts which transfer substantially all the risks and rewards due to ownership of the leased item to the Group, are recognised in the balance sheet at the lower of (i) the fair value of the assets or (ii) the present value of the minimum lease payments. The corresponding debt is recognised as a financial liability. At the date of closing the financial statements, there were no contracts of this nature.

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are operating leases. The operating lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis, corresponding to the useful life of the asset.

2.10 Impairment of non-financial assets

An impairment test is performed:

- at least once an year, for assets with indefinite lives, mainly non depreciable intangible assets and also assets under construction;
- if an indicator of impairment exists for assets with an indefinite or finite economic useful life.

The Group does not have assets with an indefinite useful life that require an impairment test.

2.11 Financial assets and liabilities

Financial assets include financial investments; loans and other financial receivables; and financial derivative instruments.

Financial liabilities include borrowings, bank overdrafts and financial derivative instruments.

Financial assets and liabilities are presented in the balance sheet as current assets/liabilities or non-current assets/liabilities depending on whether or not they fall due more than one year, with the exception of derivatives which are classified as current.

Financial assets and liabilities recorded at fair value, with movements taken to the income statement

Financial assets and liabilities measured at fair value, for which movements in fair value are booked to the income statement, are designated as such when the transaction is initiated. These assets are initially recognised at fair value and are remeasured at each reporting date. The change in fair value is recognised in the income statement under "Other financial income" or "Other financial expenses".

The fair value is determined using the following hierarchy:

- listed prices (unadjusted) on "liquid" markets for identical assets or liabilities (level 1);
- data other than market prices included within level 1 that can be observed either directly or indirectly (level 2); and
- data relative to the asset or liability that are not based on observable market data (level 3).

Held to maturity investments

These financial assets are investments, other than loans and receivables, that the Group intends to hold to maturity and has the capacity to do so. These investments have fixed or determinable income streams. These financial assets are initially booked at fair value and subsequently measured at amortised cost using the effective interest method.

Loans and receivables

Loans and receivables are measured at amortised cost less any necessary impairment charge.

Available-for-sale financial assets

Available-for-sale financial assets correspond to non-consolidated equity securities and any other debt instruments not classified under other categories.

Trade payables and financial liabilities

Financial liabilities and trade payables are measured at amortised cost. Interest is calculated using the effective interest rate and is recognised as financial expenses in the income statement.

2.12 Trade and other receivables

A provision for depreciation is recognised when there are objective indicators which indicate that the amounts due cannot be recovered fully or partially. In particular, the process of assessing the recoverable amount of receivables balances due at the balance sheet date is subject to individual consideration and the necessary provisions are recognised if there is a risk of non-recovery. Their accounting amount corresponds to a reasonable approximation of their fair value.

2.13 Cash and cash equivalents

The item "Cash and cash equivalents" includes cash and readily available money market investments, subject to a negligible risk of change in fair value, which can be readily used to meet existing cash outflow requirements.

Monetary investments are valued at their market value at the balance sheet date. Changes in value are recorded in "Other financial income" or "Other financial expenses".

2.14 Share capital

Ordinary shares are classified as equity instruments.

2.15 Personnel benefits

Retirement indemnities

The Group applies the relevant legal obligations or provides customary supplementary pension schemes or other long-term benefits to employees. The Group offers these benefits through defined contribution plans.

Contributions relating to defined contribution plans are expensed as and when they become due for services rendered by employees.

Indemnities within the collective agreement which apply to the Group relate to retirement indemnities or indemnities due in the case of voluntary departure or their forced retirement. Such indemnities are considered to be defined benefit plans.

Liabilities arising from defined benefit plans and their costs are determined using the projected unit actuarial valuation method. Valuations are carried out annually. Actuarial calculations are provided by external consultants.

These plans are funded, and the residual obligation may be recognised as a pension asset in the balance sheet.

The main plan concerns retirement benefits paid upon retirement. The change in the liability and the plan assets includes:

- the cost of the services rendered and the amortisation of the cost of past services recognised as operating expenses;
- the reduced financial cost of the return on plan assets, recognised as financial income; and
- actuarial gains and losses directly recognised in "Other comprehensive income".

The actuarial differences come from changes in the assumptions and from the difference between the estimations according to the actuarial assumptions and the actual results of the revaluations.

2.16 Other provisions

A provision is recognised when, at the end of the period, the Group has a present obligation (legal or implied) arising from past events and it is probable that an outflow of future economic benefits will be required to settle the obligation.

Litigation is provided for when an obligation of the Group to a third party exists at the balance sheet date. The measurement of provision is based on the best estimate of projected expenditure.

Contingent liabilities represent potential obligations arising from past events whose existence will be confirmed only by the occurrence of uncertain future events which are not under the control of the entity or existing obligations where an outflow of resources is not probable. With the exception of those recognised as a result of a business combination, contingent liabilities are not recognised in the accounts but are described in a note to the financial statements.

2.17 Government grants and conditional advances

Between 1987 and 2001, the Group received advances subject to reimbursement conditions from the Hydrocarbons Support Fund (FSH). These advances were intended to finance investment projects in the framework of research programs approved by the French State.

The repayment of these advances is based on the sales generated by the relevant projects which have been funded. They are recorded in "Other non-current liabilities" and "Other current liabilities" at their present value discounted at a rate of 2%, being amortised as reimbursements are made.

No repayments will be required at the end of the 20th year following the year of approval of the funding, the amount of non-repayable advances being recognised as other income on that date.

2.18 Income tax

"Income tax expense" includes current income taxes payable and deferred tax.

Deferred tax is recognised, using the liability method, for temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts; and tax losses.

A deferred tax asset is recognised for tax losses and unused tax credits when it is probable that the Group will have future taxable profits against which these tax losses and unused tax credits can be utilised.

Deferred tax assets & liabilities are measured at the tax rates expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been adopted or substantively adopted at the balance sheet date.

Deferred taxes are recognised as income or expense in the income statement except where it relates to a transaction or event that is recognised directly in equity.

Deferred tax assets and liabilities are presented in specific balance sheet items included in non-current assets and liabilities.

Given its activity, GTT is taxed at the reduced rate applicable to long-term capital gains applied on its net revenue from license royalties. The tax losses available at the normal rate are offset against profits taxed at the reduced tax rate in accordance with French tax rules. The valuation of deferred taxes generated by temporary differences takes into account this allocation mechanism to reflect the charge or tax savings that will actually be supported or obtained (at the normal rate or at the reduced rate) when the liability is settled or the asset is realised.

2.19 Segment reporting

The Group does business in a single operational sector: the provision of services relating to the construction of liquefied gas storage and transportation facilities.

Assets and liabilities are located in France. Fees and services rendered are invoiced to companies predominantly based in Asia.

2.20 Other comprehensive income

Income and expenses in the period which are not recognised in the income statement are presented as "Other comprehensive income" in total comprehensive income.

2.21 Earnings per share

Earnings per share are calculated by dividing net income by the weighted average number of parent Company shares outstanding after restatement for treasury shares.

Diluted earnings per share is calculated by dividing net income by the weighted average number of shares outstanding after restatement for treasury shares, taking into account the maximum number of shares that could be outstanding given the probability of current or future dilutive instruments being converted.

2.22 Free shares

The agreed plans result in the recognition of an expense relating to the projected benefit granted to beneficiaries of the plans. The expense is offset by an increase in reserves.

For free share plans, the valuation is based on the share price on the date of allocation, weighted or not by the reasonable estimate of share allocation criteria being met. The benefit is distributed over the vesting period (two to four years).

2.23 Comparison of individual IFRS financial statements presented in 2016 and proforma IFRS consolidated financial statements

To make the 2017 IFRS consolidated financial statements easier to read, the Group decided to present the 2016 comparisons in a consolidated format.

The main differences between the individual IFRS financial statements presented in 2016 and the proforma consolidated financial statements are detailed below.

In thousands of euros	Notes	31/12/2016 Consolidated financial statements	31/12/2016 Individual financial statements	Changes
Intangible assets	(a)	1,008	610	398
Property, plant and equipment	(a)	18,137	17,575	562
Non-current financial assets	(b)	5,863	7,937	(2,074)
Deferred tax assets	(c)	1,737	739	998
Non-current assets		26,746	26,863	(117)
Customers	(d)	78,150	81,530	(3,381)
Other current assets	(d)	29,062	30,357	(1,295)
Financial current assets		7,669	7,669	0
Total cash and cash equivalent		78,209	74,355	3,853
Current assets		193,089	193,911	(822)
TOTAL ASSETS		**219,835**	**220,774**	**(939)**

In thousands of euros	Notes	31/12/2016 Consolidated financial statements	31/12/2016 Individual financial statements	Changes
Share capital		371	371	0
Share premium		2,932	2,932	(0)
Reserves		(2,179)	(1,714)	(465)
Net result		119,868	119,745	123
Other items of comprehensive income		(230)	(1,130)	900
Total Equity		120,762	120,204	558
Non-current provision		4,626	4,044	582
Financial liabilities – non-current part		616	626	(9)
Deferred tax liabilities	(c)	261	-	261
Other non-current financial liabilities		-	582	(582)
Non-current liabilities		5,503	5,252	251
Current provisions		1,864	1,864	(0)
Suppliers		8,970	9,320	(350)
Current financial liabilities		488	488	0
Other current liabilities		82,247	83,647	(1,399)
CURRENT LIABILITIES		**93,569**	**95,318**	**(1,749)**
TOTAL EQUITY AND LIABILITIES		**219,835**	**220,774**	**(939)**

The main differences between the GTT SA IFRS individual balance sheet and the Group's consolidated balance sheet are as follows:

(a) integration of the subsidiaries' fixed assets, principally Cryovision's maintenance hardware and equipment and Cryometrics' software developments;

(b) elimination of the fair value adjustment on equity investments of non-consolidated subsidiaries;

(c) the deferred tax assets net of deferred tax liabilities (+737 thousand euros mainly constituted by Cryometrics' deficits carried forward); and

(d) the elimination of intra-Group debts and receivables.

In thousands of euros	Notes	2016 Consolidated financial statements	2016 Individual financial statements	Changes
Revenue from operating activities	(a)	**237,029**	**235,552**	**1,477**
Costs of sales		(2,042)	(1,982)	(60)
External expenses	(b)	(44,324)	(45,699)	1,375
Personnel expenses	(c)	(43,406)	(41,497)	(1,909)
Taxes		(4,357)	(4,321)	(36)
Depreciations, amortisations and provisions	(d)	(6,929)	(8,315)	1,386
Other operating income and expenses		6,958	7,184	(226)
Impairment following value tests		(782)	-	(782)
Operating profit		142,147	140,922	1,225
Financial income	(e)	1,319	2,617	(1,298)
Profit before tax		**143,466**	**143,539**	**(73)**
Income tax		(23,598)	(23,794)	196
Net result		119,868	119,745	123
Basic earnings per share (in euros)		3.24	3.23	0.00
Diluted earnings per share (in euros)		3.23	3.22	0.00
Average number of shares		37,036,945	37,036,945	0
Number of diluted shares		37,164,303	37,164,303	0

In thousands of euros	2016 Consolidated financial statements	2016 Individual financial statements	Changes
Net result	119,868	119,745	123
Items that will not be reclassified to profit or loss:			
Actuarial Gains and Losses			
Gross amount	(271)	(271)	(0)
Deferred tax	40	41	(1)
Total amount, net of tax	**(231)**	**(230)**	**(1)**
Items that may be reclassified subsequently to profit or loss			
Foreign exchange gains (losses)	7	-	7
Fair value changes on equity investments			
Gross amount		(916)	916
Deferred tax		16	(16)
Total amount, net of tax	**-**	**(900)**	**900**
Other comprehensive income for the year, net of tax	(224)	(1,130)	906
INCOME STATEMENT	**119,644**	**118,615**	**1,029**

The differences in net income between the GTT SA individual financial statements and the Group's consolidated financial statements are negligible (123 thousand euros).

They consist mainly of:

(a) integration of the revenues from service subsidiaries;

(b) cancellation of commercial subsidiaries' sub-contracting expenses;

(c) integration of the subsidiaries' personnel expenses;

(d) cancellation of a provision for an intra-Group doubtful receivable;

(e) cancellation of intra-Group dividends.

NOTE 3 PRINCIPAL SUBSIDIARIES AS OF DECEMBER 31, 2017

The list of subsidiaries included in the consolidated financial statements is shown below. The acronym IG denotes the full consolidation method.

			Interest %		Consolidation method	
Name	Activity	Country	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cryovision	Maintenance services	France	100.0	100.0	IG	IG
Cryometrics	On-board services	France	100.0	100.0	IG	IG
GTT Training	Training services	United Kingdom	100.0	100.0	IG	IG
GTT North America (GTT NA)	Commercial office	United States of America	100.0	100.0	IG	IG
GTT SEA	Commercial office	Singapore	100.0	100.0	IG	IG

Information relating to the income statement

NOTE 4 OPERATING PROFIT

4.1 Personnel expenses

The amount of personnel expenses for the period is detailed below:

In thousands of euros	2017	Proforma 2016
Wages and salaries	23,303	24,695
Social security costs	10,953	11,625
Share-based payments	830	885
Profit-sharing and incentives scheme	6,076	6,044
PERSONNEL EXPENSES	**41,162**	**43,248**

4.2 External expenses

In thousands of euros	2017	Proforma 2016
Tests and studies	12,581	18,018
Leasing, maintenance & insurance	5,788	5,580
External staff	295	339
Fees	5,557	6,049
Transport, travel and reception expenses	8,565	9,424
Postal & telecommunication charges	220	263
Others	3,782	4,651
EXTERNAL EXPENSES	**36,788**	**44,324**

4.3 Depreciation, amortisation and provisions

In thousands of euros	2017	Proforma 2016
Allocations (reversals) for depreciation of fixed assets	3,349	3,459
Provisions (reversals)	13,458	3,470
AMORTISATION AND PROVISIONS (REVERSAL)	**16,807**	**6,929**

The observed change is mainly due to (i) the provision for tax adjustment risk of 15,208 thousand euros, (ii) a reversal during the financial year of 1,479 thousand euros of the provision for the contract loss of 1,864 thousand euros recognised in 2016.

4.4 Other operating income and expenses

In thousands of euros	2017	Proforma 2016
Research tax credit	7,687	6,384
Others	240	416
OTHER OPERATING INCOME AND EXPENSES	**7,927**	**6,800**

NOTE 5 FINANCIAL INCOME

In thousands of euros	2017	Proforma 2016
Exchange gains and losses	(6)	295
Other financial products and charges	(51)	(35)
Financial income on short term investments	381	783
Proceeds on equity portfolio	-	-
Proceeds on disposal of securities	-	-
Changes in the fair value of financial assets	110	285
Changes in the fair value of retirement plan assets (see note 15)	(10)	(9)
FINANCIAL INCOME	**423**	**1,319**

Information relating to the balance sheet

NOTE 6 INTANGIBLE ASSETS

In thousands of euros	Gross value	Amortisation	Loss of value	Net value
Values as at 31/12/2015	5,588	(3,905)	(915)	768
Acquisitions/allocations	1,525	(463)	(782)	280
Disposals/reversals	(42)	2	-	(40)
Other variations	1	(1)	-	(0)
Values as at 31/12/2016	7,072	(4,367)	(1,697)	1,008
Acquisitions	788	(259)	(394)	135
Disposals	(70)	24	-	(46)
Other variations	(3)	3	-	-
VALUES AS AT 31/12/2017	**7,787**	**(4,599)**	**(2,091)**	**1,097**

Intangible assets are mainly comprised of software.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Land and buildings	Technical installations	Assets in progress	Others	Total
Gross value as at 31/12/2015	13,532	15,385	535	21,911	51,363
Acquisitions	60	1,038	1,299	622	3,019
Disposals	-	(286)	(105)	(388)	(779)
Reclassifications	28	182	(229)	19	-
Other variations	-	-	-	(18)	(18)
Gross value as at 31/12/2016	13,620	16,319	1,500	22,146	53,585
Acquisitions	-	448	1,474	746	2,668
Disposals	-	(970)	-	(61)	(1,031)
Reclassifications	-	61	(1,005)	944	-
Other variations	-	-	-	(19)	(19)
Gross value as at 31/12/2017	13,620	15,858	1,969	23,756	55,203
Accumulated depreciation as at 31/12/2015	(3,154)	(12,089)	-	(17,826)	(33,069)
Allocation	(575)	(1,188)	-	(1,232)	(2,995)
Reversal	-	248	-	371	619
Other variations	-	-	-	(3)	(3)
Accumulated depreciation as at 31/12/2016	(3,729)	(13,029)	-	(18,690)	(35,448)
Allocation	(577)	(1,276)	-	(1,236)	(3,089)
Reversal	-	743	-	61	804
Other variations	-	-	-	14	14
Accumulated depreciation as at 31/12/2017	(4,306)	(13,562)	-	(19,851)	(37,719)
Net value as at 31/12/2015	10,378	3,296	535	4,085	18,294
Net value as at 31/12/2016	9,891	3,290	1,500	3,456	18,137
NET VALUE AS AT 31/12/2017	**9,314**	**2,296**	**1,969**	**3,904**	**17,483**

In the absence of external debt related to the construction of property, no interest expense was capitalised in accordance with IAS 23 – Borrowing Costs.

Assets acquired under finance leases correspond to the building complex used since 2003 as the registered and head operations office of the Group, described in note 2.8 – Property, plant and equipment in section 3.2.2 – *Notes to the financial statements* in this Registration Document.

For the first time application of IFRS, the historical cost of the building was determined using the transfer price paid by GTT in January 2003 to the previous tenant in order to obtain the rights and obligations relative to the leasing contract of this building, increased by the outstanding capital element at the date of the lease transfer, to be amortised over the remaining term of the lease contract. GTT became the owner of this building at the end of the contractual lease period in December 2005.

NOTE 8 FINANCIAL ASSETS

8.1 Non-current assets

In thousands of euros	Loans and receivables	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Total
Values as at 31/12/2015	126	115	12,082	12,323
Acquisitions	29	746	-	775
Disposals	(16)	(5)	-	(21)
Reclassification as current	-	-	(7,000)	(7,000)
Other variations	1	-	(214)	(213)
Values as at 31/12/2016	139	856	4,868	5,863
Acquisitions	-	2,864	-	2,864
Disposals	(23)	(2,571)	(3,000)	(5,594)
Reclassification as current	-	-	-	-
Other variations	(2)	-	109	107
VALUES AS AT 31/12/2017	**114**	**1,149**	**1,977**	**3,240**

The reduction in "Loans and receivables" in 2017 corresponds to the reimbursement of the loans granted to employees and the reimbursement of a security deposit.

The increases and decreases in "available-for-sale assets" correspond to SICAV sales and purchases under a liquidity contract (note 11.4).

The reduction in "financial assets at fair value through profit or loss" for 3,000 thousand euros corresponds to sale of a short-term investment. The other changes correspond to the variation in the fair value of assets.

The financial investments in the cash flow statement correspond to the total of the above increases (2,864 thousand euros in 2017).

Disposals of financial assets in the cash flow statement correspond to the sum of (i) the decreases in financial loans and receivables (23,000 thousand euros) and available-for-sale assets – non-current share (2,571 thousand euros), and (ii) decreases in financial assets at fair value through profit or loss – non-current share (3,000 thousand euros) and current share (7,669 thousand euros).

8.2 Current assets

In thousands of euros	Financial assets at fair value through profit or loss	Total
Values as at 31/12/2015	12,688	12,688
Acquisitions	-	-
Disposals	(12,500)	(12,500)
Reclassification from non-current	7,000	7,000
Other variations	481	481
Values as at 31/12/2016	7,669	7,669
Acquisitions	-	-
Disposals	(7,669)	(7,669)
Reclassification from non-current	-	-
Other variations	-	-
VALUES AS AT 31/12/2017	**-**	**-**

The reductions (7,669 thousand euros) correspond to investments that have ended.

NOTE 9 WORKING CAPITAL REQUIREMENT

9.1 Trade receivables and other current assets

Gross book value *In thousands of euros*	December 31, 2017	Proforma December 31, 2016	Change
Trade and other receivables	102,339	79,344	22,995
Trade and other operating receivables	180	48	132
Tax and social security receivables	3,818	4,259	(441)
Other receivables	-	-	-
Prepaid expenses	1,100	1,803	(703)
Total other current assets	5,098	6,110	(1,012)
TOTAL	**107,436**	**85,453**	**21,983**

Depreciation *In thousands of euros*	December 31, 2017	Proforma December 31, 2016	Change
Trade and other receivables	(1,283)	(1,194)	(89)
Trade and other operating receivables	-	-	-
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	-	-	-
TOTAL	**(1,283)**	**(1,194)**	**(89)**

Net book value *In thousands of euros*	December 31, 2017	Proforma December 31, 2016	Change
Trade and other receivables	101,056	78,150	22,906
Trade and other operating receivables	180	48	132
Tax and social security receivables	3,818	4,259	(441)
Other receivables	-	-	-
Prepaid expenses	1,100	1,803	(703)
Total other current assets	5,098	6,110	(1,012)
TOTAL	**106,153**	**84,259**	**21,894**

The book value of trade receivables corresponds to a reasonable approximation of their fair value.

A provision for depreciation was recognised to the extent of 100% on a receivable for 89 thousand euros.

The breakdown of trade receivables by maturity as at December 31, 2017 is presented below:

In thousands of euros	December 31, 2017	Proforma December 31, 2016	Change
Not yet falling due	79,393	61,065	18,328
Due since 3 months or more	17,570	12,619	4,951
Due since 3 months but less than 6 months	2,591	1,751	840
Due since 6 months but less than 1 year	880	2,286	(1,406)
Due since 1 year	621	429	192
Total amount falling due	21,662	17,085	4,577
TOTAL	**101,055**	**78,150**	**22,905**

9.2 Trade payables and other current liabilities

In thousands of euros	December 31, 2017	Proforma December 31, 2016	Change
Trade and other payables	10,574	8,970	1,604
Prepayments received	(0)	1,221	(1,221)
Tax and social security payables	19,070	19,411	(341)
Other debts	293	278	15
Deferred income	55,407	54,911	497
Other current liabilities	74,771	75,820	(1,050)
TOTAL	**85,344**	**84,791**	**554**

9.3 Other operating assets and liabilities

In thousands of euros	December 31, 2017	Proforma December 31, 2016	Change
Tax and social security receivables	3,818	4,259	(441)
Other receivables	180	48	132
Prepaid expenses	1,100	1,803	(703)
Deferred income	(55,407)	(54,911)	(497)
Tax and social security payables	(19,070)	(19,411)	341
Deposits & advance payments received on orders	0	(1,221)	1,221
Other debts	(293)	(278)	(15)
TOTAL	**(69,673)**	**(69,711)**	**38**

NOTE 10 CASH AND CASH EQUIVALENTS

In thousands of euros	December 31, 2017	Proforma December 31, 2016
Marketable securities	90,876	48,695
Cash and cash equivalent	9,014	29,514
Cash in balance sheet	99,890	78,209
Bank overdrafts and equivalent	-	-
NET CASH POSITION	**99,890**	**78,209**

Short-term deposits and other cash instruments consist of deposits which meet the criteria of classification as cash equivalents.

Cash and cash investments are recognised at fair value (level 2).

NOTE 11 EQUITY

11.1 Share capital

As at December 31, 2017, the share capital was composed of 37,078,357 shares with a nominal unit value of 0.01 euro.

11.2 Dividends

The Shareholders' Meeting of May 18, 2017 approved the payment of an ordinary dividend of 2.66 euros per share for the year ended December 31, 2016, payable in cash. As an interim dividend payment was paid on September 30, 2016, the balance was paid on May 31, 2017 in the total amount of 49,290,538 euros.

The Board of Directors , meeting on July 20, 2017, decided to make an interim dividend payment of 1.33 euro for the shares outstanding. The interim dividend was paid on September 29, 2017 for an amount of 49,302,733 euros.

Dividends paid in 2017 thus correspond to the sum of the amounts described above (balance paid for the 2016 financial year and the interim payment for the 2017 financial year), *i.e.* 98,593,271 euros.

11.3 Share-based payments

Allocation of Free Shares (AFS)

Date of allocation *	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	Fair value of the share on the allocation date	Expired shares	Shares allocated at the end of the vesting period	Existing shares at December 31, 2017
February 10, 2014	AFS 1	2 years	2 years	5,745	€46	945	4,800	-
February 10, 2014	AFS 2	2 to 4 years	2 years	250,000	€24	96,109	119,791	34,100
May 18, 2016	AFS 3	2 years	2 years	16,000	€10	4,361	-	11,639
May 18, 2016	AFS 4	3 years	1 year	15,150	€21	2,900	-	12,250
May 18, 2016	AFS 5	3 years	-	5,625	€23	945	-	4,680
February 23, 2017	AFS 6	1 year	2 years	7,800	€37	2,126	-	5,674
February 23, 2017	AFS 7	3 years	1 year	14,200	€37	-	-	14,200

* *The allocation date corresponds to the date of the meeting of the Board of Directors having decided on the allocation of these plans.*

For these plans, the Board of Directors drew up the following acquisition conditions:

- AFS plans no. 1 and no. 5: 100% of the share allocation is contingent on the employees being present at the end of the vesting period;
- AFS plans no. 2, no. 3 and no. 6: 100% of the shares are allocated subject to:
  - the employees being present at the end of the vesting period,
  - fulfilment of performance criteria during the financial year prior to the end of the vesting period. These criteria concern:
    - GTT stock performance,
    - the net margin ratio (net income/revenues),
    - GTT stock performance compared to the Stoxx 600 Oil & Gas index (Price);
- AFS plans no. 4 and no. 7:
  - 20% of shares are subject to presence at the end of the vesting period,
  - 80% of shares are allocated subject to the achievement of performance criteria measured at the end of the financial year preceding the end of the vesting period. These criteria concern:
    - increases in revenue and the order book,
    - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price),
    - the ratio of net profit to revenues.

CALCULATING THE EXPENSE FOR THE FINANCIAL YEAR

Pursuant to IFRS 2, an expense representative of the benefit granted to beneficiaries of these plans is recorded under "Personnel expenses" (Operating income) (note 4.1).

For free share plans open to all employees, the unit value is based on the share price on the allocation date and takes into account the change in the beneficiary headcount.

For the other free share plans, the unit value is based on the share price on the allocation date weighted by the reasonable estimation of attaining the share allocation criteria.

The expense is calculated by multiplying these unit values by the estimated number of free shares to be allocated. It is distributed over the vesting period from the date of the Board meeting which decided on each plan, in accordance with the likelihood of the performance criteria being met.

For the period from January 1 to December 31, 2017, the expense recognised for the free share allocation plans was 830 thousand euros. At December 31, 2016, an expense was recorded in the amount of 885 thousand euros.

11.4 Treasury shares

The Group entered into a liquidity contract on November 10, 2014. In accordance with IAS 32, the buyback of treasury shares is deducted from equity. Treasury shares held by the entity are not taken into account when calculating earnings per share. As at December 31, 2017, the Group held 6,571 treasury shares under its liquidity contract compared to 11,934 treasury shares in 2016. This was a change of -87 thousand euros (-1,127 thousand euros over the 2016 financial year).

The Group entered into a treasury share buyback agreement on November 17, 2015. Accordingly, at December 31, 2016, the Group held 39,560 treasury shares, of which 36,457 were distributed to employees in February 2017 under the free share plans. Over 2017, 70,000 new treasury shares were bought back and the Group held 73,103 treasury shares at December 31, 2017, part of which will be distributed to employees in February 2018 under free share plans. The buyback of 70,000 shares in 2017 entailed an expenditure of 3,299 thousand euros.

NOTE 12 EARNINGS PER SHARE

	2017	Proforma 2016
Net income in euros	116,245,007	119,867,731
Average number of shares outstanding (excluding treasury shares)	37,052,681	37,036,945
▸ AFS plan no. 1	-	-
▸ AFS plan no. 2	34,100	98,958
▸ AFS plan no. 3	11,639	8,000
▸ AFS plan no. 4	12,250	15,150
▸ AFS plan no. 5	4,680	5,250
▸ AFS plan no. 6	5,674	
▸ AFS plan no. 7	14,200	
Number of diluted shares	37,135,224	37,164,303
Basic net earnings per share in euros	**3.14**	**3.24**
Diluted net earnings per share in euros	**3.13**	**3.23**

At December 31, 2017, earnings per share were calculated based on share capital made up of 37,052,681 shares, which corresponds to the average weighted number of ordinary shares outstanding excluding treasury shares during the period.

At December 31, 2017, the Group allocated 82,543 free shares that were taken into account when calculating the diluted earnings per share.

NOTE 13 INFORMATION ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Information relative to the fair value of financial instruments concerns only cash and short-term investments that are measured at fair value (level 2).

NOTE 14 MANAGEMENT OF FINANCIAL RISKS

14.1 Credit risk

The direct customers of the GTT Group are essentially shipyards. As at December 31, 2017, 24 shipyards were licensed, essentially located in China, Japan and South Korea. Of these 24 sites, 7 sites are active and have notified GTT of orders for vessels.

Due to the small number of customers, and since most of them are long-standing customers with whom the Group has developed strong partnerships, and since there have not been any payment incidents for ten years, the Group assesses its credit risk in a non-statistical manner. The Group confirms that it has never had significant payment problems with its customers.

Furthermore, in the case of late payment from the shipyard, the TALA (license agreement) may be cancelled, which prevents the shipyard to commercialise the Group's technologies.

In case of order cancellation, the amount corresponding to the services performed are due and payable by the client. From this point of view, the fact of billing in accordance with five milestones helps to spread the risk. Billing is aligned with construction milestones of the vessel; any delay in the construction automatically causes a postponement of billing.

14.2 Interest rate risk

The Group has no debt and consider therefore not to be exposed to a risk of change in interest rates. Cash consists primarily of short-term deposit accounts with maturities of between one and 60 months and remunerated at variable rates (the majority of which are 100% capital guaranteed).

14.3 Exchange rate risk

Purchases and sales are carried out almost entirely in euros, which is also the functional currency of the Group. Most contracts are denominated in euros.

The Group therefore considers that it is not exposed to significant exchange rate risk.

14.4 Liquidity risk

The Group's cash position enables it to meet its commitments as at the closing date of the financial statements. The Group considers that it is not exposed to any significant liquidity risk.

NOTE 15 PROVISIONS FOR EMPLOYEE BENEFITS

15.1 Commitments under defined-benefit plans

Provisions for retirement benefit plans are as follows:

In thousands of euros	Proforma December 31, 2017	December 31, 2016
Closing balance of the value of the commitments	(2,035)	(2,046)
Closing balance of the fair value of the assets	1,479	1,464
Financial plan assets	(556)	(582)
Cost of unrecognised past services		-
Others		-
PROVISIONS AND PREPAID EXPENSES	**556**	**582**

The change in the value of the commitments and the fair value of the retirement plan assets is as follows:

In thousands of euros	Proforma December 31, 2017	December 31, 2016
Opening balance of the commitment value	(582)	(91)
Normal cost	(262)	(207)
Interest expense	(10)	(9)
Cost of past services		-
Actuarial (gains) and losses	299	(271)
Services paid	-	(5)
CLOSING BALANCE OF THE VALUE OF THE COMMITMENTS	**(556)**	**(582)**

In thousands of euros	December 31, 2017	Proforma December 31, 2016
Value of the commitments of fully non-financed plans		
Value of the commitments of fully or partially financed plans	(2,035)	(2,046)

In thousands of euros	December 31, 2017	Proforma December 31, 2016
Opening balance of the fair value of the assets	1,464	1,445
Expected yield	21	22
Actuarial (losses) and gains	(6)	1
Employer contribution		-
Participant contribution		-
Services provided		(5)
Acquisitions/disposals		-
CLOSING BALANCE OF THE FAIR VALUE OF THE ASSETS	**1,479**	**1,464**

15.2 Cost for the period

In thousands of euros	December 31, 2017	Proforma December 31, 2016
Normal cost	(262)	(207)
Interest expense	(10)	(9)
Expected yield of assets		-
Cost of past services		-
Transfers		-
Acquisitions/disposals		-
Others		-
CHARGE FOR THE PERIOD	**(273)**	**(216)**

The actuarial assumptions used are as follows:

Assumptions	December 31, 2017	Proforma December 31, 2016
Discount rate*	1.45%	1.55%
Salary increase rate	1.32%	2.04%

* *Discount rates are determined using the yield rate of bonds issued by companies rated AA++, with the same maturity as the commitments.*

15.3 Monitoring of actuarial gains and losses

Actuarial differences have been recognised under "Other comprehensive income" since the 2013 financial year. They accumulate as follows:

In thousands of euros	December 31, 2017	Proforma December 31, 2016
Cumulative actuarial differences at the start of the financial year	187	460
Actuarial differences generated on the commitment	305	(272)
Actuarial differences generated on the assets	(6)	1
CUMULATIVE ACTUARIAL DIFFERENCES AT FINANCIAL YEAR-END	**497**	**187**

The actuarial differences are analysed as follows:

In thousands of euros	December 31, 2017	Proforma December 31, 2016
Actuarial (losses) and gains	497	187
Experience differences	(65)	84
DIFFERENCES DUE TO CHANGES IN ASSUMPTIONS	**562**	**102**

15.4 Analysis of dedicated assets

At December 31, 2017, plan assets were placed in a euro fund of the Group governed by the QUATREM Insurance Code and belonging to the Malakoff Médéric group. The breakdown of the fund is as follows:

Asset categories:	December 31, 2017	Proforma December 31, 2016
Shares	items not available on the date the financial statements were prepared	8.0%
Bonds		78.0%
Funds		3.0%
Property		9.0%
Others		2.0%

15.5 Sensitivity

The following table shows a sensitivity study to the discount rate on the actuarial debt and on the expense:

	December 31, 2017	December 31, 2016
Effect of a half-percentage-point increase in discount rates on:		
The normal cost and financial cost	51	(61)
The value of the commitment	(173)	(188)

	December 31, 2017	December 31, 2016
Effect of a half-percentage-point decrease in discount rates on:		
The normal cost and financial cost	51	(61)
The value of the commitment	195	213

	December 31, 2017	December 31, 2016
Effect of a percentage-point increase in discount rates on:		
The normal cost and financial cost	51	(61)
The value of the commitment	(327)	(355)

	December 31, 2017	December 31, 2016
Effect of a percentage-point decrease in discount rates on:		
The normal cost and financial cost	51	(61)
The value of the commitment	415	454

15.6 Other information

	December 31, 2017	December 31, 2016
Contribution expected in 2017 for plan assets	21	23

NOTE 16 OTHER PROVISIONS

In thousands of euros	Total	Provisions for litigation	Provision for retirement compensation	Current	Non current
Values as at 31/12/2015	3,289	3,198	91	-	3,289
Allocation	4,023	3,532	491	1,864	2,159
Reversal	(822)	(822)	-	-	(822)
Reversal – unused	0	-	-	-	-
Transfer current – non-current	0	-	-	-	-
Values as at 31/12/2016	6,490	5,908	582	1,864	4,626
Allocation	15,208	15,208	-	15,208	-
Reversal	(2,126)	(2,100)	(26)	(1,479)	(648)
Reversal – unused	0	-	-	-	-
Transfer current – non-current	0	-	-	11	(11)
VALUES AS AT 31/12/2016	**19,571**	**19,015**	**556**	**15,604**	**3,967**

The main litigation is described in note 20 of the appendix to the financial statements.

The provisions at December 31, 2017 consist of:

- provisions intended, in particular, to cover potential risks in disputes between GTT and employees, as well as a claim made against GTT by a legal expert involved in an action brought by a third party against a repair shipyard. These provisions amounted to 1,011 thousand euros at December 31, 2017;
- a provision corresponding to a risk on a construction project of 2,411 thousand euros;
- a provision for loss of contract for 385 thousand euros;
- a tax risk provision for 15,208 thousand euros;
- a provision for retirement benefits for 556 thousand euros.

The main movements in the financial year were the allocation of 15,208 thousand euros for tax risk, reversal of part of the provision for loss of contract for 1,479 thousand euros and the partial reversal of the provisions for employee litigation.

NOTE 17 INCOME TAX

17.1 Income tax analysis

In thousands of euros	2017	Proforma 2016
Current tax	(22,430)	(21,461)
Deferred tax	(102)	853
Income tax on profit	(22,532)	(20,608)
Distribution tax	-	(2,990)
Total income tax	(22,532)	(23,598)
Research tax credit	7,687	6,384
CICE	158	189
TOTAL INCOME TAX CHARGE NET OF TAX CREDITS	**(14,686)**	**(17,025)**

During the 2017 financial year, the Group submitted a claim concerning reimbursement of the amounts paid by virtue of the tax on dividends for 2015 and 2016. Pending an answer from the tax authorities, no accrued income was recorded. In addition, the Group specifies that, following the decision of the French Council of State on October 6, 2017, it has not observed any charge relating to this tax with respect to dividends paid out in 2017.

Tax paid out in the financial year with respect to the financial year in the cash flow statement corresponds to the total of the complete tax burden net of credits presented above (14,686 thousand euros), taxes directly recognised in equity (77 thousand euros) and the variation in current or deferred tax receivables and debts in the balance sheet (3,922 thousand euros).

17.2 Taxes and fees

In accordance with the application of IFRIC 21, property tax and the social solidarity contribution are recorded in full on January 1 of their year of payment.

17.3 Current taxes payable and deferred taxes.

The current tax expense is equal to the income tax due to the tax authorities for the financial year, based on the rules and tax rates present in the various countries.

The applicable tax rates are:

- royalties are taxed at a reduced rate of 15%;
- other operations are taxed at the ordinary tax rate of 33.33%.

At the end of the period, any eventual tax loss at the rate of 33.33% is offset against income taxable at 15%.

The current tax liability is obtained by reducing the tax expense by the amount of withholding tax levied on payments received for activities performed in China and South Korea, in accordance with agreements concluded between France and these countries.

Deferred taxes identified in the balance sheet and income statement are calculated at the reduced rate of 15%, which corresponds to the tax rate of GTT's principal activity.

17.4 Tax on added value

The tax on the added value generated by the Company (CVAE) is recognised as an operating expense under "Taxes".

17.5 Reconciliation of the income tax expense

In thousands of euros	2017	Proforma 2016
Net result	116,245	119,868
Income tax charge	22,532	23,598
Result before tax	**138,777**	**143,466**
Ordinary tax rate	15.00%	15.00%
Theoretical tax burden	**20,816**	**21,520**
Difference between the normal applicable tax rate for the parent company and the normal applicable tax rate in French and foreign jurisdictions	437	(60)
Permanent differences	2,136	(236)
Permanent differences for the consolidated financial statements	(242)	-
Net income taxed at a reduced rate or not taxed	(17)	(46)
Tax consolidation	(317)	(219)
3.3% tax supplement	686	658
Regularisation of income tax on previous income	(29)	-
Tax on dividends	-	2,990
Research tax credit – CICE	(1,180)	(1,008)
TOTAL INCOME TAX CHARGE	**22,532**	**23,598**

The valuation of deferred tax assets and liabilities is based on the way that the Group expects to recover or settle the carrying amount of assets and liabilities, using tax rates expected to apply to the year in which the asset is realised or the liability settled.

A deferred tax asset is recognised only if it is probable that the Group will have future taxable profits against which the asset can be utilised.

17.6 Deferred tax assets and liabilities

The following table presents the deferred tax assets and liabilities in the balance sheet:

In thousands of euros	2017	Proforma 2016
Deferred tax assets	1,520	1,737
On deficits	511	511
On other temporary difference	925	1,136
On retirement obligation	84	87
On revaluation of short-term investments	-	3
Deferred tax liabilities	222	261
On regulated provisions	83	93
Effect of discounting advances from Hydrocarbons Support Fund	4	7
Buildings acquired via financial lease	135	161

The other timing differences relate mainly to non-deductible provisions (provision for risks, company profit-sharing scheme).

NOTE 18 SEGMENT REPORTING

The Group has only one operating segment as defined in IFRS 8 – "Operating Segments".

18.1 Information on products and services

The activities of the Group are closely related, being services performed in the construction of storage and transport facilities of liquefied gas. Currently, there is no "principal operating decision maker", who receives specific reporting with several types of products and services.

In thousands of euros	2017	Proforma 2016
Revenues	231,591	237,029
Of which vessels under construction	218,381	227,286
LNGC Carriers/VLEC	*191,541*	*201,487*
FSRU	*22,262*	*21,024*
FLNG	*2,631*	*2,105*
onshore storage tanks	*1,511*	*1,956*
barges	*370*	*713*
vessels fuelled by LNG	*66*	*0*
From services	13,211	9,742

18.2 Information relating to geographical areas

Almost all customers are located in Asia. Total revenue is broken down geographically as follows:

	2017	Proforma 2016
South Korea	83%	84%
China	10%	9%
Japan	1%	4%
Others	5%	3%

Assets and liabilities are located almost exclusively in France.

18.3 Information relating to major customers

Concentration within the shipbuilding sector reduces the number of customers.

In 2017, one customer contributed 57% of total Group sales, and five customers contributed 92%.

	2017	Proforma 2016
One customer	50%	33%
The next 4 customers	42%	57%
TOTAL	**92%**	**91%**

NOTE 19 RELATED-PARTY TRANSACTIONS

19.1 Transactions with shareholders

The GTT financial statements are consolidated according to the full consolidation method in the consolidated financial statements prepared by ENGIE.

Transactions with shareholder companies are detailed below:

ENGIE *In thousands of euros*	2017	Proforma 2016
Suppliers	192	237
Customers	1	187
Training (Income)	-	1
Studies (Income)	9	155
Personnel expenses (Income)	28	-
Supplies and maintenance (Expenses)	1,163	1
Seconded personnel (Expenses)	313	92
Outsourced tests and studies (Expenses)	109	240
Electricity supply (Expenses)	280	-
Patents (Expenses)	72	-
Training costs (Expenses)	2	-

19.2 Compensation of executives

In thousands of euros	2017	Proforma 2016
Wages and bonuses	1,195	964
Expenses for payments in shares (IFRS 2)	129	490
Other long-term benefits	157	124

The compensation presented above corresponds to the remuneration of Philippe Berterottière, Chairman and Chief Executive Officer, and of Julien Burdeau, Chief Operating Officer of the Group until December 15, 2017.

The total compensation allocated to members of the Board of Directors in directors' fees was 420 thousand euros in 2017.

NOTE 20 DISPUTES AND COMPETITION

As part of the normal execution of its activities, the Group is involved in a certain number of litigation cases and proceedings with respect to competition with third parties or to judicial and/or administrative authorities (including tax authorities).

The amount of provisions for litigation as at December 31, 2017 stands at 19,015 thousand euros compared to 5,908 thousand euros as at December 31, 2016.

The main litigation cases and arbitrations presented below are recorded as liabilities, or depending on the case, constitute contingent liabilities or contingent assets.

As part of its activities, the Group is involved in a certain number of investigations and cases of litigation before government jurisdictions, courts of arbitration and regulatory authorities. The investigations and litigation that may have a significant impact on the Group are presented below.

20.1 Investigation by the Korean Fair Trade Commission

On January 29, 2016, the Group received notification from the Korean competition authority (Korea Fair Trade Commission) informing it of the opening of an investigation into a possible abuse of its dominant position because of its commercial practices in Korea. GTT clarifies that such an investigation is without prejudice to its conclusions. At this stage, it is not possible to estimate either the length of the enquiry or its potential outcome. GTT believes that its commercial practices comply with Korean competition law.

20.2 Tax dispute

Following a verification of the accounting for financial years 2012 to 2014, on December 20, 2017, the *Direction des Vérifications Nationales et Internationales* (French national and international audit office) sent GTT SA an adjustment proposal in which it calls into question the exemption from withholding tax with respect to the dividends paid out in 2013 and 2014 to a non-resident shareholder. This adjustment proposal for a total amount of 20,101 thousand euros, stands at 15,208 thousand euros with respect to dividends paid out in 2013 and 4,894 thousand euros with respect to those paid out in 2014, including interest and penalties for late payment.

The Group disputes the main aspects of the assessment and, as it did not benefit from the exemption, it intends to take all necessary measures to protect its rights.

NOTE 21 OFF-BALANCE SHEET COMMITMENTS

21.1 Commitments related to operating leases

Operating lease payments are not significant.

21.2 Commitments for lines of credit

The Group signed contracts for lines of credit for a total amount of 50 million euros with three banks during the 2016 financial year.

- On June 30, 2016, the Group agreed to a line of credit with BNP Paribas in the amount of 25 million euros for a period of five years renewable for two years, with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, expiration of the contract was postponed for one additional year, *i.e.* until 2022.
- On July 6, 2016, the Group agreed to a line of credit with Crédit du Nord in the amount of 15 million euros for a period of seven years, without guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default.
- On July 12, 2016, the Group agreed to a line of credit with Société Générale in the amount of 10 million euros for a period of five years renewable for two years with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, expiration of the contract was postponed for one additional year, *i.e.* until 2022.

NOTE 22 EVENTS AFTER THE REPORTING PERIOD

On January 31, 2018, once all of the suspensive conditions stipulated in the acquisition contract of December 16, 2017 had been lifted, GTT SA, parent company of the Group, acquired 75% of the shares of Ascenz. Ascenz is based in Singapore and is specialised in the design of operational reporting systems and systems to optimise vessel performance. Ascenz's services are designed for ship-owners, enabling them to make significant savings in fuel and meet the requirements of environmental standards.

NOTE 23 MAIN EXPECTED IMPACTS OF THE APPLICATION OF IFRS 15 (REVENUE FROM OPERATING ACTIVITIES DERIVED FROM CONTRACTS CONCLUDED WITH CUSTOMERS)

Application of IFRS 15 became mandatory as from January 1, 2018. The Group has chosen to apply IFRS 15 according to the full retrospective application method. Consequently, the comparative 2017 financial year presented in the 2018 financial statements will be restated in accordance with IFRS 15, and the impact of the transition will be reflected in the opening equity on January 1, 2017. This restatement will make it possible to compare the financial data from the 2018 financial year (established in accordance with IFRS 15) with the data from the 2017 comparative financial year.

Analysis of the provisions of IFRS 15 results in adopting the following accounting treatment:

- GTT provides a unique overall service corresponding to technology transfer under license to ship-yards in the context of construction of the tanks for a single vessel or a series of vessels;
- the royalties invoiced with respect to a series of vessels in the context of a firm order placed by a ship-yard for the construction of tanks will be recorded *prorata temporis* as revenue from operating activities for the duration of the construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of revenue from operating activities allocated to each vessel in the series will be identical;
- costs incurred by GTT during the studies phase prior to the steel cutting date for the first vessel in the series will be recorded on the asset side as work in progress. This work in progress will be recorded *prorata temporis* as an expense for the duration of construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of work in progress allocated to each vessel will be identical;
- the costs incurred by GTT after the steel cutting date of the first vessel in the series (including technical assistance costs associated with making engineers and technicians available) shall be recorded as expenses when they are incurred;

- in order to take account of the options enabling a ship-yard to build additional tanks for the same series for a royalties amount benefiting from a discount, part of the revenues from operating activities recorded on the firm series will be deferred. The deferred revenue will be recognised as income for the duration of construction of the additional tanks or, at the latest, when the option expires. The deferred revenue will be estimated taking account of the applicable discount and the likelihood of the options being exercised.

In comparison with the accounting process currently in use (in application of IAS 18), application of IFRS 15 will, in particular, result in the date of the start of recognition of the revenues from operating activities being changed from the date of signature of the license agreement (corresponding in practice to the date when the studies phase begins) to the steel cutting date of the first vessel (corresponding in practice to the date when the studies phase ends). This will delay recognition of revenue from operating activities. Costs linked to the studies phase will be recognised as expenses for the duration of construction of the vessels (and no longer when they are incurred).

The estimated impacts of application of IFRS 15 are described below. These estimates are provisional. The definitive amounts will be communicated when the IFRS financial statements for the first half of 2018 are made public. These calculations do not include any potential fiscal impacts.

23.1 Estimated impacts of the application of IFRS 15 on the opening balance sheet of January 1, 2017

In thousands of euros	January 1, 2017
Intangible assets	-
Property, plant and equipment	-
Non-current financial assets	-
Deferred tax assets	-
Non-current assets	-
Inventories	6,729
Customers	-
Other current assets	-
Financial current assets	-
Total cash and cash equivalent	-
Current assets	6,729
TOTAL ASSETS	**6,729**

In thousands of euros	January 1, 2017
Share capital	-
Share premium	-
Reserves	(10,922)
Net result	-
Other items of comprehensive income	-
Total Equity	(10,922)
Non-current provision	-
Financial liabilities – non-current part	-
Other non-current financial liabilities	-
Non-current liabilities	-
Current provisions	-
Suppliers	-
Current financial liabilities	-
Other current liabilities	17,651
Current liabilities	17,651
TOTAL EQUITY AND LIABILITIES	**6,729**

23.2 Estimated impacts of the application of IFRS 15 on the 2017 income statement

In thousands of euros	2017
Revenue from operating activities	9,210
External expenses	(29)
Personnel expenses	(18)
Operating profit	**9,163**
Financial income	
Profit before tax	9,163
Income tax	
Net income	**9,163**

23.3 Estimated impacts of the application of IFRS 15 on the balance sheet at December 31, 2017

In thousands of euros	December 31, 2017
Intangible assets	-
Property, plant and equipment	-
Non-current financial assets	-
Deferred tax assets	-
Non-current assets	**-**
Inventories	6,682
Customers	-
Other current assets	-
Financial current assets	-
Total cash and cash equivalent	-
Current assets	**6,682**
TOTAL ASSETS	**6,682**

In thousands of euros	December 31, 2017
Share capital	-
Share premium	-
Reserves	(10,922)
Net result	9,163
Other items of comprehensive income	-
Total Equity	**(1,759)**
Non-current provision	-
Financial liabilities – non-current part	-
Other non-current financial liabilities	-
Non-current liabilities	**-**
Current provisions	-
Suppliers	-
Current financial liabilities	-
Other current liabilities	8,441
Current liabilities	**8,441**
TOTAL EQUITY AND LIABILITIES	**6,682**

3.3 Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2017

To the Annual General Meeting of GTT,

Opinion

In compliance with the engagement entrusted to us by your Annual general Meetings, we have audited the accompanying consolidated financial statements of GTT for the year ended December 31, 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 December 31, 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.

We specify that, as your Company was not previously required to publish consolidated financial statements, the consolidated financial statements for the previous year have not been certified.

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 January 1st, 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) No 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the 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.

Revenue recognition of royalties

Key Audit Mattel'	Our response
The Group's ordinary activities amount to M€ 232 for the year ended December 31, 2017. They are mainly constituted of recurring royalties under license agreements for the construction of tanks with shipyards. As indicated in Note 2 «Accounting rules and methods» to the consolidated financial statements, royalties are recognized as revenue based on the actual performance of the services concerned: ► the part corresponding to the conducting of studies, which is only applicable to the first LNG carrier in a series, is recognized prorata temporis from the date of signature of the license agreement (which marks the beginning of activity with the shipyard for the fabrication of the tanks), to delivery of the final specifications at the moment of steel-cutting; ► the part corresponding to the non-exclusive license to use the patents with the support of engineers and technicians of your Company is recognized prorata temporis from the moment of steel-cutting until the final delivery of the final LNG carrier; ► and finally, the part corresponding to the technical assistance provided during the project is recognized as such assistance is performed, generally on-site, by your Company's engineers and technicians from the launch of the LNG carrier until final delivery and acceptance by the customer. We considered revenue recognition of royalties as a key audit matter due to: ► their sensitivity to shipbuilding milestones, ► the three components that constitute them, accounted according to differentiated methods as described above.	We examined procedures on revenue recognition implemented by the Group and tested the key controls identified on the billing process for royalties. Our other work included: ► reconciling the accounting data with the data extracted from the «Navire» tool for monitoring the progress of cases, ► testing, by sampling on a sample of contracts, the reality of the royalties invoiced on the basis of documents materializing the customer's acceptance of the services provided by GTT, ► obtaining direct confirmation from the shipyards regarding the reality of the portfolio and the progress of the construction against the milestones defined in the contracts, ► performing the verification, by sampling a sample of cases, of the calculation of the prorata temporis for each contractual milestone. Finally, we assessed the appropriateness of the information provided in Notes to 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 Board of Directors' management report.

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 GTT by your annual general meeting held on May 18, 2017 for CAILLIAU DEDOUIT et ASSOCIES and on June 30, 1998 for ERNST & YOUNG Audit.

As at December 31, 2017, CAILLIAU DEDOUIT et ASSOCIES was in the 1st year of total uninterrupted engagement and ERNST & YOUNG Audit in the 20th year (which was the 4th year since securities of the Company were admitted to trading on a regulated market).

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

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

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

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

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

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

Objectives and audit approach

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

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

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

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

Report to the Audit Committee

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

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

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 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.

Paris and Paris-La Défense, April 24, 2018

The Statutory Auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIES	ERNST & YOUNG Audit
Rémi Savournin	Aymeric de La Morandière

3.4 Update of consolidated forecasts

3.4.1 ASSUMPTIONS

The Group has prepared the forecasts presented below on the basis of:

(i) the order book as at December 31, 2017, which comprised 71 LNG carriers, 13 FSRUs, 2 FLNGs, 2 onshore storage tanks, 1 bunker barge, and 4 container vessels;

(ii) the revenue recognition method defined in note 23 of this appendix to the consolidated financial statements, and in application of the new IFRS 15 standard; and

(iii) the consolidated financial statements for the 2017 financial year prepared according to IFRS standards.

In addition, the Group included assumptions about the evolution of the business such as:

- the integration of the contribution made by the Ascenz acquisition;
- the growth of LNG Fuel markets;
- the progress made by research and development programmes.

Costs, consisting primarily of staff and subcontracting, were calculated based on the activity assumptions selected.

3.4.2 FORECAST FOR THE 2018 FINANCIAL YEAR

Based on the items described above and in the absence of significant order postponements or cancellations, the Group expects, for the 2018 financial year, to achieve:

- consolidated revenues of between 235 million euros and 250 million euros, including:
  - 223 million euros corresponding to its order book (calculated according to IFRS 15) as at December 31, 2017,
  - revenues generated in respect of services proposed by the Group in 2018,
  - revenues generated by the LNG as fuel activity, and
  - income from orders recorded by the Group during the 2018 financial year;
- consolidated EBITDA [1] for 2018 within a range of 145 to 155 million euros.

(1) EBTIDA defined as EBIT – amortisations – impairments following value tests, excluding the effect of any acquisitions.

3.5 Statutory Auditors' report on the earnings forecasts

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

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

Statutory Auditors' report on the profit forecasts for the year ended December 31, 2017

To the Chief Executive Officer,

In our capacity as statutory auditors and in compliance with in accordance with Commission Regulation no. 809/2004, we hereby report to you on the profit forecasts of consolidated revenue and consolidated EBITDA of GTT set out in chapter 3.4 of its registration document for the year ended December 31, 2017.

It is your responsibility to compile the profit forecasts, together with the material assumptions upon which they are based, in accordance with the requirements of Commission Regulation (EC)

no. 809/2004 and ESMA's recommendations on profit forecasts.

It is our responsibility to express our conclusion, based on our work, in accordance with Appendix 1, item 13.2 of the Commission Regulation (EC) no. 809/2004, as to the proper compilation of the profit forecast.

We performed the work that we deemed necessary according to the professional guidance issued by the French institute of statutory auditors (Compagnie nationale des commissaires aux comptes – CNCC) for this type of engagements. Our work included an assessment of the procedures undertaken by management to compile the profit forecasts as well as the implementation of procedures to ensure that the accounting policies used are consistent with the policies applied by GTT for the preparation of the historical financial information. Our work also included gathering information and explanations that we deemed necessary in order to obtain reasonable assurance that the profit forecasts have been properly compiled on the basis stated.

Since profit forecasts, by nature, are uncertain and may differ significantly from actual results, we do not express an opinion as to whether the actual results reported will correspond to those shown in the profit forecasts.

In our opinion:

- the forecasts have been properly compiled on the basis stated;
- the basis of the accounting methods applied in the preparation of these forecasts are consistent with the accounting principles adopted by GTT.

This report is issued for the sole purposes of:

- registering the registration document with the French financial markets authority (Autorité des marchés financiers – AMF)
- the admission to trading of on a regulated market, of shares or debt securities with a denomination per unit of less than € 100,000 of GTT in France and in other EU member states in which the prospectus approved by the AMF is notified;

and cannot be used for any other purpose.

Paris and Paris-La Défense, April 24, 2018

The Statutory Auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIES	ERNST & YOUNG Audit
Rémi Savournin	Aymeric de La Morandière

3.6 Corporate financial statements

BALANCE SHEET ASSETS

In euros Items	Gross value	Depreciation	31/12/2017	31/12/2016
Subscribed capital, uncalled				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	602,950	244,212	358,737	373,150
Goodwill	914,694	914,694		
Other intangible assets	4,671,607	4,333,820	337,787	237,328
Deposits & advance payments made on intangible assets				
Total intangible assets	**6,189,251**	**5,492,727**	**696,524**	**610,478**
Property, plant and equipment				
Land	2,066,152		2,066,152	2,066,152
Buildings	7,961,165	1,611,638	6,349,527	6,747,155
Technical installations, equipment and industrial tooling	15,230,860	13,108,976	2,121,883	3,067,253
Other property, plant and equipment	23,486,018	19,702,393	3,783,624	3,373,636
Assets in progress	1,711,667		1,711,667	1,243,415
Deposits & advance payments				
Total property, plant and equipment	**50,455,861**	**34,423,008**	**16,032,853**	**16,497,611**
Fixed financial assets				
Investments in associates				
Other shareholdings	58,754	5,000	53,754	58,754
Receivables from equity interests	1,485,210		1,485,210	185,210
Other investment securities	1,140,092		1,140,092	839,091
Loans	25,628		25,628	47,315
Other fixed financial assets	392,151		392,151	488,533
Total fixed financial assets	**3,101,835**	**5,000**	**3,096,835**	**1,613,903**
FIXED ASSETS	**59,746,947**	**39,920,734**	**19,826,212**	**18,721,992**

In euros Items	Gross value	Depreciation	31/12/2017	31/12/2016
Inventories and work in progress				
Raw materials and supply				
In-process inventory of goods				
In-process inventory of services				
Inventory of intermediate and finished goods				
Inventory of goods bought for resale				
Total inventories and work in progress				
Receivables				
Advance payments made on orders	286,922		286,922	494,332
Trade and other receivables	106,298,341	3,377,442	102,920,899	82,751,476
Other receivables	23,094,257		23,094,257	28,763,533
Subscribed capital, called and unpaid				
Total receivables	129,679,520	3,377,442	126,302,078	112,009,341
Cash and cash equivalents				
Marketable securities	13,523,928	28,937	13,494,991	42,526,559
Cash	88,022,233		88,022,233	45,742,649
Prepaid expenses	1,058,589		1,058,589	1,753,392
Total cash and cash equivalents	102,604,751	28,937	102,575,814	90,022,600
CURRENT ASSETS	**232,284,271**	**3,406,379**	**228,877,892**	**202,031,940**
Debt issuance costs to be amortised				
Bond redemption premiums				
Foreign exchange gains				
OVERALL TOTAL	**292,031,218**	**43,327,113**	**248,704,105**	**220,753,932**

BALANCE SHEET LIABILITIES

In euros Items	31/12/2017	31/12/2016
Net position		
Share capital of which paid up	370,784	370,784
Issue, merger or contribution premiums, etc.	2,932,122	2,932,122
Revaluation differences of which equity method evaluation difference		
Legal reserve	37,078	37,078
Statutory or contractual reserves		
Regulated reserves		
Other reserves	64,100,199	45,196,165
Retained earnings	(49,302,733)	(49,269,269)
Profit for the year	114,118,870	117,463,841
Total net position:	**132,256,320**	**116,730,721**
Investment subsidies		
Regulated provisions	555,158	619,029
Total equity	**132,811,479**	**117,349,750**
Income from issues of equity securities		
Conditional advances/Refundable cash subsidies	663,115	1,160,366
Other equity	**663,115**	**1,160,366**
Provisions for risks	3,807,794	5,660,259
Provisions for charges	17,703,939	1,450,796
Provisions for contingencies and losses	**21,511,733**	**7,111,055**
Financial liabilities		
Convertible bonds		
Other bonds		
Loans and debts with credit institutions		
Other loans and financial liabilities	9	9
Total financial liabilities:	**9**	**9**
Deposits & advance payments received on orders in progress		1,221,250
Other liabilities		
Trade and other payables	11,227,915	9,814,035
Tax and social security payables	24,917,630	25,815,110
Amounts payable on fixed assets and related accounts		
Other debts	2,168,363	3,570,603
Total other liabilities:	**38,313,908**	**37,199,748**
Deferred income	55,403,861	54,711,754
Debts	**93,717,778**	**95,132,761**
Unrealised foreign exchange gains		
OVERALL TOTAL	**248,704,105**	**220,753,932**

INCOME STATEMENT (FIRST PART)

In euros Items	France	Export	31/12/2017	31/12/2016
Sales of merchandise				
Goods produced and sold				
Services produced and sold	1,326,564	34,104,543	35,431,107	30,768,449
Net revenue	**1,326,564**	**34,104,543**	**35,431,107**	**30,768,449**
Production taken into inventory				
Capitalised production				
Operating subsidies			512,501	610,435
Reversals of depreciation and provisions, transfers of expenses			3,537,351	5,077,548
Other revenue			193,547,780	204,783,253
Operating revenue			233,028,738	241,239,685
External expenses				
Purchases of goods and customs duties			379,899	
Changes in inventory of goods purchased for resale				
Purchases of raw materials and other supplies			433,627	804,512
Inventory change raw materials and supply				
Other purchases and external expenses			36,175,754	44,489,358
Total external expenses:			**36,989,280**	**45,293,870**
Taxes, duties and other levies			4,171,138	4,265,850
Personnel expenses				
Wages and salaries			23,522,743	25,543,570
Social security costs			12,011,064	12,518,399
Total personnel expenses:			**35,533,807**	**38,061,970**
Allocations to depreciation & provisions				
Allocations for depreciation of fixed assets			3,015,283	3,137,223
Allocations for provisions for fixed assets				
Allocations for provisions for current assets			655,070	2,076,040
Allocations for provisions for risks & charges				3,531,961
Total allocations to depreciation & provisions:			**3,670,353**	**8,745,224**
Other operating expenses				
			2,765,653	2,516,930
Operating expenses			83,130,231	98,883,843
OPERATING INCOME			**149,898,507**	**142,355,842**

INCOME STATEMENT (SECOND PART)

In euros

Items	31/12/2017	31/12/2016
Operating income	149,898,507	142,355,842
Profits allocated or losses transferred		
Losses incurred or profits transferred		
Financial revenue		
Financial products from equity interests		1,300,000
Products from other securities and fixed asset receivables		
Other interest received and similar proceeds	362,476	789,240
Reversals of provisions and transfers of expenses	109,690	284,877
Foreign exchange gains	136,462	311,561
Net income on disposals of marketable securities		14
	608,627	**2,685,692**
Financial expenses		
Financial allocations for depreciation and provisions		5,000
Interest and similar expenses	9,898	2,310
Foreign exchange losses	37,685	15,391
Net charges on disposal of marketable securities		16
	47,584	**22,718**
Financial income	**561,044**	**2,662,975**
Current income before taxes	**150,459,551**	**145,018,816**
Non-recurring income		
Non-recurring income on management operations	3,035	92,213
Non-recurring income on equity transactions	348,895	284,339
Reversals of provisions and transfers of expenses	483,105	752,032
	835,035	**1,128,584**
Non-recurring expenses		
Non-recurring expenses on management transactions	42,278	37,353
Non-recurring expenses on equity transactions	1,644,443	4,548,389
Exceptional allocations for depreciation, amortisation and provisions	15,378,737	414,453
	17,065,458	**5,000,194**
Non-recurring income	**(16,230,423)**	**(3,871,610)**
Employee profit-sharing	5,969,835	5,932,509
Income tax	14,140,423	17,750,856
Total revenues	**234,472,401**	**245,053,961**
Total expenses	**120,353,531**	**127,590,120**
PROFIT (LOSS)	**114,118,870**	**117,463,841**

ACCOUNTING RULES AND METHODS

The financial statements as at December 31, 2016 were prepared in conformity with the provisions of the French Commercial Code (Articles L. 123-12 to L. 123-28), **of ANC regulation no. 2014-03 of June 5, 2014**.

General accounting conventions were applied in line with the principle of prudence, according to the following basic assumptions:

- going concern;
- stable nature of accounting methods from one financial year to the next;
- independence of financial years; and

and in accordance with general guidelines for the preparation and presentation of annual financial statements.

The basic method used when stating the value of items in the financial statements is the historical cost method.

The main methods used are as follows:

Intangible assets

Intangible assets are valued at their acquisition cost (purchase price plus related expenses, excluding fixed asset acquisition expenses) or at their production cost.

Depreciation is calculated on a straight-line basis over estimated useful economic life.

Normal depreciation periods applied:

Software	3 years
Patents	5 years

Intangible assets in progress

Intangible assets in progress correspond to advance payments made on software ordered that is in the process of being developed, and for which delivery was not completed by the end of the financial year.

Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost (purchase price plus related expenses) or at production cost.

Depreciation is calculated on a straight-line basis over estimated useful economic life.

Normal depreciation periods applied:

Construction	20 years	Transport vehicles	3 years
Equipment and tools	3-5 years	IT & office equipment	3-5 years
Upgrades	6 years & 8 months-10 years	Furniture	6 years & 8 months

Since the French tax authorities accept depreciation based on useful life, exceptional depreciation is recorded in non-recurring expenses for equipment and tooling used for scientific and technical research.

Property, plant and equipment in progress

Property, plant and equipment in progress corresponds to advance payments made on works or equipment ordered that is in the process of being carried out/built, and for which delivery was not completed by the end of the financial year.

Fixed financial assets

Fixed financial assets consist of security deposits, loans to employees, subsidiaries' equity investments, a cash advance granted to GTT Training Ltd per the loan agreement, and to money market (SICAV) and treasury share subscriptions as part of a liquidity contract signed on November 10, 2014.

Marketable securities

These are recorded at their acquisition cost excluding acquisition expenses and valued at their inventory value at the end of each financial year. If necessary, a provision for impairment is recorded for the difference between the book value and the inventory value.

In 2017, they consisted primarily of short-term deposit accounts with maturities of between one and 60 months, remunerated at variable rates.

Royalties recorded in operating revenue

Contracts between GTT and shipyards are based on royalties, which the shipyards pay for the use of the Company's technology. GTT also provides experts (engineers and technicians) in order to accompany shipyards (GTT's customers) that apply its technology.

A general contract/TALA (Technical Assistance and License Agreement) defines the general relationship between the parties.

The contract sets out the basis for calculating the royalties (based on the number of vessels built by the shipyard) and also indicates the terms of payment of royalties.

Subsequently, for each order, a special contract/MoU (Memorandum of Understanding) is signed which defines the specific conditions of application of the general contract.

Under licensing agreements for the construction of tanks with shipyards, GTT:

- carries out engineering analyses for the implementation of its patents, and delivers to the shipyard detailed specifications (including the plans and nomenclature necessary to build the tanks using GTT's patented technology) at the moment of steel cutting;
- grants a non-exclusive licence to use patents with the support of its engineers and technicians for the construction of tanks (from the steel-cutting phase); and
- performs technical assistance services by providing skilled engineers and technicians for a contractually defined number of man-days from the launch phase until receipt of the final order equipped with tanks which comply with the GTT technology as ordered by the ship-owner, being the shipyard's customer.

All of these services are invoiced on a "recurring royalties" basis. The invoice amounts are proportional to the number of square metres of tanks under licensed construction and based on a man-day rate for technical assistance, which may be adjusted for example, if a series of identical LNG carriers is to be constructed. The billing is payable following a contractual schedule based on the key phases of the construction of the LNG carrier:

- effective date of the contract;
- steel-cutting;
- keel laying;
- launching;
- delivery.

Billing is recognised as revenue from operating activities as and when the services are performed:

- the part corresponding to the conducting of studies, which is only applicable to the first LNG carrier in a series, is recognised *prorata temporis* from the date of signature of the license agreement (which marks the beginning of activity with the shipyard for the fabrication of the tanks), to delivery of the final specifications at the moment of steel-cutting. This billing is recognised in other revenue;
- the part corresponding to the non-exclusive license to use the patents with the support of GTT engineers and technicians is recognised *prorata temporis* from the moment of steel-cutting until the final delivery of the LNG carrier. This billing is recognised in other revenue; and
- finally, the part corresponding to the technical assistance provided during the project is recognised as such assistance is performed, generally on-site, by GTT's engineers and technicians from the launch of the LNG carrier until final delivery and acceptance by the customer. This billing is recognised in revenue.

Beyond the volume of contractual technical assistance, GTT can offer further technical assistance, upon request, which is recognised as revenue when such assistance is effectively performed by GTT's engineers and technicians on-site.

Receivables

Receivables are valued at their nominal value. An impairment provision is made on client accounts when it appears that payment is unlikely. The amount of this provision is determined according to the circumstances and exercising prudence.

Paid leave

The provision for paid leave was calculated based on the days due at December 31, 2017.

Retirement benefits

The Group's commitment with regards to retirement benefits has not been recorded in the financial statements for the financial year ended December 31, 2017. The gross amount of this commitment was estimated at 2,035 thousand euros. This calculation is based on the projected unit credit actuarial method. This method consists of determining the probable value of future services provided and discounted for each employee when he/she retires (retirement benefits – voluntary departure scheme). The main actuarial assumptions used to determine this commitment are the following:

- discount rate: 1.45%;
- salary increase rate: 1.32%; and
- retirement age: 63 for managers and 62 for non-managers.

It should be noted that the amount of the commitment obtained in this manner at the end of the financial year is currently covered by amounts in external funds, which came to 1,479 thousand euros at 31.12.2017.

Share-based payments

Allocation of Free Shares (AFS)

Date of allocation *	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	Fair value of the share on the allocation date	Expired shares	Shares allocated at the end of the vesting period	Existing shares at 31/12/2017
February 10, 2014	AFS 1	2 years	2 years	5,745	€46	945	4,800	0
February 10, 2014	AFS 2	2 to 4 years	2 years	250,000	€24	96,109	119,791	34,100
May 18, 2016	AFS 3	2 years	2 years	16,000	€10	4,361	N/A	11,639
May 18, 2016	AFS 4	3 years	1 year	15,150	€21	2,900	N/A	12,250
May 18, 2016	AFS 5	3 years	-	5,625	€23	945	N/A	4,680
February 23, 2017	AFS 6	1 year	2 years	7,800	€37	2,126	N/A	5,674
February 23, 2017	AFS 7	3 years	1 year	14,200	€37	-	N/A	14,200

* *The allocation date corresponds to the date on which the Board of Directors approved these allocation plans.*

For these plans, the Board of Directors drew up the following acquisition conditions:

- AFS plans no. 1 and no. 5: 100% of the share allocation is contingent on the employees being present at the end of the vesting period;
- AFS plans nos. 2, 3 and 6: 100% of shares allocated are subject to the following conditions:
  - the employees being present at the end of the vesting period,
  - fulfilment of performance criteria during the financial year prior to the end of the vesting period. These criteria concern:
    - GTT stock performance,
    - the net margin ratio (net income/revenues),
    - GTT stock performance compared to the Stoxx 600 Oil & Gas index (Price);
- AFS plans nos. 4 and 7: 100% of the shares are allocated subject to conditions:
  - 20% of shares are subject to presence at the end of the vesting period,
  - 80% of shares are allocated subject to the achievement of performance criteria measured at the end of the financial year preceding the end of the vesting period. These criteria concern:
    - increases in revenue and the order book,
    - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price),
    - the ratio of net profit to revenues.

Treasury shares

The Group entered into a liquidity contract on November 10, 2014. As at December 31, 2017, the Group held 6,571 shares under the liquidity contract and 73,103 shares under the AFS plans, *i.e.*, a total of 79,674 treasury shares in the total amount of 3,728 thousand euros.

Provisions for contingencies and losses

Provisions are recorded when:

- the Group has a current obligation linked to a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to meet the obligation;
- the amount of the obligation can be reliably estimated.

Taxes

The following table gives a summary of the deferred taxes and the temporary differences between the accounting and tax treatments used.

Increases and decreases in the future tax debt

In euros	Amount	Tax
Increases: Regulated provisions		
Subsidies to be added back to income		
Decreases: provisions which cannot be deducted in the year of their recording	(5,318,139)	(797,721)
Total operating deficits carried forward		
Total deferred depreciation		
Total long-term losses		

Fees paid to the Statutory Auditors

The amount of Statutory Auditors' fees shown in the income statement stands at:

2017 financial year

In thousands of euros	E.Y. Fees	C.D&A Fees
Statutory audit, certification of financial statements	117	68
Other related assignments and other auditing assignments	28	7
Sub-total	**145**	**75**
Services other than the certification of financial statements (SACC)	10.5	0
AUDIT TOTAL	**155.5**	**75**

Accounting for the competitiveness and employment tax credit (CICE)

The Group chose the following accounting procedure for the CICE.

The CICE is recorded in account 6459 in accordance with the ANC opinion. It had an impact of 158 thousand euros on the 2017 financial year.

In compliance with the provisions of Article 76 of the Finance law for 2015, we note that the CICE is intended to finance improvements in the competitiveness of companies and that our Company uses it for a range of training and recruiting purposes.

Events after the reporting period

On January 31, 2018, once all of the suspensive conditions stipulated in the acquisition contract of December 16, 2017 had been lifted, GTT SA, parent company of the Group, acquired 75% of the shares of Ascenz. Ascenz is based in Singapore and is specialised in the design of operational reporting systems and systems to optimise vessel performance. Ascenz's services are designed for ship-owners, enabling them to make significant savings in fuel and meet the requirements of environmental standards.

FIXED ASSETS

In euros Items	Gross book value start of financial year	Acquisitions revaluation increases	Acquisitions contributions, creation transfers
Intangible assets			
Start-up and development fees			391,954
Other intangible assets	5,867,967		
Total intangible assets	5,867,967		391,954
Property, plant and equipment			
Land	2,066,152		
Buildings on own land	7,961,165		
Buildings on third-party land			
Buildings – general installations			
Technical installations, equipment and industrial tools	15,755,508		444,905
General installations, fittings and fixtures and other	17,386,573		1,372,964
Transport vehicles	157,158		
Office equip., computer equip., and furnishings	4,398,817		231,465
Recoverable packaging and others			
Property, plant and equipment in progress	1,243,415		1,556,764
Deposits & advance payments			
Total property, plant and equipment	48,968,787		3,605,998
Fixed financial assets			
Investments accounted for under the equity method			
Other shareholdings	243,964		1,300,000
Other investment securities	839,091		2,863,693
Loans and other fixed financial assets	535,848		6,968,782
Total fixed financial assets:	1,618,903		11,132,476
OVERALL TOTAL	**56,455,658**		**15,130,427**

In euros Items	Disposals by transfer	Decreases due to decommissioning of disposals	Gross book value end of the financial year	Legal revaluations
Intangible assets				
Start-up and development fees				
Other intangible assets		70,670	6,189,251	
Total intangible assets		**70,670**	**6,189,251**	
Property, plant and equipment				
Land			2,066,152	
Buildings on own land			7,961,165	
Buildings on third-party land				
Technical installations, industrial equipment and tools		969,554	15,230,860	
General installations, fittings and fixtures and other			18,759,437	
Transport vehicles			157,158	
Office equip., computer equip., and furnishings		60,859	4,569,423	
Recoverable packaging and others				
Property, plant and equipment in progress		1,088,512	1,711,667	
Deposits & advance payments				
Fixed financial assets		2,118,924	50,455,861	
Investments accounted for under the equity method				
Other shareholdings			1,543,964	
Other investment securities		2,562,692	1,140,092	
Loans and other fixed financial assets		7,086,851	417,779	
Total fixed financial assets		**9,649,543**	**3,101,835**	
OVERALL TOTAL		**11,839,138**	**59,746,947**	

DEPRECIATION

Financial position and movements during the financial year

In euros Depreciable assets	Amount start of financial year	Acquisitions allocation	Disposals Reversals	Amount end of financial year
Intangible assets				
Start-up and development fees				
Other intangible assets	4,342,795	259,737	24,500	4,578,033
Total intangible assets	**4,342,795**	**259,737**	**24,500**	**4,578,033**
Property, plant and equipment				
Land				
Buildings on own land	1,214,009	397,629		1,611,638
Buildings on third-party land				
Buildings – general installations	12,688,255	1,164,223	743,502	13,108,976
Technical installations and industrial tools	14,676,161	849,767		15,525,929
Transport vehicles	157,158			157,158
Office equip., computer equip., and furnishings	3,735,593	343,927	60,212	4,019,307
Recoverable packaging and others				
Total property, plant and equipment	**32,471,176**	**2,755,545**	**803,714**	**34,423,008**
OVERALL TOTAL	**36,813,971**	**3,015,283**	**828,214**	**39,001,040**

Breakdown of allocations to depreciation and amortisation for the financial year

In euros Depreciable assets	Depreciation (straight-line)	Depreciation (accelerated)	Depreciation (exceptional)
Intangible assets			
Start-up and development fees			
Other intangible assets	259,737		
Total intangible assets	259,737		
Property, plant and equipment			
Land			
Buildings on own land	397,629		
Buildings on third-party land			
Buildings – general installations			
Technical installations, equipment and industrial tools	1,164,223		
General installations, fittings and fixtures and other	849,767		
Transport vehicles			
Office equip., computer equip., and furnishings	343,927		
Recoverable packaging and others			
Total property, plant and equipment	2,755,545		
	3,015,283		

PROVISIONS REPORTED ON THE BALANCE SHEET

In euros Items	Amount start of financial year	Acquisitions allocation	Disposals Reversals	Amount end of financial year
Provisions for extraction site rehabilitation				
Provisions for investments				
Provisions for price increases				
Exceptional depreciation	619,029	171,235	235,105	555,158
Of which exceptional 30% premiums				
Provisions for start-up loans				
Other regulated provisions				
Regulated provisions	619,029	171,235	235,105	555,158
Provisions for litigation	3,796,223		373,836	3,422,387
Provisions for guarantees given to clients				
Provisions for losses on futures markets	1,864,036		1,478,629	385,407
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions and similar obligations				
Provisions for taxes	248,000	15,207,502	248,000	15,207,502
Provisions for fixed asset replacement				
Provisions for major maintenance work and revisions				
Provisions for social security costs and taxes on paid leave				
Other provisions for risk and charges	1,202,796	2,543,102	1,249,461	2,496,437
Prov. for contingencies and losses	7,111,055	17,750,604	3,349,926	21,511,733
Provisions for intangible assets	914,694			914,694
Provisions for property, plant and equipment				
Provisions for equity-method investment assets				
Provisions for equity investment assets	5,000			5,000
Provisions for other financial assets				
Provisions for inventory and works in progress				
Provisions for client accounts	2,722,372	655,070		3,377,442
Other provisions for impairment	138,627		109,690	28,937
Provisions for impairment	3,780,693	655,070	109,690	4,326,073
OVERALL TOTAL	**11,510,777**	**18,576,909**	**3,694,721**	**26,392,964**

STATEMENT OF RECEIVABLES AND PAYABLES BY MATURITY

In euros Statement of receivables	Gross amount	At 1 year at most	At above 1 year
Fixed assets receivables			
Receivables from equity interests	1,485,210	1,485,210	
Loans	25,628	18,588	7,040
Other fixed financial assets	392,151	392,151	
Total fixed assets	1,902,989	1,895,950	7,040
Current assets			
Doubtful and disputed trade receivables	4,335,236		4,335,236
Other trade receivables	101,963,105	101,963,105	
Receivables represented by shares that are loaned or held as collateral			
Personnel and related accounts	11,579	11,579	
Social security and other welfare agencies			
State – Income tax	19,133,738	19,133,738	
State – Value-Added Tax	2,905,594	2,905,594	
State – Other taxes, duties and levies	24,845	24,845	
State – Miscellaneous			
Group and associates	613,265	613,265	
Sundry accounts receivable	405,235	405,235	
Total current assets	129,392,599	125,057,362	4,335,236
Prepaid expenses	1,058,589	1,058,589	
OVERALL TOTAL	**132,354,177**	**128,011,901**	**4,342,276**

In euros Statement of debts	Gross amount	At 1 year at most	Above 1 year and up to 5 years	Above 5 years
Convertible bonds				
Other bonds				
With credit institutions:				
▸ at 1 year maximum at inception				
▸ at more than 1 year at inception				
Other loans and financial liabilities				
Trade and other payables	11,227,915	11,227,915		
Personnel and related accounts	11,548,617	11,548,617		
Social security and other welfare agencies	5,196,998	5,196,998		
Income tax	6,015,448	6,015,448		
Value-added tax	1,210,880	1,210,880		
Guaranteed bonds				
Other taxes, duties and other levies	945,686	945,686		
Amounts payable on fixed assets and related accounts				
Group and associates	9	9		
Other debts	2,168,363	2,168,363		
Securities borrowed				
Deferred income	55,403,861	55,403,861		
OVERALL TOTAL	**93,717,778**	**93,717,778**		

GOODWILL

	Amount of components				
Type	Purchased	Revalued	Received as contribution	Global	Amount of depreciation
Goodwill			914,694	914,694	914,964
TOTAL			**914,694**	**914,694**	**914,964**
REMINDER: Goodwill				914,694	(914,694)

ACCRUALS

In euros

Amount of accruals included in the following balance sheet items	Amount
Convertible bonds	
Other bonds	
Loans and debts with credit institutions	
Other loans and financial liabilities	
Trade and other payables	3,876,362
Tax and social security payables	14,405,799
Amounts payable on fixed assets and related accounts	
Cash, accruals	
Other debts	2,168,363
TOTAL	**20,450,525**

ACCRUED INCOME

In euros

Amount of the accrued income included in the following balance sheet items	Amount
Fixed financial assets	
Receivables from equity interests	
Other fixed financial assets	
Receivables	
Trade and other receivables	46,838,047
Personnel	7,579
Welfare agencies	
State	24,845
Other, accrued income	177,939
Other receivables	92,672
Marketable Securities	85,372
Cash	
TOTAL	**47,226,455**

DEFERRED INCOME AND PRE-PAID EXPENSES

In euros Items	Expenses	Income
Operating income or expenses	1,058,589	55,403,861
Financial income or expenses		
Non-recurring income or expenses		
TOTAL	**1,058,589**	**55,403,861**

DETAIL OF NON-RECURRING INCOME AND NON-RECURRING EXPENSES

In euros Non-recurring income	Amount	Allocated to the account
Miscellaneous income	3,035	771,000
Gains realised on treasury share buybacks	327,650	778,300
Income from disposal of assets	21,245	775,000
TOTAL	**351,930**	

In euros Non-recurring expenses	Amount	Allocated to the account
Sundry losses	538	671,000-672,000
Losses realised on treasury share buybacks	1,370,246	678,300
Net book value of assets disposed of	274,197	675,200
Sundry fines and penalties	41,740	671,200
TOTAL	**1,686,721**	

AVERAGE HEADCOUNT

Workforce	Personnel employees	Personnel seconded to the Company
Executive	250	1
Technicians and supervisors	81	2
Employees	14	
Workers		
TOTAL	**345**	**3**

Detail of expenses reallocated

In euros

Type	Amount
Treasury share buybacks	1,249,461
Air France discount	121,947
CPAM (Caisse Primaire d'Assurance Maladie) reimbursement	133,090
Miscellaneous rebilling	85,601
Insurance/health and protection/retirement benefit and miscellaneous reimbursements	94,787
TOTAL	**1,684,886**

STRUCTURE OF SHARE CAPITAL

Type of securities	Number	Nominal value
1 - Shares that make up the share capital at the beginning of the financial year	37,078,357	0.01
2 - Shares issued during the financial year		
3 - Shares redeemed during the financial year		
4 - Shares that make up the share capital at the end of the financial year	37,078,357	0.01

CHANGES IN EQUITY

In euros	Share capital	Premiums	Reserves	Regulated provisions	Net income	Total equity
As at December 31, 2016	370,784	2,932,122	(4,036,026)	619,029	117,463,841	117,349,750
Profit for the year					114,118,870	114,118,870
Allocation of the profit from the previous financial period			117,463,841		(117,463,841)	-
Capital increase						
Distribution of dividends			(49,290,538)			(49,290,538)
Provisions for investment			-			-
Exceptional depreciation				(63,870)		(63,870)
Interim dividend payment			(49,302,733)			(49,302,733)
Changes in scope						-
AS AT DECEMBER 31, 2017	**370,784**	**2,932,122**	**14,834,544**	**555,158**	**114,118,870**	**132,811,479**

Subsidiaries and shareholdings	Book value of assets held Gross	Book value of assets held Net	Loans and advances granted by the Group and not yet repaid	Amount of guarantees and sureties granted by the Group	Dividends cashed in by the Group during the financial year
A. Detailed information regarding subsidiaries and shareholdings					
1. Subsidiaries (over 50% of the capital held by the Group)					
a) French subsidiaries					
CRYOVISION	50,000	50,000	1,709,317		-
CRYOMETRICS	5,000	-	22,963		-
b) Foreign companies					
GTT Training	1	1	343,001		-
GTT NA	3,743	3,743	23,194		-
GTT SEA	1	1	-		-
2. Shareholdings (10 to 50% of the capital held by the Group)					
B. General information about the other subsidiaries or equity interests					
1. Subsidiaries not included in § A.					
a) French subsidiaries (together)					
b) Foreign subsidiaries (together)					
2. Equity interests not included in § A.					
a) In French companies (together)					
b) In foreign companies (together)					

OTHER INFORMATION

Other information for a clearer understanding of the financial statements

Of operating revenues (excluding reversals of provisions and operating subsidies) amounting to 228,978,878 euros, intellectual property income amounted to 193,547,771 euros. The total taxable income was taxed at 15%.

Withholding tax of 21,213,015 euros was applied mainly on our activities in South Korea and China.

The agreements between France and these countries allowed us to charge all of this amount against taxes in France.

Supplier and customer payment terms

Ageing schedule Number of the account 4010-4012-4017	Suppliers Balance of the account	Balance not yet falling due	from 1 to 30 days	from 01/01/2017 from 31 to 60 days	to 31/12/2017 from 61 to 90 days	Over 91 days
Trade and other payables	7,058,267	5,537,405	1,208,831	61,663	(11,640)	262,008
	100%	78.45%	17.13%	0.87%	-0.16%	3.71%

Ageing schedule Number of the account 4110-4112-4160	Customers Balance of the account	Balance not yet falling due	from 1 to 30 days	from 01/01/2017 from 31 to 60 days	to 31/12/2017 from 61 to 90 days	Over 91 days
Trade and other receivables	59,460,295	33,836,052	16,406,671	274,351	575,359	8,367,862
	100%	56.91%	27.59%	0.46%	0.97%	14.07%

Provisions for contingencies and losses

As part of the management of its current activities, the Group is involved in, or has initiated, various legal proceedings regarding the protection of intellectual property rights, technical disputes, labour disputes with employees, and other issues that are linked to its business activities. The Group believes that the provisions it has made to cover these risks, litigations or disputes that are known or in progress as of the end of the financial year are sufficient, and that its financial situation would not be materially affected if the outcome were not in its favour.

The amount of provisions made for risks and charges developed as follows over 2017:

Items	Amount at the beginning of the financial year	Allocation	Reversal used	Rev. not used	Amount at the end of the financial year
Provisions for litigation	3,796,223		373,836	0	3,422,387
Provision for contract loss	1,864,036		1,478,629	0	385,407
Other prov. for C&L	1,450,796	17,750,604	1,249,461	248,000	17,703,939
TOTAL	**7,111,055**	**17,750,604**	**3,101,926**	**248,000**	**21,511,733**

A provision was constituted for a tax risk in 2017 following an adjustment proposal received on December 20, 2017 (see key facts of the period below).

Research & Development expenditure

The amount of eligible R&D expenditure provisioned with respect to the 2017 CIR (Research Tax Credit) stands at roughly 12 million euros, giving entitlement to a tax credit in the amount of 3.6 million euros for 2017. The Group submitted claims for 2009, 2010, 2011, 2013 and 2014 in the amount of 3.8 million euros. At the end of the financial year, 2.8 million euros had already been reimbursed by the Tax Administration. In addition, the amount of the research tax credits not offset against corporate tax at December 31, 2017 was approximately 14 million euros.

Information on affiliates

GTT carries out transactions that are not material, or that are carried out under normal terms and conditions, or that are excluded from the scope of application as described in the regulations of the ANC 2010-02 concerning related parties.

ENGIE: Tour T1 – 1 place Samuel de Champlain – Faubourg de l'Arche – 92930 Paris-La Défense Cedex

Intra-group transactions with ENGIE

In thousands of euros	
Suppliers	192
Customers	1
Studies (income)	9
Personnel expenses (income)	28
Supplies and maintenance (expenses)	1,163
Seconded personnel (expenses)	313
Outsourced tests and studies (expenses)	109
Electricity supply	280
Patents	72
Training costs (expenses)	2

Income tax

The breakdown of income tax between current and non-recurring elements is as follows:

In thousands of euros	Accounting income	Net fiscal income	15% Tax	Net result
Current income	150,460	143,690	(22,240)	128,220
Non-recurring income	(16,230)			(16,230)
Company profit-sharing scheme	(5,970)			(5,970)
Allocation of tax credits				7,669
Allocation of deficits carried forward				
Tax consolidation income				430
TOTAL NET VALUE				**114,119**

Consolidated financial statements

The GTT financial statements are consolidated according to the full consolidation method in the consolidated financial statements prepared by ENGIE.

Tax consolidation

GTT opted for the tax consolidation system for the Cryovision and Cryometrics subsidiaries in 2017.

A tax consolidation agreement was signed for each entity in order to determine the distribution of tax expenses within the consolidated group formed by the parent company in accordance with Article 223 A of the French General Tax Code, which allowed each subsidiary to have the tax burden they would have borne if the tax consolidation agreement were not in place.

The Group's tax expenses under the tax consolidation agreement amounted to 22,239,567 euros.

Cryovision will pay GTT an amount equal to the tax that it would be subject to alone, *i.e.* 429,845 euros, as its contribution to the payment of income taxes.

Cryometrics recorded a loss of 1.5 million euros that can be offset against the Group's profit within the limits and conditions stipulated in the third paragraph of I in Article 209 of the French General Tax Code (CGI).

Information on the income statement

Breakdown of revenues in euros

	Royalties	Technical support	Other services	Total
France			1,326,564	1,326,564
South Korea	172,662,287	18,149,065	1,609,292	192,420,644
China	18,440,860	3,490,157	1,801,921	23,732,938
Japan	2,326,807	250,231	208,224	2,785,262
Spain			704,599	704,599
United States of America	117,817	33,295	1,314,621	1,465,733
Switzerland			1,042,500	1,042,500
Norway			329,723	329,723
Belgium			759,879	759,879
United Kingdom			861,377	861,377
Malaysia			1,106,917	1,106,917
Qatar			530,186	530,186
Finland			220,560	220,560
Greece			185,561	185,561
Singapore			1,063,382	1,063,382
Various exports			443,052	443,052
TOTAL	**193,547,771**	**21,922,748**	**13,508,358**	**228,978,877**

Compensation of the management and control bodies

Compensation of all types paid in 2017 to the executive officers:

Compensation of executive directors
In thousands of euros

Compensation allocated to the members of the management bodies	1,195
Amount of advance payments and credits allocated to the members of the management bodies	0
Amount of commitments contracted for retirement pensions benefiting the members of the management bodies.	157

The members of the Board of Directors elected by the Shareholders' Meeting receive directors' fees, which amounted to 378 thousand euros in 2017.

Significant events during the period

During 2017, the Group signed its first contract for the design of cryogenic tanks for LNG-fuelled container ships.

In addition, it signed several cooperation agreements with actors present on the LNG as fuel market in order to accelerate deployment of solutions benefiting both the shipyards and the ship-owners.

- With a shipyard in Sweden in order to explore new business opportunities in the maritime sector relating to LNG storage, gas engine supply methods and associated services.
- With a Korean engineering company in order to meet the needs of customers who wish to adapt their LNG fuel membrane tanks for all types of vessels (cruise ships, container ships, bulk carriers or ro-ro ships, etc.).
- With a shipyard in China relating, in particular, to the construction and renovation of vessels fuelled by LNG and small LNG carriers.

On January 31, 2018, once all of the suspensive conditions stipulated in the acquisition contract of December 16, 2017 had been lifted, GTT SA, parent company of the Group, acquired 75% of the shares of Ascenz. Ascenz is based in Singapore and is specialised in the design of operational reporting systems and systems to optimise vessel performance. Ascenz's services are designed for ship-owners, enabling them to make significant savings in fuel and meet the requirements of environmental standards.

Following a verification of the accounting for financial years 2012 to 2014, on December 20, 2017, the *Direction des Vérifications Nationales et Internationales* (French National and International Audit Office) sent GTT SA an adjustment proposal in which it calls into question the exemption from withholding tax with respect to the dividends paid out in 2013 and 2014 to a non-resident shareholder. This adjustment proposal for a total amount of 20,101 thousand euros, stands at 15,208 thousand euros with respect to dividends paid out in 2013 and 4,894 thousand euros with respect to those paid out in 2014, including interest and penalties for late payment.

The Group disputes the main aspects of the assessment and, as it did not benefit from the exemption, it intends to take all necessary measures to protect its rights.

Off-balance sheet commitments

The Group signed contracts with three banks for lines of credit for a total of 50 million euros during the 2016 financial year.

- On June 30, 2016, GTT SA agreed to a line of credit with BNP Paribas in the amount of 25 million euros for a period of five years renewable for two years, with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, the end of this line of credit was extended by one year, until 2022.
- On July 6, 2016, GTT SA agreed to a line of credit with Crédit du Nord in the amount of 15 million euros for a period of seven years, without guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default.
- On July 12, 2016, GTT SA agreed to a line of credit with Société Générale in the amount of 10 million euros for a period of five years renewable for two years with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, the end of this line of credit was extended by one year, until 2022.

The lines of credit were not used during 2017.

3.7 Statutory Auditors' report on the corporate financial statements

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 the shareholders.

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

Year ended December 31, 2017

To the Annual General Meeting of GTT,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of GTT for the year ended December 31, 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 December 31, 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.

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 January 1, 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) No 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

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

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

Revenue recognition of royalties

Key audit matter	Our response
The Company's operating revenue amounts to M€ 233 for the year ended December 31, 2017. It is mainly constituted of royalties under license agreements for the construction of tanks with shipyards. As indicated in Note «Revenue recognition « to the financial statements, royalties are recognized as revenue based on the actual performance of the services concerned: ► the part corresponding to the conducting of studies, which is only applicable to the first LNG carrier in a series, is recognized prorata temporis from the date of signature of the license agreement (which marks the beginning of activity with the shipyard for the fabrication of the tanks), to delivery of the final specifications at the moment of steel-cutting; ► the part corresponding to the non-exclusive license to use the patents with the support of engineers and technicians of your Company is recognized prorata temporis from the moment of steel-cutting until the final delivery of the final LNG carrier; ► and finally, the part corresponding to the technical assistance provided during the project is recognized as such assistance is performed, generally on-site, by your Company's engineers and technicians from the launch of the LNG carrier until final delivery and acceptance by the customer. We considered revenue recognition of royalties as a key matter due to: ► their sensitivity to shipbuilding milestones, ► the three components that constitute them, accounted according to differentiated methods as described above.	We performed an evaluation of the procedures on revenue recognition implemented by the Company and tested the key controls identified on the billing process for royalties. Our other work included: ► reconciling the accounting data with the data extracted from the «Navire» tool for monitoring the progress of cases; ► testing, by sampling on a sample of contracts, the reality of the royalties invoiced on the basis of documents materializing the customer's acceptance of the services provided by GTT; ► obtaining direct confirmation from the shipyards regarding the reality of the portfolio and the progress of the construction against the milestones defined in the contracts; ► performing the verification, by sampling a sample of cases, the calculation of the prorata temporis for each contractual milestone. Finally, we assessed the appropriateness of the information provided in Notes to the financial statements.

Verification of the Management Report and of the Other Documents Provided to the Shareholders

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

Information provided in the Management Report and in the Other Documents Provided to the Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (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 favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have verified that it complies with the underlying documentation provided to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of GTT by your annual general meeting held on May 18, 2017 for CAILLIAU DEDOUIT et ASSOCIES and on June 30, 1998 for ERNST & YOUNG Audit.

As at December 31, 2017, CAILLIAU DEDOUIT et ASSOCIES was in the 1st year of total uninterrupted engagement and ERNST & YOUNG in the 20th year, which was the 4th year since securities of the Company were admitted to trading on a regulated market.

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 risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

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

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

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

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

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

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

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 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.

Paris and Paris-La Défense, April 24, 2018

The Statutory Auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIES	ERNST & YOUNG Audit
Rémi Savournin	Aymeric de La Morandière

4 SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

This Registration Document includes the social, environmental and societal information stipulated in Article R. 225-105-1 of the French Commercial Code outlined below.

4.1 Vision

GTT's vision is to allow ever increasing safe and economic access to a cleaner energy: liquefied gas and in particular LNG.

Thanks to its innovative technologies, GTT is today a leading player in the design of membrane containment systems for the maritime transportation and storage of liquefied gas.

On the strength of this expertise, GTT is continuing its economic growth, predicated on two strong levers: the priority placed on its human capital, a key asset for GTT, and responsible management of its direct and indirect environmental impacts.

The Company's organisation and values are based on this commitment: to anticipate major technological and environmental breakthroughs by supporting transformation of the world's energy landscape and new customer requirements.

GTT's values

Safety

We operate in liquefied gas transportation and storage technologies, and as a result we attach high importance on safety. We have a duty to ensure the safety of our employees, our technologies, our services and our customers.

Excellence

We need to constantly strive for excellence in all our processes, in order to remain present in our markets and maintain our market advantage by satisfying our customers.

Innovation

GTT was born from innovation. We need to continue our innovation approach at all levels (technologies, organisation) to create a company of opportunities.

Teamwork

GTT can only succeed through constant teamwork internally, and also with our customers, our customers' customers and our suppliers.

Transparency

By strengthening the transparency in our relations, we have established long-term trust-based relationships with our direct customers, final customers and within our workforce.

4.2 Approach and methodology

4.2.1 APPROACH

Admitted to trading on the Euronext Paris regulated exchange in February 2014, GTT is required – in accordance with the law of July 12, 2010 (known as "Grenelle 2") and its Article 225 on obligations of transparency for companies with regard to social and environmental matters (amended by the law of August 17, 2015 (Article 173) on the Energy Transition and for Green Growth) – to publish a report to inform shareholders and the general public about actions undertaken by GTT (the "Company") and its subsidiaries (together, the "Group") to promote sustainable development.

This report is the subject of verification by an independent third party.

4.2.2 METHOD

The social indicators are subject to a precise, uniform definition. These indicators are constantly being gathered and stored in an Excel database, under the responsibility of the human resources division.

The Health and Safety indicators are also stored in an Excel database. In addition to statistics on accidents in accordance with current standards, this database includes a spreadsheet shared between the departments concerned (general services, human resources and finance accounting) to facilitate monitoring and exchanges.

Environmental data is obtained from supplier data (invoices, supporting documentation, etc.) and is consolidated in an internal Excel-based reporting system, that enables regular monitoring. The reporting of Health and Safety and environmental indicators is carried out under the responsibility of the general services department.

GTT's CSR commitment is part of a continuous improvement approach.

4.2.3 SCOPE

The scope of social reporting covers the GTT Company only. The workforces of the Cryovision, GTT North America, GTT Training Ltd, GTT SEA PTE Ltd and Cryometrics subsidiaries are detailed separately. The workforce does not take into account temporary workers.

The scope of Health and Safety reporting includes the GTT Group (the Company and its five subsidiaries). Temporary workers are included in the Health and Safety reporting.

The scope of environmental reporting only includes the registered office of GTT in Saint-Rémy-lès-Chevreuse.

4.3 Employee data

The highly qualified profile of its teams, linked to the specific nature of its activities, is the strength of GTT. The Group pays particular attention to its relationship with its employees, to the development and transmission of their know-how, and to the application of a motivating and equitable remuneration policy.

4.3.1 EMPLOYMENT

GTT's employment policy aims to promote and develop the skills of each employee, in particular through professional training, and to hire highly qualified, motivated people in order to provide high quality services.

The Group encourages internal staff mobility, with a view to retaining all the key skills required for its business using various tools for this purpose. All employees are informed about vacant positions. Employees may be given the opportunity to be seconded abroad. They may become GTT insulation system inspectors on construction sites for several years.

Internal mobility enables, while securing the loyalty of the employees, to offer them a career within the Group through which they learn various new skills.

Career interviews are also available for employees who so wish. It gives the employee the opportunity to meet a member of the management team or the human resources manager to discuss their career prospects. Furthermore, employees have the option every two years to have a professional meeting with their line manager, of which the purpose is to encourage them to think about their professional development, by reviewing their aspirations in terms of their skills and motivations.

The Group also hires externally, particularly when faced with an increase in its order book or when it is necessary to acquire skills linked to planned technological developments. It seeks both people with a technical background (engineers or technicians in areas of instrumentation process, fluids mechanics, calculation etc.) and people with a general background. Engineers are mainly graduates from the top French engineering schools or scientific universities. Technicians have qualifications in computer-assisted design, drawing or laboratory work.

4.3.1.1 Changes in and breakdown of the workforce

At December 31, 2017, the Company had 335 employees, representing a decrease of 6.42% in the workforce compared with 2016.

GTT (in %)	31/12/2016	31/12/2017
Permanent (CDI)	86	89
Non-permanent (temporary, fixed-term, construction site, internships)	14	11

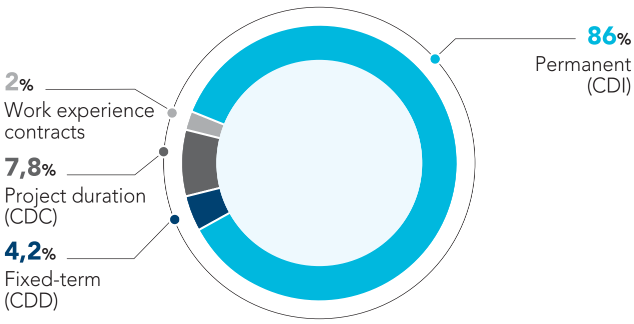
The main reason for use of fixed-term and temporary contract staff in 2017 was the temporary increase in business activity.

Change in Company headcount by contract type

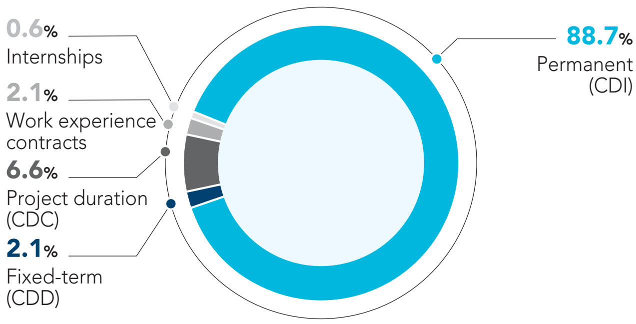
	31/12/2016	31/12/2017	Change
Permanent (CDI)	308	297	-3.57%
Fixed-term (CDD)	15	7	-53.33%
Project duration (CDC)	28	22	-21.43%
Work experience contracts	7	7	-
Internship	0	2	nm

Breakdown in Company headcount by contract type (in %)

31/12/2016



31/12/2017



It is important to distinguish between fixed-term (CDD) contracts used by the Company to meet a temporary increase in activity and CDC ("project duration contract") destined to support vessel-building projects.

Subsidiaries' workforces

At December 31, 2017, the workforces of the five subsidiaries were broken down as follows:

- Cryovision, created in 2012: 5 employees (based in France) on permanent employment contracts; it should furthermore be noted that 1 GTT employee (included in the GTT workforce) has been seconded full-time to Cryovision;
- GTT North America, created in 2013: 1 GTT expatriate, 2 employees (based in the United States in Houston). The expatriate is included in the GTT workforce;
- GTT Training Ltd was created in June 2014: 4 employees (based in the United Kingdom);
- GTT SEA PTE Ltd, created in 2015: 1 expatriate included in the GTT headcount;
- Cryometrics, created in 2015, did not have any employees at December 31, 2017.

Geographical breakdown

Some employees of the Company are seconded to the sites of customers in South Korea, China and Japan.

At December 31, 2017, in addition to the 4 expatriates of GTT North America, GTT SEA PTE and the China office, 41 employees of the Company were seconded outside of France.

Breakdown of headcount by socio-professional category (GTT and subsidiaries) (in units)

GTT	Executive	Non-executive
As at December 31, 2017	245	88
As at December 31, 2016	252	106

Cryovision	Executive	Non-executive
As at December 31, 2017	5	-
As at December 31, 2016	5	-

GTT North America	Executive	Non-executive
As at December 31, 2017	-	2
As at December 31, 2016	-	2

At December 31, 2017, the workforce also included 1 expatriated GTT executives.

GTT Training Ltd	Executive	Non-executive
As at December 31, 2017	4	-
As at December 31, 2016	4	-

GTT Training Ltd was created in June 2014.

GTT SEA PTE Ltd	Executive	Non-executive
As at December 31, 2017	-	-
As at December 31, 2016	-	-

GTT SEA PTE was created in May 2015. At December 31, 2017, GTT SEA PTE did not have any employees; the Company was represented by 1 expatriate from GTT.

Cryometrics	Executive	Non-executive
As at December 31, 2017	-	-
As at December 31, 2016	-	-

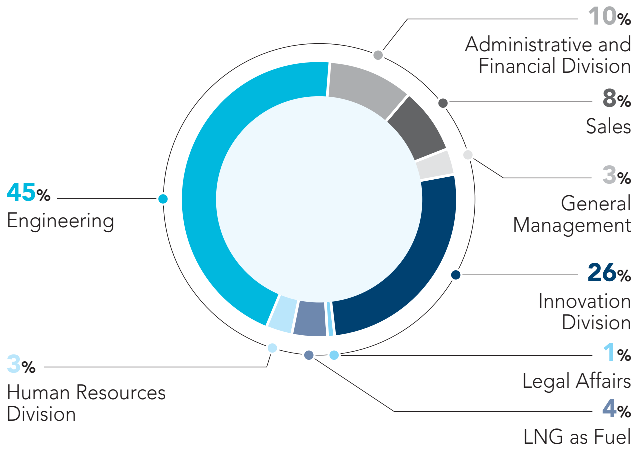
Cryometrics was created in November 2015. At December 31, 2017, Cryometrics did not have any employees.

The executive employees are covered by the collective agreement for engineers and managers in the metallurgy industry. Non-executive employees are covered by the collective agreement for metallurgy industries (workers, technicians and supervisors) applicable to the Paris region.

GTT Organisation chart

An operational organisation chart is provided in section 1.1.1 – *Group overview* of this Registration Document.

At December 31, 2017, GTT's employees are divided into different divisions of the Company as follows:



Total: 335 employees (including expatriates).

R&D: a key asset at GTT

High level engineers make up a significant proportion of the teams, whose expertise and experience constitutes the Group's added value. 87 people, or 26% of the workforce work within the Innovation Division. In 2017, research and development expenditure represented 20% of GTT's operating expenditure. A cross-departmental process called "Innovation Dynamic", driven by the Innovation Division, promotes the proliferation of ideas and their transformation into new products and services or patents. This idea management process involves a network of 34 employees throughout the organisation, and enabled 68 new ideas to be identified in 2017.

4.3.1.2 Recruitments and dismissals

GTT recruitments by type of contract

	31/12/2016	31/12/2017
Permanent (CDI)	13	11
Non-permanent (CDD/CDC)*	39	16
TOTAL	**52**	**27**

* *Excluding interns (as opposed to the other indicators in this report).*

GTT dismissals, resignations and retirement

	31/12/2016	31/12/2017
Dismissals	1	6
Resignations	15	8
End of non-permanent contracts (1)	44	29
Retirement/death	2	0
Contractually agreed termination	10 (2)	9
TOTAL	**72**	**52**

(1) Non-permanent contracts: including summer jobs and fixed term/project duration contracts, excluding interns (as opposed to the other indicators in this report). In 2017, this figure included two Cryovision employees transferred to GTT.

(2) Including two people transferred to ENGIE.

The number of departures is explained by the natural attrition inherent to the Group's activities, and the expiry of non-permanent contracts (CDD/CDC). To avoid the departure of permanent contract workers, the Group has implemented a recruitment and skills retention programme which enabled it to have a fairly low turnover of 6.9% (1) in 2017, compared to the average in the engineering sector of 15% (2).

4.3.1.3 Compensation and social benefits

To attract and retain its talents, GTT has implemented an attractive compensation system.

The compensation of employees is made up of a fixed component comprising a gross annual salary, an individual performance-related bonus, an employee savings scheme (profit-sharing and incentives) and a time savings plan coupled with a collective retirement savings plan (PERCOG). Through the profit-sharing and incentives, GTT wishes to associate its employees with the Company's results and strengthen their involvement in the Company's project.

In addition, employees working at shipyards' sites benefit from a distance premium and subsistence allowances.

Change in compensation

The situation of each employee is reassessed each year following the individual performance review. An overall budget for salary increases is determined. The sum allocated to each division is proportional to the percentage of payroll it represents and the division managers each allocate the amount between the employees that report to them.

The budget for the financial year ended December 31, 2017 represented approximately 1.2% of payroll. An additional budget of 0.9% of payroll was set aside to support exceptional measures throughout the year (catch-up, revaluation, attainment of the minimum statutory wage, promotions, etc.).

A bonus policy linked to the individual performance of each employee was also implemented. The budget is defined as a percentage of payroll. The sum allocated to each Division is proportional to the aggregate salaries which it represents and each department manager divides up the amount in accordance with a procedure similar to that applied for salary increases.

For the financial year ending on December 31, 2017, the overall budget assigned to the allocation of exceptional bonuses represented approximately 9.5% of payroll.

The salary increase and bonus are designed to reward individual performance and are consistent with practices in the oil and gas engineering sector.

(1) The leavers taken into account include resignations, contractual terminations and dismissals. (Number of leavers/average monthly headcount) x100).

(2) Source Syntec Ingénierie: Socio-demographic study of the digital, engineering and consulting branch. Summary report on the engineering sector, September 2014.

Incentive and profit-sharing agreements

Please refer to section 7.2.2 – *Employee savings plan* of this Registration Document.

CET (“time savings plan”) system associated with a collective retirement savings plan

The introduction of the CET in 2011 encourages Group employees who so wish, and under certain conditions, to place up to 14 RTT (work time reduction) days (or holidays or rest days earned for representatives on site) into the CET, the latter matched by the Company, *i.e.* an additional grant by the employer of 35% for 2017.

In keeping with this CET and to enable employees who wish to build up an extra savings scheme, GTT introduced a Group retirement savings plan (PERCOG) on March 26, 2012. It replaces the previous GTT Company agreement dated September 5, 2011.

Under certain conditions, employees may transfer the equivalent of up to fourteen days from their CET to the PERCOG, which is then coupled with the employer’s complementary contribution, fixed at 25% in 2017. The contribution for the following years will be set by a rider to the agreement, and otherwise will be 25% of the amounts paid. Moreover, the contribution provided for the voluntary payments of employees is 100% of the amounts paid, limited to 100 euros for the year 2017.

4.3.2 WORK ORGANISATION

	31/12/2016	31/12/2017	Change
Number of full-time contracts Women	59	56	-5.08%
Number of full-time contracts Men	283	265	-6.36%
Number of part-time contracts Women	11	10	-9.09%
Number of part-time contracts Men	5	4	-20.00%

The Company has a working time arrangement agreement under which all employees based in France, except for executives, benefit from the reduced working week.

For the autonomous managers who do not work a set standard week, working time is computed in days. They have fourteen days off earned under the reduced working time arrangements. For an average year, the number of days actually worked is 214 days, to which must be added the solidarity day, which increases the standard working time to 215 days.

Absenteeism

The rate of absenteeism at GTT was 2.89% in 2017 [(1)].

The absences taken into account are: sickness, exceptional leave, workplace and commuting accidents, paternity leave, maternity leave, sick children leave, parental education leave and leave without pay.

4.3.3 SOCIAL DIALOGUE

To promote dialogue and the exchange of information, GTT has three representative dialogue bodies, within which are organised numerous formal meetings:

- a works council (CE);
- a Health, Safety and Working Conditions Committee (CHSCT); and
- employee representatives.

In addition to these three bodies, a CFDT trade union representative was designated in 2017, and negotiations were conducted with him, particularly concerning gender equality in the workplace, the right to disconnect, and our health insurance scheme.

The works council and employee representatives meet at least once a month, as required by legislation. Extraordinary Meetings can take place on request by the personnel bodies or management.

Commissions were created on the following subjects to prepare the plenary meetings of the works council: training, mutual insurance, housing, equal opportunities for men/women, CET/PERCOG and salary policy.

Management has built up a constructive, open dialogue with the works council representatives.

In 2017, the CHSCT met eight times.

There are no employee representative bodies within GTT subsidiaries, but the employees of Cryovision benefit from the GTT works council social initiatives and from the CHSCT.

(1) *Calculation of this rate: total number of days of absence in 2017 in working days/(monthly average FTE headcount *total number of days normally worked). The number of days normally worked corresponds to 251 days in 2017.*

4.3.4 HEALTH AND SAFETY

4.3.4.1 Safety: an essential pillar of the Group's CSR policy

Whilst the risk of serious accident is limited and the frequency rate low due to the type of activity in GTT (engineering studies carried out in offices using IT tools), as in all activities, the Group is responsible for identifying the potential dangers and risks present on each of its sites, and evaluating their impact on the health of employees.

The Group's HSE management system – hygiene, safety and environment – includes all aspects necessary to prevent work-related accidents and protect its employees and those of subcontractors. The CHSCT and HSE department work to identify and assess high-risk activities, in particular. These checks include procedures, work instructions, specific risk awareness-raising, and regular HSE meetings. A single, annually updated, general risk assessment document identifies the type of danger for each work unit, process or machine.

Preventive measures associated with action plans are implemented for each work unit. In the same way, an evaluation of chemical risks is carried out annually, in particular by means of an inventory and the location of chemical products on the GTT site.

Part of this specific evaluation is added to the fire service file, forwarded to the fire stations liable to intervene on the GTT site. The fire-fighters from the fire station responsible for the GTT site made a reconnaissance visit in 2017 to reinforce their response procedure and improve their knowledge of the GTT site. This visit was particularly important given the frequent turnover of volunteer personnel working as fire-fighters.

Specific safety procedures have been developed, reinforced and multiplied within the departments and activities which are most exposed to risk, taking account of changes in the regulations and technical changes, including:

- the research and testing laboratories designed to carry out fluid dynamics tests in real conditions using wave simulators (hexapods), grouped into a single building developed and constructed with safety issues in mind;
- the test laboratory dedicated to characterising the thermal and mechanical properties of materials and sub-assemblies, in particular in cryogenic conditions, and thermo-mechanical tests of materials and assembly in cryogenic conditions;
- the joinery and metallurgy workshops;
- the industrialisation tooling development laboratory; and
- the foreign shipyards.

In order to prevent risks of accidents or injuries, in 2017, as it does every year, following a risk assessment, the Group put in place action plans including:

- dissemination of the HSE policy and associated golden rules in the first quarter of 2017;
- appointment of HSE coordinators on each construction shipyard;
- compiling of a booklet for passengers that will be distributed early in 2018;
- organisation of a seminar in South Korea in October (participation of GTT representatives at shipyards and of relevant managers), where best practices and areas of progress were highlighted in the fields of Health/Safety/RPS;
- implementation of awareness-raising about confined spaces, dedicated to shipyard issues, for seconded employees. The road safety training course that began in 2016 was also continued; and
- improvement in monitoring chemical risks using dedicated software.

As part of the 2018 prevention programme, an action plan will be deployed in the 1st quarter of 2018.

At December 31, 2017, 41 employees were seconded outside of France, mainly to South Korean, Chinese and Japanese shipyards, and are therefore subject to local regulations. The Health and Safety risks related to working conditions in naval shipyards are identified and examined each year by the CHSCT and the HSE department.

GTT measures the performances in terms of safety by the frequency of work-related accidents with lost time. These indicators include employees (permanent, fixed-term, project duration contracts), temporary workers and interns of the Company and its subsidiaries; in 2017, GTT recorded two commuting accidents and five workplace accidents (including 0 lost time).

GTT Group statistics on accidents (permanent, fixed-term, project duration contracts, temporary workers (1), interns)	2016	2017
Number of accidents with lost time (2)	4	0
Number of commuting accidents (3)	5	2
Frequency rate of accidents with lost time = number of accidents with lost time/hours worked x 1,000,000 (4)	5.8	0
Severity of accidents with lost time = number of days lost/hours worked x 1,000 (4)	0.20	0

(1) Scope including temporary workers, unlike the social indicators.
(2) Excluding commuting accidents.
(3) With or without lost time.
(4) Excluding commuting accidents/Hours worked = (contractual number of hours worked, i.e. 1,820 hours/year/person) x (average headcount present during the period).

4.3.4.2 Safety

Knowing how to protect the Company against all forms of internal and external malicious attacks is also a primary concern of GTT.

The main actions carried out in 2017 in this area were:

- a complete audit of the site and proposal of an associated action plan;
- dissemination of the Information System Security Policy (PSSI);
- deployment of a smart-phone application to secure access to the GTT message system; and
- prevention through reminders concerning: wearing of badges, IT passwords, locking IT workstations, mobility, data storage, e-mail management, and hacking.

4.3.4.3 Health and well-being at work

The health and well-being of its employees are also a major focus of concern for GTT. The HSE department and the CHSCT regularly work with the occupational health service to improve quality of life and prevent psycho-social risks and occupational diseases.

In 2017, the main actions were as follows:

- a "Health, Safety, Environment leadership" training course for one of the members of the HSE department;
- dissemination to the relevant bodies of the results from the working group (five members) on quality of life in the workplace (QVT) created in 2016. The results obtained did not give rise to a specific action plan in 2017.

4.3.5 TRAINING

Training, as a lever for individual development and professionalisation of the employees, is a priority for GTT.

GTT has an annual training plan including training programmes designed to support its strategic development.

The human resources division is responsible for the monitoring of training course expenditures and costs. It ensures that the overall budget complies with the annual training plan, while adjusting it to new requirements expressed during the year.

	2016	2017
Amount of training course expenses (pedagogical costs*)	€458,155	€381,219
Salary costs for the trained employees	€556,654	€474,187
Compulsory FPC contribution paid to the OPCA	€259,498	€247,973
Number of training hours	13,654	12,006
Number of employees trained	356 employees trained	327 employees trained

* *Salary costs of internal trainers not taken into account (when training is provided by employees).*

The training hours encompass all the training courses provided, including, in addition to courses provided by training organisations, training given in-house by qualified employees (such as, for example, training on the HEARS emergency hotline and in-house training for engineers).

4.3.5.1 Training sessions to develop the employability and expertise of our employees

The overall budget allocated to training during the 2017 financial year (ending on December 31), acounted for 5.28% of payroll (including training costs/labour costs and the obligatory contribution paid to the OPCA) [(1)]. In 2017, we continued our significant effort to up-skill our employees with 12,000 training hours. This year again we focused particular attention on organising collective bespoke training courses run by expert training bodies, and on individual training courses tailored to employees' specific needs.

In 2017, GTT focused on the following training sessions:

- technical training, software and the oil and gas environment, which represent more than half of the relevant budget: high level bespoke training programmes were discussed and designed with qualified organisations to enable the Company's technicians and engineers to develop and improve their discipline-specific skills;

(1) Aggregate gross payroll subject to contributions (source DADS): 20,903,930 euros.

- technicians and engineers were also offered regular, practical training courses: welding workshops led by an expert, but also internships dedicated to cargo operations on a simulator;
- training sessions on the prevention of corruption risks were organised with the support of a specialised attorney, in order to raise the awareness of all of the Company's employees and strengthen the existing ethics policy;
- a training programme designed specifically for engineers in direct contact with customers or partners, aiming to strengthen behavioural skills mobilised in a technical-commercial relationship: flexibility, *i.e.* sales skills, the ability to individually or collectively close a negotiation or strategic sale;
- language training, primarily in English (leading to a TOEIC) to improve or perfect employee language skills *via* classroom or telephone classes combined with e-learning;
- safety training for registered office employees (training in chemical risks, electrical certifications, etc.) and for employees working at shipyards or at sites where safety is a major concern (first aid training, survival at sea, work in confined spaces, etc.) are usually provided at the Company's request and may be compulsory; and
- a training course for trainers is offered to the employees acting as trainers for our customers or our internal employees, in order to develop their teaching abilities and ability to communicate and to bring them up to a highly professional level of competence.

4.3.5.2 Recruit, retain and develop talents

Recruitments are carried out by the Company's Internet site, the LinkedIn social network, employment sites, advertisements in specialised press publications, or the use of recruitment specialists for certain specific skills. GTT maintains on-going contacts with some engineering schools, and in particular, with ENSTA Brittany, an engineering school specialised in renewable marine energies and naval architecture.

GTT is faced with increased competition to recruit talented employees, in particular engineers, in its specific areas of expertise. It is, therefore, important not only to attract talented workers, but also to involve and retain these key skills. One of the essential elements to retain talented workers is to rapidly "expose" them to tangible, operational issues. GTT does this by rapidly getting its engineers involved with the reality on the ground. The Group's leadership and expertise in its area of activity and its multi-cultural dimension also contribute to building its reputation and attractiveness.

GTT also promotes internal employee mobility. Real-time information on open positions is provided to all employees *via* the Intranet site. Employees may be given the opportunity to be seconded abroad, in particular for positions in Asia at LNG carrier construction shipyards. They may become GTT representatives at construction shipyards for several years. Internal mobility enables, while securing the loyalty of the employees, to offer them a career within the Company through which they learn various new skills. Mobility abroad can also occur in the short term within the framework of the Group's development *via* its new subsidiaries or projected subsidiaries or offices (USA, China, Singapore).

Finally, to ensure a good match between GTT's ambitions and objectives, the Group deploys the following HR tools:

- individual annual and career interview: a special time for exchange between manager and employee to assess the achievements of the previous year, evaluate skills, set the objectives for the coming year, and exchange information about the employee's career development plan, if required. It should also be noted that there is the possibility for each employee to have a professional discussion every two years with his or her line manager, of which the purpose is to review his or her professional development and discuss aspirations in terms of skills and motivations;
- HR reviews: interview between the Human Resources service and each manager with the aim of identifying possible evolutions, in the short-to-medium term, with regard to skills or professional mobility; and
- Career Path committees: meetings organised between human resources and directors to exchange on skills needs within the departments and on employees identified as possibilities for promotion, in order to organise short- or medium-term mobility.

4.3.6 DIVERSITY AND EQUAL OPPORTUNITIES

4.3.6.1 Agreement on equal opportunities for men and women

In this field, 2017 was marked by negotiations conducted with the trade union representative accompanied by two employees, which, eventually, led to the signature of a company agreement on gender equality in the workplace. The agreement was signed at the very beginning of 2018.

The purpose of the agreement is to ensure that men and women are treated on an equal basis within GTT, and to develop actions to maintain this equality. A certain number of monitoring indicators have been defined, and will make it possible to verify the effectiveness of the actions undertaken.

The proportion of female employees is relatively low. This low representation can be explained by the low number of women graduating from engineering schools, from which the majority of employees come. In 2017, women represented 32% [1] of the Group's recruitment.

Distribution of GTT employees by gender: women-men

	31/12/2016	31/12/2017
Executives men	207	201
Non-executives men	81	67
Executives women	45	44
Non-executives women	25	21

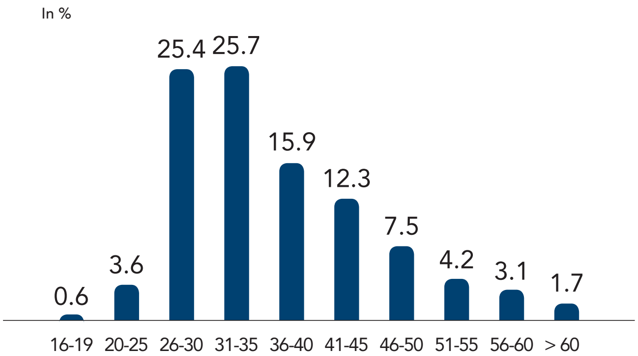
4.3.6.2 Employment of young people and seniors

The intergenerational management of human resources is part of GTT's social responsibility. 87.2% of the Group's workforce are employees aged under 50. Whilst this youth constitutes a vital force of GTT, it is also necessary to capitalise on the knowledge of seniors. As at December 31, 2017, GTT had 43 employees aged 50 or more, *i.e.* more than 12% of the workforce. Although the Macron orders terminated the generation contract scheme, GTT continues to implement the measures taken to favour the employment of seniors.

The 2017 recruitment policy continued the policy introduced in 2016. This meant focusing recruitment on expert profiles to meet GTT's new business challenges.

Furthermore, hiring of young people under 30 accounted for 40% of total hires, including several apprentices. Therefore, the number of apprentices under contract was 2.1% of the workforce in 2017.

Age pyramid at December 31, 2017



(1) *Excluding interns.*

4.3.6.3 Integration of disabled people – Prevention of discrimination

The Group rejects all types of discrimination at recruitment and commits to allowing access for disabled workers to all positions under recruitment. The Company had one disabled employees at the end of 2017.

For several years, GTT has worked in partnership with a sheltered workshop, ESAT Communauté de l'Arche, located in Saint-Rémy-lès-Chevreuse. This association employs disabled workers. Hence, in 2017, 15 people were responsible for various services at the Company's registered office, particularly the maintenance of the gardens.

4.3.7 PROMOTION AND RESPECT OF THE CORE CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION (ILO)

GTT ensures compliance with the ILO conventions on:

- the freedom of association and the right to collective bargaining;
- elimination of discrimination in employment and occupation;
- eliminating forced or compulsory labour; and
- effectively abolishing child labour.

98% of GTT Group employees benefit from a French employment contract for which all of these conventions apply.

In early 2015, GTT adopted an ethics charter to promote the respect of its values with stakeholders, in particular its employees, directors, customers and suppliers.

This charter defines the principles and values that make up the fundamental behaviour standards expected of employees in the following areas:

- total prohibition of active or passive corruption;
- prevention of fraud;
- prohibition of anti-competitive behaviour;
- prevention of conflicts of interest;
- information confidentiality;
- protection of Company assets;
- respect for intellectual property; and
- traceability of documents.

The charter was supplemented by the appointment of an Ethics Officer and the creation of an ethics email address to enable employees to contact the Ethics Officer in the event of any doubt about the actions they should take.

The system was reinforced in 2017. GTT accordingly used the services of a specialised counsel to assist with the mapping of the ethics risks induced by its organisation and its activities. The report resulted in the definition of a detailed action plan which was presented to the Company's Executive Committee and the Board of Directors' Audit and Risks Committee, in order to improve the effectiveness of the GTT ethics programme.

- The action plan was extensively implemented in 2017: in particular, it led to a revision of GTT's code of conduct (ethics charter) in order to provide more concrete solutions to the situations GTT employees are confronted with, and of the resulting practical rules and policies, including more precise policies with regard to (i) gifts and hospitality; (ii) prevention of conflicts of interest; (iii) business consultants.
- The procedure for reporting ethics incidents was also modified to guarantee greater confidentiality and, more generally, to protect the rights of whistle-blowers.
- All of the ethics provisions have been integrated in the GTT Internal Regulations, after consultation with the Company's IRPs, in order to ensure that they are enforceable on all GTT employees.
- Certain internal audit procedures concerning expense reports as well as gifts and hospitality have been improved. The Company also reinforced the procedure for monitoring and archiving contracts with its business consultants, which were audited by a specialised consultant.
- Finally, GTT reinforced its ethics risk prevention and training programme: a training course was offered in 2017 to all employees, and GTT is in the process of setting up an in-service training programme for employees who are most exposed to ethics risks.
- Today, GTT is working to set up a system to monitor the measures implemented and assess their effectiveness.

GTT set itself the objective of obtaining ISO 37001 certification in 2018 for its anti-corruption risk management system.

4.4 Societal information

For the Group, responsible behaviour and continuous relations with all stakeholders are the basis for durable, sustainable growth. It is for this reason that GTT is particularly attentive to the following commitments:

- transparency of information for key stakeholders;
- customer satisfaction and listening to customers;
- support for local development by promoting local recruitment and partnerships and;
- support for innovation by working on research projects in partnership with engineering companies, research centres, universities and engineering schools.

4.4.1 TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITY

GTT's presence and activity drives local employment. The Group contributes to economic development by favouring, where possible, local suppliers and subcontractors, as part of the materials supplier approval service for its technologies.

In France, for example, GTT works regularly with the Aperam Alloys Imphy company, specialising in the supply of nickel alloys.

On an international level, GTT participates in the economic development of the territories in which the Group is located, in particular, in South Korea, Japan and China. Accordingly, as the essential link in the LNG sector, the Group supports the indirect employment of several thousands of people worldwide, who participate in the construction or maintenance of LNG carriers in shipyards. At December 31, 2017, the Company has 24 construction shipyards under licence, mainly in China, Japan and South Korea.

4.4.2 CONDITIONS FOR DIALOGUE WITH STAKEHOLDERS

To ensure its long-term development, GTT develops a continuous, constructive dialogue with its professional and economic environment.

GTT forms close relationships with a large number of stakeholders including:

- the main new builds and repair shipyards;
- ship-owners;
- terminal operators;
- classification societies;
- gas companies;
- suppliers of the materials used by the Group's technologies;
- the Group's suppliers (service providers, suppliers of products and materials);
- the maritime regulatory authorities such as the IMO, the United Nations agency responsible for defining the regulatory framework for maritime transportation, both for safety and environmental protection;
- employees, candidates;
- higher education establishments, research institutes;
- the media; and
- shareholders, financial institutions, analysts.

For each of these families of stakeholders, GTT implements specific modes of dialogue. The Internet site, formal and informal meetings – individual interviews, conferences, round tables, workshops – surveys and satisfaction questionnaires are some of the tools for dialogue and consultation implemented by the Group.

GTT has been ISO 9001 certified since 2010. In 2016, GTT took the opportunity during its re-certification audit to validate the transition from ISO 9001:2008 to ISO 9001:2015, which puts a premium on agility, risk management and performance. The 2017 surveillance audit confirmed that the transition had been successful.

This certification attests to the Group's commitment in terms of quality, and enables the continuous improvement of its performance to be measured. The benefits of ISO 9001 certification concern both internal and external stakeholders.

As part of its Quality Management System, GTT regularly carries out satisfaction surveys with its internal and external customers. GTT carried out an external survey in 2017 to analyse customer satisfaction levels.

This survey looked at the quality of service provided by the Company, from upstream (order) to downstream (delivery) with active shipyards. Customers were asked about the entire "production process" including the pertinence and quality of deliverables – system plans, calculation notes, reports from deliverables. The challenge is to respect lead-times and remain attentive to quality and the reactivity of responses provided by the GTT teams. The results revealed a very satisfactory level of overall customer satisfaction, comparable to the 2016 results.

In 2017, around 5,800 deliverables were sent to the shipyards building the LNG carriers, to the Conrad shipyard (United States) for the floating barge for LNG transportation and to CERN for the construction of liquid argon tanks.

4.4.2.1 Sharing best practices

One of GTT's main dialogue focuses with stakeholders is to share best practices in efficiency, and human and LNG installation safety.

Every six months, the Group brings together managers of maritime companies and classification societies to work intelligently with the aim of continuous improvement. These meetings are the opportunity to exchange on possible dysfunctions and create working groups to deal with them and resolve them. This feedback is collected in a database accessible by all stakeholders. Information transparency is a key element for GTT. This transparency provides the confidence and search for excellence carried out by the Group.

4.4.2.2 Patronage

In 2017, the Group did not commit to promoting solidarity initiatives and actions, other than several specific local actions.

4.4.3 SUBCONTRACTING AND SUPPLIERS

The process of supplier selection has been modified since 2015, enabling GTT to provide each manufacturer with a list of certified suppliers of materials. A special supplier qualification department was implemented. Its mission consists in making a rigorous selection of suppliers who provide the materials used in GTT technologies. The latter must meet the requirements provided in the materials specifications.

A selection committee approves the launch of the approval process for a new material following a thorough analysis of the file sent by the materials supplier. The decision is based on the quality of the supplier, the means of production, the characteristics of the material, the state of the market, and the effort made to provide materials which are increasingly environmentally friendly.

After analysing the material safety data sheets, the selection committee will not propose materials if they are less environmentally friendly than those already available on the market. Note that metal membranes are 100% recyclable in accordance with European standards. The regulation of blowing agents used in polyurethane foams is very closely monitored by GTT. A range of products using the latest generation of blowing agents is already available for GTT technologies.

To date, 360 materials have been approved based on GTT requirements to meet the needs of membrane technologies. They involve 72 suppliers: 29 in South Korea, 13 in China, 8 in France, 8 in Japan and 14 in the rest of the world.

In addition, as part of the purchasing procedure, a supplier selection procedure for GTT's purchasing needs was implemented in 2015, in which compliance with GTT's ethics charter and more generally the applicable social and environmental standards are part of the selection criteria.

These standards include, in particular, compliance with national and international regulations with regard to:

- fundamental human rights, in particular the ban on child labour and all other types of forced or compulsory labour;
- ban on discrimination within the Company or with regard to suppliers or subcontractors;
- embargoes, arms and drugs trafficking and terrorism;
- commercial trading, import and export licences and customs;
- the Health and Safety of personnel and third parties;
- work, immigration, ban on clandestine work;
- environmental protection;
- economic offences, in particular, corruption, fraud, bribery (or equivalent offence in national law applicable to the order or the contract referencing the general sales conditions), embezzlement, theft, abuse of corporate assets, counterfeiting, forgery and the use of forged documents, and any other similar offence;
- the fight against money laundering; and
- competition law.

4.4.4 FAIR COMMERCIAL PRACTICES

A group that operates internationally, GTT is committed to carrying out its activities in an ethical way and to scrupulously respect the laws in effect. GTT expects responsible behaviour from all of its stakeholders (in particular employees, subcontractors and suppliers) in line with the system of ethics and compliance implemented at the Company and its subsidiaries.

The Group continued the actions begun in 2016 by revising the ethics charter and continuing with regular awareness-raising sessions on anti-corruption issues. A gift policy was also deployed.

An Ethics Manager reporting to the HSE Manager was appointed at the end of 2017 to set up an anti-corruption management system by the end of 2018.

4.5 Environmental information

4.5.1 GENERAL POLICY ON ENVIRONMENTAL MATTERS

Natural gas benefits from a reduced carbon footprint compared with other hydrocarbon fuels, in particular coal and oil. This makes it an attractive source of fuel in countries where governments are implementing policies to reduce emissions of greenhouse gases. Transported in liquid form in LNG carriers, it is odourless, colourless, non-toxic and non-corrosive.

As an essential link in the LNG chain, GTT's ambition is to contribute to the development of this fuel that is cleaner than other fossil energies, in order to provide energy to the greatest number of people.

4.5.1.1 Environmental impacts

In this context, the main environmental challenges of the Group are:

- direct impacts: to limit its impacts in terms of resource and energy consumption, greenhouse gas emissions and waste production on the Saint-Rémy-lès-Chevreuse site;
- indirect impacts: to help its final customers – ship-owners, gas companies – to transport or store liquid methane safely, whilst managing their environmental footprint; and
- to promote LNG as fuel for the propulsion of merchant vessels, in order to respect the current international marine regulations.

Sustainable development and innovation

The technologies developed by GTT allow ship-owners to optimise the thermal performance and safety of the membrane tanks that transport or store LNG.

Continuous improvements in these technologies have reduced the evaporation rate (boil-off rate) of cryogenic membrane systems by more than 50% since 1992. The decrease in the boil-off rate represents a real added value for gas companies and ship-owners to the extent that such a decrease reduces the operating costs of vessels. The boil-off rate of LNG on a vessel is one of the parameters for assessing the operating performance of the LNG containment system that it integrates.

By supplying efficient, robust technology, GTT reduces its customers' energy losses.

Energy transition

As part of the energy transition plan initiated in the maritime sector, since 2008, the International Maritime Organisation (IMO) has launched measures to reduce pollutants which will progressively come into force on a global level, in particular along the coasts of North America and Europe (Baltic Sea, North Sea and the Channel). It should be noted that the measures limiting sulphur oxide (SO_x) emissions in these zones entered into force on January 1, 2015. In addition, in October 2016, IMO announced its decision to lower SO_x emissions limits to 0.5% by 2020 for all of the world's oceans.

Amongst the solutions proposed, the conversion of merchant vessels to LNG propulsion is an interesting alternative to respect the current regulatory and ecological provisions. Using LNG as fuel almost totally eliminates sulphur oxide (SO_x) emissions by comparison with fuel oil propulsion. Furthermore it makes it possible to comply with regulations concerning emissions of nitrogen oxide, sulphur oxide, CO_2, as well as particle emissions and, in particular, the international MARPOL convention [(1)]. GTT has developed several innovations to adapt its membrane containment technologies so that they can be used in merchant vessel bunker tanks (see section 2.3 – *Development of new activities by the Group* in this Registration Document).

4.5.1.2 Prevention and reduction of environmental risks

The Group's activities do not present direct risks to the environment, as GTT does not manufacture the technologies for which the Company licences the use. The Group gives access to its membrane technologies to the main naval shipyards around the world as part of licence contracts. Nevertheless, in order to limit the risks arising from the installation and use of the technologies developed by GTT, the GTT teams present in the shipyards have developed strong skills in engineering, innovation and R&D to support the implementation of its solutions and products in the shipyards. GTT's engineers also assist customers during the construction of vessel tanks and onshore storage tanks, provide technical advice and ensure the compatibility of the implementation of GTT's technologies by the licence holder.

Safety of installations and crew

There are a number of guidelines and recommendations intended to ensure the safe operation of LNG facilities and personnel in the maritime sector.

Transport safety represents a priority in the liquefied gas industry, due to the high cost of the cargo and the very high level of safety required by maritime authorities. This involves extremely rigorous temperature and pressure checks, continuous monitoring to ensure that there is no oxygen in cargo areas, and strict procedures for inspecting the tanks, etc. Piloting, operating and maintaining LNG carriers requires professionalism and constant vigilance by specially trained crews.

The safety of people and technologies is at the heart of the concerns of the Group, which invests heavily in R&D to prevent any risks associated with its technologies. As an important player in the LNG sector, GTT is responsible for supplying carriers with optimal transportation conditions, associated with an extremely safe technology.

Since the first LNG carriers were delivered by Technigaz in 1964, over 45,000 LNG shipments have been made without a single incident of an LNG cargo being lost.

This is the result of a rigorous risk prevention system, continuous improvement in procedures, and a regular awareness raising and training programme for customers in transporting and handling LNG cargos.

LNG training sessions for customers and partners

In 2014, GTT created the GTT Training Ltd subsidiary to supervise the Group's external training activities. Piloted by an English-speaking team, this entity is intended to strengthen customers' skills and expertise. It has the task of providing LNG training at the Group's registered office and also at customers' premises internationally. There are two types of training, provided by GTT and GTT Training:

- Licence holders – GTT technologies
  - GTT offers a training programme for new licence holders to enable them to understand and master the technologies, as well as their construction methodologies.
  - GTT has provided training for engineer representatives of ship-owners, gas companies, classification societies and repair shipyards four times a year for over fifteen years. The training programmes are directly related to the Group's business. They cover membrane containment systems and GTT services and are provided by a quorum of experienced speakers and engineers specially trained for this purpose.
  - Training on the solutions available for LNG as fuel and the benefits provided by the Group's technologies were also offered to potential licence holders in 2017.
- LNG in operation
  - Since 2014, training programmes covering different aspects of LNG operations and GTT technologies have been provided for gas officers operating on LNG carriers and operators of LNG vessels. The programmes include an "LNG Cargo Operations" training course in compliance with the training standards recommended by SIGTTO [(2)] and other training courses on activities specific to LNG management, in particular operation of LNG Floating Storage and Regasification Units (FSRUs). Training in LNG operations is carried out on a simulator designed by GTT, audited and validated by a Norwegian qualification society. It enables officers and participants to experience numerous LNG operational situations in an extremely realistic environment.
  - LNG as fuel and bunkering: LNG as fuel and bunkering: introductory modules for operators who are considering using LNG as fuel, mainly covering the operation of the vessels and the related bunkering operations. These training courses are completed by means of an LNG as fuel simulation model, which participants can use to understand how LNG as fuel is used in practical situations.

In 2017, 215 customers and partners were trained in the specificities of LNG. GTT is one of the few companies in the liquefied gas industry to offer this type of service.

(1) Acronym of the English term "Marine pollution": designates the international convention for the prevention of marine pollution by vessels, drafted by IMO (International Maritime Organisation).

(2) Society of International Gas Tanker and Terminal Operators.

A hotline for ship-owners

In 2014, the Group opened a hotline called "HEARS" which enables ship-owners and operators to contact a dedicated team of GTT specialists 24/7 to deal with emergency situations concerning the systems developed by the company to carry LNG. These experts have undergone intensive training for two years to prepare for the six incident scenarios identified by GTT, validated by a qualification exam. In-service training including exercises based on real situations is then obligatory to maintain their qualification. As at December 31, 2017, 75 vessels had registered for the GTT HEARS service.

Amount of provisions and guarantees for environmental risks

In 2017, GTT did not recognise specific provisions for environmental risks. GTT was not subject to any legal decisions concerning the environment.

4.5.2 POLLUTION AND WASTE MANAGEMENT

Scope retained: Saint-Rémy-lès-Chevreuse site. Other GTT installations and/or subsidiaries are not integrated into the scope due to their non-significant character (in terms of headcount or surface area).

4.5.2.1 Waste management

The Group has installed systems for the selective sorting, collection and recycling of its internal waste, such as electrical and electronic equipment, batteries and accumulators, chemical waste, paper and organic waste.

This system encourages employees to adopt responsible processes and acts in terms of traceability and waste management.

- Chemical waste – glues, aerosols, anti-freeze, resins, soiled products, hydraulic oils – are recovered by a specialist partner. This partner created its own materials recycling channel to recycle all types of waste, including dangerous and complex waste. In 2017, GTT generated 3.2 tonnes of chemical waste, compared with 9.8 tonnes in 2016, and 3.5 tonnes in 2015. The level reached in 2016 is due to streamlining and optimisation of inventory during 2016.
- Organic waste is collected by a regional organisation, specialising in the collection and treatment of waste. GTT generated 132,020 litres of organic waste in 2017, a 24% drop compared to 2016. In addition, the Company generated 12,371 kilos of food waste, *i.e.* an average of 60 kilos per working day.
- For security and confidentiality reasons, paper is recovered by a specialist partner that destroys and recycles the paper fragments after destruction. Twenty bins are installed on the Saint-Rémy-lès-Chevreuse site for employees to place their documents. In 2017, approximately 7.7 tonnes of paper was recovered and recycled by the business, compared with 26.6 tonnes in 2016. This change is due, in particular, to the decrease in staff movements within the Company, and incentives to achieve zero paper use. Each year, the partner provides an environmental certificate indicating the number of trees saved – 123 in 2017 – with this service.
- Electrical and electronic equipment waste is collected and recycled by a specialist partner. This waste concerns essentially fixed and portable computers, servers, printers and copiers and video projectors. This was the case in 2016 with 137 recycled items. In 2017, GTT chose to donate 75 pieces of computer hardware in working condition to various organisations (schools and associations).
- Printer and toner cartridges are also collected by a specialist service provider.

Waste	2016	2017	Change
Chemicals (in tonnes)	9.8	3.2	nm
Organic (in litres)	118,140	132,020	+12%
Paper (in tonnes)	26.6	7.7	nm
Electrical and electronic equipment (in units)	137	0	nm

4.5.2.2 Soil pollution – noise pollution

By its nature, GTT's engineering activity generates very little soil pollution. No sites are classified by ICPE – Installations Classified for the Protection of the Environment – or SEVESO.

Within the chemical testing laboratory, a collection tank with a sufficient depth has been installed to avoid all leaks into the soil. In 2013, the CHSCT, in collaboration with the occupational health service, initiated a noise measurement audit in the joinery and metal-working workshops. Insulating panels were installed on the walls and the ceilings following this audit, in order to reduce the noise pollution from these workshops.

4.5.3 SUSTAINABLE USE OF RESOURCES

Scope retained: Saint-Rémy-lès-Chevreuse site.

4.5.3.1 Energy

Energy consumption on-site includes heating, lighting and air-conditioning of offices. In 2017, GTT recorded a 10% decrease in its electricity consumption compared to 2016. Gas consumption decreased due to the optimisation of heating networks and fuel oil consumption increased due to greater use of the building in question.

GTT aims to implement more efficient management of its consumption *via* the following measures:

- raising awareness of employees to eco-gestures;
- installing presence detectors for lighting in the sanitary facilities;
- improving office layouts to limit energy consumption and;
- using low energy-consumption light bulbs.

Consumption of heating and electricity in permanent installations	2016	2017	Change
Electricity (kWh)	3,229,774	2,919,122	-10%
Gas (kWh)	3,338,086	3,053,318	-9%
Fuel (in litres)*	2,999	4,233	+41%

* *Volume estimated based on invoicing. Does not take account of emergency diesel generator consumption.*

4.5.3.2 Water

GTT's activities do not consume a significant amount of water. Water consumption comes from internal use for the Company restaurant, water fountains, drinks machines and sanitary facilities and also includes the consumption required to carry out materials tests.

In 2017, the site recorded a 19% increase in consumption. This increase was mainly due to the purging of the chilled water network, following repair work. GTT has also implemented a policy aiming to reduce water consumption, by the installation of water consumption detectors installed in the sanitary facilities, and the progressive installation of sub-metering for water to better detect possible leaks.

In m^3	2016	2017	Change
Water consumption	3,178	3,788	+19%

4.5.3.3 Consumption of raw materials

As an engineering company, GTT does not consume a significant amount of raw materials.

The Group does, however, use nitrogen to test the resistance of materials in cryogenic conditions. Nitrogen consumption increased by 7% from one financial year to the next.

In litres	2016	2017	Change
Consumption of nitrogen	1,069,301	1,146,294	+7%

4.5.4 CLIMATE CHANGE

By virtue of the law on Energy Transition for Green Growth of August 17, 2015 (Article 173), amending Article 225 of the Grenelle 2 law, the Company must provide information on the "impact on climate change of its activities and the use of the goods and services its produces". This entails providing information on Company activities producing significant greenhouse gases, classified in three families of emissions (called "scopes"). Scope 1 – direct emissions, Scope 2 – indirect emissions associated with energy and Scope 3 – other indirect emissions. GTT does not consider that it is directly exposed to the impacts of climate change in the short and medium term. However, risks such as extreme weather events (risks of tsunami, rise in water levels, etc.) could impact certain key partners (shipyards in particular).

Scope 1

	kWh	Total t CO_2e
Gas	3,053,318	616.7
	Litres	**Total t CO_2e**
Fuel	4,233	8.5
	Litres	**Total t CO_2e**
Company cars and vehicles provided	10,807	29.1
		Total t CO_2e
TOTAL SCOPE 1		**654.3**

The Company's vehicle fleet consists of ten vehicles. In addition, five vehicles have been provided for employees on the Saint-Rémy-lès-Chevreuse site for professional travel essentially in the Paris region.

Furthermore, in order to encourage employees to limit the use of their personal vehicles for journeys to work, a car sharing system is offered *via* the Group's Intranet site. In addition, since 2015, a new electric shuttle bus service has been in place for employees morning and evening between the regional express metro station (RER) and the site.

Scope 2

	Total t CO_2e
Electricity	227.7

Scope 3

The significant sources of greenhouse gas emissions resulting from GTT activities include uses linked to the GTT licences awarded and employee travel by aeroplane to visit naval shipyards, notably in Asia, and to manage on-going projects abroad.

GTT has been monitoring emissions from employee travel by train and aeroplane for several years now. In 2017 emissions totalled 3,038 tonnes of CO_2 compared to 3,832 tonnes in 2016, *i.e.* a drop of 21%. To limit business travel, GTT encourages employees to use video-conference equipment as much as possible.

Concerning uses associated with the granting of licenses (vessel construction, commissioning by ship-owners and charterers), GTT does not have the information required to enable more detailed reporting about climate issues at its disposal. The Group is working actively to improve the performance of its systems and reduce polluting emissions, originating particularly from the manufacture of the materials that make up its systems (polyurethane foam, plywood, sealants, etc.). Furthermore, the Group estimates that its development efforts on the burgeoning LNG as fuel market will significantly contribute to reducing the greenhouse gas emissions generated by merchant vessels, thanks to the replacement of oil by LNG. For example, CMA CGM estimates the improvement in the energy efficiency index of a vessel fuelled with LNG compared to a vessel using fuel at 20%.

In tonnes of CO_2	2016	2017	Change
Emissions related to employee travel (train, aeroplane)	3,832	3,038	-21%

Factors used (sources)

Global warming power	Source: GIEC, 2006
Natural gas emissions factor (kg/MWh)	Source: GIEC, 2006
Electricity emissions factor France (t CO_2e/MWh)	Source: ADEME, 2008-2012 average
Mobile diesel sources emissions factor (kg CO_2e/L)	Source: GIEC, 2006

4.5.5 BIODIVERSITY

Scope retained: Saint-Rémy-lès-Chevreuse site.

The Group owns two parcels with a total surface area of 84,750 m^2 in Saint-Rémy-lès-Chevreuse.

A property complex of 18 buildings is located on these plots.

The land also contains parking lots, roadways for vehicles, a rainwater retention pond and green spaces. The site is located in the Haute Vallée de Chevreuse national regional park.

The Group wishes to keep this green environment. The pond is maintained by a specialist supplier, who uses organic products to treat the water.

Garden maintenance, by the ESAT Communauté de l'Arche, is carried out using environmentally-friendly products.

4.6 Independent verifier's report on social, environmental and societal information presented in the management report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC [(1)], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company GTT, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31 12 2017, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (Code de commerce).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (Code de commerce), in accordance with the protocols used by the company (hereafter referred to as the "Criteria"), and of which a summary is included in the management report and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11-3 of the French Commercial code (Code de commerce). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (Code de commerce) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Our verification work mobilized the skills of four people between February 2018 and March 2018 for an estimated duration of six weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000 [(2)].

1. Attestation of presence of CSR Information

Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code (Code de commerce).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (Code de commerce).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (Code de commerce) with the limitations specified in the Methodological Note in of the management report.

Conclusion

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook nine interviews with eleven people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

(1) Scope available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important [3]:

- At the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of entities that we selected [4], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented 97% of the headcount and 100% of the water, waste, paper, nitrogen and energy consumption presented.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the 20 April 2018

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Alexis Gazzo Partner, Sustainable Development	Stéphane Pédron Partner

(3) Social information:

KPIs (quantitative information) : total headcount, headcount breakdown per sex, per contract type, per age, hiring and departures, absenteeism rate, share of women in executive headcount, frequency and severity rates of work accidents, number of disabled employees, total number of hours of training, budget allocated to training, total payroll.

Qualitative information: Employment (total headcount and breakdown, hiring and terminations), health and safety at work, work accidents, notably their frequency and their severity as well as occupational diseases, training policies, diversity and equality of treatment and opportunities (measures undertaken for gender equality), promotion and respect of the ILO core conventions (freedom of association, anti-discrimination policies and actions, elimination of forced labour and child labour).

Environmental and Societal information:

KPIs (quantitative information): Electrical and thermal energy consumptions, chemical waste production, water consumption, nitrogen consumption, paper consumption.

Qualitative information: General environmental policy (organisation of the company to take into consideration environmental issues), circular economy (preventative measures, recycling and waste management), water consumption and water supply, considering local constraints, energy consumption, climate change (significant items of greenhouse house gas emissions generated due to the company's activity, notably due to the use of the goods and services it produces, adaptation to climate change); importance of subcontracting and consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors, business ethics (actions undertaken to prevent corruption), actions undertaken to promote and guarantee Human Rights.

(4) GTT excluding subsidiaries

5 RISK FACTORS

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

The significant risks to which the Group considers that it can be exposed are set out below. Other risks which are not set out or not currently known may also affect it. The occurrence of such risks could have a significant negative impact on the business, the financial situation and the earnings of the Group, on its image, its prospects and/or on the Group's share price.

5.1 Operational risks

5.1.1 ECONOMIC ENVIRONMENT

5.1.1.1 Structure of supply and demand

The Group is exposed to risks related to a reduction or an increase in the demand for LNG carriers, ethane carriers, FSRUs, FLNGs and onshore tanks.

Demand for containment systems integrated in LNG carrier hulls, FSRUs, FLNGs and onshore storage tanks depends on the prospects for growth in LNG demand, and on the demand for maritime transportation and onshore storage of LNG over the next few years. In recent years, the growth in LNG trade has fluctuated. At the end of the 2000s, the economic crisis and the rise of unconventional gas in the United States led to an absence of orders for LNG carriers in 2009 and a very low level of orders between 2008 and 2010. Over the period 2011-2015, GTT obtained 161 orders, or an average of over 32 orders per year, whereas 2016 was marked by a wait and see attitude from charterers and operators, limiting the number of LNG carrier orders to 5. With 21 orders, comprising 12 LNG carriers, 8 FSRUs and one FLNG, 2017 was marked by a recovery in activity, which was confirmed at the start of 2018.

With respect to the demand for ethane carriers, uncertainties relate to the ethane offer (industrial ethane liquefaction capacity in places where ethane gas is available) or demand (relative competitiveness of ethane and naphtha for the petrochemical industry).

Principal factors affecting the Group's business

The Group's revenues and operating results are historically subject to significant variations, which could recur in the future and have an unfavourable impact on the financial situation and prospects for the Group.

The Group's current and future level of activity depends to a large extent on current and future demand for LNG carriers, FSRUs, FLNGs and, to a lesser extent, on onshore storage tanks and ethane carriers, which may be negatively affected by any of the following factors:

Factors related to the demand for LNG

- The ability to meet the demand of LNG buyers and sellers and to enter into LNG sales contracts which generally depend on obtaining the financing required to carry out the liquefaction and import projects.
- Decreases in gas consumption resulting from a decline in the cost of other energy sources, the increasing availability of new sources of alternative energies or any other factor that makes the consumption of gas less attractive.
- Increases in the cost of onshore regasification terminals, labour costs or the occurrence of other economic issues which may hinder the development of LNG export projects (negative impact on the demand for onshore storage tanks).
- Decreases in the cost of onshore regasification terminals or rising demand for such terminals, which may offer greater capacity than that provided by FSRUs, assuming that there is a demand for such capacity (negative impact on the demand for FSRUs).
- Deterioration in the business or political conditions in the regions or countries where demand for LNG is strong. Such a deterioration could reduce the consumption of energy overall or the growth thereof.

Although many market observers predict increased demand for LNG and ethane carriers in the medium and long term, such demand, if it develops, will likely fluctuate based on changes in LNG or other conditions and the Group cannot guarantee that annual revenues will rise steadily.

Factors related to the supply of LNG

- Changes in the price of LNG, whether as a direct result of slowing demand for LNG and/or as a knock-on effect of changing oil prices in regions where gas and oil prices are correlated, such as Asia and Europe. Such changes could affect the economic viability of some liquefaction projects (see below).
- Changes in the production, in certain domestic and international markets, of natural gas that has a lower cost than the gas obtained from LNG.
- The ability to obtain the administrative and environmental authorisations required to carry out liquefaction and import projects.
- Increases in the cost of onshore liquefaction terminals, labour costs or the occurrence of other economic issues which may

hinder the development of LNG export projects (negative impact on the demand for onshore storage tanks).

- Decreases in the cost of onshore liquefaction terminals or the rising demand for such terminals, which may offer greater capacity than that provided by FLNGs, assuming that there is a demand for such capacity (negative impact on the demand for FLNGs).
- Feedback from the first FLNG platforms.
- Deteriorating political conditions in regions in which gas export projects could be initiated.

As a consequence, the comparison of revenues and operating results on successive periods might not be an indicator of future performance.

Factors related to the LNG shipping market

- Ship-owners may, even on a temporary basis, optimise the use of their vessel fleet, rather than order new builds (increase in the average speed of vessels, delay fleet upgrades, extend the life of vessels, etc.).
- Industrial and commercial agreements between operators can have an impact on the use of the vessel fleet (pooling of vessel fleets, alliances, etc.).
- Decreases in the leasing prices of vessels on the spot market may result in a sense of over-capacity and lead ship-owners to delay part of their investment.
- The uncertainty resulting from the lack of a destination clause in LNG purchase contracts and the decrease in the length of contracts can be a brake on investment decisions.
- Variations in LNG prices between geographical areas can result in significant variations in LNG trades on the spot market.

As of the filing date of this Registration Document, factors related to the shipping market do not negatively affect the Group's medium- and long-term outlook, but they could delay when orders are placed and lead to differences in orders from one year to the next and, accordingly, the realisation of the associated revenues.

Impact of liquefaction projects on the Group's prospects

The decrease in LNG prices seen in 2015 through mid-2016 eroded the profitability of liquefaction projects which has led to delays in investment decisions (Browse FLNG in Australia, Lake Charles and Jordan Cove in the United States, LNG Canada, etc.). The FLNG project in Indonesia (Abadi) was cancelled in favour of an onshore liquefaction terminal that will, however, require ordering LNG carriers to export the LNG produced. It also provides an opportunity for onshore storage tanks. Furthermore, the fall in LNG prices in Asia and Europe has reduced the competitiveness of American LNG. However, since mid-2016, LNG prices in Asia and Europe have increased again, at a faster pace than the upturn in the price of American gas, making American LNG competitive for exports.

Therefore, after a strong period of investment decisions in 2014 and 2015 (two FLNGs and eight liquefaction trains of which four were new projects) supported by the American projects, in 2016 and 2017 only three investment decisions were taken (one extension in Indonesia and the Elba Island factory in the United States in 2016, and one FLNG in Mozambique in 2017).

Despite the increased demand for LNG and the fact that the Group benefits from the great distance between US production areas and the Asian markets, the erosion of profitability of liquefaction projects could have the effect of delaying the launch of these projects and thus decisions to invest in LNG transport and storage vessels and platforms.

As of the filing date of this Registration Document, these potential delays do not negatively affect the Group's medium- and long-term outlook, but they could lead to delays when orders are placed and differences in orders from one year to the next and, accordingly, in the realisation of associated revenues.

Risk of ship-owner bankruptcy

The Group is exposed to risks related to failures or delays by the ship-owners in the performance of their payment obligations and to the occurrence of one or more order cancellations by them.

Although the Group's direct clients are generally shipyards, its end-clients are ship-owners, who order vessels from these shipyards, and gas companies who charter vessels to transport LNG.

Although the Group generally has no contractual link with the ship-owners or gas companies with respect to construction projects, any failure or delay by the ship-owners in performing their payment could make it impossible for the shipyards to pay for the services provided by the Group in accordance with the contract between the shipyard and the Group. In addition, any failure by gas companies that have chartered vessels may impact the ability of the ship-owners to fulfil their obligations, in particular obligations they may have towards shipyards. Any such failure or delay by ship-owners or gas companies could have a material impact on shipyards, and hence on the Group's financial position.

Risk of order cancellation

In addition, the Group may experience cancellations with respect to orders placed by shipyards. Although historically, cancellations of orders for LNG carriers have been rare (seven in all, and none in 2017), and they have occurred before the Group had committed any significant expenditure to provide these orders, these cancellations did occur and could occur once more in the field of LNG maritime storage and transportation. The occurrence of one or more order cancellations in relation to LNG carriers could materially affect the Group's activities, results, financial position, cash flow and prospects, and there is no guarantee that order cancellations will not occur in the future.

Dependence of the Group on a limited number of suppliers

The Group has approved some suppliers as qualified suppliers for its shipyard clients.

These qualified suppliers provide the materials required to implement the Group's technologies, and sell these materials to shipyards that seek to implement GTT's technologies. They are located primarily in Asia and particularly in South Korea, where the Group's main shipyard clients are located.

Currently, only a limited number of industrial actors are capable of supplying the materials used in implementing the Group's technologies.

In order to reduce this dependency, the Group is working on the diversification of its supplier panel, both in terms of materials and geographical regions.

As a result, the use of Group technologies by shipyards (i) depends on the capacity of the Group's approved industrial companies to supply some of the materials needed, and (ii) may be affected by any event in the countries or affecting the industrial sites where the approved industrial suppliers are located, events likely to restrict access to the materials required (political, military, weather events, etc.). In the event that the Group's qualified suppliers cannot supply the materials needed to implement these technologies, there is no guarantee that alternative suppliers can be found or found quickly enough, which could materially affect the Group's reputation, financial position and order book.

5.1.1.2 Competitive environment

GTT is exposed to risks related to its competitive position in membrane containment systems.

Impact of the regulations on anti-competitive practices

In the jurisdictions where it conducts its activities, the Group is subject to legal and regulatory provisions applicable in matters concerning anti-competitive practises.

On January 29, 2016, the Company received notification from the Korea Fair Trade Commission (KFTC) informing it of the opening of an investigation into a possible abuse of its dominant position, due to its commercial practices in South Korea. To the best of the Company's knowledge, there were no significant developments in the case in 2017 and, as of the filing date of this Registration Document, the Company had not been informed of any changes in the procedure of which it should inform the market. Nevertheless, the investigation could result in a decision to apply sanctions, which could have a significant impact on the Group's business, its financial position and its earnings. Furthermore, the Company cannot exclude the possibility that similar investigations may be initiated in other jurisdictions where the Group operates.

Risk of the development of containment systems competing with the Group's technologies

Although the Group's technologies have a significant share in the LNG maritime transportation industry, competing technologies and containment systems may appear or be further developed, to the detriment of the Group.

In addition, competing technologies currently being developed, being approved by classification societies, such as those developed by Samsung Heavy Industries, Hyundai Heavy Industries, Daewoo Shipbuilding and Marine Engineering and Kogas (see section 2.1.1.2 – *LNG carriers* of this Registration Document), or being referenced by gas companies, or which are currently unknown to the Group, could in the future be used by shipyards and reduce the Company's presence in LNG maritime transportation and its ability to sell its own technologies successfully.

However, the Group considers that due to the still relatively low level of development of the membrane containment technology developed by Samsung Heavy Industries (technology known as KCS "Korean Containment System"), Hyundai Heavy Industries and Daewoo Shipbuilding and Marine Engineering (systems known as SOLIDUS and DCS16) or their still insufficient credibility (technology known as KC-1 developed by Kogas), it is unlikely that these technologies will have a significant impact on the Group's presence in LNG maritime transportation in the medium term.

There has been renewed interest in traditional systems, known as "type B" (spherical Moss and prismatic SPB), since 2013, but they are primarily restricted to Japanese projects (charterers, ship-owners and Japanese shipyards), which limits their scope. Note also that none of these "type B" technologies were ordered in 2017.

The risks related to the different technologies are presented in section 2.1.1.2 – *LNG carriers* of this Registration Document.

Despite the large amount of resources it dedicates to R&D activities and active monitoring of the development of competing technologies, the Group cannot guarantee that new LNG containment technologies will not be successfully developed and marketed or that the Group's technologies will remain the leading technologies. The Group does not and cannot know all of the plans of its current and future competitors, and there is no guarantee that the Group will be able to successfully compete with these technological developments in the future. In particular, the Group could be exposed to breaches related to developments involving not only cryogenic containment systems, but all components or sub-components interacting directly or indirectly with these containment systems such as, for example, the propulsion systems of LNG carriers, energy and cargo management and optimisation systems on the vessels or the materials used in cryogenic applications.

Specific risks related to technological developments concerning the gas chain for LNG carriers

In addition to the development of containment systems which compete directly with the Group's technologies, it is exposed to the risks which may be represented by technological developments in the system for management of cargo on LNG carriers.

Indeed, the improvement of the cargo management system ("gas chain") for LNG carriers, for example *via* active management of the boil-off whose technical-economic performances may be optimised, could lead to the emergence of new competition for the containment systems developed by the Group, in as much as such improvements could be coupled to containment systems with lower thermic performances. This combination of a passive containment system (providing lower thermic performance) with active management of the boil-off represents a technological solution that is in competition with the new high performance containment systems developed and offered by the Group. The most recent "new build" orders confirm that this combined offering is being selected by ship-owners (partial or total reliquefaction systems combined with a membrane containment system).

The companies involved, whether equipment manufacturers or assemblers, in the design and construction of LNG carriers, and more generally systems for the storage, transport, liquefaction or regasification of LNG, are developing or are likely to develop such improvements.

Risks related to the Group's competitive position in the cryogenic membrane containment systems sector

In some situations, the Group may not be able to make acquisitions or investments (for example, an alliance with a competitor, supplier or client) that it believes represent beneficial business opportunities, and those acquisitions and investments it would be able to make may be delayed, conditioned or limited by the relevant competition authorities.

5.1.2 BUSINESS DEVELOPMENT RISKS

5.1.2.1 The business development of the Group

Growth in the Group's business will depend on its ability to maintain its position in containment systems used in LNG carriers, ethane carriers, FLNGs and FSRUs, increase its presence in onshore storage tank containment systems and expand in the new activities that it has identified (see chapter 2 – *Activity report* of this Registration Document).

This development will depend on various factors, including the Group's ability to retain the confidence of shipyards, ship-owners and charterers (gas companies), along with the Group's ability to meet demand for its technologies and membrane containment systems if demand increases significantly.

Although the Group attaches great importance to relations with shipyards, ship-owners and charterers (gas companies), it cannot guarantee that these relations will not deteriorate, in particular in the event of problems experienced by the Company or its subsidiaries in fulfilling their obligations towards shipyards, in particular if customers' demand is significantly higher than forecasted, which could have adverse consequences on the entities that own or use the vessels built or scheduled to be built using GTT's technologies. Any difficulties in meeting demand for the Group's technologies may harm the Group's image and may encourage current and potential customers of the Company to seek alternatives to the Company's technology.

Moreover, while in the past the Group has demonstrated its ability to meet a strong and rapid rise in demand by using subcontractors and by hiring additional staff on fixed-term employment contracts or temporary employment contracts for "production" work, it cannot guarantee that it will always be able to meet all increases in activity. Additional measures taken by the Group to meet increases in demand or other spikes in activity may involve additional costs to those typically experienced by the Group and may have a material impact on its financial results and position.

5.1.2.2 The Group's dependence on the maritime LNG transport business and the uncertainties relating to the development of other more diversified activities

As of the date of filing of this Registration Document, almost all of the Group's revenues were derived from activities related to the maritime transportation of LNG, which itself depends on global demand for LNG.

Although the Group is taking steps to diversify its business in the medium term through technologies that are already developed or under development, there is no guarantee that the Group will be able to successfully commercialise any new technologies or continue to be successful in commercialising its current technologies.

The Group considers that a significant part of its diversification efforts will depend on its ability to adapt its containment technologies in order to implement the use of LNG as maritime fuel, also known as bunkering (see section 2.3 – *Development of new activities by the Group* in this Registration Document). There is no guarantee, however, that bunkering will develop in the timeframe or at the rate anticipated by the Group, and any deviation from the projections set forth in this Registration Document may have a material impact on the Group's growth and diversification prospects and financial results. Low oil prices could furthermore weaken the competitiveness of LNG in comparison with oil-based fuels.

Given the cost associated with adapting its technologies, their complexity and the cost of building the logistics infrastructure enabling the refuelling of vessels with LNG from smaller LNG carriers, the Group cannot guarantee the success of its technologies in the bunkering sector, or their adoption by players that may prefer alternative, less complex technologies that require a lower level of operational control, or other fuels (MDO).

In addition, the Group's strategy of diversification into new activities may lead to a change in its business model, exposing it to new risks, for example, execution risks likely to have a significant impact on its financial situation and its earnings.

5.1.3 RISKS RELATED TO INTELLECTUAL PROPERTY

5.1.3.1 The Group's portfolio of patents

A substantial proportion of the Group's technology relies on its portfolio of patents, for which the average period of validity is 16.6 years. For the purpose of its activities, the Group must obtain, maintain and enforce its patents in all countries in which it operates; its general policy is to file patent applications in all these countries to ensure maximum protection. The main technologies currently marketed by the Group give rise to patents or patent applications, where applicable based on the specificities of each patent, (i) in countries where the registered office of construction and repair shipyards are located and/or (ii) in emerging LNG countries (such as India and Russia), and/or (iii) in LNG exporting countries (such as Australia and Russia) and in LNG importing countries (such as South Korea, China and Japan).

Although the Group takes substantial steps to ensure the validity of its patents, the Company is not and cannot be aware of all patent applications or filings that have been or will be made by third parties.

Procedures to secure compliance with the Group's patents may be lengthy, time-consuming and expensive, regardless of their merit, and there is no guarantee that the Group will benefit from a favourable outcome.

As a result, the Group cannot guarantee that:

- the Group's patent applications currently being examined in all the countries in which it operates its business will result in a patent being granted;
- patents granted to the Group, along with its other intellectual property rights, will not be challenged, invalidated or circumvented;
- the protection provided by patents is sufficient to protect the Group against competition and against the patents of third parties covering technologies with a similar purpose;
- its technologies and products do not infringe on patents belonging to third parties;
- third parties will not claim ownership of patent rights or other intellectual property rights that the Group owns alone or jointly;
- third parties that have entered into license or partnership contracts with the Group and having sufficient experience of technologies that are based on the patents owned by the Group are not developing and will not develop strategies to file applications for patents related to the Group's business and that may be an obstacle to the Group's patent filing strategy; and
- court proceedings or proceedings before competent offices or jurisdictions will not be necessary to ensure compliance with the Group's patents or to determine the validity or extent of its rights in this regard.

The trademarks registered by the Group are important elements for the identification of its technologies. Despite the registration of the GTT®, Mark III®, NO96®, MarkFit®, GST®, LNG Brick®, GTT Mars® and Reach4® trademarks, third parties could use or try to use these trademarks or other Group trademarks. Efforts to enforce the Group's trademarks may be unsuccessful in certain of the jurisdictions in which the Group operates. Such infringement may damage the Group commercially and damage its image.

5.1.3.2 The Group's know-how

The Group cannot guarantee that its technologies or their implementation, each of which is based in part on the Company's proprietary know-how, are sufficiently protected and cannot be misappropriated by third parties. When performing license contracts with clients or as part of its partnership contracts, the Group informs its contracting partners of certain elements of its know-how, particularly information relating to the implementation of membrane containment technologies.

Although the Group seeks to limit this communication to the information strictly necessary for its clients to implement its technologies or for the Group to perform its obligations under the aforementioned contracts, it cannot be guaranteed that additional information, including its proprietary know-how, will not be shared in the course of such activities. While the Group takes steps to ensure, through confidentiality agreements and other measures, that third parties who receive such information undertake not to disclose, use or misappropriate it, the Company cannot guarantee that such steps will be successful or respected by its clients or partners.

In particular, the Group cannot guarantee that (i) its contracting partners will fulfil their commitments and not develop technologies inspired by those developed by the Group (see section 5.1.1.2 – *Competitive environment* in this Registration Document) or (ii) in the event that these commitments are not fulfilled, the Group will be informed and be able to take appropriate measures or steps allowing it to gain full compensation for the damage suffered.

5.1.4 RISKS RELATED TO HUMAN RESOURCES

The Group's performance over time is based, in particular, on the quality of its employees, their expertise, their know-how and their motivation.

The Group's business requires a high level of technological expertise and advanced skills and know-how, which are constantly changing to meet a range of needs.

The need to constantly find new employees, train them in new techniques, recruit and train managers, retain a sufficient number of employees, including executives, engineers, technicians and experienced salespeople with the required skills, expertise and knowledge, creates a risk for the Group if it is unable to mobilise the resources needed within the time-frames required. The Group has a high level of technological expertise and its employees are a key asset.

5.2 Industrial and environmental risks

5.2.1 RISKS RELATED TO A POSSIBLE DEFECT IN THE GROUP'S TECHNOLOGIES

Although the Group has used its membrane and other technologies for many years, it cannot guarantee a total lack of defects when implementing these technologies or in the use of these technologies over time.

LNG, or any other liquefied gas, contained in the tanks of vessels equipped with the Company's technologies can, because of certain sea conditions, cause deformation in the containment membrane due to collision between the LNG cargo and the walls of the carriers' tanks (a phenomenon known as "sloshing"). Although the Group has taken the measures necessary in order to limit the impact of sloshing on its membrane containment systems, incidents causing damage in the tanks using the Group's technologies have occurred in the past as a result of the sloshing phenomenon and may occur again in the future. The occurrence or repetition of such events could damage the Group's image and reputation among ship-owners, shipyards and gas companies.

Emergence of faults in the Group's technology or its implementation in tank construction could expose the Group to claims and litigation from ship-owners, shipyards, and owners and operators of storage tanks, FSRUs, FLNGs, LNGCs, ethane carriers or their beneficiaries and other users of the Group's technology. At the date of filing this Registration Document, the Group had received one claim for compensation relating to a defect in the implementation of its technologies. This is the only on-going claim received to date by the Group, which denies all responsibility in the matter.

As a result, the Group may book provisions in its financial statements. Such provisions may have a material impact on the Group's financial statements and its results, even if the claims or the underlying litigation are unsuccessful.

In order to guarantee the Company and its subsidiaries in the event of personal accident or material or intangible losses caused to third parties, the Group is covered by a third party liability insurance policy. The policy for the management of risks and insurance is described in point 5.5.2 of this chapter – *Risk coverage and insurance policies*.

5.2.2 INNOVATION POLICY RISKS

The constantly changing economic environment in which the Group operates requires that anticipating the changes and new technologies required to maintain its position as a major player in its industry. To respond to these changes, the Group invests very heavily in innovation to be able to propose appropriate solutions to its customers and ensure its future growth.

Research and development are essential to the Group, which wants to provide its clients with the most effective and innovative tailored solutions. Any delays, errors or failures of its innovation policy, any failure to anticipate the consequences for the Group of a new technology implemented by others in the Group's area of expertise or in a technology field with the potential to have applications in the Group's markets could render the Group's products or technologies less competitive or result in the Group having less success than anticipated with its clients, leading the Group to lose its competitive advantage and potentially resulting in impairments or reducing the Group's revenues.

In September 2017, the Group decided to launch a new test campaign for its Mark V technology and, therefore, had to suspend commercialisation of this technology. GTT offered its customers the latest version of its Mark III Flex+ technology, delivering comparable energy performance. However, the Group cannot rule out the possibility that it may be held liable for the suspension of commercialisation of its Mark V technology.

Although the Group's innovation policy, which is indispensable to ensure its growth, requires particularly high levels of investment, which are an expense for GTT, notably in terms of research and development, it cannot be assumed to be a certain source of positive results for the Group.

5.2.3 ENVIRONMENTAL RISKS

Although the Group believes that its business does not involve substantial environmental risks, where necessary, the Group carries out studies using providers specialising in the Health, Safety and Environment (HSE) aspects of its activities, some of which could present limited environmental risks related to the storage and (i) use of chemicals, gases, dry wood or similar combustible materials, (ii) the installed power of fixed machinery in workshops, (iii) the quantity of foam processed mechanically, (iv) the industrial production of cellular materials and (v) the storage of cellular materials.

In addition, in order to implement its waste management policy, the Group relies on companies authorised to take and process industrial waste (such as foam, chemical waste, scrap metal and WEEE – Waste Electrical and Electronic Equipment). Should the companies fail to conduct their business in accordance with the current environmental rules and regulations, the Group may be exposed to environmental liability.

Although the Group is aware that it works in a field exposed to the risk of environmental liability, it cannot guarantee that it will not incur such liability in the future. It cannot guarantee that its current activities have not already resulted in such liability either.

5.3 Legal risks

5.3.1 RISKS RELATED TO THE REGULATORY ENVIRONMENT OF THE MARITIME TRANSPORTATION INDUSTRY

LNG maritime transportation is governed by a number of regulations, recommendations, codes and national, European and international standards.

In particular, the IGC Code ("International Gas Code") provides an international framework for the safe maritime transportation of LNG by prescribing design and construction standards for vessels carrying LNG, including standards for the equipment that those vessels must incorporate so as to minimise the risks for the vessel, its crew and the environment.

These standards may change depending on feedback relating to vessels in use and on technological developments. These changes take place through reviews of international agreements with the involvement of national governments.

Although as of the date of filing this Registration Document, the Group has always been able to prepare for and anticipate the implementation of changes required by the IGC Code, it cannot guarantee that it will always be able to adjust its technologies to meet the requirements of the IGC Code within the necessary time-frame and at a cost enabling it to maintain its profitability level.

The inability of the Group to adjust, profitably or otherwise, its technologies in line with new regulations, recommendations, codes and national, European and international standards, could have a material adverse impact on the Group's activities, results, financial position, cash flow and prospects, including the possibility that one or more of the Group's key technologies become commercially unusable.

At the date of filing this Registration Document, the Group is not aware of any other current or anticipated changes with regards to the rules applicable to LNG maritime transportation that would be likely to materially affect the Group's financial position.

5.3.2 RISKS RELATED TO FUTURE AUTHORISATIONS

The commercial use of the Group's current and future technologies is dependent on the approval of classification societies, which prescribe standards for the design and construction of the vessels that make use of the Group's technologies. Each classification society maintains its own approval and authorisation process, and the Group cannot guarantee that it will be able to maintain the authorisations it has already received or obtain the authorisations it will need in the future. Any failure by the Group to maintain or obtain authorisations could have a material impact on its financial position, results and prospects and may result in one or more of its key technologies become commercially unusable.

Changes in authorisation processes could increase the delays and difficulties and thus give rise to additional costs to be borne by the Group in relation to the authorisation and approval processes. Any such delay, difficulty or cost may have a material impact on the Company's reputation, financial results and growth prospects.

5.3.3 RISKS RELATED TO THE TAX ENVIRONMENT

Although the Group's policy is to comply with all legislations and regulations applicable in each of the countries in which its companies operate, and to international tax rules, certain provisions can result in risks due to their lack of precision, difficulties involved in their interpretation and changes in their interpretation by local authorities. In addition, the tax regimes applicable to certain Group entities in the European Union may be under review by the European Commission and could be changed in the future. Furthermore, the Group's companies may undergo tax audits by local tax authorities in the normal course of business.

Changes in the Group's operating environment, including changes in tax regulations or their interpretation in countries where the Group operates, and related practices, could affect the calculation of the Group's overall tax burden (tax and duties) and impact its financial situation, cash flow and results.

The Group mainly operates in France, where it is subject to French corporate income tax among other taxes. The Group also pays withholding taxes on royalties from foreign sources, in particular in South Korea and China. These withholdings can, where applicable, give rise to tax credits in France. When calculating its final tax charge the Group takes into account withholdings on foreign earnings and whether these can be claimed back as tax credit for taxes paid abroad. Lastly, the Group may be asked by the parties involved to apply, or not to apply, withholdings on the dividends it pays to shareholders located in jurisdictions that have tax agreements with France.

Following verification of the accounting relating to financial years 2012 to 2014, on December 20, 2017, the *Direction des Vérifications Nationales et Internationales* (French National and International Audit Office) sent GTT SA an adjustment proposal in which it calls into question the exemption from withholding tax with respect to the dividends paid out in 2013 and 2014 to a non-resident shareholder. This adjustment proposal for a total amount of 20,102 thousand euros, stands at 15,208 thousand euros with respect to dividends paid out in 2013 and 4,894 thousand euros with respect to those paid out in 2014, including interest and penalties for late payment. The Group disputes the main aspects of the assessment and, as it did not benefit from the exemption, it intends to take all necessary measures to protect its rights.

More generally, it is important to interpret the local and French tax rules, international tax treaties and the doctrine and administrative practice in each jurisdiction in which the Group operates. The Group must therefore make assumptions about the scale of its future activities, the outcome of such business, how it will be done and how the resulting profits will be booked. The Group cannot guarantee that such assumptions and interpretations will not be challenged by the tax authorities concerned.

In addition, the Company benefits from some specific tax arrangements. In France, the Company pays tax at a specific rate on royalties from some industrial property rights, and receives tax credits in relation to some R&D spending and deductions on withholding taxes paid on royalties from foreign sources. These specific tax regimes could be called into question or modified, which would be likely to have an impact on the Group's tax charge, financial situation and earnings. The Group keeps itself informed regularly of changes in tax regulations and monitors very attentively the implementation by the OECD of a plan concerning the erosion of the tax base and the transfer of profits.

However, the Group cannot rule out the possibility that the tax regimes promoting innovation may be modified, which could have a significant negative impact on its earnings, financial situation or outlook.

5.3.4 RISKS RELATED TO POSSIBLE NON-COMPLIANCE WITH STATUTORY AND REGULATORY PROVISIONS

The supply of oil-related goods and services to some countries, including LNG and LNG-related materials, is currently subject to several sanction regimes, particularly from the United States of America and the European Union.

To date, US and EU sanctions on Russia and/or some Russian gas companies have had no material negative impact on the Group's activities in Russia and/or for Russian clients.

In 2014 and 2015, the Group received notification from Daewoo Shipbuilding & Marine Engineering, one of its licensed customers, of an order for 15 ice-breaking LNG carriers as part of the YAMAL LNG project. This project consists of the construction of a natural gas liquefaction plant in Sabetta (north-east of the Yamal peninsula) with annual capacity of 16.5 million tonnes of LNG drawn from the Yuzhny Tambei gas field. The project's operators (including the Russian company Novatek, which is subject to US sanctions) are also building an offshore LNG terminal, an airport, as well as an Arctic-class fleet of LNG carriers *via* a number of ship-owners. To date, six of the 15 vessels have been delivered. The others are still under construction. The first deliveries of LNG began at the end of 2017.

At the date of filing this document, the Group was not aware of any issues likely to affect the orders it has booked in respect of the YAMAL LNG project. It cannot, however, rule out the possible tightening of current sanctions (either in nature or scope) against Russia and/or the Russian companies involved in the project, resulting in delays to, or the suspension of the YAMAL LNG project, affecting the launch of new projects in this zone, or more generally threatening its prospects for commercial development in Russia.

Moreover, whilst to date, the Group has no business relations with Iran, it may develop its activities in the country as part of its commercial expansion.

Also, other countries and/or current or potential customers of the Group could be subject to sanctions affecting LNG or related materials.

If the Group were to be directly or indirectly involved in selling LNG-related goods or services to countries or customers subject to sanctions, or parties to such activities, it could be liable for legal claims under one or more sanctions regimes.

The Group cannot guarantee that its direct or indirect customers will comply with applicable regulations regarding the control of exports in the jurisdictions where they do business, nor can it guarantee that the Group will not be held liable in the event that they violate this legislation.

Consequently, the Group may be exposed to claims in respect of a violation by its direct or indirect customers of the applicable export regulations.

5.3.5 RISKS RELATED TO ECONOMIC OR POLITICAL FACTORS

5.3.5.1 Country risks

The Group's activities and growth prospects depend primarily on demand for the maritime transportation of LNG from LNG exporting countries to LNG importing countries as well as on the building of liquefaction facilities.

Any political instability, military action or terrorist-type attack, change in regulations, expropriation, corruption, acts of war, extra-territorial impacts of certain legislation, etc. affecting these countries or affecting sea routes used to transport LNG or delaying or threatening liquefaction projects could have a material impact on the Group's business, results, financial position and prospects.

5.3.5.2 South Korea

The Group's direct clients are primarily shipyards in South Korea, China and Japan, and its end-clients are ship-owners and international gas companies.

In 2017, 83% of the Company's sales revenues came from South Korean customers (see note 18.2 of section 3.2.2 – Information relating to geographical areas of the Registration Document). At that date, four South Korean shipyards (Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering, Hyundai Heavy Industries, Hyundai Samho Heavy Industries) that are customers of the Group represented 85% [1] (in number of orders) of the Group's order books. The Group considers that this distribution of its customer base and its sales revenues is unlikely to change significantly in the next few years.

As a result, any event – particularly political or military – affecting South Korea or other Asian countries may have an impact on the Group's financial situation, its liquidity, results and growth prospects.

5.3.6 RISKS RELATED TO DISPUTES AND LITIGATION

During the ordinary course of its business, the Group risks being involved in a certain number of administrative, traditional or arbitration proceedings, particularly in the event of defects in the technologies developed by the Group in either the LNG maritime transportation, or in the wider liquefied gas fields. The Group is unable to guarantee that these technologies are free of any defects and that it can, where applicable, develop adaptations in order to definitively eliminate the said defects.

Group companies create a provision where it is probable that such proceedings or claims will trigger costs for one of the Group's companies and a reliable estimate can be made of the amount (see section 3.1.2 – *Analysis of the* consolidated *balance sheet* in this Registration Document).

Any provisions booked in this respect by the Group's companies in their financial statements could be insufficient, and this could have significant material adverse consequences on the Group's activities, results, financial situation, cash flow and prospects, regardless of the merits of the underlying claim.

Information about the inquiry opened by the South Korean competition authority (KFTC) is provided in section 5.1.1.2.

On the date of this Registration Document, the Group is not aware of any legal, governmental, administrative or arbitration proceedings, other than the items described in this chapter or in note 20 of section 3.2.2 – Disputes and competition*)* of the Registration Document, involving the Company or its subsidiaries, either pending or threatened, which may have or have had in the past twelve months significant effects on the financial situation or profitability of the Group and rendering the creation of provisions necessary.

(1) The five largest customers over this period in terms of revenue are not the same entities as the five largest customers in terms of number of orders as a result of the revenue recognition method.

5.4 Financial Risks

5.4.1 CREDIT/COUNTER-PARTY RISKS

Direct customers of GTT are essentially shipyards. As at December 31, 2017, the Group has 24 shipyards under licence, located mainly in China, Japan and South Korea. Of these 24 sites, 6 sites are active and have notified GTT of orders for vessels.

Due to the limited number of customers, the majority of which are long-term customers with which the Group has solid partnership links, and to the fact that there have been no payment issues for ten years, the Group has never had to deal with any significant payment problems with its customers. The Group is closely monitoring developments in the current financial situation of the three main South Korean shipyards. Any event affecting the ability of the South – Korean shipyards, and in particular Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hyundai Heavy Industries, to pay their invoices, including their insolvency, could significantly affect the financial situation of the Group, as well as its cash flow and its order book.

More generally, the loss of a significant client, the termination of a contract with a significant client or difficulties in recovering receivables from one of them could have a material adverse impact on the Group's results, financial situation, cash flow and prospects.

Furthermore, in the case of late payment from the shipyard, the TALA (license agreement) may be cancelled, which prevents the shipyard to commercialise the Group's technologies.

In case of order cancellation, the amount corresponding to the services performed are due and payable by the client. From this point of view, the fact of billing in accordance with five milestones helps to spread the risk. Billing is aligned with construction milestones of the vessel; any delay in the construction automatically causes a postponement of billing.

The current financial difficulties experienced by many shipyards, Korean in particular, constitute a risk for the Group. The Group may, therefore, have significant receivables that are open to the risk of non-payment or the client's bankruptcy.

5.4.2 FOREIGN EXCHANGE RISKS

Purchases and sales are carried out almost entirely in euros, which is also the functional currency of the Group. Most contracts are denominated in euros.

The Group therefore considers that it is not exposed to significant exchange rate risk.

5.4.3 INTEREST RATE RISKS

The Group has unused authorised lines of credit as of the date of filing of the Registration Document. The future use of the lines of credit could expose it to the risk of interest rate fluctuations.

5.5 Risk management process

5.5.1 OVERALL POLICY FOR THE MANAGEMENT OF RISKS

Following the analysis conducted in 2011, and updated in 2014, as part of the planned implementation of a business continuity plan and an IT system disaster recovery plan, in which the Group identified the main risks it faces, the Group conducted another risk-mapping exercise at the end of 2015. It included risks related to access (physical and virtual) to the Company's data. The review, carried out *via* interviews at the Management level, enabled the identification of the priority risks the Group is faced with, their validation by the Board of Directors, and the definition of the required priority action plans. Actions were implemented based on the potential impacts of the assessed risks (human, financial, organisational and reputational) and the probability of their occurrence. Implementation of the plans began in 2016. They are monitored on a regular basis by the Audit and Risk Management Committee and the Board of Directors. The risk mapping is revised annually and the action plans are adapted accordingly.

There is, however, no guarantee that the Group has correctly identified all the risks to which it may be exposed or correctly evaluated its exposure to the risks of which it is aware. Nor is there any guarantee that any actions taken now or in future by the Group have mitigated or will mitigate the potential occurrence of the risks or the damage the Group might suffer should these risks materialise. The occurrence of any of the risks identified by the Group or the occurrence of a claim may have a significant material impact on the Group's financial results, cash flow, activities, prospects and reputation.

5.5.2 RISK COVERAGE AND INSURANCE POLICIES

The Group has subscribed insurance policies covering the general and specific risks to which it believes it is exposed.

Given the specific nature of its activity and the insurance policies subscribed by the Group and described below, the Group takes the view that it has a level of coverage that is appropriate for the risks inherent in its business.

However, there is no guarantee that the insurance policies taken out by the Group will suffice to cover all the risks to which the Group is currently exposed or may be exposed or that it will be capable, in the future, of maintaining adequate insurance policies at reasonable rates and on acceptable terms.

In addition, the ability of these insurance policies to effectively mitigate the risks they cover depends on the financial capacity of the counterparty insurers, and the Group cannot guarantee that such counterparty insurers will be able to perform adequately or at all their obligations under such insurance policies.

The Group's main insurance policies cover risks related to the Group's civil liability, executive's liability and damage to the Group's movable property and real estate.

The Group also has insurance policies covering other, more specific, risks, such as policies covering its automobile fleet and its expatriate and seconded staff.

No claims were made in 2017 and the Group is not aware, at the date of filing this Registration Document, of any events likely to generate a claim under any of its insurance policies.

5.5.2.1 Civil liability insurance

The Group has a civil liability insurance policy intended to cover it against the financial consequences of any liability for personal injuries, material or immaterial property damages caused to third parties during the course of its business activities. The Group's civil liability insurance policy was renegotiated in 2016 to ensure the best match with the Group's needs. Some risks are expressly excluded from the insurance policies described and so are not covered.

In addition to the Group's civil liability programme, each subsidiary also has a local civil liability insurance policy as required by law and practice in their markets.

5.5.2.2 Executives' liability insurance

The Group's executives are covered by liability insurance to protect them against the pecuniary consequences of breaches of statutory or regulatory provisions or provisions of the by-laws of the Company, mismanagement, errors, omissions or negligence by them with respect to third parties (excluding intentional and wilful misconduct, criminal offences and breaches of tax or customs law). This insurance policy covers the cost of defence, prevention, psychological assistance, communication and efforts to restore the image of the Group's executives.

5.5.2.3 Multi-risk insurance

The Group has a "multi-risk" insurance policy covering damage to its movable property and real estate, subject to exclusions stated expressly in the policy.

6 CORPORATE GOVERNANCE, INTERNAL AUDIT AND RISK MANAGEMENT

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

6.1 Report by the Board of Directors on Corporate Governance

Since its listing on Euronext Paris, the Company has put in place compliance with corporate governance principles pursuant to the statutory and regulatory provisions applicable to listed companies. In particular, the Board of Directors of the Company has compiled this report on corporate governance, in accordance with Article L. 225-37 of the French Commercial Code.

This report is intended to reflect the composition of the Board of Directors, the application of the principle of equal representation of women and men within it, the conditions of preparation and organisation of the Board's work, any limitations that the Board of Directors has made to the powers of the CEO, specific modalities for the participation of shareholders in Shareholders' Meetings, the compensation of corporate officers as well as to present the draft resolutions on the principles and criteria for the calculation of compensation awarded to the Chairman. It covers the period between January 1 and December 31, 2017.

This report was presented to the Compensation and Nominations Committee regarding the elements relating to the composition of the Board of Directors, application of the principle of equal representa ion of women and men, the conditions for the preparation and organisation of the Board's work, the limitations that the Board of Directors placed on the powers of the CEO and other information related to corporate governance.

6.1.1 CORPORATE GOVERNANCE CODE

In accordance with Article L. 225-37-4 of the French Commercial Code, the Company has the obligation to publish a statement of corporate governance mentioning the Corporate Governance Code to which it refers voluntarily and states, where appropriate, the provisions of that Code from which it diverges and the reasons for doing so.

6.1.1.1 Application of the AFEP-MEDEF Code

The Company continues its commitment to the application of corporate governance rules by referring to the Corporate Governance Code for listed companies published by AFEP and MEDEF (the AFEP-MEDEF Code), which may be viewed on the AFEP (www.afep.com) and MEDEF (www.medef.com) websites.

6.1.1.2 Divergences from the AFEP-MEDEF Code

In accordance with the "apply or explain" principle described in Article L. 225-37-4 of the French Commercial Code, the table below presents the Company's explanations for not applying some of the AFEP-MEDEF Code's recommendations.

AFEP-MEDEF Code article	Explanations
Article 10.3 (Board meetings and Committee meetings)	For 2017, the Board of Directors decided not to organise meetings in the absence of the executive officers and corporate officers. The Company specifies that the conditions for the compensation of officers and executive directors are subject to discussions in the Compensation and Nominations Committee without the presence of the executives.

6.1.2 BOARD OF DIRECTORS: COMPOSITION, TERMS OF OFFICE, INDEPENDENCE, INFORMATION

Unless otherwise stated, references to the by-laws and Board of Directors' Internal Regulations in this and the following sections refer to the Company's by-laws and the Internal Regulations of the Board of Directors, setting out the composition, organisation and practices of the Board of Directors and its committees and the rights and duties of the directors, as amended for the last time by, respectively, the Shareholders' Meeting of May 19, 2015 and the Company's Board of Directors on March 30, 2017.

6.1.2.1 Composition of the Board of Directors

(i) Directors in office

The Company is a *société anonyme à Conseil d'administration* (joint stock limited liability company with a Board of Directors) governed by the applicable laws and regulations and by its by-laws.

The composition of the Board of Directors has not changed since the Shareholders' Meeting of May 18, 2017.

The Board of Directors of the Company now has, at the date of filing of this Registration Document, nine members, four of whom are independent, and an observer.

For purposes of their terms of office, the members of the Board of Directors are domiciled at the Company's registered office.

(ii) Independence of directors in office – conflicts of interest

The Board of Directors, meeting on April 12, 2018, evaluated the independence of directors in light of all the criteria set by the AFEP-MEDEF Code and the Internal Regulations of the Board of Directors.

On the basis of the evaluation of the independence of directors in light of the criteria set out by the AFEP-MEDEF Code, the Board of Directors concluded that, on April 12, 2018, four directors out of the nine (*i.e.* 44%) fulfil all the independence criteria and are therefore considered to be independent directors, namely Philippe Salle, Andrew Jamieson, Christian Germa and Françoise Leroy.

To the Company's knowledge, there are no family ties between the members of the Board of Directors of the Company identified above.

The independence criteria adopted are presented in section 6.1.3 – *Board and management practices* of this Registration Document.

APPLICATION OF AFEP-MEDEF CORPORATE GOVERNANCE CODE INDEPENDENCE CRITERIA

The independence criteria defined by the AFEP-MEDEF Code are given in section 6.1.3.1 (i) – *Composition of the Board of Directors*, in this Registration Document.

Following the proposal by the Compensation and Nominations Committee, the Board of Directors carried out the annual evaluation of the directors' position in the light of all the independence criteria defined by the AFEP-MEDEF Corporate Governance Code for listed companies, to which the Company refers.

	Employee or executive officer of the Company during the previous five years	Existence or non-existence of overlapping terms of office	Existence or non-existence of significant business relations	Existence of family ties with a corporate officer	Has not been an auditor of the Company during the previous five years	Has not been a director of the Company for more than 12 years	Status of major shareholder (10% share capital/voting rights)
Andrew Jamieson	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Christian Germa	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Françoise Leroy	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Philippe Salle	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

In accordance with the AFEP-MEDEF Code, non-executive officers do not receive variable compensation in cash or securities or any compensation linked to performance of the Company or group.

ASSESSMENT ON A CASE-BY-CASE BASIS OF THE SIGNIFICANCE OF BUSINESS RELATIONS

The Board of Directors examined, with particular vigilance and in the same way as the other criteria, the business relations that may exist between the Group and the entity or group from which each independent director originates (regarding application of the other independence criteria). This showed that none of the independent directors or the entity or group to which they belong and within which they hold office as executive officer has any business relations with the Company, its Group or its Management.

The Board of Directors carried out a quantitative and qualitative assessment and examined the position of each one of the directors with regard to the recommendations of the AFEP-MEDEF Code, and concluded as follows with respect to their independence:

- concerning Andrew Jamieson, the Board of Directors confirmed that Andrew Jamieson fulfils all the independence criteria in the AFEP-MEDEF Code, in particular relating to the absence of business relations between Andrew Jamieson and GTT in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document;
- concerning Christian Germa, the Board of Directors confirmed that Christian Germa fulfils all the independence criteria in the AFEP-MEDEF Code, in particular relating to the absence of business relations between Christian Germa and GTT in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document;
- concerning Françoise Leroy, the Board of Directors confirmed that Françoise Leroy fulfils all the independence criteria in the AFEP-MEDEF Code, in particular relating to the absence of business relations between Françoise Leroy and GTT in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document; and
- concerning Philippe Salle, the Board of Directors confirmed that Philippe Salle fulfils all the independence criteria in the AFEP-MEDEF Code, in particular relating to the absence of business relations between Philippe Salle and GTT in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document.

Over the past five years, none of the members of the Company's Board of Directors identified above:

- have been convicted of fraud, of a criminal offence or had an official public sanction issued against them by the statutory or regulatory authorities;
- have been involved in a bankruptcy, receivership or liquidation as an executive or executive officer; or
- have been prevented by a court from acting in his or her capacity as a member of an administrative, management or supervisory body or from being involved in the management or conduct of an issuer's business affairs.

As at the filing date of this Registration Document and to the Company's knowledge, there is no current or potential conflict of interest between the duties in respect of the Company of the persons referred to in section 6.1.2.2 – *Information regarding directors in office* of this Registration Document and their private interests and other duties.

Nevertheless, it should be noted that:

- in accordance with the provisions of Article 7 of the Internal Regulations of the Board of Directors and Proposal 22*bis* of AMF Recommendation no. 2012-05, directors are required to declare all conflicts of interest, potential or otherwise, and shall, in such circumstances, refrain from taking part in deliberations and voting. For further details, please refer to section 6.1.3.1 (ii) – *Directors' duties* of this Registration Document;
- five directors were appointed on the proposal of ENGIE, GDF International and GDF Armateur 2 (including Philippe Berterottière, Chairman and Chief Executive Officer of the Company since 2009, who may cast the deciding vote in the event of a tie).

There are no restrictions accepted by the members of the Board of Directors as regards the sale of their shareholding in the Company, except for the rules laid down in section 6.1.3.1 (ii)–*Directors' duties* of this Registration Document relating to the prevention of insider trading and section 6.1.7.3 – *Allocation of free shares and performance shares* with respect to commitments to retain shares acquired by General Management.

(iii) Directors whose term of office expires at the close of the Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2017

Philippe Berterottière's term of office as director will end at the close of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2017. The Shareholders' Meeting of May 17, 2018 will be asked to renew his term of office.

Philippe Salle's term of office as director will end at the close of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2017 Philippe Salle made it known to the Company that he does not wish to be renewed and, therefore, the Shareholders' Meeting of May 17, 2018 will be asked not to renew his term of office.

(iv) Requirement for directors to be shareholders

Pursuant to Article 11 of the Company's Internal Regulations, each director is required to hold at least 100 shares of the Company in pure registered form.

The table below shows the holding of each director in the share capital of the Company on the date of filing this Registration Document:

Director	Number of shares	Percentage of the share capital	Percentage of voting rights
Philippe Berterottière – Chairman and CEO *	95,232	0.20	0.20
Michèle Azalbert	100	0.00	0.00
Ana Busto	100	0.00	0.00
Christian Germa	1,000	0.00	0.00
Didier Holleaux	100	0.00	0.00
Andrew Jamieson	250	0.00	0.00
Françoise Leroy	100	0.00	0.00
Cécile Prévieu	100	0.00	0.00
Philippe Salle	1,000	0.00	0.00
Benoît Mignard **	100	0.00	0.00
TOTAL	**98,082**	**0.20**	**0.20**

* *Of which 10,000 shares acquired at the time of the Company's initial public offering and 85,232 free shares granted in respect of the Performance Share Plan.*

** *Benoît Mignard was appointed as observer during the Shareholders' Meeting of May 17, 2017.*

A description of the main provisions of the by-laws and Internal Regulations of the Board of Directors, its committees and General Management of the Company, in particular their operation and their powers, are provided in section 6.1.3 – *Board and management practices* of this Registration Document.

6.1.2.2 Information regarding directors in office

6.1.2.2.1 Overview of the composition of the Board of Directors at the date of filing this document

Director	Attendance rate at meetings of the Board of Directors	Audit and Risk Management Committee (attendance rate at Committee meetings)	Compensation and Nominations Committee (attendance rate at Committee meetings)	Number of other terms of office in listed companies	Experience and expertise contributed to the Company
Philippe Berterottière Chairman and Chief Executive Officer	100%			-	Chairman and Chief Executive Officer of the Group
Michèle Azalbert	86%			-	Experience in the energy sector and detailed knowledge of financial markets
Ana Busto	75% (1)			-	Communications experience within major international groups
Christian Germa Independent director	100%	Chairman (100%)	Member (100%)	-	Experience in finance and business management
Didier Holleaux	75% (1)	Member (0%)	Member (100%) (2)	-	
Andrew Jamieson Independent director	100%		Member (100%)	3	International experience in the energy sector
Françoise Leroy Independent director	100%	Member (88%)	Member (100%)	1	Corporate finance and financial communication
Cécile Prévieu	71%			-	General Management and finance in the energy sector
Philippe Salle Independent director	86%		Chairman (100%)	2	Leader of major listed groups
Benoît Mignard Observer	86% (3)	Member (100%) (4)		-	Financial Division and experience in the energy sector

(1) Attendance calculated for Ana Busto and Didier Holleaux compared to the number of Board of Directors' meetings held since their appointments as directors by the Shareholders' Meeting of May 17, 2017.

(2) Attendance calculated for Didier Holleaux compared to the number of Compensation Committee meetings held since his appointment as director by the Shareholders' Meeting of May 17, 2017.

(3) Benoît Mignard attended 100% of the Board of Directors' meetings held up to May 17, 2017 as director and 75% of the Board of Directors' meetings held from May 17, 2017 as observer.

(4) Benoît Mignard attended 100% of the Audit and Risk Management Committee meetings as director up to May 17, 2017 then as observer from May 17, 2017.

6.1.2.2.2 Information regarding directors in office

Philippe BERTEROTTIÈRE/born in 1957 (aged 61), French national

Chairman and Chief Executive Officer *

Address
GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment
Appointed by the Shareholders' Meeting of December 11, 2013

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2017

Number of Company shares held
95,232 shares, of which 10,000 shares acquired at the time of the Company's initial public offering on the Stock Market. It should be noted that he benefits from 85,232 shares allocated by virtue of the free Performance Share Allocation Plan (AFS plan no. 2).

Mandates and offices held within the Group over the past five years
Chairman and Chief Executive Officer of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office

- Manager of:
  - SARL SOFIBER
  - SCI MATHIAS DENFERT
  - SCI MATHIAS LABROUSTE
  - SARL SOFISTE
  - SCI LA GERMANOPRATINE

Past terms of office

- Director of:
  - SOFREMI
  - STARSEM
  - ARIANESPACE Inc.
- Manager of:
  - SCI FIVE PARTICIPATION
  - SARL SOFIKI

* *Director appointed upon proposal of ENGIE.*

Professional experience

Philippe Berterottière, Chairman and Chief Executive Officer, joined GTT in 2009. He has 35 years of experience in advanced technology sectors. He previously held a number of management positions within companies in the aerospace sector: with Airbus as a contract negotiator, then Business Development Director, with Matra as Sales Director within the defence division, and with Arianespace, where he held several sales positions before becoming Commercial Director and a member of the Executive Committee. He is a graduate of the HEC *(Hautes Études Commerciales)* business school and of the IEP *(Institut d'Études Politiques)*.

Michèle AZALBERT/born in 1967 (aged 51), French national

Director *

Address
ENGIE, 1, place Samuel-de-Champlain, 92400 Courbevoie

Date of initial appointment
Appointed by the Shareholders' Meeting of May 19, 2015

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2018

Number of Company shares held
100 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office	Past terms of office
▸ Manager of ENGIE GLOBAL LNG HOLDING SARL ▸ Manager of GDF SUEZ LNG (LUXEMBOURG) SARL ▸ Chairperson of ENGIE GLOBAL LNG DOWNSTREAM SAS ▸ Alternate director of COLON LNG MARKETING S de RL ▸ Chief Operating Officer of GAZ MARINE SAS ▸ Permanent representative of GDF INTERNATIONAL SAS on the GAZOCEAN SA Board of Directors	▸ Director of MED LNG & GAS Ltd ▸ Director of GDF SUEZ LNG Supply SA

* *Director appointed upon proposal of ENGIE.*

Professional experience

An IT engineer and HEC graduate, Michèle Azalbert occupied a number of treasury, finance and market risk management positions at Elf Aquitaine from 1992 to 1996, Sanofi from 1996 to 1999, then at Suez from 1999 to 2005. She served as Treasurer for the Suez group from 2005 to 2008. In 2008, she was appointed Chief Operating Officer of Gaselys. From 2011 to 2013, she was Chief Operating Officer of ENGIE Global Market (formerly GDF SUEZ Trading), responsible for Support Functions. From 2013 to 2017, she occupied the position of Chief Operating Officer of the Global LNG business unit of ENGIE, responsible for contract management & trading in Liquefied Natural Gas. On January 1, 2018, Michèle Azalbert took over the General Management of a new ENGIE business unit dedicated to renewable hydrogen.

Ana BUSTO/born in 1970 (aged 47), Spanish national

Director *

Address
ENGIE, 1, place Samuel-de-Champlain, 92400 Courbevoie

Date of initial appointment and term of office
Appointed by the Shareholders' Meeting of May 18, 2017

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2020

Number of Company shares held
100 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office	*Past terms of office*
nil	nil

* *Director appointed upon proposal of ENGIE.*

Professional experience

Ana Busto is a Spanish national. She received a Master's degree from the *Institut Supérieur de Traducteurs et Interprètes de Belgique* (Belgian Institute for Translators and Interpreters, ISTI) and a Master's in Communication from the Rotterdam School of Management in the Netherlands.

She began her career in Prague in 1994 as cultural attaché for the Belgian civil service, then worked as a consultant for the European Commission from 1998 to 2000, based in Latvia. She joined the international corporate law firm Clifford Chance in the Netherlands in 2000 as Communications Manager. She then joined Steria group in 2005 as Internal Communications Manager. She moved to Sodexo as Vice-President, Internal Communications in 2008. She became Chief Brand and Communications Officer of the group in 2012 and became a member of the Executive Committee in 2014.

On October 1, 2016, she was appointed Senior Vice-President Brand and Communications at ENGIE group.

Christian GERMA/born in 1970 (aged 48), French national

Independent director

Address
GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment
Appointed by the Shareholders' Meeting of May 19, 2015

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2018

Number of Company shares held
1,000 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office

- Member of the Supervisory Boards of ONET and Holding Reinier
- Member of the Audit, Compensation and Strategic Committees of ONET SA

Past terms of office

- Member of the Supervisory Board and Chairman of the Audit Committee of FAIVELEY Transport
- Director of VODAFONE SA
- Director of construction projects for VINCI Construction France
- Director of public-private partnerships for VINCI Construction France

Professional experience

Christian Germa is an engineering graduate of the *École Polytechnique* (1992) and the *École Nationale des Ponts et Chaussées* (1995).

He began his career at the French Ministry for the Economy and Finance, within the treasury department, where he worked for several years on the *CIRI (Comité Interministériel de Restructuration Industrielle)*, the Interministerial Committee on Industrial Restructuring, where he served as Deputy Secretary-General.

In 2000, he joined the FD5 investment company as head of investment. From 2002 to 2014, Christian Germa gained experience within the Vinci group, where he successively held positions as director of construction projects, then director of public-private partnerships for Vinci Construction France.

During this time, he served as an independent director on the Board of Directors of Vodaphone SA from 2010 to 2012 and from 2004 to 2016 on the Supervisory Board of Faiveley Transport, where he was also Chairman of the Audit Committee.

Didier HOLLEAUX/born in 1960 (aged 57), French national

Director *

Address
GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment and term of office
Appointed by the Shareholders' Meeting of May 18, 2017

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2020

Number of Company shares held
100 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office

- Chairman of ENGIE CHINA INVESTMENT COMPANY SAS
- Director of ENGIE E&P INTERNATIONAL SA
- Director of STORENGY
- Permanent representative of ENGIE on the GRDF Board of Directors
- Permanent representative of ENGIE on the GRTgaz Board of Directors

Past terms of office

- Director of ELENGY (formerly GDF Investissements 31)
- Member of the Supervisory Board of ENGIE E&P HOLDING NEDERLAND BV
- Director of ENGIE E&P NORGE AS
- Director of ENGIE E&P UK Ltd
- Director of ENGIE NEW BUSINESS SAS
- Director of ENGIE NEW VENTURES SA
- Director of Fondation d'Entreprise ENGIE
- Director of TRACTEBEL ENGINEERING SA (BE)
- Member of the Supervisory Board of NOORDGASTRANSPORT BV (N.G.T.)

* *Director appointed on the recommendation of ENGIE.*

Professional experience

After a career in the French government, ending as Cabinet Director for the Minister of Energy in 1992-1993, Didier Holleaux joined Gaz de France group in 1993, which became GDF SUEZ in 2008 then ENGIE in 2015.

He occupied several managerial positions in the Group in the areas of transport, exploration-production, LNG and distribution. He notably created and managed GDF Britain (now GDF SUEZ E&P UK Ltd), Gas de France's exploration-production subsidiary in the United Kingdom, was Deputy Director of EDF and Gas de France's shared distribution division (EDF GDF SERVICES) and managed the Exploration – Production division of ENGIE group from 2007 to 2015.

He has been Executive Vice-President of ENGIE since July 1, 2015.

He is currently responsible for the Asia Pacific region, Infrastructure in France, procurement and projects.

Andrew JAMIESON/born in 1947 (aged 70), British national

Independent director

Address
GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment and Term of office
Co-opted at the Board of Directors' meeting of October 14, 2015 to replace Laurent Maurel, who resigned
Cooptation approved and term of office renewed by the Shareholders' Meeting of May 18, 2017

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2020

Number of Company shares held
250 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office

- Director of HOEGH LNG PARTNERS (USA) (since 2015)
- Director of HOEGH LNG HOLDINGS (Norway) (since 2009)
- Director of Chrysaor Holdings (UK) (since 2017)

Past terms of office

- Chairman of the Board of Directors of SEVEN ENERGY INTERNATIONAL 5 (UK/Nigeria) (2012-2016)
- Director of WOODSIDE PETROLEUM Ltd (Australia) (2005-2016)
- President of the Institution of Chemical Engineers (2015-2016)
- Director of LEIF HOEGH SHIPPING COY. Ltd (2009-2012)
- Director of OXFORD CATALYST group (United Kingdom) (2010-2015)
- Director of VELOCYS Plc (USA/United Kingdom) (2010-2015)

Professional experience

Andrew Jamieson is an engineer by training and holds a PhD in philosophy from the University of Glasgow.

Andrew Jamieson has extensive experience in the energy sector, particularly in Liquefied Natural Gas (LNG). After occupying various positions within the Shell group in Europe, Australia and Africa, Andrew Jamieson was appointed, in 2005, as its Executive Vice-President of "Gas and Projects" operations and a member of the "Gas and Energy" Executive Committee, positions he held until his retirement in 2009. Andrew Jamieson currently holds several terms of office as a director of companies in the energy sector. He is also Chairman of the Board of Directors of Seven Energy International.

Andrew Jamieson is an officer of the British Empire and member of the Royal Academy of Engineering. Andrew Jamieson chaired the Royal Institute of Chemical Engineers from 2015 to 2016.

Françoise LEROY/born in 1952 (aged 65), French national

Independent director

Address
GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment and term of office
Co-opted at the Board of Directors' meeting to replace Marie-Pierre de Bailliencourt, who resigned
Cooptation approved by the Shareholders' Meeting of May 18, 2016

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2019

Number of Company shares held
100 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office	*Past terms of office*
▸ Independent member of the Supervisory Board of Tarkett* ▸ Member of the Audit Committee of Tarkett ▸ Chairperson of the Compensation and Nominations Committee of Tarkett ▸ Member of the Supervisory Board and Chairman of the HIME Audit Committee (Saur group) ▸ Independent member of the Supervisory Board of Argan	▸ Nil

* *Listed French company.*

Professional experience

Françoise Leroy holds a degree from the *École Supérieure de Commerce et d'Administration* des Entreprises de Reims.

She began her career in 1975 as Secretary General of *Union Industrielle d'Entreprise*. She joined Elf Aquitaine group in 1982 where she held various Financing and Capital Markets positions in the financial management department. In 1998, she became Director of Financial Communications, then in 2001, Director of Chemical Subsidiaries Operations in Total's Financial Division following its merger with Elf Aquitaine.

She has been the Secretary General of Total's Chemicals Division since 2004 and a member of Total's Steering Committee since 2006. She was also Director of Mergers and Acquisitions-Disposals from January 2012 to July 2013.

Cécile PRÉVIEU/born in 1976 (aged 42), French national

Director *

Address
Storengy, 12, rue Raoul-Nordling 92270 Bois-Colombes

Date of initial appointment and term of office
Co-opted at the Board of Directors' meeting on October 13, 2016, to replace Jacques Blanchard who resigned
Cooptation approved by the Shareholders' Meeting of May 28, 2017

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2018

Number of Company shares held
100 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office	*Past terms of office*
▸ Chief Executive Officer of Storengy ▸ Chairman of the Board of Directors of Storengy Deutschland and Storengy UK ▸ Member of *the* Board of Gas Storage Europe (GSE) and of Gas Infrastructure Europe (GIE) ▸ Member of the Board of Directors of Compagnie Parisienne de Chauffage Urbain (CPCU) ▸ Appointed as director to the Board of Directors on proposal of the State and as Chairman of the TechnicAtome Offer Committee	▸ Director of Storengy Northern Europe ▸ Director of Storengy International ▸ Director of Storengy China

* *Director appointed upon proposal of ENGIE.*

Professional experience

Cécile Prévieu was appointed Chief Executive Officer of Storengy in July 2015.

Cécile Prévieu was previously responsible for Storengy Asset Management activities, comprising finance, legal affairs, strategy, business development and management/optimisation of underground storage asset management. She joined the ENGIE group in 2010, first reporting to the Chief Operating Officer heading the Infrastructures Branch. She then moved to Storengy in 2011 as Chief Financial and Legal Officer.

Cécile Prévieu began her career in 2002, within the French Public Administration. She held various positions at the Ministry of the Economy, Finance and Industry, then in the Prime Minister's Office, in the energy and transport sectors.

Cécile Prévieu is a graduate of the *École Polytechnique*, the *École Nationale des Ponts et Chaussées* and the *Institut d'Études Politiques* in Paris.

Philippe SALLE/born in 1965 (aged 53), French national

Independent director

Address
GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment and term of office
Appointed by the Shareholders' Meeting dated February 10, 2014

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2017

Number of Company shares held
1,000 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office

- Representative of FONCIA Holding, Chairman
- Representative of FONCIA Management, Chairman
- Director and member and Chairman of the Compensation, Nominations and Governance Committee of Bourbon
- Permanent representative of CIC Associés, Director of Banque Transatlantique
- Chairman of Finellas SAS
- Director of CGG

Past terms of office

- Chairman and CEO, director and member of the Investment and Acquisition Committee of Altran Technologies
- Chairman and CEO of Elior

Professional experience

Philippe Salle has been Chairman of Foncia group since December 1, 2017.

He is a graduate of the *École des Mines* in Paris (France) and holder of an MBA from the Kellogg Graduate School of Management, Northwestern University (Chicago, United States).

Philippe Salle began his career at Total in Indonesia prior to joining Accenture in 1990. He joined McKinsey in 1995 and became a Senior Manager in 1998. The following year, he joined the Vedior group (now Randstad, listed in Amsterdam), and was appointed Chairman and Chief Executive Officer of Vedior France in 2002. In 2003, he joined the Management Board of Vedior NV, then was appointed Chairman of the Southern Europe region (France, Spain, Italy and Switzerland) in 2006. From 2007 to 2011, he managed the Geoservices group (sold in 2010 to Schlumberger, listed in New York), an oil sector technology company (7,000 employees in 52 countries), firstly as Chief Operating Officer, then as Chairman and Chief Executive Officer. From 2011 to 2015, he held the position of Chairman and Chief Executive Officer of Altran group (SBF 120), a world leader in innovation consulting (26,000 employees in 25 countries). He then became Chairman and Chief Executive Officer of Elior group (SBF 120), one of the world leaders in catering and services (125,000 employees in 16 countries), a position that he occupied until October 31, 2017 before joining Foncia group as Chairman.

Philippe Salle has been a member of the Board of Directors of Banque Transatlantique since 2010, a member of the Board of Directors of GTT (Gaztransport & Technigaz) since February 2014 and a member of the Board of Directors of CGG since March 2018.

He is a Knight of the National Order of Merit and a Knight of the Legion of Honour and a Commander of the Order of Merit of the Italian Republic.

Benoît MIGNARD/born in 1959 (aged 59), French national

Observer

Address
ENGIE, 1, place Samuel de Champlain, 92400 Courbevoie

Date of initial appointment and term of office
Appointed by the Shareholders' Meeting of May 18, 2017

Term of office
Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2019

Number of Company shares held
100 shares

Mandates and offices held within the Group over the past five years
Director of GTT

Mandates and offices held outside the Group over the past five years

Current terms of office	*Past terms of office*
▸ Director and Chairman of the Audit Committee of ENGIE GLOBAL MARKETS SAS ▸ Director and Vice-President of REGAZ Bordeaux SAEML ▸ Director of Glow Co Ltd	▸ Director and Chairman of the Audit Committee of GRDF ▸ Member of the Supervisory Board of ENGIE E&P Netherlands (ProNed) ▸ Director of ENGIE E&P International (EPI) ▸ Director of ENGIE E&P Norge (EPN) ▸ Director of ENGIE E&P UK (Gas UK) ▸ Member of the Supervisory Board of ENGIE E&P Deutschland GmbH (DExPro) ▸ Director and Chairman of the Audit Committee of Elengy

* *Director appointed upon proposal of ENGIE.*

Professional experience

Benoît Mignard is a graduate of the *École des Mines* de Paris.

Benoît Mignard has held various positions in the research and development department of EDF, and he joined Gaz de France in 1992 and took over the management of the Trading Room and the Budget Office. In 1999, Benoît Mignard was put in charge of negotiating gas supply agreements, then given oversight of economic studies. In 2002, Benoît Mignard began to develop the structured gas and LNG transactions that occurred simultaneously with the opening of the energy markets Europe. In 2006, Benoît Mignard joined the Financial Division as Director of Acquisition Investment, and he remained there after the merger with GDF SUEZ in 2008. In 2012, Benoît Mignard became Deputy Director and Chief Financial Officer and Strategy Director of the Global Gas and LNG Business Line of ENGIE. In 2014, Benoît Mignard joined GDF SUEZ E&P International as Deputy CEO.

Benoît Mignard has been Operational Finance Director since the beginning of 2016.

Benoît Mignard had already served as a director of GTT from 2012 to 2014, then from 2016 to 2017.

6.1.3 BOARD AND MANAGEMENT PRACTICES OF THE COMPANY

The main legal provisions, the by-laws and the Internal Regulations of the Board of Directors are set out in substance below. It is stipulated that all of these documents are available at the registered offices of the Company and on the Company's website (www.gtt.com).

6.1.3.1 Board of Directors

(i) Composition of the Board of Directors

NUMBER OF DIRECTORS AND NUMBER OF INDEPENDENT DIRECTORS (ARTICLE 14 OF THE BY-LAWS, ARTICLE 2 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

The Company is governed by a Board of Directors comprising no less than three and no more than eighteen members. The maximum number of 18 members may be increased, where applicable, by the number of directors representing the employee shareholders, appointed in accordance with Article 14.8 of the Company's by-laws.

The composition of the Board of Directors seeks to achieve a balanced representation of men and women as required in particularly by the provisions of Article L. 225-17 of the French Commercial Code.

In accordance with the AFEP-MEDEF Code, the Internal Regulations of the Board of Directors state that a director is independent when he or she has no relationship of any kind whatsoever with the Company, any company or entity directly or indirectly controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code (a **Group company**) or their management that could compromise the exercise of his or her freedom of judgement. The Internal Regulations of the Board of Directors also requires the Compensation and Nominations Committee to discuss each year the independent status of each individual director and the Board of Directors to review this on a case-by-case basis in light of the independence criteria set out below. In addition, the qualification as independent director is also discussed when an independent director is appointed and re-appointed. The Board of Directors' conclusions on the qualification as independent director are reported to the shareholders in the Chairman's report to the Annual Ordinary Shareholders' Meeting of the Company.

The criteria to be reviewed by the Compensation and Nominations Committee and the Board of Directors and that shall be cumulatively fulfilled to qualify a director as independent, are as follows:

- is not and has not been in the past five years an employee or executive officer *(dirigeant mandataire social)* of the Company or an employee or director of its parent company or one of its consolidated companies over the past five years;
- is not a corporate officer *(mandataire social)* of a company in which an employee appointed as such or a corporate officer of the Company (current or over the past five years) is a director or a member of the Supervisory Board;
- is not a material customer, supplier, investment banker or commercial banker for the Company or the Group, or for which the Company or the Group accounts for a significant part of the business;
- in respect of directors holding terms of office in one or more banks, has not participated in (i) preparing or soliciting an offer of services by one of those banks to the Company or a Group company, (ii) in the work done by one of those banks pursuant to a mandate given to the bank by the Company or a Group company or (iii) in voting on any resolution involving a project in which the relevant bank has or could have an interest as adviser;
- is not related by close family ties to a corporate officer of the Company or a Group company;
- has not been a Statutory Auditor of the Company over the past five years; and
- has not been a director of the Company for more than 12 years, although the loss of independent status will only occur at the end of the term of office during which the 12-year limit is reached.

For directors holding 10% or more of the Company's share capital or voting rights, or representing a legal entity that holds 10% or more of the Company's share capital or voting rights, the Board of Directors shall, based on a report prepared by the Compensation and Nominations Committee, decide whether or not the director is independent in the light of the Company's ownership structure and the existence of any potential conflicts of interest.

The Board of Directors may, however, consider that a particular director, although meeting all the above criteria, cannot be considered as independent due to his or her specific situation.

DIRECTORS' TERM OF OFFICE (ARTICLE 16 OF THE BY-LAWS)

Subject to the provisions of the applicable laws and regulations in case of temporary appointment by the Board of Directors, the directors are appointed for a term of four years.

Certain directors may exceptionally be appointed by the Shareholders' Meeting for a term of less than four years for the purpose of organising the gradual renewal of the terms of directors.

A director's term of office ends at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous financial year and held during the year in which his or her term expires.

Directors may be re-appointed.

AGE LIMIT (ARTICLE 16 OF THE BY-LAWS)

The number of directors (whether individuals or representatives of legal entities) over the age of 70 May not be more than one quarter of the total number of directors in office, rounded up where necessary to the next whole number.

No person over the age of 70 May be appointed as director if it would cause the number of directors over the age of 70 to be more than one quarter of the total number of directors in office, rounded up where necessary to the next whole number.

If the proportion of one quarter is exceeded and none of the directors over the age of 70 resigns, the oldest director shall automatically be deemed to have resigned.

NUMBER OF SHARES OF THE COMPANY OWNED BY THE DIRECTORS (ARTICLE 11 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

Each director, other than the representatives of employee shareholders is required to hold at least 100 shares of the Company in pure registered form.

(ii) Directors' duties

The Internal Regulations of the Board of Directors supplements the provisions of the law and the by-laws on the rights and duties of directors and takes into account the recommendations made in the AFEP-MEDEF Code. Directors are bound by the duties summarised below.

The Internal Regulations published on the GTT website define the directors' duties in more detail.

GENERAL DUTIES (ARTICLE 6 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

Before accepting the office, each member of the Board of Directors shall ensure that he or she is acquainted with the general and specific duties incumbent to him or her. In particular, he or she shall be acquainted with the legal and regulatory provisions governing the office of director, the Company's by-laws and the Internal Regulations of the Board of Directors' Internal Regulations of the Board of Directors in all its provisions which are applicable to him or her.

DUTY OF LOYALTY AND CONFLICTS OF INTEREST MANAGEMENT (ARTICLE 7 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

The members of the Board of Directors shall act in an honest, diligent, active and involved way and shall under no circumstances seek their own personal benefit instead of that of the Company. The Chairman of the Board of Directors ensures the implementation of the procedures to identify and analyse potential conflict of interest situations. All directors are bound to inform the Chairman of the Board of Directors of any current or potential conflict of interest situation, even if it is indirect, between him or herself and the Company or any company in which the Company has an equity interest or any company in which the Company plans to enter into an agreement of any kind. The Chairman of the Board determines the provisions to be implemented to avoid such a conflict and decides whether the Board of Directors should be informed. The relevant director shall not attend or take part in the Board of Directors discussions or vote on the resolutions involving the conflict of interest, except where it involves an ordinary business agreement entered into on arm's length basis.

DUTY OF NON-COMPETITION (ARTICLE 8 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

Throughout their term of office, each director shall not occupy any position in a competing entity with the Company or a Group company without the prior consent of the Chairman of the Board of Directors.

GENERAL DUTY OF DISCLOSURE (ARTICLE 9 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

In accordance with the French and European Union statutory and regulatory provisions, each member of the Board of Directors is required to provide the Board of Directors with full information about any compensation and any benefits received from the Company or a Group company, their directorships or offices in other companies or legal entities, and any previous convictions.

DUTY OF CONFIDENTIALITY (ARTICLE 10 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

As a general rule, all documents and matters discussed at Board of Directors' meetings and all information obtained during or outside Board of Directors' meetings about the Group, its business and prospects are, without exception, strictly confidential even if they have not been expressly presented as such. Beyond the simple duty of discretion laid down by the applicable statutory and regulatory provisions, each member of the Board of Directors shall consider himself or herself to be bound by a genuine duty of professional secrecy.

DUTY REGARDING THE DISCLOSURE OF HOLDINGS OF FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY (ARTICLE 11 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

In accordance with the applicable statutory and regulatory provisions, each director shall abide by the rules on disclosures to be made to the AMF.

DUTY OF DUE DILIGENCE (ARTICLE 12 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

Directors shall devote the time and attention necessary to fulfil their duties. Save in case of unavoidable unavailability, each director undertakes to attend all Board meetings, Shareholders' Meetings and relevant Board committee meetings of which he or she is a member, either in person or, if permitted, by videoconferencing or other means of electronic communication.

DUTY TO OBTAIN INFORMATION (ARTICLE 13 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

Directors have a duty to inform themselves. The Board of Directors and all directors may request or otherwise obtain all information or documents they believe useful or necessary to fulfil their duties. They should address their requests for information to the Chairman of the Board of Directors, who is responsible for ensuring that their requests have been satisfied.

(iii) Powers of the Board of Directors (Article 19 of the by-laws, title II of the Internal Regulations of the Board of Directors)

The Board of Directors is responsible for defining the Company's business strategy and monitoring their implementation. Subject to those powers expressly vested in the Shareholders' Meetings and within the limits of the Company's corporate purpose, the Board of Directors considers and settles all matters involving the proper functioning of the Company through the adoption of resolutions. It performs all controls and verifications it considers appropriate within the limit of its duties.

In addition to the Board of Directors' duties under the applicable laws, regulations and by-laws, the Internal Regulations of the Board of Directors provide that, as part of the Group's internal organisation, the following transactions and decisions require the Board of Directors' express prior approval before being implemented by the Company's Chief Executive Officer or, if applicable, a Chief Operating Officer:

- decisions to set up a significant operation in France or abroad either directly, by creating an establishment, a business, branch, direct or indirect subsidiary or indirectly by acquiring an equity interest;
- decisions to close down such operations in France or abroad;
- any merger, demerger, partial contribution of assets or any similar transaction;
- entering into, amending or terminating any commercial or industrial cooperation agreement, joint venture, consortium or alliance with a third party (except for agreements entered into in the ordinary course of business) with the potential to have a significant impact on the Group's business or a significant impact in the event of a future restructuring of the Company's capital (in particular with regard to change of control clause(s) or otherwise);
- significant transactions likely to affect the Group's strategy and alter its financial structure or the scope of its business;
- sales of patents used for the Company's key technologies, grants of licences related to those key technologies outside the ordinary course of business;
- acquisitions or disposals of equity interests in any existing or future company, participation in the creation of any company, consortium or organisation, subscriptions to issues of stock, shares or bonds, excluding treasury transactions; and
- granting of security interests over the Company's assets.

The assessment of the significant impact of the transactions referred to above is made, under his responsibility, by the Chief Executive Officer or any other person duly authorised to implement such transactions:

- each of the following transactions and decisions resulting in an investment or divestment by [1] the Company or a Group company (39) equal to or more than 1 million euros:
  - acquiring or selling properties,
  - exchanges, with or without a cash balance, of any goods, securities or financial instruments, excluding treasury transactions,
  - in case of a dispute, signature of any agreements and settlements, arbitrations and arrangements;
- each of the following transactions and decisions resulting in an investment, divestment, expense or guarantee commitment by the Company or a Group company equal to or more than 1 million euros:
  - entering into loans, borrowings, credits or advances,
  - acquiring or selling receivables by any means;
- any industrial or commercial project considered to be material by the Company's Chief Executive Officer.

(iv) Deliberations of the Board of Directors (Article 18 of the by-laws, title IV of the Internal Regulations of the Board of Directors)

The Board of Directors' meeting is held as often as the interests of the Company require and at least once a quarter upon convening notice of its Chairman or, in the event of his death or temporary unavailability, of at least one third of the directors, by any written means, ten calendar days before the date of the meeting, this period may be shortened in case of duly justified emergency.

The Board of Directors may nevertheless validly deliberate even in the absence of notice of meeting if all members are present or represented.

At least one third of the directors may request the Chairman to convene the Board of Directors, or directly convene the Board of Directors on a specific agenda, if the meeting of the Board of Directors has not been held for more than one month. The Chief Executive Officer or, if appropriate, the Chief Operating Officer may also request the Chairman to convene the Board of Directors on a specific agenda. In both cases, the Chairman is bound by the requests he receives and shall convene the Board of Directors within the seven following days of the request, this period being shortened in the case of duly justified emergency.

The Board of Directors meetings are held at the registered office or at any other place specified in the notice of meeting.

The Board of Directors meetings are chaired by the Chairman of the Board of Directors. In his absence, the Board of Directors appoints, among its directors, a Chairman of the meeting.

At least half of the directors shall be present in order for the Board of Directors to validly deliberate. Decisions of the Board of Directors are adopted by simple majority voting of the directors present or represented, each director may represent only one director. In the event of a tied vote, only the current Chairman of the Board of Directors shall have a casting vote. If the Chairman of the Board of Directors does not attend the meeting of the Board of Directors, the *ad hoc* Chairman of the meeting shall not have a casting vote.

Directors attending the meeting by videoconferencing or other electronic means that satisfy legal and regulatory provisions shall be deemed to be present for the purposes of calculating the

(1) However, this prior approval procedure does not apply to transactions and decisions that will lead to the conclusion of agreements exclusively involving entities controlled by the Company and the Company itself.

quorum and majority, in accordance with the terms and conditions set out in the Internal Regulations of the Board of Directors.

(v) Directors' fees (Article 17 of the by-laws, Article 23 of the Internal Regulations of the Board of Directors)

The Board of Directors, following a proposal from the Compensation and Nominations Committee, proceeds with the breakdown of the annual overall amount of directors' fees allocated by the Shareholders' Meeting. The allocation rules specified in the Internal Regulations of the Board of Directors are as follows:

- one budget for the Board of Directors and one budget for each of the Board of Directors' committees;
- a fixed portion and a variable portion according to effective participation in the Board of Directors' meetings and the meetings of the Board's committees;
- a predominant variable portion, in accordance with the rules set out by the AFEP-MEDEF Corporate Governance Code, according to objective criteria defined by the Board of Directors, based on a proposal from the Compensation and Nominations Committee; and
- a fixed portion and a larger variable portion for the Chairman of the Board of Directors and the Chairmen of the Board of Directors' committees.

Furthermore, under the Internal Regulations of the Board of Directors, each member of the Board of Directors is entitled to be reimbursed for all travel expenses he or she incurs in the course of his or her duties, subject to presentation of supporting documents.

(vi) Activities of the Board during the financial year ended December 31, 2017

The Company's Board of Directors met 7 times during the 2017 financial year: February 23, March 30, April 18, May 18, June 30, July 20 and October 17. The average attendance in person or by proxy of the members of the Board of Directors during the year was 90%. During these meetings, the Board of Directors reviewed the Company's strategy, budget and 2018-2023 Business Plan and carried out periodic activity reviews. It examined the planned transactions and significant contracts envisaged by the Company. It also discussed the following financial subjects: review of the annual financial statements for 2016 and the first half of 2017, information on the sales figures for the first quarter and third quarters of 2017 and the corresponding drafts for financial communications. Furthermore, the Board of Directors convened the 2017 Combined Shareholders' Meeting and adopted the reports and draft resolutions to be submitted to it. It also reviewed the 2016 Registration Document. The Board of Directors took note of the reports on the work of the Audit and Risk Management Committee and of the Compensation and Nominations Committee.

(vii) Self-evaluation by the Board of Directors

In accordance with Article 10 of the AFEP-MEDEF Code, at the beginning of the 2018 financial year, the Board of Directors conducted an assessment of its ability to meet shareholders' expectations based on a questionnaire covering the following topics: a general assessment of the governance, composition, organisation and functioning of the Board of Directors and committees, the areas of competence of the Board, the communication and quality of information, the quality of the discussions within the Board, the personal contributions of the directors, and the Board's relations with the committees and General Management.

The Board reviewed its operating procedures, checking that important issues are properly prepared and discussed and measured the actual contribution of each director to the Board's work resulting from his/her competence and involvement in discussions.

It is clear from this evaluation that GTT's governance practices are among the best, both in terms of the Board's operation and the organisation of discussions during its meetings. The frequency and duration of Board meetings, as well as the composition of its committees are considered very satisfactory by its members. Similarly, the information supplied and presentations made by general management are points with which the directors are satisfied. However, they would prefer to receive the preparatory documents earlier. Some other areas for improvement, including the discussions relating to the work of the committees, were identified and the Board made proposals in this respect.

6.1.3.2 Committees established by the Board of Directors

The Board of Directors has set up an Audit and Risk Management Committee and a Compensation and Nominations Committee. The duties of the committees are to prepare the decisions of the Board of Directors, make recommendations and issue opinions in their areas of competence. The composition, procedures and powers of the committees are set out in the Internal Regulations of the Board of Directors.

It may also decide to create any other Board of Directors' committee it deems appropriate to examine issues referred to it by the Board of Directors or its Chairman for examination.

The duties of the committees are to prepare the decisions of the Board of Directors, make recommendations and issue opinions in their areas of competence.

The composition, procedures and powers of the committees are set out in the Internal Regulations of the Board of Directors.

(i) Audit and Risk Management Committee

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (ARTICLES 25 AND 28 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

The Audit and Risk Management Committee is composed of at least three members, including its Chairman. They are selected from among the non-executive officers other than the Chairman of the Board of Directors.

Two-thirds of the Audit and Risk Management Committee's members, including its Chairman, shall be independent directors on the basis of the criteria described in section 6.1.2.1 (ii) – *Independence of directors in office – conflicts of interest* of this Registration Document.

Members of the Audit and Risk Management Committee shall have specific expertise in finance or accounting.

All Audit and Risk Management Committee members shall, upon their appointment, be given information about the Company's specific accounting, financial and operational features.

The Audit and Risk Management Committee comprises the following members: Christian Germa (independent director), Didier Holleaux and Françoise Leroy (independent director). Christian Germa, as an independent director, is Chairman of the Audit and Risk Management Committee. 66% of this committee's members are independent directors.

Benoît Mignard was regularly invited to Audit and Risks Committee meetings as an observer.

RESPONSIBILITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (ARTICLES 25 AND 26 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

The main duties of the Audit and Risk Management Committee are to review the financial statements and monitor issues relating to the preparation and control of accounting and financial information.

This includes:

- reviewing the draft annual and half-yearly corporate and IFRS financial statements prior to their presentation to the Board of Directors, and in particular:
  - ensuring the relevance and consistency of accounting methods used to prepare the corporate and consolidated financial statements,
  - examining any difficulties encountered in applying the accounting methods, and
  - examining in particular significant transactions in connection with which a conflict of interest could have arisen;
- reviewing the financial documents disclosed by the Company for the annual and half-yearly financial statements;
- reviewing the draft financial statements prepared for specific transactions such as contributions, mergers, demergers or interim dividend payments;
- reviewing, on a financial level, certain of the operations proposed by the Chief Executive Officer, such as capital increases, acquisitions of equity interests and acquisitions or disposals, and referred to the Board of Directors, some for prior approval;
- assessing the reliability of systems and procedures used to prepare the financial statements and forecasts, and the validity of positions taken for the treatment of significant transactions;
- ensuring the external audit of the annual and consolidated financial statements by the Statutory Auditors;
- reviewing methods and procedures for reporting and restating accounting information originating from the Group's foreign subsidiaries; and
- in the context of the task of monitoring the preparation process for the financial information, formulating recommendations, where appropriate, to guarantee the integrity of this process.

The Audit and Risk Management Committee is also responsible for verifying the effectiveness of the Company's internal control, risk management and internal audit systems.

This includes:

- assessing the Group's internal control systems in conjunction with the persons responsible for these activities;
- reviewing the following, in conjunction with the persons responsible for these activities at Group level:
  - internal control objectives, audit and action plans,
  - the outcome of audits and actions taken by the relevant responsible persons in the Group, and
  - recommendations and follow-up to these audits and actions by the relevant responsible persons;
- reviewing internal audit methods and results;
- verifying whether internal audit procedures contribute to ensuring that the Company's financial statements:
  - give a true and fair view of the Company's position, and
  - comply with accounting rules;
- reviewing the relevance of analysis procedures and risk monitoring, and ensuring the implementation of a process for identifying, quantifying and preventing the main risks inherent to the Group's business;
- reviewing and controlling the rules and procedures applicable to conflicts of interest; and
- reviewing the draft report of the Chairman of the Board of Directors on internal control and risk management.

The Audit and Risk Management Committee is also responsible for verifying the effectiveness of the Company's external audit and the independence of the Stat utory Auditors.

This includes:

- managing the Statutory Auditor selection procedure, and having recourse where necessary to a call for tenders, supervising the call for tenders and conducting it in accordance with legal provisions;
- issuing a recommendation on the Statutory Auditors proposed for appointment or renewal by the Company's Shareholders' Meeting, drawn up in accordance with the relevant legislation, justified and comprising at least two possible choices for such appointment, and indicating among these possibilities, the duly justified preference of the committee for one of the two;
- reviewing the following with the Statutory Auditors on an annual basis:
  - their audit plan and conclusions, and
  - their recommendations and follow-up;
- monitoring of the Statutory Auditors' performance of their mission;
- verifying the independence of the Statutory Auditors of the Company;
- reviewing the Statutory Auditors' fees, which shall not be of a nature to jeopardise their independence and objectivity; and
- ensuring that rotation rules are respected and evaluating the need for rotation of the Statutory Auditors.

In order to enable the committee to monitor, throughout the term of the Statutory Auditors, the independence and objectivity of the latter, the Audit and Risk Management Committee shall in particular be provided each year with:

- a statement of independence from the Statutory Auditors;
- the amount of fees paid to the Statutory Auditors' network by companies controlled by the Company and its parent company for services not directly related to the duties of the Statutory Auditors' assignment; and

- information on all directly audit-related services provided by the Statutory Auditors.

The Audit and Risk Management Committee shall also review with the Statutory Auditors any risks to their independence and the measures taken to mitigate them. This involves making sure that the amount of fees paid by the Company and the Group, or the proportion of the firm's and network's revenue they represent, is not of a nature to jeopardise the Statutory Auditors' independence.

The statutory audit engagement shall be exclusive of any other work that is not directly audit-related. The selected Statutory Auditors shall renounce for themselves and the network to which they belong any provision of consultancy services (legal, tax, IT, etc.) either directly or indirectly to the Company that appoints them or the companies controlled by it. However, following prior approval by the Audit and Risk Management Committee, services other than legal verification of the financial statements can be performed, such as acquisition or post-acquisition audits, but only provided that these services are not prohibited and to the exclusion of assessment and consultancy services.

The Audit and Risk Management Committee regularly reports to the Board of Directors;

- on the performance of its missions;
- on the results of the financial statement certification assignment;
- on the manner in which this assignment contributed to the integrity of the financial information, and on the role that it played in this process; and
- informs it without delay of any difficulties encountered.

Its reports are either inserted in or attached to the minutes of the relevant meetings of the Board of Directors.

AUDIT AND RISK MANAGEMENT COMMITTEE PRACTICES AND PROCEDURES (ARTICLES 25, 27 AND 29 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

The Audit and Risk Management Committee meets as often as required and in any event at least four times a year at the request of its Chairman, a majority of its members, the Chairman of the Board of Directors or one third of the directors.

The Audit and Risk Management Committee can only hold a meeting if more than half its members are present, either by telephone or video-conference, or by any means permitted by the legislative or regulatory provisions that are applicable, through the provisions of the by-laws or those of these Internal Regulations for the participation of members of the Board of Directors in meetings of the Board of Directors. Its opinions, proposals or recommendations are adopted by simple majority vote of the members of this committee. In the event of a tie vote, the committee Chairman does not have a casting vote.

In accordance with the applicable legal and regulatory provisions and the provisions of the by-laws and this Internal Regulations, in order to fulfil its duties, the Audit and Risk Management Committee, in general, and each of its members in particular, may request to be provided with any information they consider relevant, useful or necessary to fulfil their duties.

The Audit and Risk Management Committee can ask to interview the Statutory Auditors or Company personnel, including members of the Company's General Management, financial management, internal audit or any other management personnel. Any interviews with the Statutory Auditors may take place, if required, without the presence of general management members.

The committee may also initiate any independent investigation it considers appropriate, with the assistance of outside experts, for example.

The Audit and Risk Management Committee reports regularly to the Board of Directors on its work and informs the Board of Directors promptly of any difficulties it encounters. Its reports are either inserted in or attached to the minutes of the relevant meetings of the Board of Directors.

Each member of the Audit and Risk Management Committee has recognised financial or accounting expertise, given their training or their careers described in section 6.1.2.2 – *Information regarding directors in office* of this Registration Document.

ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

The Audit and Risk Management Committee met 8 times during the 2017 financial year: January 31, February 21, March 28, April 18, June 30, July 18, October 17 and December 11. The attendance of the committee members was 79%.

During these 8 meetings, the Audit and Risk Management Committee addressed customary matters relating to consolidated financial statements and parent company financial statements prepared in accordance with IFRS and French standards, the interim financial statements and report, third-quarter revenues, and within this framework, audit issues noted by the Statutory Auditor and related press releases.

The Audit and Risk Management Committee also discussed other topics related to (i) accounting and cash (including forward-looking management accounts, and rules for investing the Company's cash), (ii) as well as monitoring of the effectiveness of internal control and risk management systems and (iii) review of acquisition projects.

Finally, the Audit and Risk Management Committee defined its working agenda for 2018.

(ii) Compensation and Nominations Committee

COMPOSITION OF THE COMPENSATION AND NOMINATIONS COMMITTEE (ARTICLES 25 AND 32 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

The Compensation and Nominations Committee is composed of at least three members, including its Chairman.

The Chairman of the Board of Directors and the Chief Executive Officer, in the event that the duties of the Chief Executive Officer are performed by a director other than the Chairman of the Board of Directors, may not be members of the Compensation and Nominations Committee.

The majority of the Compensation and Nominations Committee's members, including its Chairman, shall be independent directors on the basis of the criteria described in section 6.1.2.1 (ii) – *Independence of directors in office – conflicts of interest* of this Registration Document.

The Compensation and Nominations Committee is composed of the following members, at the date of this Registration Document: Christian Germa (independent director), Philippe Salle (independent director), Andrew Jamieson (independent director), Didier Holleaux and Françoise Leroy (independent director). Philippe Salle, as an independent director, is Chairman of the Compensation and Nominations Committee. The Compensation and Nominations Committee is 80% comprised of independent directors.

RESPONSIBILITIES OF THE COMPENSATION AND NOMINATIONS COMMITTEE (ARTICLES 25 AND 30 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

As regards nominations, the Compensation and Nominations Committee's duties are as follows:

- assist the Board of Directors in its choice of:
  - members of the Board of Directors,
  - members of the Board of Directors' committees, and
  - the Chief Executive Officer and, if applicable, the Chief Operating Officer(s);
- select potential members of the Board of Directors who meet the independence criteria and submit the list to the Board of Directors;
- consider each year, prior to publication of the Company's annual report, the independence of each director and submit its opinion to the Board of Directors for the Board's own independence review; and
- succession planning for:
  - the members of the Company's General Management, and
  - the Chairman of the Board of Directors, the Chief Executive Officer and, if applicable the Chief Operating Officer(s).

As regards compensation, the Compensation and Nomination Committee's role is to make recommendations and proposals to the Board of Directors on the components of compensation received by the directors that would benefit from it, including:

- allocation of directors' fees;
- all other components of compensation, including any termination benefits;
- fees allocated to the non-voting Board members, if any;
- changes to or potential developments in the pension, health and protection schemes;
- benefits in kind and other miscellaneous pecuniary benefits; and
- if applicable:
  - granting subscription or share purchase options, and
  - allocation of free shares.

The Compensation and Nominations Committee also makes recommendations and proposals to the Board of Directors on:

- the executive compensation policy, including the criteria for determining their variable compensation, which must be consistent with the Group's strategy; and
- incentive mechanisms, by any means, for employees of the Company and, more broadly, Group companies, including:
  - employee savings schemes,
  - supplementary pension schemes,
  - reserved issues of transferable securities giving access to the capital,
  - granting subscription or share purchase options, and
  - allocation of free shares.

The Compensation and Nominations Committee will also make recommendations to the Board of Directors on the performance conditions used, if applicable, to determine the variable component of the compensation of executives, for the grant or exercise of any subscription or share purchase options and any potential allocation of free shares.

These performance conditions shall be simple to establish and explain, satisfactorily reflect the Group's performance and business development targets at least in the medium-term, be clear and transparent for shareholders in the annual report and at the Shareholders' Meeting and meet the Company's corporate objectives and customary practices with regard to executive compensation.

The Compensation and Nominations Committee considers each year, prior to publication of the Company's annual report, the independence of each director and submit its opinion to the Board of Directors for the Board of Directors' own independence review.

Lastly, the Internal Regulations of the Board of Directors require the Compensation and Nominations Committee to ensure periodically that its practices and procedures assist the Board of Directors effectively in adopting decisions in its area of competence.

COMPENSATION AND NOMINATIONS COMMITTEE PRACTICES AND PROCEDURES (ARTICLES 25, 31 AND 33 OF THE INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS)

The meeting of Compensation and Nominations Committee is held as often as necessary and in any event at least three times a year at the request of its Chairman, the majority of its members, the Chairman of the Board of Directors or one third of the directors.

The meeting of Compensation and Nominations Committee is validly held if more than half of its members are present. Its opinions, proposals or recommendations are adopted by simple majority vote of the committee members present. In the event of a tie vote, the committee Chairman does not have a casting vote.

In exercising its duties, the Compensation and Nominations Committee may propose to the Board of Directors to undertake, at the Company's expense, any external or internal studies which are likely to inform the deliberations of the Board of Directors.

It may interview one or more members of general management of the Company, including the Chief Executive Officer and, if applicable, the Chief Operating Officer(s).

The Compensation and Nominations Committee reports to the Board of Directors on its work at each meeting of the Board of Directors.

ACTIVITIES OF THE COMPENSATION AND NOMINATIONS COMMITTEE DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

The Compensation and Nominations Committee met 3 times during the 2017 financial year: February 21, April 18 and October 17. The attendance of the committee members was 100%.

During these meetings, the Compensation and Nominations Committee proceeded to summarise the responses to the questionnaire used for self-evaluation by the Board, identified pathways for improvement and made recommendations for the attention of the Board of Directors. The committee analysed the situation of each director with regard to the independence criteria. It also made recommendations concerning the variable compensation of the Chairman and CEO in respect of the 2016 financial year, as well as the fixed and variable remuneration for the Chairman and CEO in respect of the 2017 financial year. The Chairman and CEO did not attend sessions during which his own compensation was discussed. The committee made decisions on the allocation amongst the directors of the directors' fees in respect of the 2016 financial year.

The Compensation and Nominations Committee also continued its discussions concerning a succession plan to ensure the Group has at its disposal the competences it requires, especially in the event of an unforeseen absence of the corporate officers.

6.1.3.3 General Management

Under the by-laws and the Internal Regulations of the Board of Directors, the person responsible for the General Management of the Company is either the Chairman of the Board of Directors who shall bear the title of Chairman and Chief Executive Officer, or another person appointed by the Board of Directors among its members or outside, who shall bear, in this case, the title of Chief Executive Officer.

The Board of Directors decides which of the two options it wishes to adopt by a majority vote of the directors present or represented.

If the Board of Directors decides to separate the offices of Chairman of the Board of Directors and Chief Executive Officer, it appoints a Chief Executive Officer.

When the Chairman of the Board of Directors is responsible for the Company's General Management, all of the provisions applying to the Chief Executive Officer also apply to the Chairman.

At the proposal of the Chief Executive Officer, the Board of Directors may appoint, among its members or outside of the Board, one or two persons to assist the Chief Executive Officer, who bear the title of Chief Operating Officer.

(i) Chairman of the Board of Directors (Article 15 of the by-laws, Article 14 of the Internal Regulations)

The Chairman of the Board of Directors is appointed for a period that cannot exceed the duration of his/her term of office as director. The Chairman can be re-elected. The Board of Directors can dismiss the Chief Executive Officer at any time.

The age limit for serving as Chairman of the Board of Directors is 70.

The Chairman of the Board of Directors organises and manages the work of the Board of Directors and reports thereon at the Shareholders' Meetings. He is responsible for ensuring that the Company's corporate governance structures, including the Board of Directors committees, function correctly and, more particularly, that the directors are capable of fulfilling their duties, in particularly within the Board of Directors committees.

The Chairman is available at all times for the directors to answer any questions they may have about their duties and he is responsible for ensuring that the directors devote the necessary time to issues involving the Company and Group companies.

(ii) Non-voting Board members (Article 20 of the by-laws and Articles 21.5 to 21.8 of the Internal Regulations)

APPOINTMENT OF THE NON-VOTING BOARD MEMBERS

The Ordinary Shareholders' Meeting may appoint, among shareholders or outside, non-voting Board members to the Board of Directors.

The number of non-voting Board members may not exceed three members.

Non-voting Board members are appointed for a term of three years, but they may be removed at any time by the Ordinary Shareholders' Meeting. Their term ends at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous financial year and held during the year in which their term expires.

The non-voting Board members may be re-appointed.

Any non-voting Board member who reaches the age of 70 while in office is deemed to have resigned.

The non-voting Board members duties and, if applicable, compensation, fall within the competence of the Board of Directors and are described in the Internal Regulations of the Board of Directors.

NON-VOTING BOARD MEMBERS POWERS AND DUTIES

The non-voting Board members are notified to attend all the meetings of the Board of Directors. They attend the meetings of the Board of Directors as scrutiniser and may be consulted by the Board of Directors. The Board of Directors may ask the non-voting Board members to carry out specific assignments.

They participate in the deliberations of the Board of Directors in a consultative capacity only.

The non-voting Board members are required to abide by the duty of confidentiality referred to in Article 10 of the Internal Regulations of the Board of Directors.

(iii) Chief Executive Officer (Articles 21, 22, 24, 25 and 26 of the by-laws and Article 5 of the Internal Regulations of the Board of Directors)

The Chief Executive Officer is appointed by the Board of Directors for a term determined by the Board of Directors but which may not exceed his term of office as director, where applicable, as well as his compensation. The Board of Directors can dismiss the Chief Executive Officer at any time.

The age limit for serving as Chief Executive Officer is 70.

The Chief Executive Officer has the broadest powers to act in the name of the Company at all times and in all circumstances. He exercises these powers within the limits of the Company's corporate purpose and subject to those powers expressly vested by the applicable legal and regulatory provisions in the Shareholders' Meeting and the Board of Directors, and subject to any prior authorisations of the Board of Directors required pursuant to the provisions of the Internal Regulations of the Board of Directors.

The Board of Directors may also set restrictions on the Chief Executive Officer's powers upon his appointment and specific restrictions to his powers for a given transaction, which are recorded, if applicable, in the minutes of the meeting of the Board of Directors authorising the transaction.

The Chief Executive Officer represents the Company vis-à-vis third parties.

(iv) Chief Operating Officers (Articles 23 to 26 of the by-laws and Article 5 of the Internal Regulations of the Board of Directors)

At the proposal of the Chief Executive Officer, the Board of Directors may appoint, among its members or outside of the Board, one or two Chief Operating Officers. He may be removed at any time by the Board of Directors, at the proposal of the Chief Executive Officer.

The age limit for serving as Chief Operating Officer is 70.

In agreement with the Chief Executive Officer, the Board of Directors sets the term of office and scope of powers of each Chief Operating Officer. The Board of Directors may also set specific restrictions on their powers for a given transaction, which are recorded, if applicable, in the minutes of the meetings of the Board of Directors authorising the transaction.

The Chief Operating Officers have the same powers as the Chief Executive Officer vis-à-vis third parties.

(v) General management practices and limitations of authority

By a decision made on December 11, 2013, the Board of Directors decided not to separate the functions of Chairman of the Board of Directors and of Chief Executive Officer and to entrust the management of the Company to the Chairman of the Board of Directors, who thus carries the title of Chairman of the Board and Chief Executive Officer.

As at the date of filing this Registration Document, Philippe Berterottière performs the duties of Chairman and Chief Executive Officer of the Company.

Julien Burdeau, appointed as Chief Operating Officer of the Company by decision of October 14, 2015, left the Company in December 2017.

The Board of Directors considered that the unified accounting mode was best for the organisation, operation and activity of the Company and allowed it to create a direct link between management and the shareholders. Furthermore, the current composition of the Board of Directors and its committees, ensures a balance of power within the Company's bodies, given the high proportion of independent directors on the Board and the committees, of the full involvement of the directors in the work of the Board and its committees and of the diversity of their profiles, skills and expertise.

6.1.4 PRINCIPLES AND RULES FOR DETERMINING THE COMPENSATION OF CORPORATE OFFICERS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

The principles and rules for determining the compensation of corporate officers for the year ended December 31, 2017 are described in section 6.1.7 – *Compensation of corporate officers* of this Registration Document.

6.1.5 PROVISIONS OF THE COMPANY'S BY-LAWS APPLICABLE TO THE PARTICIPATION OF SHAREHOLDERS IN SHAREHOLDERS' MEETINGS

The Company's by-laws state that all shareholders have the right to attend Shareholders' Meetings provided that no payments are due on their shares. Each share grants the right to one vote and representation at Shareholders' Meetings, under the legal and statutory requirements. Ownership of shares automatically entails full acceptance of the by-laws and the decisions of the Company's Shareholders' Meeting. Except as otherwise provided by law, all shareholders have as many voting rights and can cast as many votes at Shareholders' Meetings as the number of shares in their possession for which no payments are due.

The arrangements for participation by shareholders in the Company's Shareholders' Meeting are described in Articles 30 and 31 of the Company's by-laws, available on the website (www.gtt.fr).

6.1.6 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

None of the elements referred to in Article L. 225-37-5 of the French Commercial Code comprises information likely to have an impact in the event of a public offer, and will not be listed in this Registration Document.

6.1.7 COMPENSATION OF CORPORATE OFFICERS

To recap, the Company is guided by the AFEP-MEDEF Code.

6.1.7.1 Compensation and benefits of any kind allotted to corporate officers

6.1.7.1.1 Executive officer compensation policy

6.1.7.1.1.1 PRINCIPLES APPLICABLE TO ESTABLISHING THE EXECUTIVE OFFICER COMPENSATION POLICY

In accordance with Article L. 225-37-2 of the French Commercial Code, the purpose of this section is to present the principles and criteria for determining, breaking down and allocating the fixed, variable and exceptional elements of total compensation, and the benefits of any kind, that may be allocated to the Chairman and Chief Executive Officer, adopted by the Company.

The elements of executive officers' compensation include:

- the fixed portion of annual compensation;
- the variable portion of annual compensation with the performance criteria that determine its amount, and, where appropriate, the multi-year variable portion with the objectives contributing to determining this variable portion;
- non-recurring compensation;
- directors' fees;
- allocations of share options and of free shares subject to performance criteria;
- bonuses and indemnities related to taking or departing from office;
- supplementary pension schemes; and
- benefits of any kind.

The Compensation and Nominations Committee proposes to the Board of Directors the compensation elements for the executive officers, while ensuring the rules for determining these compensation elements are consistent with the annual individual performance assessment of the Company's executive officers, which it compares with the Company's performance. It also takes into account the alignment of these objectives with the medium-term strategy and shareholders' interests.

The Compensation and Nominations Committee examined the regulatory changes and best practice relating to good governance and the level of transparency of the executive officers' compensation elements.

The Compensation and Nominations Committee is particularly careful to comply with the recommendations of the AFEP-MEDEF Code to which the Company refers, and ensures in particular that the following fundamental principles are respected:

- comparability: the compensation elements are assessed in the context of the Company's specific activity and benchmark market;
- comprehensiveness and balance: all of the component elements of remuneration as listed above are reviewed each year, and their respective weights are analysed;
- simplicity and coherence: on the basis of the recommendation of the Compensation and Nominations Committee, the Board of Directors takes care to implement a simple, understandable and consistent executive officer compensation policy from one financial year to the next; and
- motivation and performance: on the basis of the recommendation of the Compensation and Nominations Committee, the Board of Directors takes care to (i) propose a compensation policy appropriate for each individual's responsibilities, and corresponding to the practices of companies operating in the same field as the Company and (ii) preserve this balance between motivation and performance.

6.1.7.1.1.2 COMPONENTS OF THE TOTAL COMPENSATION OF EXECUTIVE OFFICERS

The purpose of this section is to give a detailed presentation of each of the compensation elements of the Company's executive officers.

The compensation elements of Philippe Berterottière, Chairman and Chief Executive Officer, with respect to the 2017 financial year are presented in ninth resolution) and in section 6.1.7.1.2 – Table of the compensation elements and benefi ts of any kind granted to the Chairman and Chief Executive Offi cer and the Chief Operating Officer of the Company in respect of the financial year ended December 31, 2017.

The compensation elements of Julien Burdeau with respect to the 2017 financial year up to his departure from the Company are presented in and in section 6.1.7.1.2 – Table of the compensation elements and benefi ts of any kind granted to the Chairman and Chief Executive Officer and the Chief Operating Officer of the Company in respect of the fi nancial year ended December 31, 2017.

(i) Fixed portion of annual compensation

The fixed compensation of executive officers is determined by taking into account the level and difficulty of responsibilities, experience in the office, seniority in the Company, and practices observed in groups or companies of a similar size, and is only reviewed after a relatively long interval.

Every year, the Compensation and Nominations Committee conducts an appraisal of the positioning of the compensation of the executive officers in relation to the practices of other listed companies that are comparable by the size, sector of activity and/or financial situation, for similar positions. The Company places priority on the compensation linked to the Company's performance.

On the basis of the recommendation from the Compensation and Nominations Committee, the Board of Directors decided to maintain the fixed compensation of Philippe Berterottière unchanged for the 2018 financial year (*i.e.* 340,000 euros).

(ii) Variable portion of annual compensation

Executive directors receive an annual variable compensation determined according to quantitative and qualitative, diversified and demanding, precise and pre-defined performance criteria, enabling a complete analysis of performance.

The criteria are set by the Board of Directors, based on a proposal from the Compensation and Nominations Committee.

The Company has based its approach on the following quantitative and qualitative performance criteria;

- quantitative criteria: (i) achievement of a net margin on revenues determined under IFRS, (ii) a target for the Company's order share, on the LNGC, FSRU and FLNG segments according to precisely defined criteria, (iii) a sales target for the LNG as fuel segment (iv) successful development of GTT in services activities according to precisely defined criteria;
- qualitative criteria: (i) progress made by the Company in implementing strategic initiatives, and (ii) improvement in the Company's organisation.

Based on a recommendation from the Compensation and Nominations Committee, the Board of Directors set the variable compensation criteria for Philippe Berterottière for the 2018 financial year as presented below.

The variable compensation for 2018 for Philippe Berterottière paid in 2019, may fluctuate according to whether or not the objectives set by the Board of Directors are achieved, as follows:

(i) a maximum of 30% of the variable compensation is paid depending on attainment of a net margin on revenue objective determined under IFRS;

(ii) a maximum of 20% of the variable compensation is paid depending on sales targets in the LNGC, FSRU and FLNG segments;

(iii) a maximum of 10% of the variable compensation is paid depending on a sales target for the LNG as fuel segment;

(iv) a maximum of 10% of the variable compensation is paid depending on the development of GTT in the services activities; this achievement is assessed by considering the revenue generated by the Company and its subsidiaries in these business lines in 2018;

(v) a maximum of 10% of the variable compensation is paid depending on the progress made by the Company in implementing strategic initiatives;

(vi) a maximum of 20% of the variable compensation is paid depending on the continued improvement in the Company's organisation.

Achievement of 100% of the targets above would give rise to a gross annual amount of 260,000 euros, or approximately 76.5% of the fixed compensation proposed in respect of 2018. In the event of over-performance, this amount may increase to a maximum of 312,000 euros. In addition, payment of variable compensation elements due to the executive officers with respect to the 2018 financial year will be conditional upon approval of these elements by the Annual Ordinary Shareholders' Meeting that is called upon to approve the financial statements for this financial year.

(iii) Non-recurring compensation

Highly unusual circumstances (*e.g.* due to their significance for the Company, the involvement they demand and the difficulties they represent) may give rise to non-recurring compensation allocated to executive officers.

Allocation of non-recurring compensation must be justified and explained by the Board of Directors. Its payment would be conditional upon approval by the Annual Ordinary Shareholders' Meeting.

(iv) Directors' attendance fees

The breakdown and payment of the total budget amount for directors' fees to be distributed by the Board of Directors to its members are set by the Annual Ordinary Shareholders' Meeting.

The Board of Directors sets the breakdown of this amount, according to the allocation rules defined in the Board of Directors' Internal Regulations described in section 6.1.3.1 (v) – *Compensation of directors (Article 17 of the by-laws, Article 23 of the Internal Regulations)* of this Registration Document).

(v) Benefits of any kind in favour of the executive officers (subscription or share purchase options, free shares subject to performance conditions, multi-year variable compensation plans and other long-term compensation elements)

Long-term compensation in securities

The Company's long-term compensation policy is part of a competitive overall strategy to secure the loyalty and motivation of its executive officers, with respect to market practices. Each long-term compensation plan is submitted to the vote of the Annual Ordinary Shareholders' Meeting.

Philippe Berterottière, Chairman and Chief Executive Officer, benefits from a Performance Share Plan and a free share plan the characteristics of which are specified in in section 6.1.7.3 – Allocation of free shares and performance shares of this Registration Document.

Commitments made in favour of the executive officers

All commitments made in favour of the executive officers are authorised by the Board of Directors and submitted for the approval of the Annual Ordinary Shareholders' Meeting in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

In accordance with the recommendations of the AFEP-MEDEF Code, all severance pay and non-compete indemnities cannot exceed two years of effective compensation (fixed and variable).

Compensation due or likely to become payable as a result of the termination or change in duties

Payment of severance pay to an executive officer is subject to confirmation by the Board of Directors that the performance conditions defined by the Board of Directors have been fulfilled, and can only occur in the event of forced departure.

Compensation under a non-compete clause

Information concerning commitments made in favour of the executive officers listed above is shown in section 6.1.7.7 – *Employment contracts, pension benefits and compensation in the event of termination of duties of executive officers* in this Registration Document.

In accordance with the provisions of Article 23.3 of the AFEP-MEDEF Code, the Board of Directors will give a ruling in the event of departure of the executive officer as to whether or not the non-compete agreement applies, and may undertake to waive it (in which case the non-compete compensation shall not be payable).

Defined-benefit supplementary pension scheme

The Board of Directors authorised inclusion of the executive officers in a defined-benefit supplementary pension scheme the details of which are specified in section 6.1.7.7 – Employment *contracts, pension benefits and compensation in the event of termination of duties of executive officers* in this Registration Document.

Other benefits of any kind

The Company grants Philippe Berterottière, Chairman and Chief Executive Officer, two types of benefit in kind:

- GSC loss of employment insurance (social guarantee for business managers and executives) defined according to the declared compensation and options chosen; and
- a company car.

6.1.7.1.1 Table on the compensation elements and benefits of any kind granted to the Chairman and Chief Executive Officer or the Chief Operating Officer of the Company in respect of the financial year ended December 31, 2017

The tables below show the compensation and benefits in kind granted to the Chairman and CEO or the Chief Operating Officer of the Company by (i) the Company, (ii) its subsidiaries, (iii) controlled companies within the meaning of Article L. 233-16 of the French Commercial Code, by the Company or companies that control(s) the Company and (iv) the company or companies that control(s) the Company within the meaning of the same article.

Table 1 – Overview of the compensation and options and shares allocated to each executive officer

Overview table of compensation and options and shares allocated to the executive officers

In euros	Financial year ended December 31, 2016	Financial year ended December 31, 2017
Philippe Berterottière, Chairman and CEO		
Compensation payable for the financial year *(broken down in Table 2)*	677,021	687,120
Valuation of the multi-year variable compensation allocated during the financial year (1)	0	0
Valuation of the subscription or share purchase options (2)	0	0
Valuation of the performance shares allotted for the financial year (3)	0	0
TOTAL	**677,021**	**687,120**
Julien Burdeau, Chief Operating Officer		
Compensation payable for the financial year *(broken down in Table 2)*	339,693	254,189
Valuation of the multi-year variable compensation allocated during the financial year (1)	0	0
Valuation of the subscription or share purchase options (4)	0	0
Valuation of the performance shares allotted for the financial year	0	0
Valuation of the free shares allotted for the financial year	343	0
TOTAL	**340,036**	**254,189**

(1) The Chairman and Chief Executive Officer and the Chief Operating Officer do not benefit from any multi-year variable compensation mechanism.

(2) Philippe Berterottière does not benefit from subscription or share purchase options.

(3) For more details on the shares previously allocated to the Chairman and Chief Executive Officer, see tables 6 and 7 in section 6.1.7.3 – Allocation of free shares and performance shares and table 10 in section 6.1.7.5 – History of allocations of performance shares in this Registration Document.

(4) Julien Burdeau does not benefit from subscription or share purchase options.

Table 2 – Breakdown of the compensation allocated to the Chairman and Chief Executive Officer and to the Chief Operating Officer

Table summarising the compensation allocated to the executive officers

	Financial year ended December 31, 2016		Financial year ended December 31, 2017	
In euros	Amount due	Amount paid	Amount due	Amount paid
Philippe Berterottière (Chairman and Chief Executive Officer)				
Fixed compensation (1)	340,000	340,000	340,000	340,000
Variable compensation (2)	257,181	234,682	260,000	257,181
Non-recurring compensation (3)	-	-	4,656	
Other compensation (4)				9,899
Directors' attendance fees (5)	42,300	33,015	42,300	42,300
Benefits in kind (6)	37,540	37,540	40,164	40,164
TOTAL	**677,021**	**645,237**	**687,120**	**689,544**
Julien Burdeau (Chief Operating Officer)				
Fixed compensation (7)	234,000	234,000	250,000	240,625
Variable compensation (8)	101,322	-		101,322
Other compensation	-	80,491 (9)		159,286 (10)
Directors' attendance fees (11)	-	-	-	-
Benefits in kind (12)	4,371	4,371	4,189	4,189
TOTAL	**339,693**	**318,862**	**254,189**	**505,422**

(1) The gross fixed compensation before tax includes the fixed compensation received by the Chairman and CEO under his term of office.
(2) See paragraph on 2017 objectives and their level of attainment below.
(3) See paragraph on the allocation of non-recurring compensation below.
(4) Monetisation of the employment time account (CET).
(5) Philippe Berterottière receives directors' fees for his terms of office as director and Chairman of the Board of Directors.
(6) Benefits in kind are of two types:
- GSC loss of employment insurance (social guarantee for business managers and executives) defined according to the declared compensation and options chosen; and
- a company car.
(7) The gross fixed compensation before tax includes the fixed compensation received by Julien Burdeau in respect of his term of office and under his employment contract.
(8) See paragraph "Compensation of executive officers for which the term of office ended during the 2017 financial year (Julien Burdeau)" below.
(9) This other compensation corresponds to the variable compensation due under his employment contract. This compensation does not meet the criteria listed and applicable to corporate officers.
(10) Settlement of compensation due.
(11) Julien Burdeau is not a member of the Board of Directors of the Company and therefore receives no directors' fees.
(12) Benefits in kind correspond to a company car.

OBJECTIVES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017 AND LEVEL OF ATTAINMENT SET BY THE BOARD OF DIRECTORS FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND FOR THE CHIEF OPERATING OFFICER

The variable portion for the elapsed financial year was defined by the Board of Directors on April 12, 2018, according to the degree of attainment of the objectives described below.

The variable portion of the compensation of Philippe Berterottière, Chairman and CEO, in respect of the 2017 financial year, was fixed at a maximum gross annual amount of 260,000 euros, or approximately 76.5% of the fixed compensation proposed in respect of 2017.

Payment of this compensation in 2018 is conditional upon approval by the Shareholders' Meeting and achievement of the following performance conditions, set by the Board of Directors on February 23, 2017, according to the details described below:

(i) a maximum of 35% of the variable compensation is paid depending on attainment of a net margin on revenue objective determined under IFRS;

(ii) a maximum of 20% of the variable compensation is paid depending on sales targets in the LNGC, FSRU and FLNG segments;

(iii) a maximum of 15% of the variable compensation is paid depending on the Company's success in developing diversified activities (including engineering design and software sales); this success rate is assessed by considering the revenues generated by the Company and its subsidiaries in these activities in 2017;

(iv) a maximum of 20% of the variable compensation is paid depending on the progress made by the Company in implementing strategic initiatives;

(v) a maximum of 10% of the variable compensation is paid depending on the improvement in the Company's organisation.

	Objective attainment percentage	Amount of the variable portion allocated	Variable compensation attained (as percentage of fixed compensation)	Maximum compensation (as percentage of fixed compensation)
Philippe Berterottière, Chairman and Chief Executive Officer	100%	€260,000	76.5%	76.5%

JUSTIFICATION OF THE ALLOCATION OF NON-RECURRING COMPENSATION TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

Non-recurring compensation allocated in respect of the financial year ended December 31, 2017

The Board of Directors, on the basis of the recommendation from the Compensation and Nominations Committee, decided on April 12, 2018 to grant Philippe Berterottière non-recurring compensation, in respect of the financial year ended December 31, 2017, of an amount of 4,656 euros.

This non-recurring compensation aims to reward the commitment by the Chairman and Chief Executive Officer, which contributed to the sales targets set for the financial year ended December 31, 2017 being exceeded, with the number of orders received during the financial year being twice the target set by the Board of Directors.

The payment in 2018 of this compensation in respect of the financial year ended December 31, 2017 remains subject to approval by the Shareholders' Meeting of May 17, 2018.

Compensation of executive officers for which the term of office ended during the 2017 financial year (Julien Burdeau)

During its meeting of October 17, 2017, the Company's Board of Directors took note of the departure of Julien Burdeau and approved, on the basis of the recommendation of the Compensation and Nominations Committee, the elements of compensation and indemnity potentially due at the time he left his position.

The Board of Directors has set the fixed compensation of Julien Burdeau at 250,000 euros. The compensation was paid on a *prorata temporis* basis up to December 15, 2017. It amounted to 240,625 euros for the 2017 financial year.

No variable compensation was allocated to Julien Burdeau for the 2017 financial year as he left the Company.

6.1.7.2 Compensation and benefits of any kind allotted to non-executive officers

The following information shows the compensation and benefits granted to the non-executive officers (*i.e.* the other members of the Board of Directors) who are members of the Company's Board of Directors on the date of this Registration Document (in respect of their office held within the Company during the financial year ended December 31, 2017).

On the basis of the proposal from the Board of Directors, the Shareholder's Meeting sets the total amount for the annual overall budget for directors' fees, to be distributed by the Board of Directors to its members. The Combined Shareholders' Meeting of May 18, 2017 decided to cap at 420,000 euros the annual global maximum amount of directors' fees allotted to the Board of Directors for the year beginning January 1, 2017.

The Board of Directors' meeting on April 12, 2018 defined the breakdown of this amount, according to the allocation rules defined in the Board of Directors' Internal Regulations described in section 6.1.3.1 (v) – *Compensation of directors (Article 17 of the by-laws, Article 23 of the Internal Regulations)* of this Registration Document. In addition, a new computation method has been implemented reflecting the actual presence (physical, by telephone or by video conferencing) of members of the Board of Directors.

Table 3 – Summary of compensation of each member of the Board of Directors

Members of the Board of Directors *In euros*	Gross amounts due paid during the 2016 financial year	Gross amounts granted due in respect of the 2017 financial year
Philippe Berterottière Directors' attendance fees Other compensation	42,300	46,900
Michèle Azalbert Directors' attendance fees Other compensation	27,000	30,300
Marie-Pierre de Bailliencourt Directors' attendance fees Other compensation	9,883	0
Jacques Blanchard Directors' attendance fees Other compensation	31,958	0
Christian Germa Directors' attendance fees Other compensation	58,550	68,350
Ana Busto Directors' attendance fees Other compensation	0	15,900
Didier Holleaux Directors' attendance fees Other compensation	0	20,983
Andrew Jamieson Directors' attendance fees Other compensation	41,300	42,850
Sandra Lagumina Directors' attendance fees Other compensation	20,400	0
Françoise Leroy Directors' attendance fees Other compensation	27,358	59,100
Cécile Prévieu Directors' attendance fees Other compensation	5,925	27,000
Philippe Salle Directors' attendance fees Other compensation	38,400	43,300
Benoît Mignard Directors' attendance fees Other compensation	41,300	23,400*
TOTAL	**344,374**	**378,083**

* *Upon leaving his position as director, Benoît Mignard was appointed observer during the Shareholders' Meeting of May 17, 2017. Benoît Mignard does not receive any compensation in respect of his functions as observer. The compensation indicated concerns the compensation paid in respect of his term of office as director up to May 17, 2017.*

Unless indicated otherwise, and concerning non-executive corporate officers shown in the table above, no other compensation has been paid to them by the Company in respect of the 2017 financial year.

Stock options and purchase options during financial year 2017

No subscription or share purchase options were granted to the Chairman and CEO, the Chief Operating Officer or the members of the Board of Directors during financial year 2017.

Table 4 – Subscription or share purchase options granted during the year to each corporate officer by the issuer and any Group company

No subscription or share purchase options were granted to the executive officers or the members of the Board of Directors by the Company or any Group company during financial year 2017.

Tableau 5 – Subscription or share purchase options exercised during the year by each corporate officer

Not applicable.

6.1.7.3 Allocation of free shares and performance shares

Allocation dated February 10, 2014

The Combined Shareholders' Meeting held on February 10, 2014, under the terms of the eighth resolution, authorised the Board of Directors, which may delegate under legal conditions, to proceed, according to Articles L. 225-197-1 -*et seq.* of the French Commercial Code, on one or more occasions, with a free issue of shares in the Company (existing or to be issued) to salaried employees of the Company or related companies within the meaning of Article L. 225-197-2-I, paragraph 1 of the French Commercial Code and certain of the Company's corporate officers, capped at 0.69% of the share capital existing at the time of the decision to allocate by the Board of Directors, provided that the free shares allotted to the Chairman and CEO may not represent more than 50% of all allotted shares.

The Board of Directors' meeting held on February 10, 2014, on the basis of the authorisation of the Combined Shareholders' Meeting of February 10, 2014, decided, under the terms of the Seventh Resolution, to:

(i) **allocate free shares of the Company to salaried employees of the Company or related companies within the meaning of Article L. 225-197-2-I paragraph 1 of the French Commercial Code, excluding corporate officers.**

The Board of Directors established the terms of the GTT 2014 free share allocation plan, and in particular the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS 1 Plan***).

At the date of filing of this Registration Document and since February 10, 2018, in accordance with the AFS 1 Plan, following the expiry of the two-year lockup period from the final vesting of the shares, i.e. February 10, 2016, the free shares allocated in respect of the AFS 1 Plan may be freely sold.

(ii) **allocation of free performance shares (the *performance shares*).**

The Board of Directors established the terms of the GTT 2014 free Performance Share Allocation Plan, and in particular the terms and conditions of the free Performance Share allocation, the list of beneficiaries and the number of performance shares allocated to each of them (the ***AFS 2 Plan***).

Under the AFS 2 Plan, five people, including the Chairman and CEO, were granted a total of 250,000 performance shares, subject to (i) a condition of presence, and (ii) performance criteria (as defined below).

The Board of Directors decided that the Chairman and CEO must keep in his own name at least 25% (after taxes and costs) of performance shares that are assigned to him until the date of termination of his term of office as Chairman and CEO in GTT. The Chairman and CEO has undertaken not to use hedging on performance shares until the end of the lockup period of the shares.

The performance shares awarded to Julien Burdeau, Deputy CEO, and Philippe Berterottière, Chairman and CEO, may be sold only after the expiry of a lockup period of two years starting from the final allocation of the shares.

In accordance with the AFS 2 Plan and after recognition of the fulfilment of the condition of presence and the performance criteria evaluated after the years ended December 31, 2014 ***(Series 1)*** and December 31, 2015 ***(Series 2)***, the Board of Directors, at its meeting of February 18, 2016, noted the vesting on February 10, 2016, of the Series 1 and 2 performance shares, as described below.

In accordance with the AFS 2 Plan and after recognition of the fulfilment of the presence condition and the performance criteria evaluated after the year ended December 31, 2016 ***(Series 3)***, the Board of Directors, at its meeting on February 23, 2017, noted the vesting, on February 10, 2017, of the Series 3 performance shares as described below.

In accordance with the AFS 2 Plan and after recognition of the fulfilment of the presence condition and the performance criteria evaluated after the year ended December 31, 2017 ***(Series 4)***, the Board of Directors, at its meeting on February 16, 2018, noted the vesting, on February 10, 2018, of the Series 4 performance shares as described below.

In addition, the Chairman and CEO, as well as the four other participants in the AFS 2 Plan have acquired from H&F Luxembourg 1 SARL and Total Gas & Power Actifs Industriels, as part of the IPO of the Company, a total of 20,000 shares in the Company at the IPO price. These shares cannot be sold by each of the participants for a period of four years following their acquisition, except early departure or in the event of a public offer for the Company's capital.

Allocation dated May 18, 2016

The Combined Shareholders' Meeting held on May 18, 2016, in its fourteenth resolution authorised the Board of Directors, with the option of sub-delegation within legal conditions, to carry out, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code, in one or more operations, free allocations of existing or new shares in the Company, in favour of salaried employees of the Company or associated companies within the meaning of Article L. 225-197-2-I paragraph 1 of the French Commercial Code and certain corporate officers of the Company.

The Board of Directors' meeting held on May 18, 2016, decided, on the basis of the fourth decision, and by delegation granted by the Combined Shareholders' Meeting of May 18, 2016 to:

(i) carry out the allocation of free performance shares destined for new members of the Executive Committee

The Board of Directors established the terms of the free share allocation plan, and in particular the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS 3 Plan***).

The AFS 3 Plan provides for allocation of 16,000 performance shares in favour of two new members of the Executive Committee, subject to equivalent performance conditions to those applicable to Series 3 and 4 of AFS 2 Plan, adopted by the Board of Directors on February 10, 2014. The Board of Directors, at its meeting of February 16, 2018, noted the vesting on February 10, 2018, of the shares that may be allocated in respect of the AFS 3 Plan.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of two years from the final vesting of the shares on February 10, 2018. Accordingly, the free shares may be sold on or after February 10, 2020.

(ii) free allocation of performance shares of the Company destined for managers

The Board of Directors established the terms of the AFS 4 free share allocation plan, and in particular the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS 4 Plan***).

The AFS 4 Plan provides for allocation of 15,150 shares in favour of ten managers, subject to attainment of conditions of presence and performance conditions.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of two years from the final vesting of the shares on May 18, 2019. Accordingly, the free shares may be sold on or after May 18, 2020.

(iii) free allocation of Company shares to all employees

The Board of Directors established the terms of the AFS 5 free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS 5 Plan***).

The AFS 5 Plan provides for the allocation of 15 shares for the benefit of employees subject to a presence condition on April 1, 2019. No lockup period is stipulated as from definitive acquisition of the shares on May 18, 2019.

Allocation dated February 23, 2017

The Board of Directors' meeting held on February 23, 2017, on the basis of the authorisation of the Combined Shareholders' Meeting of February 18, 2017, decided under the terms of the 12th Resolution:

(i) the free allocation of performance shares of the Company destined for certain Group employees

The Board of Directors established the terms of the free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS 6 Plan***).

The AFS 6 Plan provides for the allocation of 7,800 shares in favour of Group employees, subject to the attainment of a presence condition of and performance conditions.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of two years from the final vesting of the shares on February 23, 2018. Accordingly, the free shares may be sold on or after February 23, 2020.

(ii) the free allocation of performance shares of the Company destined for certain Group employees

The Board of Directors established the terms of the free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS 7 Plan***).

The AFS 7 Plan provides for allocation of 14,200 shares in favour of Group employees, subject to the attainment of a presence condition of and performance conditions.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of one year from the final vesting of the shares on February 23, 2020. Accordingly, the free shares may be sold on or after February 23, 2021.

Table 6 – Performance shares granted during the year to each corporate officer by the issuer and any Group company

Subject to the above, no performance shares were allocated to a corporate officer by the issuer during the 2017 financial year.

Table 7 – Performance shares that became available during 2017 for each corporate officer

Free allocated shares that became available for each corporate officer	No. and date of the plan	Number of shares that became available during the financial year	Acquisition conditions
Philippe Berterottière	Plan no. 2 (series 1 and 2)	41,666	No acquisitions conditions other than those stipulated above were set by the Board of Directors during the free share allocation in respect of Plan no. 2.
Julien Burdeau	Plan no. 2 (series 1 and 2)	10,416	
TOTAL			

6.1.7.4 History of allocations of subscription or share purchase options

There was no allocation of subscription or share purchase options during the years ended December 31, 2015, 2016 and 2017.

No plan to award subscription or share purchase options was in progress at the date of filing of this Registration Document.

Table 8 – History of allocations of subscription or share purchase options – Information on stock and share purchase options

Not applicable.

Table 9 – Subscription and share purchase options granted to the ten employees who are not company officers who received the largest awards, and their exercise of options

Not applicable.

6.1.7.5 History of performance share allocations

Table 10 – Information about performance shares allocated to executive officers at the date of filing of this Registration Document.

	Plan no. 2 (series 1 and 2)	Plan no. 2 (series 3)	Plan no. 2 (series 4)
Date of Shareholders' Meeting	February 10, 2014	February 10, 2014	February 10, 2014
Date of allocation by the Board of Directors	February 10, 2014	February 10, 2014	February 10, 2014
Total number of shares allocated in respect of the Plan in question	125,000	62,500	62,500
of which the number allocated to Philippe Berterottière (Chairman and Chief Executive Officer)	62,500	31,250	31,250
Rights acquisition date	February 10, 2016	February 10, 2017	February 10, 2018
End date of the lockup period	February 10, 2018	February 10, 2019	February 10, 2020
Performance conditions	Presence condition assessed for the 2015 financial year. Performance criteria related to: ▶ the increase in the GTT share price; ▶ the Company's net margin; and ▶ the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index (in euros).	Presence condition assessed for the 2016 financial year. Performance criteria related to: ▶ the increase in the GTT share price; ▶ the Company's net margin; and ▶ the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index (in euros).	Presence condition assessed for the 2017 financial year. Performance criteria related to: ▶ the increase in the GTT share price; ▶ the Company's net margin; and ▶ the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index (in euros).
Number of shares acquired at the date of filing of this Registration Document in respect of the Plan in question	83,330	31,249	34,099
of which the number definitively allocated to Philippe Berterottière (Chairman and Chief Executive Officer)	41,666	20,833	22,733
Cumulative number of shares cancelled or expired in respect of the Plan in question	41,670	31,251	28,401
Performance shares remaining at the end of the financial year	Nil	Nil	Nil

6.1.7.6 Shares allocated during the 2017 financial year by the Company, and by any other company included in the allocation scope of GTT shares, to the ten employees who are not company officers who received the largest awards from the issuer and its companies

Total number of allocated shares	Share value* (in euros)	Issuing company	
7,800	€37	GTT	AFS plan no. 6
11,100	€37	GTT	AFS plan no. 7

* *Average weighted value, according to the method selected for the consolidated financial statements.*

6.1.7.7 Employment contracts, pension benefits and compensation in the event of termination of executive management functions

Table 11 – Employment contracts, pension benefits and compensation in the event of termination of executive management functions at the date of filing of this Registration Document

	Employment contract		Supplementary pension scheme		Indemnities or benefits due or likely to become payable as a result of the cessation or change in duties		Indemnities relating to a non-compete clause	
Executive officers	Yes	No	Yes	No	Yes	No	Yes	No
Philippe Berterottière (Chairman and Chief Executive Officer)		X (1)	X (2)		X (3)		X (4)	

(1) In accordance with the AFEP-MEDEF Code, the Chairman and CEO no longer has an employment contract with the Company since the IPO of the Company.

(2) On February 10, 2014, the Company's Board of Directors also authorised Philippe Berterottière's membership in the supplementary pension scheme. At the time of the proposal to renew Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018, this authorisation was renewed by the Board of Directors on April, 12 2018. This supplementary pension scheme, the main characteristics of which are defined in point 6.1.7.7 (i) gave rise to the recording of an expense of 91,044 euros for the 2017 financial year.

(3) On February 10, 2014, the Board of Directors of the Company authorised the granting of compensation to Philippe Berterottière in the event of his departure. This commitment is subject to performance conditions and are described in more detail below in point 6.1.7.7 (ii). At the time of the proposal to renew Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018, this authorisation was renewed by the Board of Directors on April 12, 2018.

(4) On February 10, 2014, in return for the non-compete commitment made by Philippe Berterottière, the Board of Directors of the Company authorised the principle of a payment as from the termination of his corporate office, of a monthly non-compete indemnity the main characteristics of which are defined in point 6.1.7.7 (iii). At the time of the proposal to renew Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018, this authorisation was renewed by the Board of Directors on April 12, 2018.

Commitments made by the Company in favour of the Chairman and Chief Executive Officer (Article L. 225-37-3 of the French Commercial Code)

(I) SUPPLEMENTARY PENSION SCHEME

The main characteristics of the supplementary pension scheme are as follows:

The Board of Directors of February 10, 2014 recalled that Philippe Berterottière, as a Company employee, benefited from social benefits including a supplementary top-up pension scheme, known as "Article 83" (defined contribution pension scheme) in addition to rights to the mandatory pension schemes.

The Board of Directors of February 10, 2014 unanimously authorised the membership of Philippe Berterottière, as Chairman and Chief Executive Officer, to the mutual collective health and protection and supplementary top-up pension schemes known as "Article 83" (defined contribution pension scheme) to maintain the social benefits granted to Philippe Berterottière.

The Board of Directors renewed this authorisation at its meeting of April 12, 2018, following the proposal for the renewal of Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018.

The Chairman and Chief Executive Officer benefits from the defined contribution pension scheme (Article 83), for which the contribution base is gross annual compensation and the contribution rates are: 5% Tranche A (1x the Social Security ceiling), 8% Tranche B (3x the Social Security ceiling), 8% Tranche C (4x the Social Security ceiling).

This scheme applies, more generally, to Company employees whose compensation is greater than or equal to four times the annual Social Security ceiling, and the contributions allocated to the scheme are equal to a percentage of the compensation of the employees concerned.

In this scheme, the Company's obligation is limited solely to the payment of a contribution, and does not include a commitment by the Company in respect of the level of services supplied. The contributions paid are expenses for the year.

(II) SEVERANCE PAY

On February 10, 2014, the Board approved the award to Philippe Berterottière of compensation in the event of a forced departure subject to compliance with three performance conditions assessed over several years, each condition tied to one-third of the total amount of compensation and related to (i) a target for the Company's order share, (ii) a net margin target on sales, and (iii) the level of Philippe Berterottière's variable compensation in the 12 months preceding the date of his departure. The maximum amount of this compensation is equal to twice the total gross compensation (fixed and variable) received by Philippe Berterottière in the 12 months preceding the date of his departure.

The Board of Directors renewed this authorisation at its meeting of April 12, 2018, following the proposal for the renewal of Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018.

(III) NON-COMPETE COMPENSATION

On February 10, 2014, the Board of Directors approved, as consideration for a non-competition undertaking given by Philippe Berterottière, the principle of paying, from that date of his ceasing to be a corporate officer, monthly compensation equal to 5/10 (increased to 6/10 in case of dismissal, except in case of gross misconduct) of the monthly average of salaries and benefits and contractual payments received during his last 12 months with the Company (the non-competition undertaking is for two years from the effective termination date of Philippe Berterottière's term of office as Chairman and CEO). If his severance pay and non-competition compensation described above are both applicable, the combination of these two indemnities shall not exceed two years of compensation (fixed and variable received over the last 12 months preceding the date of his departure) by Philippe Berterottière.

The Board of Directors renewed this authorisation at its meeting of April 12, 2018, following the proposal for the renewal of Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018.

6.1.8 DRAFT RESOLUTIONS ON THE APPROVAL OF THE COMPENSATION FOR EXECUTIVE OFFICERS BY THE SHAREHOLDERS' MEETING (ARTICLE L. 225-37-2 PARAGRAPH 2 OF THE FRENCH COMMERCIAL CODE)

The draft resolutions prepared by the Board of Directors pursuant to the first paragraph of Article L. 225-37-2 of the French Commercial Code can be found in section 8.4 - Proposed resolutions of the Company's Registration Document.

The Board of Directors clarifies that the payment of the elements of variable and non-recurring compensation to Company executive officers will be subject to approval by the Ordinary Shareholders' Meeting of the elements of compensation for the person concerned under the conditions stipulated in Article L. 225-100 of the French Commercial Code.

6.2 Statutory Auditors' report on the financial statements prepared in accordance with Article L. 225-235 of the French Commercial Code

Article L. 225-235 of the French Commercial Code amended by the ruling no. 2017-1162 of 12 July 2017 indicates the specific checks to be carried out by the Statutory Auditors on the Board of Directors' report on corporate governance in their report on the annual financial statements presented in section 3.7 of the Company's Registration Document.

6.3 Internal audit and risk management procedures

6.3.1 ORGANISATION OF THE INTERNAL AUDIT

Within the Company, there is an internal audit system which aims in particular to clarify the roles and responsibilities for different functions of the employees. This device (i) deploys goals through control indicators, (ii) establishes the delegation of powers and (iii) develops a baseline with regard to the description of the process and the drafting of procedures applicable to the Group.

In addition, a procurement procedure was put in place. It provides the framework and operational tools for procurement of goods and services by specifying the responsibilities of stakeholders. Regular monitoring, conducted by the Company's purchasing manager, ensures compliance with this procedure.

Finally, critical operations, including payment of bills and employees are subject to appropriate controls. There is also an internal document which specifies, for each accounting control termed "priority", the person responsible, the person who controls, and how often.

6.3.2 DEFINITION, OBJECTIVES AND FRAME OF REFERENCE

GTT, because of its consulting business with global players in the liquefied gas industry, is exposed to various types of risks.

These risks are either purely exogeneous (changes in LNG, geopolitical risks, maritime transportation activity, etc.) or endogeneous (organisation, information systems, failure of technologies, protection of know-how, etc.) (See the description of these risks in chapter 5 – *Risk factors* in this Registration Document).

To address these potential risks inherent in its business, GTT has established an internal control system tailored to its activity and its size. This device is also a management tool for its strategy and its business model that contributes to the reliability of the data and deliverables provided to its customers as well as to team effectiveness.

The internal audit system is specifically intended to ensure that:

- activities are performed in accordance with the law, regulations and internal procedures;
- management acts correspond to the guidelines set by the governing bodies;
- property, plant and equipment, and intangible assets have adequate protection;
- risks arising from business activities are properly assessed and adequately controlled; and
- that internal procedures, which contribute to the preparation of financial information, are reliable.

This internal audit system provides effective protection against major risks identified, even if it does not ensure comprehensive coverage of all risks to which the Group may be exposed.

6.3.3 INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES

The internal audit and risk management plan applies to GTT SA as well as to its Cryovision, GTT North America, GTT Training Ltd, GTT SEA PTE Ltd and Cryometrics subsidiaries created between 2013 and 2015. The activity of the subsidiaries is still limited compared to the Group. The first three have a simple internal audit and risk management plan specific to them, notably for the segregation of duties.

The Group relies primarily on a set of internal procedures intended to cover all of its activities, which was implemented during the ISO 9001 certification process in 2010. GTT SA has been ISO 9001 certified since 2010. In September 2016, the second re-certification audit took place (triennial cycle), and GTT took this opportunity to validate the transition from ISO 9001:2008 to ISO 9001:2015. The 2015 update emphasises agility, risk management and performance. This certification attests to the Group's commitment in terms of quality, and enables the continuous improvement of its performance to be measured. The benefits of ISO 9001 certification concern both internal and external stakeholders.

This is complemented by a business continuity plan and disaster recovery plan updated in 2015 to allow the Company to continue to access its critical IT infrastructures within a specified timeframe in the event of a major incident. Crisis management procedures, activation of the disaster recovery plan for dealing with incidents and the emergency plan are therefore in place.

The internal audit plan is based on different components.

Delegations of powers and responsibility

Delegations of powers are in place and are updated as the organisation evolves.

This delegation system allows better organisation of the Company and a greater balance between "field" and legal responsibilities in criminal matters. It also establishes a separation of powers inherent in ensuring segregation of duties and therefore an internal quality audit. The system of delegation of powers concerns in particular:

- banking signature authority (to make bank transfers and payments to third parties);
- commitment delegations (purchases, orders, contracts); and
- signature of accident prevention plans when subcontractors work on site, and of fire permits.

Effective and secure information systems

The general and cost accounting software implemented in 2013 provides teams with features tailored to the Company's activity and organisation, which in particular includes the ability to meet strict management and reporting requirements.

In addition, the security of financial transactions is ensured by:

- separation of the scheduling and launching of disbursements;
- individual payment ceilings (limited to members of the Company's Executive Committee) and a double signature requirement above the ceilings; and
- validation of disbursements from the Company's main bank by digital signature only with authentication using personal electronic certificates.

The IT security plan addresses major incidents on the computer system (network failure, malicious act, cyber attack, etc.). IT engineers can, depending on the nature of the incident, resolve incidents related to the central systems (if need be, with support from the supplier concerned), treat a virus if necessary by contacting a computer security expert and/or decontaminating infected systems, and in the event of destruction or corruption of data, perform data restorations. Periodic backups are performed specifically for this purpose.

A business continuity plan can also be activated in the event of fire or water damage in the Company's computer rooms, or on the occurrence of any other event resulting in evacuation of the premises (pollution, alarm, sabotage, etc.).

For example, the main risks identified in terms of potential severity are related to incidents in the computer rooms or vandalism or hacking to the Company's facilities, as well as technical failures, or prolonged unavailability of IT resources, and environmental events or natural disasters.

An electronic document management system is used to make the document validation process more reliable *via* workflows defined in advance and secure access by employees or contractors to the Company's documents.

Finally, a CRM (Customer Relationship Management) tool has been in use since 2015 and continues to be improved to optimise the monitoring of our customers and our outlook, from both a contractual and commercial point of view.

Updated, disseminated and accessible procedures

The procedures in place are the responsibility of their writers and the quality team.

Anyone in the Group may, through the Quality team, request the creation of a procedure. The Quality team decides the relevance and validity of the request and also creates or modifies, if necessary, the procedure. It may be assisted or delegate the task by agreement with the writer's line manager and/or the applicant. The writer of the document is responsible for its content, application of the model and the application of this procedure. The workflow actors are determined by the quality team and the line manager. The writer and validating person cannot be one and the same. Any procedure is signed by a writer, a validating person, guarantor of compliance with business rules, and a member of the Quality team, who ensures that the document complies with ISO 9001 V2008.

When a procedure is approved, it becomes accessible to all Group employees. The Quality team usually distribute procedures and forms by email, but also *via* the Company's Intranet.

Procedures common to the Group are available for viewing in a common quality directory in the Company's Electronic Document Management System. Procedures associated with a given process are also available in the Company's Document Management System. All these procedures are accessible to all people working in the Group. However, changes are limited to duly appointed persons (including one person from the Quality team).

The procedures are reviewed periodically by the same functions as when they were created.

They are also updated due to:

- recommendations from audit tasks or newly identified risks;
- the transposition of new processes, or new rules in existing processes.

Processes and procedures in place are generally presented in an awareness session dealing with the Quality Management System for new employees during the New Employee Orientation organised by Human Resources.

Within each Division, a Quality officer is also responsible for presenting in detail the procedures that apply in particular in the entity in question.

The Intranet portal enables all staff to access validated procedures. A link is made with the Electronic Document Management System.

Best practices

In addition to the procedures outlined above, and to define the behaviour and best practices to be adopted, the Company has various charters:

- the Internal Regulations of the Board of Directors, specifying the rights and duties of the directors, and the operating procedures of the Board of Directors, were adopted by the Board of Directors of December 6, 2013. It is described in detail below and is also published on the GTT website.

  The Board of Directors' Internal Regulations are regularly reviewed and were modified in particular following changes in legislation and self-evaluations by the Board of Directors, and also as part of the annual status report by the Board of Directors on its operation. The Internal Regulations were last modified on February 23, 2017.

  The Board of Directors' Internal Regulations also include provisions on the prevention of insider trading;
- an ethics charter was adopted and disseminated to all of the Group's employees. It defines the principles according to which GTT conducts its business, and must be, for each, a standard for behaviour and action, whether collective or individual. This charter applies to all GTT's employees (whether permanent or temporary), as well as to any person seconded to GTT by a third party provider. It reflects GTT's vision and values for the behaviour of its employees, officers and directors;
- an IT charter defining access conditions and rules for the use of IT resources and GTT communication systems. This charter also aims to make users aware of risks related to the use of these resources in terms of integrity and confidentiality of the data processed. It appears in an appendix to the Company's Internal Regulations that each employee receives on his or her arrival in the Group and was updated in September 2015 to incorporate changes made to the Group's IT environment;
- information sessions are organised internally with the Group's employees covering their obligations relating to the holding, communication and use of information that may have an appreciable impact on the Company's share price. Employees who have access to inside information have at their disposal a presentation on the Intranet regarding the obligations in a listed company and more specifically covering insider trading and;
- a charter relating to the possession and use of inside information is available on the Intranet to raise awareness of all employees concerning the concept of inside information, the associated consequences of holding such information and legal obligations and sanctions. In addition, a procedure to manage insider information was drawn up in 2016.

Dissemination of information

Various meetings are held in the functional and operational entities in order to allow the flow of information necessary for the smooth running of the Group: team meetings, monthly meetings of the Company's Executive Committee, bimonthly meetings with key managers of the Company, regular meetings with the Chairman and Chief Executive Officer and the Chief Operating Officer open to all employees in order to present the Group's situation, key developments and results, meetings with management to present strategy, action plans, and human resources' achievements and updates.

As the case may be, presentations are made available to managers for relaying the information provided.

Risk management

In accordance with the governance rules, the most important decisions, exceeding certain amounts, fall within the jurisdiction of the Board of Directors:

- acquisitions and disposals;
- significant cooperation agreements;
- patent title assignments;
- conclusion of loans;
- approval of business plans and budget targets; and
- major strategic decisions.

Other decisions fall to the Chairman and CEO and the Chief Operating Officer.

Following the analysis conducted in 2011, and updated in 2014, as part of the planned implementation of a business continuity plan and an IT system disaster recovery plan, in which the Company identified the main risks it faces, the Company conducted another risk-mapping exercise at the end of 2015. It included risks related to access (physical and virtual) to the Company's data. The review, carried out *via* interviews at the Management level, enabled the identification of the priority risks the Company is faced with, their validation with the Board of Directors, and the definition of the required priority action plans. Implementation of the plans began in 2016. They are monitored on a regular basis by the Audit and Risk Management Committee and the Board of Directors.

Actions were implemented based on the potential impacts of the assessed risks (human, financial, organisational and reputation) and the probability of their occurrence.

Audit activities

The operational (Sales Management, Engineering, Innovation, and LNG Fuel) and functional (Administration and finance, Human Resources, and legal affairs) divisions are subject to regular reviews *via* suitable indicators aimed at monitoring:

- the quality of services provided to customers both in terms of the quality of the deliverables provided and in terms of time;
- the correct allocation of human and financial resources based on the projects;
- monitoring of the research and development project portfolio;
- monitoring of sales prospecting and the order book;
- monitoring of key risks and ongoing and potential litigation; and
- control of expenditure and compliance with their budget.

Control of differences between the "actual" budget and estimates, as well as indicators and the dashboard are reviewed, at the very least, at quarterly business meetings at which members of the Executive Committee are present.

6.3.4 INTERNAL AUDIT PLAYERS

The Board of Directors: in accordance with the provisions of Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors of GTT is the person who is accountable for the internal audit and risk management procedures implemented by the Company.

The Audit and Risk Management Committee: the duties of this specialised Board of Directors' committee include monitoring issues relating to the preparation and control of accounting and financial information. The Audit and Risk Management Committee is also responsible for verifying the effectiveness of the Company's internal control and risk management systems. Its duties are described in section 6.1.3.2 (i) – *Audit and Risk Management Committee* of the Registration Document.

The Chairman and Chief Executive Officer: he or she sets up the organisation they believe to be the most effective to adapt the internal audit system to the missions entrusted to it.

The Executive Committee: consisting of the Company's Chairman and CEO and its Managers, it provides coordination and consultation among its members for each decision or operation that is important for the general running of the Group.

The Quality team: composed of the Company's Organisation and Quality officer and four Quality officers, it ensures that the requirements of ISO 9001 V2008 are met through the following tasks:

- management of the GTT Quality Management System and ensuring improvements to it;
- description of the interactions between processes and ensuring their cross-departmental operation;
- organisation of the control, process reviews and the annual management review; and
- planning of internal audits (all members of the team are internal auditors).

The employees: employees have a monitoring and proposal role for updating the internal audit system and processes applicable to their activities.

The Data Protection Officer: GTT has a Data Protection Officer. His or her role is to spread a culture of protection of personal data based on compliance with the specific regulations for data processing and storage and respect for the individual freedoms of individuals: customers, partners, visitors and staff.

Ethics Officer: he or she monitors the implementation of ethics provisions and policies within the Group. He or she is responsible for ensuring compliance, by raising the awareness of Group employees on compliance issues and by coordinating the follow-up actions, including, if applicable, legal actions, for all ethics violations of which he or she is informed.

6.3.5 AUDIT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Internal audit of accounting and financial reporting by GTT and its subsidiaries is one of the major elements of the internal audit system. It aims to ensure:

- compliance with applicable regulations for the financial statements and the accounting and financial information;
- the reliability of the published financial statements and the information provided to the market;
- implementation of the instructions given by General Management; and
- prevention and detection of fraud and accounting irregularities.

Scope

GTT is presenting consolidated financial statements for the first time this year. The subsidiaries included are: Cryovision, Cryometrics, GTT Training, GTT North America and GTT SEA. All these subsidiaries are wholly-owned by GTT and fully consolidated.

The Group's scope of internal and financial audit includes GTT and its subsidiaries, whether or not they are included in the consolidation scope.

Audit players

As parent company, GTT defines and oversees the processes to prepare the accounting and financial information for the Group entities. The direction of this process is the responsibility of the Chief Financial Officer, and is provided by the finance department.

Two actors in particular are involved:

- **the Chairman and CEO** is responsible for the organisation and implementation of internal and financial auditing, as well as for the preparation of the financial statements. He presents the financial statements (interim and annual) to the Audit and Risk Management Committee and the Board of Directors, which approves them. He ensures that the process of preparing accounting and financial information produces reliable information and gives a fair picture of the results and the financial position of the Company;
- **the Audit and Risk Management Committee** performs the checks and audits it deems appropriate.

Furthermore, the Administrative **and Financial Division has, among other tasks:**

- to perform all accounting operations: bookkeeping, receivables and payables, fixed assets, and payments;
- to draw up the annual and quarterly financial statements and deal with tax matters;
- to supervise the financial statements of subsidiaries;
- to implement accounting and tax standards and procedures, and monitor cash management;
- to implement and monitor budget control and cost accounting;
- to assist the operational divisions in defining the financial, human and technical resources to be provided, including setting up the management information system (budgeting and monitoring reports);
- to participate in the implementation of various economic studies; and
- to contribute actively to strengthening the Group's internal audit by providing and updating the internal audit procedures within the Administrative and Financial Division.

Risks concerning the production of accounting and financial information

The quality of the financial statements production process comes from:

- formalisation of the accounting procedures adapted to recurring jobs and to closing the accounts. The documentary references consist of:
  - a business chart identifying each accounting activity, which players are involved and what documents are used,
  - a list of priority accounting checks made, validated periodically by the duly appointed persons, and
  - procedures and methods for the players involved in the finance department or elsewhere in the Group (closure instructions, in particular);
- the accounting software for managing records and producing financial statements;
- the validation and updating of accounting procedures;
- the justification of balances and the usual reconciliations for validation and controls, in conjunction with management audit;
- cost accounting reviews that validate, with the operational divisions, changes to the main line items in the balance sheet and income statement;
- the separation of tasks requiring commitment authority (bank authorities or spending commitment authority) from those related to bookkeeping activities; if need be, compensating controls are put in place;
- periodic audit of each subsidiary to ensure that the accounting policies implemented are correct; and
- review of tax impacts and litigation.

Reviews and audit of financial and accounting information

Within the finance department, bookkeeping by employees is reviewed by the head of department. The accounting treatment of IFRS restatements, complex operations and the accounts closing work are submitted to an independent public accountant (who is not the Statutory Auditor) and approved by the Chief Financial Officer at meetings to prepare the financial statements. Some specific adjustments are proposed by the public accountant and verified by the Company.

The CFO coordinates the financial statements and forwards them to the Board of Directors, which notes the report by the Chairman of the Audit and Risk Management Committee.

The CFO defines the financial communication strategy. Press releases relating to the financial and accounting information in the interim and annual financial statements are subject to approval by the Board.

The financial and accounting information is shaped by the investor relations department of the Administrative and Financial Division, which ensures compliance with AMF recommendations on the matter.

6.3.6 DESCRIPTION OF PROGRESS APPROACHES

In 2018, the Company will ensure in particular that:

- it continues to update and simplify these procedures where possible;
- it continues to implement IT tools enabling the processes to be made more reliable;
- it follows any recommendations made by the Statutory Auditors following the review of the internal control procedures in place in a subsidiary and formalises the procedures and circulates them within the Group; and
- it ensures that action plans resulting from recommendations made following internal or external audits are implemented.

7 ADDITIONAL INFORMATION

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

7.1 Legal information

7.1.1 GENERAL INFORMATION

The Company's corporate name is Gaztransport & Technigaz. It operates under the commercial name of GTT.

The Company is registered at the Trade and Companies Register of Versailles under the number 662 001 403.

The Company was incorporated on November 3, 1965 for a duration, after extension, until January 10, 2065.

The Company's registered office is located at: 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse. The phone number of the registered office is +33 (0) 1 30 23 47 89.

From September 19, 1994, the Company was incorporated as a *société par actions simplifiée* (simplified joint stock limited liability company). It was converted into a *société anonyme* (joint stock limited liability company) with a Board of Directors governed by the provisions of the French Commercial Code on December 11, 2013.

The principal provisions in the Company's by-laws which are applicable to it are referred to and described in chapter 6 – *Corporate governance, internal audit and risk management,* and in this chapter of the Registration Document.

7.1.2 PROVISIONS OF THE COMPANY'S BY-LAWS

7.1.2.1 Company purpose (Article 3 of the by-laws)

The Company's purpose, directly or indirectly, in France and abroad, is:

- to conduct research and development on all processes, patentable or not, in the field of liquefied gases;
- to commercialise such processes in all fields;
- to provide services associated with such processes and sell services derived from the technologies developed by the Company in all sectors;
- to participate directly or indirectly in any transactions or activities of any kind associated with one of the foregoing objects or which might contribute to developing the Company's assets, including research and engineering activities, by means of creation of new companies or entities, contributions, subscription or purchase of shares or other corporate rights, acquisition of equity interests of any kind in any entities or companies whether existing or to be created, mergers, partnerships or any other means;
- to create, acquire, rent and management lease any movable, immovable assets, or businesses, lease, equip and operate all premises, businesses, plants or workshops associated with one of the foregoing objects;
- to take, acquire, exploit, license or sell any processes, patents and patent licences relating to activities associated with one of the foregoing purposes; and
- more generally, to conduct all industrial, commercial, financial, real or personal property or research transactions and activities of any kind associated directly or indirectly, wholly or partly with one of the foregoing objects, any similar, complementary or related objects and any objects that might foster the development of the Company's business.

7.1.2.2 Administrative, management and supervisory bodies

The principal provisions of the Company's by-laws and of the Internal Regulations governing the Board of Directors and the General Management are described in chapter 6 – *Corporate governance, internal control and risk management* in this Registration Document.

7.1.2.3 Rights, preferences, restrictions and obligations attached to the shares

Ownership rights and obligations attached to shares (Article 12 of the by-laws)

Each share confers a right of ownership in the assets, sharing the profits and the liquidation premium, in proportion to the amount of the share capital it represents.

Shareholders are only liable for the Company's liabilities up to the amount of their capital contribution.

Ownership of share automatically entails full acceptance of the by-laws and the decisions of the Shareholders' Meeting.

Whenever it is necessary to hold several shares in order to exercise any right, particularly in the event of a share exchange, consolidation, split or allotment or as a result of a capital increase or reduction, merger, partial asset transfer, distribution or any other transaction, shares held in a number below the requisite number of shares do not entitle their holder to any right against the Company. The shareholders are personally responsible for pooling together the required number of shares or rights, and, if necessary, for purchasing or selling the required number of shares or rights.

Voting rights and information rights attached to shares (Articles 12 and 31.1 of the by-laws)

Each share entitles the holder to attend the Shareholders' Meetings and vote on resolutions, under the terms and conditions provided for in the applicable laws and regulations and in the Company's by-laws.

Each share also entitles the holder to receive information relating to the Company's operation and obtain the disclosure of certain corporate documents at the times and under the terms and conditions provided for in the applicable laws and regulations.

The rights and obligations attached to a share are transferred with title to the shares.

The total number of voting rights attached to Company shares taken into account to determine a *quorum* on the date of the Shareholders' Meeting is communicated to the shareholders at the beginning of said Shareholders' Meeting.

Exercise of voting rights in cases of dismemberment of ownership and joint-ownership of shares (Article 10 of the by-laws)

Where a usufruct is attached to the shares, the voting right shall belong to the beneficial owner at the Ordinary Shareholders' Meetings and to the bare owner at the Extraordinary Shareholders' Meetings.

However, the bare owner and the beneficial owner may agree among themselves to any other distribution for exercising the voting right at Shareholders' Meetings. In this case, they shall notify their agreement by registered letter with acknowledgment of receipt to the Company which shall apply the terms of this agreement to all Shareholders' Meetings held as of one month after receipt of notice.

Shares shall be indivisible with respect to the Company. Joint owners of undivided shares shall be represented at Shareholders' Meetings by one of them or by a joint representative. In the event of disagreement, the representative is appointed by court order at the request of the most diligent joint owners.

The right to information or consultation may be exercised by each of the joint owners of undivided shares by the beneficial owner and bare owner.

Statutory appropriation of profits (Article 38 of the by-laws)

Distributable profits, as defined in the by-laws and the applicable laws and regulations, are available for allocation by the Shareholders' Meeting.

Save for any exceptions provided by applicable legal and regulatory provisions, the Shareholders' Meeting shall decide on the appropriation of profits at its own discretion.

The Shareholders' Meeting may also resolve to grant each shareholder the option of receiving all or part of the dividend (including any distribution of reserves) or interim dividend in cash or in shares in accordance with the applicable laws and regulations.

Upon the proposal of the Board of Directors, the Shareholders' Meeting of the shareholders may also decide a distribution of profits or reserves, in the form of assets, including negotiable securities, in which case the shareholders shall group their shares together to obtain a whole number of the assets or securities distributed. As part of the delivery of securities not admitted to trading on a regulated market or on an organised multilateral trading system or whose admission to trading on such a market or multilateral trading system would not be carried out for this distribution, the choice of payment in dividend or in cash and the delivery of the securities will be offered to shareholders.

No distribution may be made if it would cause the Company's equity to fall below one half of the share capital plus any statutory or legal reserves.

Form of the marketable securities issued by the Company (Articles 9 and 11 of the by-laws)

Fully paid up shares may be held in registered or bearer form at the holder's option, subject, however, to any legal or regulatory provisions and Internal Regulations of the Board of Directors, governing the form of shares held by certain persons.

The shares, in registered or bearer form, shall be freely transferable, subject to any legal or regulatory provisions to the contrary.

They are registered in an account and transferred from one account to another in accordance with the applicable legal and regulatory provisions.

Double voting rights (Article 31.2 of the by-laws)

In accordance with the provisions of Article L. 225-123 paragraph 3 of the French Commercial Code, the Combined Shareholders' Meeting of May 19, 2015 decided not to grant double voting rights to shares that have been held in registered form for a period of at least two years in the name of the same shareholder.

Limitations on voting rights

The Company's by-laws do not contain any provisions limiting voting rights.

7.1.2.4 Modification of shareholders' rights

The rights of the shareholders may be modified under the terms and conditions in accordance with the applicable legal and regulatory provisions. There are no specific provisions governing the changes in the shareholders' rights which are more stringent than the law requirements.

7.1.2.5 Shareholders' Meetings (Title IV of the by-laws)

Ordinary Shareholders' Meetings (Article 33 of the by-laws)

The Ordinary Shareholders' Meeting deliberates on any issues which do not fall within the exclusive authority of the Extraordinary Shareholders Meeting.

The Ordinary Shareholders' Meeting shall:

- hear reports of the Board of Directors and the Statutory Auditors presented at the Annual Shareholders' Meeting;
- discuss, approve, amend or reject the financial year annual financial statements and consolidated financial statements and determine the dividends to be allocated and the amounts to be transferred to retained earnings;

- resolve to create any reserve funds, determine any deductions from them or their distribution;
- set the aggregate amount of the Board of Directors' attendance fees which will be allocated by it in accordance with provisions of the Internal Regulations of the Board of Directors;
- appoint, re-elect or dismiss the directors;
- ratify the temporary appointments of directors made by the Board of Directors;
- appoint the Statutory Auditors and vote, if applicable, on the special reports issued by them in accordance with the law.

Extraordinary Shareholders' Meetings (Article 35 of the by-laws)

The Extraordinary Shareholders' Meeting deliberates on any proposals relating to the amendment of any provisions of the by-laws, and the conversion of the Company into a company of any other form.

However, the Extraordinary Shareholders' Meeting may not, under any circumstances, increase the shareholders' commitments or alter the equality of their rights, unless the shareholders unanimously approve such decision.

Meeting notice, meeting and holding of the Shareholders' Meetings (Articles 28 and 31 of the by-laws)

The Shareholders' Meetings are convened under the terms and conditions provided for in the applicable legal and regulatory provisions.

The Shareholders' Meetings shall be held at the registered office or at any other place in mainland France indicated in the notice of meeting.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director specially empowered to that effect by the Board. Failing that, the Shareholders' Meeting shall elect its own Chairman.

The duties of scrutiners are fulfilled by the two members of the Shareholders' Meeting, present and accepting such duties, who hold the largest number of shares. The officers of the Shareholders' Meeting appoint a secretary, who may be chosen from outside the shareholders.

An attendance sheet duly initialled by the shareholders is certified as correct by the officers of the Shareholders' Meeting.

The resolutions of the Shareholders' Meetings are recorded in accordance with the legal provisions. The minutes are signed by the officers of the Shareholders' Meeting. Copies or extracts of the minutes may be validly certified by the Chairman of the Board of Directors or the secretary of the Shareholders' Meeting.

Attendance at Shareholders' Meetings (Article 30 of the by-laws)

Any shareholder is entitled to attend Shareholders' Meetings and vote under the terms and conditions provided for in the by-laws and in accordance with applicable legal and regulatory provisions.

A shareholder may also under the terms set by applicable regulations, send a proxy form and a mail voting form for any Shareholders' Meeting either in paper form or, if agreed by the Board of Directors and published in the notices of meeting, by electronic form. In the case of an electronic form, the shareholder's signature must either be in secured digital form or in the form of a reliable means of identification of the relevant shareholder such as a user ID and password.

The holders of shares for which amounts due have not been paid within thirty days of notification to this effect made by the Company, may not attend the Shareholders' Meeting or exercise their voting rights attached to the shares held. Their shares are deducted from the total number of existing shares for the purpose of calculating whether or not a *quorum* is present.

Quorum and majority

The general or special meetings deliberate pursuant to the *quorum* and majority requirements provided by law.

Ordinary Shareholders' Meetings (Article 32 of the by-laws)

On first notice, the Ordinary Shareholders' Meeting of the shareholders validly deliberates if the shareholders present or represented hold at least one fifth of the shares with voting rights. On second notice, the deliberation is valid regardless of the number of shares held by the shareholders present or represented.

Resolutions shall be adopted by a simple majority vote of the shareholders present or represented.

Extraordinary Shareholders' Meetings (Article 34 of the by-laws)

On first notice, the Extraordinary Shareholders' Meeting validly deliberates if the shareholders present or represented hold at least one fourth of the shares with voting right, or on second notice, one fifth of the shares with voting rights.

Resolutions are passed by a two-third majority vote of shareholders present or represented.

If the Extraordinary Shareholders Meeting deliberates on the approval of a contribution in kind or the grant of a specific benefit, the contributor or beneficiary, who is a shareholder of the Company, may not vote either personally or as proxy for another shareholder. The relevant shares are not counted for calculating either the *quorum* or the majority.

7.1.2.6 Provisions of the Company's by-laws which may have an impact on the occurrence of a change of control

The by-laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company.

7.1.2.7 Crossing of thresholds (Article 13 of the by-laws)

In addition to the thresholds crossing notifications expressly provided for by the applicable legal and regulatory provisions, any person or legal entity acting either alone or in concert that comes to own, directly or indirectly through companies it controls as defined in Article L. 233-3 of the French Commercial Code, a fraction of the share capital or voting rights equal to or more than 1% of the share capital or voting rights, or any multiple thereof, is required to inform the Company, by registered letter with acknowledgment of receipt, of the total number of shares and voting rights held and the number of securities giving future access to the Company's share capital held directly or indirectly, alone or in concert, and any associated voting rights, no later than four trading days from the occurrence of the threshold crossing.

The Company's obligation to inform also applies in the same times and in the same conditions, when the shareholder's participation in capital or in voting rights calculated in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code, becomes lower than one of the thresholds mentioned in the previous paragraph.

In the event of non-compliance with the above-mentioned provisions, the sanctions provided by law in the event of non-compliance with the requirement to notify the legal thresholds crossing shall only apply to thresholds defined by the by-laws upon request of one or more shareholders holding at least 1% of the Company's share capital or voting rights, duly recorded in the minutes of the Shareholders' Meeting.

Subject to the above-mentioned provisions, the same provisions applicable to the legal requirement apply to the statutory requirement, including the cases of assimilation to shares held as provided by applicable laws and regulations.

7.1.2.8 Identification of the holders of securities (Article 9 of the by-laws)

The Company may ask for identification of holders of securities conferring the right to vote at Shareholders' Meetings either immediately or in the future, as well as the number of securities held, in accordance with the applicable legal and regulatory provisions.

If the person who is asked to provide this information fails to do so within the time period prescribed by the applicable laws and regulations, or provides incomplete or false information about its capacity, the holders of the securities or the number of securities held by each of them, the shares or securities giving immediate or deferred access to the share capital and for which this person is registered will be deprived from voting rights for all Shareholders' Meetings held until the correct information has been provided, and any dividend payments will be suspended until that date.

7.1.2.9 Special provisions governing changes to the share capital (Article 7 of the by-laws)

The share capital may be increased, reduced or redeemed under the terms and conditions provided by law. The Company's by-laws do not contain any special provisions in that respect.

7.1.2.10 Company financial year (Article 36 of the by-laws)

The financial year begins on January 1 and ends on December 31 each calendar year.

7.1.3 PUBLICLY AVAILABLE DOCUMENTS

The documents required to be made available to shareholders, in accordance with the regulations in effect, may be consulted at the registered office of the Company and/or by electronic means on the Company's website, www.gtt.fr, "Finance" page, and this during the validity period of this Registration Document.

Copies of this Registration Document are available, free of charge, from the registered office of GTT (1, route de Versailles – 78470 Saint-Rémy-lès-Chevreuse – Tel.: +33 1 30 23 47 89), or on the website of the Company (www.gtt.fr) and the *Autorité des Marchés Financiers* (www.amf-france.org).

7.2 Share capital

7.2.1 GENERAL INFORMATION

Amount of the share capital

At the date of registration of this Registration Document, the Company's share capital is 370,783.57 euros, divided into 37,078,357 shares with a par value of 0.01 euro each, fully subscribed and paid up, and all of the same class.

Non-equity securities

At the date of registration of this Registration Document, the Company has not issued any securities not representing the share capital.

Pledges of shares

To the best of the Company's knowledge, no shares of the Company are pledged at December 31, 2017.

Potential capital

None.

Authorisations relating to the capital

The table below presents the financial resolutions and authorisations in effect which have been approved by the Shareholders' Meeting.

Resolution by the Shareholders' Meeting concerned	Purpose of the resolution	Maximum nominal amount	Term of the authorisation	Utilisation of the authorisation	Nullity of the authorisation and expiry date
10th	Authorisation to be granted to the Board of Directors to carry out transactions in the Company's shares (Minutes of the Combined Shareholders' Meeting of May 18, 2017)	10% of the share capital	18 months as of the date of the Combined Shareholders' Meeting of May 18, 2017	79,674 shares held by GTT as at December 31, 2017	November 18, 2018
14th	Authorisation to allow the Board of Directors to proceed to the allocation of existing free shares or shares to be issued to employees and executive officers of the Company (Minutes of the Combined Shareholders' Meeting of May 18, 2016)	1,000 euros	26 months as of the date of the Combined Shareholders' Meeting of May 18, 2016	87,870 shares allocated as at May 17, 2018	July 18, 2018
15th	Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares. (Minutes of May 18, 2017)	10% of the share capital per period of 24 months	24 months as of the date of the Combined Shareholders' Meeting of May 18, 2017	Not used	May 18, 2019

Information concerning the Company's or its subsidiaries' share capital subject to an option or a conditional or unconditional agreement to be subject to an option and details of such options (including the identity of the related beneficiaries)

None.

Changes in the share capital

The modifications made to the share capital of the Company during the last five years appear in section 7.5 – *GTT's results over the past five financial years* in this Registration Document.

Declarations of crossing legal and by-law thresholds received during the financial year

Date	Crossing	Company	% of the capital	% of voting rights
17/02/2017	Decrease	Sarasin & Partners	0.95%	0.95%
21/03/2017	Decrease	Amundi	1.99%	1.99%
23/03/2017	Increase	Amundi	2.00%	2.00%
19/04/2017	Decrease	Amundi	1.88%	1.88%
20/06/2017	Decrease	Allianz Global Investors	0.88%	0.88%
04/07/2017	Increase	Caisse des dépôts (CDC Average value company)	2.00%	2.00%
11/11/2017	Increase	Neon Liberty Capital Management	2.29%	2.29%

The Company has no knowledge of any other shareholders holding at least 1% of GTT's share capital and which have sent to it a declaration of crossing legal or by-law thresholds for the 2017 financial year.

7.2.2 EMPLOYEE SAVINGS

7.2.2.1 Employee incentive agreement

2017 is covered by an employee incentive agreement within GTT and Cryovision.

7.2.2.1.1 Within GTT

GTT concluded an employee incentive agreement dated June 30, 2015. This agreement entered into effect on January 1, 2015 for a term of three years and ended on December 31, 2017. At the date of filing of this document, negotiations are on-going, with the aim of signing a new agreement before June 30, 2018 for entry into effect from January 1, 2018.

All employees with at least three months' service are entitled to benefit from this agreement. The aggregate incentive entitlement is allocated on the basis of salary corresponding to an effective length of service.

Incentives are allocated to the beneficiaries subject to the achievement of a given net margin and at least one of four objectives relating to: (i) vessel orders for GTT technologies, (ii) services and diversification activities, (iii) innovation, and (iv) satisfaction of the Company's customers.

In application of the agreement of June 30, 2015, the gross amount of the incentive which must be paid for the financial year ended December 31, 2017 amounts to 1,608,413 euros.

7.2.2.1.2 Within Cryovision

Cryovision concluded a new employee incentive agreement on June 26, 2015. This new agreement entered into effect on January 1, 2015 for a term of three years ending on December 31, 2017. Negotiations are on-going to implement a new agreement.

The amount of the incentive which must be paid in respect of the year ended December 31, 2017 amounts to 18,907 euros net.

All employees with at least three months' service are entitled to benefit from this agreement. The aggregate incentive entitlement is allocated on the basis of salary corresponding to an effective length of service.

It is allocated to the beneficiaries provided that Cryovision's net income for the year is positive, after deduction of the incentive bonus.

Any beneficiary employee may allocate all or part of their incentive bonus to the Group employee savings scheme (PEG) or the Group retirement savings plan (PERCOG).

The implementation of the agreement is monitored by a special committee whose members include employee representatives appointed for that purpose, who have access to the documents required to calculate the incentive bonus and ensure that it is correctly allocated.

The annual incentive results are determined by Cryovision after review by the special committee and are subject to a joint report on the mechanism, which is made available to be displayed for information for all the staff.

7.2.2.2 Company profit-sharing agreement

GTT entered into a voluntary profit-sharing agreement on March 6, 2000. An alternative formula to the legal benchmark formula is used to calculate the amount of the special profit-sharing reserve.

The agreement was amended on March 26, 2012 to transform the company agreement into a group agreement to include Cryovision. On April 13, 2012, after a referendum, Cryovision became a party to the profit-sharing agreement as established pursuant to the amendment dated March 26, 2012, it being effective for the first time as of 2012.

This agreement was concluded for a term of one year with effect from January 1, 2012, renewal by tacit agreement and by financial year.

In respect of the year ended December 31, 2017, the amount which must be paid for the constitution of a company profit-sharing reserve amounted to 4,600,599 euros gross, of which 4,520,673 euros for GTT and 79,227 euros for Cryovision.

As is the case for the incentive agreement, the employees concerned must have been present in the Company in 2017 and benefit from a minimum of three months of seniority. Beneficiaries represent 380 employees at GTT and 7 employees at Cryovision.

The breakdown of the amount of the Special Profit-sharing Reserve between the beneficiaries was made in proportion to the gross salaries reported to the administration by the two entities (GTT and Cryovision).

The breakdown thus made corresponds to slightly more than 22.9% of the amount of salaries thus recorded for each beneficiary.

Salary is subject to the limit of four times the annual Social Security ceiling and the amount thus allocated cannot exceed 75% of the annual Social Security ceiling .

Undistributed excess amounts are divided among all beneficiaries who have not reached the limit.

Quantitative data about the rights holders was sent *via* the website to BNP Épargne & Retraite Entreprises on March 22, 2018. BNP Paribas sent employees option sheets on March 27, 2018, inviting them to enter their choices for allocation prior to April 19, 2018.

7.2.2.3 Group employee savings scheme

A group savings scheme was set up on March 26, 2012, for an indeterminate period, pursuant to the provisions of Articles L. 3331-1 *et seq.* of the French Labour Code. It cancelled and replaced the previous scheme dated May 26, 2000. The scheme covers GTT and all Group companies in which GTT directly or indirectly holds or will hold 50% of the share capital.

All employees with at least three months' service with the Company and any retirees or early retirees who still hold shares may participate in the scheme.

Employees who have left the Company (other than retirees or early retirees) may no longer make voluntary contributions to the scheme but may still contribute their incentive bonus or profit-sharing entitlement. In this case, neither the incentive bonus nor the profit-sharing entitlement will be eligible for the employer's top-up.

The group savings scheme may be used to invest the following sums:

(i) voluntary payments by beneficiaries;

(ii) amounts contributed by the Company, *i.e.* expenses related to custody accounts and the participants' individual accounts and a complementary contribution payment equal to less than 8% of the annual Social Security ceiling per year and per employee, and less than three times the amount of the beneficiary's voluntary contributions. The employee savings scheme dated March 26, 2012 includes an annual employer's contribution equal to 300% of voluntary payments made by the beneficiary (including the incentive bonus and profit-sharing entitlement). However, the companies of the Group may decide on different contribution rules and;

(iii) the transfer of sums held in another employee savings plan or time savings plan.

Sums deposited in the Group employee savings scheme are invested in shares of a corporate mutual fund (FCPE). Employees may choose between five FCPEs, including one socially responsible fund as required by the provisions of Article L. 3332-17 of the French Labour Code.

The shares of FCPE are locked up for a period of five years although early release is possible in certain specific circumstances set out in the applicable laws and regulations.

The Group employee savings scheme was amended in order to allow the implementation of the capital increase reserved for employees, the procedures of which are described in the prospectus accompanying the Company's initial public offering.

In particular, Article 6 of the group savings scheme on the use of amounts paid to the group savings scheme was completed to include a Company-dedicated FCPE entitled "GTT ACTIONNARIAT". A new article relating to the capital increase proposed to employees at the Company's market introduction was created. Article 7 on the capitalisation of revenues was modified to specify the consequences of the employee's choice for the payment of dividends or their capitalisation in the FCPE in Company securities.

7.2.3 TOTAL NUMBER OF SHARES WHICH MAY BE CREATED

The delegations for capital increases are indicated in section 7.2.1 – *General information* in this Registration Document.

7.2.4 SHARE BUYBACKS

The Combined General Meeting of May 18, 2017 authorised the Board of Directors, for a period of 18 months, with the option to delegate, to undertake or arrange to undertake the buyback of Company shares, pursuant to the conditions and obligations set by Articles L. 225-209 *et seq*. of the French Commercial Code, European regulation 2273/2003 of December 22, 2003 in application of Directive 2003/6/EC of January 28, 2003, the General Regulation of the *Autorité des Marchés Financiers* (the AMF), the market practices allowed by the AMF, as well as any other applicable legal and regulatory provisions that might apply.

This authorisation is envisaged to allow:

- the cancellation of the acquired shares;
- the allocation or sale of shares to employees or corporate officers of the Company or Group companies under the conditions and in accordance with the procedures allowed by law, notably with respect to company profit-sharing, or the allocation of free shares, or in the case of share purchase options, or as part of a group savings scheme or any other company savings scheme existing in the Group;
- the delivery of shares upon the exercise of rights attached to securities giving right to repayment, conversion, exchange, presentation of a warrant, or any other means of allocating shares of the Company;
- more generally, to honour the obligations linked to share option programmes or other plans for the allocation of shares to employees or corporate officers or those of an associated company;
- the delivery of shares as part of the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, presentation of a warrant or in any other manner;
- the retaining and later delivery, either in payment as part of an acquisition transaction or in exchange as part of a merger or demerger or contribution transaction, limited to 5% of the capital; and
- the stimulation of the secondary market or the liquidity of the shares by an investment services provider acting under a liquidity contract in compliance with the code of ethics recognised by the *Autorité des Marchés Financiers*.

The number of shares that are liable to be acquired under this authorisation may not exceed 10% of the number of shares composing the share capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2017, with the specification that when the shares are bought back to stimulate trading as part of a liquidity contract, the number of shares taken into account for the calculation of the 10% limit corresponds to the number of shares purchased, less the number of shares sold over the period of the authorisation.

The Company cannot directly or indirectly own more than 10% of its share capital.

On November 10, 2014, GTT entered into a liquidity contract with Exane BNP PARIBAS to promote the liquidity of its securities and the regularity of their listings on the NYSE Euronext Paris market. A liquidity account in the amount of 1.8 million euros was thus opened to allow Exane BNP Paribas to carry out the interventions specified in the liquidity contract. This contract was renewed by GTT in January 2016.

At December 31, 2017, the Company held 6,571 GTT shares under the terms of its liquidity contract and 73,103 GTT shares outside the liquidity contract.

7.3 Shareholding

7.3.1 CHANGES IN THE SHAREHOLDING STRUCTURE

To the best of the Company's knowledge, the breakdown of capital and voting rights of the Company is as follows, at March 31, 2018:

Shareholding	Number of shares	% of the capital	% of voting rights
ENGIE	14,858,380	40.07	40.12
GDF International	121,600	0.33	0.33
GDF Armateur 2	1,600	0.00	0.00
Managers and employees of the Company	232,488	0.63	0.63
Public	21,823,725	58.86	58.92
Treasury shares	40,564	0.11	0.00
TOTAL	**37,078,357**	**100.00**	**100.00**

At March 31, 2018, the Company's share capital comprised 37,078,357 shares, representing as many theoretical voting rights (1) and 37,073,793 net voting rights (2).

At the end of financial years 2017, 2016 and 2015, the share capital and voting rights were broken down as follows:

	Position at 31/12/2017			Position at 31/12/2016			Position at 31/12/2015		
Shareholding	Number of shares	% of the capital	% of voting rights	Number of shares	% of the capital	% of voting rights	Number of shares	% of the capital	% of voting rights
ENGIE	14,858,380	40.07	40.16	14,858,380	40.07	40.13	14,858,380	40.07	40.21
GDF International	121,600	0.33	0.33	121,600	0.33	0.33	121,600	0.33	0.33
GDF Armateur 2	1,600	0.00	0.00	1,600	0.00	0.00	1,600	0.00	0.00
Sommerville Investments BV *	3,849,968	10.38	10.41	3,849,968	10.38	10.40	3,849,968	10.38	10.42
Managers and employees of the Company	181,075	0.49	0.49	144,618	0.39	0.39	69,557	0.19	0.19
Public	17,986,060	48.51	48.61	18,050,697	48.68	48.75	18,049,302	48.68	48.85
Treasury shares	79,674	0.21	0.00	51,494	0.14	0.00	41,494	0.11	0.00
TOTAL	**37,078,357**	**100.00**	**100.00**	**37,078,357**	**100.00**	**100.00**	**37,078,357**	**100.00**	**100.00**

* *Formerly Sheares Investments BV.*

(1) *The total number of voting rights is calculated based on all the shares with attached voting rights, including shares stripped of voting rights.*
(2) *After deducting treasury shares.*

7.3.2 VOTING RIGHTS

The provisions relating to the voting rights attached to the Company's shares are specified in section 7.1.2.3 – *Rights, preferences, restrictions and obligations attached to the shares* in this Registration Document.

7.3.3 CONTROL

At the time of the Company's initial public offering, ENGIE acquired, in equal shares from H&F Luxembourg 1 SARL and Total Gas & Power Actifs Industriels, 170,380 shares in the Company, in such a way that ENGIE, GDF International and GDF Armateur 2 together hold 40.1% of the Company's shares on a fully-diluted basis after taking into account the new shares issued as part of the offer reserved for employees and the shares awarded free of charge in application of the two plans approved by the Board of Directors on February 10, 2014 (see section 6.3.3 – *Free shares and performance shares* in this Registration Document).

GTT believes that ENGIE is able to exercise de facto control. However, it considers that there is no risk that such control may be exercised in an abusive way. In this respect, it is reminded that GTT complies with the recommendations of the AFEP-MEDEF Code, as applicable to controlled companies. Therefore, pursuant to such recommendations, at least one-third of GTT's members on the Board of Directors are independent directors. Compliance with the AFEP-MEDEF recommendations relating to corporate governance and in particular to the composition of the Board of Directors' committees protects minority shareholders' interests.

ENGIE indicated, at the time of the Company's initial public offering that, as part of its LNG strategy, it would continue to support and promote the development of the Company and more generally its strategy, under the direction of its managers, who have proven in past years their skill and their ability to make the Company grow.

Arrangements that could result in a change of control of the Company

To the Company's knowledge, at the date registration of this Registration Document, there are no arrangements, whose implementation could subsequently result in a change of control.

7.3.4 SHAREHOLDERS' AGREEMENTS, LOCK-UP COMMITMENTS AND CONCERT PARTIES

To the knowledge of the Company, there is no currently valid shareholder's agreement.

7.3.5 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

None.

7.4 Stock market

7.4.1 CHANGES IN THE STOCK MARKET PRICE AND VOLUME OF TRANSACTIONS

Main market data	2017
Number of shares at 31 December	37,078,357
Share price at 31 December (in euros)	**51.1**
High (in euros)	51.3
Low (in euros)	33.1
Market capitalisation at 31 December (in millions of euros)	1,895

Change in the stock market price Between March 2017 and February 2018	Average price [1] (in euros)	High (in euros)	Low (in euros)	Average daily transaction (in number of securities)	Average market capitalisation [2] (in millions of euros)
March 2017	34.98	35.30	34.64	44,841	1,297
April	34.41	34.74	34.02	60,132	1,276
May	35.66	36.08	35.24	56,916	1,322
June	35.43	35.93	35.07	58,347	1,314
July	36.97	37.46	36.29	66,067	1,371
August	41.46	41.75	40.98	50,208	1,537
September	44.53	44.92	43.96	59,561	1,651
October	44.73	45.12	44.35	57,162	1,658
November	43.77	44.32	43.22	56,124	1,623
December	48.49	49.08	47.75	65,613	1,798
January 2018	53.09	53.91	52.48	51,918	1,969
February	55.18	56.04	54.18	111,293	2,046

(1) Arithmetic average of closing prices.
(2) On 37,078,357 shares comprising the share capital over the period under consideration.

7.4.2 DIRECTORS' SECURITIES TRANSACTIONS

The transactions carried out in the 2017 financial year on GTT securities and related financial instruments, by company officers, executive directors and other persons in charge and those related to them, as mentioned in paragraphs a) to c) of Article L. 621-18-2 of the French Monetary and Financial Code and of which the Company has knowledge, are the following:

Declarer	Type of transaction	Value date	Number of securities	Average unit price per share (in euros)
David Colson	Disposal	01/06/2017	115	35.54
Philippe Berterottière	Disposal	14/12/2017	448	48.25
Philippe Berterottière	Acquisition	14/12/2017	438	48.2461
Philippe Berterottière	Acquisition	22/12/2017	10	49.5950

7.5 GTT's results over the past five financial years

In euros	2013 financial year [(1)]	2014 financial year	2015 financial year	2016 financial year	2017 financial year
Share capital at the end of the financial year					
Share capital	370,288	370,784	370,784	370,784	370,784
Number of existing ordinary shares	37,028,800	37,078,357	37,078,357	37,078,357	37,078,357
Operations and results for the financial year					
Net income before taxes and depreciation, amortisation and provisions	142,205,561	142,763,217	137,747,317	136,273,592	144,863,123
Income tax	14,632,439	18,567,087	17,852,121	17,750,856	14,140,423
Employee profit-sharing due in respect of the financial year	6,650,850	6,759,275	6,200,695	5,932,509	4,530,134
Net income after taxes and charges to amortisation and provisions	127,167,174	123,302,385	118,894,704	117,463,841	114,118,870
Profit distributed	127,008,784	98,617,273	98,550,583	98,559,807	98,510,981 [(2)]
Earnings per share					
Net income after taxes, but before depreciation, amortisation and provisions					
▸ based on number of existing shares	4	3	3	3	4
Net income after taxes and company profit-sharing scheme and charges to amortisation and provisions					
▸ based on number of existing shares	3	3	3	3	3
Net dividend allocated: ordinary shares					
▸ based on number of existing shares	3	3	3	3	3
Personnel					
Average number of employees during the financial year	334	380	381	376	345
Aggregate salaries during the financial year	16,755,053	20,830,852	20,829,701	21,379,239	22,594,640
Amount paid in respect of social benefits during the financial year (social security costs, welfare schemes, etc.)	10,574,200	15,178,450	12,485,318	12,518,399	12,011,064

(1) The nominal value of the Company's shares was split by 1,600 on December 11, 2013.
(2) Amount estimated at the date of filing this Registration Document.

7.6 Related-party transactions

Information about transactions with related parties during the 2017 financial year appears in the special report of the Statutory Auditors on related-party agreements referred to hereafter in section 7.6.1 – *Special report of the Statutory Auditors on related-party agreements for the financial year ended December 31, 2017* of this Registration Document, as well as in note 19 of section 3.2.1 – Consolidated financial statements prepared according to IFRS for the financial year ended on December 31, 2017 in this Registration Document.

7.6.1 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS FOR THE FINANCIAL YEAR CLOSED ON DECEMBER 31, 2017

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Annual General Meeting of Gaztransport & Technigaz - GTT,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement as well as the reasons justifying why they benefit the Company. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French Commercial Code (Code de commerce) concerning the continuation of the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1/ AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE GENERAL MEETING OF SHAREHOLDERS

1.1/ AGREEMENTS AND COMMITMENTS AUTHORIZED AND CONCLUDED IN THE COURSE OF THE YEAR

We hereby inform you that we have not been advised of any agreements or commitments authorized and concluded in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with article L. 225-38 of the French Commercial Code (Code de commerce).

1.2/ AGREEMENTS AND COMMITMENTS AUTHORIZED AND CONCLUDED AFTER CLOSING

We have been advised that the implementation of the following agreements and commitments which were authorized and concluded after closing, have been previously approved by the Board of Directors.

With Mr. Philippe Berterottière, Chief Executive Officer since December 11, 2013

On April 12, 2018, the Board of Directors decided to renew, without modification, the commitments made by your company for the benefit of Mr. Philippe Berterottière, as described in the paragraph « 2 Agreements and commitments already approved by the General Meeting of Shareholders ». These commitments deal with:

- the indemnities potentially due to Mr. Philippe Berterottière in the event of forced departure leading to the cessation of his functions as a company officer;
- the non-compete commitment made by Mr. Philippe Berterottière in the event of the cessation of his term as a Chief Executive Officer;
- the membership of supplementary pension scheme.

This decision applies subject to, and from, the renewal of the mandate of Mr. Philippe Berterottière as a Chief Executive Officer of the company, by the Board of Directors that will meet at the end of the General Meeting of shareholders on May 17, 2018, in particular to decide on the renewal of the mandate of Mr. Philippe Berterottière.

Purposes and benefits to the company of the commitment:

The Board of Directors held on April 12, 2018 decided that it was in the company's interest to maintain the commitments made by the Company to the Chief Executive Officer.

2/ AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

2.1/ CONTINUING AGREEMENTS AND COMMITMENTS WHICH WERE ENTERED IN PRIOR YEARS

a) Whose implementation continued during the year

In accordance with article R. 225-30 of the French Commercial Code (Code de commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

With Engie Cofely, controlled by Engie, holding 40.41% of your company

a) Framework agreement for the study and evaluation of products and solutions for the LNG chain

Nature, purpose and conditions

On April 11, 2014, the Board of Directors authorized the signing of a cooperation agreement between your company and CRIGEN, the center for research and operating expertise of ENGIE group dedicated to gas, new energies and emerging energies businesses, covering the design and development of products and solutions intended for the LNG chain.

This agreement, entered into on April 28, 2014, for a five-year period, defines the principles for evaluation and marketing of patents, software and other expertise developed by CRIGEN, as well as products, software and technology that the parties develop jointly.

On December 31, 2017, this agreement has not any financial impact.

b) Services agreement for performing several studies

Nature, purpose and conditions

On November 18, 2014, your company and CRIGEN signed a services agreement amounting to €320,000 excluding tax, for CRIGEN to carry out several studies on the development and marketing of products and services based on nano-technologies. This agreement stipulates that your company will be assigned certain intellectual property rights for the development and marketing of transporting systems, transferring or storing liquefied gases, specifically fixed and mobile cryogenic storage tanks, pipelines and bunkering masts.

On December 31, 2017, an amount of € 111,800 excluding tax and an asset of € 72,150 have been accounted for in your Company's accounts.

c) Services agreement for the global management of the Company's headquarters

Nature, purpose and conditions

The Board of Directors' meeting of October 13, 2016 authorized a service agreement with Engie Cofely for the global management of the facilities, including the operation and maintenance of the Company's headquarters. This agreement states that Engie Cofely will subcontract the catering activities to Elior, whose Chief Executive Officer is also the Chairman of your Company. The agreement was signed on November 4, 2016, for a 3-year term, and provides for an initial global annual price of 1,589,664 € (including 739,361 € for the catering services rendered by ELIOR).

On December 31, 2017, a charge of € 1,065,677 excluding taxes has been registered in your company's accounts.

With Mr. Philippe Berterottière, Chief Executive Officer since December 11, 2013

a) Indemnities potentially due to Mr. Berterottière in the event of forced departure leading to the cessation of his functions as a company officer

Nature, purpose and conditions

The Board of Directors' meeting of February 10, 2014 authorized your Chief Executive Officer to receive an indemnity in the event of forced departure leading to the cessation of his functions as a Company officer.

The departure can be linked to (i) a change in shareholding either when ENGIE, GDF International and GDF Armateur 2 cease to hold a combined fraction of voting rights higher than 40% and when a shareholder holds directly or indirectly a fraction higher than theirs, or (ii) when there is a disagreement over strategy.

The amount of this remuneration is set at two times the amount of the overall gross remuneration (fixed and variable parts) received by Mr. Philippe Berterottière for his duties in your Company in the twelve last months preceding the date of his departure.

In addition, the payment of this indemnity will be subject to the following performance conditions :

- one third of the indemnity will be paid if the Company achieves 90% of its market shares in LNG carriers, FSRUs and FLNGs in the previous twenty-four months, it being specified that if this rate is between 85% and 90%, the percentage of indemnity will be determined in a straight-line manner between 0% and one third,
- one third of the indemnity will be paid in the event that a net margin rate on revenue (IFRS) higher than 50% is reached in the eight previous quarters available preceding the departure,
- one third of the indemnity will be paid if the variable portion of Mr. Philippe Berterottière's remuneration in the two years preceding the departure is at least equal to two thirds of its maximum amount.

b) Non-competition commitment made by Mr. Philippe Berterottière in the event of the cessation of his mandate as a Chief Executive Officer

Nature, purpose and conditions

The Board of Directors of February 10, 2014 took notice of the non-competition undertaking given by Mr. Philippe Berterottière under which he commits, in the case of the cessation of his mandate as a Chief Executive Officer, regardless of the circumstances of the cessation and for a period of two years starting from the effective date of cessation of duties, not to provide his assistance, directly or indirectly, to any French or foreign company that develops or is likely to develop business activities in competition with those of your Company and its subsidiaries.

In return for this commitment, the Board of Directors authorized, on the non-retroactive condition precedent of the settlement-delivery of shares of your Company allocated as part of the initial public offering on the Euronext Paris regulated market, the principal of the payment of a monthly indemnity of 5/10 (brought to 6/10 in the case of revocation of notwithstanding serious misconduct) of the monthly average of salaries and benefits and contractual payments received in the previous twelve months.

If his severance pay and non-competition compensation are both applicable, on February 10, 2014 the Board of Directors decided that the total amount received by Mr. Philippe Berterottière in this regard will be limited to two years of gross fixed and variable remuneration received in the twelve months preceding his departure for the duties carried out in your Company.

c) Membership of supplementary pension scheme

Nature, purpose and conditions

On February 10, 2014, furthermore, the Board of Directors of your Company authorized the membership of Mr. Philippe Berterottière to the mutual collective, health and protection and supplementary top-up pension schemes known as "Article 83".

As a result, your Company recognized an expense of € 91,044 for this supplementary pension scheme for the 2017 financial year.

Paris-La Défense and Paris, April 24, 2018

The statutory auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIES	ERNST & YOUNG Audit
Rémi Savournin	Aymeric de La Morandière

7.7 Information about the Statutory Auditors

7.7.1 PRINCIPAL STATUTORY AUDITORS

Ernst&Young Audit

Represented by Aymeric de La Morandière

Member of the Compagnie Régionale des Commissaires aux Comptes of Versailles

1-2, place des Saisons
Paris La Défense
92400 Courbevoie

Nanterre Trade and Companies Register: 344 366 315

Appointment renewed at the Shareholders' Meeting of May 18, 2016 for a term of six financial years and due to expire at the end of the Shareholders' Meeting to be called to vote on the financial statements for the financial year ending on December 31, 2021.

Cailliau Dedouit et Associés represented by Rémi Savournin

Member of the Compagnie Régionale des Commissaires aux Comptes of Paris

19 rue Clément Marot
75008 Paris
722 012 051 RCS Paris

Appointed at the General Shareholders' Meeting of May 18, 2017 for a term of six financial years due to expire at the end of the General Shareholders' Meeting to be called to vote on the financial statements for the financial year ending on December 31, 2022.

7.7.2 DEPUTY STATUTORY AUDITOR

Auditex

Member of the Compagnie Régionale des Commissaires aux Comptes of Versailles

1-2, place des Saisons
Paris La Défense
92400 Courbevoie
Nanterre Trade and Companies Register: 377 652 938

Appointment renewed at the Shareholders' Meeting of May 18, 2016 for a term of six financial years and due to expire at the end of the Shareholders' Meeting to be called to vote on the financial statements for the financial year ending on December 31, 2021.

7.7.3 FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORK

	Ernst & Young				Cailliau Dedouit et Associés			
	Amount (excluding taxes) in euros		%		Amount (excluding taxes) in euros		%	
	2016	2017	2016	2017	2016	2017	2016	2017
Audit								
Statutory audit, certification and review of the separate IFRS financial statements								
▸ Issuer	100,000	156,000	82.20	88.03	-	82,000		100
▸ Subsidiaries	11,159	10,710	9.17	6.44	-	-		
Other work (stock market introduction) and services directly related to the statutory audit assignment					-			
▸ Issuer	10,500	10,500	8.63	5.93	-			
▸ Subsidiaries	-		-					
Sub-total	**121,659**	**177,210**	**100**	**100**	**-**	**82,000**		**100**
Other services provided by the networks								
▸ Legal, tax, employee-related	-		-	-				
▸ Others	-		-	-				
Sub-total	**-**		**-**	**-**				
TOTAL	**121,659**	**177,210**	**100**	**100**	**0**	**82,000**	**0**	**100**

8 COMBINED SHAREHOLDERS' MEETING OF MAY 17, 2018

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

8.1 Agenda of the Combined Shareholders' Meeting

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

- Approval of the corporate financial statements for the financial year ended December 31, 2017.
- Approval of the consolidated financial statements for the financial year ended December 31, 2017.
- Allocation of profit and setting the dividend amount.
- Approval of the related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code.
- Renewal of the term of office of Philippe Berterottière as a director.
- Approval of the related party commitments covered in Article L. 225-42-1 of the French Commercial Code taken in favour of Philippe Berterottière.
- Appointment of Mr Bruno Chabas as director.
- Setting of the amount of directors' fees allocated to the Board of Directors.
- Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares.
- Approval of the elements of compensation paid or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2017 financial year.
- Approval of the elements of compensation paid or attributed to Julien Burdeau, Chief Operating Officer, for the 2017 financial year.
- Approval of the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and benefits of any kind, allocatable to the executive officers.

RESOLUTIONS FALLING WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares.
- Authorisation to allow the Board of Directors to proceed with the allocation of existing free shares or shares to be issued to employees and executive officers of the Company or certain of them.

RESOLUTION CONCERNING POWERS

- Powers for carrying out formalities.

8.2 Board of Directors' report on the draft resolutions

Dear Shareholders,

We have called you to this Annual Shareholders' Meeting according to the conditions stipulated by law and our by-laws in order to submit for your approval the resolutions covering the financial statements for the financial year ended December 31, 2017.

Your Board of Directors submits the following 15 resolutions for your approval.

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

Approval of the corporate financial statements for the 2017 financial year (1st resolution)

You are asked to approve the Company's corporate financial statements for the financial year ended December 31, 2017, as well as the non-tax-deductible expenses and charges.

The Company's corporate financial statements show a profit of 114.1 million euros.

Approval of the consolidated financial statements for the 2017 financial year (2nd resolution)

You are asked to approve the Group's consolidated financial statements for the financial year ended December 31, 2017, which show a profit of 116.2 million euros.

Allocation of profit and setting of the dividend amount (3rd resolution)

After noting that the corporate accounts for the financial year ended on December 31, 2017 show a profit of 114,118,870 euros, your Board of Directors proposes the following allocation of this profit:

Profit for the financial year	€114,118,870
Other reserves	-
Retained earnings	€49,302,733
Distributable profits	**€64,816,137**
Allocation	-
Dividend	€49,208,248
Retained earnings	€15,607,889

Accordingly, the dividend to be distributed would be 2.66 euros per share.

An interim dividend payment of 1.33 euro per share was paid on September 29, 2017. The balance due, 1.33 euro per share, should be paid on May 31, 2018; it being stipulated that the ex-dividend date will be May 29, 2018.

In accordance with the requirements of Article 243*bis* of the French General Tax Code, shareholders are informed that, under the conditions defined by current law and regulations, this gross dividend will be subject to a single fixed-rate withholding tax paid at an overall rate of 30% (*i.e.* 12.8% for income tax and 17.2% for social contributions), unless they opt for the progressive income tax scale, which would, in this case, apply to all revenue from capital received in 2018. If the option for the progressive scale is taken, it will entitle the beneficiary to the 40% proportional rebate stipulated in point 2 of 3 of Article 158 of the French General Tax Code, *i.e.* 1.06 euro per share. This regime is applicable to natural persons that are resident in France for tax purposes.

Your Board of Directors suggests that the unpaid amount of the dividend attributable to treasury shares as of the payment date be allocated to retained earnings.

Related party agreements and commitments (4th resolution)

In respect of the 4th resolution, your Board of Directors invites you to take note of the related party agreements and commitments already approved in previous financial years, and for which execution continued, as indicated in the Statutory Auditors' special report on related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code, and to take note of the fact that the Statutory Auditors' special report does not record any new agreements signed during the financial year ended December 31, 2017.

Renewal of the term of office of Philippe Berterottière as a director (5th resolution)

Philippe Berterottière's term will expire at the end of this Shareholders' Meeting.

Under the terms of the 5th resolution, your Board of Directors asks you to renew Philippe Berterottière's term of office as a director for a term of four (4) years, *i.e.*, until the end of the Shareholders' Meeting held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

If the renewal of Philippe Berterottière's term of office as a director is approved by the Shareholders' Meeting, the Board of Directors intends to meet immediately after the said Meeting to renew Philippe Berterottière's term of office as Chairman and Chief Executive Officer.

Approval of the continuation of the commitments covered by Article L. 225-42-1 of the French Commercial Code, taken in favour of Philippe Berterottière, Chairman and Chief Executive Officer (6th resolution)

The Board of Directors decided on April 12, 2018 to renew the authorisation granted in respect of the commitments taken in favour of Philippe Berterottière and covered by Article L. 225-42-1 of the French Commercial Code, subject to the renewal of his term of office as a director by the Shareholders' Meeting and the renewal of his term of office as Chairman and Chief Executive Officer by the Board of Directors' meeting to be held after the said Shareholders' Meeting.

Under the terms of the 6th resolution, your Board of Directors asks you to approve the renewal of the authorisation granted for these commitments, for which the main characteristics are described in section 6.1.7.7 of chapter 6 – *Board of Directors' report on Corporate Governance* in the Registration Document.

Appointment of Mr Bruno Chabas as a director (7th resolution)

Under the terms of the 7th resolution, and at the recommendation of your Compensation and Nominations Committee, your Board of Directors asks you appoint Mr Bruno Chabas to replace Philippe Salle, whose term of office will not be renewed, as a director for a term of four (4) years, until the end of the Shareholders' Meeting held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

This appointment would give the Company the benefit of a new independent director. The Board of Directors meeting of April 24, 2018 confirmed that Bruno Chabas fulfils all of the independence criteria of the AFEP-MEDEF Code, in particular relating to the absence of business relations on the date of filing of this Registration Document, between Bruno Chabas and GTT, in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document.

Bruno Chabas was the Chief Operating Officer of SBM Offshore and a member of the Management Board from May 2011 until January 2012 when he became the Chief Executive Officer.

Before joining SBM Offshore, Bruno Chabas worked 18 years at Acergy SA (now Subsea 7). From November 2002 until January 2011, he was Chief Operating Officer of Acergy, where he was responsible for all commercial and operations activities worldwide. He also held the position of Financial Director from June 1999 to October 2002.

From 1992 to 2002, he held a number of different management positions in companies in the United Kingdom, France and the United States.

Bruno Chabas has also been an independent director of Foraco International S.A. since August 2007.

He received his MBA from Babson College in Massachusetts.

The mandates and offices exercised by Bruno Chabas outside of the Company over the past five years are listed in Appendix 1 of this chapter.

Setting of the amount of directors' fees allocated to the Board of Directors (8th resolution)

Under the 8th resolution, your Board of Directors asks you to set the total annual amount of directors' fees allocated to the Board of Directors for the financial year starting January 1, 2018 at 441,000 euros, *i.e.* a 5% increase compared to the previous financial year.

This increase is proposed to take into account the growing workload of directors as part of the preparation of both Board of Directors' and Committee meetings. The proposed amount is in line with the results of a compensation study of Boards of Directors of comparable companies (size, financial profile and presence of foreign directors).

This decision and this total annual amount of directors' attendance fees allocated to the Board of Directors would be maintained for future financial years until a new decision is adopted by the Shareholders' Meeting.

Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares (9th resolution)

The Company requires adequate flexibility to allow it to respond to financial market fluctuations by purchasing shares.

To that end, we ask that you renew the authorisation granted to the Board of Directors so that they may implement a share buyback programme, as follows.

The number of shares that are liable to be acquired under this authorisation could not exceed 10% of the number of shares composing the share capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2017, with the stipulation that, when the shares are bought back to stimulate trading as part of a liquidity contract, the number of shares taken into account for the calculation of the 10% limit corresponds to the number of shares purchased, less the number of shares sold back over the period of the authorisation.

The Company may not directly or indirectly own more than 10% of its capital.

The acquisition, transfer or disposal of shares could be carried out, on one or more occasions, by any means authorised by applicable laws or regulations, including over-the-counter transactions, the trading of blocks of securities for all or part of the programme and the use of any derivative financial instrument. We propose that you fix the maximum purchase price per share at 80 euros. The overall amount of funds that can be allocated to this share buyback programme cannot exceed 27 million euros.

This authorisation would allow:

- the allocation or sale of shares to employees or corporate officers of the Company or Group companies under the conditions and in accordance with the procedures allowed by law, notably with respect to company profit-sharing, or the allocation of free shares, or in the case of the exercise of share purchase options, or as part of a group savings scheme or any other company savings scheme existing in the Group;
- the delivery of shares upon the exercise of rights attached to securities giving right to repayment, conversion, exchange, presentation of a warrant, or any other means of allocating shares of the Company;
- more generally, to honour the obligations linked to share option programmes or other plans for allocation of shares to employees or corporate officers of the Company or those of an associated company;
- the retaining and later delivery of shares (in exchange, payment or other) as part of an acquisition transaction, limited to 5% of the number of shares comprising the share capital;
- the cancellation of all or a part of the shares bought back, subject to authorisation from this Shareholders' Meeting in its 13th extraordinary resolution; and
- the stimulation of the secondary market or the liquidity of the shares by an investment services provider acting under a liquidity contract in compliance with the code of ethics recognised by the *Autorité des Marchés Financiers.*

This authorisation would be granted for a period of 18 months as from the date of this Shareholders' Meeting. It would replace the authorisation previously granted by the Shareholders' Meeting of May 18, 2017 (10th resolution).

2017 review of the previous share buyback programme approved by the Shareholders' Meeting

During the 2017 financial year, the cumulative repurchase of shares as part of the liquidity contract entered into with Exane BNP Paribas amounted to 176,597 shares at an average price of 39.899 euros.

Cumulative sales in relation to the liquidity contracts referred to above related to 180,060 GTT shares at an average price of 40.255 euros.

During this financial year, no shares previously purchased by the Company were cancelled.

At December 31, 2017, GTT held 6,571 treasury shares under the liquidity contract.

Detailed information relating to this share repurchase programme authorised by the Shareholders' Meeting is set out in section 7.2.4 of the Company's Registration Document.

Approval of the elements of compensation paid or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2017 financial year (10th resolution)

In accordance with the provisions of Article L. 225-100, II of the French Commercial Code, you are asked to approve the fixed, variable and non-recurring portions comprising the total compensation and benefits of any kind paid or allocated in respect of the financial year ended December 31, 2017 to Philippe Berterottière resulting from his term of office as Chairman and Chief Executive Officer.

These elements are provided in section 6.1.7.1.2 of chapter 6 – *Board of Directors' report on Corporate Governance,* in the Company's Registration Document.

The Board of Directors clarifies that these variable or non-recurring portions of compensation, payment of which was made conditional to your approval by the Shareholders' Meeting of May 18, 2017, may only be paid to Philippe Berterottière after your approval during the Shareholders' Meeting of May 17, 2018.

Approval of compensation paid or attributed to Julien Burdeau, Chief Operating Officer for the 2017 financial year (11th resolution)

In accordance with the provisions of Article L. 225-100, II of the French Commercial Code, you are asked to approve the fixed, variable and non-recurring portions comprising the total compensation and benefits of any kind paid or allocated in respect of the financial year ended December 31, 2017 to Julien Burdeau, resulting from his term of office as Chief Operating Officer, up to his resignation from the Company on December 15, 2017.

These elements are provided in section 6.1.7.1.2 of chapter 6 – *Board of Directors' report on Corporate Governance,* in the Company's Registration Document.

Approval of the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and benefits of any kind, allocatable to the executive officers (12th resolution)

In accordance with Article L. 225-37-2 of the French Commercial Code, your Board of Directors must present to the Annual Ordinary Shareholders' Meeting for approval, a report describing the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and the benefits of any kind, allocatable to the Chairman and Chief Executive Officer resulting from his term of office.

These elements are covered in paragraph 6.1.7.1.1 – Executive Officer Compensation Policy of the Registration Document. This paragraph takes the place of the report required under Article L. 225-37-2 of the French Commercial Code.

You are asked to approve the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and the benefits of any kind allocatable to the executive officers, as they appear in paragraph 6.1.7.1.1 – Executive Officer Compensation Policy of the Registration Document.

In accordance with Article L. 225-37-2 of the French Commercial Code, payment of the variable and non-recurring compensation must be approved by the Shareholders' Meeting held in 2019 to approve the annual financial statements for 2018.

In accordance with Article L. 225-37-2 of the French Commercial Code, in the event that the Shareholders' Meeting returns a negative opinion on the compensation policy, it will be determined in accordance with the compensation allocated for the previous financial year. In this case, at the recommendation of the Compensation and Nominations Committee, the Board of Directors will decide on the changes to be made to the compensation due or attributed for the period closed or to the future compensation policy. It will immediately publish a notice on the Company's website describing the action it plans to take following the vote of the Ordinary Shareholders' Meeting and will deliver a report on the follow-up action at the following meeting.

RESOLUTIONS FALLING WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares (13th resolution)

You are asked to grant the Board of Directors the authorisation to cancel, through a reduction of share capital, all or part of the treasury shares held by the Company, both following the execution of the share buyback programmes that were authorised by the Shareholders' Meeting in the past, and as part of the buyback programme that you are asked to approve in the 9th resolution.

In accordance with legal provisions, the amount of shares cancelled cannot exceed 10% of the share capital within a period of 24 months.

This authorisation would be granted for a period of 24 months. It would replace the authorisation previously granted by the Shareholders' Meeting of May 18, 2017 (14th resolution).

Authorisation to allow the Board of Directors to proceed with the allocation of existing free shares or shares to be issued to employees and executive officers of the Company or certain of them (14th resolution)

You are asked to authorise the Board of Directors to proceed with allocations of existing free shares or shares to be issued to salaried employees of the Company or associated companies, within the meaning of Article L. 225-197-2-I paragraph 1 of the French Commercial Code, and to certain eligible corporate officers of the Company.

The shares would be existing shares previously bought back by the Company from its shareholders or issued as part of a capital increase reserved for the named employees. The total number of free shares may not exceed 370,783 shares or 1% of the share capital at the date of this Shareholders' Meeting.

This authorisation would be granted for a maximum duration of 38 months from the date of the Shareholders' Meeting.

The allocation of free shares that would be carried out based on this resolution is part of a long-term compensation policy and of an overall strategy to secure the loyalty and motivation of employees, competitive with market practices.

These allocations of free shares are designed to involve their beneficiaries in the Company's development and results.

The beneficiaries of these allocations of free shares would be selected by the Board of Directors, excluding the Company's corporate officers.

The shares allocated to beneficiaries would not be available before the completion of a minimum vesting period, it being noted that the combined vesting and lock-up period cannot be less than two years.

In addition to a potential presence condition, the Board of Directors may set qualitative (individual) and/or quantitative (collective) performance conditions for the definitive allocation of the shares. Fulfilment of the conditions would be assessed throughout the entire vesting period set by the Board of Directors.

RESOLUTION CONCERNING POWERS

Powers for carrying out formalities (15th resolution)

The 15th resolution covers the powers necessary for completion of the publication and legal formalities relating to this Shareholders' Meeting.

We ask that you adopt the resolutions submitted for your approval.

On behalf of the Board of Directors

Philippe Berterottière, Chairman and Chief Executive Officer

APPENDIX 1

Mandates and offices held by Mr Bruno Chabas outside the GTT Group over the past five years

Current terms of office:

- Chief Executive Officer of SBM Offshore
- Independent director of Foraco International S.A.
- Chairman of SBM Holding Inc. SA
- Chairman of SINGLE BUOY MOORINGS INC.
- President and Director of SNV Offshore Limited

Past terms of office:

- None

8.3 Statutory Auditors' Reports

8.3.1 SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

The special report of the Statutory Auditors on related party agreements for the year ended December 31, 2017 is presented in section 7.6.1 of the Company's Registration Document.

8.3.2 STATUTORY AUDITORS' REPORT ON THE EARNINGS FORECASTS

The Statutory Auditors' report on the earnings forecasts is presented in section 3.5 of the Company's Registration Document.

8.3.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE

Article L. 225-235 of the French Commercial Code amended by the ruling no. 2017-1162 of 12 July 2017 indicates the specific checks to be carried out by the Statutory Auditors on the Board of Directors' report on corporate governance in their report on the annual financial statements presented in section 3.7 of the Company's Registration Document.

8.3.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2017 is presented in section 3.3 of the Company's Registration Document.

8.3.5 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH STANDARDS

The Statutory Auditors' report on the financial statements prepared in accordance with French standards is presented in section 3.7 of the Company's Registration Document.

8.3.6 STATUTORY AUDITORS' REPORT ON THE REDUCTION IN CAPITAL

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L. 225-209 of the French Commercial Code (Code de commerce) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Board of Directors requests that it be authorized, for a period of twenty-four months starting on the date of the present meeting, to proceed with the cancellation of shares the Company was authorized to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of twenty-four months, in compliance with the Article mentioned above.

We have performed those procedures which we considered necessary in accordance with professional 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 terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report as to the terms and conditions of the proposed reduction in capital.

Paris and Paris-La Défense, April 24, 2018

The Statutory Auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIES	ERNST & YOUNG Audit
Rémi Savournin	Aymeric de La Morandière

8.3.7 STATUTORY AUDITORS' REPORT ON THE AUTHORISATION FOR THE ALLOCATION OF EXISTING FREE SHARES OR SHARES TO BE ISSUED

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L. 225-197-1 of the French Commercial Code (Code de commerce), we hereby report on the proposed free allocation of existing shares or shares to be issued, reserved for the employees and executive corporate officers of the Company or some of them, an operation upon which you are called to vote.

The total number of shares that may be allocated under this authorization cannot represent more than 1% of the Company's share capital as at the day of this meeting.

Your Board of Directors proposes that on the basis of its report it be authorized for a period of thirty-eight months to allocate, for free, existing shares or shares to be issued.

It is the responsibility of the Board of Directors to prepare a report on the proposed operation. Our role is to report on any matters relating to the information regarding the proposed operation.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Board of Directors' report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed free allocation of shares.

Paris and Paris-La Défense, April 24, 2018

The Statutory Auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIES	ERNST & YOUNG Audit
Rémi Savournin	Aymeric de La Morandière

8.4 Proposed resolutions

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

1st resolution *(Approval of the corporate financial statements for the 2017 financial year)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' management report, as well as the report of the Statutory Auditors on the annual financial statements, approves the statement of assets and liabilities and the financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, at December 31, 2017, as they are presented, together with the transactions reflected in these financial statements or described in these reports, showing a profit of 114,118,870 euros.

In application of Article 223 *quater* of the French General Tax Code, the Shareholders' Meeting notes that no expense or charge was incurred relating to Article 39-4 of said Code.

2nd resolution *(Approval of the consolidated financial statements for the 2017 financial year)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' management report, as well as the report of the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements of the Company for the financial year ended December 31, 2017, as they are presented, together with the transactions reflected or summarised in these reports.

3rd resolution *(Allocation of profit and setting of the dividend amount)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with the Board of Directors' proposed allocation of profit for the year, and after having noted that the financial statements for the year ended December 31, 2017 show a profit of 114,118,870 euros, the allocation of the profits for the 2017 financial year as follows:

Profit for the financial year	€114,118,870
Other reserves	-
Retained earnings	€(49,302,733)
Distributable profits	**€64,816,137**
Allocation	**-**
Dividend	€49,208,248
Retained earnings	€15,607,889

Accordingly, the dividend to be distributed would be 2.66 euros per share.

An interim dividend payment of 1.33 euro per share was paid on 29 September 2017. The balance due, 1.33 euro per share, should be paid on May 31, 2018, it being stipulated that the ex-dividend date will be May 29, 2018.

In accordance with the requirements of Article 243*bis* of the French General Tax Code, shareholders are informed that, under the conditions defined by current law and regulations, this gross dividend will be subject to a single fixed-rate withholding tax paid at an overall rate of 30% (*i.e.* 12.8% for income tax and 17.2% for social contributions), unless they opt for the progressive income tax scale, which would, in this case, apply to all revenue from capital received in 2018. If the option for the progressive scale is taken, it will entitle the beneficiary to the 40% proportional rebate stipulated in point 2 of 3 of Article 158 of the French General Tax Code, *i.e.* 1.06 euro per share. This regime is applicable to natural persons that are resident in France for tax purposes.

The Shareholders' Meeting decides that the unpaid amount of the dividend attributable to treasury shares as of the payment date will be allocated to Retained earnings.

It notes that the Company, in respect of the past three financial years, carried out the following dividend distributions:

	Financial year ended December 31		
In euros	2016	2015	2014
Total dividend payout	98,559,807	98,550,583	98,617,273
Net dividend per share	2.66	2.66	2.66

4th resolution *(Agreements described in Article L. 225-38 of the French Commercial Code)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the special report of the Statutory Auditors on related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code, records the related party agreements and commitments signed and previously approved by the Shareholders' Meeting and which continued over the past financial year.

The Shareholders' Meeting also notes that the Statutory Auditors' report on the related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code does not record any new agreements signed during the financial year ended December 31, 2017.

5th resolution *(Renewal of the term of office of Philippe Berterottière as a director)*

The Shareholders' Meeting, noting that Philippe Berterottière's term of office has ended, and deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after reviewing the management report of the Board of Directors, renews the term of office of Philippe Berterottière for a term of four years, *i.e.*, until the end of the Shareholders' Meeting held in 2022 to approve the financial statements for 2021.

6th resolution *(Approval of the continuation of the commitments covered by Article L. 225-42-1 of the French Commercial Code, taken in favour of Philippe Berterottière, Chairman and Chief Executive Officer)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the special report of the Statutory Auditors on related party agreements and commitments covered in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code, records the conclusions of said report and approves, subject to the renewal of his term of office as director by this Shareholders' Meeting and as Chairman and Chief Executive Officer by the Board of Directors, the continuation of the commitments listed, taken in favour of Philippe Berterottière, in the form of a supplementary pension scheme, severance pay and non-compete compensation, as described in Section 6.1.7.7 of chapter 6 – *Board of Directors' Report on Corporate Governance* in the Registration Document.

7th resolution *(Appointment of Mr Bruno Chabas as director)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority conditions for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, appoints Mr Bruno Chabas as director, to replace Philippe Salle, whose term of office expired at the end of this Shareholders' Meeting, for a term of four (4) years, until the end of the Shareholders' Meeting held in 2022 to approve the financial statements for the 2021 financial year.

8th resolution *(Setting of the amount of directors' fees allocated to the Board of Directors)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the report of the Board of Directors, sets the annual overall amount of directors' fees allocated to the Board of Directors for the financial year starting on January 1, 2018 at 441,000 euros.

The breakdown of this amount will be carried out according to the procedures defined in the Internal Regulations of the Board of Directors .

This decision and the overall annual amount of the directors' attendance fees allocated to the Board of Directors will be maintained for subsequent financial years until a new decision is made by the Shareholders' Meeting.

9th resolution *(Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the report of the Board of Directors, authorises the Board of Directors, with the option to sub-delegate as provided for by law, to carry out or have carried out purchases of shares in the Company according to the conditions and requirements established by Articles L. 225-209 *et seq.* of the French Commercial Code, European regulation 596/2014 of April 16, 2014, the General Regulation of the *Autorité des Marchés Financiers* (the AMF), the market practices allowed by the AMF, as well as any other applicable laws which might apply.

This authorisation is intended in particular to enable:

- the allocation or sale of shares to employees or corporate officers of the Company or of Group companies under the conditions and in accordance with the procedures allowed by law, notably with respect to company profit-sharing, or the allocation of free shares, or in the case of the exercise of share purchase options, or as part of a group savings scheme or any other company savings scheme existing in the Group;
- the delivery of shares upon the exercise of rights attached to securities giving right to repayment, conversion, exchange, presentation of a warrant, or any other means of allocating shares of the Company;
- more generally, to honour the obligations linked to share option programmes or other plans for allocation of shares to employees or corporate officers of the Company or those of an associated company;
- the retaining and later delivery of shares (in exchange, payment or other) as part of an acquisition transaction, limited to 5% of the number of shares comprising the share capital;
- the cancellation of all or a part of the shares bought back, subject to authorisation from this Shareholders' Meeting in its 13th extraordinary resolution; and
- the stimulation of the secondary market or the liquidity of the shares by an investment services provider acting under a liquidity contract in compliance with the code of ethics recognised by the *Autorité des Marchés Financiers*.

This share buyback programme would also be intended to allow the Company to operate for any other authorised purpose or purpose that would be authorised by any applicable laws or regulations in force and to implement any practice that would be allowed by the *Autorité des Marchés Financiers*. In such event, the Company would inform its shareholders through a press release.

The acquisition, transfer or disposal of shares could be carried out, on one or more occasions, by any means authorised by applicable laws or regulations, including over-the-counter transactions, the trading of blocks of securities for all or part of the programme and the use of any derivative financial instrument.

The Board of Directors may use this authorisation at any time, within the limits authorised by legal and regulatory provisions and carry out the share buyback programme in the case of a public offering in strict compliance with the provisions of Article 231-41 of the General Regulation of the AMF and of Article L. 225-209 of the French Commercial Code.

The number of shares that are liable to be acquired under this authorisation cannot exceed 10% of the number of shares composing the share capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2017, with the stipulation that when the shares are bought back to stimulate trading as part of a liquidity contract, the number of shares taken into account for the calculation of the 10% limit corresponds to the number of shares purchased, minus the number of shares sold back over the period of the authorisation.

The Company cannot directly or indirectly own more than 10% of its share capital.

The maximum purchase price per share may not exceed 80 euros.

In accordance with the provisions of Article R. 225-151 of the French Commercial Code, the maximum overall amount of funds which can be allocated to the share buyback programme cannot exceed 27,000,000 euros, corresponding to a maximum number of 337,500 shares acquired on the basis of the maximum unit price of 80 euros authorised above.

The Shareholders' Meeting gives full powers to the Board of Directors, with the option to sub-delegate under the conditions set by law, to decide upon and carry out the implementation of this share buyback program to determine its terms if necessary, to decide upon the procedures, carry out any adjustments necessary related to capital transactions, to issue trading orders, enter into all agreements, especially for keeping records of purchases and sales of shares, to make any statements to the *Autorité des Marchés Financiers* or any other body, to carry out any formalities, and generally, to do everything necessary.

This authorisation would be granted for a period of 18 months as from the date of this Shareholders' Meeting.

As of this date, it ends for the unused portion, the authorisation for the same purpose granted to the Board of Directors by the Shareholders' Meeting of May 18, 2017 (10th resolution).

10th resolution *(Approval of elements of compensation paid or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2017 financial year)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and having noted that the Shareholders' Meeting of May 18, 2017, in its thirteenth resolution, deliberated, under the conditions stipulated in Article L. 225-37-2 of the French Commercial Code, on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation and benefits of any kind allocatable to Philippe Berterottière, in respect of the financial year ended December 31, 2017, resulting from his term of office as Chairman and Chief Executive Officer, approves, in accordance with the provisions of Article L. 225-100 II of the French Commercial Code, the fixed, variable and non-recurring portions of total compensation and benefits of any kind paid or allocated to Philippe Berterottière in respect of the financial year ended December 31, 2017, resulting from his term of office as Chairman and Chief Executive Officer, as presented in the Board of Directors' report. Consequently, the variable or non-recurring compensation elements for which payment is subject to approval by an Ordinary Shareholders' Meeting, under the conditions stipulated in Article L. 225-37-2 of the French Commercial Code, allocated in respect of the year just ended to the Chairman and Chief Executive Officer, may be paid to the latter.

11th resolution *(Approval of the elements of compensation paid or attributed to Julien Burdeau, Chief Operating Officer, for the 2017 financial year)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and having noted that the Shareholders' Meeting of May 18, 2017, in its thirteenth resolution, had deliberated, under the conditions stipulated in Article L. 225-37-2 of the French Commercial Code, on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation and benefits of any kind allocatable to Julien Burdeau, in respect of the financial year ended December 31, 2017, resulting from his term of office as Chief Operating Officer, approves, in accordance with the provisions of Article L. 225-100 II of the French Commercial Code, the fixed, variable and non-recurring portions of total compensation and benefits of any kind, paid or allocated to Julien Burdeau in respect of the financial year ended December 31, 2017, resulting from his term of office as Chief Operating Officer, as presented in the Board of Directors' report.

12th resolution *(Approval of the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and benefits of any kind, allocatable to the executive officers)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after reviewing the report of the Board of Directors on the compensation policy for the Chairman and Chief Executive Officer, prepared in application of Article L. 225-37-2 of the French Commercial Code (paragraph 6.1.7.1.1 Executive Officer Compensation Policy of the Registration Document) approves the compensation policy for the executive officers as presented in this report.

RESOLUTIONS FALLING WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

13th resolution *(Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Shareholders' Meetings,

(i) having read the report of the Board of Directors and the special report of the Statutory Auditors;

(ii) subject to the adoption of the ninth resolution by this Shareholders' Meeting;

1. authorises, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, the Board of Directors to reduce the share capital, on one or several occasions, in the proportions and at the times that it shall deem appropriate, by cancellation of all or part of the shares acquired by the Company, within the limit of 10% of the share capital (as noted at the end of this Shareholders' Meeting) per 24-month period,
2. grants all powers to the Board of Directors, with the option to delegate as provided for by law, to:
   - carry out this/these cancellations and reductions of share capital,
   - decide the final amount, determine the terms and conditions and acknowledge their fulfilment,
   - apply the difference between the book and nominal amounts of the cancelled shares against any reserve or premium account,
   - carry out the related modifications to the by-laws, and in general do anything else necessary, and all, in accordance with applicable law when this authorisation is used,
3. decides that the present authorisation is granted for a period of 24 months beginning on the date of this Shareholders' Meeting.

As of the date of this Shareholders' Meeting, it ends the authorisation for the same purpose granted to the Board of Directors by the Shareholders' Meeting of May 18, 2017 (15th resolution).

14th resolution *(Authorisation to allow the Board of Directors to proceed with the allocation of existing free shares or shares to be issued to employees and executive officers of the Company or certain of them)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report:

1. authorises the Board of Directors, within the framework of the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, with the option of sub-delegation within legal conditions, to carry out, in one or more operations, free allocations of existing or new shares (with the exclusion of preference shares), in favour of beneficiaries or categories of beneficiaries that it will determine among the salaried employees of the Company or associated companies or groups within the conditions stipulated in Article L. 225-197-2 of the said Code, under the conditions defined below;
2. decides that the number of shares that may be allocated based on this resolution may not exceed 370,783 shares, *i.e.* 1% of the share capital at the date of this Shareholders' Meeting, it being stated that the maximum number of new or existing shares may be increased to take into account the additional number of shares that may be allocated through an adjustment in the number of shares initially allocated following an operation on the Company's share capital;
3. decides that the allocation of the said shares to their beneficiaries will be definitive after a vesting period for which the duration shall be set by the Board of Directors, with the understanding that this duration may not be shorter than that stipulated by the French Commercial Code, and that the beneficiaries must retain the vested shares for a period set by the Board of Directors, with the understanding that the shares will only be available after a minimum period of two years. The Board of Directors may decide not to set a lock-up period if the vesting period is for a minimum of two years. The shares shall be definitively vested before the expiry of the applicable vesting period in the event of invalidity of the beneficiary corresponding to the second or third category

stipulated in Article L. 341-4 of the French Social Security Code or the equivalent abroad. In this case, the shares shall be freely transferable;

4. grants all powers to the Board of Directors, with the option of sub-delegation within legal conditions, to implement this authorisation for the purpose, notably, of:
   - determining whether the free shares are existing or new shares, and if applicable, to modify its choice before the final allocation of the shares,
   - determining the identity of the beneficiaries or categories of beneficiaries, of the share allocations, among the employees of the Company or associated companies or groups indicated above and the number of shares allocated to each one,
   - setting the conditions, and if applicable, the share allocation criteria, notably the minimum vesting period, and if applicable, the lock-up period required for each beneficiary, under the conditions stipulated above,
   - providing for the option of temporarily suspending the allocation rights,
   - recording the definitive allocation dates and dates from which the shares may be freely transferable, given the legal restrictions,
   - in the event of the issue of new shares, deducting, if applicable, the amounts required for the release of the shares from the reserves, profits or issue premiums; recording the completion of the capital increases carried out in application of this authorisation, amending the Articles of Incorporation accordingly, and, generally, taking any necessary steps to carry out the required formalities;
5. decides that the Company may, if applicable, carry out adjustments to the number of free shares initially allocated in order to preserve the rights of the beneficiaries, according to any operations on the Company's capital, notably in the event of a change in the par value of the share, capital increase by incorporation of reserves, free allocation of shares to all shareholders, issue of new capital securities or securities giving access to the share capital with preferential subscription rights reserved for shareholders, division or grouping of securities, distribution of reserves or issue premiums, capital impairment, modification of the allocation of profits through the creation of preference shares or any other operation on equity. It should be noted that the shares allocated in application of these adjustments are considered to have been allocated on the same date as the initially allocated shares;
6. notes that in the case of the free allocation of new shares, this authorisation will entail, as and when such shares are irrevocably allotted, a capital increase by incorporation of reserves, profits or issue premiums for the benefit of the beneficiaries of the said shares, and the correlative waiver by the shareholders of their preferential rights in respect of said shares in favour of the beneficiaries of the said shares;
7. takes note of the fact that if the Board of Directors uses this authorisation, it will inform the Ordinary Shareholders' Meeting each year of the operations carried out pursuant to this authorisation, under the conditions stipulated by Article L. 225-197-4 of the French Commercial Code;
8. decides that this authorisation is granted for a period of 38 months beginning on the date of this Shareholders' Meeting.

RESOLUTION CONCERNING POWERS

15th resolution *(Powers for carrying out formalities)*

The Shareholders' Meeting gives all powers to the bearer of an original, a portion or a copy of the minutes of this Shareholders' Meeting to carry out any legal formalities including the filing, publications and declarations required under applicable laws or regulations that concern the above mentioned resolutions.

9 APPENDICES

CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

1. Tables of concordance

1.1 TABLE OF CONCORDANCE WITH REGULATION (EC) NO. 809/2004

This Registration Document contains all of the items required by Appendix I of regulation (EC) no. 809/2004, as presented in the table below:

Information set forth in Annex I of regulation (EC) no. 809/2004		Registration Document chapter	Pages
1.	Persons responsible		
1.1	Persons responsible	Introduction	15
1.2	Declaration by the persons responsible	Appendices/ Declaration by the person responsible for the Registration Document	250
2.	Statutory Auditors		
2.1	Statutory Auditors	7.7/ Information about the Statutory Auditors	223-224
2.2	Resignation/departure of Statutory Auditors	7.7/ Information about the Statutory Auditors	223-224
3.	Selected financial information	Chapter 3/ The financial statements	53 to 125
4.	Risk factors	Chapter 5/ Risk factors	151 to 164
5.	Information about the issuer		
5.1	History and development of the Company	1.1.1/ Group overview	14 -16
5.1.1	Legal and commercial name	7.1.1/ General information	208
5.1.2	Place of registration and registration number	7.1.1/ General information	208
5.1.3	Date of incorporation and duration of the Company	7.1.1/ General information	208
5.1.4	Registered office, legal form, applicable law, country of origin, address and telephone number of the registered office	7.1.1/ General information	208
5.1.5	Significant events in the performance of operations	Chapter 2/ Activity report 1.3/ Key figures- First Quarter 2018	25 to 52 23-24
5.2	Investments	3.1.4/ Cash flow	63-64
5.2.1	Principal investments made during the course of the last three financial years	3.1.4/ Cash flow	63-64
5.2.2	Principal investments in progress	3.1.4/ Cash flow	63-64
5.2.3	Principal investments under consideration	3.1.4/ Cash flow	63-64
		1.1.3/ The importance of innovation and R&D	18 to 20
6.	Overview of activities		
6.1	Principal activities	2/ Activity report	25 to 52
6.2	Principal markets	2/ Activity report	25 to 52
6.3	Exceptional events	N/A	
6.4	Dependence with respect to patents, licences, or contracts	1.1.3/ Importance of innovation and R&D	18 to 20
		5.1.3/ Risks related to intellectual property	156
6.5	Competitive position	5.1.1.2/ Competitive environment	154-155
		2/ Activity report	25 to 52

Information set forth in Annex I of regulation (EC) no. 809/2004		Registration Document chapter	Pages
7.	Organisation structure		
7.1	Place of the issuer in the Group	1.1.1/ Group overview	14 to 16
7.2	Principal subsidiaries	1.1.1/ Group overview	14 to 16
		Note 3/ Principal subsidiaries at December 31, 2017	77
8.	Property, plant and equipment		
8.1	Significant property, plant and equipment	3.6/ Corporate financial statements (Fixed assets)	110
		3.6/ Corporate financial statements (Accounting rules and methods)	106 to 109
8.2	Environmental issues concerning the most significant property, plant and equipment	4.5/ Environmental information	142 to 147
9.	Review of financial position and results		
9.1	Financial position	3.1/ Review of the financial situation	54 to 64
9.2	Operating income	3.6/ Corporate financial statements (Income statement)	104-105
10.	Equity and cash		
10.1	Total Equity	3.1.3/ Debt and equity	61 to 63
10.2	Cash flow	3.1.4/ Cash flow	63-64
10.3	Borrowing terms and financing structure	3.1.3/ Debt and equity	61 to 63
10.4	Restrictions on the use of capital	N/A	
10.5	Expected sources of financing in order to honour commitments in respect of investment decisions	3.1.3/ Debt and equity	61 to 63
11.	Research and development, patents and licences	1.1.3/ Importance of innovation and R&D	18 to 20
12.	Information on trends		
12.1	Principal trends having affected production, sales and inventory, costs and sales price, since the closure of the last financial year	Chapter 2/ Activity report	25 to 52
		Chapter 5/ Risk factors	151 to 164
12.2	Known trends, uncertainties, demands, commitments, or events that are reasonably likely to notably influence the outlook of the issuer	Chapter 2/ Activity report	25 to 52
		Chapter 5/ Risk factors	151 to 164
13.	Forecasts or revenue estimates		
13.1	Statement of forecasts	3.4/ Update of consolidated forecasts	99
13.2	Statutory Auditors' report on the forecasts	3.5/ Statutory Auditors' report on the earnings forecasts	100
14.	Administrative, management, supervisory and General Management bodies		
14.1	Information concerning members of the administrative and General Management bodies	6.1.3/ Board and management practices of the Company	180 to 188
14.2	Conflicts of interest at the level of the administrative, management, supervisory, and General Management bodies	6.1.2.1 (ii)/ Independence of the directors in office – conflicts of interest	167-168
15.	Compensation and benefits		
15.1	Amount of compensation paid and benefits in kind	6.1.7/ Compensation of corporate officers	189 to 200
15.2	Amount reserved for purposes of payment of pensions, retirement, or other benefits	6.1.7/ Compensation of corporate officers	189 to 200

Information set forth in Annex I of regulation (EC) no. 809/2004		Registration Document chapter	Pages
21.	**Additional information**		
21.1	Share capital	7.2/ Share capital	212 to 215
21.1.1	Subscribed capital, changes in share capital and action	7.2.1/ General information	212-213
21.1.2	Share capital subscribed and share capital authorised	N/A	
21.1.3	Shares held by the issuer or by its subsidiaries	7.2.4/ Share buybacks	215
21.1.4	Securities granting access to the issuer's share capital in the future	7.1.2.8/ Identification of bearers of negotiable securities	211
21.1.5	Rights to acquire shares and obligations attached to capital which has been subscribed but not fully paid-up, or rights to any capital increase	7.1.2.9/ Special provisions governing changes to the share capital	211
21.1.6	Capital options held by members of the Group	6.1.7/ Compensation of corporate officers	195
21.1.7	History of the share capital	7.5/ GTT results over the past five years	219
21.2	Incorporation and by-laws	7.1.2/ Provisions of the Company's by-laws	208 to 211
21.2.1	Corporate purpose	7.1.2.1/ Corporate purpose	208
21.2.2	Administrative and management bodies	6.1.3/ Board and management practices of the Company	180 to 188
21.2.3	Rights, liens and restrictions attached to the shares	7.1.2.3/ Rights, liens, restrictions and obligations attached to the shares	208-209
21.2.4	Changes in shareholders' rights	7.1.2.4/ Changes in shareholders' rights	209
21.2.5	Shareholders' Meetings	7.1.2.5/ Shareholders' Meetings	209-210
21.2.6	Provisions which may delay, postpone or prevent a change in control	7.1.2.6/ Provisions of the Company's by-laws which may have an impact on the occurrence of a change of control	210
21.2.7	Disclosure of crossing of thresholds	7.1.2.7/ Crossing of thresholds	210-211
		7.2/ Share capital	213
21.2.8	Change in share capital	7.1.2.9/ Special provisions governing changes to share capital	211
22.	**Significant contracts**	3.1.3/ Debt and equity	61 to 63
23.	**Third-party information, expert statements, and declarations of interest**	N/A	
24.	**Publicly available documents**	7.1.3/ Publicly available documents	211
25.	**Information on holdings**	Chapter 3/ The financial statements	53 to 121

1.2 TABLE OF CONCORDANCE WITH THE ANNUAL FINANCIAL REPORT

The following table of concordance makes it possible to identify, in this Registration Document, the information which constitutes the annual financial report, in implementation of Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation of the *Autorité des Marchés Financiers*.

Items in the annual financial report		Registration Document chapter	Pages
1.	Annual financial statements	3.6/ Corporate financial statements	101 to 121
2.	Consolidated financial statements	3.2/ Consolidated financial statements	64 to 95
3.	Board of Directors' management report	Please refer to the table of concordance in Appendix 3.3 of section 1.3 of Chapter 9 below	245-246
4.	Declaration of the person responsible	Declaration by the person responsible for the Registration Document	250
5.	Report by the Statutory Auditors on the consolidated financial statements	3.3/ Report by the Statutory Auditors on the consolidated accounts	122
6.	Report by the Statutory Auditors on the annual financial statements	3.7/ Report by the Statutory Auditors on the corporate financial statements	196
7.	Fees paid to the Statutory Auditors	3.6/ Corporate financial statements	109
8.	Report by the Board of Directors on corporate governance	6.1 Report by the Board of Directors on corporate governance	166 to 200
9.	Report by the Statutory Auditors on the report by the Board of Directors on corporate governance	6.2/ Report by the Statutory Auditors on the report by the Board of Directors on corporate governance	200

1.3 TABLE OF CONCORDANCE WITH THE BOARD OF DIRECTORS' MANAGEMENT REPORT

This Registration Document includes the items from the Board of Directors' management report and consolidated management report stipulated, in particular, in Article L. 225-100 of the French Commercial Code.

The table below shows the references to extracts from the Registration Document corresponding to the different sections of the management report, as approved by the Board of Directors.

Items from the management report and consolidated management report		Registration Document chapter	Pages
1	Situation of the Company and of its subsidiaries during the course of the past financial year	1.1.1/ Group overview	14 to 16
		3.1.1/ Analysis of 2017 annual consolidated income	54
		3.1.2/ Analysis of the consolidated balance sheet	59
		3.2/ Consolidated financial statements	116
2	Analysis of developments in the business, results, and the financial situation of the Company and Group (particularly with respect to debt)	1.1.1/ Group overview	14 to 16
		3.1.3/ Debt and equity	61 to 63
3	Key performance indicators of a financial and non-financial nature (particularly environmental and employee-related issues)	1.1/ GTT presentation	14 to 24
4	Foreseeable developments and future outlook	2/ Activity report	25 to 52
5	Significant events which took place between the date of closure for the financial year and the date upon which the management report was drawn up	3.2/ Consolidated financial information (note 22)	93
		3.6/ Corporate financial information	109

Items from the management report and consolidated management report		Registration Document chapter	Pages
6	Research and development activities	1.1.3/ The importance of innovation and R&	18 to 20
7	Current branches	N/A	
8	Disposal of shares undertaken to regularise cross shareholdings	N/A	
9	Significant investments or taking of control in companies having their registered office in France	N/A	
10	Amount of inter-company loans granted under Article L. 511-6 3 bis of the French Monetary and Financial Code	N/A	
11	Amount of dividends distributed for the last three financial years	1.2.5/ GTT share	22 to 23
		7.5/ GTT's results over the past five financial years	219
		8.4/ Proposed resolutions	233
12	Injunctions or sanctions for anti-competitive practices	5.1.1.2/ Competitive environment	154-155
13	Information on payment terms of the Company's suppliers or customers	3.6/ Corporate financial statements	118
14	Non-tax-deductible expenses and expenses reintegrated follow a tax adjustment	8.4/ Proposed resolutions	233
15	Description of the principal risks or uncertainties with which the Company is confronted	5/ Risk factor	151 to 164
16	Main characteristics of the internal control and risk management procedures implemented by the Company relating to the preparation and processing of the accounting and financial information	6.3./ Internal audit and risk management procedures	201 to 206
17	Information related to the exercise of a dangerous activity	N/A	
18	Indication of the use of financial instruments by the Company	3.2/ Consolidated financial statements (note 11.4)	84
19	Allocation of free shares	3.2/ Consolidated financial statements (note 2.22)	74
		3.2/ Consolidated financial statements (note 11)	83-84
		3.6/ Corporate financial statements	108
20	Allocations of stock options	N/A	
21	Social and environmental consequences of the activity	4/ Social, environmental and societal information	127 to 193
22	Indications on the financial risks associated with the impacts of climate change and presentation of measures taken to reduce them by implementing a low-carbon strategy	N/A	
23	Information relating to the distribution of capital	7.3.1/ Changes in the shareholding structure	216
24	Treasury shares	7.2.4/ Share buybacks	215
25	Share buyback transactions	7.2.4/ Share buybacks	215
26	Statement of employee ownership in the share capital as of the last day of the financial year	7.2.2/ Employee savings	213-214
27	Adjustments to the bases of conversion and the conditions for the subscription or exercise of negotiable securities giving access to the capital or for subscription or share purchase options	N/A	
28	Table of results over the past five financial years	7.5/ GTT's results over the past five financial years	219

	Items from the management report and consolidated management report	Registration Document chapter	Pages
29	Terms of offices and positions held by corporate officers during the past financial year	6.1.2/ Board of Directors: composition, terms of office, independence, information	167 to 179
30	Conventions other than those for current operations and signed under normal conditions, occurring directly or via a third person between, on the one hand, one of the corporate officers or one of the shareholders holding a fraction of voting rights exceeding 10% of a company, and on the other, another company in which the former owns directly or indirectly over half of the share capital	3.2/ Consolidated financial statements (note 19)	91-92
		7.6/ Related-party transactions	220
31	Table of current delegations and in relation to capital increases	7.2.1/ General information	212
32	Composition and conditions for the preparation and organisation of the Board of Directors' work	6.1.2/ Board of Directors: composition, terms of office, independence, information	167 to 179
		6.1.3/ Board and management practices of the Company	180-188
33	Application of the principle of balanced gender representation within the Board of Directors	Introduction – Board of Directors and Executive Committee	10
		6.1.3.1/ Board of Directors	180
34	Restrictions that the Board of Directors sets on the powers of the Chief Executive Officer	N/A	
35	Application of the AFEP MEDEF code and divergences from it	6.1.1/ Corporate Governance Code	166
	Specific modalities for the participation of shareholders at the Shareholders' Meeting, or the provisions in the bylaws that provide for these modalities	6.1.5/ Provisions of the Company's by-laws applicable to the participation of shareholders in Shareholders' Meetings	188
36	Compensation and benefits of any kind for each of the corporate officers	6.1.7/ Compensation of corporate officers	198 to 200
37	Information likely to have an impact in the event of a public offer	6.1.6/ Items likely to have an impact in the event of a public offer	188
38	Presentation of draft resolutions relating to the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and the benefits of any kind, that may be allocated to the Chairman, Chief Executive Officers and Chief Operating Officers, resulting from their terms of office	8.2/ Board of Directors' report on the draft resolutions	229-230
39	Obligations to hold shares imposed upon executive directors and corporate officers	6.1.7/ Compensation of corporate officers	195
40	Summary of transactions by Executive Directors in Company securities	7.4.2/ Directors' securities transactions	218

1.4 GRENELLE 2 TABLE OF CONCORDANCE

This Registration Document contains all items required by Article R. 225-105-1 of the French Commercial Code, as presented in the table below:

Information required by Article R. 225-105-1		Registration Document chapter	Pages
SOCIAL			
1.	**Employment**		
1.1	Total headcount	4.3.1.1/ Changes in and breakdown of the workforce	130 to 132
1.2	Recruitments and dismissals	4.3.1.2/ Recruitments and dismissals	133
1.3	Compensation and evolution	4.3.1.3/ Compensation and social benefits	133-134
2.	**Work organisation**		
2.1	Organisation of working time	4.3.2/ Work organisation	134
2.2	Absenteeism	4.3.2/ Work organisation	134
3.	**Social relations**		
3.1	Organisation of social dialogue	4.3.3/ Social dialogue	134
3.2	Summary of collective agreements	4.3.3/ Social dialogue	134
4.	**Health and Safety**		
4.1	Health and safety conditions at work	4.3.4.1/ Safety: an essential pillar of the Group's CSR policy	135
4.2	Summary of agreements signed with employee representatives in terms of OHS	4.3.4.2/ Health and well-being at work	136
4.3	Work-related accidents	4.3.4.1/ Safety: an essential pillar of the Group's CSR policy	135
5.	**Training**		
5.1	Policy implemented	4.3.5/ Training	136-137
5.2	Total number of training hours	4.3.5.1/ Training sessions to develop the employability and expertise of our employees	136-137
6.	**Diversity, equal opportunities**		
6.1	Equal opportunities men/women	4.3.6.1/ Agreement on equal opportunities for men and women	138
6.2	Integration of disabled people	4.3.6.3/ Integration of disabled people – Prevention of discrimination	139
6.3	Prevention of discrimination	4.3.6.3/ Integration of disabled people – Prevention of discrimination	139
7.	**Compliance with the ILO**		
7.1	Respect for the freedom of association and the right to collective bargaining	4.3.7/ Promotion and respect of the core conventions of the International Labour Organisation (ILO)	139
7.2	Elimination of discrimination in employment and occupation	4.3.7/ Promotion and respect of the core conventions of the International Labour Organisation (ILO)	139
7.3	Elimination of forced or compulsory labour	4.3.7/ Promotion and respect of the core conventions of the International Labour Organisation (ILO)	139
7.4	Effective abolition of child labour	4.3.7/ Promotion and respect of the core conventions of the International Labour Organisation (ILO)	139

Information required by Article R. 225-105-1		Registration Document chapter	Pages
ENVIRONMENT			
8.	**General Environmental Policy**		
8.1	Organisation of the Company	4.5.1/ General policy on environmental matters	142 to 144
8.2	Training and information for employees	4.5.1.2/ Prevention and reduction of environmental risks	143-144
8.3	Means devoted to risk prevention	4.5.1.2/ Prevention and reduction of environmental risks	143-144
8.4	Amount of provisions and guarantees for risks	4.5.1.2/ Prevention and reduction of environmental risks	143-144
9.	**Pollution and waste management**		
9.1	Measures to prevent discharges into water and air that would seriously affect the environment	4.5.2.1/ Waste management	144
9.2	Measures for prevention, recycling and elimination of waste	4.5.2.1/ Waste management	144
9.3	Consideration of noise pollution	4.5.2.2/ Soil pollution – noise pollution	144
10.	**Sustainable use of resources**		
10.1	Water consumption	4.5.3.2/ Water	145
10.2	Consumption of raw materials	4.5.3.3/ Consumption of raw materials	145
10.3	Energy consumption	4.5.3.1/ Energy	145
10.4	Land use	4.5.2.2/ Soil pollution – noise pollution	144
11.	**Climate change**		
11.1	Greenhouse gas emissions	4.5.4/ Climate change	146-147
11.2	Adaptation to the consequences of climate change	4.5.4/ Climate change	146-147
12.	**Biodiversity**		
12.1	Measures taken to develop biodiversity	4.5.5/ Biodiversity	147
SOCIETAL			
13.	**Territorial, economic and social impact of the Company's activity**		
13.1	In terms of employment and regional development	4.4.1/ Territorial, economic and social impact of the Company's activity	140
13.2	On neighbouring and local populations	4.4.1/ Territorial, economic and social impact of the Company's activity	140
14.	**Relationships with stakeholders**		
14.1	Conditions for dialogue with stakeholders	4.4.2/ Conditions for dialogue with stakeholders	140-141
14.2	Partnership and patronage actions	4.4.2.2/ Patronage	141
15.	**Subcontracting and suppliers**		
15.1	Taking into account of CSR challenges in the Company's purchasing policy	4.4.3/ Subcontracting and suppliers	141
15.2	Extent of subcontracting and taking into account of supplier and subcontractor CSR	4.4.3/ Subcontracting and suppliers	141
16.	**Fair commercial practices**		
16.1	Actions undertaken to prevent corruption	4.4.4/ Fair commercial practices	142
16.2	Measures taken to promote the health and safety of consumers	4.4.4/ Fair commercial practices	142
17.	**Human Rights**		
17.1	Actions promoting human rights	4.4.4/ Fair commercial practices	142
		4.3.7/ Promotion and respect of the core conventions of the International Labour Organisation (ILO)	139

2. Glossary

In this Registration Document, the terms stated below have the following meaning:

AMF refers to the Autorité des Marchés Financiers (the French Financial Markets Authority);

Bcm means billion cubic metres;

BOR (boil-off rate) means the daily evaporation rate;

BTU means British Thermal Unit;

Bunkering means, concerning LNG, the use of LNG as fuel for the propulsion of vessels;

Clarksons Research refers to the company Clarksons Research Services Limited, having its registered office at Commodity Quay, St Katharine Docks, London E1W 1BF, United Kingdom, a well-known consultant in the maritime transportation and offshore and energy sectors. Clarksons Research is a Clarksons group company, a world leader in services to the shipping industry;

Company means GTT;

EPC contractor means engineering, procurement and construction contractor;

EPC License Agreement designates a License Agreement entered into between GTT and an EPC contractor in connection with the commercialisation of GTT's technologies for onshore storage tanks;

ECA means Emission Control Areas comprised of the Baltic Sea, North Sea, the English Chanel, North-American coasts and coasts of certain Caribbean Islands;

FLNG (Floating Liquefied Natural Gas vessel) refers to offshore platforms that receive the gas produced on remote sites, remove impurities from natural gas coming from offshore gas fields, process the gas, liquefy it and store it until it is offloaded on an LNG carrier;

FSRU (Floating Storage and Regasification Unit) means a stationary vessel capable of loading LNG from LNG carriers, storing and regasifying it;

GIIGNL is the International Group of LNG Importers;

g/kWh means grams per kilowatt hour;

Group refers together to (i) the Company, (ii) Cryovision, a French *société par actions simplifiée,* having its registered office at 114*bis,* rue Michel-Ange, 75016 Paris, France, registered with the Trade and Companies Register of Paris under number 539 592 717, (iii) GTT North America, a company incorporated under the laws of the State of Delaware, having its registered office at Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle 19801, United States of America, (iv) GTT Training Ltd, a UK company having its registered office at 105 St.Peter's Street, St.Albans, Herts, AL1 3EJ, United Kingdom, (v) GTT SEA PTE Ltd, a company governed by the laws of Singapore, having its registered office located at 8 Marina View, #34-01 Asia Square Tower 1, Singapore 018960, and (vi) Cryometrics, a French *société par actions simplifiée,* having its registered office at 14, avenue d'Eylau, 75116 Paris, France, registered with the Trade and Companies Register of Paris under number 814 454 625;

Group company means the Company or any company or entity controlled directly or indirectly by the Company within the meaning of Article L. 233-3 of the French Commercial Code;

GT means Gross Tonnage;

GTT or the *Company* refers to Gaztransport & Technigaz, a French *société anonyme* having its registered office at 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse, registered with the Trade and Companies Register of Versailles under number 662 001 403;

IEA (International Energy Agency) refers to the autonomous body created in November 1974 as part of the Organisation for Economic Co-operation and Development (OECD) to implement an international energy programme and having its registered office at 9, rue de la Fédération 75739 Paris Cedex 15, France;

IGC Code means the International Code for the construction and equipment of vessels carrying liquefied gases in bulk published by the IMO in 1983;

IMO means the International Maritime Organisation;

Innovation Plan refers to the plan presenting the Group's intellectual property and development innovation strategy;

LNG means Liquefied Natural Gas;

LNGC (LNG Carrier) is a vessel for transporting methane;

LPG means Liquefied Petroleum Gas;

m^3 means cubic metre;

Mbtu means Million British Thermal Unit;

MoU stands for Memorandum of Understanding, which is, notwithstanding its name, the final technical agreement laying down the detailed arrangements for either a TALA or an EPC Licence Agreement for a specific project;

Mtoe means million tonnes of oil equivalent;

Mtpy means million metric tonnes per year;

PERCOG refers to the Group-wide collective pension savings scheme;

Poten & Partners refers to Poten & Partners, a company having its registered office at 101 Wigmore Street, London W1U 1QU in the United Kingdom, a well-known shipping consulting specialist;

Sloshing refers to the motion of LNG inside LNG carriers' tanks caused by sea conditions, potentially damaging the tank walls, chamfers and ceilings;

TALA means a Technical Assistance and Licence Agreement, which is a framework agreement entered into between GTT and a shipyard to provide its technologies;

TIP means preliminary engineering work;

TSA means a Technical Services Agreement, which is a framework agreement entered into between GTT and a ship-owner to provide operating, repair or maintenance services for its LNG carrier fleet.

Vessels refers to all LNG carriers, FSRUs (Floating Storage and Regasification Units) and FLNGs (Floating Liquefied Natural Gas vessels), as well as multi-gas transport vessels (in particular for ethane, LPG, propane, butane, propylene and ethylene);

3. Declaration by person responsible for the Registration Document

I declare that, having taken all reasonable steps to verify this, the information in this Registration Document, to the best of my knowledge, is accurate and free of any material omission.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the Company's assets and liabilities, financial position and earnings, and that of the companies included in the consolidation scope, and that the management report made up of the various sections of this Registration Document, as listed in the table of concordance appearing in Appendix 1, gives a true and fair view of the Company's business, profits or losses and financial position and that of the companies included in the consolidation scope, as well as describing the principal risks and uncertainties affecting the Company.

I have obtained from the Statutory Auditors a letter confirming that they have completed their assignment, in the course of which they verified the information relating to the financial position and financial statements presented in this Registration Document and read the document in its entirety.

Philippe Berterottière,

Chairman and Chief Executive Officer

4. General remarks

Unless stated otherwise, the term "Company" or "GTT" refers in the present Registration Document to Gaztransport & Technigaz, a société anonyme (joint stock limited liability company) having its registered office at 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse, registered with the Versailles Trade and Companies Register under no. 662 001 403, and the term "Group" refers to the Company and its subsidiaries.

This Registration Document contains guidance about the Company's objectives and forecasts, particularly in chapters 2 – Activity report and 3 – The financial statements. The guidance is sometimes identified by the use of the future or conditional tenses as well as terms of a forward-looking nature such as "think", "aim to", "expect", "intend to", "should", "seek to", "predict", "believe", "hope that", "could", etc. This information is based on data, assumptions and estimates which the Company believes to be reasonable. It may change or be modified as a result of uncertainties arising from the hazard attached to any business and from the economic, financial, competitive, regulatory and climate-related environments. The Company does not undertake to publish any updates of the objectives, forecasts and prospective information contained in this Registration Document, except where it has an obligation to do so in accordance with statutory and regulatory provisions. In addition, the occurrence of certain risk factors described in chapter 5 – Risk factors of this Registration Document may have a material adverse effect on the Group's activities and on its ability to meet its objectives. In addition, for the Company to meet its objectives, it entails success of its strategy presented in section 1.1.2 – *The Group's strategy* of this Registration Document. The Company does not give any undertakings or make any warranties that the objectives presented in this Registration Document will be achieved.

Investors should carefully consider the risk factors described in chapter 5 – Risk factors of this Registration Document before making their investment decision. The occurrence of all or some of these risk factors may have a material adverse effect on the Group's business, situation, financial position or on its ability to achieve its objectives. In addition, other risk factors, not yet currently identified or not regarded as material by the Company may have the same adverse effect, and investors may lose part or all of their investment.

This Registration Document contains, particularly in chapter 2 – Activity report, information pertaining to the Group's activities. In addition to estimates made by the Group, the information and data contained in this Registration Document comes from databases or other information sources provided by Poten & Partners, Wood Mackenzie and Clarksons Research, each of which are recognised consultants in the areas of maritime transport or energy, as appropriate. With respect to the information and data pertaining to the LNG transport industry from databases or from other sources furnished by Clarksons Research, Clarksons Research has indicated that: (i) certain information originating from its databases is based on subjective estimates or judgements, (ii) the information contained in the databases of other maritime data collection bodies may differ from the information contained in the Clarksons Research database and (iii) although Clarksons Research has been diligent in the compilation of the statistical and graphical data, and considers that they are precise and accurate, the compilation of data is subject to limited validation and audit procedures. The information provided by Poten & Partners, Wood Mackenzie and Clarksons Research were carried out or supplied independently. Certain information contained in this Registration Document is taken from publicly available sources that the Company considers to be reliable, but has not been verified by an independent expert. The Company cannot provide any guarantee that a third party using different methods to combine, analyse or calculate data for the business segments would obtain the same results. The Company and its shareholders do not give any undertakings or make any warranties as regards the accuracy of this information. Given the very rapid changes which mark the Group's activities in France and around the world, this information may contain errors or may no longer be up-to-date. Consequently, the Group's activities may evolve differently from those described in this Registration Document. The Group does not give any undertaking to publish updates of this information, except where it has an obligation to do so in accordance with statutory and regulatory provisions.

Information incorporated by reference

In accordance with Article 28 of regulation (EC) no. 809/2004, this Registration Document incorporates the following information by reference:

- relating to the Company's financial year ended December 31, 2015: activity report, annual financial statements and related reports by the Statutory Auditors, presented in chapter 3 – Financial statements, on pages 55 to 96 of the Registration Document approved by the AMF on April 27, 2016 under number R. 16-028.
- relating to the Company's financial year ended December 31, 2016: activity report, annual financial statements and related reports by the Statutory Auditors, presented in chapter 3 – Financial statements, on pages 55 to 96 of the Registration Document approved by the AMF on April 27, 2017 under number R. 17-030.

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