REGISTRATION DOCUMENT 2016

INCLUDING ANNUAL FINANCIAL REPORT

Expert in LNG

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PROFILE

GTT is an engineering company specialised in membrane containment systems for liquefied gas transport and storage. GTT has been developing technological expertise in the liquefied gas industry for over 50 years, in particular in liquefied natural gas (LNG). The company 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 Company designs and markets technologies which combine operational efficiency and safety to equip LNG carriers, LNG floating platforms and multi-gas transport vessels. GTT also provides solutions for onshore storage tanks and the use of LNG as a fuel for vessels propulsion as well as a wide range of services in engineering, consultancy, training, maintenance assistance and technical studies at each stage of the liquefied gas chain.

THE COMPANY'S STRENGTHS

- Core business
  - Unique positioning in its core business
  - Solid economic fundamentals
  - Capacity for innovation and unique know-how
  - Potential for growth into adjacent areas
  - Sustainable development
- Finance
  - Cost base flexibility
  - No foreign exchange risks
  - Strong balance sheet
  - High dividend

€236M
revenues in 2016

96
current orders as at December 31, 2016

358
employees at the end of December 2016

AUTORITÉ DES MARCHÉS FINANCIERS AMF

Pursuant to its General Regulation and, notably, Article 212-13, the *Autorité des Marchés Financiers* (the "**AMF**") registered this Registration Document on April 27, 2017 under No. R. 17-030. This document may only be used in connection with a financial transaction if supplemented by an information notice authorised by the AMF. It has been drawn up by the issuer and its signatories are liable for its contents.

It was registered in accordance with Article L. 621-8-1-I of the French Monetary and Financial Code after the AMF had checked that the document was clear and complete and the information it contained was consistent. This does not imply that the AMF has verified the accuracy of the accounting and financial items it contains.

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

"THE ENTIRE TEAM AT GTT IS FOCUSED ON INNOVATING AND DEVELOPING SAFER AND MORE EFFECTIVE SOLUTIONS THAT BENEFIT THE LNG INDUSTRY, THE COMPANY AND ITS SHAREHOLDERS."

INTERVIEW WITH THE CHAIRMAN

What kind of a year was 2016?

2016 was marked by a wait-and-see attitude from charterers and operators who, given the uncertain environment, sought to optimise the use of their fleets, therefore limiting the number of LNG carrier orders. However, thanks to excellent cost control, GTT was able to maintain its competitiveness with net profit at a historical high of 119.6 million euros and a net margin of more than 50%.

In a market environment which continues to be difficult for LNG transport, we noted improvement in certain short-term indicators, such as vessel charter rates, at the end of the financial period. We will be watching their evolution over the coming months. However, demand for LNG increased by 6% in 2016. It was particularly sustained in Asia, notably in China and India, which have implemented policies in favour of natural gas and LNG.

We have also pursued our R&D efforts and received a first order for our latest technology, Mark V, which is a major technological advance.

What is your roadmap for 2017?

2017 started rather well. We received four orders for FSRUs -floating LNG storage and regasification units-since January and one for an LNG carrier, which provide better prospects than last year and demonstrate that the LNG market is continuing to grow. Although we continue to be cautious, we believe that the liquefaction projects under construction, notably in the United States, should generate demand for 50 new LNG carriers over the coming years.

With respect to the outlook for the current year, we estimate that our 2017 revenues should be within a range of 225 to 240 million euros and we anticipate a net margin above 50% and that the dividend amount will be maintained for 2017.

What are GTT's goals for the coming years?

Demand for LNG remains strong, particularly in Asia. We are also seeing new countries opening up to the LNG market every year. In addition, the LNG supply is moving to the United States with the construction of several liquefaction projects. All of this is favourable for LNG transport and storage needs and should gradually result in new orders for LNG carriers from operators.

LNG is also an attractive fuel for new power generation plants due to its higher average thermal efficiency *versus* coal and lower carbon footprint. The conversion by power plants should be further strengthened by the current competitiveness of LNG prices compared to coal.

Lastly, we are continuing our efforts to expand our offer and enter new adjacent markets. This is already true in a major area like offshore storage. In addition to the success of FSRUs, we believe that the emerging market for medium-capacity vessels and LNG as a fuel will be an important source of income over the coming years. This is a real energy transition which meets a significant challenge in terms of limiting greenhouse gas emissions.

Many initiatives at both the local and global levels are intended to promote the transition *via* incentives and stricter regulations. At the end of 2016, two years ahead of schedule, the IMO[(1)] confirmed the implementation in 2020 of the Global Sulfur Cap, which will limit sulfur emissions in the world's oceans. The European Union and China have also announced measures to limit the emissions of vessels in many ports and high traffic areas.

LNG propulsion has been used successfully on LNG carriers for many years. It enables the near-total elimination of greenhouse gases. We believe that these initiatives will help accelerate the adoption of LNG as a fuel for other types of vessels. This is why GTT is implementing a number of initiatives to develop this activity.

Furthermore, we are actively pursuing the development of our services activities for the benefit of all the players of the LNG chain.

The entire team at GTT is focused on innovating and developing safer and more effective solutions that benefit the LNG industry, the company and its shareholders.

(1) International Maritime Organisation.

HIGHLIGHTS & KEY FIGURES

HIGHLIGHTS

FEBRUARY 2016

Agreement for the industrialisation of NO96 Max technology with the Daewoo Shipbuilding & Marine Engineering shipyard.

APRIL 2016

Licence and technical support agreement with Atlantic, Gulf and Pacific of Manila (installation subcontractor) for the construction of membrane containment systems.

MAY 2016

Delivery of the first Floating Liquefied Natural Gas vessel (FLNG).

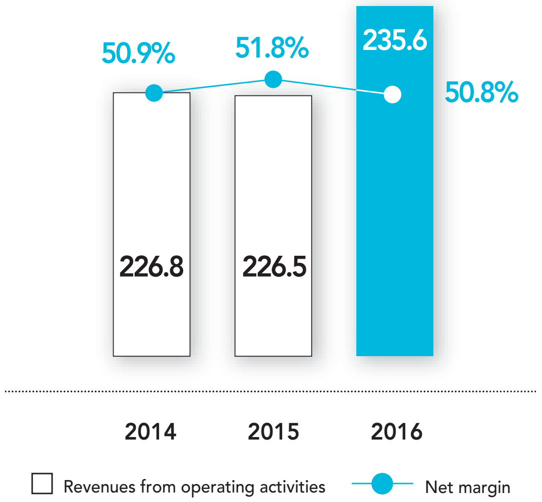
JUNE 2016

- Opening of an office in China to be closer to local customers and partners.
- Licence and technical support agreement with Endel (installation subcontractor) for the construction of membrane containment systems.

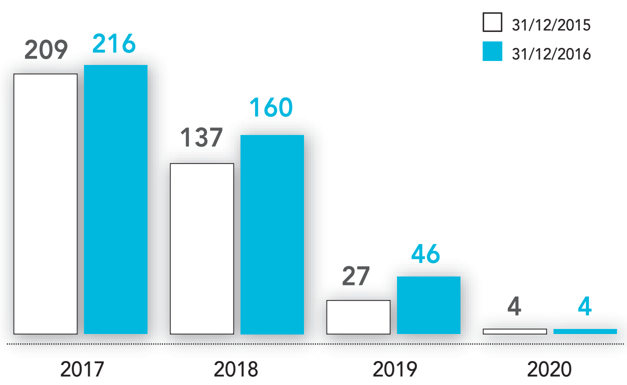
OCTOBER 2016

- Order for an LNG carrier which will be equipped with the very latest GTT Mark V technology and to be built at the Samsung Heavy Industries shipyard.
- Inauguration of the first two very large capacity ethane carriers (VLEC) equipped with GTT technology.

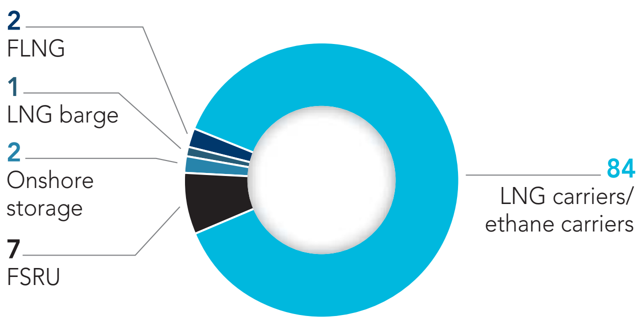
REVENUES (in millions of euros) **AND NET MARGIN** (in %)



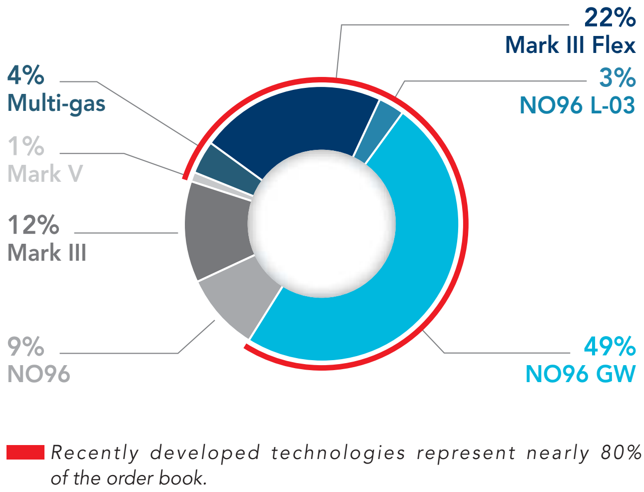
ORDER BOOK IN VALUE (in millions of euros)



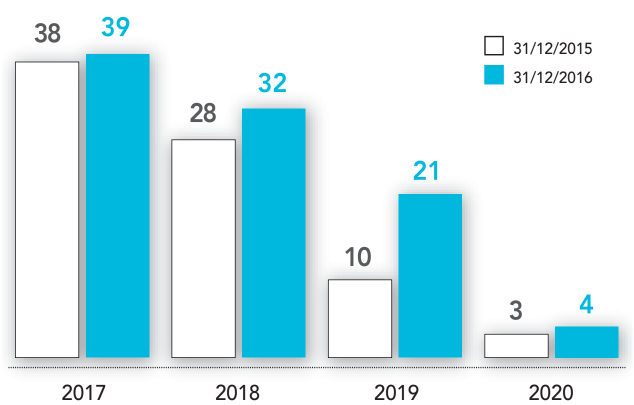
ORDER BOOK AT DECEMBER 31, 2016
(in units)



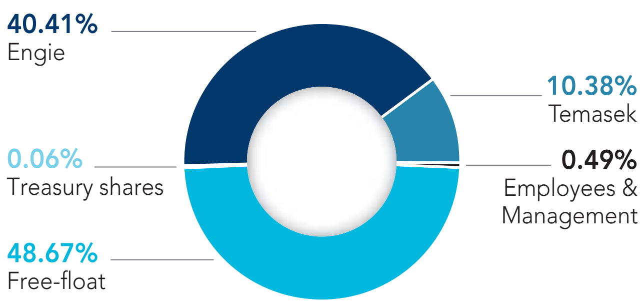
ORDER BOOK BY TECHNOLOGY AS AT DECEMBER 31, 2016 (in %)



DELIVERIES SCHEDULE BASED ON THE ORDER BOOK (in units)



SHAREHOLDERS' STRUCTURE AS AT MARCH 31, 2017
(in %)



APPLICATIONS & SERVICES

ADVANCED TECHNOLOGIES

GTT 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 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 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.

The Company is renowned for its unique expertise, and enjoys excellent relations with all the key players in the maritime and gas sectors: shipyards, ship-owners, gas companies, terminal operators, insulation system installers, 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 300 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 2016, the Company had an order book of 84 LNG carriers and ethane carriers, 5 of which are new orders received during the year. One of these concerned an LNG carrier equipped with a Mark V membrane, representing the first order for this new technology.

MULTI-GAS TRANSPORT

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

At the end of 2016, GTT had four orders for very large ethane carriers and two had been recently delivered, thus demonstrating the viability of its containment systems for the transport of various kinds of liquefied gases.

The Company has developed a new technology, GTT MARS™, specially dedicated to the transport of LPG, the density and temperature of which are different from LNG. It is based on the characteristics of the proven Mark III membrane technology, and has been adapted and simplified in order to meet the specific requirements of LPG.

This new reliable and economic technology delivers better performance in terms of running costs, and facilitates cargo operations, making it possible to reduce vessel dry-dock time.

© GTT

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 Production, Storage and Offloading units (FLNG).

The worldwide FSRU market represents 24 units currently in operation. 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.

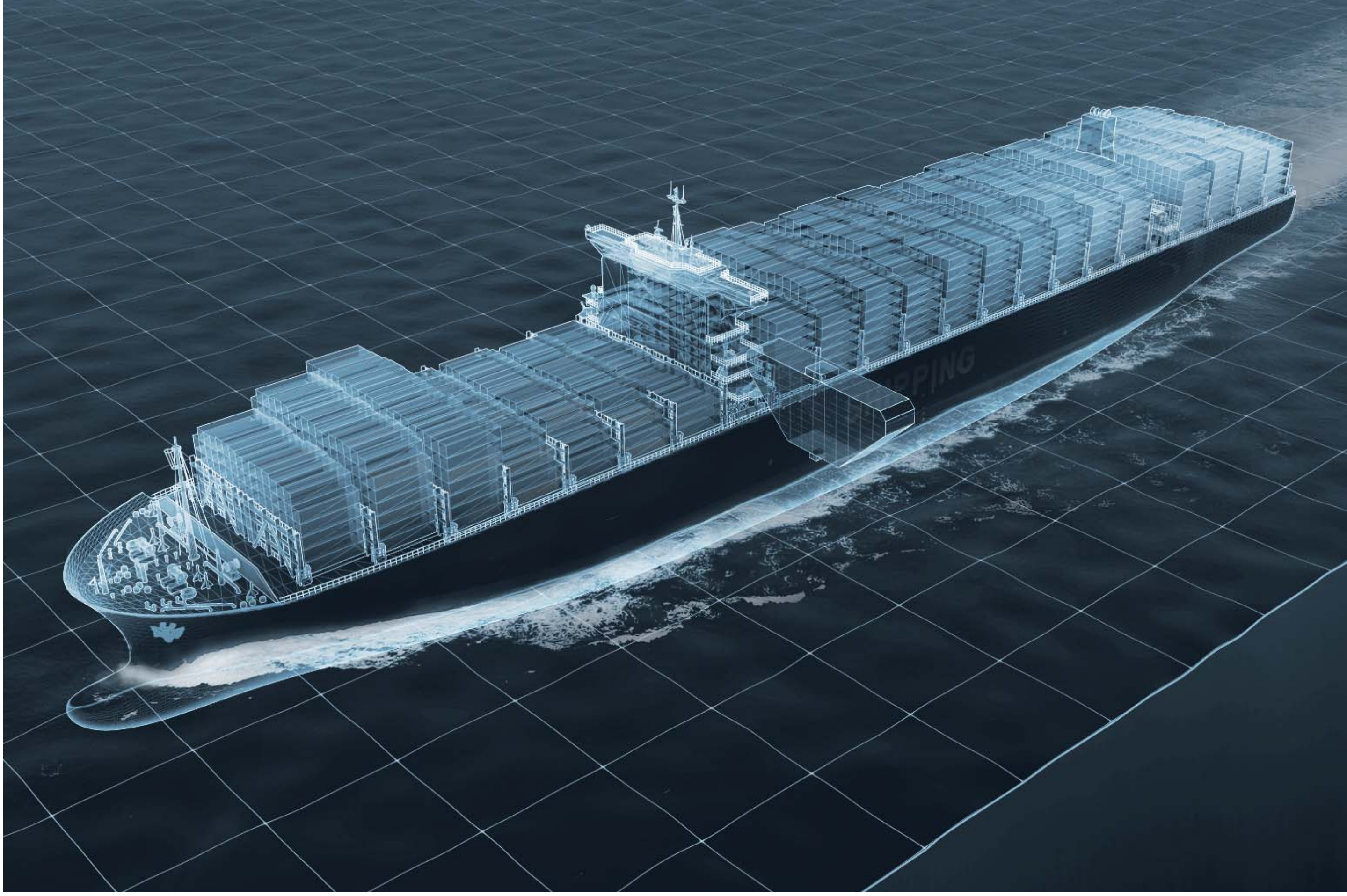
SOLUTIONS FOR ONSHORE STORAGE

GTT is developing membrane solutions for onshore storage thanks to its GST™ technology offering a high level of operating efficiency. Nineteen EPC contractors are currently licensed to deploy this technology.

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

© Engie - credits: BS coatings/Antoine Gonin

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



© GTT

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

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

© GTT - credit: Matthieu Pesquet

The applications for using LNG as a fuel are varied. In addition to proposing its technologies to equip commercial vessels' tanks (cargo or passengers), 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's US subsidiary, GTT North America, took an order at the start of 2015 for an LNG bunker barge, the first of its kind in the North American maritime market. When operational, the barge will have an innovative bunker mast, $REACH_4$™ (Refuelling Equipment Arm, Methane [CH_4]), developed by GTT, which allows LNG to be transferred safely simply to customer's vessel. This order highlights GTT's ability to adapt its technology to suit to new applications.

A RANGE OF COMPLEMENTARY SERVICES

As well as giving customers and partners access to its technologies, GTT and its subsidiaries assist them with their strategic approach upstream of the project and during operation of their vessels, by means of complementary decision support tools and services. This is in addition to the engineering studies conducted to examine very complex technical issues such as transition to a new propulsion system, converting an LNG carrier into an FSRU, or extending a vessel's operating life.

Users of GTT's membrane technology are offered the following services to guarantee safety, assistance and operational efficiency:

INTERVENTION SERVICES

- TAMI™ (Thermal Assessment of Membrane Integrity) is a way of testing the integrity of secondary membranes in LNG carriers that use GTT technology. TAMI™ is currently the only inspection technique that does not require the ship to be in dock. Since 2012, 60 vessels and more than 220 tanks have been tested using this method.
- MOON® (MOtorized BalloON) is a drone-like tool allowing quick and easy deployment of standard inspection methods for the tank's primary membrane. MOON has already proved itself during the inspection of three vessels.

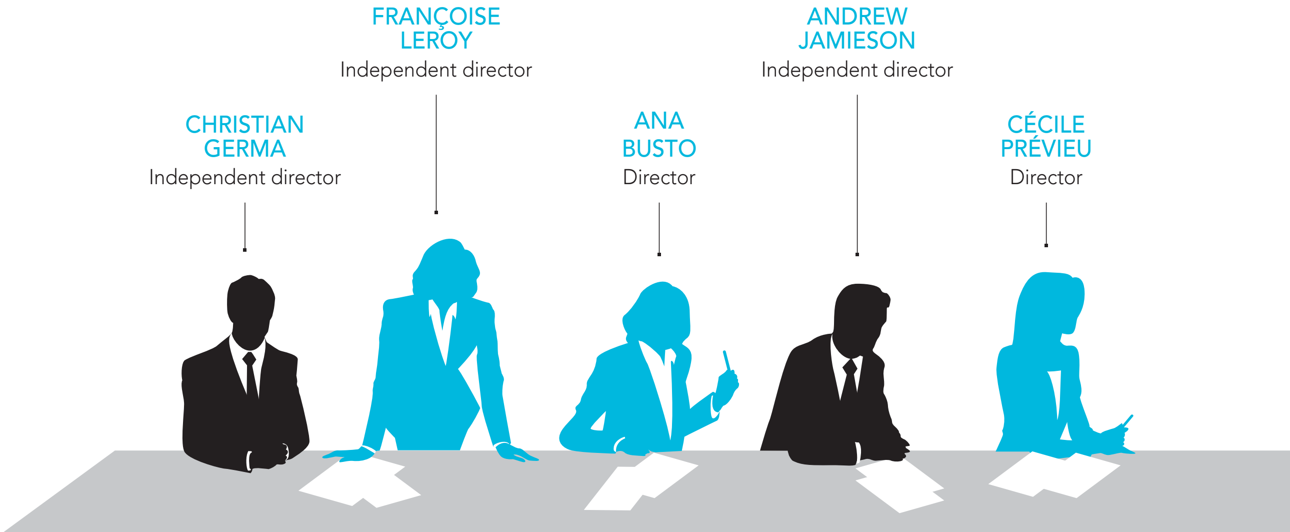
ADVISORY AND OPTIMISATION SERVICES

- HEARS® (Hotline Emergency Assistance & Response Service) is an emergency hotline for ship-owners and their crews to contact GTT's specialists 24/7 to report any incidents and get support.
- SloShield™ is a solution for detecting the impact of liquid movements in the tanks, called sloshing. This tool analyses structural vibrations in the tank and feeds back data in real time. Since October 2015, two systems have been commissioned; one for Gaslog, the other for Chevron/Sonangol and another order is in progress for ENGIE.
- Launched at the end of 2015, LNG Advisor™ is a new service offer designed 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.
- In addition, building on its extensive expertise in LNG related issues, GTT Training offers a series of bespoke training programmes and simulation software to GTT's customers and partners. In March 2016, GTT Training received an initial order for its G-Sim® cargo operations simulation software, which offers complete simulations of all on-board systems for the management and handling of LNG cargo and proper vessel maintenance. In addition, in July 2016 G-Sim obtained two approvals from the DNV GL classification society: one conferring Class A "Full Mission" approval for its LNG carrier configuration (this is the highest level of compliance in the area of simulation systems dedicated to the maritime industry); and the other being Class S approval (special operations) for its bunkering operations.

BOARD OF DIRECTORS & EXECUTIVE COMMITTEE

COMPOSITION OF THE BOARD OF DIRECTORS[1]

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.



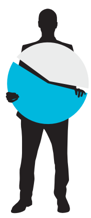
PROFILE OF THE BOARD OF DIRECTORS[1]

9 directors

44% women on the Board of Directors

6 

Number of meetings in 2016



44% independent directors

54 Average age

(1) Subject to ratification by the Shareholders' Meeting of May 18, 2017.

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.

COMPENSATION AND NOMINATIONS COMMITTEE:

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

PHILIPPE SALLE
Independent director

DIDIER HOLLEAUX
Director

PHILIPPE BERTEROTTIÈRE
Chairman and Chief Executive Officer

MICHÈLE AZALBERT
Director

BENOÎT MIGNARD
Observer(2)

(2) Non-voting Board member.

EXECUTIVE COMMITTEE AT MARCH 31, 2017

PHILIPPE BERTEROTTIÈRE
Chairman and Chief Executive Officer

JULIEN BURDEAU
Chief Operating Officer and Innovation Director

ISABELLE DELATTRE
Human Resources Director

LÉLIA GHILINI
Director of Legal Affairs

MARC HAESTIER
Chief Financial Officer

DAVID COLSON
Commercial Director

KARIM CHAPOT
Technical Director

1 THE GTT GROUP

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

1.1 GTT presentation

1.1.1 GROUP OVERVIEW

Profile

The Company 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, 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 Company's containment systems are based around its Mark, NO and GST™ membrane technologies. 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 Company has licensed its membrane technology to leading shipyards worldwide, such as Samsung Heavy Industries, Hyundai Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hudong Zonghua. These shipyards use the Company'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 Company'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. The Company has also adapted its technologies to be able to cover new markets for LNG, including the use of LNG as a fuel for vessel propulsion ("bunkering") and the development of small or medium-size marine and river LNG carriers.

Between 2012 and 2015, the Company created five subsidiaries:

- 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 that of bunkering);
- 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

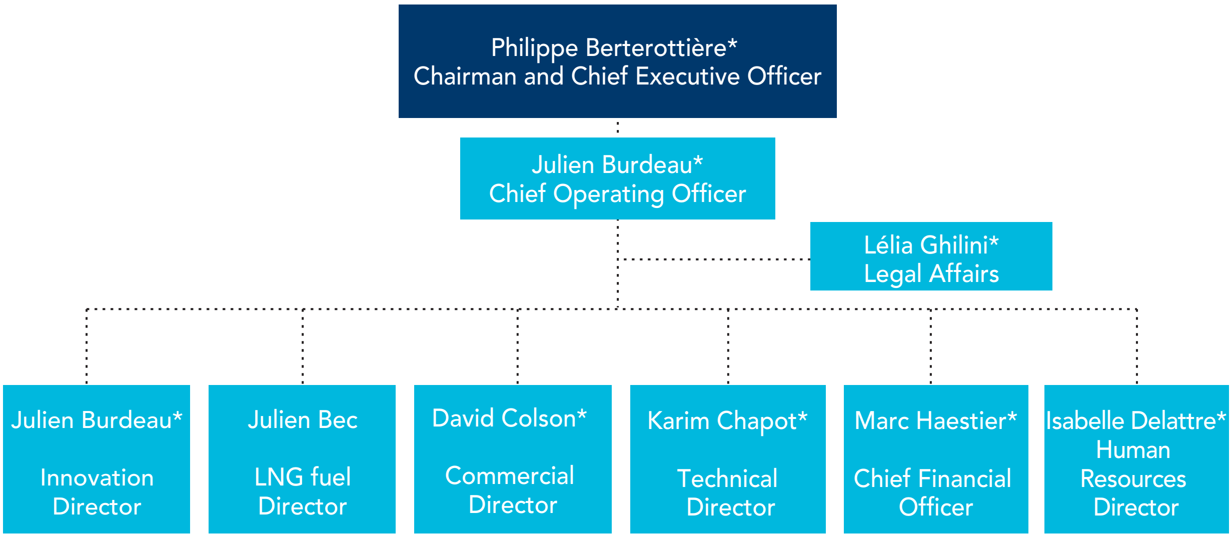
The simplified organisation chart presented below shows the Group's situation at the date of filing this Registration Document.

On the date of filing this Registration Document, the Company possesses the entirety of the share capital and voting rights of its subsidiaries.

Organisation of the Company

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

The Company's organisation chart at December 31, 2016 is shown below:



** Member of the Executive Committee.*

Biographies of the members of the Executive Committee

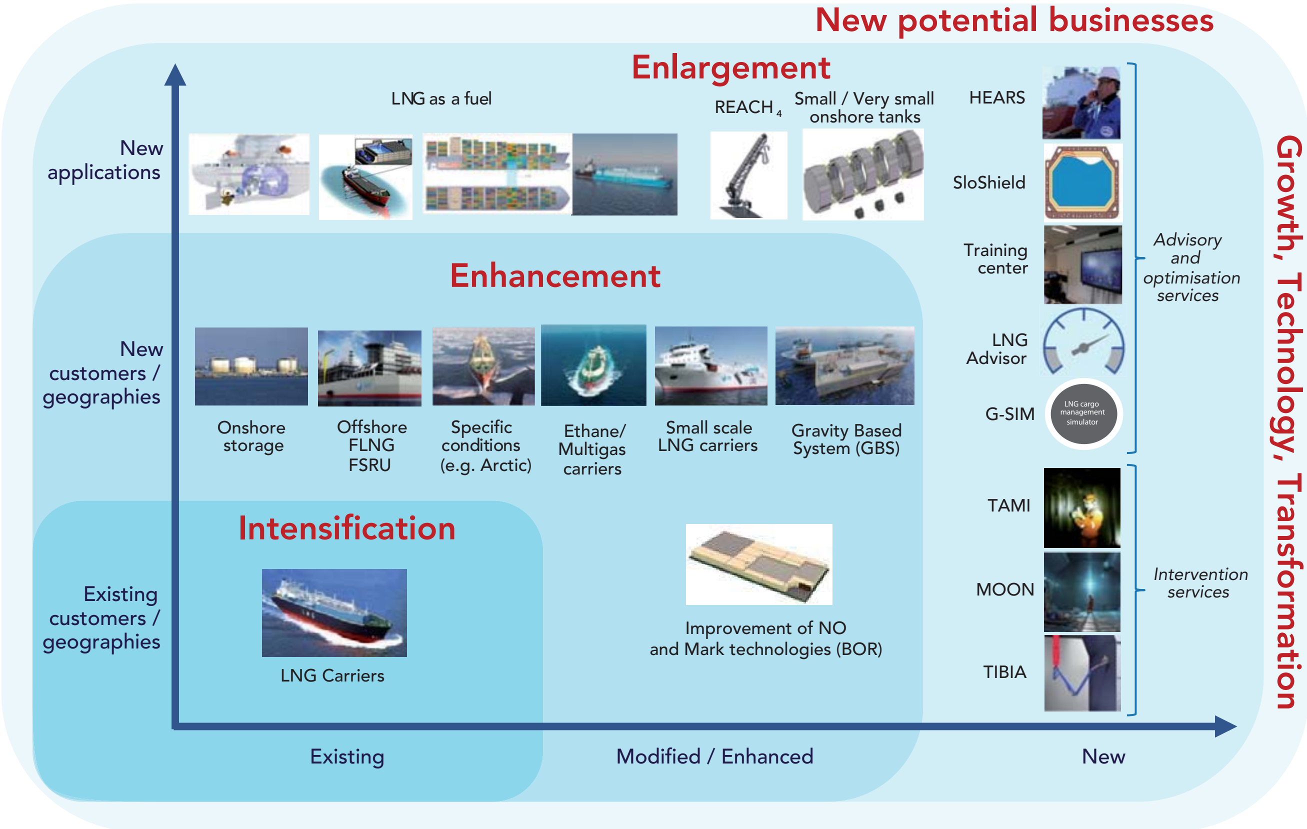
- Philippe Berterottière, Chairman and Chief Executive Officer, joined GTT in 2009. He has 34 years of experience of working in advanced technology sectors. He previously held different Management positions within companies present in the aerospace sector: with Airbus as a contract negotiator, and then Business Development Director, with Matra as Sales Director within the defence division, and with Arianespace, where he held different commercial positions before becoming Commercial Director and member of the Executive Committee. He is a graduate of the prestigious HEC business school and of the IEP (*Institut d'Études Politiques*).
- Julien Burdeau, COO and Innovation Director, joined GTT in 2013. His career began with the French ministry for Industry, before he moved into the steelmaking sector in 2002. He gained 12 years of industrial experience and held various operational responsibilities at Arcelor, then ArcelorMittal and Aperam. From 2009 to 2013, he managed the Aperam group's Alloys and Specialties division. He is a former student at the prestigious *École Normale Supérieure*, holds a PhD in mathematics and is a *Corps des Mines* engineer.
- Marc Haestier, Chief Financial Officer, joined GTT in January 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 27 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 20 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*).
- Isabelle Delattre, Human Resources Director, joined GTT in 2016. She has 26 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, Director of Legal Affairs, joined GTT after two years of experience at the Ministry of Economy and Finance as a policy officer (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.

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 the tanks of LNG carriers.
- 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;
  - first order for an LNG carrier equipped with Mark V technology.

1.1.2 THE GROUP'S BUSINESS STRATEGY



© GTT

Consolidating the Group's position in the LNG and other liquefied gases industry through innovation. GTT is strongly focused on innovation to meet the needs of shipyards, ship-owners and terminal operators, at each key step of the liquefied gas chain and, particularly, for LNG. GTT also maintains close relationships with all major classification societies and major gas companies worldwide in order to support their approval and prescription of its membrane containment systems. This focus on innovation, reflected by the 61.3 million euros that the Company has invested in research and development from 2014 to 2016, 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 bunkering, small- and medium-size carriers and storage. The Group intends to further drive the adoption of its membrane technology in the liquefied gas shipping and storage industry by developing its technologies and services in bunkering, small and medium-size carriers and liquefied gas storage. It considers in particular that it is in an ideal position to increase its presence in the bunkering market. Its membrane technology offers efficiency, safety and cost reductions which are significantly better than those of the competing technologies.

Expand the provision of related high value-added services. The Group is developing its range of products in engineering, training, consultancy, in particular, by offering innovative support services to shipyards, ship-owners, terminal operators and gas companies. It offers training for users of its products and technologies at all levels of the LNG value chain, and has focused on providing engineering and consulting services designed to meet the needs of shipyards and ship-owners in the liquefied gas industry. The Group has concentrated on the development of innovative tools and services, such as gas-tightness tests (with the TAMI™ thermal camera and the motorised MOON balloon), acoustic emissions tests and monitoring software placed on board vessels such as SloShield™ to manage sloshing and LNG Advisor™ to manage the boil-off rate. These services will enable it to better satisfy customers that use membrane containment systems. During the preparation for a planned build, and then during the various project phases, GTT assists shipyards and ship-owners with tank optimisation or *ad hoc* studies, as well as providing detailed engineering services, based on the main characteristics, hardware specifications and project approvals. The Group is also seeking to consistently emphasise the delivery of excellent service to terminal operators and gas companies.

1.1.3 THE IMPORTANCE OF INNOVATION AND R&D

Objectives

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

Accordingly, its innovation policy pursues three main objectives:

- to remain receptive to their expectations and the needs of LNG chain participants and develop innovative technological solutions by enhancing the performance and value in use of the technologies provided by the Company;
- to establish the excellence of the Company'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 Company.

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 Company 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 Company. 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 Company spent 20.6 million euros during the year ended December 31, 2014, 21 million euros during the year ended December 31, 2015 and 19.7 million euros during the year ended December 31, 2016. The Company's research and development activities are funded primarily using its free cash flow.

Research and development account for 19% of the total amount of the Company's operating expenses[(1)] in 2016. The amount of research and development investments represents 24% of the aggregated total amount of the Company's investments for the financial years 2014, 2015 and 2016[(2)].

The Company received 5,817 thousand euros in research tax credits for 2015.

At the end of December 2016, in light of the research and development activity in the 2016 financial year and the amounts already declared, the Company estimated the research tax credit (CIR) at 5,358 thousand euros for the financial year.

The Company has a division specifically dedicated to innovation, which had a headcount of 93 employees as at December 31, 2016, with external consultants brought in when required. Furthermore, other divisions of the Company are called on to carry out R&D work: during 2016, 29 engineers and technicians worked on such projects, in addition to the Innovation Division staff.

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 thus introducing two new systems – the NO96 Max and Mark V – with the aim of minimising the guaranteed boil-off rate, but also optimising the dynamic resistance of the insulation.

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).

Mark V has been developed as an extension of the Mark systems. The thermal insulation and the membrane support are provided by prefabricated panels made of reinforced polyurethane foam. With the aim of offering an even more thermally efficient system than Mark III Flex, the total thickness of the insulation system was increased by 20%. The second vector for development concerns the secondary membrane. The bonded composite secondary membrane of the Mark III Flex system is replaced by a welded metallic secondary membrane. This new membrane – made of Invar – is folded to create corrugations. This new membrane – made of Invar – is corrugated by folding. The production of this membrane makes use of innovative folding tools developed by GTT.

(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.

These two NO96 Max and Mark V systems were approved by the classification societies. GTT has been working actively on the industrialisation of these new systems since early 2015: following the two cooperation agreements signed during the first half year with Samsung Heavy Industries and Hyundai Heavy Industries aiming at the industrialisation of the new Mark V technology, GTT received its first two general approvals for this new containment system, from the classification societies DNV-GL and Lloyd's Register. The first LNG carrier equipped with Mark V technology was ordered by Gaslog from Samsung Heavy Industries in October 2016. Furthermore, on February 10, 2016, GTT announced that it had finalised a cooperation agreement with the South Korean shipyard Daewoo Shipbuilding & Marine Engineering (DSME), aiming at the industrialisation of its new NO96 Max technology, and then marketing it during 2016. This technology has already received approvals in principle from the main classification societies.

LNG fuel projects

More and more ship-owners are currently considering LNG as a 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.** In this way, the new Mark Fit™ technology provides 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 a fuel.** The aim is to propose increasingly accessible offers, encouraging the use of LNG as a 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 fuel. GTT's proximity to these industrial partners will allow it to rapidly propose these innovations to the market.

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, GTT developed a tool specifically for the monitoring of indicators linked to the boil-off phenomenon and put it on the market in October 2015 under the name LNG Advisor™, *via* its Cryometrics subsidiary. 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 studied with great attention by the Company. In this area, the Company has recognised expertise, in matters of modelling and conducting tests.

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

Onshore tanks

The Company 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 a major challenge both for the traditional applications of large onshore storage tanks (up to more than 200,000 m^3) in order to stock LNG on export terminal sites (liquefaction) and import sites (regasification), and for the rapidly developing storage requirements for smaller quantities of LNG (<50,000 m^3), in a similar way to the supply infrastructures for LNG as a marine fuel. In this field, the Company's ability to offer competitive technological solutions is significant in increasing the attractiveness of LNG as a fuel, by reducing the cost of distribution and LNG bunkering for this usage.

Intellectual property

The Company 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 and Qatar) and gas-importing countries (such as South Korea, China and Japan). GTT's technologies are protected by an extensive portfolio of patents. As at December 31, 2016, GTT held 1,085 patents, of which 479 had been issued and another 606 patent applications were under review in close to 80 countries.

The Company has established an internal procedure that aims to identify and protect inventions and enables the Company 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 Company'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' needs and requests.

Nature and coverage of the patents held by the Company

The number of patents and patent applications reflects the efforts made by the Company to refine its existing technologies and make new inventions. Almost 148 different inventions are covered by the 1,085 patents and patent applications in force as at December 31, 2016, 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 the inventions made by the Company's employees

The employment contracts of GTT employees assigned to the Company'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 Company 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) Security of the Company's information system

The activities of the Company, 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 Company implements the appropriate human, physical and technical resources to ensuring safety and fair use of the information system and backing up its IT data. All the applicable rules are shared in an internal memo entitled "Charter for use of GTT's information system", which has been signed by all of the Company'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 Company's know-how

Aside from the protection of new inventions, the Company 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.

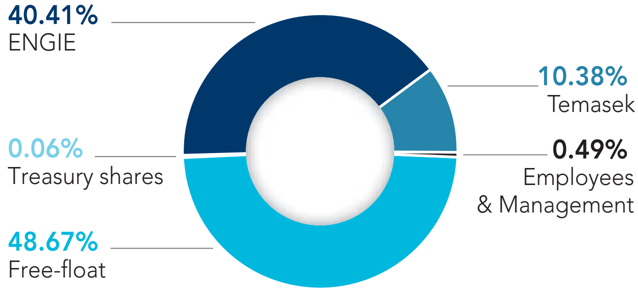
The confidentiality clause stipulated in most TALAs prohibits licensees using GTT's intellectual property rights and know-how from disclosing technical information communicated by the Company without the latter's prior consent. This obligation must be satisfied for the whole term of the TALAs and for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

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

1.2 GTT and its shareholders

1.2.1 SHAREHOLDING

Shareholders' structure as at March 31, 2017



1.2.2 SHAREHOLDER AND INVESTOR CONTACTS

Investor relations department
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse, France
Phone: +33 1 30 23 42 26 / +33 1 30 23 20 87
Fax: +33 1 30 23 47 00
information-financiere@gtt.fr
www.gtt.fr

Indicative dates for GTT's financial reporting are as follows:

Shareholders' Meeting	May 18, 2017
H1 2017 results	July 21, 2017

1.2.3 KEY FIGURES FOR INVESTOR RELATIONS IN 2016

- **Two results publications:** GTT General Management presented the half-year and annual results during meetings transmitted as webcasts on its website.
- **Two activity updates relating to the first quarter and the first nine months of the year:** the Chief Financial Officer presented the activities for the period during conference calls.
- **Nearly 400 investor meetings** took place, with members of the Executive Committee or the Investor Relations team.
- **13 days of road-shows** in six countries.
- Participation in **11 sector**-based or generalist conferences.
- Coverage of the shares **by 7 French and foreign stockbrokers**.

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 Company paid the following dividends over the past five financial years:

	Financial year ended December 31				
In euros	2015	2014	2013	2012	2011
Total dividend payout	98,550,583	98,617,273	127,008,784	40,153,105	15,714,097
Net dividend per share	2.66	2.66	3.43	1,735	679

In accordance with the Company's dividend distribution policy, on the basis of a decision by the Board of Directors on July 21, 2016, an interim dividend of an amount of 49,269,269 euros, or 1.33 euro per share was paid entirely in cash. This interim dividend was attached on September 28, 2016 and paid on September 30, 2016.

1.3 Key figures – first quarter 2017

In thousand of euros	Q1 2016	Q1 2017	Variation
Revenues	58,555	56,872	-2.9%
From royalties	55,360	53,468	-3.4%
LNG/ethane carriers	*49,922*	*46,647*	-6.6%
including FSRU	*4,435*	*6,310*	+42.3%
including FLNG	*633*	*435*	-31.3%
including Onshore storage	*192*	-	nm
including Barges	*177*	*76*	-57.1%
From services	3,195	3,404	+6.6%

Revenues for the first quarter of 2017 were 56.9 million euros, down 2.9% compared to the first quarter of 2016.

Revenues from royalties were 53.5 million euros, down by 3.4%. Royalties from LNG carriers and ethane carriers decreased by 6.6% to 46.7 million euros, whereas royalties from FSRU increased by 42.3% to 6.3 million euros. Other royalties came from FLNG for 0.4 million euros and barges for 0.1 million euros.

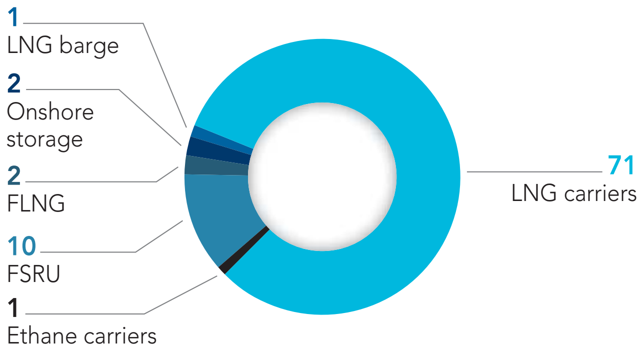
Service-related revenues amounted to 3.4 million euros, up 6.6% compared to the first quarter 2016, mainly driven by maintenance services for vessels in service, studies, and accreditation of suppliers.

CHANGES IN THE ORDER BOOK

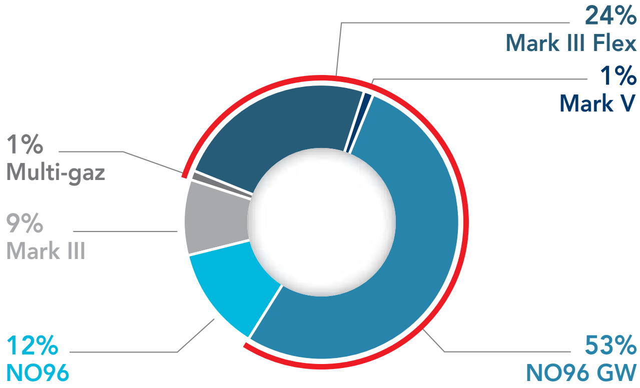
GTT's order book, which contained 96 units at January 1, 2017, has added the following orders since that date:

- 12 LNG and ethane carrier deliveries;
- 2 FSRU deliveries;
- 1 LNG carrier order;
- 4 FSRU orders.

Order book as at March 31, 2017 (in units)



Order book by technology as at March 31, 2017 (in %)



Recently developed technologies represent nearly 80% of the order book.

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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 Company 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 Units) and FLNGs (Floating Liquefied Natural Gas vessels), as well as multi-gas carriers (in particular ethane, LPG, propylene and ethylene).

2.1.1 LIQUEFIED NATURAL GAS

2.1.1.1 Principal characteristics of 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.

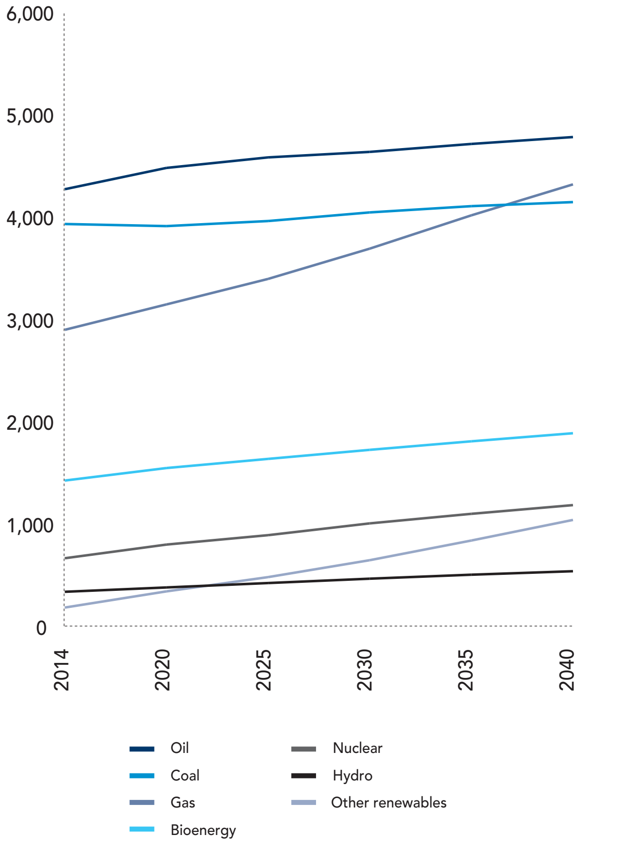
In 2016, the main LNG producing regions were Qatar, Malaysia, Australia, Nigeria and Indonesia.

The main LNG importing region in 2016 was Asia, which concentrates more than 70% of demand. Within this region, Japan, South Korea and China account respectively for about 32%, 12% and 10% of global demand. The second importing region is Europe, with 14% of world demand, with Spain, the United-Kingdom, France and Italy accounting for more than 90% of this area in 2016.

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 the fossil fuels, with global consumption set to increase at an estimated average annual rate of 1.5% from 2014 to 2040 against 0.2% for coal and liquid fuels[(1)]. The share of gas in the global energy mix should thus rise from 21% in 2014 (on the basis of total primary energy demand of 543 billion Mbtu) to 24% in 2040 (on the basis of 709 billion Mbtu), *i.e.* a level greater than coal. Gas is currently the third contributor to world energy needs and should surpass coal between 2035 and 2040 and hold the second place behind oil, which is tending to decline.

Changes in the global energy mix according to the IEA



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

- abundant and well distributed resources that represent more than 230 years of global consumption at current rates, a figure that takes into account recent significant upward revisions to estimates of the amount of conventional/unconventional gas recoverable globally. In the USA, unconventional gases, including shale gas, tight gas and coal bed methane account for a growing proportion of resources;
- 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 hydrocarbon fuels (coal and oil). This makes it an attractive source of fuel in countries

(1) *World Energy Outlook, IEA 2016 – New Policies Scenario.*

where governments are implementing policies to reduce emissions of greenhouse gases; and

- 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 50% of gas exports will be in LNG form by 2040.

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 2006 to 2016, with average annual growth of around 4.8%.

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 Russia and Nigeria. 2016 also saw the arrival of the United States as an LNG exporter with over four million tonnes of LNG produced over the year.

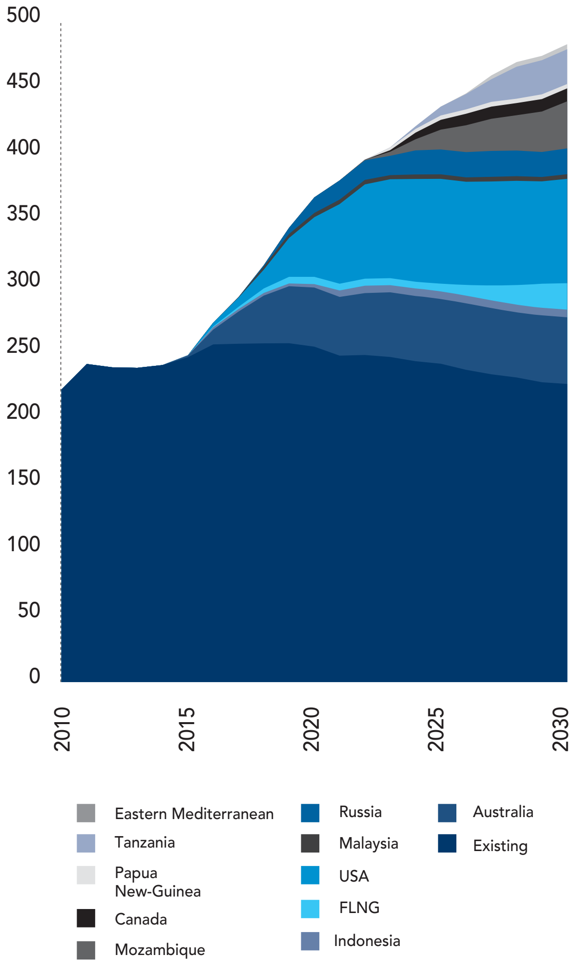
LNG supply growth forecasts confirm this trend, with an expected annual average growth between 2017 and 2026 of 3.9% in Poten & Partners' October 2016 base-case scenario, and 4.7% in the strong growth scenario.

The decrease in gas and LNG prices seen since 2014 and 2015 continued in 2016 with historical lows reached in the spring (4.4 US dollars/Mbtu for LNG in Asia in April and 1.7 US dollars/Mbtu for natural gas in the United States). Prices started to rise sharply in mid-2016, stimulated by the price of oil and increased demand for LNG and gas (9 US dollars/Mbtu in Asia and 3.6 US dollars/Mbtu in the United States in December), exceeding the prices of early 2015. Between now and 2020, the IEA is forecasting an increase in oil prices to 79 US dollars/Bbl, an LNG price in Japan of 9.6 US dollars/Mbtu, and a price for natural gas in the United States at 4.1 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 from 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.

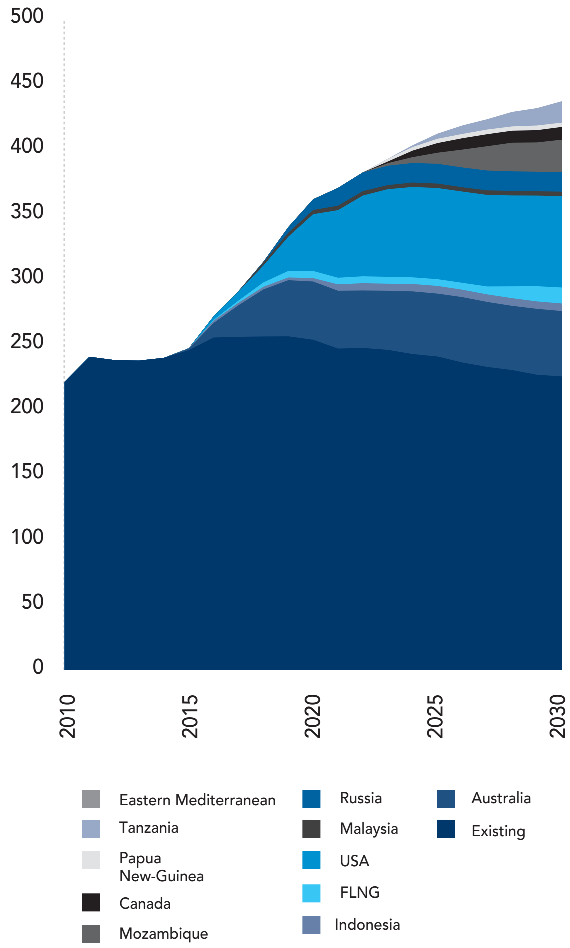
Nonetheless, this does not cast doubt on the forecasts for increased supplies of LNG in the long term, which are driven by growth in total demand.

Strong growth scenario – LNG global supply according to Poten & Partners (in Mtpy)



Source: *Poten & Partners.*

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

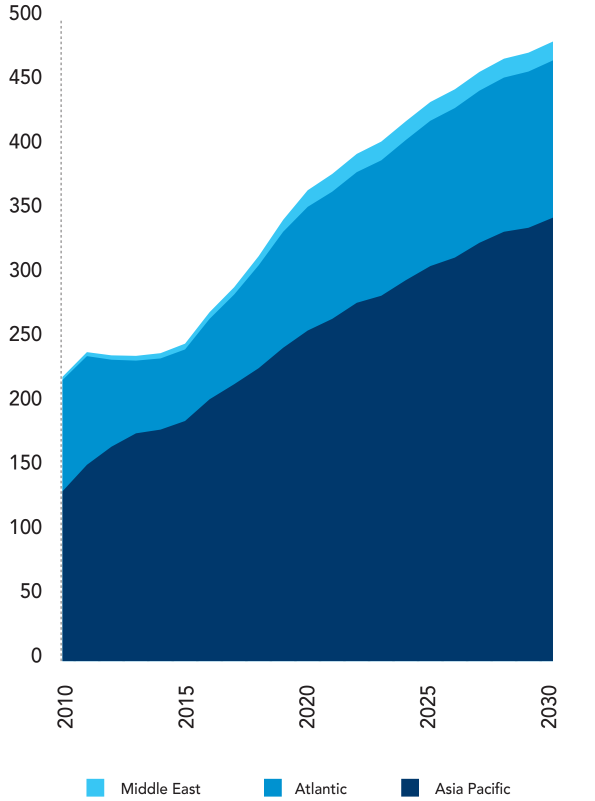


Source: *Poten & Partners.*

LNG demand

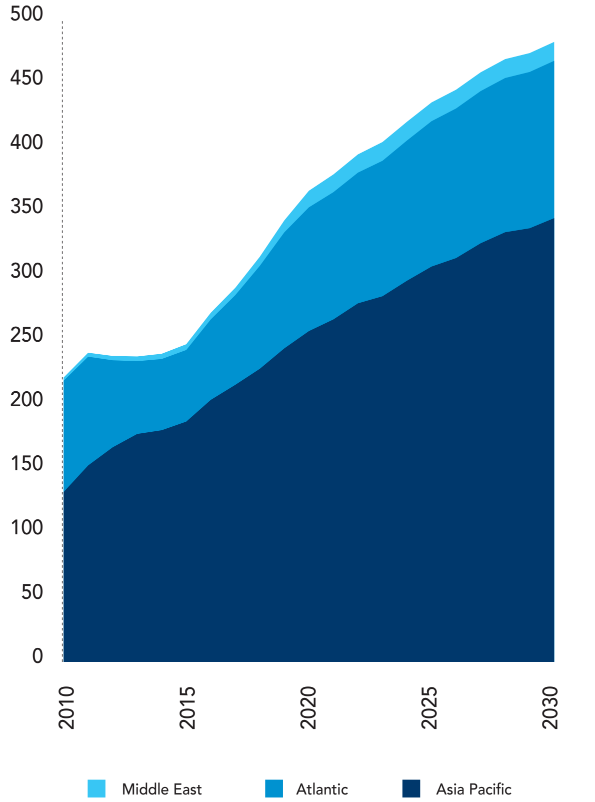
Global LNG demand increased at a compound annual growth rate of 5.3% in the period from 2006 to 2016, from 158 Mtpy to 264 Mtpy. According to Poten & Partners' base-case scenario, this increase is expected to continue at a rate of 3.9% on average over the period of 2017-2026, or 4.7% under its strong growth scenario.

Strong growth scenario – Global demand for LNG according to Poten & Partners (in Mtpy)



Source: Poten & Partners.

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

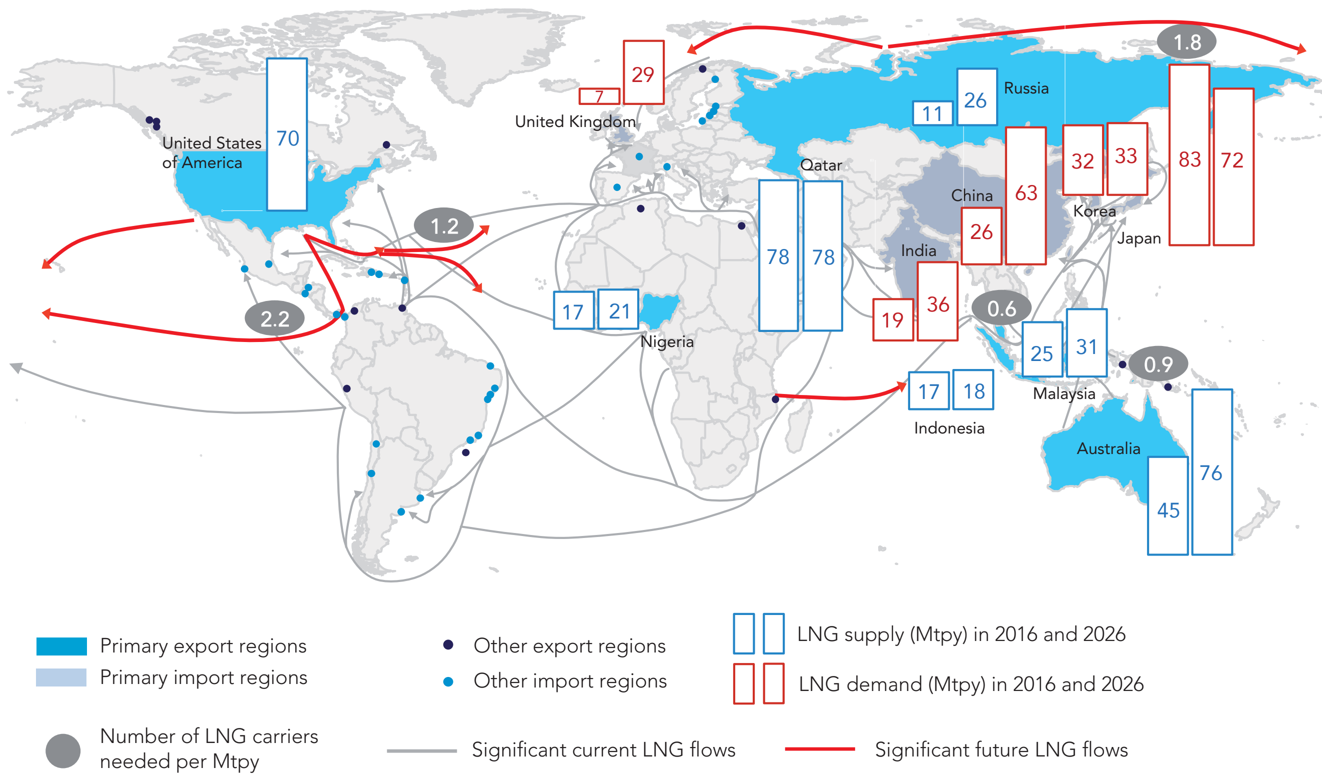


Source: Poten & Partners.

Changes in the requirements for LNG maritime transportation and storage

LNG trade routes in 2016 are illustrated in the map below.

Map of LNG flows



Source: Wood Mackenzie LNG tool Q1 2017 – the data on the offer only include existing projects and projects under construction / Poten & Partners forecasts for the number of LNG carriers necessary per Mtpy, October 2016/GTT.

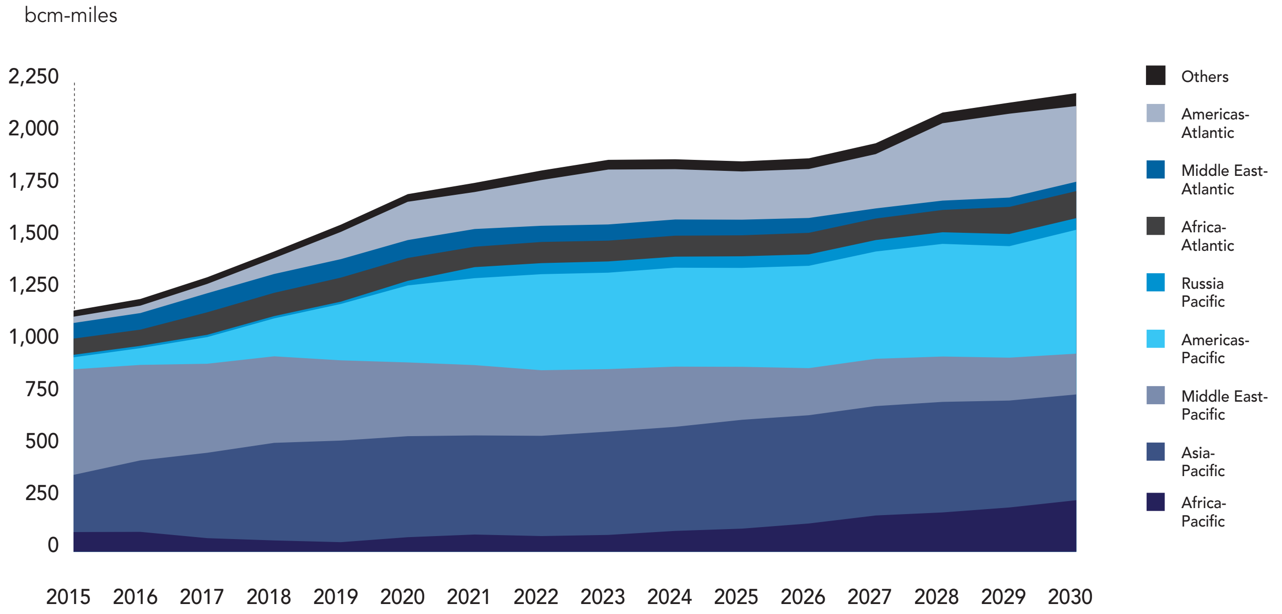
With strong forecast growth in both LNG supply and demand, current and new liquefaction projects create a structural need for increased LNG maritime transportation activity.

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, August 2016.

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 US is a significant driver of increased shipping activity. The increase in US exports in response to the high demand from Asian customers 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 also now often include diversion clauses, which provide flexibility over the end destination of the LNG. In a similar way to future US exports, these factors are liable to increase LNG shipping times and distances and the number of vessels therefore required for LNG shipping.

Operational cost remains a key driver within LNG shipping, given longer and more complex trade routes, and ship-owners are seeking to overhaul their fleets through investment into highly efficient vessels. Vessels which offer a low boil-off rate have more competitive operating costs.

Finally, as LNG carriers reduce their speed to decrease their energy consumption and to adapt to potential diversions, the number of LNG carriers needed will increase, given equal cargos and distances.

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

Principal players in LNG

The prescription of containment technologies takes place as follows:

1. The classification societies validate the reliability and robustness of the Company's containment technologies, which can then offer them to the shipyards, the direct customers of the Company;
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

At December 31, 2016, South Korean shipyards, chiefly Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hyundai Heavy Industries have built 61% of the existing fleet[(1)].

At December 31, 2016, Japanese shipyards (KHI, Imabari/Koyo, MHI, and MES) have built around 22% 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).

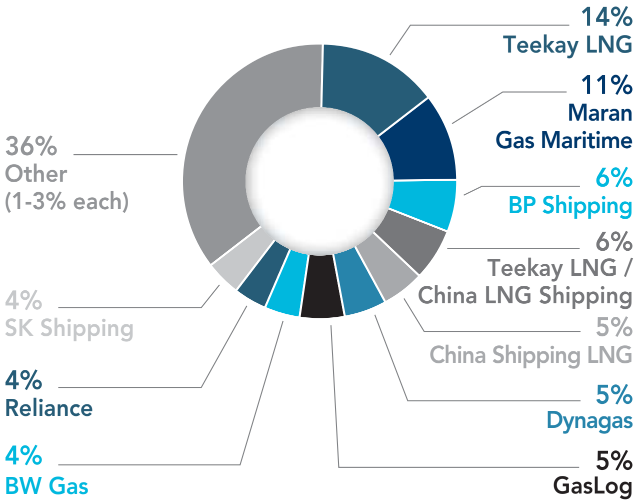
China is now actively focusing on building LNG carriers. The Chinese government increasingly requires at least half of the LNG carriers used for each LNG import contract signed by the Chinese gas companies to have been built by domestic shipyards. Several calls for tenders are underway in China in connection with LNG purchase contracts signed for production projects in America and Russia. 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: Company.*

Order book by ship-owner as at December 31, 2016



As at December 31, 2016, more than 31 ship-owners use or have used GTT technologies[(1)].

(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 by the government in the registration country to issue certificates of compliance with rules, 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

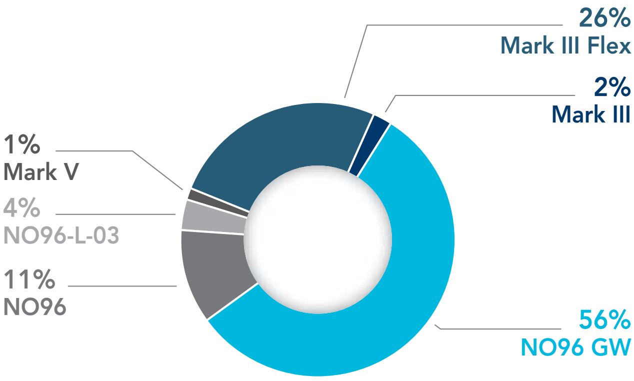
Among these classification societies, the Company uses the services of the American Bureau of Shipping, Bureau Veritas, Lloyd's Register and DNV-GL, which have a particularly strong reputation in the LNG carrier field.

(1) *Source: Company.*

2.1.1.2 LNG carriers

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

The 80 LNG carriers on order with the Company as at December 31, 2016 will be built with GTT systems, broken down as follows[(1)]:



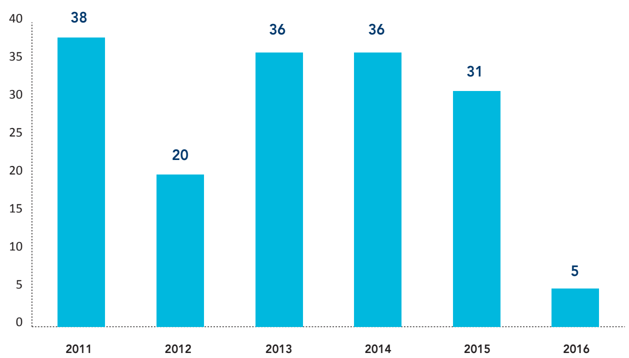
The Mark V system, the latest Mark family technology, was sold for the first time in 2016. This confirms the Company's ability to propose and have the market accept its innovations, particularly during difficult economic times.

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[(1)]).

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 2016



Between 2011 and 2016, out of the 200 LNG carriers ordered worldwide, 166 use or will use GTT containment systems.

At the end of 2016, 411 LNG carriers were in operation, of which 312 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 Company 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 to the date of registration of this Registration Document.

The Company 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. The price of an LNG carrier with a capacity of 170,000 m^3, built by a South Korean shipyard, will vary between 220 million US dollars and 245 million US dollars with Moss Maritime technology, and between 200 million US dollars and 215 million US dollars with GTT membrane technology, or a saving of approximately 10% on the total price of the vessel when using GTT technology[(1)];

(1) *Source: Company.*

- 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. Accordingly, vessels using Moss Maritime technology 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; and
- 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 (87,500 m^3) delivered in 1993 are fitted with SPB's technology. However, the Company noted a renewed interest in this technology with four LNG carriers with a capacity of 165,000 m^3 ordered in 2014 from a Japanese shipyard, Japan Marine United, on behalf of the Japanese ship-owners Mitsui OSK Lines and Nippon Yusen Kaisha[1].

The Company 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.

Technologie KC-S

In December 2007, Samsung Heavy Industries and Korea Advanced Institute of Science and Technology began the joint development of SCA (Smart Containment – System Advanced). This technology obtained approval in principle in January 2009 and then became part of a joint project with the classification society Lloyd's Register. SCA technology obtained approval for vessels from Lloyd's Register in November 2010, and mock-up certification and general design approval from the American Bureau of Shipping (ABS) in 2011. Samsung Heavy Industries modified the technology in 2012 and implemented an active communication plan to market it. In 2016, Samsung Heavy Industries changed the name SCA to KC-S (Korean Containment System). Today, the development of this technology appears to have been shelved in favour of the KC-1 technology developed by the South Korean state gas company Kogas. Its industrialisation began at the South Korean shipyard Samsung Heavy Industries.

If development of the SCA technology resumes, the Company 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. While the latter may decide to include SCA technology on vessels built by Samsung Heavy Industries and benefit from any cost reductions resulting from not having to pay royalties to the Company, they would without a doubt have numerous reservations about the fact that they are using a system that is not supported by independent technical expertise on the long term, such as the one provided by the Company. More generally, as many ship-owners want to benefit from GTT's technologies as well as its technical assistance services, there is no incentive for shipyards to use a new technology, such as the SCA technology, for which they lack feedback and which is not provided along with an independent technical expertise. 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 SCA technology, compared to the Company's technology can be counterbalanced by the risks mentioned above.

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]. At the date of this document, the two LNG carriers are in the process of being built.

(1) *Source: Company.*

The Company considers, on the basis of published information, that its technologies offer major advantages over KC-1. Specifically, KC-1 technology lacks any feedback from actual use at sea, and 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 Company 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 Company. 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 Company'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 Hyundai Heavy Industries (HMCCS) or of Daewoo Shipbuilding & Marine Engineering (SOLIDUS) but none of them has obtained final certification or secured any orders as far as the Company is aware.

Lastly, the Company also has to contend with competition from new technologies that are regularly marketed by maritime engineering companies, shipyards and independent businesses (Aluminium Double Barrier Tank "ADBT", General Dynamics system, or FSP LNG system, partnering the Breamar LNG engineering company and the General Dynamics-NASSCO shipyard). The Company 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.

Long-term outlook

The Company expects to receive between 235 and 255 orders for LNG carriers between 2017 and 2026. The Company 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 LPG carriers necessary.

2.1.1.3 FSRUs and regasification vessels

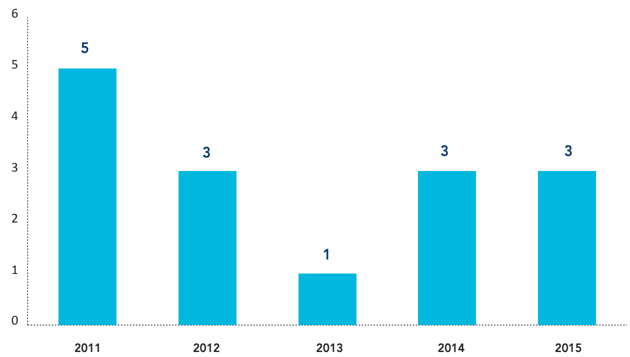
FSRUs are stationary vessels able to receive, store and regasify LNG from LNG carriers. They send the regasified natural gas to land through gas pipelines. Regasification vessels have the same regasification function but they directly distribute the gas in the network rather than storing it.

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

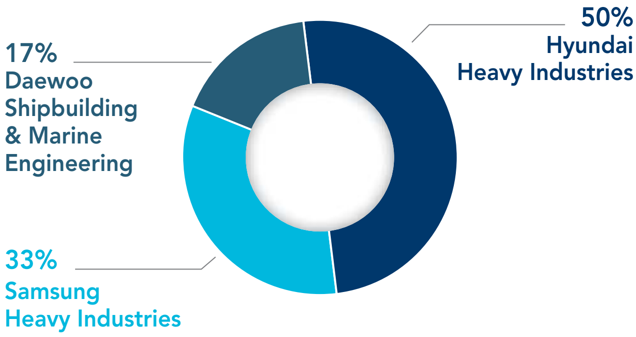
The development of FSRUs has emerged only recently, with the first unit entering service in 2005. Of the 23 FSRUs existing as at December 31, 2016, five are converted LNG carriers. The seven FSRU orders are for new units that will all be equipped with GTT technology. These seven orders were actually placed with the Company between 2012 and 2016[1].

GTT FSRU orders from 2011 to 2016



(1) Source: Company.

GTT FSRU and regasification vessel orders by shipyard as at December 31, 2016



Source: Company. Total: 7 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 then used as trading vessels or at another terminal location for the rest of the year; and
- FSRUs can be used as interim solutions in order to delay the need for onshore investment. Numerous players are interested in regasification units. Three of the four new importers of LNG in 2015 used FSRUs – Egypt, Jordan and Pakistan. 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 couple of years. Thus, 16 new-builds were ordered in the 2011-2016 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.

GTT's FSRU technologies faced with competing technologies

The Company 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.

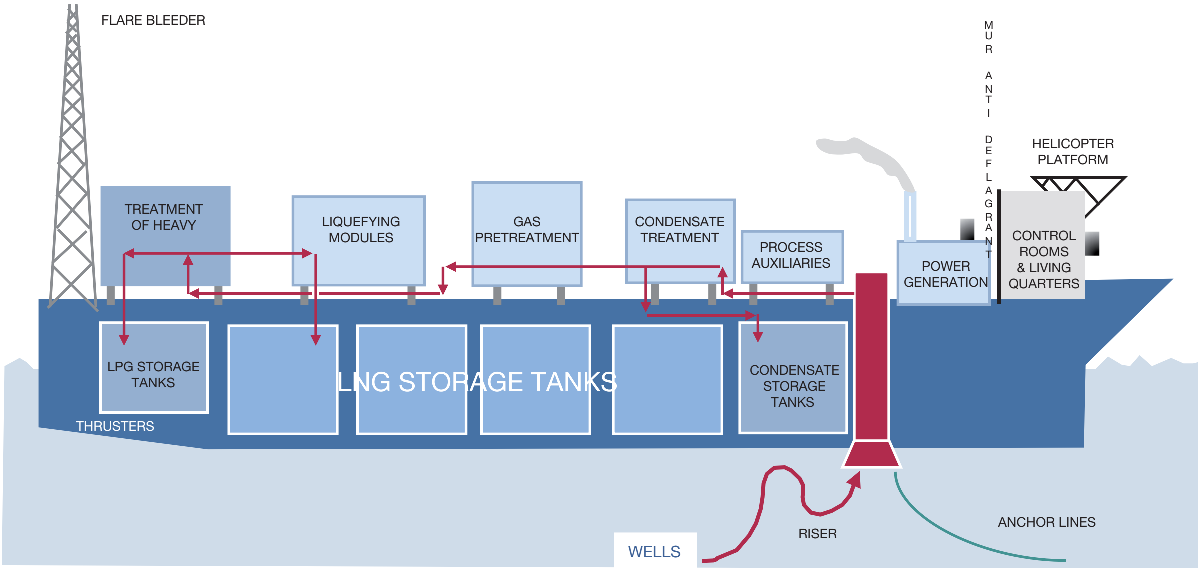
GTT expects 30 to 40 FSRU orders over the 2017-2026 period. This is due to the way of carrying out LNG import projects, which should favour the choice of FSRUs rather than on-shore facilities. Enabling a more flexible installation and at a controlled price, FSRUs respond to the needs of emerging markets, islands and seasonal needs.

(1) *Source: Company.*

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.



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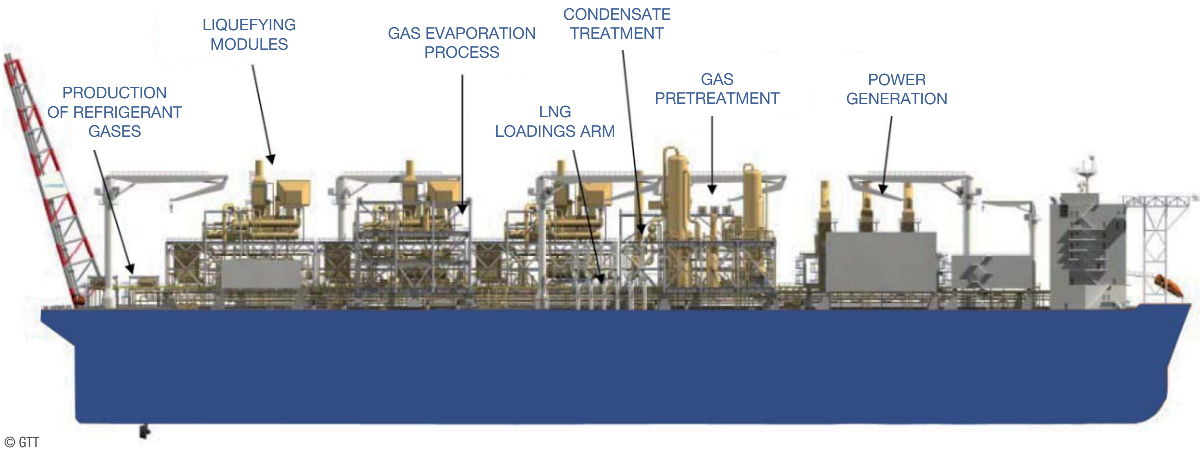


© GTT

Historical trend and order books

In 2016 a 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.

At the date of this Registration Document, two other FLNGs, which were the subject of definitive investment decisions in 2011 and 2014, are being built[(1)]:

The first project is led by Shell for the Prelude field in Australia and represented the first FLNG order. It will be equipped with GTT's Mark III system. Construction started in 2012 and it should be delivered by Samsung Heavy Industries in 2017 and commissioned the same year. 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.

The other FLNG was ordered in 2014. It will be equipped with GTT's Mark III system. It is under construction by Samsung Heavy Industries and Japan Gas Corporation. In early 2016, Petronas decided to postpone delivery by two years (*i.e.* delivery in 2020). The FLNG will include eight tanks for a total storage volume of 177,000 m^3 and a liquefaction capacity of 1.5 Mtpy.

GTT's FLNG technologies

The Company 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 Company, 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[(2)] use GTT technologies.

GTT expects between five and 10 FLNG orders over the 2017-2026 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 for the transport of ethane in its liquid state at approximately -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 start of April 2017, according to Clarksons Research, the fleet of multi-gas carriers stood at 183 vessels, with a further 21 ships on order. Of these 21 vessels 18 are scheduled to be delivered between now and end-2018.

This business is seeing a significant increase in the capacity of the vessels, with the order in 2014 for the largest ethane carriers in the world (six ships of 87,500 m^3) for the Indian petrochemicals group Reliance[(1)]. Two vessels built by the South Korean shipyard Samsung Heavy Industries were already delivered in 2016 and the four other vessels are being built by the shipyard for delivery in 2017. They will be equipped with GTT membrane containment systems, which represents the first order for the Company in this

(1) Source: Company.

(2) Does not take conversions into account.

field. These new "multi-gas" vessels, equipped with the Mark III Flex technology, will be designed to transport ethane, as well as several other types of gas in liquid form. The Company 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 Company 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 Company 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).

These products are gases under normal temperature and pressure conditions. They are easy to liquefy which makes their handling, storage and transportation very easy.

	Boiling point (°C)	Liquid density at atmospheric pressure	Gas density at atmospheric pressure
Butane	0.5	601	2.7
Propane	(42)	581	2.4

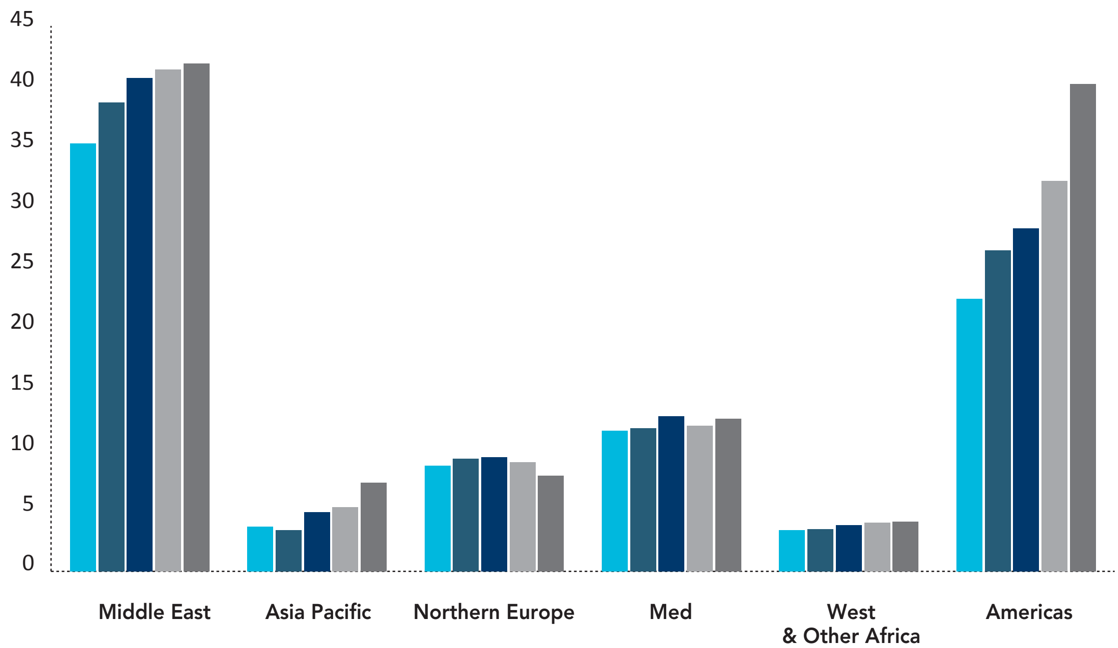
LPGs have a high calorific value which makes them excellent fuels, notably for the production and transmission of electricity.

In addition LPG combustion does not produce particulate matter and significantly limits NO_x emissions. It produces on average between 15 and 55% less CO_2 than alternative fuels (diesel oil, petrol, heavy fuel oil and coal).

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

The Middle East is historically the main LPG exporting region. According to Poten & Partners (August 2016), the Americas should equal the exports of the Arabian peninsula by 2025 thanks to its development of shale gas.

LPG exports by sea by region (in millions of tonnes)



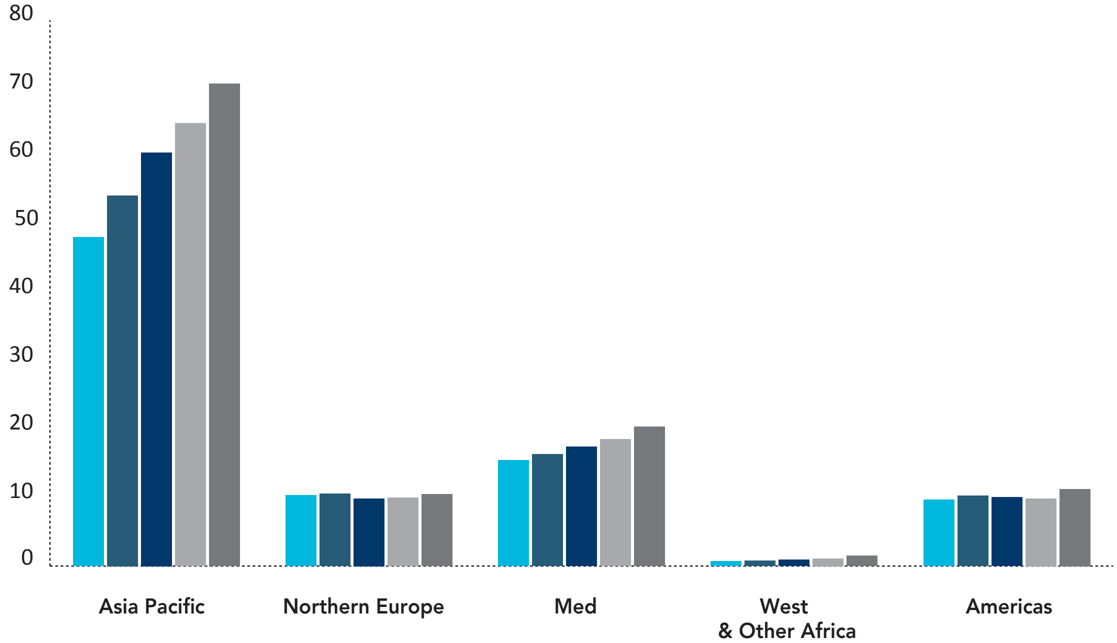
Source: Poten & Partners (August 2016).

LPGs are used in multiple sectors:

- retail: heating, cooking;
- bulk (small scale): farming, industrial;
- bulk (large scale): refining, petrochemicals and;
- large-scale industrial: electricity generation.

According to Poten & Partners (August 2016), the Asia-Pacific region should maintain its leadership position in LPG consumption, with China and India leading demand. Growth in China should be boosted by petrochemical applications, whereas growth in India will be based on heating and cooking needs.

LPG imports by sea by region (in millions of tonnes)



Source: Poten & Partners (August 2016).

LPG trading in 2016 took place primarily between the Middle East and Asia-Pacific (40% of global trading, according to Poten & Partners, August 2016). By 2025, use of the United States-Asia-Pacific route should intensify and account for 18% of global trade, compared to 12% in 2016, according to Poten & Partners (August 2016). This means that the average maritime route distance will increase, implying greater demand for larger-capacity vessels.

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 twelve 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.

The Mark and NO technologies are well-suited to the transport and storage of LPG. Various LNG vessels, including the Descartes and the Ben Franklin, have transported LPG products in the past. Currently four of the ten tanks of the Shell FLNG Prelude are used to store LPG. However, the Mark and NO technologies are optimised for LNG and not for LPG. The Company therefore decided to develop a new technology to meet the specific needs of this market. 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, depending on the capacity of the facility. 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 twenty licensees, one of which was new in 2016, in the United States, reflecting the growing interest in the technology in that country.

Historical trend and order books

Technigaz developed a technology for onshore gas storage in the late 1960s. This technology was used for 33 tanks between 1970 and 2006, with five built by SN Technigaz (29 for LNG storage, two for ethylene storage and two for LPG storage).

In 1994, Technigaz and Gaztransport pooled their activities to create GTT. The onshore storage technology was then transferred to GTT, which then granted an exclusive licence to SN Technigaz (an EPC contractor that is a Bouygues Offshore subsidiary), enabling SN Technigaz to market the membrane containment technology belonging to GTT for onshore storage applications. In 2006, GTT regained exclusive rights to its onshore storage technology and resumed its research and development activities in onshore storage tanks. This research programme was needed to bring GTT's onshore storage technology into line with the EN 14620 and EN 1473 European standards, which entered force in 2006 and 2007 respectively. GTT began to market this type of technology again in 2009.

GTT won an initial order for onshore storage tanks in 2009 and then a second order in January 2012. Both orders came from Energy World Corporation, in Indonesia and in the Philippines. GTT is actively marketing its onshore storage technology, which offers significant advantages. They were highlighted in 2014 by an order from CERN for a small storage tank of 17 m^3 intended for liquid argon, 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 and GTT are all located in Asia (Japan, Taiwan and South Korea), except for four tanks in France. Seventeen of these tanks are above-ground tanks, three of which are under construction, with nineteen tanks in the ground and one tank is a "pilot cavern" that is entirely below-ground [(1)]. Some 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 Company wants to increase its presence in the segment over the next ten years.

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

- the need for additional storage capacity in connection with the development of new regasification and liquefaction projects (for example in Russia or 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 the sector;
- 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 and significant additional storage will be 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).

(1) Source: Company.

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

The regulations in force until 2006 classified aerial storage tanks using membrane technologies as single integrity tanks. Single integrity tanks require the construction of a retention basin around the tank, making them a less attractive option. Accordingly, membrane technologies were restricted to in-ground storage facilities built in Japan and South Korea where SN Technigaz enjoyed some success – directly in South Korea and indirectly *via* its licence holder NKK in Japan. Since 2006, the regulations have classified membrane storage tanks as full integrity tanks. Since the retention basin is no longer required, aerial storage tanks using membrane technologies have become a more attractive option.

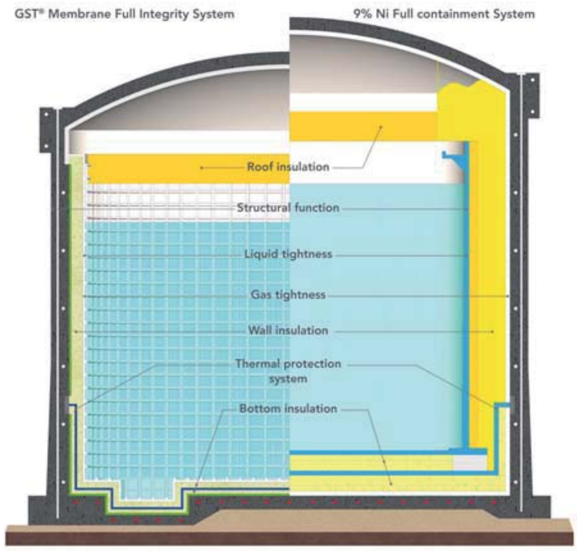
GTT is confident that it can strengthen its presence given its extensive know-how, the major competitive cost advantage of its onshore storage technology and its revamped marketing efforts since 2009.

At the end of 2014, GTT contracted with CERN for the design of a 17 m^3 tank for liquid argon (-187°C), intended for the detection of neutrinos, and of a plug able to support instrumentation of over seven tonnes.

Overall, GTT's membrane tanks lead to cost-savings of 10% to 35% of the 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 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.

Comparison between GST™ "full integrity" Membrane and the "9% nickel" systems



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Long-term outlook

Over the period 2017-2026, GTT expects between five and ten orders for large on-shore storage tanks.

(1) Source: Company.

2.3 Services

2.3.1 SERVICES PERFORMED BY THE GROUP

GTT provides *ad hoc* services related to its technologies that its clients regard as a key component of GTT's commercial offering, reinforcing their trust in GTT's technologies.

Maintenance and repair

GTT assists its co-contractors with the vessels maintenance provided by shipyards: GTT participates in the maintenance of the fleet and of the storage tanks. The Company is contractually linked to a number of shipyards worldwide for repairs. It provides technical expertise as well as maintenance and repair procedures to be followed under its supervision. GTT participated in 38 breakdowns and provided assistance five times in harbour or at sea in 2016.

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. In 2016, Cryovision was recognised as a specialist in gas-tightness testing for LNG carriers (thermal and acoustic) under IACS Unified Recommendations Z17 of January 2016. In addition, the Company was also certified OHSAS 18001 the same year, in addition to the ISO 9001 certification obtained in 2013.

TAMI™ leak test

Cryovision has developed a method for checking the integrity of the secondary barrier on vessels with Mark, NO and CS1™ type membranes. This process, known as "TAMI™" (Thermal Assessment of Membrane Integrity), which uses thermal cameras, 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 60 vessels and more than 220 tanks have been tested[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 10kg 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.

MOON has already proved itself during the inspection of three vessels. The latest provision of this service was carried out in the summer of 2016 during which macrographic photos were taken of welds and a helium test was done on the four tanks of a vessel being maintained. The main tests provided by MOON are helium tests and visual inspections.

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 by the classification societies and/or GTT.

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.

(1) *Source: Company.*

Accreditation of suppliers

Suppliers of 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 2016, 69 material accreditations of all types were carried out. In 2017, many companies indicated their intention to be approved by GTT following confirmation of a first order for the new Mark V technology in 2016. In addition, GTT is continuing to diversify its suppliers and their location based on the new sectors and customers targeted.

2.3.2 "CONSULTANCY AND OPTIMISATION" SERVICES PROVIDED BY THE GROUP

Studies

As a recognised expert in the design of cryogenic membrane containment systems for maritime transportation, GTT is also regularly called on for design 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 Company regularly provides pre-project studies for shipyards and EPC contractors for their construction projects. In particular, in 2015 the Company assisted them with the provision of technical files relating to LNG barges (for the initial projects of ENI, Shell, etc.), LNG carriers (optimisation of the LNGreen design for which GTT received the innovation prize from the CWC during the sixteenth annual summit on LNG in 2015, small-capacity vessels, etc.) and to FSRUs.

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

- modifications to vessels in service: in 2015, the Company worked on the conversion to gas propulsion of the Rasheeda (-Q-Max) LNG carrier and on increasing the tank operating pressure of FSRUs;
- feasibility studies on vessels' operating modes: in 2015, the Company worked on the conditions for transfer of LNG from one vessel or barge to another vessel, on the maximum filling levels of tanks and on the boil-off rates during lightship voyages;
- Front End Engineering Design (FEED) studies for vessels (LNG carriers, ethane carriers, FSRUs and FLNG) and onshore storage facilities.

HEARS Hotline

The Company implemented a 24/7 emergency assistance hotline ("HEARS") *via* which the Company'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.

GTT has been planning to expand the HEARS service to sectors other than LNG carriers (FSRU, FLNG, etc.) since 2016.

The fleet of GTT vessels using HEARS doubled in 2016 when a leading ship-owner joined the programme.

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), and "LNG as a Fuel", are also offered by GTT every year.

G-Sim simulation software

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

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

Since the launch of the software in early 2016, it has been installed in four training centres (the Philippines, the United Kingdom and the United States) for clients including Chevron, Teekay 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 will be able to analyse the sloshing data, correlated with environmental and operational parameters, to capitalise on the feedback specific to each ship. 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. A pilot project has been under way with Gaslog since the end of 2015. A system ordered in 2015 by an American major was commissioned in 2016. A system was implemented on an ENGIE vessel and another order is currently in progress for the same ship-owner. Other installations are planned for different types of vessels for early 2017.

In addition, GTT has developed a programme to predict sloshing based on conditions at sea to secure LNG carrier operations called: the SPP programme (Sloshing Prediction Program). The system is currently operational and in use on an LNG carrier *via* the on-board software Octopus On Board (an Amarcon product, an ABB subsidiary).

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. LNG Advisor™ therefore provides better visibility to ship-owners and, optionally, to charterers, concerning the operational performance of the vessels. LNG Advisor™ is marketed by Cryometrics. Three systems were installed and commissioned in 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 of carriers of LNG and other liquefied gases, 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.

2.4 Development of new activities by the Group

The Group is devoting special attention to adapting its membrane technology to LNG as a 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 a fuel). It also entails the development of (i) LNG fuel storage solutions for the same merchant vessels, with the majority potentially using LNG as a bunker fuel to replace the conventional fuel oils derived from fuel distillation, and (ii) related systems.

This logistics chain comprises onshore 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.

2.4.1 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 fuels currently used by vessels. However, the competitiveness of LNG as a shipping fuel has somewhat declined as a result of the fall in oil prices, despite the rise in prices seen since the beginning of 2016 (reaching approximately 53 US dollars/bbl on average in December 2016 after bottoming out below 30 US dollars/bbl in January). Nevertheless, the intensification and globalisation of marine environmental regulations seen in 2016 will significantly stimulate the development of the market for LNG as a shipping fuel.

Competitive environment

At the end of September 2016[(1)], 91 vessels powered by LNG were in service and 86 vessels had been ordered, which is only 0.1% of the worldwide fleet and 2% 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 75% 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 accounts for almost 20% of the order book. Asia is also tending to see strong growth, due in particular to the riverboat market in China.

All of these vessels are equipped with Type C tanks, for which average capacity is constantly increasing (about 1,000 m^3 in 2015 compared to 200 m^3 in 2005). They can exceed 3,000/4,000 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).

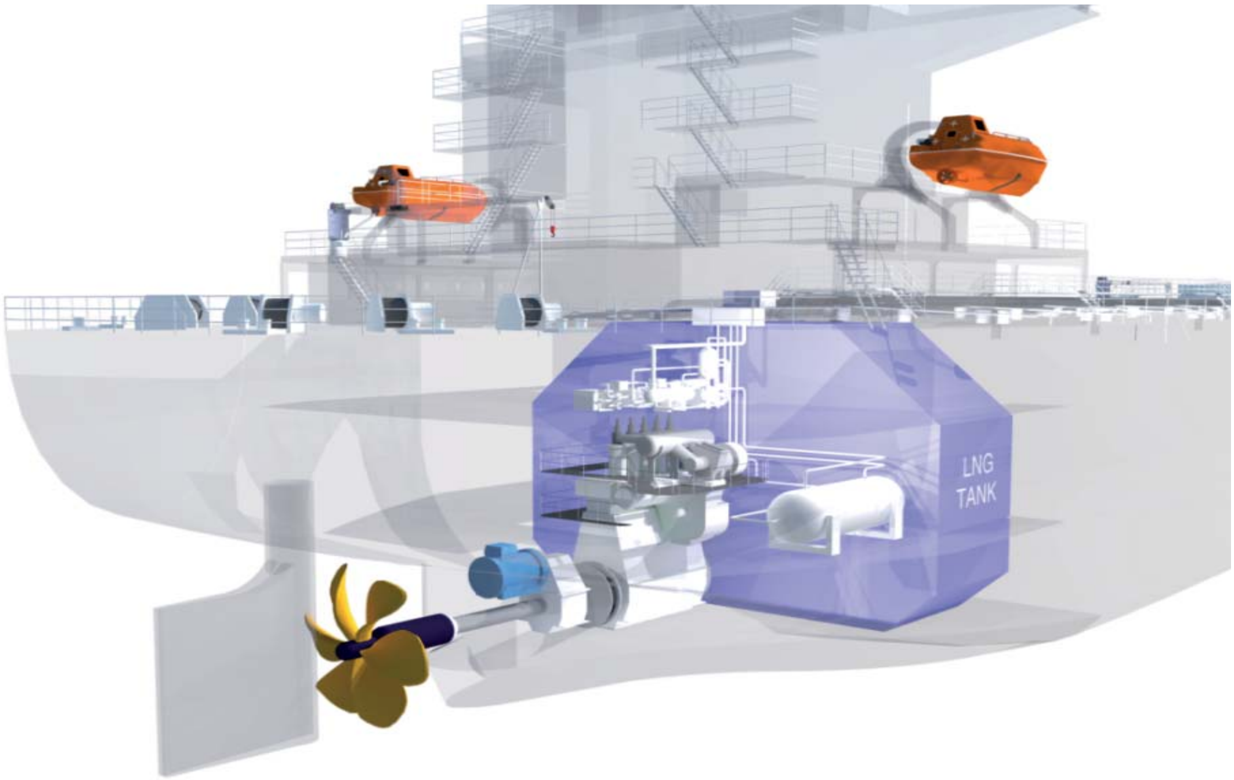
From an operating cost perspective, LNG propulsion is one of the most competitive power solutions, enabling compliance with the reduced emission levels resulting from SO_x emissions regulations.

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 fuel for this type of propulsion system.

(1) *Source: Poten & Partners & DNV-GL.*

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 m³



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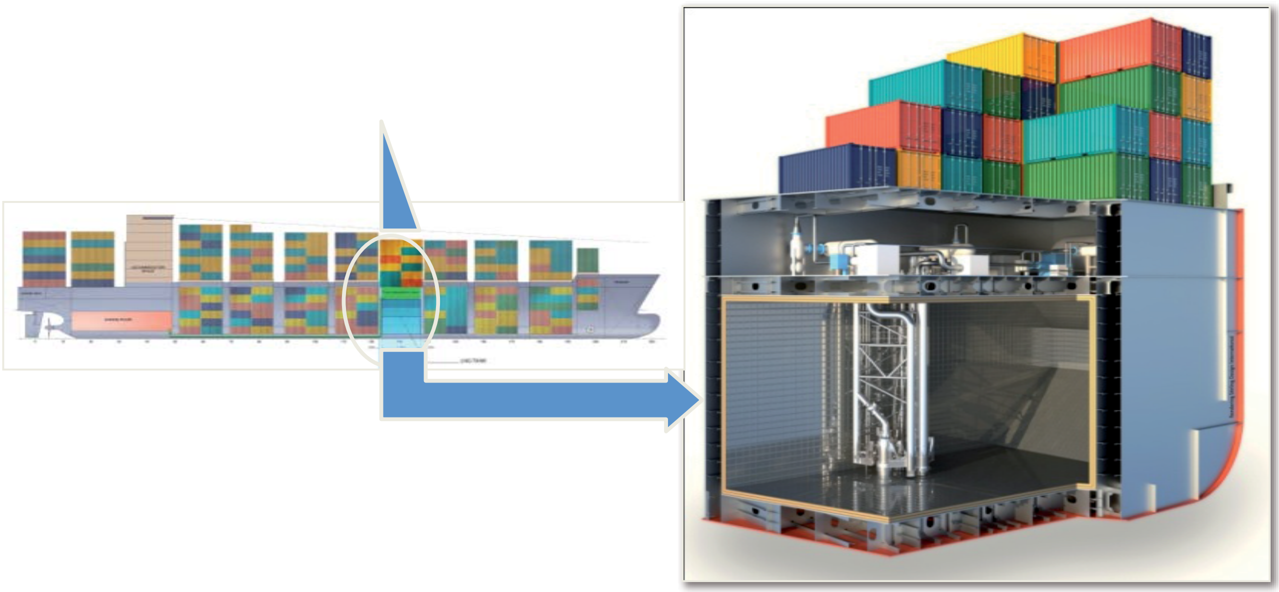
2. Example of a large coastal container ship converted through "jumboisation" and insertion of a vessel section containing the LNG fuel tank and the gas preparation unit. Tank volume typically of between 2,000 and 5,000 m³



© GTT

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 Company 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. "The new Mark Fit™" proprietary technology further increases the competitive advantage.

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.

Outlook for the global market and for GTT

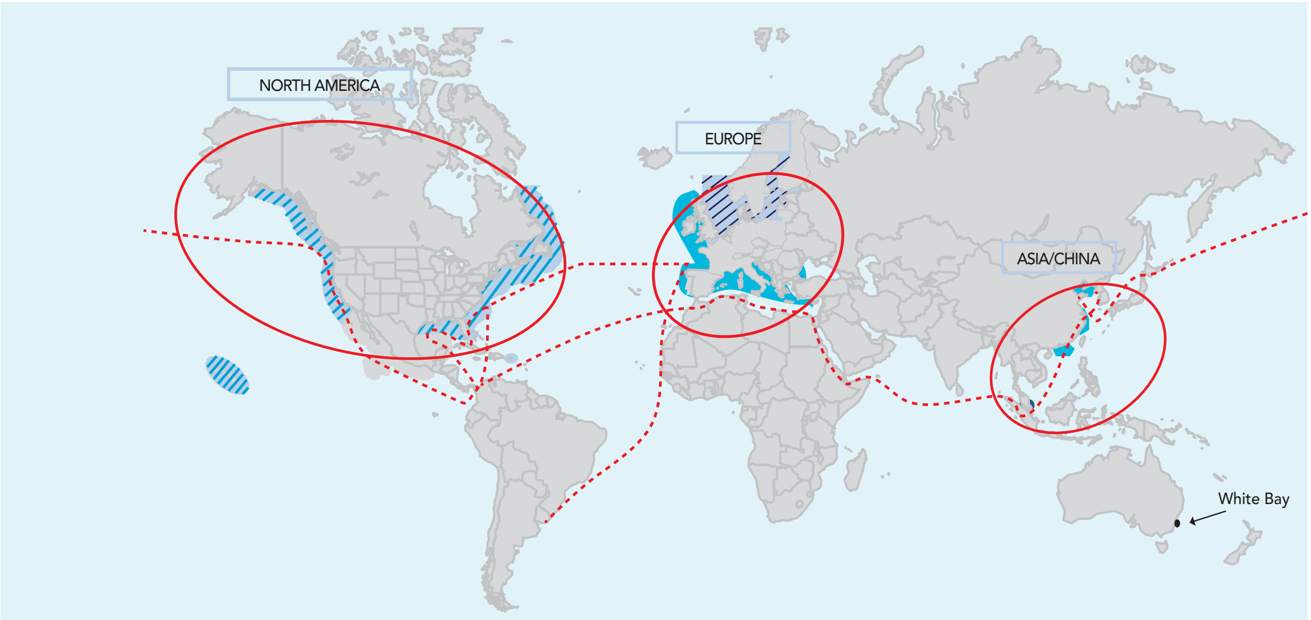
In order to comply with the introduction of regulations to reduce sulphur dioxide emissions, vessels will be required to switch to propulsion methods that use low-sulphur fuels or process sulphur oxide (SO_x) and nitrogen oxide (NO_x) emissions.

LNG propulsion is one of the most competitive propulsion methods which is expected to be in compliance with emission restrictions under the new regulations.

(a) New regulations encouraging the use of LNG

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



Legend

Main maritime routes

SOx:
- Current SOx emissions control zones (≤0.1% SOx)
- Future SOx emissions control zones (≤0.5% SOx)
- Future SOx emissions control zones – IMO Global Sulphur Cap (≤0.5% SOx)

NOx:
- Current NOx emissions control zones
- Future NOx emissions control zones

Source: Sia Partners

	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). The announcement was made two years in advance of the initial schedule to allow enough time for market players, in particular ship-owners, to conform to the rule. The industry believes that the decision will accelerate the adoption of new propulsion solutions, including LNG as a fuel. Prior to this decision, the European Union had announced the implementation of a zone limiting sulphur to 0.5% along its coasts in 2020. China concurrently announced 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. Only Mexico continues to be among the potential and credible new ECA.

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 a fuel almost totally eliminates sulphur oxides (SO_x) by comparison with fuel oil propulsion.

Using LNG is also expected to ensure compliance with the regulations regarding nitrogen oxide NO_x, CO_2 and particle emissions and in particular the Marpol international convention. 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	$45 \times n^{-0.2}$	9.8
Tier II	2011	14.4	$44 \times n^{-0.23}$	7.7
Tier III	2016[(2)]	3.4	$9 \times n^{-0.2}$	1.96

(1) "n" corresponding to the engines 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 confirmed the implementation of NO_x controls in the "North Europe – Baltic" ECA. It was previously only applicable in the "North America" ECA.

In July 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 combustion using products derived from fuel oil distillation.

Lastly, 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-based propulsion.

The Company believes that both smoke scrubbers and low-sulphur fuel oil (MDO and MGO) have major drawbacks. MDO and MGO are fuels which enable the regulatory requirements to be met. However, their prices remain 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.

Sulphur oxide smoke scrubbers, coupled with catalytic converters to reduce NO_x, 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 are expensive, consume a high amount of energy, take up vessel space, require maintenance as well as methods of chemical injections, disposal of chemical wastes (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. However, the technology exists and the bunkering infrastructures for HFO are already in place. At the start of April 2017, according to Clarksons Research, 204 sulphur oxide smoke scrubbers had been installed on vessels of more than 100 GT and 24 vessels are on order.

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

<table>
<tr><th>Pollutant</th><th>Level</th><th>Heavy fuel oil (HFO)</th><th>Low sulphur heavy fuel oil (LS-HFO)</th><th>Heavy fuel oil (HFO)</th><th>Diesel oil/ Diesel (MGO/MDO)[1]</th><th>Smoke scrubber (+HFO)</th><th>LNG</th></tr>
<tr><td rowspan="3">SOx</td><td>3.5%</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>0.5%</td><td>No</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>0.1%</td><td>No</td><td>No</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td rowspan="2">NOx[2]</td><td>Tier I & II</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>Tier III</td><td colspan="5">+EGR/SCR[3]</td><td>Except with the MAN ME-GI engine</td></tr>
</table>

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: Company.

(b) An economic incentive

Due to the implementation of stricter limitations relating to SO_x emissions at a global level (0.5% instead of the current rate of 3.5%)[1] in 2020, the availability of heavy fuel (Heavy Fuel Oil–HFO) with a very low sulphur content might become a problem, which would result in an automatic increase in prices and would potentially be similar to that of MDO, or even of MGO, making its use unprofitable for long routes and thus leaving ship-owners a limited choice between smoke scrubbers, selective catalytic reductions and LNG.

(c) Outlook

The Company is expecting that LNG as a marine fuel, as every new technology, will progress slowly in the first stages of its development, with the involvement of a small amount of players. Nevertheless, as the solution gains in expertise, efficiency and know-how, the Company anticipates that the LNG as a fuel option will be adopted by a greater number of players. Its limited development since 2000 should consequently speed up, in particular thanks to increasing financing of the European Union, the Norwegian NO_x fund or the US Maritime Administration (Marad) and political support. In the longer term, this solution could become increasingly economical and viable for the ship-owners, and free itself gradually from these regional supports and reach other non-subsidised markets. The LNG as a 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 a 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 a marine 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 Company believes that the economic and environmental benefits of LNG coupled with those of membrane technologies, including optimum use of vessels' volumes, will pave the way for the sector to embrace its technologies rapidly, both for vessel refits and for newbuilds. The Company will thus be in a position to satisfy a higher number of tank design requests for different vessel types.

NEW BUILDS

According to estimates by Poten & Partners in October 2016, cumulative orders for vessels powered by LNG (bulk carriers, tankers, container ships, *i.e.* over 80% of global tonnage) between 2017 and 2026 will amount to almost 1,600 in their base-case scenario and more than 2,900 in their high-case scenario.

CONVERSIONS

According to a Clarksons Research estimate, around 50% 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.

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

According to the Company, while there has been increasing interest in converting vessels to use LNG fuel for power, there has been relatively limited conversion activity to date. On the date of filing of this Registration Document, according to Poten & Partners and DNV-GL, eight vessels of over 100 GT have been converted and six vessels are awaiting conversion.

Faced with the fall in the price of oil and therefore the price of oil-based fuels, 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 there were around 46 "LNG Ready" vessels in service or on order at the end of December 2015.

As an example, in 2014, the Brazilian company Vale confirmed its interest in the idea of building a series of large bulk carriers ("Valemax" class), ready for conversion to LNG.

These events indicate that there is some future potential for vessels to be converted to be LNG-fuelled. Despite a number of advantages, there is still considerable uncertainty surrounding the widespread adoption of the conversion option, with its uptake subject to a wide range of factors. These factors include: the financial feasibility of conversion, the price of LNG relative to traditional marine fuels, the timing of the implementation of the new environmental regulations and compliance with them, 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.

2.4.2 SMALL LNG CARRIERS AND VESSELS/LNG 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 m^3), 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 Research, the fleet of small LNG carriers* increased from nine vessels at the start of 2000 to thirteen at the start of 2010, twenty-four by the start of 2015 and thirty by the start of 2017. The majority of these vessels have capacities of less than 20,000 m^3. According to Clarksons Research, at the start of April 2017, the order book of small LNG carriers consists of nine vessels, including two multi-gas vessels. One small LNG carrier was ordered in 2016. Type C is the most commonly used technology. It equips twenty-four of the vessels in service and all but one of the vessels on order. The majority of these vessels are built at Asian shipyards, particularly Chinese ones (fourteen of the thirty-two vessels currently in service (as of April 1, 2017) and five of the nine vessels on order). 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 three vessels in service. The Company is also already positioned in this market, with six vessels built since 1964[(1)].

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 market for bunker barges/vessels is beginning to develop. With one new order in 2016, there are currently five units on order with capacities ranging from 2,200 to 6,500 m^3. The only one currently in service supplies a ferry in the Baltic Sea. Out of these five barges and refuelling vessels on order, four will be equipped with type C technology supplied by TGE Marine and are intended for the European market, and one will be 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 US, at Conrad Industries[(2)].

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.

* *Under 30,000 m^3*

(1) *Two have a capacity of 35,500 m^3, slightly exceeding the category of "small LNG carriers" as defined.*

(2) *Source: Company.*

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 triple in ten years, from nearly 15 Mtpy in 2016 to over 45 Mpty in 2026, primarily as a result of LNG for transportation (on-shore, maritime, river, and even rail).

2.5 Summary of orders received in 2016 and 2017

Orders received by the Company during 2016 are set out in the table below:

Type	Technology	Shipyard/Manufacturer	Ship-owner	Delivery
LNG carrier	NO96 GW	DSME	Maran Gas Maritime	2019
LNG carrier	NO96 GW	DSME	Maran Gas Maritime	2019
LNG carrier	Mark III Flex	HHI	SK Shipping	2019
LNG carrier	Mark III Flex	HHI	SK Shipping	2019
LNG carrier	Mark V	SHI	GasLog	2019

Orders received by the Company since January 1, 2017:

Type	Technology	Shipyard/Manufacturer	Ship-owner	Delivery
FSRU	Mark III	HHI	Hoegh LNG	2018
FSRU	Mark III	SHI	Hoegh LNG	2019
FSRU	NO96	DSME	Maran Gas	2020
FSRU	Mark III	HHI	confidential	2019
LNG carrier	Mark III Flex	HHI	Norspan LNG	2019

A complete list of current orders received by the Company is presented in section 1.3 – *Highlights since January 1, 2017* of this Registration Document.

3 THE FINANCIAL STATEMENTS

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

3.1 Analysis of the financial statements

3.1.1 ANALYSIS OF THE 2016 RESULTS

Condensed income statement

In thousands of euros	2016	2015
Revenues from operating activities	**235,552**	**226,458**
Costs of sales	(1,982)	(2,263)
External charges	(45,700)	(42,764)
Personnel expenses	(41,497)	(42,539)
Taxes	(4,321)	(4,150)
Depreciation, amortisations and provisions	(8,315)	(913)
Other operating income and expense	7,184	5,445
Operating income (EBIT)	140,921	139,275
EBIT margin on revenues (%)	59.8%	61.5%
Net financial income	2,617	654
Net income before tax	**143,538**	**139,929**
Income tax	(23,793)	(22,672)
Net income	119,745	117,257
Net margin on revenues (%)	50.8%	51.8%
Basic earnings per share (in euros)	3.23	3.16
Calculated indicator	-	-
EBITDA	144,237	142,160
EBITDA margin on revenues (%)	61.2%	62.8%

Net profit increased by 2,488 thousand euros over the 2016 financial year thanks to increased activity.

The net margin remained above 50%. The decrease compared to 2015 is primarily the result of the end of reversals on provisions for "vessel" risk, which accounted for income of 4,531 thousand euros in 2015.

The change was partially offset by a decrease in personnel expenses of 1,042 thousand euros and by income from equity investments of 1,300 thousand euros.

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

In thousands of euros	2016	2015
Total revenues	**235,552**	**226,458**
Annual growth (%)	4.02%	-0.1%
From royalties	*223,865*	*209,323*
LNG/Ethane carriers	*200,070*	*180,327*
FSRU	*21,024*	*19,226*
FLNG	*2,105*	*8,244*
Onshore storages	*267*	*1,084*
Barges	*399*	*442*
From services	*11,686*	*17,135*

Revenues increased from 226,458 thousand euros in 2015 to 235,552 thousand euros in 2016, an increase of 4.0% over the period. This increase is a direct result of the rise in revenue from royalties for 14,542 thousand euros (+6.9%), offset by the decrease in revenue from services, which fell by 31.8%.

LNG/ethane carrier revenue represented 200,070 thousand euros, *i.e.* 84.9% of revenue in 2016 (compared with 79.6% in 2015). In 2015, 72.6% of the revenue from LNG carriers was generated by vessels ordered in 2012 and 2013. In 2016, 84.6% of this revenue came from vessels ordered in 2012, 2013 and 2014, 15.0% from vessels ordered in 2015 and 0.4% from vessels ordered in 2016.

The Company received five orders for LNG carriers during 2016, of which two for a first vessel. The price of installed membrane was 341.26 euros per m^2 in October 2016; it is revised annually on the basis of the labour cost index for the manufacturing, construction and services industry published by the French national institute of statistics and economic studies (*Institut National de la Statistique et des Études Économiques*).

Revenues from FSRU (Floating Storage and Regasification Unit) orders increased by 9.35% between 2015 and 2016, due to the fact that construction milestones for the eight orders received over the past three financial years were moved forward.

Revenue from FLNG (Floating Liquefied Natural Gas) orders decreased between 2015 and 2016 as a result of the delivery of the Prélude FLNG during the 2016 financial year.

The 2015 order for a bunker barge from the United States generated 399 thousand euros in revenues over the 2016 financial year.

Revenues from services were down 31.8% compared to the 2015 financial year, decreasing from 17,135 thousand euros to 11,686 thousand euros. It accounts for 5% of 2016 revenues. The decrease is primarily due to lower studies activity compared to a particularly dynamic 2015.

Composition of GTT operating income

External expenses

In thousands of euros	2016	2015
Tests and studies	22,046	21,566
Leasing, maintenance & insurance	5,339	5,211
External Staff	246	214
Fees	6,541	5,160
Transport, travel and reception expenses	8,550	8,385
Postal and telecommunication charges	225	229
Other	2,753	1,999
TOTAL	**45,700**	**42,764**
% of revenues from operating activities	19.4%	18.9%

The Company's external expenses rose from 42,764 thousand euros in 2015 to 45,700 thousand euros in 2016.

The 6.9% rise in external expenses over the period is mainly due to changes under the tests and studies item in the amount of 480 thousand euros, of the fees item in the amount of 1,381 thousand euros and of other external expenses of 754 thousand euros. The increase in test and studies expenses was due to the greater number of studies contracted with our licensed shipyards. The increase in fees was due in part to the current KFTC inquiry, services related to our R&D and fees for agents in developing markets. The "other" item consists essentially of the cost of patents, which increased by 28% over the financial year. The increase was due to R&D carried out in recent years, which resulted in an increase in our portfolio of active patents.

External expenses accounted for 19% of 2016 revenues, unchanged from 2015.

Personnel expenses

In thousands of euros	2016	2015
Wages and salaries	21,972	21,586
Social security costs	12,708	12,485
Share-based payments	885	2,267
Profit-sharing and incentives scheme	5,933	6,201
PERSONNEL EXPENSES	**41,497**	**42,539**
% of revenues from operating activities	17.6%	18.8%

Personnel expenses fell from 42,539 thousand euros in 2015 to 41,497 thousand euros in 2016, a decrease of 2.5% over the period.

The decrease was primarily due to a fall in expenses of 1,382 thousand euros for Performance Share Plans (see the comments in note 11.3 to the financial statements).

Employee profit-sharing and incentive scheme costs decreased slightly over the period, mainly because the service revenue growth criterion in the employee incentive agreement was not met.

Depreciation, amortisation and provisions

In thousands of euros	2016	2015
Depreciation of fixed assets	3,317	2,885
Provisions	5,820	2,379
Reversal of provisions	(822)	(4,351)
PROVISION (REVERSAL) OF AMORTISATION	**8,315**	**913**

Depreciation and provisions are expensed in the period under consideration: They rose from a net allocation of 913 thousand euros in 2015 to a net allocation of 8,315 thousand euros in 2016. The change is essentially due to (i) the lack of reversals of provisions for "vessel" risks in 2016, which amounted to 4,351 thousand euros in 2015, (ii) a greater allocation to provisions for risks and charges, up by 3,441 thousand euros between 2015 and 2016, corresponding to provisions for employee litigation, provisions for risk of bad debt, a provision for risk on a construction project and a contract loss provision.

The amount of allocations to depreciation was up over the period due notably to recent investments in the registered office buildings and test equipment.

Other operating income and expenses

In thousands of euros	2016	2015
Research tax credit (CIR)	6,384	5,076
Competitiveness and employment tax credit (CICE)	189	219
Other operating income / expense	0	-513
Investment subsidies	610	663
OTHER OPERATING INCOME AND EXPENSES	**7,184**	**5,445**

Other operating income and expenses consist mostly of the research tax credit, whose amount recognised at the end of year consists of an estimate, 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 significant change in the research tax credit between 2015 and 2016 is due in part to an overly conservative estimate of the credit in 2015, which was added to in 2016, and to the resulting reassessment of the provision in 2016.

Change in operating profit (EBIT) and EBITDA

In thousands of euros	2016	2015
EBITDA	144,237	142,160
EBITDA Margin (%)	61.2%	62.8%
Operating income (EBIT)	140,921	139,275
EBIT Margin (%)	59.8%	61.5%

Given the growth in business, the Company's EBIT rose from 139,275 thousand euros in 2015 to 140,921 thousand euros in 2016.

The EBIT to revenues ratio fell slightly from 62.8% in 2015 to 61.2% 2016. This decrease is primarily the result of the end of reversals on provisions for "vessel" risk, which accounted for income of 4,531 thousand euros in 2015.

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 GTT financial income

In thousands of euros	2016	2015
Exchange rate gains and losses	296	13
Other financial charges	(7)	(432)
Short-term deposit income	785	1,107
Discounting of subsidies from the Hydrocarbon Support Fund (FSH)	(33)	(45)
Financial products from equity interests	1,300	-
Proceeds on disposal of investment securities	(0)	-
Change in the fair value of financial assets through P&L	285	14
Changes in the fair value of net retirement plan assets (see note 15.2)	(9)	(3)
FINANCIAL RESULT	**2,617**	**654**

Financial income consists primarily of:

- *income from equity investments for dividends* received from subsidiaries in the amount of 1,300 thousand euros;
- *financial income on short-term investments*, whose value fell from 1,107 thousand euros in 2015 to 785 thousand euros in 2016 due to less favourable placement conditions over 2016.

The revaluation of financial assets at market value (285 thousand euros) was shown in the *Changes in fair value of short-term investments* line (while they had been shown as *miscellaneous financial expenses* the previous year).

Income tax

Analysis of income tax

In thousands of euros	2016	2015
Current income tax	(21,146)	(20,193)
Deferred tax	342	256
Income tax on profit	(20,804)	(19,937)
Distribution tax	(2,990)	(2,735)
TOTAL INCOME TAX	**(23,793)**	**(22,672)**

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, GTT 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 tax expenses: The increase in current tax expenses from 2015 to 2016 (20,193 thousand euros compared to 21,146 thousand euros) is directly related to the increase in taxable income in 2016.

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

	2016	2015
Net income in euros	119,744,566	117,256,736
Weighted average number of shares in issuance	37,036,945	37,064,407
Number of shares on a fully diluted basis	37,164,303	37,277,540
BASIC EARNINGS PER SHARE (IN EUROS)	**3.23**	**3.16**
DILUTED EARNINGS PER SHARE (IN EUROS)	**3.22**	**3.15**

The Company's net income rose from 117,257 thousand euros in 2015 to 119,745 thousand euros in 2016, in light of the factors above.

Basic earnings per share were calculated based on 37,036,945 shares, which corresponds to the average weighted number of ordinary shares outstanding (excluding treasury shares) during the period.

On these bases, basic earnings per share rose from 3.16 euros to 3.23 euros over the period.

Diluted earnings per share is calculated by taking into account the allocations of free shares decided by the Company. At December 31, 2016, the Company has allocated 135,358 free shares, taken into account in the calculation of net diluted earnings per share. Net diluted earnings per share rose from 3.15 euros to 3.22 euros.

3.1.2 ANALYSIS OF THE BALANCE SHEET OF GTT

Non-current assets

	As at December 31	
In thousands of euros	**2016**	2015
Intangible assets	610	763
Property, plant and equipment	17,575	17,789
Non-current financial assets	7,937	15,445
Deferred tax assets	739	282
NON-CURRENT ASSETS	**26,863**	**34,279**

The change in non-current assets between December 31, 2015 and December 31, 2016 mainly comes from the reclassification of financial assets into current assets in the amount of 7,000 thousand euros.

Current assets

	As at December 31	
In thousands of euros	**2016**	2015
Trade and other receivables	81,530	83,254
Other current assets	30,357	31,024
Current financial assets	7,669	12,688
Cash and cash equivalents	74,355	73,444
CURRENT ASSETS	**193,911**	**200,410**

Current assets were down between December 31, 2015 and December 31, 2016, from 200,410 thousand euros to 193,911 thousand euros.

The change is primarily due to the exit from investments reaching maturity (12,500 thousand euros) and reclassifications from non-current to current (7,000 thousand euros).

Equity

	As at December 31	
In thousands of euros	**2016**	2015
Share capital	371	371
Share premium	2,932	2,932
Reserves	(1,714)	(21,520)
Profit for the year	119,745	117,257
Other comprehensive income	(1,130)	1,675
TOTAL EQUITY	**120,204**	**100,714**

The rise in equity between December 31, 2015 (100,714 thousand euros) and December 31, 2016 (120,204 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 2015 comprehensive income in the amount of 118,932 thousand euros, offset by the distribution of dividends in the amount of 99,654 thousand euros.

Changes in equity

In thousands of euros	Share capital	Share premium	Reserves	Net result	Total equity
As at December 31, 2014	371	2,932	(42,643)	115,475	76,136
Profit for the year	-	-	-	117,257	117,257
Other comprehensive income	-	-	-	1,675	1,675
Total comprehensive income	-	-	-	118,932	118,932
Allocation of profit from the previous financial year	-	-	115,475	(115,475)	-
Capital increase	-	-	-	-	-
Treasury shares	-	-	(5,455)	-	(5,455)
Share-based payments	-	-	2,267	-	2,267
Dividends	-	-	(91,165)	-	(91,165)
As at December 31, 2015	371	2,932	(21,521)	118,932	100,714
Profit for the year	-	-	-	119,745	119,745
Other comprehensive income	-	-	-	(1,130)	(1,130)
Total comprehensive income	-	-	-	118,615	118,615
Allocation of profit from the previous financial year	-	-	118,932	(118,932)	-
Capital increase	-	-	-	-	-
Treasury shares	-	-	(356)	-	(356)
Share-based payments	-	-	885	-	885
Dividends	-	-	(99,654)	-	(99,654)
AS AT DECEMBER 31, 2016	**371**	**2,932**	**(1,714)**	**118,615**	**120,204**

Non-current liabilities

	As at December 31	
In thousands of euros	2016	2015
Non-current provision	4,044	3,198
Non-current financial liabilities	626	1,091
Other non-current liabilities	582	91
NON-CURRENT LIABILITIES	**5,252**	**4,381**

Provisions at the end of 2016 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 1.4 million euros at December 31, 2016; and
- a provision corresponding to a risk on a construction project of 2.4 million 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.

Other non-current liabilities represent the provision for retirement not covered by an asset.

Current liabilities

In thousands of euros	As at December,31 2016	2015
Current provisions	1,864	-
Trade payables	9,320	11,187
Current financial liabilities	488	561
Other current non-financial liabilities	83,647	117,847
CURRENT LIABILITIES	**95,318**	**129,594**

In thousands of euros	As at December,31 2016	2015
Trade and other payables	9,320	11,187
Tax and social security payables	25,364	24,423
Other debts	3,571	4,180
Deferred income	54,712	89,244
Total other current non-financial liabilities	83,647	117,847
Current provision	1,864	-
Current financial liabilities	488	561
TOTAL	**95,318**	**129,594**

This balance sheet item fell from 129,594 thousand euros at the end of 2015 to 95,318 thousand euros at the end of 2016. This change is essentially due to (i) the decrease in other current non-financial liabilities, with a sharp decrease in deferred income as a result of the delay between invoicing and the recording of revenues, based on the progress in the construction of vessels ordered, and (ii) the decrease in supplier debts, which fell from 11,187 thousand euros to 9,320 thousand euros.

Current provisions consist of a provision for contract loss. The Company records provisions of this magnitude in the event that the projected margin on a given project is estimated to be negative.

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 Company's equity was 120,204 thousand euros at December 31, 2016, compared with 100,714 thousand euros at December 31, 2015. The changes in equity during this period are presented in section 3.1.2 – *GTT balance sheet analysis* of this Registration Document.

The Company has no financial debt in the short, medium or long term.

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

In thousands of euros	As at December,31 2016	2015
Short-term investments	28,613	58,517
Cash and cash equivalent	45,743	14,927
Cash in balance sheet	74,355	73,444
Bank overdrafts and equivalent	-	-
TOTAL CASH AND CASH EQUIVALENT	**74,355**	**73,444**

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 Company.

Financing by repayable cash subsidies (Hydrocarbon Support Fund)

	As at December 31	
In thousands of euros	**2016**	2015
Advances repayable to the FSH	1,113	1,652

Between 1987 and 2001, the Company received repayable subsidies from the Hydrocarbon Support Fund (FSH). 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	**2016**	2015
Research tax credit (CIR)	6,384	5,076
Competitiveness and employment tax credit (CICE)	189	219

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

The 2015 research tax credit for the Company amounted to 5,817 thousand euros while 4,792 thousand euros had been provisioned (a remainder from 2014 of 284 thousand euros was also recorded in 2015).

At the end of December 2016, in light of the research and development activity over the 2016 financial year and the amounts already declared, the Company estimated the research tax credit for the financial year at 5,358 thousand euros, to which the remainder of the 2015 CIR (mentioned above), in the amount of 1,026 thousand euros, was added.

Off-balance sheet commitments

The Company 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 Company agreed 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;
- on July 6, 2016, the Company agreed a line of credit with Credit 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 Company agreed 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.

3.1.4 COMPANY CASH FLOW

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

- high levels of operating margin;
- capital expenditure requirements that mainly relate 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 Company 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 Company to cash flow from operations.

In thousands of euros	2016	2015
Net income	**119,745**	**117,257**
Removal of income and expenses with no cash impact	-	-
▸ Depreciations, amortisations and provisions	6,027	(240)
▸ Proceed on disposal of assets	-	-
Share-based payments	885	2,267
Other income and expenses	(41)	48
Income tax	23,793	22,672
Internally generated funds from operations	**150,608**	**142,004**
Income tax paid	(24,135)	(22,928)
Changes in working capital requirement	-	-
▸ Trade and other receivables:	1,724	(8,051)
▸ Trade and other payables	(1,867)	(3,557)
▸ Other operating assets and liabilities	33,533	13,049
NET CASH-FLOW FROM OPERATING ACTIVITIES (TOTAL I)	**92,796**	**120,516**

Between 2015 and 2016, operating cash flow decreased by 25%, mainly due to the change in the working capital requirement heavily impacted by the decrease in the number of orders in 2016.

Other income and expenses correspond to (i) the restatement of the impact of retirement benefit plans over the financial year, (ii) the change in the fair value of financial assets and, (iii) the restatement of accrued interest not yet due on financial investments.

Cash flow from investing activities

In thousands of euros	2016	2015
Investing activities		
Acquisition of property, plant and equipment	(3,151)	(6,543)
Disposal of property, plant and equipment	0	650
Financial investments	(775)	(10,045)
Disposal of financial investments	12,648	1,491
Treasury shares	(414)	(5,281)
Change in other financial assets	0	(264)
NET CASH-FLOW FROM INVESTING ACTIVITIES (TOTAL II)	**8,308**	**(19,991)**

During the 2016 financial year, investment decreased by 8,308 thousand euros whereas it had increased by 19,991 thousand euros over the previous period. This was due to the non-renewal of investments expiring as a result of:

- the low appeal of risk-free investments during the financial year;
- the need for cash resulting from the negative change in the working capital requirement.

The acquisition of non-current assets in 2016 related primarily to the acquisition of test and studies equipment. The change compared to 2015 is due to the commissioning of a new registered office building in Saint-Rémy-lès-Chevreuse at the end of 2015.

Cash flow from financing activities

In thousands of euros	2016	2015
Financing activities		
Dividends paid to the owners of the Company	(99,654)	(91,165)
Capital increase	-	-
Change in Hydrocarbon Support Fund cash advance	(539)	(621)
Interest paid	-	-
NET CASH-FLOW FROM FINANCING ACTIVITIES (TOTAL III)	**(100,193)**	**(91,786)**

3.2 Financial information under IFRS

The financial statements prepared in accordance with IFRS for the year ended December 31, 2016 are included by reference in this Registration Document. They are available on the Company's website (www.gtt.fr) and on the website of the *Autorité des Marchés Financiers* (www.amf-france.org).

The parent company financial statements prepared in accordance with IFRS are provided by the Company to anyone who wishes to see them. Only the parent company financial statements prepared in accordance with French GAAP, and appearing in Appendix 1 to this Registration Document, have legal force.

3.2.1 FINANCIAL STATEMENTS PREPARED ACCORDING TO IFRS FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2016

Balance sheet

In thousands of euros	Notes	December 31, 2016	December 31, 2015
Intangible assets	6	610	763
Property, plant and equipment	7	17,575	17,789
Non-current financial assets	8.1	7,937	15,445
Deferred tax assets	17.6	739	282
Non-current assets		26,863	34,279
Customers	9.1	81,530	83,254
Other current assets	9.1	30,357	31,024
Financial current assets	8.2	7,669	12,688
Cash and cash equivalents	10	74,355	73,444
Current assets		193,911	200,410
TOTAL ASSETS		**220,774**	**234,690**

In thousands of euros	Notes	December 31, 2016	December 31, 2015
Share capital	11.1	371	371
Share premium		2,932	2,932
Reserves		(1,714)	(21,520)
Net income		119,745	117,257
Other items of comprehensive income		(1,130)	1,675
Equity		120,204	100,714
Non-current provision	16	4,044	3,198
Financial liabilities – non-current part		626	1,091
Other non-current financial liabilities	-	582	91
Non-current liabilities		5,252	4,381
Current provision	16	1,864	-
Suppliers	9.2	9,320	11,187
Current financial liabilities		488	561
Other current liabilities	9.2	83,647	117,847
Current liabilities		95,318	129,594
TOTAL EQUITY AND LIABILITIES		**220,774**	**234,690**

Income statement

In thousands of euros	Notes	2016	2015
Revenue from operating activities		**235,552**	**226,458**
Costs of sales		(1,982)	(2,263)
External charges	4.2	(45,700)	(42,764)
Personnel expenses	4.1	(41,497)	(42,539)
Taxes		(4,321)	(4,150)
Depreciations, amortisations and provisions	4.3	(8,315)	(913)
Other operating income and expenses	4.4	7,184	5,445
Operating profit		140,921	139,275
Financial income	5	2,617	654
Profit before tax		**143,538**	**139,929**
Income tax	17.5	(23,793)	(22,672)
Net income		119,745	117,257
Basic earnings per share (in euros)	12	3.23	3.16
Diluted earnings per share (in euros)	12	3.22	3.15
Average number of shares		37,036,945	37,064,407
Number of diluted shares		37,164,303	37,277,540

In thousands of euros	Notes	2016	2015
Net income		119,745	117,257
Items that will not be reclassified to profit or loss:		-	-
Actuarial Gains and Losses		-	-
Gross amount	15.1	(271)	384
Deferred tax		41	(58)
Total amount, net of tax		**(230)**	**326**
Items that may be reclassified subsequently to profit or loss:		-	-
Fair value changes on equity investments		-	-
Gross amount	8.1	(916)	1,381
Deferred tax		16	(32)
Total amount, net of tax		**(900)**	**1,349**
Other comprehensive income for the year, net of tax		(1,130)	1,675
TOTAL COMPREHENSIVE INCOME		**118,615**	**118,932**

Cash flow statement

In thousands of euros	Notes	2016	2015
Company profit for the year		119,745	117,257
Cancellation of income and expenses with no effect on cash-flow:		,	,
Allocation (Reversal) of amortisation, depreciation, provisions and impairment		6,027	(240)
Proceeds on disposal of assets		200	-
Tax expense (income) for the financial year	17.5	23,793	22,672
Free shares	11.3	885	2,267
Other income and expenses		(41)	48
Cash-flow		**150,608**	**142,004**
Tax paid out in the financial year	17.1	(24,135)	(22,928)
Change in working capital requirement:			
▸ Inventories and works in progress		-	-
▸ Trade and other receivables	9.1	1,724	(8,051)
▸ Trade and other payables	9.2	(1,867)	(3,557)
▸ Other operational assets and liabilities	9.3	33,533	13,049
Net cash-flow generated by the business (Total I)		92,796	120,516
Investment operations			
Acquisition of non-current assets		(3,151)	(6,543)
Disposal of non-current assets		-	650
Financial investments	8	(775)	(10,045)
Disposal of financial assets	8	12,648	1,491
Treasury shares	-	(414)	(5,281)
Change in other fixed financial assets	-	-	(264)
Net cash-flow from investment operations (Total II)		8,308	(19,991)
Financing operations			
Dividends paid to shareholders	11.2	(99,654)	(91,165)
Capital increase		-	-
Change in FSH advances		(539)	(621)
Interest paid		-	-
Change in bank lending		-	-
Net cash-flow from finance operations (Total III)		(100,193)	(91,786)
Change in cash (I+II+III)		*911*	*8,739*
Opening cash	10	73,444	64,705
Closing cash	10	74,355	73,444
Effect of changes in currency prices		-	-
Cash change		911	8,739

Statement of changes in equity

In thousands of euros	Share capital	Premiums	Reserves	Profit for the year	Equity
At December 31, 2014	371	2,932	(42,643)	115,475	76,136
Profit for the period	**-**	**-**	**-**	**117,257**	**117,257**
Other items of comprehensive income	-	-	-	**1,675**	**1,675**
Total comprehensive income	**-**	**-**	**-**	**118,932**	**118,932**
Allocation of the profit from the previous financial year	-	-	115,475	(115,475)	-
Treasury shares	-	-	(5,455)	-	(5,455)
Share-based payments	-	-	2,267	-	2,267
Distribution of dividends	-	-	(91,165)	-	(91,165)
At December 31, 2015	371	2,932	(21,521)	118,932	100,714
Profit for the period	**-**	**-**	**-**	**119,745**	**119,745**
Other items of comprehensive income	-	-	-	**(1,130)**	**(1,130)**
Total comprehensive income	**-**	**-**	**-**	**118,615**	**118,615**
Allocation of the profit from the previous financial year	-	-	118,932	(118,932)	-
Treasury shares	-	-	(356)	-	(356)
Share-based payments	-	-	885	-	885
Distribution of dividends	-	-	(99,654)	-	(99,654)
AT DECEMBER 31, 2015	**371**	**2,932**	**(1,714)**	**118,615**	**120,204**

3.2.2 NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 GENERAL PRESENTATION

Gaztransport et Technigaz-GTT (the "**Company**" or "**GTT**") is a simplified limited company under French law, whose registered office is in France, at 1 route de Versailles, 78470 Saint-Rémy-lès-Chevreuse.

The Company is specialised in the production of services related to the construction of storage facilities for transporting 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 Company is based in France and operates mainly with shipyards in Asia.

The Company does not prepare consolidated financial statements that include its subsidiaries due to their low level of business activity during the period covered by these financial statements.

In 2016, the revenue of Cryovision was 2,628 thousand euros, its net income was 505 thousand euros and its total balance sheet was 3,426 thousand euros (figures taken from the corporate financial statements for the 2016 financial year, prepared in accordance with French GAAP). Revenues from third parties for GTT North America amounted to 1,043 thousand US dollars, profit for the year was 373 thousand US dollars and the balance sheet total was 2,792 thousand US dollars (figures taken from the unaudited financial statements for the 2016 financial year, prepared in accordance with current US GAAP). GTT Training Limited had revenue of 203 thousand pounds sterling from third parties, its profit was 11 thousand pounds sterling, with a total balance sheet of 528 thousand pounds sterling (figures taken from the unaudited financial statements for the 2016 financial year, in accordance with current UK GAAP). GTT SEA PTE. Ltd had no revenue from third parties. Its profit was 46 thousand Singapore dollars, for a total balance sheet of 132 thousand Singapore dollars (figures taken from the unaudited financial statements drawn up for financial year 2016, in accordance with the standards in effect in Singapore). Cryometrics had no revenue from third parties. Its profit was -1,533 thousand euros, for a total balance sheet of 2,807 thousand euros (figures taken from the unaudited financial statements drawn up for financial year 2015-2016, in accordance with French accounting standards).

These financial statements are presented for the period beginning on January 1, 2016 and ending December 31, 2016. Exceptionally, the income statement for Cryometrics' first financial year is presented over 14 months for the period from November 1, 2015 to December 31, 2016.

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, 2016.

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.

The standards, amendments and interpretations presented below have been applicable to the Company since January 1, 2016. The application of these standards had no significant impact on the financial statements of the Company.

Standard no.	Name
IFRS 2	Clarification of performance conditions when they are associated with a presence condition
Amendment to IAS 1	Initiative disclosures
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to IAS 19	Defined-benefit plans – employee contributions
Annual improvement cycle 2010-2012	IFRS 2 – IFRS 3 – IFRS 8 – IFRS 13 – IFRS 16 – IAS 16 – IAS 24 – IAS 38
Annual improvement cycle 2012-2014	IFRS 5–- IFRS 7 – IAS 19 – IAS 34

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

Standard no.	Name
IFRS 15	Revenues from operating activities from contracts signed with clients (EU regulation of 22/09/16)
IFRS 9	Financial instruments: classification and measurement
Amendments to IFRS 2	Share-based payments, clarifications on the evaluation and modification of plans
Amendment to IAS 7	Additional information to be provided on changes in financial liabilities on the balance sheet
Amendment to IAS 12	Recognition of Deferred Tax Assets for unrealised losses

The Company is currently studying the implementation of the new IFRS 15 and 16 standards and their impact on the financial statements. The Company is planning to provide qualitative information about the expected impact of these standards on publication of the 2017 annual financial statements.

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

Standard no.	Name
IFRS 16	Leases
IFRIC 22	Foreign currency transactions and advance consideration

IFRS 16 will be applicable as of January 1, 2019 and may be applied early.

2.2 Use of judgments and estimates

In preparing these 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

In May 2016, as part of the development of its commercial network outside of France, the Company opened an office in the People's Republic of China. This office, based in Shanghai, enables the Company to be closer to its customers and partners in China and to meet the country's growing LNG needs.

The first Floating Liquefied Natural Gas vessel (FLNG) was delivered to the Malaysian company Petronas by DSME in May 2016. The FLNG is equipped with a NO96 membrane and will eventually produce 1.2 million metric tonnes a year and store 177,000 cubic metres of LNG on board. To date, GTT technologies have been selected to equip the only three FLNGs ordered worldwide.

The Company received the first order for its new Mark V technology in December 2016. The technology will be installed on an LNG carrier belonging to ship-owner, Gaslog.

In addition, the Company notes that on January 29, 2016 it received notification from the Korea Fair Trade Commission of the opening of an investigation into a possible abuse by the Company of its dominant position due to its commercial practices in South Korea. GTT clarifies that such an investigation is without prejudice to its conclusions. It is not possible to assess the duration or the outcome of the process at this time. GTT believes that its commercial practices comply with Korean competition law and will fully cooperate with the KFTC.

2.4 Functional and presentation currency

The financial statements are presented in euros, which is the Company's functional currency. Almost all of the Company'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 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 deliver 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

- 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;
- launch and;
- 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 Company regularly incurs research and development costs. Research costs are expensed as incurred. Development expenditures are recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- 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 expenditure during development.

At the date these financial statements were prepared, the Company 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 Company spent 20 million euros on research and development during the financial year ended on December 31, 2016, compared with 21 million euros in the financial year ended December 31, 2015.

Software

Software acquired from third parties are capitalised and amortised over a period of one year.

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 Company, 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
  - Computer 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 Company, 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 a 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 Company does not have assets with an indefinite useful life that require an impairment test. Furthermore, no indicators of impairment have been identified which would justify an impairment test of the other assets with a finite life.

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);
- other data 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 Company 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 Employee benefits

Retirement indemnities

The Company applies the relevant legal obligations or provides customary supplementary pension schemes or other long-term benefits to employees. The Company 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 Company 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;
- the 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 Company 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 Company 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 Company received advances subject to reimbursement conditions from 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 Company 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 Company is active in only one 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 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).

NOTE 3 EVENTS AFTER THE REPORTING PERIOD

As of the date of publication of this document, no significant events had occurred following the close.

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	2016	2015
Wages and salaries	21,972	21,586
Social security costs	12,708	12,485
Share-based payments	885	2,267
Profit-sharing and incentives scheme	5,933	6,201
PERSONNEL EXPENSES	**41,497**	**42,539**

4.2 External expenses

In thousands of euros	2016	2015
Tests and studies	22,046	21,566
Leasing, maintenance & insurance	5,339	5,211
External staff	246	214
Fees	6,541	5,160
Transport, travel and reception expenses	8,550	8,385
Postal & telecommunication charges	225	229
Others	2,753	1,999
TOTAL	**45,700**	**42,764**

4.3 Depreciation, amortisation and provisions

In thousands of euros	2016	2015
Amortisation	3,317	2,885
Provisions	5,820	2,379
Reversal on amortisation	-	-
Reversal of provisions	(822)	(4,351)
AMORTISATION AND PROVISIONS (REVERSAL)	**8,315**	**913**

Allocations to provisions mainly relate to litigation and current asset risks.

They consist of provisions for employees of 541 thousand euros, provisions for customer risks of 3,415 thousand euros and provisions for contract loss of 1,864 thousand euros.

2015 saw the end of reversals on provisions for "vessel" risk, which had an impact on the financial statements of +4,351 thousand euros in 2015.

4.4 Other operating income and expenses

In thousands of euros	2016	2015
Research tax credit	6,384	5,076
Employment and competitiveness tax credit (CICE)	189	219
Others	610	150
OTHER OPERATING INCOME AND EXPENSES	**7,184**	**5,445**

NOTE 5 NET FINANCIAL INCOME

In thousands of euros	2016	2015
Exchange gains and losses	296	13
Other financial products and charges	(7)	(432)
Financial income on short term investments	785	1,107
Discounting of Support Fund Hydrocarbons cash advances	(33)	(45)
Proceeds on equity portfolio	1,300	-
Proceeds on disposal of securities	(0)	-
Changes in the fair value of financial assets	285	14
Changes in the fair value of retirement plan assets (see note 15)	(9)	(3)
FINANCIAL INCOME	**2,617**	**654**

Information relating to the balance sheet

NOTE 6 INTANGIBLE ASSETS

In thousands of euros	Gross value	Amortisation	Net value
Values as at 31/12/2014	4,852	4,553	298
Acquisitions	769	305	464
Disposals	55	55	-
Values as at 31/12/2015	5,566	4,803	763
Acquisitions	343	456	(112)
Disposals	42	2	40
Values as at 31/12/2016	5,868	5,257	610

Intangible assets are mainly comprised of software.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Land and buildings	Technical installations	Leased assets	Others	Total
Gross value as at 31/12/2014	5,030	28,920	3,593	7,812	45,355
Acquisitions	5,005	3,472	-	562	5,774
Disposals	-	52	-	3,809	596
Gross value as at 31/12/2015	10,035	32,340	3,593	4,565	50,533
Acquisitions	60	2,516	-	232	2,807
Disposals	4	534	-	241	779
Gross value as at 31/12/2016	10,091	34,322	3,593	4,556	52,562
Accumulated depreciation as at 31/12/2014	635	24,217	2,156	3,750	30,757
Depreciation	184	1,757	180	459	2,580
Reversal	-	50	-	544	593
Accumulated depreciation as at 31/12/2015	818	25,925	2,335	3,665	32,744
Depreciation	396	1,835	180	451	2,861
Reversal	-	395	-	224	619
Accumulated depreciation as at 31/12/2016	1,214	27,364	2,515	3,893	34,986
Net value as at 31/12/2014	4,396	4,703	1,437	4,062	14,598
Net value as at 31/12/2015	9,216	6,415	1,257	900	17,789
NET VALUE AS AT 31/12/2016	**8,877**	**6,958**	**1,078**	**663**	**17,575**

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 used since 2003 as the registered office of the Company, described in note 2.8 – *Property, plant and equipment* of the financial statements as at December 31, 2016.

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 assets	Financial assets at fair value through profit or loss	Total
Values as at 31/12/2014	466	12,470	-	12,936
Acquisitions	12	26	10,006	10,045
Disposals	65	1,426	7,500	8,991
Other variations	-	(8,119)	9,575	1,456
Values as at 31/12/2015	413	2,952	12,082	15,445
Acquisitions	29	746	-	775
Disposals	143	5	7,000	7,148
Other variations	(4)	(918)	(214)	(1,136)
VALUES AS AT 31/12/2016	**295**	**2,775**	**4,868**	**7,937**

The increase in "Loans and receivables" in 2016 corresponded to new security deposits. The decrease comes from the repayment of the loans granted to employees and the partial reimbursement of the advance granted to a subsidiary.

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

The other changes in "Available-for-sale assets" correspond to the change in the fair value of subsidiary securities for 916 thousand euros.

The decrease of 7,000 thousand euros in "Financial assets at fair value through profit or loss" corresponds to the reclassification to current assets of an asset that is close to maturity. The other changes correspond primarily to changes in accrued interest.

The financial investments in the cash flow statement correspond to the total of the above increases (775 thousand euros in 2016).

Disposals of financial assets in the cash flow statement correspond to the sum of (i) the decreases in financial loans and receivables and available-for-sale assets – non-current share (148 thousand euros), and (ii) decreases in financial assets at fair value through profit or loss – current share (12,500 thousand euros).

8.2 Current assets

In thousands of euros	Financial assets at fair value through profit or loss	Total
Values as at 31/12/2014	5,000	5,000
Acquisitions	7,500	7,500
Disposals	-	-
Other variations	188	188
Values as at 31/12/2015	12,688	12,688
Acquisitions	7,000	7,000
Disposals	12,500	12,500
Other variations	481	481
VALUES AS AT 31/12/2016	**7,669**	**7,669**

The increases (7,000 thousand euros) correspond to the reclassification of financial assets whose current portion is close to maturity from non-current to current assets, disposals of investments that have matured (12,500 thousand euros), and other changes to accrued interest from current investments (481 thousand euros).

NOTE 9 WORKING CAPITAL REQUIREMENT

9.1 Trade receivables and other current assets

Gross book value (in thousands of euros)	December 31, 2016	December 31, 2015	Change 2016/2015
Trade and other receivables	84,253	83,900	+352
Trade and other operating receivables	-	-	-
Tax and social security receivables	26,581	28,569	-1,987
Other receivables	2,022	927	+1,095
Prepaid expenses	1,753	1,528	+225
Total other current assets	30,357	31,024	-667
TOTAL	**114,609**	**114,924**	**-315**

Depreciation (in thousands of euros)	December 31, 2016	December 31, 2015	Change 2016/2015
Trade and other receivables	2,722	646	+2,076
Trade and other operating receivables	-	-	-
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	-	-	-
TOTAL	**2,722**	**646**	**+2,076**

Net book value (in thousands of euros)	December 31, 2016	December 31, 2015	Change 2016/2015
Trade and other receivables	81,530	83,254	-1,724
Trade and other operating receivables	-	-	-
Tax and social security receivables	26,581	28,569	-1,987
Other receivables	2,022	927	+1,095
Prepaid expenses	1,753	1,528	+225
Total other current assets	30,357	31,024	-667
TOTAL	**111,887**	**114,278**	**-2,391**

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

A provision for full impairment was recognised for a trade receivable that has been outstanding for three years. A provision for a receivable from one of our subsidiaries was also recorded in the amount of 1,528 thousand euros.

The breakdown of trade receivables by maturity as at December 31, 2016 is presented below:

In thousands of euros	December 31, 2016	December 31, 2015	Change 2016/2015
Not yet falling due (in thousands of euros)	63,571	67,726	-4,155
Due since 2 months or more	12,232	4,416	+7,816
Due since 2 months but less than 6 months	1,905	7,360	-5,455
Due since 6 months but less than 1 year	2,623	2,007	+615
Due since 1 year	1,199	1,744	-545
Total amount falling due	17,959	15,527	+2,432
TOTAL	**81,530**	**83,254**	**-1,724**

9.2 Trade payables and other current liabilities

In thousands of euros	December 31, 2016	December 31, 2015	Change 2016/2015
Trade and other payables	9,320	11,187	-1,867
Prepayments received	-	-	-
Tax and social security payables	25,364	24,423	+941
Other debts	3,571	4,180	-609
Deferred income	54,712	89,244	-34,533
Other current liabilities	83,647	117,847	-34,200
TOTAL	**92,966**	**129,034**	**-36,067**

9.3 Other operating assets and liabilities

In thousands of euros	December 31, 2016	December 31, 2015	Change 2016/2015
Trade payables	-	-	-
Tax receivables	26,575	28,542	-1,968
Accrued income	159	124	+35
Prepaid expenses	1,753	1,528	+225
Current account assets	1,869	830	+1,040
Current account liabilities	-	-	-
Deferred revenue	(54,712)	(89,244)	+34,533
Tax and social security payables	(25,364)	(24,423)	-941
Advance payments from customers	(3,571)	(4,180)	+609
TOTAL	**(53,290)**	**(86,823)**	**+33,533**

NOTE 10 CASH AND CASH EQUIVALENTS

In thousands of euros	December 31, 2016	December 31, 2015
Short-term investments	28,613	58,517
Cash and cash equivalent	45,743	14,927
Cash in balance sheet	74,355	73,444
Bank overdrafts and equivalent	-	-
NET CASH POSITION	**74,355**	**73,444**

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, 2016, 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, 2016 approved the payment of an ordinary dividend of 2.66 euros per share for the year ended December 31, 2015, payable in cash. As an interim dividend payment was paid on September 30, 2015, the balance was paid on May 31, 2016 in the total amount of 50,385,027 euros.

The Board of Directors, meeting on July 21, 2016, decided to make an interim dividend payment of 1.33 euros for the shares outstanding. The interim dividend was paid on September 30, 2016 for an amount of 49,269,269 euros.

Dividends paid in 2016 thus correspond to the sum of the amounts described above (balance paid for the 2015 financial year and the interim payment for the 2016 financial year), *i.e.*, 99,654,296 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, 2015
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 €	67,712	83,330	98,958
May 18, 2016	AFS 3	2 years	2 years	16,000	10 €	8,000	0	8,000
May 18, 2016	AFS 4	3 years	1 year	15,150	21 €	0	0	15,150
May 18, 2016	AFS 5	2 years	-	5,625	23 €	375	0	5,250

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

The Board of Directors set the following vesting conditions for these five plans:

- AFS plans nos. 1 and 5: 100% of shares allocated subject to presence at the end of the vesting period;
- AFS plans nos. 2 and 3: 100% of shares allocated subject to:
  - presence at the end of the vesting period,
  - attainment of the performance criteria measured at the end of the financial year preceding the end of the vesting period. These criteria concern:
  - the stock market performance of GTT shares,
  - the ratio of net profit to revenues,
  - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price);
- AFS plan no. 4:
  - 20% of shares are allocated 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 revenues 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, 2016, the expense recognised for the free share allocation plans was 885 thousand euros. At December 31, 2015, an expense was recorded in the amount of 2,267 thousand euros.

11.4 Treasury shares

The Company 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 of December 31, 2016, the Company held 11,934 treasury shares under its liquidity contract compared to 35,260 treasury shares in 2015. This was a change of -1,127 thousand euros over the 2016 financial year (1,200 thousand euros over 2015).

The Company entered into a treasury share buyback agreement on November 17, 2015. Accordingly, at December 31, 2015, the Company held 92,690 treasury shares, of which 88,130 were distributed to employees in February 2016 under the free share plans. Over 2016, 35,000 new treasury shares were bought back and the Company held 39,560 treasury shares at December 31, 2016, part of which will be distributed to employees in February 2017 under free share plans. The buyback of 35,000 shares in 2016 entailed expenditure of 1,155 thousand euros.

NOTE 12 EARNINGS PER SHARE

	2016	2015
Net income in euros	119,744,566	117,256,736
Average number of shares (excluding treasury shares)	37,036,945	37,064,407
▸ AFS plan no. 1	-	4,800
▸ AFS plan no. 2	98,958	208,333
▸ AFS plan no. 3	8,000	-
▸ AFS plan no. 4	15,150	-
▸ AFS plan no. 5	5,250	-
Number of diluted shares	37,164,303	37,277,540
Net earnings per share (in euros)	3.23	3.16
Diluted earnings per share (in euros)	3.22	3.15

At December 31, 2016, earnings per share was calculated based on share capital made up of 37,036,945 shares, which corresponds to the average weighted number of ordinary shares outstanding excluding treasury shares during the period.

At December 31, 2016, the Company allocated 127,358 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

Direct customers of GTT are essentially shipyards. As at December 31, 2016, the Company has 21 shipyards under licence, located mainly in China, Japan and South Korea. Of these twenty-one sites, six 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 Company has solid partnership links, and to the fact that there have been no payment issues for ten years, the Company has never had to deal with any significant payment problems with its customers. In 2015 and 2016, however, a provision for impairment of receivables was made in respect of one client due to invoices unpaid for three years on account of a significant delay in the project in question. The impairment charge covers 100% of the receivable due and of invoices to be issued for the same customer. Note that this customer is not a shipyard. This impairment remains immaterial with respect to the total amount of trade receivables at end-2016.

Furthermore, in the case of late payment from the shipyard, the TALA (license agreement) may be cancelled, which prevents the shipyard to commercialise the Company'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 Company therefore considers that is not exposed to any significant credit risk.

14.2 Interest rate risk

The Company has no debt and consider therefore not to be exposed to a risk of change in interest rates.

14.3 Exchange rate risk

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

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

14.4 Liquidity risk

The Company's cash position enables it to meet its commitments as at the closing date of the financial statements. The Company 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	December 31, 2016	December 31, 2015
Closing balance of the value of the commitments	(2,046)	(1,536)
Closing balance of the fair value of the assets	1,464	1,445
Financial plan assets	(582)	(91)
Cost of unrecognised past services	-	-
Others	-	-
PROVISIONS AND PREPAID EXPENSES	**582**	**91**

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

In thousands of euros	December 31, 2016	December 31, 2015
Opening balance of the commitment value	(91)	(201)
Normal cost	(207)	(271)
Interest expense	(9)	(3)
Cost of past services	-	-
Actuarial (gains) and losses	(271)	392
Services paid	(5)	(9)
Closing balance of the value of the commitments	(582)	(91)

In thousands of euros	December 31, 2016	December 31, 2015
Value of the commitments of fully non-financed plans	-	-
Value of the commitments of fully or partially financed plans	(2,046)	(1,536)

In thousands of euros	December 31, 2016	December 31, 2015
Opening balance of the fair value of the assets	1,445	1,428
Expected yield	22	21
Actuarial (losses) and gains	1	4
Employer contribution	-	-
Participant contribution	-	-
Services provided	(5)	(9)
Acquisitions/disposals	-	-
Closing balance of the fair value of the assets	1,464	1,445

15.2 Cost for the period

In thousands of euros	December 31, 2016	December 31, 2015
Normal cost	(207)	(271)
Interest expense	(9)	(3)
Expected yield of assets	-	-
Cost of past services	-	-
Transfers	-	-
Acquisitions/disposals	-	-
Others	-	-
CHARGE FOR THE PERIOD	**(216)**	**(274)**

The actuarial assumptions used are as follows:

Assumptions	December 31, 2016	December 31, 2015
Discount rate*	1.55%	2.03%
Salary increase rate	2.04%	1.50%

* *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, 2016	December 31, 2015
Cumulative actuarial differences at the start of the financial year	460	76
Actuarial differences generated on the commitment	(272)	388
Actuarial differences generated on the assets	1	4
CUMULATIVE ACTUARIAL DIFFERENCES AT THE END OF THE FINANCIAL YEAR	**187**	**460**

The actuarial differences are analysed as follows:

In thousands of euros	December 31, 2016	December 31, 2015
Actuarial (losses) and gains	187	460
Experience differences	84	214
Differences due to change in assumptions	102	246

15.4 Analysis of dedicated assets

At December 31, 2016, plan assets were placed in a euro fund of the Company 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, 2016	December 31, 2015
Shares	Items not available on the date the financial statements were prepared	6.7%
Bonds		79.1%
Funds		4.9%
Property		7.7%
Others		1.6%

15.5 Sensitivity

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

	December 31, 2016	December 31, 2015
Effect of a half-percentage-point increase in discount rates on:		
The normal cost and financial cost	(61)	75
The value of the commitment	(188)	(136)

	December 31, 2016	December 31, 2015
Effect of a half-percentage-point decrease in discount rates on:		
The normal cost and financial cost	(61)	75
The value of the commitment	213	153

	December 31, 2016	December 31, 2015
Effect of a percentage-point increase in discount rates on:		
The normal cost and financial cost	(61)	75
The value of the commitment	(355)	(136)

	December 31, 2016	December 31, 2015
Effect of a percentage-point decrease in discount rates on:		
The normal cost and financial cost	(61)	75
The value of the commitment	454	(256)

15.6 Other information

	December 31, 2016	December 31, 2015
Contribution expected in 2016 for plan assets	23	29

NOTE 16 OTHER PROVISIONS

In thousands of euros	Provisions for litigation	Current	Non current
Values as at 31/12/2014	5,742	-	5,742
Allocation	1,808	-	1,808
Reversal	(4,351)	-	(4,351)
Reversal of provisions not used	-	-	-
Values as at 31/12/2015	3,198	-	3,198
Allocation	3,532	1,864	1,668
Reversal	(822)	-	(822)
Reversal of provisions not used	-	-	-
Values as at 31/12/2016	5,908	1,864	4,044

The provisions are intended to cover the potential risks of disputes between GTT and former employees and shipyards in the amount of 1,385 thousand euros, a client risk in the amount of 2,410 thousand euros, contract loss in the amount of 1,864 thousand euros and other risks in the amount of 248 thousand euros.

In addition, the Company notes that on January 29, 2016 it received notification from the Korea Fair Trade Commission of the opening of an investigation into a possible abuse by the Company of its dominant position due to its commercial practices in South Korea. GTT clarifies that such an investigation is without prejudice to its conclusions. It is not possible to assess the duration or the outcome of the process at this time. GTT believes that its commercial practices comply with Korean competition law. No provisions were recorded in the financial statements closed on December 31, 2016.

NOTE 17 INCOME TAX

17.1 Analysis of income tax

In thousands of euros	2016	2015
Current tax	(21,146)	(20,193)
Deferred tax	342	256
Income tax on profit	(20,804)	(19,937)
Distribution tax	(2,990)	(2,735)
Total income tax	(23,793)	(22,672)
Research tax credit	6,384	5,076
CICE	189	219
TOTAL TAX BURDEN NET CREDITS	**(17,220)**	**(17,378)**

The distribution tax is the tax on dividends paid in 2016, amounting to 3% of the total amount distributed.

Tax paid out during the financial year corresponds to the sum of the current tax and the distribution tax (24,135 thousand euros in 2016 and 22,928 thousand euros in 2015).

The Company is currently undergoing a tax audit for 2012, 2013 and 2014. There has been no notification received to date.

The Company has submitted a complaint regarding the basis used for the calculation of the research tax credit for 2009 to 2011 and 2013. Pending an answer from the tax authorities, no accrued income was recorded.

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 Income and deferred tax

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

17.5 Reconciliation of income tax expense

In thousands of euros	2016	2015
Net result	119,745	117,257
Income tax	23,793	22,672
Result before tax	143,538	139,929
Tax rate	0,00%	0,00%
Ordinary tax rate	15,00%	15,00%
Theoretical tax burden	21,531	20,989
Permanent differences	(208)	43
Tax consolidation	(220)	(341)
3.3% tax supplement	658	632
Deferred tax assets not previously recognised	-	(624)
Tax on dividends	2,990	2,735
Research tax credit	(958)	(761)
TOTAL TAX CHARGE	**23,793**	**22,672**

The valuation of deferred tax assets and liabilities is based on the way that the Company 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 Company 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	As at December 31 2016	2015
Deferred tax assets	-	-
On deficits	-	-
On other temporary difference	1,136	852
Buildings acquired via financial lease	216	189
On retirement obligation	87	14
On fair value of short-term investments	3	3
Deferred tax liabilities	-	-
On regulated provisions	(93)	(143)
Sur IFRIC 21	-	-
On retirement plan assets	-	-
Effect of discounting advances from Hydrocarbons Support Fund	(7)	(12)
Buildings acquired via financial lease	(377)	(377)
On revaluation of non-consolidated investments	(226)	(242)
On revaluation of short-term investments	-	-
DEFERRED TAX ASSETS/(LIABILITIES)	**739**	**282**

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

NOTE 18 SEGMENT REPORTING

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

18.1 Information on products and services

The activities of the Company 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	2016	2 015
Revenues from operating activities	235,552	226,458
Royalties	**223,865**	**209,323**
LNG carriers/VLEC	200,070	180,327
FSRU	21,024	19,226
FLNG	2,105	8,244
Onshore storage	267	1,084
Barges	399	442
Services	**11,686**	**17,135**

18.2 Information relating to geographical areas

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

	2016	2015
South Korea	84%	82%
China	9%	12%
Japan	4%	2%
Others	3%	4%

Assets and liabilities are located in France.

18.3 Information relating to major customers

Concentration within the shipbuilding sector reduces the number of customers.

In 2016, one customer contributed 33% of total Company sales, and five customers contributed 91%.

	2016	2015
One customer	33%	26%
The next 4 customers	57%	64%
TOTAL	**91%**	**90%**

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*	2016	2015
Suppliers	237	183
Customers	187	98
Training (Income)	1	-
Studies (Income)	155	114
Social security fees and Costs (Income)	-	6
Supplies and Travel (Expenses)	1	70
Seconded personnel (Expenses)	92	-
Outsourced tests and studies (Expenses)	240	419

19.2 Transactions with subsidiaries

Transactions with French subsidiaries are as follows:

Cryovision *In thousands of euros*	**2016**	**2015**
Suppliers	167	26
Customers	108	75
Financial current accounts	1,505	326
Loans	-	-
Rent (Income)	11	8
Personnel procurement (Income)	302	334
Miscellaneous Rebilling (Income)	4	29
Equipment (Fixed assets)	-	10
Services (Expenses)	153	115

Cryovision sells services to ship-owners and terminal operators: membrane integrity tests using thermal imaging ("TAMI" test) and installation of monitoring systems and evaporation optimisation management tools. Cryovision sometimes uses GTT SA employees, for which it is billed ("Personnel procurement" line). GTT SA also occasionally calls on Cryovision to provide services on the vessels on which it works ("Services" line).

Cryometrics *In thousands of euros*	**2016**	**2015**
Suppliers	-	-
Customers	2,301	2,003
Financial current accounts	13	1
Loans	-	-
Rent (Income)	-	-
Personnel procurement (Income)	-	-
Miscellaneous Rebilling (Income)	262	1,669
Equipment (Fixed assets)	-	-
Outsourced tests and studies (Expenses)	-	-

Cryometrics sells services that improve the performance and operating flexibility of LNG carriers:

- LNG Advisor provides for the transmission in real time, at sea and on land, of reliable data relating to the energy performance of the vessel;
- SloShield™ provides real-time monitoring of sloshing in tanks.

In order to further develop its activity, Cryometrics sometimes purchases a number of services from GTT SA, notably to develop its applications. The services appear in the "Miscellaneous rebilling" line.

Transactions with foreign subsidiaries are as follows:

GTT North America (GTT NA) *In thousands of euros*	**2016**	**2015**
Suppliers	693	657
Customers	1,717	736
Financial current accounts	23	21
Loans	-	-
Rent (Income)	-	-
Personnel procurement (Income)	428	484
Miscellaneous Rebilling (Income)	1,075	-
Services (Expenses)	2,966	2,305

GTT NA bills GTT SA fees for representing GTT SA in the United States ("Services" line shown in the table above). As part of its activities, GTT NA may use personnel seconded from GTT SA ("Personnel procurement" line). Lastly, GTT NA can request that GTT SA carry out engineering work for the contracts it signs with third parties ("Miscellaneous rebilling" line).

GTT Training *In thousands of euros*	2016	2015
Suppliers	129	89
Customers	1	2
Financial current accounts	158	158
Loans	185	314
Rent (Income)	-	-
Personnel procurement (Income)	-	-
Services (Expenses)	451	637

GTT Training bills GTT SA fees for its representation services ("Services" line shown in the table above).

GTT SEA *In thousands of euros*	2016	2015
Suppliers	82	(7)
Customers	11	53
Financial current accounts	-	72
Loans	-	-
Rent (Income)	-	-
Personnel procurement (Income)	135	53
Services (Expenses)	478	93

GTT SEA bills GTT SA fees for representation services ("Services" line shown in the table above). GTT SEA can also use personnel seconded by GTT SA ("Personnel procurement" line).

19.3 Compensation of Executives

In thousands of euros	2016	2015
Wages and bonuses	964	631
Expenses for payments in shares (IFRS 2)	490	-
Other long-term benefits	124	83

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 Company.

The maximum total compensation allocated to members of the Board of Directors in directors' fees was 400,000 euros in 2016.

NOTE 20 OFF-BALANCE SHEET COMMITMENTS

20.1 Commitments related to operating leases

Operating lease payments are not significant.

20.2 Commitments for lines of credit

The Company signed contracts for lines of credit for a total amount of 50 million euros with 3 banks during the 2016 financial year.

- On June 30, 2016, the Company agreed 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.
- On July 6, 2016, the Company agreed a line of credit with Credit 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 Company agreed 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.

20.3 Obligations under other contracts

In the event of the CS1™ technology being commercialised in the future, GTT is committed to pay royalties to ENGIE relative to the CS1™ technology in accordance with the following conditions:

- 10% of total royalties (excluding taxes) recognised by GTT in Sold Service Production, on the construction of LNG carriers equipped with CS1™ technology, subject to receipt of said royalties by GTT, for firm orders placed for the first five LNG carriers equipped with CS1™ technology until the end of the royalties owed to GTT for these orders, it being specified that, to date, there are already three firm orders for LNG carriers with CS1™ technology. To date, these vessels are in circulation, the orders have been fulfilled, and there are accordingly no more royalties receivable in this respect;
- 3% of total royalties (excluding taxes) recognised by GTT in Sold Service Production, on the construction of LNG carriers equipped with CS1™ technology, subject to receipt of said royalties by GTT, for firm orders placed until December 31, 2016 for the following LNG carriers (*i.e.* as of the sixth vessel) equipped with CS1™ technology, it being specified that the payments to ENGIE will take place up to the 20th LNG carrier (*i.e.* from the 6th to the 20th vessel) until the end of the royalties due to GTT for these orders. No new orders were received in 2016 to equip LNG carriers with CS1™ technology. Given that the contract has expired, there will be no more royalties from this source.

3.3 Statutory Auditors' report on the annual financial statements prepared in accordance with IFRS

This is a free 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 annual financial statements prepared in accordance with IFRS as adopted by the European Union

To the Chairman and CEO,

In our capacity as Statutory Auditor of GTT and in accordance with your request, we hereby report to you on the audit of the accompanying annual financial statements prepared in accordance with IFRS as adopted by the European Union, for the year ended December 31, 2016.

The preparation of these annual financial statements is the responsibility of your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement. An audit involves performing procedures, by audit sampling and other means of testing, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the annual financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements present fairly, in all material respects, the assets liabilities and financial position of the company at December 31, 2016 and the result of its operations for the year then ended, in accordance with the IFRS as adopted by the European Union.

Paris-La Défense, April 24, 2017

The Statutory Auditor

ERNST & YOUNG Audit

French original signed by

Aymeric de La Morandière

3.4 Update of forecasts

3.4.1 ASSUMPTIONS

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

(i) the order book as at December 31, 2016, which comprised 80 LNG carriers, 4 VLECs, 7 FSRUs, 2 FLNGs, 2 onshore storage tanks and 1 LNG bunker barge;

(ii) the revenue recognition method it normally uses; and

(iii) the condensed financial statements for the 2016 financial year prepared according to IFRS.

3.4.2 FORECAST FOR THE 2017 FINANCIAL YEAR

Based on the items described above and subject to significant order postponements or cancellations, the Company expects, for the 2017 financial year, to achieve:

- revenues of between 225 million euros and 240 million euros, including:
  - 216 million euros corresponding to its order book as at December 31, 2016;
  - revenues generated in respect of services proposed by the Company in 2017; and
  - income from orders recorded by the Company during the 2017 financial year;
- a net margin (ratio to revenues) above 50%[1].

(1) *Excluding the effect of any acquisitions.*

3.5 Statutory auditor's report on the forecasts for the year ended December 31,2016

This is a free 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 President and CEO,

In our capacity as Statutory Auditor and in compliance with EU regulation 809/2004, we hereby report on the forecasts of net income margin and net income (forecast net income as a percentage of forecast total revenues) for GTT which is included in chapter 3 (section 3.4) of its Registration Document for the year ended December 31, 2016.

In accordance with EU regulation 809/2004 and the relevant ESMA guidance, you are responsible for the preparation of these forecasts and their principal underlying assumptions.

It is our responsibility to express our conclusion, pursuant to Appendix 1, paragraph 13.2 of the EU Regulation 809/2004, as to the proper compilation of the profit forecasts.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes). Our work consisted in an assessment of the preparation process for the profit forecasts, as well as the procedures implemented to ensure that the accounting methods applied are consistent with those used for the preparation of the historical financial information of GTT. We also gathered all the relevant information and explanations that we deemed necessary to obtain reasonable assurance that the profit forecasts have been properly compiled on the basis stated.

It should be noted that, given the uncertain nature of forecasts, the actual figures are likely to be significantly different from those forecast and that we do not express a conclusion on the achievability of these figures.

We conclude that:

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

This report is issued for the sole purpose of:

- registering the Registration Document with the AMF;
- the admission to trading of a public offer, of shares or debt securities with a minimum denomination of €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-La Défense, April 24, 2017

The Statutory Auditor

ERNST & YOUNG Audit

French original signed by

Aymeric de La Morandière

4 SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

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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.

GTT is continuing its business development based on this expertise by making use of two strong levers: making the best use of its human capital, a key asset at 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 accompanying the changes in the global energy landscape and the new needs of customers.

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 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 non-consolidated subsidiaries Cryovision, GTT North America, GTT Training Ltd, GTT SEA PTE. Ltd and Cryometrics 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 Company 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 Company 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 Company 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 Company 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 of 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, 2016, the Company had 358 employees, representing a decrease of 5.29% in the workforce compared with 2015.

GTT (as a percentage)	31/12/2015	31/12/2016
Permanent (CDI)	85	86
Non-permanent (temporary, fixed-term, construction site, internships)	15	14

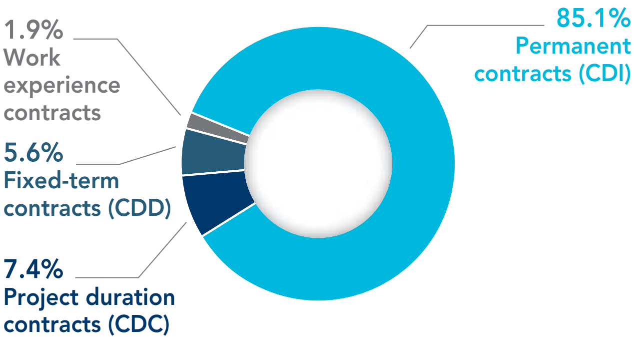
The main reason for use of fixed-term and temporary contract staff between 2011 and 2016 was the temporary increase in business activity.

Change in Company headcount by contract type

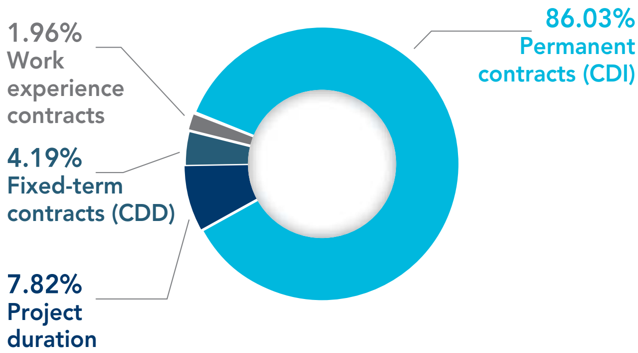
	31/12/2015	31/12/2016	Change
Permanent (CDI)	321	308	-4.05%
Fixed-term (CDD)	21	15	-28.57%
Project duration (CDC)	28	28	-
Work experience contracts	7	7	-
Internship	1	0	ns

Breakdown in Company headcount by contract type

31/12/2015



31/12/2016



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, 2016, 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 2.5 FTE GTT employees (included in the GTT workforce) have been seconded full-time to Cryovision;
- GTT North America, created in 2013: 2 GTT expatriates, 2 employees (based in the United States in Houston). The two expatriates are included in the GTT Company employee headcount;
- 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; one employee;
- Cryometrics, created in 2015, did not have any employees at December 31, 2016.

Geographical breakdown

Between 2011 and 2016, some employees of the Company were seconded to the sites of customers in South Korea, China and Japan.

At December 31, 2016, in addition to the 4 expatriates of GTT North America, GTT SEA PTE and the China office, 50 employees of the Company were seconded outside of France.

Breakdown of headcount by socio-professional category (GTT and subsidiaries)

GTT	Executive	Non-executive
At December 31, 2016	252	106
At December 31, 2015	261	117

Cryovision	Executive	Non-executive
At December 31, 2016	5	-
At December 31, 2015	4	1

GTT North America	Executive	Non-executive
At December 31, 2016		2
At December 31, 2015	1	1

At December 31, 2016, the workforce also included 2 expatriated GTT executives.

GTT Training Ltd	Executive	Non-executive
At December 31, 2016	4	-
At December 31, 2015	4	-

GTT Training Ltd was created in June 2014.

GTT SEA PTE LTD	Executive	Non-executive
At December 31, 2016	-	-
At December 31, 2015	-	-

GTT SEA PTE was created in May 2015. At December 31, 2015, GTT SEA PTE did not have any employees; the Company was represented by 1 expatriate from GTT.

Cryometrics	Executive	Non-executive
At December 31, 2016	-	-
At December 31, 2015	-	-

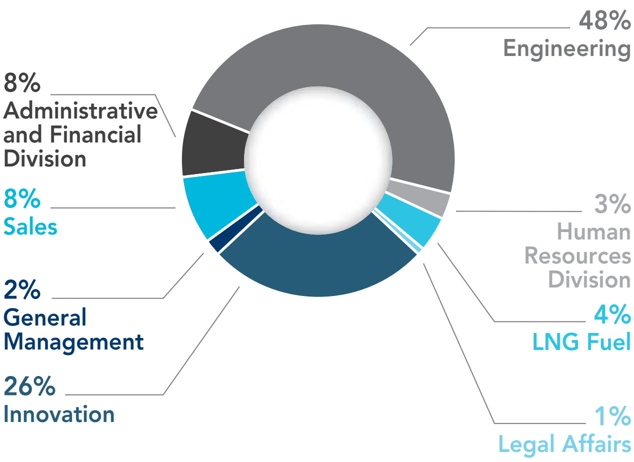
Cryometrics was created in November 2015. At December 31, 2016, Cryometrics did not have any employees.

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, 2016, GTT's employees are divided into different divisions of the Company as follows:



Total: 358 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. 93 people, or 26% of the workforce work within the Innovation Division. In 2016, research and development expenditure represented 19% 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 38 employees throughout the organisation, and enabled 58 new ideas to be identified in 2016.

4.3.1.2 Recruitments and dismissals

GTT recruitments by type of contract

	31/12/2015	31/12/2016
Permanent (CDI)	11	13
Non-permanent (CDD/CDC)*	43	39
TOTAL	**54**	**52**

* *Excluding interns (as opposed to the other indicators in this report).*

GTT dismissals, resignations and retirement

	31/12/2015	31/12/2016
Dismissals	2	1
Resignations	10	15
End of non-permanent contracts[(1)]	36	44
Retirement/death	1	2
Contractually agreed termination	4	10[(2)]
TOTAL	**53**	**72**

(1) Non-permanent contracts: including summer jobs and fixed term/project duration contracts, excluding interns (as opposed to the other indicators in this report).
(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 6.6%[(1)] in 2016, 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, 2016 represented approximately 1.3% of payroll.

This budget is complemented by an individual performance-related bonus. Each year, the Chairman and Chief Executive Officer of GTT determines an overall bonus envelope expressed as a percentage of payroll, for the purpose of awarding exceptional bonuses. 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 December 31, 2016, the budget allocated for the award of one-off bonuses represented approximately 9.5% of payroll, of which 1% for the success of Mark V.

The salary increase and bonus are designed to reward individual performance and are consistent with practices in the oil and gas engineering sector.

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 fourteen 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 2016.

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 2015. 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 2016.

(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.

4.3.2 WORK ORGANISATION

	31/12/2015	31/12/2016	Change
Number of full-time contracts Women	64	59	-7.8%
Number of full-time contracts Men	300	283	-5.67%
Number of part-time contracts Women	11	11	-
Number of part-time contracts Men	3	5	+66.66%

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 2.74% in 2016[1].

The absences taken into account are: sickness, exceptional leave, workplace and commuting accidents, paternity leave, maternity leave, leave for sick children, parental education leave and unpaid leave.

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.

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 have been created for the following subjects to prepare the plenary meetings of the works council: training, mutual insurance, housing, gender equality, CET/PERCOG and salary policy.

Management has built up a constructive, open dialogue with the works council representatives.

In 2016, the CHSCT met five 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.

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 QHSE department work to identify and assess high-risk activities, in particular. These checks include procedures, work instructions, specific risk training, and regular HSE meetings. A single, annually updated, general risk assessment document identifies the type of danger for each work unit, process or machine.

(1) *Calculation of this rate: total number of days of absence in 2016 in working days/(average monthly headcount x total days normally worked). The number of days normally worked corresponds to 253 days in 2016.*

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. Firemen from the fire station local to the GTT site made a reconnaissance visit in 2015 in order to reinforce their intervention procedure, based on the most recent changes to the buildings.

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), which are now 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 2016, as it does every year, following a risk assessment, the Group put in place action plans including:

- the creation in December of a QHSE department reporting to General Management, responsible for the quality management system in place and the implementation of a Health/Safety management system. The dissemination of the HSE policy and associated golden rules is planned for the first quarter of 2017;
- a seminar in South Korea in October led by an expert consultant in psychosocial risks (PSR): it was attended by 38 GTT shipyard representatives and the two managers in question. The goal was to identify best practices and areas for improvement in Health/Safety/PSR;
- a safety audit in November of two South Korean and one Chinese shipyards by an expert consultant to follow up on the October seminar;
- implementation of a workplace first aid training programme (SST) specifically for shipyard issues and intended for seconded employees. Road safety training was also provided and;
- OHSAS 18001 certification was received by a GTT subsidiary in November (Cryovision).

An action plan will be deployed in the first quarter of 2017 as part of the 2017 prevention programme and the work carried out in October and November 2016 at the shipyards (seminar and audit).

At December 31, 2016, 50 employees were seconded outside of France, mainly to South Korean, Chinese or Japanese shipyards, and are therefore subject to different local regulations. The Health and Safety risks related to working conditions in naval shipyards are identified and examined each year by the CHSCT.

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 2016, GTT recorded five commuting accidents and eleven workplace accidents (including four involving lost time).

GTT Group statistics on accidents (permanent, fixed-term, project duration contracts, temporary workers[(1)], interns)	2015	2016
Number of accidents with lost time[(2)]	4	4
Number of commuting accidents[(3)]	5	5
Frequency rate of accidents with lost time = number of accidents with lost time/hours worked x 1,000,000[(4)]	6	5.8
Severity of accidents with lost time = number of days lost/hours worked x 1,000[(4)]	0.23	0.20

(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 2016 in this area were:

- optimisation of work site reception with badge readers to limit the risk of intrusion;
- regular actions (preventive, detection and analytical) by the Information System unit regarding malicious computer pirating attacks: awareness-raising about Internet risks, encrypted USB keys, the policy for foreign travel and the use of Wi-Fi networks, information system intrusion audits, logical system protection, implementation of SIEM software (Security Information and Event Management).

4.3.4.3 Health and well-being at work

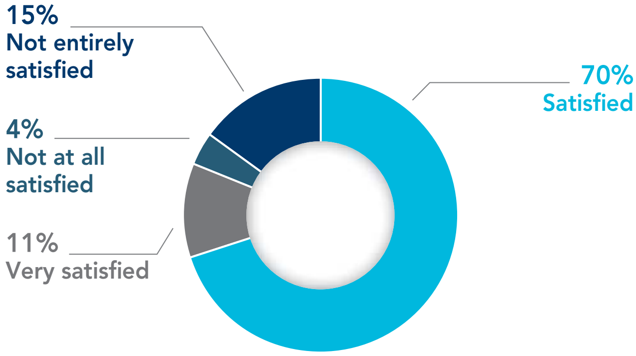
The health and well-being of its employees are also a major focus of concern for GTT. The CHSCT regularly works with the occupational health service to improve quality of life and prevent psycho-social risks and occupational diseases.

In 2016, the main actions were as follows:

- training in the identification of employee psychosocial risks provided to all members of the Executive Committee, the HR department, managers and the CHSCT;
- certification training in the prevention of psychosocial risks to the HRM and a CHSCT member;
- creation of a working group (five members) on the quality of life at work (QLW) whose goal is to establish an action plan for 2017. The Group will present its recommendations to the Executive Committee in the first quarter of 2017 and;
- an annual survey on working conditions piloted by the CHSCT.

The enquiry carried out in 2016, on the basis of a participation rate of 44% of the employees concerned, showed a significant level of satisfaction concerning working conditions, even though it had fallen slightly: 81% of participants claimed to be satisfied, compared with 83% previously. The main area for improvement involves internal communications which must be strengthened to meet employee expectations. This point is included in the 2017 action plans.

Level of satisfaction with working conditions



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.

	2015	2016
Amount of training course expenses (pedagogical costs *)	€390,972	€458,155
Salary costs for the trained employees	€302,525	€556,654
Compulsory FPC contribution paid to the OPCA	-	€259,498
Number of training hours	8,316	13,654
Number of employees trained	280 employees trained	356 employees trained
Breakdown by professional category	191 executives 89 non-executives	246 executives 110 non-executives

* *Salary costs of internal trainers not taken into account (when training is provided by employees).*

The scope of training hours taken into account has changed since 2015. It encompasses 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).

In 2016, we specified the compulsory contribution paid to the OPCA *(Organisme Paritaire Collecteur Agréé)* for continuing vocational training (FPC).

4.3.5.1 Training sessions to develop the employability and expertise of our employees

The overall budget allocated to training during the 2016 financial year (ended on December 31) was up in comparison with 2015. Hence, 4.75% of the aggregate payroll (including labour costs)(1) was dedicated to training in 2016, compared with 3.40% in 2015. Taking into account the contribution paid for continuing vocational training to the OPCA, the percentage of aggregate payroll dedicated to continuing education was 5.96%. The growth

(1) Aggregate gross payroll subject to contributions (source DADS): 21,379,239 euros.

in training expenses and hours in 2016 is explained, in particular, by the organisation of a large number of tailored collective training courses provided by expert training organisations and to the care taken with individual training courses intended for the specific needs of employees.

In 2016, GTT focused on the following training sessions:

- technical, software and oil and gas environment training courses which accounted for nearly half of the budget: tailor-made programmes were designed and created with qualified organisations to enable the Company's technicians and engineers to develop and perfect their professional skills;
- training dedicated to the innovation process to help teams develop their innovation abilities. The training courses are intended to provide proven methodologies and tools which promote the exploration of technology and creativity;
- a training programme specifically designed for engineers who work directly with customers and partners, intended to develop the skills used in technical-commercial relationships: flexibility, argumentation skills, the ability to individually or collectively close a negotiation or strategic sale;
- support *via* training and workshops targeting the challenges and significant changes in the ISO 9001: 2015 standard. Internal auditors also received training to help them carry out their internal assignments;
- 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) 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, within the LNG carrier shipyards; these employees may spend several years as representatives of GTT in the shipyards. 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 review: a genuine time for exchange between the manager and employee, it enables the achievements and skills over the previous year to be assessed, the objectives for the coming year to be fixed, and exchanges on the employee's career 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

An action plan was implemented in 2015 to foster equality in the workplace.

The plan aims to ensure equal treatment of men and women at GTT and to develop actions to promote a healthy balance between professional, family and personal life. The Company is a great believer in gender equality, which it sees as a source of momentum, balance and efficiency essential to the business.

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 2016, women represented 25.6%[1] of the Group's recruitment.

Distribution of GTT employees by gender: women-men

	31/12/2015	31/12/2016
Executives men	212	207
Non-executives men	91	81
Executives women	49	45
Non-executives women	26	25

4.3.6.2 Employment of young people and seniors

The intergenerational management of human resources is part of GTT's social responsibility. 88% 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. With 43 employees over the age of 50 at December 31, 2016, GTT is committed to continuing measures taken to promote the employment of seniors *via* the implementation of the Generation Contract signed in 2015.

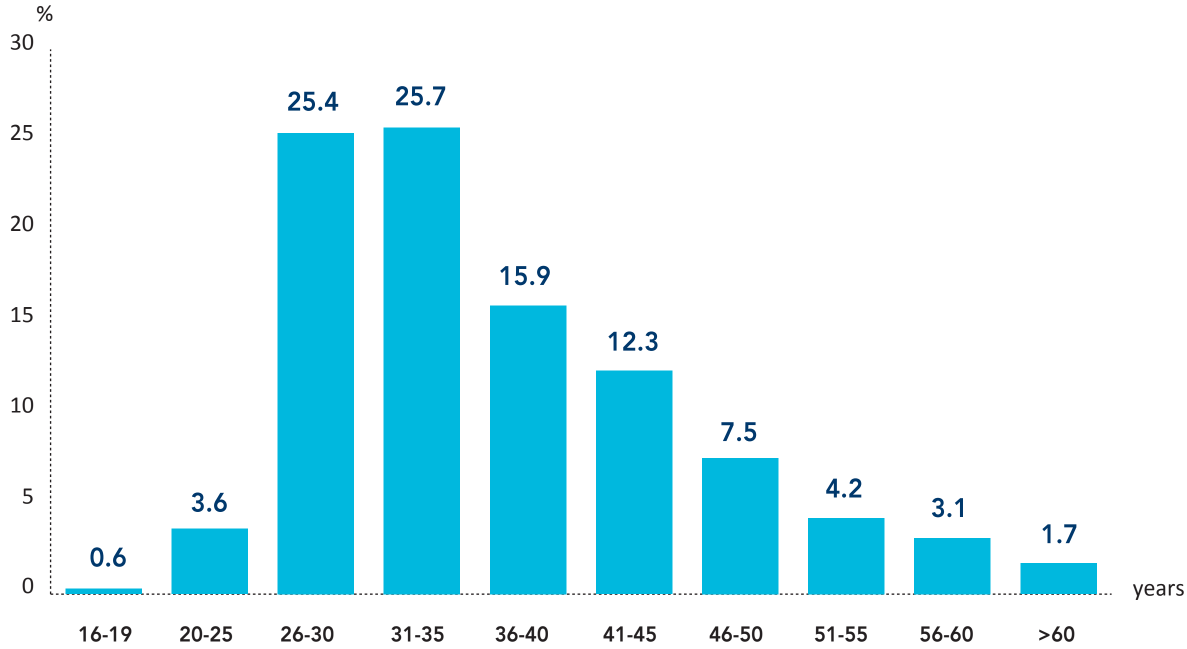
The recruiting policy implemented during 2016 took a different direction than announced at the end of 2015, focusing on expertise in order to maintain our position as a market leader.

The goal of retaining older employees was achieved and furthered by hiring, given that employees over 50 accounted for 12% of the workforce in 2016.

While the goal of hiring ten young people under 30 on permanent contracts was only partially achieved, it nevertheless accounted for one-third of permanent recruits. This figure was due to a decrease in the number of permanent hires overall and orientation toward expert recruits with significant experience in the R&D or industrial sector. Recruiting of apprentices was stable at 1.9% of the workforce.

(1) *Excluding interns.*

Age pyramid at December 31, 2016



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 three disabled employees at the end of 2016.

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 2016, 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:

- respecting 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.

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.

This charter was supplemented in 2015 by a certain number of measures including the installation of an ethics email to allow employees to question the Ethics Officer in the event of doubts about the action they should take.

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, 2016, the Company has twenty-one 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 newbuilds 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.

Since 2010, GTT is certified ISO 9001. 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.

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 2016 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. In 2016, around 6,900 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. 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, exceeding the 2015 results.

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 2016, 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, 280 materials have been approved based on GTT requirements to meet the needs of membrane technologies. They involve 63 suppliers: 26 in South Korea, 11 in China, 8 in France, 5 in Japan and 13 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 has implemented an ethics charter for this purpose which is available on its Internet site and provided to all of its stakeholders on a regular basis. It has also deployed an ambitious compliance system intended to prevent corruption or violations of the international regulations in effect. Regular sessions are held to raise employee awareness about the system. The Company created a map of ethics risks at the end of 2016. The exercise was carried out by an external firm and resulted in the implementation of an action plan to improve the Company's compliance policies.

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 a 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 emissions in these zones entered into force on January 1, 2015. In addition, on October 28, 2016, the 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 a fuel almost totally eliminates sulphur oxides (SO_x) by comparison with fuel oil propulsion. It also enables compliance with the regulations regarding nitrogen oxide, sulphur oxide, CO_2 and particle emissions, and in particular, the international MARPOL[(1)] convention GTT has developed several innovations which provide for an adaptation of its membrane containment technologies for use in the holds of merchant vessels (see section 2.4 – *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.

(1) Acronym of the English term "Marine pollution": designates the international convention for the prevention of marine pollution by vessels, drafted by the IMO (International Maritime Organisation).

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 GTT 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 sessions:

- 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 for the solutions available for LNG as a fuel and the benefits provided by the Group's technologies were also provided to potential licence holders in 2015 and 2016.
- LNG in operation
  - The "LNG cargo operations" programme has been offered since 2014 to gas officers who operate on the LNG carriers, in compliance with the training standards recommended by the SIGTTO[1]. This specific, technical training is carried out on a GTT-designed simulator. It was audited and validated by a Norwegian qualification company. The simulator allows officers to experience numerous situations in an extremely realistic way.
  - LNG as a fuel and bunkering: introductory modules for operators who are considering using LNG as a fuel, mainly covering the operation of the vessels and the related bunkering operations.

In 2016, 133 customers and partners were trained in the specificities of LNG. GTT is one of the few players in the liquefied gas industry to offer this type of service.

A hotline for ship-owners

The Group developed the HEARS hotline in 2014. It enables ship-owners and operators to call GTT specialists 24/7 to obtain assistance with urgent situations relating to the systems developed by the Company for LNG transportation. The experts receive intensive training to prepare for the incident scenarios identified by GTT. Following this preparatory phase in 2013, they were qualified, and are regularly drilled through exercises inspired by real situations.

Amount of provisions and guarantees for environmental risks

In 2016, 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

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

waste. In 2016, GTT generated 9.8 tonnes of chemical waste, compared with 3.5 tonnes in 2015. The increase is notably due to the streamlining and optimisation of inventories in 2016.

- Organic waste is collected by a regional organisation, specialising in the collection and treatment of waste. GTT generated 118,140 litres of organic waste in 2016, stable compared to 2015. In addition, the Company generated 12,800 kilos of food waste, *i.e.* an average of 50 kilos per working day[1].
- 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 2016, approximately 26.6 tonnes of paper was recovered and recycled by the business, compared with 20.8 tonnes in 2015. The increase was the result of moving staff at the Company's registered office. Each year, the partner provides an environmental certificate indicating the number of trees saved – 452 in 2016 – 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. In 2016, more than 137 items of IT equipment were collected on the site.
- Printer and toner cartridges are also collected by a specialist service provider.

Waste	2015	2016	Variation
Chemicals (in tonnes)	3.5	9.8	+180%
Organic (in litres)	118,140	118,140	-
Paper (in tonnes)	20.8	26.6	+28%
Electrical and electronic equipment (in units)	150	137	-9%

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. GTT recorded an increase in its consumption of electricity and gas in 2016, compared with 2015 due to the commissioning of two new buildings and the start-up of three hexapods.

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	2015	2016	Variation
Electricity (kWh)	2,345,602[1]	3,229,774	+38%
Gas (kWh)	2,353,963	3,338,086	+42%
Fuel (in litres)[2]	2,999	2,999	-

(1) Due to a malfunction of the meters between April and October 2015 inclusive, the electricity and gas consumption data for the 2015 financial year has been estimated based on the 2014 consumption.

(2) Volume estimated based on invoicing.

(1) Due to a change in service providers, the average of 50 kilos per day was estimated on the basis of waste generated at the beginning of 2017.

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 2016, the site recorded a fall in its consumption, which is mainly explained by the completion of the construction works on a new building.

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	2015	2016	Variation
Water consumption	3,391	3,178	-17%

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. The increase in nitrogen consumption is mainly explained by an increase in the utilisation rate of the testing machines.

In litres	2015	2016	Variation
Consumption of nitrogen	988,995	1,069,301	+8%

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.

Scope 1

	kWh	Total t CO_2e
Gas	3,338,086	674.2
	Litres	Total t CO_2e
Fuel	2,999	6.1
	Litres	Total t CO_2e
Company cars and vehicles provided	11,946	32.1
		Total t CO_2e
TOTAL SCOPE 1		**712.4**

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	251.9

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's efforts to analyse climate issues and develop a strategy consistent with a 2°C scenario will be stepped up in 2017, in order to study the potential for implementing more detailed reporting of significant Scope 3 sources.

GTT has nevertheless been monitoring emissions from employee travel by train and aeroplane for several years now. They totalled 3,832 tonnes of CO_2 in 2016. To limit professional travel, GTT encourages site employees to use the video-conference room.

In tonnes of CO_2	2015	2016	Variation
Emissions related to employee travel (train, aeroplane)	3,483	3,832	+10%

Factors used (sources)

Global warming power	Source: GIEC, 2006
Natural gas emissions factor (kg/MWh)	Source: GIEC, 2006
Electricity emissions factor France (t CO2e / 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 sites with a total surface area of 84,750 m^2 in Saint-Rémy-lès-Chevreuse.

A property complex of eighteen 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 Gaztransport & Technigaz (GTT), we present our report on the social, environmental and societal information established for the year ended on the 12 31 2016, presented in chapter 4 of 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 introduction to chapter 4 of the management report.

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 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 3 people between February and March 2017 for an estimated duration of three 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 .

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 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)*.

Conclusion

Based on this work, 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 around ten interviews with 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;

(1) *Scope available at www.cofrac.fr*

(2) *ISAE 3000 – Assurance engagements other than audits or reviews of historical information*

- 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.

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[(1)]:

- 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;
- We undertook interviews to verify the correct application of the procedures and to identify potential omissions and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation.

For the other 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 April 20, 2017.

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Partner, Sustainable Development	Partner
Alexis Gazzo	Bruno Perrin

(3) *Social information:*

- *Indicators (quantitative information): Total headcount: breakdown by sex, by contract type and by age; hiring and departures; absenteeism rate; ratio of female managers; frequency and severity rates of work accidents, number of disabled employees, number of trained employees and total number of hours of training, budget allocated to training, total payroll, absenteeism;*
- ***Qualitative information:** Employment (total headcount and breakdown, hiring and terminations), health and safety at the work place, 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).*

Environmental and Societal information:

- *Indicators (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) and where appropriate, approaches to environmental evaluation and certification), 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 the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors, business ethics (measures undertaken in favour of consumers' health and safety).*

5 RISK FACTORS

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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 is 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 Company'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 in containment systems used in LNG carriers, 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 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 Company'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 Company'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 respective demand of LNG buyers and sellers and to enter into LNG sales contracts which generally depends on obtaining the financing required to carry out these projects.
- Decrease in the consumption of gas 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.
- Increase in the cost of onshore regasification terminals, labour costs or the occurrence of other economic issues which may hinder the development of export LNG projects (negative impact on the demand for onshore storage tanks).
- Decrease in the cost of onshore regasification terminals or the rising demand for such terminals, which may offer greater capacities than that provided by FSRUs, assuming that there is a demand for such capacities (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 Company cannot guarantee that annual revenues will rise steadily.

Factors related to the supply of LNG

- Changes in the LNG price, 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 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.
- Increase in the cost of onshore liquefaction terminals, labour costs or the occurrence of other economic issues which may hinder the development of export LNG projects (negative impact on the demand for onshore storage tanks).

- The decrease in the cost of onshore liquefaction terminals or the rising demand for such terminals, which may offer greater capacities than that provided by FLNGs, assuming that there is a demand for such capacities (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 can, even on a temporary basis, optimise the use of their vessel fleet, rather than order new builds (increase in the average speed of vessels, delayed fleet upgrades, etc.).
- Industrial and commercial agreements between operators can have an impact on the use of the vessel fleet (pooling of vessel fleets, alliances, etc.).
- The decrease 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.

In this context, six projects, including four in the United States (Freeport, Corpus Christi, Sabine Pass and Elba Island) received a FID[(1)] (Final investment Decision) in 2015 and 2016, representing approximately 26 Mtpy of additional capacity. About three other North American and/or African projects could receive a FID in 2017, which would represent approximately 14 Mtpy of additional capacity.

Despite the increased demand for LNG and the fact that the Company 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 submission date of this Registration Document, these delays do not negatively affect the Group's medium and long-term outlook, but they could delay when orders are placed and differences in orders from one year to the next and, accordingly, the realisation of the 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 Company may experience cancellations with respect to orders placed by shipyards. Although cancellations of orders for LNG carriers have been rare historically (seven in total, and none in 2016), and occurred before the Company had incurred significant expenditure to complete the orders, they did occur and could occur again in the LNG transport and maritime storage field. 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.

(1) *With the exception of Elba Island, which did not announce a FID. However, the fact that construction has begun means that it can be considered de facto "post-FID".*

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 Company's technologies.

In order to reduce this dependency, the Company 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 2016 and, as of the 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 due to the absence of practical feedback on the technology (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 2016.

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 Company's technologies, the Company 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 Company, in as much as such improvements could be coupled to containment systems with lower thermic performances.

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 Company's competitive position in the cryogenic membrane containment systems sector

In some situations, the Company 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 Company 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, the Company 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 are 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 a maritime fuel, also known as bunkering (see section 2.4 – *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 the diversification into new activities may lead to a change in its business model, exposing it to new risks, particularly 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 technologies relies on its portfolio of patents, for which the average period of validity is approximately 15.5 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, Russia and Qatar) 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 patents belonging to third parties;
- third parties will not claim ownership of patent rights or other intellectual property rights that the Group owns personally 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 Mark III, NO96, Mark Fit™, LeaNG and GST™ 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 ANY 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 Company 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 Company'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 Document, the Company has 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 Company, which denies all responsibility in the matter. As a result, the Company may book provisions in its financial statements. Such provisions may have a material impact on the Company'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 5.5.3 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.

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 Company 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 Company 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 IN 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.

The new IGC Code came into effect on July 1, 2016. Although several classification societies have already validated the fact that the Group's technologies comply with the new Code, discussions are under way with the other classification societies and the Group cannot guarantee that it will obtain the validation of its technologies by all the classification societies. The Company has not, however, identified any adaptations to its technology to date that would be required to comply with the new regulations. Furthermore, any future changes in the IGC Code rules could require the Company to modify its technologies in order to remain compliant with the IGC Code requirements.

Although as of the date of filing this Registration Document, the Company 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 timeframe 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 Company's key technologies become commercially unusable.

At the date of filing this Registration Document, the Company 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 Company'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 Company's technologies. Each classification society maintains its own approval and authorisation process, and the Company 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 Company 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 Company 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.

Moreover, 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 position, cash flow and results.

The Group mainly operates in France, where it is subject to French corporate income tax among other taxes. The Company 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 Company 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. The Company is currently undergoing a tax audit carried out by the French authorities for the 2012, 2013 and 2014 financial years. It has not yet been notified of the outcome as of the filing date of this Registration Document. The audit may result in corrections and eventually lead to a tax dispute before the competent courts.

In each case, 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 also make assumptions about the scale of its future business, the outcome of such business, how it will be done and how the resulting profits will be booked. More generally, the Group cannot guarantee that such assumptions and interpretations will not be challenged by the tax authorities concerned.

The Company benefits from some specific tax arrangements. In France, the Company pays tax at a specific rate of the corporate income tax on royalties from some industrial property rights, and receives tax credits in relation to some R&D spending and 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 Company keeps itself informed regularly of changes in terms of 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, in order to evaluate the measures which could subsequently be taken in France.

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 Company 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.

At the date of filing this document, the Company 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 or abandonment of, the YAMAL LNG project, or, more generally threatening its prospects for commercial development in Russia.

Moreover, whilst to date, the Company 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 Company 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.

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 2016, 84% of the Company's sales revenues came from South Korean customers (see note 18.2 of section 3.2.2 – *Segment reporting* 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 Company represented 86% (in number of orders[1]) of the Company's order books. The Company 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 Company is unable to guarantee that these technologies are free of any defects and that the Group can, where applicable, develop adaptations in order to definitively eliminate the said defects. Consequently, it may be that claims result therefrom and that the Company's liability is incurred. Information about the inquiry opened by the South Korean competition authority (KFTC) is provided in section 5.1.1.2. The Company could take any action it considers necessary to protect its interests and enforce its rights.

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 GTT 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.

On the date of this Registration Document, the Company is not aware of any legal, governmental, administrative or arbitration proceedings, other than the items described in this chapter or in note 16 of section 3.2.2 – *Other provisions (provisions for litigation)* and in Appendix 1 – *Financial information prepared in accordance with French GAAP*, in 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, 2016, the Company has 21 shipyards under licence, located mainly in China, Japan and South Korea. Of these 21 sites, six 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 Company has solid partnership links, and to the fact that there have been no payment issues for ten years, the Company has never had to deal with any significant payment problems with its customers. The Company is closely monitoring developments in the current financial difficulties of the three main South Korean shipyards. In 2016, however, a provision for impairment of receivables was made in respect of one client due to invoices unpaid for two years on account of a significant delay in the project in question. The impairment charge covers 100% of the receivable due and of invoices to be issued for the same customer. Note that this customer is not a shipyard. This impairment remains immaterial with respect to the total amount of trade receivables at end-2016.

Any event affecting the ability of the 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 Company'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. It should, however, be noted that the failures of South Korean ship-owner Hanjin and shipyard STX did not have any impact on the Group.

5.4.2 FOREIGN EXCHANGE RISKS

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

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

5.4.3 INTEREST RATE RISKS

The Company 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 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 by the Board of Directors, and the definition of the required priority action plans. Actions have been put in place 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.

There is, however, no guarantee that the Company 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 Company have mitigated or will mitigate the potential occurrence of the risks or the damage the Company might suffer should these risks materialise. The occurrence of any of the risks identified by the Company 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 to 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 2016 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

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

6.1 Report by the Chairman of the Board of Directors on corporate governance and internal audit and risk management procedures

Since its listing on Euronext Paris, the Company has put in place internal audit procedures and compliance with corporate governance principles pursuant to the statutory and regulatory provisions applicable to listed companies. In particular, the Chairman of the Board of Directors of the Company has compiled, in accordance with Article L. 225-37 of the French Commercial Code, this report on internal audit.

This report is intended to reflect the composition of the Board of Directors, the principle of equal representation of women and men in 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, as well as the internal audit and risk management procedures instituted by the Company, including those relating to the preparation and processing of financial and accounting information. It covers the period between January 1, and December 31, 2016.

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 representation of women and men, the conditions for 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, and the Audit and Risk Management Committee in respect of the elements relating to internal audit procedures and risk management.

Pursuant to the provisions of Article L. 225-37 of the French Commercial Code, this report was submitted for approval by the Board of Directors on March 30, 2017, acting on the recommendations of the Audit and Risk Management Committee.

6.1.1 CORPORATE GOVERNANCE CODE

In accordance with Article L. 225-37 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 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 the year 2016, the Board of Directors has decided to not 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 changed since the Shareholders' Meeting of May 18, 2016, following the co-opting on October 13, 2016 of Cécile Prévieu as a Director, as proposed by ENGIE, replacing Jacques Blanchard, and thereby bringing the number of women directors to 44% in accordance with the applicable legislation.

The above-mentioned co-option will be subject to ratification by the shareholders at the Shareholders' Meeting of May 18, 2017.

The Board of Directors of the Company now has, at the date of registration of this document, nine members, four of whom are independent.

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 18, 2017 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 18, 2017 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 5 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, with the exception of Philippe Salle, whose position will be examined below, none of these 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 carried out a quantitative and qualitative assessment of the position of Philippe Salle, Chairman of the Board of Directors of Elior and Chairman and Chief Executive Officer, and Director of Elior Restauration et Services and of the business relations existing between the Elior and GTT companies, by virtue of a services and catering contract on the GTT site. The company, ELIOR Restauration et Services, was selected by GTT for its competitive proposal following a call for tender in which other service providers took part. The business transactions between these two companies, for all relevant activities, represent less than 0.1% of their respective revenue, and are well below the materiality threshold of 1% adopted by the Board of Directors. In addition, the Board of Directors noted that due to the organisation of GTT, its size and the diversity of its activities, it is not within his remit to intervene in the context of relations between Elior and GTT. This is further confirmed by the fact that Philippe Salle, as Director of GTT, does not have any direct or indirect decision-making powers with respect to the establishment or maintenance of these business ties. If, however, for some reason such an issue were to be discussed during a meeting of the Board of Directors, the Internal Regulations of the Board of Directors set out rules for managing conflicts of interest, according to which the relevant director would be required to abstain from participating in the discussions and deliberations concerning the subject in question. In addition, since GTT could have recourse to a panel of catering companies in a competitive tendering context, this excludes any dependent relationship. In view of the above, the Board of Directors considered that Philippe Salle does not have significant direct or indirect business relations with GTT such as to affect his freedom of judgement or his independence.

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; and
- 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, all directors are required to declare any conflict 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 6.3.3 – *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, 2016

The term of office as Director held by Sandra Lagumina will end at the close of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2016 and will not be renewed. In order to be in accordance with the law applicable to the parity between men and women into the Board of Directors, it will be proposed to the Shareholders' Meeting of May 18, 2017, to appoint Ana Busto as director.

The term of office as Director of Andrew Jamieson will end at the close of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2016. The Shareholders' Meeting of May 18, 2017 will be asked 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 indicates 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 *	72,499	0.20	0.20
Michèle Azalbert	100	0.00	0.00
Christian Germa	1,000	0.00	0.00
Andrew Jamieson	250	0.00	0.00
Sandra Lagumina	100	0.00	0.00
Françoise Leroy	100	0.00	0.00
Benoît Mignard	100	0.00	0.00
Cécile Prévieu	100	0.00	0.00
Philippe Salle	1,000	0.00	0.00
TOTAL	**75,249**	**0.20**	**0.20**

* *Of which 10,000 shares acquired at the time of the Company's initial public offering and 62,499 shares granted in respect of the Performance Share Plan.*

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	83%			-	Experience in the energy sector and detailed knowledge of financial markets
Christian Germa Independent director	100%	Chairman (100%)	Member (100%)	-	Experience in finance and business management
Andrew Jamieson Independent director	100%		Member (80%)	3	International experience in the energy sector, particularly LNG.
Sandra Lagumina	50%		Member (20%)	-	Experience in a major international group in the energy sector
Françoise Leroy Independent director	100% at three Board of Directors' meetings since she was appointed	Member (100% at two committee meetings since she was appointed)	Member (100% at two committee meetings since she was appointed)	1	Corporate *finance* and financial communication
Benoît Mignard	100%	Member (100%)		-	Financial Division and experience in the energy sector
Cécile Prévieu	100% at one Board of Directors' meeting since she was appointed			-	General Management and finance in the energy sector
Philippe Salle Independent director	50%		Chairman (100%)	2	Leader of major listed groups

6.1.2.2.2 Information regarding directors in office

Philippe Berterottière / born in 1957 (aged 60), French nationality

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
72,499 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 62,499 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 and has acquired 34 years of experience in advanced technology sectors. He previously held different Management positions within companies present in the aerospace sector: with Airbus as a contract negotiator, and then Business Development Director, with Matra as Sales Director within the defence division, and with Arianespace, where he held different commercial positions before becoming Commercial Director and member of the Executive Committee. He is a graduate of the HEC (*Hautes Etudes Commerciales*) business school and of the IEP (Institut d'Études Politiques).

Michèle Azalbert / born in 1967 (aged 50), French nationality

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

- Director of MED LNG & GAS Ltd
- Permanent representative of GDF INTERNATIONAL SAS on the GAZOCEAN SA Board of Directors

Past terms of office

- Chief Operating Officer of GDF SUEZ TRADING SAS

* *Director appointed upon proposal of ENGIE.*

Professional experience

Michèle Adalbert is an IT engineer who graduated from the IIE (*Institut d'Informatique d'Entreprise*, 1990) and a graduate of HEC Paris (1992). Michèle Azalbert gained considerable experience in financial markets from 1992 to 2008 through the increasing responsibilities she was given within groups in the CAC 40 in treasury, finance, and managing interest rate and exchange rate risk. She began at Elf Aquitaine (from 1992 to 1996), then worked at Sanofi (from 1996 to 1999) followed by SUEZ, starting in 1999. From 2005 to 2008, Michèle Azalbert served as Treasurer for the SUEZ group. In 2008, when the GDF and SUEZ groups merged, Michèle Azalbert moved to the energy trading business, becoming Chief Operating Officer of GASELYS, the joint subsidiary created by GDF and Société Générale in 2001 and dedicated to commodities market trading. In 2011, she became General Manager of Support Functions. In this way, she played a large role in the integration of this subsidiary into the GDF SUEZ group, its development in Europe and internationally in what is now ENGIE GLOBAL MARKETS SAS.

In 2013, Michèle Azalbert joined GDF SUEZ's LNG BU as Chief Operating Officer in charge of management of LNG contracts and trading, the position she currently holds.

Christian Germa / born in 1970 (aged 47), French nationality

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

None

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.

Andrew Jamieson / born in 1947 (aged 70), British nationality

Independent director

Address

GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment and expiry of term of office

Co-opted at the Board of Directors' meeting of October 14, 2015 to replace Laurent Maurel, who resigned
Co-opting was subject to ratification 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, 2016

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

- Chairman of the Board of Directors of SEVEN ENERGY INTERNATIONAL 5 (UK/Nigeria) (since 2012)
- Director of HOEGH LNG PARTNERS (USA) (since 2015)
- Director of HOEGH LNG HOLDINGS (Norway) (since 2009)
- Director of WOODSIDE PETROLEUM Ltd (Australia) (since 2005)
- President of the Institution of Chemical Engineers (since 2015)

Past terms of office

- Director de LEIF HOEGH SHIPPING COY. Ltd (2009-2012)
- Director of OXFORD CATALYST group (United Kingdom) (since 2010)
- 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 has been President of the Royal Institute of Chemical Engineers since 2015.

Sandra Lagumina / born in 1967 (aged 49), French nationality

Director *

Address
ENGIE, 1, place Samuel de Champlain, 92400 Courbevoie

Date of initial appointment and expiry of term of office
Co-opted during the Board of Directors' Meeting of July 21, 2015 to replace Secil Torun, who resigned
Co-opting was subject to ratification 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, 2016

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 of Albertis	▸ COGAC (2013)
▸ Director of DCNS	▸ ENGIE INVESTISSEMENTS 38 SA (2013)
▸ Member of the Board of the French Competition Authority	▸ EOS Dieppe Le Tréport SAS (2011)
▸ Member of the Economic, Social and Environmental Council	▸ NNB Développement Company (2012)
▸ Member of the French Council of State	▸ TEKSIAL SAS (2012)
	▸ ENGIE IT (2017)
	▸ STORENGY (2017)
	▸ GRTgaz (2017)
	▸ GRDF (2017)
	▸ Elengy (2017)
	▸ GDF SUEZ China Investment Company (2017)

* *French listed company*

Professional experience

Sandra Lagumina was Executive Vice-President of ENGIE from January 2016 to January 2017.

Sandra Lagumina is a graduate of the *Institut d'Études Politiques* in Paris and the *École Nationale d'Administration* (ENA), and she also holds a DESS in Common Market law and a DESS in Administrative law.

Sandra Lagumina joined the French Council of State in 1995 as an Auditor before serving as a senior administrative law officer (*Maître des Requêtes*). She served as a legal and technical advisor to the President of the National Assembly from 1998 to 2000, then joined the Ministry of Economy, Finance and Industry as a technical advisor to the Minister for legal affairs, public procurement and competition law. In 2002, she was appointed deputy director of public and international law in the Office of Legal Affairs of the Ministry of the Economy, Finance and Industry and law officer of the Treasury.

She joined the Gaz de France group in 2005 as Deputy Strategy Director for institutional relations. She then served as legal officer of Gaz de France and GDF SUEZ. From 2013 to 2016, she was Chief Executive Officer of GRDF.

Françoise Leroy / born in 1952 (aged 65), French nationality

Independent director

Address

GTT, 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse

Date of initial appointment and expiry of term of office

Co-opted at the Board of Directors' meeting to replace Marie-Pierre de Bailliencourt, who resigned
Co-opting was subject to ratification 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

- Independent member of the Supervisory Board of Tarkett
- Member of the Audit Committee of Tarkett
- Member of the Compensation and Nominations Committee of
- Tarkett

Member of the Supervisory Board and Chairman of the

- HIME Audit Committee (Saur group)
- Past terms of office
- Chairwoman of the Board of Directors, Bostik Holding SA
- (France)

Managing Director of Bostik Holding SA (France)

- Director of Bostik Holding SA (France)
- Chairwoman of the Board, Elf Aquitaine
- Fertilisants (France)
- Managing Director of Elf Aquitaine Fertilisants (France)

Past terms of office (continued)

- Director of Elf Aquitaine Fertilisants (France)
- Member of the Supervisory Board of Atotech BV (Netherlands)
- Director of Société Chimique de Oissel (France)
- Director of Bostik SA (France)
- Director of Hutchinson SA (France)
- Director of Grande Paroisse SA (France) *
- Director of GPN (France)
- Chief Operating Officer, Total Raffinage Chimie (France)
- Director of Elf Aquitaine (France)
- Director of Cray Valley SA (France)
- Director of Financière Elysées Balzac SA (France)
- Director of Total Petrochemicals France (France)
- Director of Total Petrochemicals Arzew (France)
- Director of Rosier SA (Belgium)

* *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.

Benoît Mignard / born in 1959 (aged 58), French nationality

Director *

Address
ENGIE, 1, place Samuel de Champlain, 92400 Courbevoie

Date of initial appointment and expiry of term of office
Co-opted at the Board of Directors' meeting, to replace Olivier Jacquier, who resigned
Co-opting was subject to ratification 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

- 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 ENGIE GLOBAL MARKETS SAS
- Director and Chairman of the Audit Committee of Elengy

Past terms of office

- Director and Chairman of the Audit Committee of GRDF
- Member of the Supervisory Board of ENGIE E&P Netherlands (ProNed)

* *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.

Since early 2016, Benoît Mignard has been the Operational Finance Director for the Infrastructures, Exploration – Production, LNG and Energy Management businesses.

Benoît Mignard had already served as a director of GTT from 2012 to 2014.

Cécile Prévieu / born in 1976 (aged 41), French nationality

Director *

Address

Storengy, 12, rue Raoul Nordling 92270 Bois-Colombes

Date of initial appointment and expiry of term of office

Co-opted at the Board of Directors' meeting on October 13, 2016, to replace Jacques Blanchard who resigned
Co-opting will be subject to ratification 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

- Chief Executive Officer of Storengy
- Chairman of the Board of Directors of Storengy Deutschland and Storengy UK
- Member of *the* Boards of Gas Storage Europe (GSE), and Gas Infrastructure Europe (GIE)
- Member of the Board of Directors at Compagnie Parisienne de Chauffage Urbain (CPCU)

Past terms of office

- Director at Storengy Northern Europe
- Director at Storengy International
- Director at 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 52), French nationality

Independent director

Address

Elior group, Tour Égée, 11, allée de l'Arche, 92032 Paris La Défense Cedex

Date of initial appointment and expiry of 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

- Chairman of the Board of Directors of Elior
- Chairman and CEO and Director of Elior Restauration et Services
- Chairman and CEO and Director of Areas Worldwide
- Director of Elior UK Holdings Limited
- 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

Past terms of office

- Chief Executive Officer, Director and member of the Investment and Acquisition Committee of Altran Technologies
- Director of:
  - Altran International BV
  - Altran Italia SpA
  - Altran (Singapore) Pte Ltd
  - Altran Malaysia sdn. Bhd.
  - Altran-Beyondsoft (Beijing) – Technologies Co., Ltd
  - Cambridge Consultants Limited
  - Flight Focus Pte Ltd
- Chairman of the Supervisory Board of Altran Deutschland Holding GmbH
- Chairman of Arthur D. Little Services
- Manager of:
  - Altran Industrielhansa Management GmbH
  - IndustrieHansa Consulting & Engineering GmbH
  - IndustrieHansa GmbH
  - Altran Aviation Engineering GmbH
  - IndustrieHansa Holding GmbH
  - Ingenieurbüro Bockholt
- Director and Chairman and CEO of Géoservices
- Director of:
  - Altran Sverige AB
  - Altran Technologies Sweden AB
  - Altran Norge AS
  - Altran SA/NV
  - Altran Shanghai Limited
  - Altran AG
  - Altran UK Holding Limited
  - Altran USA Holdings, Inc.
  - Altran India Private Limited
  - Altran Luxembourg SA
- Representative of Altran Technologies
- Co-Manager of GMTS SNC

Professional experience

Philippe Salle is a graduate of the *École des Mines* in Paris and holder of an MBA from the Kellogg Graduate School of Management, Northwestern University (Chicago, United States). He 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. He joined the Vedior group in 1999 (now Randstad, a company listed on the Euronext Amsterdam market). He became Chairman and CEO of Vedior France in 2002 and Chairman of the Southern Europe region in 2006 (France, Spain, Italy and Switzerland). He occupied this position until 2007, the date on which he joined the Geoservices (bought by Schlumberger, a company listed in New York, Paris, London, Amsterdam and Zurich), a technology company in the oil sector, first as Deputy CEO, then as Chairman and CEO until March 2011. Philippe Salle then joined the Altran group, where he worked from June 2011 to end-April 2015. He became Chairman of the Elior group on March 10, 2015 and has been its Chairman and CEO since April 29, 2015.

Philippe Salle has been a member of the Board of Directors of the 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 Bourbon since May 2014. 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.

6.1.3 BOARD AND MANAGEMENT PRACTICES

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 is 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) the work done by one of those banks pursuant to a term of office given to the bank by the Company or a Group company or (iii) 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;
- 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) likely 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;
- sale of patents used for the Company's key technologies, grant 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
- grant 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, divestment, expense or guarantee commitment by the Company or a Group company[1] 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.

(1) *This prior approval procedure does not apply however to transactions and decisions that will lead to the conclusion of agreements involving exclusively entities controlled by the Company and the Company itself.*

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 *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, 2016

The Company's Board of Directors met six times during the financial year 2016: on February 18, March 29, April 25, May 18, July 21, and October 13. The average attendance in person or by proxy of the Board of Directors during the year was 87%. During these meetings, the Board of Directors reviewed the Company's strategy, budget and 2017-2022 Business Plan and carried out the 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 2015 and the first half of 2016, information on the sales figures for the first quarter and third quarter of 2016 and the corresponding drafts for financial communications. Furthermore, the Board of Directors convened the Combined Shareholders' Meeting and adoption of the reports and draft resolutions to be submitted to it. It also reviewed the 2015 Registration Document. The Board of Directors proceeded to co-opt new members of the Board as replacements for resigning directors, took note of the reports on the work by the Audit and Risk Management Committee and the Compensation and Nominations Committee and decided to amend its Internal Regulations to comply with the best governance practices and the latest recommendations of the AFEP-MEDEF Code on the missions and operations of the Board and its committees

(vii) Assessment of the Board of Directors by an independent third-party

A process to assess the Board of Directors relating to its procedures, composition and organisation is conducted every year. The purpose of this assessment is to gain an update on the Board of Directors' procedures, verify that important questions are properly prepared and discussed, and also to measure the effective individual contribution of the directors to the work of the Board of Directors using their areas of expertise and their involvement in the deliberations.

The Board of Directors is assessed either on the basis of a detailed questionnaire sent to each director, whose answers will be compiled and analysed by the Compensation and Nominations Committee and discussed at a meeting of the Board of Directors, or on the basis of an appraisal carried out with the help of a specialised consultancy firm.

The Board of Directors on October 13, 2016 noted that this assessment was carried out on the basis of a questionnaire last year, and decided to assign the assessment task for the financial year 2016 to an external firm. The assessment was therefore carried out in late 2016, under the supervision of the Compensation and Nominations Committee. Among the themes tackled was 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, and more generally the work and information process, 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 quality of information supplied and presentations made by general management are among points with which the directors are satisfied. Some areas for improvement, including discussions relating to the work of the committees, have been identified and the Compensation and Nominations Committee will draw up recommendations in this respect for the Board of Directors.

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), Benoît Mignard 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.

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 Statutory 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 these 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 the 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 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 tied 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, the 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, 2016

The Audit and Risk Management Committee met four times during the 2016 financial year: on February 16, March 29, July 19, and October 11, 2016. The attendance of committee members was 92%.

During these four meetings, the Audit and Risk Management Committee addressed customary matters relating to financial statements prepared in accordance with IFRS and French standards, 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) the term of office of the current Statutory Auditors, whose term is scheduled to end at the end of the Shareholders' Meeting of the Company held to approve the financial statements for the financial year ended December 31, 2016 and (iii) monitoring of the effectiveness of internal control and risk management systems.

Finally, the Audit and Risk Management Committee defined its working agenda for 2017.

(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 comprises the following members: Christian Germa (independent director), Philippe Salle (independent director), Andrew Jamieson (independent director) 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 100% 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:
  - 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:

- executives compensation policy, including the criteria for determining their variable compensation, which shall 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, 2016

The Compensation and Nominations Committee met five times during the 2016 financial year: on February 16, March 29, April 21, July 19 and October 11, 2016. The attendance of the committee members was 84%.

During these meetings, the Compensation and Nominations Committee specifically reviewed the candidatures for the positions of directors submitted for co-option by the Board of Directors, as replacements for the resigning directors. It also 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 2015 financial year, as well as the fixed and variable remuneration for the Chairman and CEO in respect of the 2016 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 2015 financial year.

The committee reviewed the proposal by the Chairman and CEO to appoint a Chief Operating Officer, and made recommendations on his or her status, and the extent of his or her powers and compensation.

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 their term of office as director. The Chairman can be re-elected. The Board of Directors can dismiss the Chairman 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 CENSEURS (NON-VOTING BOARD MEMBERS)

The Ordinary Shareholders' Meeting may appoint, among shareholders or outside, up to three 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.

By decision dated October 14, 2015, the Board of Directors decided to appoint Julien Burdeau as Chief Operating Officer of the Company. Accordingly, Julien Burdeau is subject to certain limitations of his authority by virtue of his office as Chief Operating Officer of the Company.

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, 2016

The principles and rules for determining the compensation of corporate officers for the year ended December 31, 2016 are described in section 6.3 – *Compensation of corporate officers* of this Registration Document.

6.1.5 INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES

6.1.5.1 Organisation of 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.

6.1.5.2 Definition, objectives and framework

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 the activities are properly assessed and adequately controlled; and
- that internal procedures, which contribute to the formation of financial reporting, is 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.

6.1.5.3 Internal audit and risk management procedures

The internal audit and risk management plan applies to GTT as well as to its Cryovision, GTT North America, GTT Training Ltd, GTT SEA PTE Ltd and Cryometrics subsidiaries. GTT North America and GTT Training Ltd were formed in 2013 and 2014 respectively, and their activity is still limited. They have an internal audit and risk management plan for segregation of duties specific to them. GTT SEA PTE Ltd is a commercial representation structure created at the end of April 2015 that had only very limited activity in 2016. Cryometrics, created in November 2015, had no business activity in 2016.

GTT relies primarily on a set of internal procedures intended to cover all the Company's activities, which was implemented during the ISO 9001 certification process in 2010. GTT 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;
- signatures of accident prevention plans during work by subcontractors on site, and 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 above the ceilings and;
- validation of disbursements from the Company's main bank only by digital signature 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 new risks identified;
- 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, was 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 has been adopted and disseminated to all 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 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 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, the legal obligations and sanctions. In addition, a procedure to manage insider information was drawn up in 2016.

Dissemination of information

In order to allow the flow of information necessary for the smooth running of the Group, various meetings are held in the functional and operational entities: 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, 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 quality of the deliverables provided and in terms of time;
- the correct allocation of human and financial resources based on completed projects;
- monitoring of the research and development projects portfolio;
- monitoring of commercial 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.

6.1.5.4 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 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. 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 CEO: 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 Chief Operating Officer: he or she assists the Chairman and CEO in his or her duties and in particular with the implementation of the Company's organisation.

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 its improvement;
- description of the interactions between processes and monitoring 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 Processing and Personal Freedoms representative: GTT has a Data Processing and Personal Freedoms representative accredited by the CNIL. 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.

6.1.5.5 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 accounts 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

As at the date of this Registration Document, GTT will not be presenting consolidated financial statements that include its subsidiaries (Cryovision, established on February 2, 2012, GTT North America, established in September 2013, GTT Training Limited, established in June 2014, GTT SEA, established in April 2015, and Cryometrics, established in November 2015), due to the low level of activity of these during financial year 2016.

This situation may change and will therefore be assessed each year in order to decide on the possible production of consolidated financial statements.

Therefore, GTT is in an atypical situation because it is one of the few listed companies with subsidiaries not producing consolidated financial statements. As such, the AMF was consulted about whether IFRS financial statements could constitute "primary" accounts (instead of the corporate financial statements), and this was validated.

However, the scope of internal and financial audit of the Group includes GTT and its affiliates.

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.

Three players are involved in particular:

- **the Chairman and CEO** is responsible for the organisation and implementation of internal and financial auditing, as well as 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;
- **the Chief Operating Officer**, with the prior agreement of the Chairman and CEO, will supervise the preparation of the corporate financial statements and, where applicable, the consolidated financial statements of the Company and of its subsidiaries, the definition, modification and approval of the annual budget, as well as modifications to the accounting rules and practices of the Company and its subsidiaries.

Furthermore, the **Administrative and Financial Division** has, among other tasks:

- to perform all accounting operations: bookkeeping, receivables and payables, fixed assets, making 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 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 observed 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.

6.1.5.6 Description of progress approaches

In 2017, the Company will ensure in particular that:

- it continues to update and simplify these procedures where possible;
- they remain uniform;
- any recommendations made by the Statutory Auditor following the review of the procedures and internal controls of the Company's key processes are followed; it should be noted that a specific audit of a foreign subsidiary will be conducted by an external auditor during 2017;
- IT tools and/or interfaces designed to automate workflows that are not currently automated will be put in place and in particular, the implementation of purchasing and human resources tools will continue; and
- action plans resulting from recommendations made following internal or external audits are implemented.

6.1.6 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).

The information referred to in Article L. 225-100-3 of the French Commercial Code relates to elements that may have an impact in the event of a public offer, which must be stated in the management report prepared by the Company's Board of Directors covering financial year 2016 and appear in section 7.3.5 – *Factors likely to have an impact in case of a public offering* of this Registration Document.

6.2 Statutory Auditors' report on the report by the Chairman of the Board of Directors

This is a free 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, prepared in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), on the report prepared by the Chairman of the Board of Directors

To the Shareholders,

In our capacity as Statutory Auditor of the company GTT and in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code (Code de commerce) for the year ended December 31, 2016.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on the internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code (Code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by Article L. 225-37 the French Commercial Code (Code de commerce). It should be noted that our role is not to verify the fairness of this other information.

Information on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code (Code de commerce).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code (Code de commerce).

Paris-La Défense, April 24, 2017

The Statutory Auditor

ERNST & YOUNG Audit

French original signed by

Aymeric de La Morandière

6.3 Compensation of corporate officers

To recap, the Company is guided by the AFEP-MEDEF Code.

6.3.1 COMPENSATION AND BENEFITS OF ANY KIND ALLOTTED TO EXECUTIVE OFFICERS DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

6.3.1.1 Executive directors' compensation policy

6.3.1.1.1 Principles applicable to establishing the executive officers' 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 and to the Chief Operating 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;
- the supplementary pension scheme; 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 coherent executive officers' 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 to 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.

6.3.1.1.2 Component portions of executive officers' total compensation

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 2016 financial year are presented in section 8.2 – *Board of Directors - management report on the draft resolutions (Approval of compensation elements due or allocated with respect to the financial year 2016 to Philippe Berterottière, Chairman and Chief Executive Officer – 9th resolution)* and in section 6.3 – *Compensation of corporate officers* in this Registration Document.

The compensation elements of Julien Burdeau with respect to the 2016 financial year are presented in section 8.2 – *Board of Directors' management report on the draft resolutions (Approval of compensation elements due or allocated with respect to the financial year 2016 to Julien Burdeau, Chief Operating Officer – 10th resolution)* and in section 6.3 – *Compensation of corporate officers* in this Registration Document.

(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 2017 financial year (*i.e.* 340,000 euros) and to set that for Julien Burdeau in respect of his term of office at 250,000 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) achievement of the diversification of Company activities, according to precisely defined criteria;
- qualitative criteria: (i) progress made by the Company in implementing strategic initiatives to allow the Company to grow in new business sectors, 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 and Julien Bureau as presented below.

The variable compensation for 2017 for Philippe Berterottière paid in 2018 and the variable compensation for 2017 for Julien Burdeau paid in 2018, may fluctuate according to whether or not the objectives set by the Board of Directors are achieved, as follows:

(i) a maximum of 35% of the variable compensation is paid depending on attainment of a net margin on revenues objective determined under IFRS;

(ii) a maximum of 20% of the variable compensation is paid depending on a sales objective 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.

In addition, payment of variable compensation elements due to the executive officers with respect to the 2017 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.

The variable compensation that Philippe Berterottière, Chairman and Chief Executive Officer, can receive in 2017 is capped at 76.5% of his fixed compensation, and the variable compensation that Julien Burdeau, Chief Operating Officer, can receive is capped at 50% of his fixed compensation.

(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, and Julien Burdeau, Chief Operating Officer, benefit (i) from a Performance Share Plan the characteristics of which are specified in section 8.2 – *Board of Directors' report on the draft resolutions (Approval of compensation elements due or allocated with respect to the financial year 2016 to Philippe Berterottière, Chairman and Chief Executive Officer - 9th resolution)*, in section 8.2 – *Board of Directors' report on the draft resolutions (Approval of compensation elements due or allocated with respect to the financial year 2016 to Julien Burdeau, Chief Operating Officer – 10th resolution)* and in section 6.3.3 – *Allocation of free shares and performance shares* in this Registration Document, and (ii) a free share plan, the characteristics of which are specified in section 6.3.1 – *Compensation and benefits of any kind* and in section 6.3.3 – *Allocation of bonus shares and performance shares* in 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 6.3.8 – *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 6.3.8 – *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, and Julien Burdeau, Chief Operating 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.

However, it should be noted that these benefits are granted to Julien Burdeau in respect of his employment contract as Innovation Director, and not in respect of his term as Chief Operating Officer.

6.3.1.2 Tables showing the Compensation elements and benefits of any kind granted to the Chairman and Chief Executive Officer or to the Chief Operating Officer of the Company

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, 2015	Financial year ended December 31, 2016
Philippe Berterottière, Chairman and CEO		
Compensation payable for the financial year *(broken down in Table 2)*	589,097	677,021
Valuation of the subscription or share purchase options(1)	0	0
Valuation of the performance shares allotted for the financial year(2)	1,133,555	0
TOTAL	**1,722,652**	**667,021**
Julien Burdeau, Chief Operating Officer		
Compensation payable for the financial year *(broken down in Table 2)*	298,514	339,693
Valuation of the subscription or share purchase options(3)	0	0
Valuation of the performance shares allotted for the financial year(4)	283,389	0
Valuation of the free shares allotted for the financial year(5)	690	343
TOTAL	**582,593**	**340,036**

(1) Philippe Berterottière does not benefit from subscription or share purchase options.

(2) See details of 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) in section 6.3.3 – Allocation of free shares and performance shares of this Registration Document.

(3) Julien Burdeau does not benefit from subscription or share purchase options.

(4) See details of 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) in section 6.3.3 – Allocation of free shares and performance shares of this Registration Document.

(5) See details of 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) in section 6.3.3 – Allocation of free shares and performance shares of this Registration Document.

Valuation of performance shares was carried out by a specialist external firm using parameters and assumptions that comply with IFRS 2 recommendations, and which are not therefore representative of compensation actually received during the financial year. This valuation notably takes into account the expected annual dividend distribution rate and an estimated level of attainment of the performance criteria. This valuation is theoretical inasmuch as the definitive acquisition of performance shares is subject to the achievement of performance criteria. Therefore in reality Philippe Berterottière only acquired 41,666 performance shares (by virtue of Series 1 and Series 2 of the AFS 2 Plan), and Julien Bureau acquired 10,416 performance shares (by virtue of Series 1 and Series 2 of the AFS 2 Plan).

Julien Burdeau was appointed as a Chief Operating Officer by the Board of Directors on October 14, 2015, it being specified that his employment contract in respect of his role as Innovation Director remains in place. The Board of Directors decided that Julien Burdeau would retain the compensation for his salaried employment for full year 2015.

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, 2015		Financial year ended December 31, 2016	
In euros	Amount due		Amount due	Amount paid
Philippe Berterottière (Chairman and CEO)				
Fixed compensation[(1)]	270,000	270,000	340,000	340,000
Variable compensation[(2)]	216,907	291,157	257,181	234,682
Non-recurring compensation[(3)]	16,500	-	-	-
Directors' fees[(4)]	33,016	17,510	42,300	33,015
Benefits in kind[(5)]	52,674	52,674	37,540	37,540
TOTAL	**589,097**	**631,341**	**677,021**	**645,237**
Julien Burdeau (Chief Operating Officer)				
Fixed compensation[(6)]	234,000	234,000	234,000	234,000
Variable compensation[(7)]	0	0	101,322	-
Other[(8)]	60,000	60,000	-	80,491
Directors' fees[(9)]	0	0	-	-
Benefits in kind[(10)]	4,514	4,514	4,371	4,371
TOTAL	**298,514**	**298,514**	**339,693**	**318,862**

(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 objectives in 2016 and level of attainment below.

The amount corresponds to (i) the variable remuneration due in respect of 2016, amounting to €225,160, and (ii) the balance, amounting to €32,021, of an exceptional bonus awarded in part in respect of the corporate office and in part in respect of the employment contract (which was terminated at the time of the Company's IPO) of the Chairman and CEO for 2013, for which payment had been deferred (see section 15.1 on pages 45 and 46 of the Update to the Company's Base Document, published on February 14, 2014).

(3) The Board of Directors, upon the recommendation of the Compensation and Nominations Committee, decided to grant, on an exceptional basis, an additional bonus of 16,500 euros for the 2015 financial year, representing 5% of the maximum variable compensation, in respect of the definitive resolution of all of the litigation to which the Company has been a party, against Chantiers de l'Atlantique, since 2006.

(4) Philippe Berterottière receives directors' fees for his terms of office as director and Chairman of the Board of Directors.

(5) 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.

(6) The gross fixed compensation before tax includes the fixed compensation received by Julien Burdeau under his employment contract.

(7) See paragraph "Objectives in 2016 and level of attainment" below.

(8) 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.

(9) Julien Burdeau is not a member of the Board of Directors of the Company and therefore receives no directors' fees.

(10) Benefits in kind correspond to a company car.

Objectives for the financial year ended December 31, 2016 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 February 23, 2017 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 2016 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 2016.

Payment of this compensation in 2017 is conditional upon attainment of the following performance conditions set by the Board of Directors on April 25, 2016, according to the details described below:

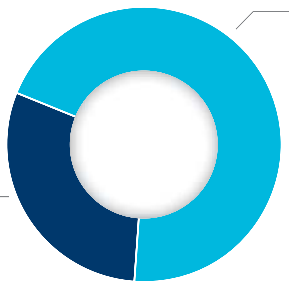
(i) a maximum of 35% of the variable compensation is paid depending on the attainment of an objective relating to net margin on revenues determined under IFRS;

(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 success in diversifying the Company's activities; this success rate is assessed by considering the revenues generated by the Company and its subsidiaries in these activities;

(iv) a maximum of 20% of the variable compensation is paid depending on the progress made by the Company in implementing strategic initiatives, by means of acquisitions or strategic partnerships, enabling the Company to grow in new sectors of activity; and

(v) a maximum of 10% of the variable compensation is paid depending on the improvement in the Company's organisation, making it possible to manage certain strategic subjects including the identification of a dedicated management team responsible for managing integration following acquisition.



The variable portion of the compensation of Julien Burdeau, Chief Operating Officer, in respect of the 2016 financial year, was fixed at a maximum gross annual amount of 117,000 euros, or approximately 50% of the fixed compensation proposed in respect of 2016.

Payment of this compensation in 2017 to Julien Burdeau, Chief Operating Officer, in respect of the 2016 financial year, is conditional upon attainment of the same performance conditions as for Philippe Berterottière, according to the same details described above.

	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 CEO	86.6%	225,160	66.22%	76.5%
Julien Burdeau, Chief Operating Officer	86.6%	101,322	43.3%	50%

The Chairman and Chief Executive Officer and the Chief Operating Officer do not benefit from any deferred multi-year variable compensation mechanism.

6.3.2 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, 2016).

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, 2016 decided to cap at 400,000 euros the annual global maximum amount of directors' fees allotted to the Board of Directors for the year beginning January 1, 2016.

The Board of Directors' meeting on February 23, 2017 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 or by telephone) 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 financial year 2015	Gross allocated amounts due for financial year 2016
Philippe Berterottière		
Directors' fees	33,016	42,300
Other compensation	-	-
Michèle Azalbert		
Directors' fees	13,206	27,000
Other compensation	-	-
Marie-Pierre de Bailliencourt		
Directors' fees	48,089	9,883
Other compensation	-	-
Jacques Blanchard		
Directors' fees	36,422	31,958
Other compensation	-	-
Christian Germa		
Directors' fees	29,187	58,550
Other compensation	-	-
Jean-Luc Gourgeon		
Directors' fees	20,569	None
Other compensation	-	-
Olivier Jacquier		
Directors' fees	27,804	None
Other compensation	-	-
Andrew Jamieson		
Directors' fees	None	41,300
Other compensation	-	-
Sandra Lagumina		
Directors' fees	10,569	20,400
Other compensation	-	-
Françoise Leroy		
Directors' fees	None	27,358
Other compensation	-	-
Laurent Maurel		
Directors' fees	25,834	None
Other compensation	-	-
Benoît Mignard		
Directors' fees	8,618	41,300
Other compensation	-	-
Cécile Prévieu		
Directors' fees	None	5,925
Other compensation	-	-
Philippe Salle		
Directors' fees	33,481	38,400
Other compensation	-	-
Secil Torun		
Directors' fees	13,206	None
Other compensation	-	-
TOTAL	**300,000**	**344,374**

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 2016 financial year.

Stock options and purchase options during financial year 2016

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 2016.

Table 4 – Subscription or share purchase options granted during the year to each corporate officer by the issuer and any Group company

Not applicable.

Tableau 5 – Subscription or share purchase options exercised during the year by each corporate officer

Not applicable.

6.3.3 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 in 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***).

On the filing date of this Registration Document, in accordance with the AFS 1 Plan and after recognition of the fulfilment of the condition of presence on February 10, 2016, the Board of Directors, at its meeting on February 18, 2016, noted the final allocation, on February 10, 2016, to each of 320 Group employees, of 15 existing shares of the Company.

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, 2016. Accordingly, the free shares may be sold on or after February 10, 2018.

(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.

On the filing date of this Registration Document, 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 on February 18, 2016, noted the vesting, on February 10, 2016, of Series 1 and 2 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. These performance conditions will be assessed upon termination of the financial year ended December 31, 2017.

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 in 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 4 Plan***).

The AFS Plan provides for allocation of 15 shares in favour of employees, including Julien Burdeau by virtue of his employment contract, subject to a condition of presence on April 1, 2019. No lockup period is stipulated as from definitive acquisition of the shares on May 18, 2019.

Table 6 – Summary of the AFS 2 Plan

As at the date of filing this Registration Document, the AFS 2 Plan in place and allocations made under the plan to the relevant beneficiaries may be summarised as follows:

Name	Total number of Performance Shares allocated by decision of the Board of Directors on February 10, 2014	Number of Performance Shares definitively allocated by decision of the Board of Directors on February 18, 2016 in respect of Series 1 and 2	Total number of Performance Shares from Series 3 allocatable on February 10, 2017	Number of Performance Shares definitively allocated by decision of the Board of Directors of February 23, 2017
Philippe Berterottière	125,000	41,666	31,250	20,833
Cécile Arson	31,250	10,416	7,812	None *
David Colson	31,250	10,416	7,812	5,208
Julien Burdeau	31,250	10,416	7,813	5,208
Karim Chapot	31,250	10,416	7,813	5,208
TOTAL	**250,000**	**83,330**	**62,500**	**31,249**

Vesting period	The remaining performance shares will be vested at the end of the following period: ▶ up to 25% of the performance shares will be definitively allocated on February 10, 2018, depending on fulfilment of an presence condition and performance conditions, assessed upon termination of the financial year ended December 31, 2017 (Series 4).
End date of the lockup period	▶ February 10, 2018 (Series 1 and 2) ▶ February 10, 2019 (Series 3) ▶ February 10, 2020 (Series 4).
Presence condition	Presence condition assessed at the end of the reference financial year for the relevant Performance Share Series: ▶ financial year ended December 31, 2017 (Series 4).
Performance criteria	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 on the date of registration of this Registration Document	114,579
Cumulative number of shares cancelled or expired	72,921
Number of performance shares remaining on the date of registration of this Registration Document	62,500

* *On December 31, 2016, Cécile Arson was no longer with the Company.*

Table 7 – 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 2016 financial year.

Table 8 – Performance shares that became available during 2016 for each corporate officer

Subject to the above, no performance shares became available during financial year 2016.

6.3.4 HISTORY OF ALLOCATIONS OF SHARE SUBSCRIPTION OR SHARE PURCHASE OPTIONS

There was no allocation of subscription or share purchase options during the years ended December 31, 2014, 2015 and 2016.

No plan to award subscription or share purchase options is in progress as at the date of filing of this Registration Document.

Table 9 – History of allocations of subscription or share purchase options – Information on stock or share purchase options

Not applicable.

6.3.5 HISTORY OF PERFORMANCE SHARE ALLOCATIONS

Table 10 – Information about performance shares allocated to executive officers

	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 Board of Directors	February 10, 2014	February 10, 2014	February 10, 2014
Total number of allocated shares, including the number allocated to:	78,125	39,063	62,500
Philippe Berterottière (Chairman and CEO)	62,500	31,250	31,250
Julien Burdeau (Chief Operating Officer)	15,625	7,813	7,812
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 on the date of registration of this Registration Document	52,082	26,041	Information not available on the Registration Document publication date
Cumulative number of shares cancelled or expired	26,043	13,022	Information not available on the Registration Document publication date
Performance shares remaining at the end of the financial year	None	None	Information not available on the Registration Document publication date

6.3.6 MULTI-YEAR VARIABLE COMPENSATION

Table 11 – Summary of the multi-year variable compensation of executive officers

Not applicable.

6.3.7 SUBSCRIPTION OR SHARE PURCHASE OPTIONS ALLOCATED TO THE FIRST TEN EMPLOYEES

There was no allocation of subscription or share purchase options during the years ended December 31, 2014, 2015 and 2016.

No plan to award subscription or share purchase options is in progress at the date of this document.

Table 12 – Subscription or share purchase options allocated to the first ten employees

Not applicable.

6.3.8 EMPLOYMENT CONTRACTS, PENSION BENEFITS AND COMPENSATION IN THE EVENT OF TERMINATION OF EXECUTIVE MANAGEMENT FUNCTIONS

Table 13 – Employment contracts, pension benefits and compensation in the event of termination of executive management functions

	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 CEO)		X(1)	X(2)		X(3)		X(4)	
Julien Burdeau (Chief Operating Officer)	X (5)		X(6)		None(7)	None	X(8)	

(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 of the supplementary pension scheme. This supplementary pension scheme, the main characteristics of which are defined in point 6.3.8.1 (i), gave rise to recording of an expense of 84,927 euros for the 2016 financial year.

(3) On February 10, 2014, the Board of Directors authorised the granting of compensation to Philippe Berterottière in the event of his departure. These commitments are subject to performance conditions, and are described in more detail below in point 6.3.8.2 (ii).

(4) On February 10, 2014, in return for the non-compete commitment made by Philippe Berterottière, the Board of Directors 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 6.3.8.1 (iii).

(5) Article 22 of the AFEP-MEDEF Code, which recommends that the employment contract of an employee be terminated when he or she becomes an executive officer, does not apply to Chief Operating Officers.

(6) Julien Burdeau benefits from a supplementary pension scheme as part of his employment contract. This supplementary pension scheme, the main characteristics of which are defined in point 6.3.8.2 (i) gave rise to recording of an expense of 39,235 euros for the 2016 financial year.

(7) Julien Burdeau's employment contract does not provide for any non-compete or specific departure payments.

(8) The Company by means of an amendment to Julien Burdeau's employment contract signed on February 21, 2014, undertook in return for the non-compete commitment made by Julien Burdeau, to pay him, as from termination of his employment contract, a monthly indemnity the main characteristics of which are defined in point 6 3.8.2 (ii).

6.3.8.1 Commitments made by the Company in favour of the Chairman & Chief Executive Officer (Article L. 225,102-1, paragraph 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 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 share of orders, (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.

(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.

6.3.8.2 Commitment made by the Company, in favour of the Chief Operating Officer

Julien Burdeau benefits from the following advantages under his employment contract:

(i) Supplementary pension scheme

The main characteristics of the supplementary pension scheme are as follows:

In addition to the right to the mandatory pension schemes, and in accordance with his employment contract, Julien Burdeau benefits from a supplementary top-up pension scheme, known as "Article 83" (defined contribution pension scheme) in addition to the rights to the mandatory pension schemes.

The Chief Operating 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).

(ii) Non-compete compensation

This compensation payment will correspond to 5/10 of the average monthly remuneration and contractual benefits from which Julien Burdeau benefited during his last 12 months of presence within the Company. In the event of dismissal, the compensation payment will be increased to 6/10ths of this average for as long as Julien Burdeau has not found a new job and within the limits of the term specified in the non-compete agreement.

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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 to 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 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 report 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 tellers 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 filing 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 each, fully subscribed and paid up, and all of the same class.

Non-equity securities

At the date of filing 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, 2016.

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
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	36,775 shares awarded on May 18, 2016	July 18, 2018
9th	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, 2016)	10% of the share capital	18 months as of the date of the Combined Shareholders' Meeting of May 18, 2016	51,494 shares held by GTT at December 31, 2016	November 18, 2017
13th	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 the Combined Shareholders' Meeting of May 18, 2016)	10% of the share capital per period of 24 months	24 months as of the date of the Combined Shareholders' Meeting of May 18, 2016	Not used	May 18, 2018

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
20/01/2016	Increase	Allianz Global Investors	1.08%	1.08%
08/02/2016	Increase	Blackrock Investment Management UK*	2.01%	-
05/04/2016	Decrease	Mondrian Investment Partners Ltd	0.94%	0.94%
21/04/2016	Decrease	Covea Finance	1.93%	1.93%
26/04/2016	Decrease	Allianz Global Investors	0.99%	0.99%
22/07/2016	Increase	Allianz Global Investors	1.15%	1.15%
08/09/2016	Decrease	Amundi	1.99%	1.99%
13/10/2016	Decrease	Sarasin	2.96%	2.96%
14/11/2016	Decrease	Sarasin	2.01%	2.01%
15/11/2016	Decrease	Blackrock Investment Management UK*	1.99%	-
16/11/2016	Increase	Anchorage*	1.07%	-
21/11/2016	Increase	Amundi	2.03%	2.03%

* *Net short position.*

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 2016 financial year.

7.2.2 EMPLOYEE SAVINGS

7.2.2.1 Employee incentive agreement

Both GTT and Cryovision have an employee incentive agreement.

7.2.2.1.1 Within GTT

GTT concluded a new employee incentive agreement dated June 30, 2015. This new agreement entered into effect on January 1, 2015 for a term of three years ending on December 31, 2017.

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, 2015 amounts to 1,340,784 euros gross.

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.

The amount of the incentive which must be paid in respect of the year ended December 31, 2016 amounts to 16,333 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 (PERCO).

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, 2016, the amount which must be paid for the constitution of a company profit-sharing reserve amounted to 4,718,752 euros gross, of which 4,631,742 euros for GTT and 87,010 euros for Cryovision.

The employees concerned must, as for the incentive agreement, have been present in the Company in 2016 and benefit from a minimum of three months of seniority. Beneficiaries represent 407 employees at GTT and five 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 23% of the amount of salaries thus recorded for each beneficiary.

Salary is subject to the limit of four PASS and the amount thus allocated cannot exceed 75% of the PASS.

Undistributed excess amounts are divided among all beneficiaries who have not reached the limit.

The inclusion of quantitative data about the rights holders was sent *via* the website to BNP Épargne & Retraite Entreprises on March 17, 2017. BNP PARIBAS sent employees option sheets inviting them to enter their choices for allocation prior to April 18, 2017.

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.

As part of its initial public offering, the Company carried out a capital increase reserved for employees. 86.65% of employees who are members of the GTT Group savings scheme subscribed for the capital increase on the base of a subscription price of 46 euros per share less a discount of 20% or 36.80 euros per share. This capital increase reserved for employees resulted in the creation of 49,557 new shares for an overall amount of 1.8 million euros.

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, 2016 authorised the Board of Directors, for a period of eighteenth 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 programs or other plans for 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 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, 2015, 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 back over the period of the authorisation.

The Company may not directly or indirectly own more than 10% of its 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, 2016, the Company held 11,934 GTT shares under the terms of its liquidity contract and 39,560 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, 2017:

Shareholding	Number of shares	% of the capital	% of voting rights
ENGIE	14,858,380	40.07	40.10
GDF International	121,600	0.33	0.33
GDF Armateur 2	1,600	0.00	0.00
Sommerville Investments BV *	3,849,968	10.38	10.39
Managers and employees of the Company	181,075	49	0.49
Public	18,044,203	48.67	48.69
Treasury shares	21,531	0.06	0.00
TOTAL	**37,078,357**	**100.00**	**100.00**

* *Sommerville Investments BV (formerly Sheares Investments BV) is a Dutch company controlled by Temasek. Temasek is an investment company based in Singapore.*

At March 31, 2017, the Company's share capital comprised 37,078,357 shares, representing as many theoretical voting rights(1) and 37,056,826 net voting rights(2).

At the end of financial years 2016, 2015 and 2014, the share capital and voting rights were broken down as follows:

	Position at 31/12/2016			Position at 31/12/2015			Position at 31/12/2014		
Shareholdering	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
ENGIE	14,858,380	40.07	40.13	14,858,380	40.07	40.21	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	10.40	3,849,968	10.38	10.42	3,849,968	10.38	10.42
H&F Luxembourg 1 SARL	-	-	-	-	-	-	1,849,968	4.99	4.99
Management and employees of the Company	144,618	0.39	0.39	69,557	0.19	0.19	69,557	0.19	0.19
Public	18,050,697	48,68	48.75	18,049,302	48.68	48.85	16,319,724	44.01	44.02
Treasury shares	51,494	0.14	0.00	41,494	0.11	0.00	6,980	0.02	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 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 THE VOLUME OF TRANSACTIONS

Main market data	2016
Number of shares at December 31	37,078,357
Share price at December 31 (in euros)	41,095
High (in euros)	41,095
Low (in euros)	21.85
Market capitalisation at December 31 (in millions of euros)	1,523.7

Changes in the stock market price between March 2016 and February 2017	Average price[1] (in euros)	High (in euros)	Low (in euros)	Average daily transactions (in number of securities)	Average market capitalisation[2] (in millions of euros)
March 2016	29.74	31.43	27.7	99,383	1,103
April	30.08	32.81	27.155	41,490	1,115
May	30.90	32.21	29.74	55,868	1,146
June	29.41	32.61	26.765	120,500	1,090
July	26.64	28.145	24.74	137,881	988
August	27.53	28.76	25.33	79,422	1,021
September	27.00	28.435	25.715	72,673	1,001
October	28.95	31.1	26.155	81,290	1,073
November	31.04	32.955	29.945	75,550	1,151
December	36.58	41.095	32.05	73,927	1,356
January 2017	39.27	40.54	38.195	57,082	1,456
February	38.10	39.97	34.05	77,425	1,413

(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 2016 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)
Christian Germa	Disposal	13/03/2016	5,000	30.40
David Colson	Acquisition	13/06/2016	125	29,535
David Colson	Acquisition	13/10/2016	140	28.92

7.5 GTT's results over the past five financial years

In euros	2012 financial year	2013 financial year [(1)]	2014 financial year	2015 financial year	2016 financial year
Share capital at the end of the financial year					
Share capital	370,288	370,288	370,784	370,784	370,784
Number of existing ordinary shares	23,143	37,028,800	37,078,357	37,078,357	37,078,357
Operations and results for the financial year					
Net income before taxes, company profit-sharing scheme, and depreciation, amortisation and provisions	43,619,837	142,205,561	142,763,217	137,747,317	136,273,592
Income tax	5,550,280	14,632,439	18,567,087	17,852,121	17,750,856
Employee profit-sharing due in respect of the financial year	2,458,148	6,650,850	6,759,275	6,200,695	5,932,509
Net income after taxes and company profit-sharing scheme and depreciation, amortisation and provisions	40,158,095	127,167,174	123,302,385	118,894,704	117,463,841
Profit distributed	40,153,105	127,008,784	98,617,273	98,550,583	98,514,997[(2)]
Earnings per share					
Net income after taxes and company profit-sharing scheme, but before depreciation, amortisation and provisions					
▸ based on number of existing shares	1,873	4	3	3	3
Net income after taxes and company profit-sharing scheme and charges to amortisation and provisions					
▸ based on number of existing shares	1,735	3	3	3	3
Net dividend allocated: ordinary shares					
▸ based on number of existing shares	1,735	3	3	3	3
Personnel					
Average number of employees during the financial year	268	334	380	381	376
Aggregate salaries during the financial year	14,092,526	16,755,053	20,830,852	20,829,701	21,379,239
Amount paid in respect of social benefits during the financial year (social security costs, welfare schemes, etc.)	7,808,218	10,574,200	15,178,450	12,485,318	12,518,399

(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 2016 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 year ended December 31, 2016* of this Registration Document, as well as in note 19 of section 3.2.1 – *Financial statements prepared in accordance with IFRS standards for the financial year ended on December 31, 2016* in this Registration Document.

7.6.1 STATUTORY AUDITOR'S' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free 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 Shareholders,

In our capacity as statutory auditor 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 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 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 the national auditing body *(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.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

In accordance with Article L. 225-40 of the French Commercial Code *(Code de commerce)* we have been advised of certain related party agreements and commitments which received prior authorization from your General Meeting of Shareholders.

With Engie Cofely, controlled by Engie, holding 40.41% of your Company

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, which Chairman and Chief Executive Officer is also the Chairman of GTT. The agreement was signed on November 4, 2016, for a 3-year period, and provides for an initial global annual price of €1,589,664 (including € 739,361 for the catering services).

Reasons why the Company benefits from this agreement

Your Board of Directors gave the following reasons for this agreement: This agreement will contain KPIs and the possibility of reviewing the financial terms. A tender was organized and the most interesting offer was made by Engie Cofely.

To date, this agreement has not had any impact.

Agreements and commitments already approved by the General Meeting of Shareholders

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.

1. WITH ENGIE, HOLDING 40.41% OF YOUR COMPANY

a) Nature, purpose and conditions

Fees paid by GTT to Engie in respect of royalties and license fees for the use of the NO96 and CS1 technologies, corresponding to sales of vessels by your Company

The partnership between your Company and Engie (formerly Gaz de France) resulted in several agreements whereby your Company paid Engie a royalty for commercial exploitation of its processes as part of the construction of LNG carriers equipped with the so-called storage systems. On November 4, 2008, your company and Engie entered into a new agreement cancelling and replacing all previous agreements entered into between 1985 and 1995.

In consideration, your company undertakes to pay to Engie:

- 3% of the amount of net royalties and license fees on all firm orders for vessels using NO96 technology, recorded in 2008. This provision was contractually applicable only in 2008;
- 3% of the amount of net royalties and license fees on all firm orders for vessels using NO96 technology, booked prior to June 30, 2008;
- 10% of the amount of net royalties on the first five LNG carriers using CS1 technology and 3% on firm orders for subsequent vessels (limited to 20 vessels) booked until December 31, 2016.

In 2016, your Company did not pay any amount in respect of royalties and license fees. This agreement expired on December 31, 2016.

b) Nature, purpose and conditions
Framework agreement on the study and the evaluation of products and solutions for the LNG chain

On April 11, 2014, the Board of Directors authorized the signing of a draft of a framework cooperation agreement between your Company and CRIGEN, the center of 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, signed on April 28, 2014 for a five-year period, defines the principles for evaluation and the marketing of patents, software and other expertise developed by CRIGEN, as well as products, software and technology that the parties develop jointly.

c) Nature, purpose and conditions
Services agreement for several studies

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 the marketing of products and services based on nano-technologies. This agreement stipulates that GTT will be assigned certain intellectual property rights for the development and the marketing of systems for transporting, transferring or storing liquefied gases, specifically fixed and mobile cryogenic storage tanks, pipelines and bunkering masts.

This agreement has not given rise to payment by your Company during in 2016.

2. WITH MR. PHILIPPE BERTEROTTIÈRE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER SINCE DECEMBER 11, 2013

a) Nature, purpose and conditions
Indemnities potentially due to Mr. Berterottière in the event of forced departure leading to the cessation of his functions as company officer

The Board of Directors' meeting of February 10, 2014 authorized your Chairman and Chief Executive Officer to receive an indemnity in the event of forced departure leading to the cessation of his functions as 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 percentage of the voting rights greater than 40% and when a shareholder holds directly or indirectly a percentage greater than theirs, or (ii) when there is a disagreement over strategy.

The amount of this remuneration is set at twice the amount of the overall gross remuneration (fixed and variable parts) received by Mr. Philippe Berterottière for the financial year for his duties executed in your Company during the twelve last months preceding the date of his departure.

In addition, the payment of this indemnity will be subject to respect of the following conditions of performance:

- 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 in the event that a net margin rate on revenue (IFRS) greater 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) Nature, purpose and conditions
Non-compete commitment made by Mr. Philippe Berterottière in the event of the cessation of his term as Chairman and Chief Executive Officer

The Board of Directors of February 10, 2014 recorded the non-competition undertaking given by Mr. Philippe Berterottière under which he commits, in the case of the cessation of his term as Chairman and 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 12 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) Nature, purpose and conditions
Membership of supplementary pension scheme

On February 10, 2014, 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 € 84,924 for this supplementary pension scheme for the 2016 financial year.

Paris-La Défense, April 24, 2017
The Statutory Auditor
ERNST & YOUNG Audit
French original signed by
Aymeric de La Morandière

7.7 Information about the Statutory Auditors

7.7.1 PRINCIPAL STATUTORY AUDITOR

Ernst & Young Audit

Represented by America 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.

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			
	Amount (excluding taxes) in euros		%	
	2016	2015	2016	2015
Audit				
Statutory audit, certification and review of the separate IFRS financial statements				
▸ issuer	100,000	145,069	82.20	93.23
▸ subsidiaries	11,159	-	9.17	-
Other work (stock market introduction) and services directly related to the statutory audit assignment				
▸ issuer	10,500	10,536	8.63	6.77
▸ subsidiaries	-	-	-	-
Sub-total	121,659	155,605	100	100
Other services provided by the networks				
▸ legal, tax, employee-related	-	-	-	-
▸ other	-	-	-	-
Sub-total	-	-	-	-
TOTAL	**121,659**	**155,605**	**100**	**100**

7.7.4 APPOINTMENT OF A STATUTORY CO-AUDITOR

It is envisaged that consolidated financial statements will be prepared for the Company's 2017 financial year.

In order to comply with the legal provisions, the Company will ask the Shareholders' Meeting of May 18, 2017 to appoint as Statutory Co-Auditor the firm Cailliau Dedouit et Associés, domiciled at 19 rue Clément Marot in Paris (75008) and represented by Rémi Savournin, for a period of six (6) financial years, *i.e.* until the end of the Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2022.

8 COMBINED SHAREHOLDERS' MEETING OF MAY 18, 2017

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8.1 Agenda of the Combined Shareholders' Meeting

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

- Approval of the financial statements for the financial year ended December 31, 2016.
- 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.
- Approval of the co-option of Cécile Prévieu as a director.
- Renewal of the term of office of Andrew Jamieson as a director.
- Appointment of Didier Holleaux as a director.
- Appointment of Ana Busto as a director.
- Appointment of Benoit Mignard as a Censeur (non-voting Board member).
- Setting 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 due or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2016 financial year.
- Approval of the elements of compensation due or attributed to Julien Burdeau, Chief Operating Officer, for the 2016 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.
- Appointment of a Statutory Co-Auditor in accordance with the provisions of Article L. 823-2 of the French Commercial Code.

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 be granted to the Board of Directors to carry out one or several capital increases reserved for employees of the Company and related companies within the meaning of Article L. 233-16 of the French Commercial Code, under the provisions of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code, in accordance with Article L. 225-129-6 of the French Commercial Code.

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, 2016.

Your Board of Directors submits the following 17 resolutions for your approval.

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

Approval of the corporate financial statements for the 2016 financial year (1st resolution)

You are asked to approve the Company's corporate financial statements for the financial year ended December 31, 2016, as well as the non-tax-deductible expenses and charges.

The Company's corporate financial statements show a profit of 117,463,841 euros.

Allocation of profit and setting the dividend amount (2nd resolution)

After noting that the accounts for the financial year ended on December 31, 2016 show a profit of 117,463,841 euros, your Board of Directors proposes the following allocation of this profit:

Profit for the financial year	€117,463,841
Other reserves	-
Retained earnings	€(49,269,269)
Distributable profits	**€68,194,572**
Allocation	-
Dividend	€49,294,229
Retained earnings	€18,900,343

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 30, 2016. The balance due, 1.33 euro per share, would be paid on May 31, 2017, it being stipulated that the ex-dividend date would be May 29, 2017.

The interim dividend payment and the remaining balance to be distributed would be eligible for the 40% deduction, as specified in Article 158.3-2° of the French General Tax Code, which applies to individuals who are tax residents in France whose shares are part of their private assets.

The paying agent would withhold the following from the gross amount of the dividend:

- an obligatory 21% non-definitive individual income tax withholding. The amount withheld would be attributable to the individual income tax payable for the year in which the funds were withheld. If the amount withheld exceeds the individual's income tax due, the individual would be due a refund of that amount. Furthermore, shareholders that have requested a waiver of withholding as stipulated in Article 117 *quater*, I-1° of the French General Tax Code will receive a dividend without this amount withheld; and
- social contributions (which represent 15.5% of the gross amount of the dividend).

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 (3rd resolution)

During 2016, your Board of Directors authorised the signature of a Facilities Management agreement, between the Company and a company for which ENGIE is the majority shareholder, under Article L. 225-38 of the French Commercial Code, which it justified and informed the Statutory Auditors thereof.

The Company appointed this company for its expertise in Facilities Management, notably in the fields of security and catering. This Facilities Management agreement was accordingly signed on November 4, 2016 and approved by the Board of Directors on February 23, 2017.

The agreement involves the following financial commitments by the Company: 4.7 million euros over 3 years, *i.e.* an average of approximately 1.6 million euros per year.

The agreement is included in the special report of the Statutory Auditors on related party agreements. Under the 3rd resolution, your Board of Directors proposes that you approve all of the provisions of the report as well as the new agreement it refers to and which was authorised by the Board of Directors during the financial year closed on December 31, 2016.

Approval of the co-option of Cécile Prévieu as a director (4th resolution)

Jacques Blanchard resigned as a director as of October 13, 2016.

As proposed by ENGIE, your Board of Directors co-opted Cécile Prévieu to replace Jacques Blanchard as a director.

Cécile Prévieu will carry out her term of office for the remainder of the term of her predecessor, *i.e.*, until the end of the Shareholders' Meeting to be held in 2019 to approve the financial statements for the year ended December 31, 2018.

Cécile Prévieu has been Chief Executive Officer of Storengy since 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.

She held 100 of the Company's shares on the date of this report.

The mandates and offices held by Cécile Prévieu outside of the GTT Group over the past five years are detailed in Appendix 1 of this chapter.

For the 4th resolution, your Board of Directors asks you to approve this co-option.

Renewal of the term of office of Andrew Jamieson as a director (5th resolution)

Andrew Jamieson's term will expire at end of this Shareholders' Meeting.

Under the terms of the 5th resolution, your Board of Directors asks you to renew Andrew Jamieson'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 2021 to approve the financial statements for the financial year ending December 31, 2020.

Appointment of Didier Holleaux as a director (6th resolution)

Under the terms of the 6th resolution, and at the recommendation of your Compensation and Nominations Committee, your Board of Directors asks you to appoint Didier Holleaux to replace Sandra Lagumina, 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 2021 to approve the financial statements for the financial year ending December 31, 2020.

Didier Holleaux has been the Chief Operating Officer of ENGIE since January 2017, responsible for the supervision of the Elengy, GRDF, GRTgaz, Storengy, China and GTT Business Units, the Strategic Sourcing & Purchasing Division, the Industrial Projects Division and the Nuclear Development Division.

Didier Holleaux was previously Chief Operating Officer of ENGIE, responsible for the Gas chain support lines, Centralised electricity generation, Decentralised solutions for cities and regions, Solutions for companies, Private and professional solutions, the Tractebel and Asia Pacific Business Units and cross-functionally responsible for Strategy, Projects and Purchasing. He joined Gaz de France (which became ENGIE) in 1993 as Deputy Director, then Director, for regional transport, storage and LNG units at GDF. In 1997 he started and managed GDF Britain (which became GDF Suez E&P UK, Ltd). He became in turn Deputy Director of the GDF Transport Division in 2000, Deputy Director of EDF-GDF Services in 2002 and Deputy Director for GDF's LNG activities in 2004, before becoming Director of exploration-production at GDF SUEZ from 2007 to 2015 and Deputy Director of the GDF SUEZ Global Gaz & LNG branch from 2010 to 2015.

Didier Holleaux began his career in 1982 as an engineer before joining the French civil service in 1985. He held positions at the *Secretariat General* of the Interministerial Committee for European Economic Cooperation issues before joining the cabinets of the ministers of Research and Technology then of Industry and Foreign Trade.

Didier Holleaux is a graduate of the *École Polytechnique* and *École des Mines* in Paris.

He held 100 of the Company's shares on the date of this report.

The mandates and offices held by Didier Holleaux outside of the GTT Group over the past five years are detailed in Appendix 2 of this chapter.

Appointment of Ana Busto as a director (7th resolution)

Under the terms of the 7th resolution, and at the recommendation of your Compensation and Nominations Committee and on the proposal of ENGIE, your Board of Directors asks you to appoint Ana Busto as a director for a term of four (4) years, until the end of the Shareholders' Meeting held in 2021 to approve the financial statements for the financial year ending December 31, 2020.

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 1 October 2016, she was appointed Senior Vice-President Brand and Communications at ENGIE Group.

Ana Busto holds 100 shares in the Company as of the date of this report.

The mandates and offices held by Ana Busto outside the GTT Group over the past five years are detailed in Appendix 3 of this chapter.

Appointment of Benoit Mignard as a Censeur (non-voting Board member) (8th resolution)

Under the terms of the 8th resolution, your Board of Directors proposes that you appoint Benoît Mignard as a non-voting Board member for a period of three (3) years, *i.e.* until the end of the Shareholders' Meeting held in 2020 to approve the financial statements for the year ending December 31, 2019.

This appointment will enable the Board of Directors to continue to benefit from the expertise of Benoît Mignard in conducting its work.

Setting the amount of directors' fees allocated to the Board of Directors (9th resolution)

For the 9th 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, 2017 at 420,000 euros. The increase in the amount of directors' fees allocated to the Board of Directors compared to the previous financial year is supported by a comparative study of compensation paid to members of Boards of Directors of companies of a similar size, industry and financial profile.

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 (10th 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 shareholder capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2016, 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 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 60 euros. The overall amount of funds that can be allocated to this share buyback programme cannot exceed 20 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 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 programs or other plans for allocation of shares to employees or corporate officers or those of an associated company;
- the retaining and later delivery of shares (either in exchange, payment, or other) as part of external growth transactions up to a limit of 5% of the number of shares in the capital;
- the cancellation of all or part of the shares bought back, subject to authorisation from this Shareholders' Meeting in its 15th 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 replaces the authorisation previously granted by the Shareholders' Meeting of May 18, 2016 (9th resolution).

2016 review of the previous share buyback programme approved by the Shareholders' Meeting

During the 2016 financial year, the cumulative repurchase of shares as part of the liquidity contract entered into with Exane BNP Paribas amounted to 136,387 shares at an average price of 29,629 euros.

Cumulative sales in relation to the liquidity contracts referred to above related to 158,985 GTT shares at an average price of 29,909 euros.

During this financial year, no shares previously purchased by the Company were cancelled.

At December 31, 2016, GTT held 11,934 treasury shares under the liquidity contract.

The 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 due or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2016 financial year (11th resolution).

Pursuant to section 26.2 of the AFEP-MEDEF Code, which the Company uses as a reference, your Board of Directors is required to present to the Annual Ordinary Shareholders' Meeting each element of compensation that is due or attributed to the Chairman and Chief Executive Officer for the year just ended.

These elements include:

- the fixed portion of annual compensation;
- the variable portion of annual compensation with the performance criteria that determine its amount;
- non-recurring compensation;
- share options, performance shares and the multi-year variable compensation plans with performance criteria intended to determine these items of compensation;
- indemnities related to taking or departing from office;
- supplementary pension scheme; and
- benefits of any kind.

The AFEP-MEDEF Code specifies that this presentation must be followed by a vote by the shareholders. Therefore, for the 11th resolution, you are asked to give a favourable opinion on the following elements of compensation that are due or attributed to the Chairman and Chief Executive Officer for the year ended, as presented below:

In the event of a negative opinion, the Board of Directors must meet within a reasonable time-frame after the Shareholders' Meeting to examine the reasons for the vote and the expectations expressed by the shareholders.

Following the meeting, and at the recommendation of the Compensation and Nominations Committee, the Board of Directors will decide, if required, on the changes to be made to the compensation due or attributed for the period closed or to future compensation policy. If required, it will immediately publish a notice on the GTT website describing the action taken following the vote of the Shareholders' Meeting and will deliver a report on the follow-up action at the following meeting.

Compensation elements	Amount	Comments
Fixed compensation	€340,000	The gross amount of fixed compensation before tax includes the fixed compensation received by Philippe Berterottière in respect of his term of office as Chairman and Chief Executive Officer. The amount was set by the Board of Directors at its meeting of March 29, 2016 at the recommendation of the Compensation and Nominations Committee. The fixed compensation received by Philippe Berterottière increased by 25.9% over the previous year. This increase was calculated based on a comparative study of fixed compensation received by Executive Directors of companies of a similar size to the Company, in order to align the fixed compensation of the Chairman and Chief Executive Officer with these compensation levels. However, to maintain the level of overall compensation at the same level as the previous year, the Board of Directors decided to lower the cap on the annual variable compensation from 122% to 76.5% of the fixed compensation for 2016.
Annual variable compensation	€225,160	Payment of variable compensation is subject to the achievement of targets determined by the Board of Directors based on the performance criteria set on April 25, 2016. However, the variable compensation that Philippe Berterottière is entitled to receive is capped at 76.5% of his fixed compensation, i.e., a maximum gross annual amount of 260,000 euros. In respect of the 2016 financial year, these performance conditions are as follows: (i) a maximum of 35% of the variable compensation is paid on attainment of an objective relating to net margin on revenues 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 success in diversifying the Company's activities; this success rate is assessed by considering the revenues generated by the Company and its subsidiaries in respect of these activities; (iv) a maximum of 20% of the variable compensation is paid depending on the progress made by the Company in implementing strategic initiatives, by means of acquisitions or strategic partnerships, enabling the Company to grow in new sectors of activity; and (v) a maximum of 10% of the variable compensation is paid depending on the improvement in the Company's organisation, making it possible to manage certain strategic subjects including identification of a dedicated management team tasked with managing integration following acquisitions. Fulfilment of these performance conditions was examined and approved at the end of the 2016 financial year at the Board of Directors' meeting held on February 23, 2017, based on recommendations from the Compensation and Nominations Committee which met on February 21, 2017. For the financial year ended December 31, 2016, 86.6% of the established targets were met.
Deferred variable compensation	Not applicable	Philippe Berterottière does not benefit from any deferred variable annual compensation.
Multi-year variable compensation in cash	Not applicable	Philippe Berterottière is not entitled to receive any multi-year variable compensation in cash.
Non-recurring compensation	Not applicable	Philippe Berterottière is not entitled to receive any non-recurring compensation for the past financial year.
Directors' attendance fees	€42,300	Philippe Berterottière receives directors' attendance fees for his terms of office as director and Chairman of the Board of Directors.

Compensation elements	Amount	Comments
Stock-options or options to purchase shares, performance shares, and any other element of long-term compensation	Subscription or share purchase options: not applicable	Philippe Berterottière does not benefit from stock options or options to purchase shares.
	Performance shares attributed following the Board of Directors' decision of February 23, 2017: nil	In its meeting on February 10, 2014, the Board of Directors decided on the criteria and conditions for the Performance Share Plan as well as the list of beneficiaries (the "Performance Share Plan"). Under this Performance Share Plan, five people, including the Chairman and Chief Executive Officer, were granted a total of 250,000 performance shares (including 125,000 shares allocated to the Chairman and CEO), subject to (i) presence during the vesting period, which ended in respect of 75% of the performance shares on February 10, 2017, and for the balance, 25% of the performance shares, will end on February 18, 2018, and (ii) performance criteria related to the increase in GTT's share price, the Company's net margin and the relative performance of the GTT share price against the Stoxx 600 Oil & Gas index (in euros). According to the Performance Share Plan, shares granted cannot be transferred until the expiry of a lockup period of two years, i.e., on or after February 10, 2018 for shares granted on February 10, 2016, on or after February 10, 2019 for shares granted on February 10, 2017 and on or after February 10, 2020 for shares granted on February 10, 2018. 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 Chief Executive Officer has agreed not to use any hedging transactions on performance shares until the end of the lock-up period of these shares. On February 23, 2017, the Board of Directors noted the final granting to Philippe Berterottière of 20,833 existing shares of the Company under the Performance Share Plan.
	Other elements: not applicable	Philippe Berterottière does not benefit from other elements of long-term compensation.
Benefits in kind (accounting valuation)	€37,540	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.

Elements of compensation due or attributed for the financial year ended that are or were subject to a vote by the Shareholders' Meeting as part of the related party agreements and commitments procedure	Amount	Comments
Indemnities relating to a non-compete clause	No payment	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.
Indemnities or benefits due or likely to become payable as a result of the cessation or change in duties	No payment	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.
Supplementary pension regime (accounting valuation)	€84,927	On February 10, 2014, the Board of Directors authorised Philippe Berterottière's membership of the supplementary pension scheme. As a result, the Company recognised an expense of 84,927 euros for this supplementary pension scheme for the 2016 financial year.

Approval of compensation due or attributed to Julien Burdeau, Chief Operating Officer for the 2016 financial year (12th resolution)

Pursuant to section 26.2 of the AFEP-MEDEF Code, which the Company uses as a reference, your Board of Directors is required to present to the Annual Ordinary Shareholders' Meeting each element of compensation that is due or attributed to the Chief Operating Officer for the year just ended.

These elements include:

- the fixed portion of annual compensation;
- the variable portion of annual compensation with the performance criteria that determine its amount;
- non-recurring compensation;
- share options, performance shares and the multi-year variable compensation plans with performance criteria intended to determine these items of compensation;
- indemnities related to taking or departing from office;
- supplementary pension scheme; and
- benefits of any kind.

The AFEP-MEDEF Code specifies that this presentation must be followed by a vote by the shareholders. Therefore, for the 12th resolution, you are asked to give a favourable opinion on the following elements of compensation that are due or attributed to the Chief Operating Officer for the year ended, as presented below:

In the event of a negative opinion, the Board of Directors must meet within a reasonable time-frame after the Shareholders' Meeting to examine the reasons for the vote and the expectations expressed by the shareholders.

Following the meeting, and at the recommendation of the Compensation and Nominations Committee, the Board of Directors will decide, if required, on the changes to be made to the compensation due or attributed for the period closed or to future compensation policy. If required, it will immediately publish a notice on the GTT website describing the action taken following the vote of the Shareholders' Meeting and will deliver a report on the follow-up action at the following meeting.

Compensation elements	Amount	Comments
Fixed compensation	€234,000	The gross pre-tax amount of fixed compensation includes the fixed compensation received by Julien Burdeau as follows: (i) 50% for his term as Chief Operating Officer, and (ii) 50% for his employment contract. The latter amount was set by the Board of Directors at its meeting of March 29, 2016 at the recommendation of the Compensation and Nominations Committee.
Annual variable compensation	€101,322	Payment of variable compensation is subject to the achievement of targets determined by the Board of Directors. The Board of Directors decided at its meeting of March 29, 2016 to align these objectives with those set for the Chairman and Chief Executive Officer without, however, exceeding 50% of the fixed portion of the Chief Operating Officer's compensation, *i.e.* 117,000 euros. For the 2016 financial year, the performance criteria applied to determine the variable compensation of the Chief Operating Officer are as follows: (i) a maximum of 35% of the variable compensation is paid on attainment of an objective relating to net margin on revenues 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 success in diversifying the Company's activities; this success rate is assessed by considering the revenues generated by the Company and its subsidiaries in respect of these activities; (iv) a maximum of 20% of the variable compensation is paid depending on the progress made by the Company in implementing strategic initiatives, by means of acquisitions or strategic partnerships, enabling the Company to grow in new sectors of activity; and (v) a maximum of 10% of the variable compensation is paid depending on the improvement in the Company's organisation, making it possible to certain strategic subjects including identification of a dedicated management team tasked with managing integration following acquisitions. Fulfilment of these performance conditions was examined and approved at the end of the 2016 financial year at the Board of Directors' meeting held on February 23, 2017, based on recommendations from the Compensation and Nominations Committee which met on February 21, 2017. For the financial year ended December 31, 2016, 86.6% of the established targets were met.
Deferred variable compensation	Not applicable	Julien Burdeau is not entitled to deferred variable compensation.
Multi-year variable compensation in cash	Not applicable	Julien Burdeau is not entitled to receive any multi-year variable compensation in cash.
Non-recurring compensation	Not applicable	Julien Burdeau is not entitled to receive any non-recurring compensation for the past financial year.
Directors' attendance fees	Not applicable	Julien Burdeau is not entitled to any directors' fees.

Compensation elements	Amount	Comments
Subscription or share purchase options, performance shares, and any other element of long-term compensation	Subscription or share purchase options: not applicable	Julien Burdeau is not entitled to any subscription or share purchase options.
	Performance shares attributed following the Board of Directors' decision of February 23, 2017: nil	In its meeting on February 10, 2014, the Board of Directors decided on the criteria and conditions for the Performance Share Plan as well as the list of beneficiaries (the "Performance Share Plan"). Under this Performance Share Plan, five people, including Julien Burdeau were allocated a total of 250,000 performance shares (of which 31,250 were allocated to Julien Burdeau) subject to the following conditions: (i) presence during the vesting period, which ended in respect of 75% of the performance shares on February 10, 2017, and for the balance, 25% of the performance shares, will end on February 10, 2018, and (ii) performance criteria related to the increase in GTT's share price, the Company's net margin and the relative performance of the GTT share price against the Stoxx 600 Oil & Gas index (in euros). According to the Performance Share Plan, shares granted cannot be transferred until the expiry of a lockup period of two years, *i.e.*, on or after February 10, 2018 for shares granted on February 10, 2016, on or after February 10, 2019 for shares granted on February 10, 2017 and on or after February 10, 2020 for shares granted on February 10, 2018. On February 23, 2017, the Board of Directors noted the final granting to Julien Burdeau of 5,208 of the Company's existing shares under the Performance Share Plan.
	Free shares allocatable following the Board of Directors' decision of May 18, 2016.	At its meeting on May 18, 2016, the Board of Directors decided on the criteria and conditions for the free share allocation (AFS Plan no. 5) and the list of beneficiaries. Under AFS Plan no. 5, the employees of the Company and its subsidiaries, including Julien Burdeau, were granted 15 free shares each on condition of the beneficiary's presence on April 1, 2019. In accordance with AFS Plan no. 5, no non-transferability period is stipulated for the shares after the end of the vesting period.
	Other elements of compensation: Not applicable	Julien Burdeau is not entitled to any other long-term compensation.
Benefits in kind (accounting valuation)	€4,371	Benefits in kind correspond to a company car.

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 (13th 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 and to the Chief Operating Officer, resulting from their terms of office.

These elements are covered in paragraph 6.3.1.1. – "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 6.3.1.1. – "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 2018 to approve the annual financial statements for 2017.

The presentation must be followed by a vote by the shareholders. 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.

Appointment of a Statutory Co-Auditor in accordance with the provisions of Article L. 823-2 of the French Commercial Code (14th resolution)

The Company plans to prepare consolidated financial statements with its French subsidiary Cryovision for the 2017 financial year.

Article L. 823-2 of the French Commercial Code requires the appointment of a Statutory Co-Auditor when consolidated financial statements are prepared.

Therefore, you are asked to appoint:

- as Statutory Co-Auditor the firm Cailliau Dedouit et Associés, domiciled at 19 rue Clément Marot in Paris (75008) represented by Mr Rémi Savournin, Partner, for a period of six (6) financial years, *i.e.* until the end of the Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2022.
- The Cailliau Dedouit et Associés firm, located at 19 rue Clément Marot in Paris (75008), represented by Rémi Savournin, Partner, stated in advance that they would accept the role entrusted to them and that they met all of the conditions required by law and regulations for these duties.

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 (15th 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 10th 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, 2016 (13th resolution).

Authorisation to be granted to the Board of Directors to carry out one or several capital increases reserved for employees of the Company and related companies within the meaning of Article L. 233-16 of the French Commercial Code, under the provisions of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code, in accordance with Article L. 225-129-6 of the French Commercial Code (16th resolution).

In accordance with the provisions of Article L. 225-129-6 of the French Commercial Code, and as part of the periodic consultation of shareholders, the Extraordinary Shareholders' Meeting – as the shares owned by Company employees represent less than 3% of the share capital – must vote on a proposal aiming to carry out a share capital increase reserved for employees under the conditions provided for in Articles L. 3332-18 *et seq.* of the French Labour Code.

The main conditions of this increase would be as follows:

- The share capital would be increased in cash for a maximum amount of 11,123.507 euros, to be paid up in cash or by offsetting certain liquid and payable claims on the Company, this decision leading to the automatic waiver by shareholders of their preferential subscription right in favour of employees that are members of an employee savings scheme of the Company or related companies within the meaning of Article L. 233-16 of the French Commercial Code;
- The Board of Directors would be delegated the powers required to:
  - carry out the capital increase, at its discretion, on one or more occasions, within a maximum of five years from the shareholders' vote, for the benefit of Company employees that are members of an employee savings scheme of the Company or related companies within the meaning of Article L. 233-16 of the French Commercial Code, under the conditions stipulated in Articles L. 3322-1 *et seq.* of the French Labour Code,
  - set the amount of each issue subject to the limit of the overall ceiling of 11,123.507 euros,
  - determine any allocation conditions for the new shares issued in favour of said employees under legal conditions, including seniority conditions, approve the list of beneficiaries. as well as the number of shares likely to be allocated to each one, subject to the ceiling of the capital increase,
  - determine the subscription price of the new shares, under the conditions defined in Articles L. 3332-20 *et seq.* of the French Labour Code,
  - approve the subscription opening and closing dates, determine whether the new share subscriptions must be carried out directly or through a mutual fund, collect employee subscriptions,
  - set the deadline granted to subscribing employees to pay up the amount of their subscription within the limit of three years from the subscription provided for in Article L. 225-138-1 of the French Commercial Code, given that in accordance with the provisions of said Article, the subscribed shares may be paid up, at the Company's or employee's request, by periodic payments or by equal, regular payments from the subscriber's salary,

- collect the amounts corresponding to the subscription payments, whether paid in cash or by offsetting claims, if applicable, approve the credit balance in the current accounts opened in the Company's books on behalf of the subscribers that offset the subscribed shares,
- record the capital increase, and if applicable, deduct the expenses from the amount of premiums paid during the share issue, and deduct from this amount the sums required to bring the legal reserve to one-tenth of the new share capital after each increase, and
- carry out all legal formalities, modify the by-laws accordingly, take all measures to carry out the capital increase, and generally carry out all required actions under the conditions indicated above and those set by current legislation and regulations.

The shares issued would be created with full rights from their subscription date and would be, from the date of the final completion of the capital increase, identical to existing shares and subject to all statutory provisions and shareholders' decisions.

You will now hear the Statutory Auditors' report prepared in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code.

However, the Board of Directors states that this draft decision is presented to shareholders solely to comply with legal provisions, and that it considers it advisable to propose that the Shareholders' Meeting reject this proposition.

RESOLUTION CONCERNING POWERS

Powers for carrying out formalities (17th resolution)

The 17th resolution covers the powers necessary for completion of 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 Cécile Prévieu outside of the GTT Group over the past five years

Current 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)

Past terms of office:

- Director of Storengy Northern Europe
- Director of Storengy International
- Director of Storengy China

APPENDIX 2

Mandates and offices held by Didier Holleaux outside of the GTT Group over the past five years

Current terms of office:

- Director of ELENGY (formerly GDF Investissements 31)
- Chairman of ENGIE CHINA INVESTMENT COMPANY SAS
- Director of ENGIE E&P INTERNATIONAL SA
- Director of STORENGY

Past terms of office:

- 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 S.A. (BE)
- Member of the Supervisory Board of NOORDGASTRANSPORT BV (N.G.T.)

APPENDIX 3

Mandates and offices held by Ana Busto outside the GTT Group over the past five years

Current terms of office:

- None

Past terms of office:

- None

8.3 Statutory Auditors' report

8.3.1 SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

The special report of the Statutory Auditors on related party agreements for the year ended December 31, 2016 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 REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Statutory Auditors' report on the report by the Chairman of the Board of Directors is presented in section 6.2 of the Company's Registration Document.

8.3.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED UNDER IFRS FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2016

The Statutory Auditors' report on the financial statements prepared under IFRS for the financial year ended on December 31, 2016 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 Appendix 2 of the Company's Registration Document.

8.3.6 STATUTORY AUDITORS' REPORT ON THE REDUCTION IN CAPITAL

This is a free 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 auditor's report on the reduction in capital

To the Shareholders,

In our capacity as statutory auditor 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-La Défense, April 24, 2017
The Statutory Auditor - ERNST & YOUNG Audit
French original signed by Aymeric de La Morandière

8.3.7 STATUTORY AUDITORS' REPORT ON THE INCREASE IN CAPITAL RESERVED FOR EMPLOYEES WHO ARE MEMBERS OF A COMPANY SAVINGS SCHEME

This is a free 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 Shareholders,

In our capacity as Statutory Auditor of your Company and in compliance with Articles L. 225-135 et seq. of the French Commercial Code *(Code de commerce)*, we hereby report on the proposed increase in capital by an issue of ordinary shares with cancellation of preferential subscription rights of €11,124, reserved for employees of GTT, an operation upon which you are called to vote.

This increase in capital is submitted for your approval in accordance with Articles L. 225-129-6 of the French Commercial Code *(Code de commerce)* and L. 3332-18 et seq. of the French Labor Code *(Code du travail)*.

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of five years to determine the conditions of this operation and proposes to cancel your preferential subscription rights to the ordinary shares to be issued.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles

R. 225-113 and R. 225-114 of the French Commercial Code *(Code de commerce)*. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue contained in this report.

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 in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the shares.

We have the following matter to report on the Board of Directors' report:

We hereby inform you that the Board of Directors' report does not provide the methods for determining the issue price as required by French regulations.

As the final conditions for the increase in capital have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code *(Code de commerce)*, we will issue a supplementary report when your Board of Directors has exercised this authorization.

Paris-La Défense, April 24, 2017
The Statutory Auditor - ERNST & YOUNG Audit
French original signed by Aymeric de La Morandière

8.4 Draft resolutions

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

First resolution *(Approval of the corporate financial statements for the 2016 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 financial statements, approves the statement of assets and liabilities and the financial statements, *i.e.*, the balance sheet, the income statement and the appendices thereto, at December 31, 2016, as they are presented, together with the transactions reflected in these financial statements or described in these reports, showing a profit of 117,463,841 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.

Second resolution *(Allocation of profit and setting 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, 2016 show a profit of 117,463,841 euros, the allocation of the profits for the 2016 financial year as follows:

Profit for the financial year	€117,463,841
Other reserves	-
Retained earnings	€(49,269,269)
Distributable profits	**€68,194,572**
Allocation	-
Dividend	€49,294,229
Retained earnings	€18,900,343

Accordingly, the dividend to be distributed will be 2.66 euros per share.

An interim dividend payment of 1.33 euro per share was paid on September 30, 2016. The balance due, 1.33 euro per share, is due to be paid on May 31, 2017, it being stipulated that the ex-dividend date will be May 29, 2017.

The interim dividend payment and the remaining balance to be distributed will be eligible for the 40% deduction, as specified in Article 158.3-2° of the French General Tax Code, which applies to individuals who are tax residents in France whose shares are part of their private assets.

The paying agent will withhold the following from the gross amount of the dividend:

- an obligatory 21% non-definitive individual income tax withholding. The amount withheld is attributable to the individual income tax payable for the year in which the funds are withheld. If the amount withheld exceeds the individual's income tax due, the individual is due a refund of that amount. Furthermore, shareholders that requested a waiver of withholding as stipulated in Article 117 *quater*, I-1° of the French General Tax Code will receive a dividend without this amount withheld; and
- social contributions (which represent 15.5% of the gross amount of the dividend).

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	2015	2014	2013
Total dividend payout	98,550,583	98,617,273	127,008,784
Net dividend per share	2.66	2.66	3.43

Third 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, approves the related party agreements and commitments referred to in said report which were signed during the financial year ended and records the related party agreements and commitments signed and previously approved by the Shareholders' Meeting and which continued over the past financial year.

Fourth resolution *(Approval of the co-option of Cécile Prévieu as a director)*

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, after reviewing the management report of the Board of Directors, ratifies the Board of Directors' co-option of Cécile Prévieu as director, replacing Jacques Blanchard, who resigned, for the remainder of his term of office, *i.e.*, until the end of the Shareholders' Meeting held in 2019 to approve the financial statements for 2018.

Fifth resolution *(Renewal of the term of office of Andrew Jamieson as a director)*

The Shareholders' Meeting, noting that Andrew Jamieson'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 Andrew Jamieson for a term of four years, *i.e.*, until the end of the Shareholders' Meeting held in 2021 to approve the financial statements for 2020.

Sixth resolution *(Appointment of Didier Holleaux as a director)*

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, after reviewing the management report of the Board of Directors, appoints Didier Holleaux as director for a term of four years, *i.e.*, until the end of the Shareholders' Meeting held in 2021 to approve the financial statements for 2020.

Seventh resolution *(Appointment of* Ana Busto *as a director)*

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, after reviewing the report of the Board of Directors, appoints Ana Busto as director for a term of four years, *i.e.*, until the end of the Shareholders' Meeting held in 2021 to approve the financial statements for 2020.

Eighth resolution *(Appointment of Benoit Mignard as a Censeur (non-voting Board member))*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after reviewing the report of the Board of Directors, appoints Benoît Mignard as non-voting Board member for a term of three years, *i.e.*, until the end of the Shareholders' Meeting held in 2020 to approve the financial statements for the year ending on December 31, 2019.

Ninth resolution *(Setting 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, 2017 at 420,000 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.

Tenth 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 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 programs or other plans for allocation of shares to employees or corporate officers 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 15th 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 could not exceed 10% of the number of shares composing the shareholder capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2016, 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, 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 60 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 20,000,000 euros, corresponding to a maximum number of 333,333 shares acquired on the basis of the maximum unit price of 60 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 the authorisation for the unused portion on the same matter that was granted to the Board of Directors by the Shareholders' Meeting of May 18, 2016 (9th resolution).

Eleventh resolution *(Approval of elements of compensation due or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2016 financial year)*

The Shareholders' Meeting, consulted according to the recommendations of paragraph 26.2 of the AFEP-MEDEF Code of Corporate Governance of November 2016 (code of reference used by the Company, as provided for in Article L. 225-37 of the French Commercial Code), and deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, gives a favourable opinion on the elements of compensation due or attributed for the year ended December 31, 2016 to Philippe Berterottière, Chairman and Chief Executive Officer, as presented in the report of the Board of Directors to the Shareholders' Meeting on the resolutions.

Twelfth resolution *(Approval of the elements of compensation due or attributed to Julien Burdeau, Chief Operating Officer, for the 2016 financial year)*

The Shareholders' Meeting, consulted according to the recommendations of paragraph 26.2 of the AFEP-MEDEF Code of Corporate Governance of November 2016 (code of reference used by the Company, as provided for in Article L. 225-37 of the French Commercial Code), and deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, gives a favourable opinion on the elements of compensation due or attributed for the year ended December 31, 2016 to Julien Burdeau, Chief Operating Officer, as presented in the report of the Board of Directors to the Shareholders' Meeting on the resolutions.

Thirteenth 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 and the Chief Operating Officer, prepared in application of Article L. 225-37-2 of the French Commercial Code (paragraph 6.3.1.1. "Executive Officer Compensation Policy" of the Registration Document) approves the compensation policy for the executive officers as presented in this report.

Fourteenth resolution *(Appointment of a Statutory Co-Auditor in accordance with the provisions of Article L. 823-2 of the French Commercial Code)*

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, after reviewing the report of the Board of Directors, decides to appoint, for a term of six financial years expiring at the end of the Shareholders' Meeting approving the financial statements of the year closing on December 31, 2022, in accordance with the provisions of Article L. 823-2 of the French Commercial Code, as Statutory Co-Auditor, represented by the Cailliau Dedouit et Associés firm, located at 19 rue Clément Marot in Paris (75008), represented by Rémi Savournin, Partner.

RESOLUTIONS FALLING WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Fifteenth 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 10th resolution by this Shareholders' Meeting;

1. authorises, as required by 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 on the same matter that was granted to the Board of Directors by the Shareholders' Meeting of May 18, 2016 (13th resolution).

Sixteenth resolution *(Authorisation to be granted to the Board of Directors to carry out one or several capital increases reserved for employees of the Company and related companies within the meaning of Article L. 233-16 of the French Commercial Code, under the provisions of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code, in accordance with Article L. 225-129-6 of the French Commercial Code)*

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Extraordinary Shareholders' Meetings, having heard the Chairman's report and the Statutory Auditors' report and acting in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code, as part of the triennial shareholders' consultation:

- notes that the shares held by the Company's employees represent less than 3% of the share capital;
- decides to increase the share capital in cash for a maximum amount of 11,123.507 euros, to be paid up in cash or by offsetting certain liquid and payable claims on the Company, this decision leading to the automatic waiver by shareholders of

their preferential subscription right in favour of employees that are members of an employee savings scheme of the Company or related companies within the meaning of Article L. 233-16 of the French Commercial Code;

- delegates to the Board of Directors the powers required to:
  - carry out the capital increase, at its discretion, on one or more occasions, within a maximum of five years from the decision of the Shareholders' Meeting, for the benefit of Company employees that are members of an employee savings scheme of the Company or related companies within the meaning of Article L. 233-16 of the French Commercial Code, under the conditions stipulated in Articles L. 3322-1 *et seq.* of the French Labour Code,
  - set the amount of each issue subject to the limit of the overall ceiling of 11,123.507 euros,
  - determine any allocation conditions for the new shares issued in favour of said employees under legal conditions, including seniority conditions, approve the list of beneficiaries as well as the number of shares likely to be allocated to each one, subject to the ceiling of the capital increase,
  - determine the subscription price of the new shares, under the conditions defined in Articles L. 3332-20 *et seq.* of the French Labour Code,
  - approve the subscription opening and closing dates, determine whether the new share subscriptions must be carried out directly or through a mutual fund, collect employee subscriptions,
  - set the deadline granted to subscribing employees to pay up the amount of their subscription within the limit of three years from the subscription provided for in Article L. 225-138-1 of the French Commercial Code, given that in accordance with the provisions of said Article, the subscribed shares may be paid up, at the Company's or employee's request, by periodic payments or by equal, regular payments from the subscriber's salary,
  - collect the amounts corresponding to the subscription payments, whether paid in cash or by offsetting claims, if applicable, approve the credit balance in the current accounts opened in the Company's books on behalf of the subscribers that offset the subscribed shares,
  - record the capital increase, and if applicable, deduct the expenses from the amount of premiums paid during the share issue, and deduct from this amount the sums required to bring the legal reserve to one-tenth of the new share capital after each increase, and,
  - carry out all legal formalities, modify the by-laws accordingly, take all measures to carry out the capital increase, and generally carry out all required actions under the conditions indicated above and those set by current legislation and regulations.

The shares thus issued will be created with full rights from their subscription date and will be, from the date of the final completion of the capital increase, identical to existing shares and subject to all statutory provisions and shareholders' decisions.

RESOLUTION CONCERNING POWERS

Seventeenth 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.

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1. Financial information under French GAAP

BALANCE SHEET ASSETS

In euros Items	Gross value	Depreciation	Net 31/12/2016	Net 31/12/2015
Subscribed capital, uncalled				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	510,000	136,850	373,150	475,150
Goodwill	914,694	914,694		
Other intangible assets	4,443,273	4,205,945	237,328	287,702
Deposits & advance payments made on intangible assets				
Total intangible assets	**5,867,967**	**5,257,489**	**610,478**	**762,852**
Property, plant and equipment				
Land	2,066,152		2,066,152	2,066,152
Buildings	7,961,165	1,214,009	6,747,155	7,055,086
Technical installations, equipment and industrial tooling	15,755,508	12,688,255	3,067,253	2,983,135
Other property, plant and equipment	21,942,548	18,568,912	3,373,636	4,000,353
Assets in progress	1,243,415		1,243,415	426,862
Deposits & advance payments				
Total property, plant and equipment	**48,968,787**	**32,471,176**	**16,497,611**	**16,531,587**
Fixed financial assets				
Investments in associates				
Other shareholdings	58,754	5,000	53,754	58,745
Receivables from equity interests	185,210		185,210	313,833
Other investment securities	839,091		839,091	92,654
Loans	47,315		47,315	61,431
Other fixed financial assets	488,533		488,533	1,592,013
Total fixed financial assets	**1,618,903**	**5,000**	**1,613,903**	**2,118,676**
Fixed assets	56,455,658	37,733,666	18,721,992	19,413,116
Inventories and works 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 works in progress				

In euros

Items	Gross value	Depreciation	Net 31/12/2016	Net 31/12/2015
Receivables				
Advance payments made on orders	494,332		494,332	1,611,858
Trade and other receivables	85,473,848	2,722,372	82,751,476	84,475,032
Other receivables	28,763,533		28,763,533	29,495,936
Subscribed capital, called and unpaid				
Total receivables	**114,731,713**	**2,722,372**	**112,009,341**	**115,582,826**
Cash and cash equivalents				
Marketable securities	42,665,186	138,627	42,526,559	87,384,487
Cash	45,742,649		45,742,649	14,927,462
Prepaid expenses	1,753,392		1,753,392	1,528,027
Total cash and cash equivalents	**90,161,227**	**138,627**	**90,022,600**	**103,839,975**
Current assets	204,892,939	2,860,999	202,031,940	219,422,802
Debt issuance costs to be amortised				
Bond redemption premiums				
Unrealised foreign exchange losses				
OVERALL TOTAL	**261,348,597**	**40,594,665**	**220,753,932**	**238,835,917**

BALANCE SHEET LIABILITIES

In euros Items	31/12/2016	31/12/2015
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 equivalence difference		
Legal reserve	37,078	37,078
Statutory or contractual reserves		
Regulated reserves		481,716
Other reserves	45,196,165	24,852,044
Retained earnings	(49,269,269)	(48,165,556)
Profit for the year	117,463,84	118,894,704
Total net position	**116,730,21**	**99,402,892**
Investment subsidies		
Regulated provisions	619,029	474,892
Equity	117,349,70	99,877,784
Income from issues of equity securities		
Conditional advances/Refundable cash subsidies	1,160,366	1,732,301
Other equity	1,160,366	1,732,301
Provisions for risks	5,660,259	2,950,338
Provisions for charges	1,450,796	2,062,825
Provisions for risks and charges	7,111,055	5,013,163
Financial liabilities		
Convertible bonds		
Other bonds		
Loans and debts with credit institutions		
Other loans and financial liabilities	9	
Total financial liabilities	**9**	
Deposits & advance payments received on orders in progress	1,221,250	1,221,250
Other liabilities		
Trade and other payables	9,814,035	12,798,395
Tax and social security payables	25,815,110	24,768,984
Amounts payable on fixed assets and related accounts		
Other debts	3,570,603	4,179,701
Total other liabilities	**39,199,748**	**41,747,080**
Deferred income	54,711,754	89,244,339
Debts	95,132,761	132,212,669
Unrealised foreign exchange gains		
OVERALL TOTAL	**220,753,932**	**238,835,917**

INCOME STATEMENT (FIRST PART)

In euros Items	France	Export	2016	2015
Sales of merchandise				
Goods produced and sold				
Services produced and sold	1,068,379	29,700,070	30,768,449	52,580,378
Net revenue	**1,068,379**	**29,700,070**	**30,768,449**	**52,580,378**
Production taken into inventory				
Capitalised production				
Operating subsidies			610,435	663,366
Reversals of depreciation and provisions, transfers of expenses			5,077,548	4,967,319
Other revenue			204,783,253	173,877,956
Operating revenue			241,239,685	232,089,019
External expenses				
Purchases of goods bought for resale including customs duties				
Changes in inventory of goods purchased for resale				
Purchases of raw materials and other supplies			804,512	1,124,038
Changes in inventory (raw materials and other supplies)				
Other purchases and external expenses			**44,489,358**	**42,135,142**
Total external expenses:			45,293,870	43,259,180
Taxes, duties and other levies			4,265,850	4,134,604
Personnel expenses				
Wages and salaries			25,543,570	23,440,955
Social security costs			**12,518,399**	**12,485,318**
Total personnel expenses:			38,061,970	35,926,273
Allocations to depreciation & provisions				
Allocations for depreciation of fixed assets			3,137,223	2,705,551
Allocations for provisions for fixed assets				
Allocations for provisions for current assets			2,076,040	548,000
Allocations for provisions for risks & charges			3,531,961	1,559,690
Total allocations to depreciation & provisions:			**8,745,224**	**4,813,241**
Other operating expenses			2,516,930	2,083,486
Operating expenses			98,883,843	90,216,784
OPERATING INCOME			**142,355,842**	**141,872,235**

INCOME STATEMENT (SECOND PART)

In euros Items	2016	2015
Operating income	142,355,842	141,872,235
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	789,240	1,106,718
Reversals of provisions and transfers of expenses	284,877	
Foreign exchange gains	311,561	36,250
Net income on disposals of marketable securities	14	
	2,685,692	**1,142,968**
Financial expenses		
Financial allocations for depreciation and provisions	5,000	423,504
Interest and similar expenses	2,310	8,161
Foreign exchange losses	15,391	22,980
Net charges on disposal of marketable securities	16	
	22,718	**454,645**
Financial income	2,662,975	688,323
Current income before taxes	145,018,816	142,560,558
Non-recurring income		
Non-recurring income on management operations	92,213	222,985
Non-recurring income on equity transactions	284,339	210,571
Reversals of provisions and transfers of expenses	752,032	1,438,295
Total exceptional income	**1,128,584**	**1,871,851**
Non-recurring expenses		
Non-recurring expenses on management transactions	37,353	536,421
Non-recurring expenses on equity transactions	4,548,389	408,492
Exceptional allocations for depreciation and provisions	414,453	539,976
Total exceptional expenses	**5,000,194**	**1,484,889**
Non-recurring income	(3,871,610)	386,962
Employee profit-sharing	5,932,509	6,200,695
Income tax	17,750,856	17,852,121
Total revenues	245,053,961	235,103,838
Total expenses	127,590,120	116,209,134
PROFIT (LOSS)	**117,463,841**	**118,894,704**

ACCOUNTING RULES AND METHODS

The Company's annual financial statements are prepared in accordance with the accounting standards provided by regulation no. 2014-03 on the new General Chart of Accounts approved by the ministerial order of September 8, 2014, and published in the Official Journal of the French Republic dated October 15, 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;

These assumptions are also 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	1 year – 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 its 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, acquisition of shares in subsidiaries, a cash advance granted to GTT Training Ltd per the loan agreement, and to money market (SICAV) and treasury share subscriptions as part of the liquidity agreement 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. A provision for impairment is recorded for the difference between the book value and the inventory value.

Cash is also composed of short-term deposit accounts with maturities of between one and 60 months and remunerated at variable rates.

Revenue recognition

Recording revenue is based on the definition of services that are present in the contracts and licenses, as follows:

- royalties are recorded *pro rata* over the duration of use of the construction process belonging to GTT, *i.e.* from GTT's definitive handoff of the plans until vessel delivery and;
- study services and technical support are accounted for according to the percentage-of-completion method.

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, 2016.

Retirement benefits

The Company's commitment with regards to retirement benefits has not been recorded in the financial statements for the financial year ended December 31, 2016. The gross amount of this commitment was estimated at 2,046 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: 1.55%;
- salary increase rate: 2.04%;
- retirement age is 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 1,464 thousand euros at December 31, 2016.

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 31/12/2016
February 10, 2014	AFS plan no. 1	2 years	2 years	5,745	46 euros	945	4,800	0
February 10, 2014	AFS plan no. 2	2 to 4 years	2 years	250,000	24 euros	67,712	83,330	98,958
May 18, 2016	AFS plan no. 3	2 years	2 years	16,000	10 euros	8,000	n/a	8,000
May 18, 2016	AFS plan no. 4	3 years	1 year	15,150	21 euros	-	n/a	15,150
May 18, 2016	AFS plan no. 5	3 years	-	5,625	23 euros	375	n/a	5,250

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

For both these plans, the Board of Directors has set the following vesting conditions:

- AFS plan no. 1 and 5: 100% of shares allocated subject to presence at the end of the vesting period;
- AFS plans nos. 2 and 3: 100% of shares allocated subject to:
  - presence at the end of the vesting period,
  - attainment of the performance criteria measured at the end of the financial year prior to the end of the vesting period. These criteria concern:
  - the stock market performance of GTT shares,
  - the ratio of net profit to revenue,
  - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price).
- AFS plan no. 4: 100% of shares 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 Company entered into a liquidity contract on November 10, 2014, and on November 26, 2015, it entered into an agreement to purchase shares to be distributed in 2016 as part of AFS plans. At December 31, 2016, the Company held 11,934 shares under the liquidity contract and 39,560 shares under the AFS plans, *i.e.*, a total of 51,494 treasury shares in the total amount of 1,765 thousand euros.

Provisions for contingencies and losses

Provisions are recorded when:

- the Company 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 that obligation and;
- 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	Taxes
Increases: Regulated provisions	+481,716	+72,257
Subsidies to be added back to income		
Decreases: provisions which cannot be deducted in the year of their recording	-7,614,631	-1,142,195
Total operating deficits carried forward		
Total deferred depreciation		
Total long-term losses		

Fees paid to the Statutory Auditors

The amount of the fees paid to the Statutory Auditors reported in the income statement is 105,490 euros excluding taxes for the statutory audit of the financial statements.

Accounting for the competitiveness and employment tax credit (CICE)

The Company chose the following accounting procedure for the CICE.

The CICE is recorded in account 6459 in accordance with the ANC opinion and had an impact of 189 thousand euros on the 2016 financial period.

In accordance with legislative recommendations, the CICE is primarily intended to finance the entity's competitiveness.

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

No significant events occurred after the 2016 close.

FIXED ASSETS

In euros Items	Gross value at start of financial year	Acquisitions revaluation increases	Acquisitions, contributions, creation, transfers
Intangible assets			
Start-up and development fees	5,566,300		382,687
Other intangible assets			
Total intangible assets:	**5,566,300**		**382,687**
Property, plant and equipment			
Land	2,066,152		
Buildings on own land	7,873,524		87,641
Buildings on third-party land			
Buildings – general installations			
Technical installations and industrial tooling	14,839,499		1,201,625
General installations, fittings and fixtures and other	17,168,805		364,747
Transport vehicles	157,158		
Office equip., computer equip., and furnishings	4,408,027		231,682
Recoverable packaging and others			
Property, plant and equipment in progress	426,862		1,150,748
Deposits & advance payments			
Total property, plant and equipment:	**46,940,025**		**3,036,443**
Fixed financial assets			
Investments accounted for under the equity method			
Other shareholdings	372,577		9
Other investment securities	92,654		746,437
Loans and other fixed financial assets	1,653,445		28,884
Total fixed financial assets:	**2,118,676**		**775,330**
OVERALL TOTAL	**54,625,001**		**4,194,460**

In euros Items	Disposals transfer	Decreases due to decommissioning of disposals	Gross value at end of financial year	Legal revaluations
Intangible assets				
Start-up and development fees				
Other intangible assets	79,520	1,500	5,867,967	
Total intangible assets	**79,520**	**1,500**	**5,867,967**	
Property, plant and equipment				
Land			2,066,152	
Buildings on own land			7,961,165	
Buildings on third-party land				
Technical installations, equipment and industrial tools	37,353	248,263	15,755,508	
Transport vehicles		146,979	17,386,573	
Office equip., computer equip., and furnishings			157,158	
Recoverable packaging and others	16,164	224,728	4,398,817	
Property, plant and equipment in progress				
Deposits & advance payments	334,195		1,243,415	
Total property, plant and equipment	**387,712**	**619,970**	**48,968,788**	
Fixed financial assets				
Investments accounted for under the equity method				
Other shareholdings		128,623	243,964	
Other investment securities			839,091	
Loans and other fixed financial assets		1,146,481	535,848	
Total fixed financial assets		**1,275,103**	**1,618,903**	
OVERALL TOTAL	**467,230**	**1,896,573**	**56,455,658**	

DEPRECIATION

Financial position and movements during the financial year

In euros Depreciable assets	Amount at start of financial year	Acquisitions increases	Disposals reversals	Amount at end of financial year
Intangible assets				
Start-up and development fees				
Other intangible assets	3,888,754	455,542	1,500	4,342,795
Total intangible assets	**3,888,754**	**455,542**	**1,500**	**4,342,795**
Property, plant and equipment				
Land				
Buildings on own land	818,438	395,572		1,214,009
Buildings on third-party land				
Buildings – general installations	11,856,363	1,080,155	248,263	12,688,255
Technical installations and industrial tooling	14,068,378	754,763	146,979	14,676,161
Transport vehicles	125,550	31,607		157,158
Office equip., computer equip., and furnishings	3,539,709	419,584	223,700	3,735,593
Recoverable packaging and others				
Total property, plant and equipment:	**30,408,438**	**2,681,681**	**618,942**	**32,471,176**
OVERALL TOTAL	**34,297,192**	**3,137,223**	**620,442**	**36,813,972**

Breakdown of allocations to depreciation 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	455,542		
Total intangible assets	**455,542**		
Property, plant and equipment			
Land			
Buildings on own land	395,572		
Buildings on third-party land			
Buildings – general installations			
Technical installations and industrial tooling	1,080,155		
General installations, fittings and fixtures and other	754,763		
Transport vehicles	31,607		
Office equip., computer equip., and furnishings	419,584		
Recoverable packaging and others			
Total property, plant and equipment:	**2,681,681**		
OVERALL TOTAL	**3,137,223**		

PROVISIONS REPORTED ON THE BALANCE SHEET

In euros Items	Amount at start of financial year	Acquisitions Increases	Disposals reversals	Amount at end of financial year
Provisions for extraction site rehabilitation				
Provisions for investment	481,716		481,716	
Provisions for price increases				
Exceptional depreciation	474,892	414,453	270,316	619,029
Of which exceptional 30% premium				
Provisions for start-up loans				
Other regulated provisions				
Regulated provisions	956,607	414,453	752,032	619,029
Provisions for litigation	2,950,338	1,667,925	822,040	3,796,223
Provisions for guarantees given to clients				
Provisions for losses on futures markets		1,864,036		1,864,036
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions and similar obligations				
Provisions for taxes	248,000			248,000
Provisions for fixed asset replacement				
Provisions for major maintenance works and revisions				
Provisions for social security costs and taxes on paid leave				
Other provisions for risks and charges	1,814,825	3,267,568	3,879,597	1,202,796
Provisions for risks and charges	5,013,163	6,799,529	4,701,637	7,111,055
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	646,332	2,076,040		2,722,372
Other provisions for impairment	423,504		284,877	138,627
Provisions for impairment	1,984,530	2,081,040	284,877	3,780,693
OVERALL TOTAL	**7,954,300**	**9,295,022**	**5,738,546**	**11,510,777**

STATEMENT OF RECEIVABLES AND PAYABLES BY MATURITY

In euros

Statement of receivables	Gross amount	At under 1 year	At over 1 year
Fixed asset receivables			
Receivables from equity interests	185,210		185,210
Loans	47,315	14,692	32,623
Other fixed financial assets	488,533		488,533
Total fixed assets	**721,058**	**14,692**	**706,366**
Current assets			
Doubtful and disputed trade receivables	1,194,332		1,194,332
Other trade receivables	84,279,516	84,279,516	
Receivables represented by shares that are loaned or held as≈collateral			
Personnel and related accounts	6,500	6,500	
Social security and other welfare agencies			
State – Income tax	23,816,173	23,816,173	
State – Value-Added Tax	2,918,689	2,918,689	
State – Other taxes, duties and other levies			
State – Miscellaneous			
Group and associates	1,698,913	1,698,913	
Sundry accounts receivable	323,258	323,258	
Total current assets	**114,237,381**	**113,043,049**	**1,194,332**
Prepaid expenses	1,753,392	1,753,392	
OVERALL TOTAL	**116,711,831**	**114,811,133**	**1,900,698**

In euros

Statement of debts	Gross amount	At under 1 year	Over 1 year and under 5 years	Over 5 years
Convertible bonds				
Other bonds				
With credit institutions:				
▸ at one year maximum at inception				
▸ at more than one year at inception				
Other loans and financial liabilities				
Trade and other payables	9,814,035	9,814,035		
Personnel and related accounts	12,032,154	12,032,154		
Social security and other welfare agencies	5,525,764	5,525,764		
Income tax	6,296,423	6,296,423		
Value-added tax	815,594	815,594		
Guaranteed bonds				
Other taxes, duties and other levies	1,145,175	1,145,175		
Amounts payable on fixed assets and related accounts				
Group and associates	9	9		
Other debts	3,570,603	3,570,603		
Securities borrowed				
Deferred income	54,711,754	54,711,754		
OVERALL TOTAL	**93,911,511**	**93,911,511**		

GOODWILL

In euros Type	Amount of components Purchased	Revalued	Received as contribution	Global	Amount of impairment
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	4,804,722
Tax and social security payables	15,467,329
Amounts payable on fixed assets and related accounts	
Cash, accruals	
Other debts	3,570,603
TOTAL	**23,842,654**

ACCRUED INCOME

In euros Amount of 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	41,682,257
Personnel	
Welfare agencies	
State	
Other, accrued income	159,248
Other receivables	
Marketable Securities	766,766
Cash	
TOTAL	**42,608,271**

DEFERRED INCOME AND PRE-PAID EXPENSES

In euros

Items	Expenses	Income
Operating income or expenses	1,753,392	54,711,754
Financial income or expenses		
Non-recurring income or expenses		
TOTAL	**1,753,392**	**54,711,754**

DETAIL OF NON-RECURRING INCOME AND NON-RECURRING EXPENSES

In euros

Non-recurring income	Amount	Booked to the account
Compensation for litigation	90,745	771800
Income from disposal of assets	2,500	775200
Gains realised on treasury share buybacks	281,839	778300
Adjustments to 2015 expenses	1,468	772000
TOTAL	**376,552**	

In euros

Non-recurring expenses	Amount	Booked to the account
Losses realised on treasury share buybacks	4,547,361	678300
Net book value of assets disposed of	1,028	675200
Adjustments to 2015 expenses	37,353	672000
TOTAL	**4,585,741**	

AVERAGE HEADCOUNT

Workforce	Employees	Personnel seconded by the company
Executive	262	
Technicians and supervisors	98	1
Employees	16	2
Workers		
TOTAL	**376**	**3**

DETAIL OF EXPENSES REALLOCATED

In euros

Type	Amount
Treasury share buybacks	3,879,597
Air France discount	145,895
Rebilling of training and other expenses	6,648
Insurance/health and protection/retirement benefit and miscellaneous reimbursements	65,723
CPAM (Caisse Primaire d'Assurance Maladie) reimbursement	157,645
TOTAL	**4,255,508**

STRUCTURE OF SHARE CAPITAL

In euros

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 result	Total equity
At December 31, 2015	370,784	2,932,122	(22,794,718)	474,892	118,894,704	99,877,784
Profit for the year					117,463,841	117,463,841
Allocation of the profit from the previous financial year			118,894,704		(118,894,704)	-
Capital increase						
Distribution of dividends			(50,385,027)			(50,385,027)
Provisions for investments			(481,716)			(481,716)
Exceptional depreciation				144,137		144,137
Interim dividend payment			(49,269,269)			(49,269,269)
Changes in scope						-
At December 31, 2016	370,784	2,932,122	(4,036,025)	619,029	117,463,841	117,349,750

FINANCIAL INFORMATION

Subsidiaries and shareholdings	Capital	Reserves and retained earnings before allocation of profit	Share of capital held (%)	Book value of assets held		Loans and advances granted by the Company and not yet repaid	Amount of guarantees and sureties granted by the Company	Revenues before tax for the last financial year ended	Results (profit or loss for the last financial year ended)	Dividends paid by the subsidiary during the financial year	Comments
				Gross	Net						
A. Detailed information regarding subsidiaries and shareholdings											
1. Subsidiaries (over 50% of the capital held by the Company)											
a) French subsidiaries											
Cryovision (in euros)	50,000	1,401,171	100%	50,000	50,000	0	0	3,160,390	664,745	1,300,000	Information for the 2015 financial year
Cryometrics (in euros)	5,000	5,000	100%	5,000	0	0	0	0	0		Information for the 2015 financial year
b) Foreign companies											
GTT Training (in pounds sterling)	1	9,407	100%	1	1	185,210		498,072	24,488	0	Information for the 2015 financial year
GTT NA (in US dollars)	5,000	21,808	100%	3,743	3,743	0	0	4,368,759	(73,540)	0	Information for the 2015 financial year
GTT SEA (in Singapore dollars)	1	9,063	100%	1	1	0	0	141,752	9,063		Information for the 2015 financial year
2. Shareholdings (10 to 50% of the capital held by the Company)											

ASSOCIATES

(Articles R. 123-196 to R. 123-198 of the French Commercial Code)

Items related to associates and shareholdings

In euros Items	Amount related to Associates	Entities in which the Company has an equity interest
Fixed financial assets		
Equity interest	58,754	58,754
Receivables from equity interests	185,210	185,210
Loans		
Other investment securities		
Other fixed financial assets		
Total fixed assets	243,964	243,964
Advance payments made on orders		
Receivables		
Trade and other receivables	4,325,229	4,325,229
Other receivables	1,698,913	1,698,908
Subscribed capital, called and unpaid		
Total receivables	6,024,142	6,024,137
Cash		
Total cash		
Debts		
Convertible bonds		
Other bonds		
Loans and debts with credit institutions		
Other loans and financial liabilities		
Deposits & advance payments received on orders in progress		
Trade and other payables	533,554	533,554
Amounts payable on fixed assets and related accounts		
Other debts		
Total debts	533,554	533,554
Revenues	2,217,546	2,217,546

OTHER INFORMATION

Other information for a clearer understanding of the financial statements

For operating revenues (excluding reversals of provisions and operating subsidies) amounting to 235,551,659 euros, industrial property income amounted to 204,783,210 euros. The total taxable income was taxed at 15%.

Withholding tax of 21,508,965 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.

There were no material changes to the Group's financial or commercial position during the financial year ended December 31, 2016.

Provisions for contingencies and losses

As part of the management of its current activities, the Company is involved in various disputes regarding protection of intellectual property rights, technical legal disputes, labour disputes with employees, and other issues that are linked to its business. The Company 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 the Company's financial situation would not be materially affected if the outcome were not in the Company's favour.

The amount of provisions made for risks and charges developed as follows over 2016:

In euros Items	Amount at the beginning of the financial year	Allocation	Reversals of provisions used	Reversals not used	Amount at the end of the financial year
Provisions for litigation	2,950,338	1,667,925	822,040	0	3,796,223
Provision for contract loss		1,864,036		0	1,864,036
Other provisions for risk and charges	2,062,825	3,267,568	3,879,597		1,450,796
TOTAL	**5,013,163**	**6,799,529**	**4,701,637**	**0**	**7,111,055**

R&D expenses

The amount of eligible R&D expenses provisioned in respect of the 2016 research tax credit (CIR) is approximately 5.4 million euros. The amount of the research tax credit not charged against corporate tax at December 31 was approximately 18 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, France

Intra-group transactions

In thousands of euros	ENGIE
Suppliers	237
Customers	187
Training (Income)	1
Studies (Income)	155
Supplies and Travel (Expenses)	1
Seconded personnel (Expenses)	92
Outsourced tests and studies (Expenses)	240

Income tax

The breakdown of income tax between current and non-recurring elements is as follows:

In thousands of euros	Before taxes	Corresponding tax	After taxes
Current income	148,634	21,366	127,268
Non-recurring income	(3,871)		(3,871)
Profit-sharing/incentive scheme	(5,933)		(5,933)
Accounting income	138,830	21,366	117,464

Consolidated financial statements

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

Due to the low level of income generated by Cryovision, GTT, GTT Training Ltd, GTT SEA and Cryometrics compared to GTT, the Chairman of GTT decided not to publish or prepare consolidated financial statements for the GTT Group in 2016.

These subsidiaries effectively present a level of activity that is not material, considering the objective of providing an accurate view of the assets and liabilities, financial position and profits and losses of the GTT Group.

Tax consolidation

After Cryovision was created, GTT opted for the tax consolidation system.

A tax consolidation agreement was signed on April 6, 2012 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 was not in place.

The Group's tax expense under the tax consolidation agreement amounted to 21,365,637 euros.

Cryovision will pay GTT an amount equal to the tax that it would be subject to alone, *i.e.* 219,989 euros, as its contribution to the payment of income taxes.

Information on the income statement

Breakdown of revenues:

In euros	Royalties	Technical support	Other services	Total
France			1,060,206	1,060,206
South Korea	175,024,981	18,346,395	3,601,475	196,972,851
China	19,869,877	103,664	785,953	20,759,494
Japan	9,222,240	375,347	218,482	9,816,069
Hong Kong	266,943		19,410	286,353
United States of America	399,169	256,813	957,669	1,613,651
Switzerland			1,745,500	1,745,500
Norway			411,300	411,300
Belgium			300,716	300,716
United Kingdom			619,560	619,560
Malaysia			639,498	639,498
Qatar			203,354	203,354
The Philippines			204,551	204,551
Singapore			199,507	199,507
Various exports			719,049	719,049
TOTAL	**204,783,210**	**19,082,219**	**11,686,230**	**235,551,659**

Compensation of the management and control bodies

The compensation of all types paid to the executive officers in 2016 totalled €964 thousand.

The members of the Board of Directors elected by the Shareholders' Meeting receive directors' fees, which amounted to €344 thousand in 2016.

Significant events during the period

In May 2016, as part of the development of its commercial network outside of France, the Company opened an office in the People's Republic of China. This office, based in Shanghai, enables the Company to be closer to its customers and partners in China and to meet the country's growing LNG needs.

The first Floating Liquefied Natural Gas vessel (FLNG) was delivered to the Malaysian company Petronas by DSME in May 2016. The FLNG is equipped with a NO96 membrane and will eventually produce 1.2 million metric tonnes a year and store 177,000 cubic metres of LNG on board. To date, GTT technologies have been selected to equip the only three FLNGs ordered worldwide.

The Company received the first order for its new Mark V technology in December 2016. The technology will be installed on a LNG carrier of ship-owner Gaslog.

In addition, the Company notes that on January 29, 2016 it received notification from the Korea Fair Trade Commission of the opening of an investigation into a possible abuse by the Company of its dominant position due to its commercial practices in South Korea. GTT clarifies that such an investigation is without prejudice to its conclusions. It is not possible to assess the duration or the outcome of the process at this time. GTT believes that its commercial practices comply with South Korean competition law and will fully cooperate with the KFTC.

Off-balance sheet commitments

The Company 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 Company agreed 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.
- On July 6, 2016, the Company agreed 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 Company agreed 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.

2. Statutory Auditor's report on the financial statements

This is a free translation into English of the Statutory Auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed 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.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of GTT;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you that our assessments were made in relation to the application of the appropriate accounting principles used, to the reasonable nature of the significant estimates used and to the overall presentation of the financial statements, especially concerning accounting rules and methods regarding revenue recognition.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

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

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report

Paris-La Défense, April 24, 2017

The Statutory Auditor

French original signed by

Aymeric de La Morandière

3. Tables of concordance

3.1 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	14-15
1.2	Declaration by the persons responsible	Declaration by the person responsible for the Registration Document	253
2.	Statutory Auditors		
2.1	Statutory Auditors	7.7/ Information about the Statutory Auditors	196
2.2	Resignation/departure of Statutory Auditors	7.7/ Information about the Statutory Auditors	196
3.	Selected financial information	3.2/ Financial information under IFRS	66 to 69
		Appendix 1/ Financial information prepared in accordance with French GAAP	220 to 224
4.	Risk factors	5/ Risk factors	121 to 135
5.	Information about the issuer		
5.1	History and development of the Company	1.1.1/ Group overview	16
5.1.1	Legal and commercial name	7.1.1/ General information	182
5.1.2	Place of registration and registration number	7.1.1/ General information	182
5.1.3	Date of incorporation and duration of the Company	7.1.1/ General information	182
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	182
5.1.5	Significant events in the performance of operations	Appendix 1/ Financial information prepared in accordance with French GAAP p. Events taking place after closure	220
5.2	Investments	3.1.4/ Cash flow	64-65
5.2.1	Principal investments made during the course of the last three financial years	3.1.4/ Cash flow	64-65
5.2.2	Principal investments in progress	3.1.4/ Cash flow	64-65
5.2.3	Principal investments under consideration	3.1.4/ Cash flow	64-65
		Introduction	3
6.	Overview of activities		
6.1	Principal activities	2/ Activity report	26 to 52
6.2	Principal markets	2/ Activity report	26 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
		5.1.1/ Operational risks	122
6.5	Competitive position	5.1.1.2/ Competitive environment	124-125

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
7.2	Principal subsidiaries	1.1.1/ Group overview	14
		Appendix 1/ List of subsidiaries and shareholdings	236
8.	Property, plant and equipment		
8.1	Significant property, plant and equipment	3.2/ Financial information under IFRS:	
		Note 2/ Accounting rules and methods	71
		Note 7/ Property, plant and equipment	78
8.2	Environmental issues concerning the most significant property, plant and equipment	4.5/ Environmental information	113 to 117
9.	Review of financial position and results		
9.1	Financial position	3.1.1/ Analysis of the 2015 results	56
9.2	Operating income	Appendix 1/ Financial information prepared in accordance with French GAAP	220
10.	Equity and cash		
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3.2 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.*

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3.3 TABLE OF CONCORDANCE WITH THE BOARD OF DIRECTORS' MANAGEMENT REPORT

This Registration Document includes the items from the Board of Directors' 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 in the 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	14-15
		3.1.1/ Analysis of the 2015 results	56
		3.1.2/ Analysis of the balance sheet of GTT	60
		Appendix 1/ List of subsidiaries and shareholdings	236
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	62-63
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4	Foreseeable developments and future outlook	2/ Activity report	48 to 51
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/ Financial information prepared in accordance with French GAAP (note 3)	76
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8	Amount of dividends distributed for the last three financial years	1.2.5/ GTT shares	22
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		8.4/ Proposed resolutions	215
9	Injunctions or sanctions for anti-competitive practices	5.1.1.2/ Competitive environment	124-125
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12	Indication of the use of financial instruments by the Company	6.1/ Report by the Chairman of the Board of Directors	153
13	Social and environmental consequences of the activity	4/ Social, environmental and societal information	97 to 119
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15	Compensation and benefits of any kind for each of the corporate officers	6.3/ Compensation of corporate officers	167 to 179

	Items in the management report	Registration Document chapter	Pages
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17	Summary of transactions by Executive Directors in Company securities	7.4.2/ Directors' securities transactions	192
18	Information relating to the distribution of capital	7.3.1/ Changes in the shareholding structure	190
19	Treasury shares	7.2.4/ Share buybacks	189
20	Share buyback transactions	7.2.4/ Share buybacks	189
21	Statement of employee ownership in the share capital as of the last day of the financial year	7.2.2/ Employee savings	188-189
		7.3.1/ Changes in the shareholding structure	190
22	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	
23	Table of results over the past five financial years	7.5/ GTT's results over the past five financial years	193
24	Table of current delegations and in relation to capital increases	7.2/ Share capital	186
25	Information likely to have an impact in the event of a public offer	6.1.6/ Provisions of the Company's by-laws applicable to the participation of shareholders in Shareholders' Meetings	165
		7.3.5 Items likely to have an impact in the event of a public offer	191

3.4 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	Page
SOCIAL			
1.	Employment		
1.2	Total headcount	4.3.1.1/ Changes in and breakdown of the workforce	100-101
1.3	Recruitments and dismissals	4.3.1.2/ Recruitments and dismissals	102-103
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2.1	Organisation of working time	4.3.2/ Work organisation	104
2.2	Absenteeism	4.3.2/ Work organisation	104
3.	Social relations		
3.1	Organisation of social dialogue	4.3.3/ Social dialogue	104
3.2	Summary of collective agreements	4.3.3/ Social dialogue	104
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	104-105
4.2	Summary of agreements signed with employee representatives in terms of OHS	4.3.4.2/ Health and well-being at work	106
4.3	Work-related accidents	4.3.4.1/Safety: an essential pillar of the Group's CSR policy	104-105
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7.3	Elimination of forced or compulsory labour	4.3.7/ Promotion and respect of the core conventions of the International Labour Organization (ILO)	109
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Information required by Article R. 225-105-1		Registration Document chapter	Page
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10.3	Energy consumption	4.5.3.1/ Energy	115
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SOCIETAL			
13.	Territorial, economic and social impact of the Company's activity		
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15.	Subcontracting and suppliers		
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17.	Human Rights		
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		4.3.7/ Promotion and respect of the core conventions of the International Labour Organisation (ILO)	109

4. 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 a 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 simplifiées*, 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);

5. 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 also 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 the management report made up of the various sections of this Registration Document, as listed in the table of concordance appearing in Appendix 3, gives a true and fair view of the Company's business, profits or losses and financial position, 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

6. Preliminary 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 five 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 assessments 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 business* 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, 2014: activity report, annual financial statements and related reports by the Statutory Auditors, presented in section 20.1 – *Financial information under IFRS*, on pages 218 to 243 of the Registration Document approved by the AMF on April 27, 2015 under number R. 15-022;

- 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.

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Expert in LNG

Registered office:
1, route de Versailles - 78470 Saint-Rémy-lès-Chevreuse - France
Tel.: + 33 (0)1 30 23 47 89 - Fax: + 33 (0)1 30 23 47 00
www.gtt.fr