

[Prospectus dated 10 July 2018

**SOCIÉTÉ D'INFRASTRUCTURES GAZIÈRES**  
**Prospectus relating to admission to trading on Euronext Paris**

**€586,400,000 2.715 per cent. Notes due 12 July 2029**

**Issue Price: 100 per cent.**

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and the Council dated 4 November 2003, as amended (the "**Prospectus Directive**"), and has been approved by the *Autorité des marchés financiers* (the "**AMF**"), in its capacity as competent authority pursuant to Article 212-2 of its *Règlement général*, implementing Article 13 of the Prospectus Directive.

The €586,400,000 2.715 per cent. notes of Société d'Infrastructures Gazières (the "**Issuer**" or "**Société d'Infrastructures Gazières**") maturing on 12 July 2029 (the "**Notes**") will be issued on 12 July 2018 (the "**Issue Date**").

Interest on the Notes will accrue from, and including, the Issue Date at the rate of 2.715 per cent. *per annum*, payable annually in arrear on 12 July in each year, and for the first time on 12 July 2019 for the period from, and including, the Issue Date to, but excluding, 12 July 2019.

Unless previously redeemed or purchased and cancelled, in accordance with the terms and conditions of the Notes, the Notes will be redeemed at par on 12 July 2029. The Notes may, and in certain circumstances shall, be redeemed before this date, in whole only but not in part, at par, together with any accrued interest, including in the event of any change in taxation as described under Condition 7 "Taxation" or if an event of default occurs as described under Condition 10 "Events of default".

The Issuer may also, at its option, redeem all (but not some only) of the outstanding Notes (i) at any time during the period from (and including) 12 April 2029 to (but excluding) the Maturity Date, at par together with any accrued interest, as described under Condition 5.4(i) "Redemption at the option of the Issuer – Pre-Maturity Call Option", (ii) at any time prior to the Maturity Date at the relevant Make-whole Redemption Amount, as described under Condition 5.4(ii) "Redemption at the option of the Issuer – Make-whole Redemption by the Issuer" and (iii) at any time prior to their Maturity Date, at par together with any accrued interest, if 80 per cent. or more of the initial aggregate principal amount of the Notes has been redeemed or purchased by the Issuer, as described under Condition 5.4(iii) "Redemption at the option of the Issuer – Clean-Up Call Option".

In addition, in the event of a Change of Control of the Issuer, each Noteholder will be entitled to request the Issuer to redeem or purchase all of the Notes it holds at an amount equal to 101 per cent. of their principal amount together with any accrued interest thereunder, as described under Condition 8 "Change of Control of the Issuer".

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000. Title to the Notes will be evidenced by book entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be registered in the books of Euroclear France which shall credit the accounts of the Account Holders. "**Account Holders**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream Banking, S.A. ("**Clearstream**") and Euroclear Bank SA/NV ("**Euroclear**").

Application has been made to Euronext Paris for the Notes to be admitted to trading on the regulated market of Euronext Paris with effect from 12 July 2018. Euronext Paris is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority

Neither the Notes nor the long-term debt of the Issuer are rated.

**An investment in the Notes involves certain risks. Potential investors should review all the information contained in this Prospectus, and in particular the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.**

So long as any of the Notes are outstanding, copies of this Prospectus and all the documents incorporated by reference herein may be obtained, free of charge, at the registered office of the Issuer during normal business hours. Copies of this Prospectus will be available on the websites of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)) and of the AMF ([www.amf-france.org](http://www.amf-france.org)) and all documents incorporated by reference herein will be available on the websites of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)).

**Lead Manager and Bookrunner**  
**BNP PARIBAS**

*This Prospectus has been prepared for the purpose of giving information with respect to the Issuer and the Issuer and its subsidiaries taken as a whole (the "Group") and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group and the rights attaching to the Notes.*

*BNP Paribas (the "Lead Manager and Bookrunner") has not separately verified the information contained in this Prospectus. The Lead Manager and Bookrunner does not make any representation, warranty or undertaking, express or implied, or accept any responsibility or liability, with respect to the accuracy or completeness of any of the information contained in this Prospectus. Neither this Prospectus nor any other information supplied in connection with the placement of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Lead Manager and Bookrunner that any recipient of this Prospectus or any other financial statements should purchase the Notes.*

*Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer of, or an invitation by (or on behalf of), any of the Issuer or the Lead Manager and Bookrunner to subscribe or purchase any of the Notes.*

*No person is authorised to give any information or to make any representation related to the issue or to the sale of the Notes other than those contained in this Prospectus, and if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Lead Manager and Bookrunner. Neither the delivery of this Prospectus nor the sale or placement of any Notes shall in any circumstances imply that (i) there has been a change with respect to the Issuer or GRTgaz since the date hereof and (ii) the information contained in it is correct as at any time subsequent to the date hereof.*

*The Prospectus and any other information relating to the Issuer or the Notes are not intended to constitute any credit or other evaluation of the financial position of the Issuer or of the Notes and should not be considered as a recommendation by any of the Issuer or the Lead Manager and Bookrunner to purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The Lead Manager and Bookrunner does not undertake to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Notes of any information coming to its attention. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer and GRTgaz, their business, their financial condition and the rights attached to the Notes and consult their own financial or legal advisers about risks associated with investing in the Notes and the suitability of investing in the Notes in light of their particular circumstances. Potential investors should read carefully the section entitled "Risk Factors" set out in this Prospectus before making a decision to invest in the Notes.*

*The Lead Manager and Bookrunner does not accept responsibility for the content of this Prospectus or for any other statement in connection with the Issuer or the Group.*

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction where, or to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering or the sale of the Notes in certain jurisdictions may be restricted by law or regulation. The Issuer and the Lead Manager and Bookrunner do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or by the Lead Manager and Bookrunner which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Manager and Bookrunner to inform themselves about, and to observe, any such restrictions.*

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). In accordance with U.S. laws, and subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons, both as defined in Regulation S under the Securities Act (the "**Regulation S**").

**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended, ("**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**PRIIPs Regulation / Prohibition of sales to EEA retail investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended, (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

For a further description of certain restrictions on offers and sales of Notes and distribution of this Prospectus and of any other offering material relating to the Notes, see section "Subscription and Sale" below.

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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*The following are material risk factors relating to the offering of the Notes of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all the information set out in this Prospectus, including in particular the risk factors detailed below, and consult with their own financial and legal advisors as to the risks entailed by an investment in the Notes. The following statements are not exhaustive. In addition, investors should be aware that the risks described may be combined and thus interrelated with one another. Prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Prospectus. Terms defined in the section "Terms and Conditions of the Notes" of this Prospectus shall have the same meaning where used below.*

*The order of presentation of the risk factors below is not an indication of their importance or of their probability of occurrence. Terms defined in "Terms and Conditions of the Notes" below shall have the same meaning where used in this section.*

### **1. Risks relating to the Issuer, Holding d'Infrastructures Gazières and GRTgaz**

The risk factors set forth below primarily relate to the business and shares of GRTgaz. Such risks also affect the Issuer because the Issuer's sole asset is a 24.91 per cent. equity interest in GRTgaz.

#### **(a) Risks factors relating to the Issuer**

##### ***Risks related to the organisational structure of the Issuer***

###### *Issuer's structure*

Société d'Infrastructures Gazières is a company which has been formed for the primary purpose of facilitating the issuance of the Notes. The Issuer has no material business operations, no subsidiaries and no employees and its only asset is its 24.91 per cent. minority interest in GRTgaz. The Issuer has no independent means of generating revenues. Consequently, the Issuer will be dependent upon payments from GRTgaz to distribute cash to its shareholders in accordance with the dividend policy of GRTgaz described in the section "Description of the Issuer" of this Prospectus, in amounts sufficient to cover its expenses, including the amount of interest and principal to be paid to the Noteholders pursuant to the terms and conditions of the Notes. To the extent the Issuer needs funds to pay such interests and principal, or for any other purpose, and GRTgaz is unable to distribute cash to its shareholders, it could have a material adverse effect on the financial condition or prospects of the Issuer.

##### ***Risks related to the Business and Industry of the Issuer***

###### *Indebtedness*

No credit facilities or cash reserve are provided in favour of the Issuer as at the date of this Prospectus.

#### **(b) Risks factors relating to Holding d'Infrastructures Gazières**

Holding d'Infrastructures Gazières is a holding company which does not conduct business operations of its own, and has not engaged in, and will not be permitted to engage in, any activities other than the activities of a holding company and its only assets currently are interests in the Issuer. Holding d'Infrastructures Gazières has no independent means of generating revenues. To the extent it needs funds for any purpose, and the Issuer is unable to distribute cash to its shareholder, it could have a material adverse effect on the financial condition or prospects of Holding d'Infrastructures Gazières.

**(c) Risks factors relating to GRTgaz**

As mentioned above, the Issuer's sole asset is its 24.91 per cent. equity interest in GRTgaz, and its ability to perform its obligations under the Notes may be affected by the business and industry of GRTgaz. The risks relating to the business and industry of GRTgaz and Elengy are set out below:

**Risks related to the organisational structure of GRTgaz**

*Control by Engie*

The Issuer beneficially owns 24.91 per cent. of the issued and outstanding shares of GRTgaz, and Engie owns the remaining 74.78 per cent. of such shares, 0.30 per cent. is owned by the employees of GRTgaz through a FCPE and 0.1 per cent. is self-owned by GRTgaz. Accordingly, Engie controls the voting power of 74.78 per cent. of the shares of GRTgaz. In addition, such 24.91 per cent. minority interest in GRTgaz could in certain circumstances decrease after the Issue Date. However, such equity interest may not be diluted below 15 per cent. of the issued share capital of GRTgaz as provided under Condition 9.5 (*Limitation on the disposal of assets and maintenance of ownership*) of the Terms and Conditions of the Notes. Pursuant to the shareholders' agreement entered into between the Issuer and Engie on 27 June 2011, the Issuer has the right to designate for election by the general meeting of the shareholders of GRTgaz three (3) directors at the board of directors of GRTgaz. Moreover, pursuant to the shareholders' agreement, the approval of certain decisions, including decisions relating to significant corporate transactions, require the approval of the directors designated by the Issuer. As a result, Engie, other than for the decisions that require the approval of the directors designated by the Issuer, is able to exercise control over all matters requiring shareholders' approval.

*Risk of deadlock*

Since certain significant decisions of GRTgaz require the approval of both Engie and the Issuer pursuant to the shareholders' agreement they entered into on 27 June 2011, should they disagree on any such significant decisions, the business of GRTgaz may be affected during the time of such disagreement. If such disagreement cannot be resolved, or if their relationship should deteriorate as a result of such disagreement, it could have a material adverse effect on the business, financial condition, results of operations or prospects of GRTgaz.

**Risks related to GRTgaz Business and Industry**

*Government Regulation and Legal Uncertainties*

GRTgaz (and its subsidiary Elengy) are subject to extensive regulation, supervision and examination by the French Regulatory Commission of Energy (*Commission de Régulation de l'Énergie* or "**CRE**"), their primary regulator, as well as the supervision of the EU Commission and of the Agency for the Cooperation of Energy Regulators (*Agence de coopération des régulateurs de l'énergie* or "**ACER**") pursuant to Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas (the "**Third Gas Directive**"). Such regulation and supervision govern the activities in which a transmission system operator ("**TSO**") and an LNG terminal operator may engage, and are intended primarily for the protection of gas consumers within the European Union. The regulation and supervision by the CRE and the EU Commission are not intended to protect the interests of investors in shares of GRTgaz, including those of the Issuer. The CRE has extensive discretion in their supervisory activities, including the ability to impose sanctions on GRTgaz in case of breach of the rules set out by the French *Code de l'énergie*, or the determination of the level of GRTgaz's investment planning. Any change in such regulation and oversight, whether in the form of regulatory policy, regulations, legislation, taxation or supervisory action, may have a material impact on the operations, prospects and financial position of GRTgaz. In particular, the CRE certifies GRTgaz' compliance with the relevant requirements set out in the Third Gas Directive and its implementation measures under French law. GRTgaz's certification was confirmed on 6 July 2017 by the CRE following its acquisition of Elengy. In the unlikely event that the CRE were to withdraw such certification (such as in the event of a major breach by GRTgaz of its obligations), GRTgaz would not be permitted to exercise any of its activities.

The CRE and the ACER are also empowered with the application, in France, of Regulation No. 1227/2011 of 25 October 2011 *on wholesale energy market integrity and transparency* ("**REMIT**").

REMIT introduced a specific supervisory framework for the gas market designed to reflect the physical characteristics of supply and demand. REMIT's main provisions deal with (i) the prohibition of insider trading, (ii) the prohibition of market manipulation, and (iii) the obligation for market participants to publish insider information. TSOs are subject to this regulation. Any breach of the obligations set out by REMIT would expose GRTgaz to sanctions from the CRE.

*GRTgaz's operations require various administrative authorisations or permits that may be difficult to obtain, that may be suspended or withdrawn or that may be subject to increasingly stringent conditions*

GRTgaz's gas transmission and LNG terminalling operations require various administrative authorisations or permits, including, among others, authorisations for the construction and operation of gas transport conduits and pipes (*autorisations permettant la construction et l'exploitation des canalisations de transport de gaz*) or for the occupation of dock area for its LNG terminals. Once delivered, such authorisations or permits automatically confer their holders the right of occupying the public domain together with the benefit of a statement of public utility (*déclaration d'utilité publique*) as well as certain legal easements. Such right or benefit may not be withdrawn or suspended, except in very limited circumstances, including if the holder does not fulfil its public service obligations as a gas transmission and LNG terminals operator. The procedures for obtaining and renewing these authorisations or permits can be complex and lengthy, although these procedures do not interrupt GRTgaz's services and operations due to their critical nature. GRTgaz may accordingly be required to pay significant amounts to comply with the requirements associated with obtaining or renewing these authorisations or permits (e.g., the costs of preparing the application for the authorisations or permits or investments associated with installing equipment required prior to the authorisation or permit being issued, granted or renewed). Costs in relation to authorisations or permits associated with GRTgaz's gas transmission and LNG terminalling operations should be covered by the regulated gas transmission tariffs.

If GRTgaz cannot obtain all such authorisations or permits on a timely basis, or if such authorisations or permits are withdrawn, suspended, or if such authorisations or permits are subject to challenge or to more stringent conditions, there could be a negative impact on GRTgaz's business and financial condition.

In addition, it should be noted that many of GRTgaz's authorisations and permits are subject to the fulfilment of certain commitments which, if not met, can lead to sanctions, a reduction in remuneration, revocation of the approvals, licenses, concessions and permits and enforcement of any guarantees provided, which could have a material adverse effect on the business, financial position, results of operations and prospects of GRTgaz.

#### *Regulated tariff structure*

In France, tariffs applicable to gas transmission operators and LNG terminal operators are set by the CRE according to public, objective and non-discriminatory criteria. The French Ministers of Economy and Energy may ask the CRE to modify its deliberation, should they consider that it failed to adequately take into account the national energy policy. In this case, the CRE needs to issue a new deliberation, but may override the Ministers' request. While the tariff structure applicable to GRTgaz is intended to permit GRTgaz to earn predictable returns, there is no guarantee that current or future gas transmission and LNG regasification tariffs have been or will be set or revised at levels that would allow GRTgaz to improve or maintain its profitability margins and its rates of return on investments. Future changes in the tariff structure that is applicable to the GRTgaz's gas transmission network and LNG terminals may have a material adverse impact on GRTgaz's operations, profits and financial results. In addition, the structure of the gas transmission tariffs includes incentives for the TSO to optimize its costs. The CRE sets out objectives for the TSO in terms of performance. Should the system operator not manage to meet these objectives, this may result in a lower return on its investment.

Cancellation of the regulated transmission tariffs may also occur, following a decision of justice, that may lead to a retroactive annulment of the tariff. In this situation, in practice, new tariffs are published that replace the former tariffs and ensure the continuity of the TSO's revenues. In this situation, it must however be noted that the new tariffs could, as the case may be, fail to cover the entire costs of the TSO and generate a prejudice for it.

### *Infrastructure investment plans*

Under the implementation of the Third Gas Directive, the CRE has the power to require GRTgaz, in its capacity as a natural gas network operator, to carry out infrastructure investments subject to a competitive tender process if no other operator presents a bid. Accordingly, GRTgaz may be required to carry out investments in addition to those envisioned in its business plan, which may require it to obtain additional funding to that currently contemplated and which may not be as profitable as other investments of GRTgaz. If the costs of any such investment were not adequately reflected, or not reflected in their entirety, in future tariffs charged by GRTgaz to its clients, then such investments could have a material adverse impact on GRTgaz's operations, profits and financial results.

### *Environmental, health and safety laws, regulations and liabilities*

GRTgaz is subject to various environmental laws and regulations, including those relating to the discharge of materials into the air, water and ground, the generation, storage, handling, use, transportation and disposal of hazardous materials, and the health and safety of its employees. Some of these laws and regulations require GRTgaz's facilities, including its natural gas compressor stations and LNG terminals, to operate under permits that are subject to renewal or modification. These laws, regulations and permits can require expensive emissions testing and pollution control equipment or operational changes to limit actual or potential impacts to the environment. A violation of these laws and regulations or permit conditions can result in substantial fines, natural resource damages, criminal sanctions, permit revocations and facility shutdowns. GRTgaz may not be in compliance with these laws, regulations or permits at all times or may not have all permits required to operate its business. GRTgaz may be subject to legal actions brought by environmental advocacy groups and other parties for actual or alleged violations of environmental laws or permits. In addition, GRTgaz may be required to make significant capital expenditures on an ongoing basis to comply with increasingly stringent environmental laws, regulations and permits.

### *Ownership structure of GRTgaz*

French law limits GRTgaz ownership to Engie, the French State, corporations or organisations pertaining to the public sector and employees of GRTgaz. Such a limitation restricts the possibilities for capital increases and equity financing. If this law is changed or repealed in the future, GRTgaz's capital may be partially owned by private investors. Such investors may pursue and implement alternative strategies regarding GRTgaz's business and operations or distribution policy, which may have an adverse impact on the financial condition and results of operations of GRTgaz.

The current ownership structure derives from Article 9 of Directive 2009/73/CE of 13 July 2009 and Articles L. 111-8 *et seq.* of the French *Code de l'énergie*. By principle, these provisions prohibit simultaneous detention of an interest in transmission systems and in production or supply of natural gas and power ("*ownership unbundling*" model). An exception is made for TSOs that were created before 3 September 2009, in which case a single company may simultaneously control a TSO and supply/production activities ("*independent transmission operators*" model, or "*ITO*").

### *Failure of GRTgaz's transmission network or LNG terminals*

The operations of the GRTgaz's natural gas pipeline network and LNG terminals are subject to operational hazards and unforeseen interruptions that are inherent in its transportation and terminalling businesses. These include accidents, the breakdown or failure of equipment or processes, the performance of its facilities below expected levels of capacity and efficiency, including performance of its compressing stations, and catastrophic events such as explosions, fires, adverse weather conditions, earthquakes, landslides or other similar events beyond its control. Any accident might result in injury or loss of life and extensive damage to property or to the environment. Liabilities resulting from any such accident may increase its costs, which could adversely affect its financial condition or results of operations. In addition, terrorist attacks, sabotage or other intentional acts may cause damages to GRTgaz's assets and adversely affect its business, its reputation, its financial condition or the results of its operations.

Any interruption to GRTgaz's operations arising from an occurrence of this kind could also impair its operations and result in increased costs and liabilities for it, including successful third-party



claims, if any. Such interruptions could also cause GRTgaz to breach its regulatory obligations and as a result sanctions could be imposed on it. Any such costs, liabilities or sanctions could adversely impact GRTgaz's financial condition or results of operations.

There is no assurance that proceeds from insurance coverage could be adequate for all liabilities or expenses incurred or revenues lost. Moreover, such insurance may not be available in the future at commercially reasonable costs and on commercially reasonable terms. The occurrence of any operating risks not fully covered by insurance could have a material adverse effect on the business, financial condition, results of operations and cash flows of GRTgaz.

*Elengy cannot accurately predict its future decommissioning liabilities*

LNG Terminals have a definite life period and will require significant dismantling costs in the future. Elengy's accounts do make provision for such decommissioning but Elengy cannot accurately predict those future decommissioning liabilities. The costs associated with decommissioning or penalties for failure to decommission may have an adverse effect on Elengy's business, prospects, financial condition and results of operations.

*Demand for natural gas and LNG in France*

Demand for GRTgaz's operations is ultimately driven by demand for natural gas in France, which in turn depends on a number of factors that are beyond the control of GRTgaz. These factors include:

- worldwide economic conditions;
- economic growth in France generally;
- the development of the electricity market;
- the price and availability of alternative fuels;
- weather conditions and seasonal trends;
- the availability of adequate transportation capacity in international importation pipelines;
- the effect of energy conservation measures; and
- the continuing availability of natural gas and liquid natural gas for importation from foreign countries.

A decline in demand for natural gas may have a material impact on GRTgaz's operations.

Demand for GRTgaz's operations may also be determined by new gas interconnectors between France and its neighbouring countries, implemented as the case may be by private investors pursuant to Article 36 of the Third Gas Directive.

*Economic cycles and general economic conditions*

GRTgaz's operations fluctuate in accordance with economic cycles that affect the French economy. Any economic slowdown that would lead to a reduction in gas consumption in France, and, consequently, would have a negative impact on the demand for gas transmission, which in turn could have a temporary adverse impact on GRTgaz's operations, profits and prospects.

*Diversification of business*

The regulatory environment in which GRTgaz operates, including regulatory mechanisms for recovering costs from customers, provides a stable source of operating revenue and cash flows for GRTgaz. If GRTgaz were to diversify its business and develop, acquire or operate one or more unregulated businesses, then such diversification of business may significantly affect the GRTgaz's operating cash flow, generation capabilities and risk profile. It should however be noted that the CRE is reluctant to authorise regulated TSOs such as GRTgaz to participate in non-regulated activities in France, especially when it involves an investment in companies that use gas transmission networks.

## **2. Risks relating to the Notes**

### **(a) The Notes may not be a suitable investment for all investors**

Potential investors should be experienced with respect to transactions on capital markets and notes and should understand the risks of transactions involving the Notes.

Potential Investors should reach an investment decision only after careful consideration of the information set forth or incorporated by reference in this Prospectus and general information relating to Notes.

Potential investors should ensure that they have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including any currency exchange risk due to the fact that the potential investor's currency is not Euro.

Potential investors should understand thoroughly the terms of the Notes and be familiar with the behavior of the financial markets and any relevant indices.

Potential investors should have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and verify the suitability of such investment in light of their particular financial situation and own circumstances.

Potential investors should consult their own advisers as to make their own assessment of, the legal, tax, accounting and regulatory aspects of purchasing the Notes.

Potential investors should be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect their investment and their ability to bear the applicable risks.

Some potential investors are subject to restricting investment regulations. These potential investors should consult their legal counsel in order to determine whether investment in the Notes is authorised by law, whether such investment is compatible with their other borrowings and whether other selling restrictions are applicable to them.

**(b) Risk factors relating to the structure**

**Structural subordination relating to GRTgaz**

Noteholders are structurally subordinated to claims of creditors of GRTgaz. The ability of GRTgaz to make distributions and other payments depends on its earnings and may be subject to statutory or contractual restrictions. As an equity investor in GRTgaz, the Issuer's right to receive assets upon the liquidation or reorganisation of GRTgaz will be effectively subordinated to the claims of creditors of GRTgaz. This may affect the capacity of the Issuer to make payments under the Notes.

**Covenant restrictions**

Condition 9 (COVENANTS) of the Terms and Conditions of the Notes contains restrictive covenants for the Issuer. The ability of the Issuer to comply with some of these covenants depends in part on the provisions of the Shareholders Agreement and the exercise of its rights by the Issuer thereunder. The ability of the Issuer to comply with these covenants and restrictions may be affected by events beyond the Issuer's control. If the Issuer breaches any of these covenants or restrictions, it could be in default under the Notes pursuant to Condition 10 (EVENTS OF DEFAULT) of the Terms and Conditions of the Notes and that would permit the Representative, pursuant to a Collective Decision of Noteholders, to cause all, but not some only, of the Notes to become immediately due and payable.

**Effectiveness of enforcement of security granted in accordance with the Security Agreements**

The Notes are secured by (i) a first-ranking pledge over the GRTgaz Securities Account and (ii) two first-ranking pledges over the Issuer Securities Accounts (pursuant to a securities account pledge agreement relating to 51 per cent. of the shares of the Issuer (the "**51 per cent. Issuer Securities Account Pledge Agreement**") and a securities account pledge agreement relating to 49 per cent. of the shares of the Issuer (the "**49 per cent. Issuer Securities Account Pledge Agreement**")), so as to secure, as they become due and payable, the payment of all and any amount owed in respect of the Notes.

The enforcement of the first-ranking pledges resulting from the GRTgaz Securities Account Pledge Agreement and/or the 51 per cent. Issuer Securities Account Pledge Agreement is subject to the limitations provided for by French law and applicable to GRTgaz (such as Articles L.111-2 to L.111-50 of the French *Code de l'énergie*) and by the by-laws of GRTgaz, notwithstanding any provision to the contrary in the Security Agreements. In particular, Article L.111-49 of the French *Code de l'énergie* provides that the share capital of GRTgaz must be wholly owned by public companies or

public entities (in addition to Engie or the French State). Thus, in the event of an enforcement of the first-ranking pledges resulting from the GRTgaz Securities Account Pledge Agreement and/or of the 51 per cent. Issuer Securities Account Pledge Agreement either by public auction, judicial or contractual foreclosure (*attribution judiciaire ou conventionnelle*), the legal ownership of the shares of GRTgaz can only, under applicable laws, be attributed to a public company or a public entity. It should however be noted that ongoing governmental work may modify Article L.111-49 of the French *Code de l'énergie* and allow private investors to hold a direct minority stake in GRTgaz' share capital (*Projet de loi relatif à la croissance et la transformation des entreprises*, or *Projet de loi PACTE*).

In addition, French ordinance No. 2014-948 of 20 August 2014 relating to the governance and operations on companies with public shareholding (the "**Ordinance**") may also restrict enforcement of the pledges. In particular, ministerial approval may be necessary under Article 22, IV of the Ordinance, which is required prior to the transfer of more than half of the shares of any company in which public entities hold the majority of the shares. In this case, the Ministry would need to request the opinion of the *Commission des participations et des transferts* on the value of the shares, pursuant to Article 26 of the Ordinance.

Furthermore, pursuant to article L.151-3 of the French *Code monétaire et financier*, any "foreign investment" in a business or in an undertaking in France which, carries on an activity, even occasionally, in the domain of certain state or public functions (*autorité publique*) or relates to one of the sectors listed under article R. 153-2 or R. 153-5 of the French *Code monétaire et financier* is subject to the prior authorisation of the economy minister. Given that the business of GRTgaz relates to one of the sectors listed under article R.153-2 or R.153-5 of the French *Code monétaire et financier*, the enforcement of the pledges, provided that such enforcement qualifies as a "foreign investment" (within the meaning of articles R.151-1 and R.153-1 of the French *Code monétaire et financier*), would be subject to the prior authorisation of the economy minister.

The first-priority ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements or statutory liens. The first-ranking pledges resulting from the GRTgaz Securities Account Pledge Agreement, the 51 per cent. Issuer Securities Account Pledge Agreement and the 49 per cent. Issuer Securities Account Pledge Agreement will also be subject to practical problems generally associated with the enforcement of security interests.

### **Payment of a soulte**

Pledges over securities accounts may be enforced at the option of the secured creditor either by a sale of the pledged shares in a public auction (the proceeds of the sale being paid to the secured creditors), by judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*attribution conventionnelle*) (except for the 51 per cent. Issuer Securities Account Pledge Agreement) of the shares to the secured creditor, following which the secured creditor is the legal owner of the pledged shares. In a proceeding for *attribution judiciaire* or *attribution conventionnelle*, an expert is appointed to value the shares and if the value of the shares exceeds the amount of secured debt, the secured creditor may be required to pay the obligor a *soulte* equal to the difference between the value of the shares and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent sale of the shares.

Consequently, in the event that the Representative acting on its own behalf and on behalf of the Masse decides to, and is entitled to, enforce the securities account pledges through a judicial or contractual attribution and if the value of such shares exceeds the amount of the secured debt, the beneficiaries may be required to pay to the relevant pledgors a *soulte* equal to the value by which such shares exceeds the amount of secured debt. If the value of such shares is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured.

Should the Representative decline to request the judicial or contractual attribution of the shares, to the extent applicable to it, the enforcement of the securities account pledges could be undertaken

by public auction in accordance with applicable law. As such public auction procedures are not designed for securities account pledges such as those resulting from the Issuer's Securities Accounts Pledge Agreements, for a sale of a business as a going concern, it is possible that the sale price received in any such auction might not reflect the value of the shares as a going concern.

### **Future Financing**

The Issuer may need to raise further debt from time to time in order to, among other things:

- (i) on the date on which principal is required to be repaid with respect to the Notes, refinance the Notes; and
- (ii) refinance any other debt in accordance with the Terms and Conditions of the Notes.

While the Terms and Conditions of the Notes contemplate the circumstances under which such further debt can be raised, there can be no assurance that the Issuer will be able to actually raise sufficient funds, or funds at a suitable interest rate, or on suitable terms, at the requisite time such that the purposes for which such financing is being raised are fulfilled, and in particular such that all amounts then due and payable on the Notes or any other maturing indebtedness will be capable of being so paid when due.

### **(c) Risks related to the Notes generally**

#### ***The Notes may be redeemed prior to maturity***

The Notes may, and in certain circumstances shall, be redeemed prior to maturity, in whole only but not in part, at par, together with any accrued interest in the event of any change in taxation as described under Condition 7 (*TAXATION*) of the Terms and Conditions of the Notes or if an event of default occurs as described under Condition 10 (*EVENTS OF DEFAULT*) of the Terms and Conditions of the Notes.

In addition, the Issuer has the option (i) at any time during the period from and including 12 April 2029 to but excluding the Maturity Date, to redeem all, but not some only, of the Notes outstanding at par together with any accrued interest, as described in Condition 5.4(i) (*Pre-Maturity Call Option*) of the Terms and Conditions of the Notes and (ii) at any time prior to the Maturity Date to redeem all, but not some only, of the then outstanding Notes, at the relevant Make-whole Redemption Amount, as described in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*) of the Terms and Conditions of the Notes.

During a period when the Issuer may elect to redeem Notes, the Notes may feature a market value not above the price at which they can be redeemed. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of early redemption increases. As a consequence, the yields received upon such early redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price paid for such Notes by the Noteholder where the purchase price was above par. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. However, the redeemed face amount of the Notes may not be below par. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than such redeemed Notes.

Furthermore, if 80 per cent. or more of the initial aggregate nominal amount of the Notes (including any further notes to be assimilated with the Notes pursuant to Condition 14 (*FURTHER ISSUES*) of the Terms and Conditions of the Notes) has been redeemed or purchased, the Issuer will have the option to redeem all of the outstanding Notes at their principal amount together with any accrued interest as described in Condition 5.4(iii) (*Clean-Up Call Option*) of the Terms and Conditions of the Notes. In particular, there is no obligation for the Issuer to inform the Noteholders if and when this percentage has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

### **Modification of the Terms and Conditions of the Notes**

The Noteholders (as defined in the Terms and Conditions of the Notes) will be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 13 (*REPRESENTATION OF THE NOTEHOLDERS*) of the Terms and Conditions of the Notes, and the Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders or consulting them by way of written resolutions to deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes. The Terms and Conditions of the Notes permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not express a vote at the relevant General Meeting, Noteholders who voted in a manner contrary to the majority and Noteholders who did not respond to, or rejected, a Written Resolution.

### **Fixed rate Notes**

Investment in the Notes which bear interest at a fixed rate involves a risk if market interest rates subsequently increase above the rate paid under the Notes. This may adversely affect the value of the Notes.

While the nominal interest rate of the Notes is determined during the term of such Note, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the Notes varies in the opposite direction. If the Market Interest Rate increases, the price of the Notes typically decreases, until the yield of the Notes equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of the Notes typically increases, until the yield of the Notes equals approximately the Market Interest Rate.

### **Credit Risk of the Issuer**

Credit risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations. If the credit worthiness of the Issuer deteriorates (i) the Issuer may be unable to honor its obligations with respect to the Notes and (ii) the value of the Notes may decrease and investors may lose all or part of their investment.

### **Change of Control**

In the event of a Change of Control of the Issuer and pursuant to the occurrence of certain events (as more fully described in Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*) of the Terms and Conditions of the Notes), each Noteholder will have the right to request the Issuer to redeem or, at the Issuer's option, to procure the purchase of the Notes it holds at an amount equal to 101 per cent. of its principal amount together with (or, where, purchased, together with an amount equal to) any accrued interest thereunder. In such case, any trading market in respect of those Notes in respect of which such redemption right is not exercised may become illiquid. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

### **Events of default**

Condition 10 (*EVENTS OF DEFAULT*) of the Terms and Conditions of the Notes may not be enforced in all circumstances in accordance with its terms as, under French law, contracts cannot be terminated following the opening of ad hoc, conciliation, safeguard or insolvency proceedings, regardless of any contractual terms or conditions to the contrary.

The early redemption of the Notes may thus not be triggered in case of commencement of safeguard proceedings (or reorganisation procedure) pursuant to Articles L.622-29 and L.631-14 of the French *Code de commerce*. Moreover, any contractual provision providing that the appointment of an ad hoc representative (*mandataire ad hoc*), the entering into a conciliation procedure (*procédure de conciliation*) or any similar procedure will constitute an event of default may be declared null and void pursuant to Article L.611-16 of the French *Code de commerce*.

Furthermore, in the case of an Event of Default, all the Notes will become immediately due and payable only following and pursuant to a Collective Decision, as defined in Condition 13 (*REPRESENTATION OF THE NOTEHOLDERS*).

## ***Risks related to the market generally***

### *Market value of the Notes*

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### *No active secondary market for the Notes and lack of liquidity*

An investment in the Notes should be considered primarily with a view to holding them until their maturity. Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes.

In particular, on the Issue Date, there were only a very limited number of holders of the Notes, some of whom are indirect shareholders of the Issuer. This limited number of holders could also increase the risk of lack of liquidity on the secondary market.

### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. As a result, investors may receive less interest or principal than expected.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate, the market price of the Notes or certain investors' right to receive interest or principal on the Notes.

### *Interest rate risks*

Société Infrastructures Gazières's business activities could be affected by interest rate fluctuations.

The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

The trading market for the Notes may be volatile and may be adversely impacted by many events.

The secondary market for debt securities is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Lead Manager and Bookrunner nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### **Change of law**

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change to French law or administrative practice after the date of this Prospectus.

### **French insolvency law**

Holders of Notes will be automatically grouped for the defence of their common interests in a Masse, as defined in Condition 13 (*REPRESENTATIONS OF THE NOTEHOLDERS*) of the Terms and Conditions of the Notes. However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard (*sauvegarde*), an accelerated safeguard (*sauvegarde accélérée*) an accelerated financial safeguard (*sauvegarde financière accélérée*) or a judicial reorganisation procedure (*redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes) and regardless of their governing law.

The Assembly deliberates on the proposed plan already voted by the creditors' committee formed by credit institutions and other assimilated financial institutions having a claim against the debtor and, depending on the insolvency procedure, a suppliers' committee for suppliers having a claim that represent more than 3 per cent. of the total amount of the claims of all the debtor's suppliers in the relevant insolvency procedure. The draft plan submitted to the creditors' committees and to the Assembly may notably:

- amend the rights of holders of debt securities (including the Noteholders) by rescheduling payments which are due and/or partially or totally writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares or securities that give or may give right to share capital.

The proposed plan takes into account the subordination agreements between the creditors entered into before the opening of the insolvency procedure.

Decisions of the Assembly will be taken by a two-third (2/3rd) majority (calculated as a proportion of the debt securities held by the holders which have cast a vote at such Assembly). No quorum is required to hold the Assembly.

In respect of voting rights in both committees and noteholders' Assembly, each creditor member of a creditors' committee and each noteholder must, if applicable, inform the judicial administrator of the existence of any agreement relating to the exercise of its vote or providing for the full or partial payment of its claim by a third party, as well as of any subordination agreement. The judicial administrator shall then submit to the concerned creditor/noteholder a proposal for the computation methods of its voting rights in the relevant creditors' committee/noteholders' general assembly. In the event of a disagreement, the concerned creditor/noteholder or the judicial administrator may request that the matter be decided by the president of the relevant court in summary proceedings.

The holders of debt securities for which the proposed plan does not include any amendment to the payment terms or an integral payment in cash as from the order of the plan (*arrêté du plan*) or the admission of their receivables, do not participate to the vote.

The procedures, as described above or as they may be amended could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or its subsidiaries were to be subject to French insolvency procedures.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes will not be applicable to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

### **Absence of rating**

Neither the Notes nor the long-term debt of the Issuer are rated. One or more independent credit rating agencies may assign credit ratings to the Notes or to the Issuer on an unsolicited basis. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

### **Potential Conflicts of Interest**

The Lead Manager and Bookrunner and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Group and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Lead Manager and Bookrunner and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Lead Manager and Bookrunner or its affiliates that have a lending relationship with the Issuer or other entities of the Group routinely hedge their credit exposure to the Issuer or, as the case may be, such other entities of the Group consistent with their customary risk management policies. Typically, the Lead Manager and Bookrunner and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Lead Manager and Bookrunner and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Taxation**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial notes such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the section "Taxation" of this Prospectus.

### ***The proposed European financial transactions tax ("FTT")***

The European Commission has adopted a proposal for a directive on a common financial transaction tax to be implemented in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The proposed FTT has a very broad scope, and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under this proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States (excluding Estonia) and the scope of any such tax is uncertain. Additional Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw. If the proposed Directive or any similar tax were adopted, transactions in the Notes could



be subject to higher costs, and the liquidity of the market for the Notes may be diminished. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents which have been filed with the AMF:

- (a) the audited consolidated financial statements of the Issuer for the year ended 31 December 2017 in the French language and the report of the statutory auditors of the Issuer on such accounts (the "**Issuer 2017 Financial Statements**");
- (b) the audited consolidated financial statements of the Issuer for the year ended 31 December 2016 in the French language and the report of the statutory auditors of the Issuer on such accounts (the "**Issuer 2016 Financial Statements**");
- (c) the audited non-consolidated financial statements of HIG for the year ended 31 December 2017 in the French language and the report of the statutory auditors of HIG on such accounts (the "**HIG 2017 Financial Statements**"); and
- (d) the audited non-consolidated financial statements of HIG for the year ended 31 December 2016 in the French language and the report of the statutory auditors of HIG on such accounts (the "**HIG 2016 Financial Statements**").

Such documents shall be incorporated in and form part of this Prospectus, save that:

- (i) any information contained in a document listed in (a) to (d) above and not listed in the cross-reference table herein shall be given for information purposes only and shall not be deemed to be incorporated, and to form part of, this Prospectus; and
- (ii) any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of this Prospectus and the documents incorporated by reference herein may be obtained free of charge at the registered office of the Issuer during normal business hours. Copies of this Prospectus will also be available on the websites of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)) and of the AMF ([www.amf-france.org](http://www.amf-france.org)) and all documents incorporated by reference herein will be available on the website of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)).

The following table cross-references the pages of this Prospectus to the documents incorporated by reference with the main heading required under Annex IX of the Commission Regulation No. 809/2004, as amended implementing the Prospectus Directive.

<i>(Annex IX of the Commission Regulation (EC) 809/2004 of 29 April 2004, as amended)</i>	<i>Page numbers</i>			
	<b>Issuer 2016 Financial Statements</b>	<b>Issuer 2017 Financial Statements</b>	<b>HIG 2016 Financial Statements</b>	<b>HIG 2017 Financial Statements</b>
<b>11. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses</b>				
11.1 Historical financial information				
<i>Audited consolidated accounts</i>			N/A	N/A

<b>(Annex IX of the Commission Regulation (EC) 809/2004 of 29 April 2004, as amended)</b>	<b>Page numbers</b>			
	<b>Issuer 2016 Financial Statements</b>	<b>Issuer 2017 Financial Statements</b>	<b>HIG 2016 Financial Statements</b>	<b>HIG 2017 Financial Statements</b>
- Balance sheet	10	10	-	-
- Income statement	11 and 12	11 and 12	-	-
- Accounting policies and explanatory notes	15 to 26	15 to 26	-	-
- Auditors' report	5 and 7	3 to 8	-	-
<i>Non-consolidated accounts</i>	N/A	N/A		
- Balance sheet	-	-	12 and 13	11 and 12
- Income statement	-	-	14 and 15	13 and 14
- Accounting policies and explanatory notes	-	-	17 to 25	16 to 26
- Auditors' report	-	-	5 and 7	4 to 7
11.2 Financial statements	9 to 26	9 to 26	8 to 25	8 to 26
11.3 Auditing of historical annual financial information				
11.3.1 Statement of audit of the historical annual financial information	5 and 7	3 to 8	5 and 7	4 to 7
11.3.2 Other audited information	15 to 26	15 to 26	17 to 25	16 to 26
11.3.3 Unaudited data	N/A	N/A	N/A	N/A
11.4 Age of latest financial information	1	1	1	1

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (the "**Conditions**") will be as follows:

The issue of the €586,400,000 2.715 per cent. Notes due 12 July 2029 (the "**Notes**") by Société d'Infrastructures Gazières (the "**Issuer**"), was decided by the Chairman of the Board of Directors and Chief Executive Officer (*président-directeur général*) of the Issuer on 10 July 2018, acting pursuant to a resolution of the *conseil d'administration* (board of directors) of the Issuer dated 3 July 2018.

The Notes are issued subject to, and with the benefit of (i) an agency agreement dated 10 July 2018 (the "**Agency Agreement**") entered into between the Issuer and CACEIS Corporate Trust, as fiscal agent, calculation agent and paying agent (the fiscal agent, paying agent and calculation agent for the time being are referred to in these Conditions as the "**Fiscal and Paying Agent**" and the "**Calculation Agent**" respectively (which expressions shall, where the context so admits, include any successor for the time being as fiscal and paying agent and calculation agent))(ii) a securities account pledge agreement over the GRTgaz Securities Account dated 12 July 2018 between the Issuer in its capacity as pledgor and the Representative acting on its own behalf and in the name and on behalf of the Masse (the "**GRTgaz Securities Account Pledge Agreement**"), (iii) two securities account pledge agreements over the Issuer Securities Accounts dated 12 July 2018 between the Parent in its capacity as pledgor and the Representative acting on its own behalf and in the name and on behalf of the Masse (the "**Issuer Securities Accounts Pledge Agreements**"). The GRTgaz Securities Account Pledge Agreement and the Issuer Securities Accounts Pledge Agreements are herein referred as the "**Security Agreements**".

A copy of the Agency Agreement and the Security Agreements in the English language are available for inspection at the specified office of the Fiscal and Paying Agent and an extract of the appropriate provisions of the Shareholders' Agreement can be obtained from the Issuer, on request, by any Noteholder.

Unless otherwise provided, terms defined herein shall have the meaning given to them in Condition 18.

References below to the "**Noteholders**" are to the holders of the Notes.

References below to "**Conditions**" are to the numbered paragraphs below.

### 1. **FORM, DENOMINATION AND TITLE**

The Notes will be issued on 12 July 2018 (the "**Issue Date**") in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book-entries. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier* will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in book entry form in the books of Euroclear France which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

### 2. **STATUS OF THE NOTES**

Payments of principal and interest of the Notes constitute direct, unconditional and unsubordinated obligations of the Issuer, which are secured pursuant to the Security Agreements (subject to such exceptions as are mandatory under French law) and shall rank *pari passu* without any preference among themselves.

So long as any Note remains outstanding, the Issuer will not create, grant or have outstanding any Security Interest, other than a Permitted Issuer Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Financial Indebtedness, or any guarantee or indemnity in respect of any Financial

Indebtedness unless the Issuer's obligations under the Notes are equally and rateably secured therewith.

Pursuant to the Issuer Securities Accounts Pledge Agreements, so long as any Note remains outstanding, the Parent will not create, grant or have outstanding any Security Interest, other than a Permitted Parent Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Financial Indebtedness, or any guarantee or indemnity in respect of any Financial Indebtedness unless the Issuer's obligations under the Notes are equally and rateably secured therewith.

### 3. SECURITY

The Notes are secured by (i) a first-ranking pledge over the GRTgaz Securities Account and (ii) first-ranking pledges over the Issuer Securities Accounts, so as to secure, as they become due and payable, the payments of all and any amount owed in respect of Notes, whether present or future.

- (a) Under the GRTgaz Securities Account Pledge Agreement, the Issuer has pledged in favour of the Representative and the *Masse*, the GRTgaz Securities Account, including any financial securities (*titres financiers*) at any time and from time to time standing to the credit of the GRTgaz Securities Account, in accordance with the provisions of Article L.211-20 of the French *Code monétaire et financier*.
- (b) Under the Issuer Securities Accounts Pledge Agreements, the Parent has pledged in favour of the Representative and the *Masse*, the Issuer Securities Accounts, including any financial securities (*titres financiers*) at any time and from time to time standing to the credit of the Issuer Securities Accounts, in accordance with the provisions of Article L.211-20 of the French *Code monétaire et financier*.

All cash proceeds or income whether present or future, actual or contingent, from time to time (including, without limitation, dividends, interest and other distributions) (*fruits et produits*) attached or deriving from the financial securities (*titres financiers*) standing to the credit of the GRTgaz Securities Account or the Issuer Securities Accounts shall be credited to bank accounts opened in the name of the Issuer or the Parent, as applicable, in both cases in accordance with Article L.211-20 of the French *Code monétaire et financier*, such bank accounts being deemed to be an integral part of the GRTgaz Securities Account or of the relevant Issuer Securities Account, as applicable.

As long as no Event of Default has occurred and the financial ratios referred to in Condition 9.3 (*Limitation on dividends, share redemption and restricted payments*) are satisfied as at any Testing Date or in respect of any Testing Period, the Issuer is authorised to freely use all the monies held on the bank account.

As long as no Event of Default has occurred, the Parent is authorised to freely use all the monies held on the bank accounts.

If an Event of Default occurs in respect of the Notes and the Representative causes the Notes to become due and payable pursuant to Condition 10 (*EVENTS OF DEFAULT*) the Representative will be entitled to enforce the rights of the beneficiaries pursuant to and in accordance with the Security Agreements.

The Noteholders are deemed to have notice of the provisions of the Security Agreements.

Upon subscription or purchase of the Notes, each Noteholder will benefit, through the *Masse*, from the first-ranking pledges provided under the Security Agreements.

### 4. INTEREST

The Notes bear interest from, and including, 12 July 2018 (the "**Interest Commencement Date**") to, but excluding, 12 July 2029 (the "**Maturity Date**"), at the rate of 2.715 per cent. *per annum* (the "**Interest Rate**"), payable annually in arrears on 12 July in each year (or the next Business Day if such date is not a Business Day) (the "**Interest Payment Date**").

The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date will constitute an "**Interest Period**".

Each Note will cease to bear interest from the due date for its redemption, whether at maturity or earlier, unless payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the Interest Rate (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant Noteholder and (ii) the day after the Fiscal and Paying Agent has notified the Noteholders in accordance with Condition 12 (*NOTICES*) of receipt of all sums due in respect of all the Notes up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a day count fraction which will be calculated by taking the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first (1<sup>st</sup>) day but excluding the last day of such period).

## 5. **REDEMPTION AND PURCHASE**

The Notes may not be redeemed otherwise than in accordance with this Condition 5 (*REDEMPTION AND PURCHASE*), Condition 7 (*TAXATION*), Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*), Condition 10 (*EVENTS OF DEFAULT*) or Condition 11 (*ILLEGALITY*).

### 5.1 **Final redemption**

Unless previously purchased and cancelled as provided below, the Notes will be redeemed at their principal amount on the Maturity Date.

### 5.2 **Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price in accordance with applicable laws. All Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations.

### 5.3 **Redemption for Taxation Reasons**

The Notes may, and in certain circumstances shall, be redeemed, without penalties, before the date of their final redemption, in the event of any change occurring in taxation, as described in Condition 7 (*TAXATION*).

### 5.4 **Redemption at the option of the Issuer**

#### (i) **Pre-Maturity Call Option**

The Issuer may, at its option, during the period from (and including) 12 April 2029 to (but excluding) the Maturity Date, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 12 (*NOTICES*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the outstanding Notes, at their principal amount together with any accrued interest up to (but excluding) the date fixed for redemption.

#### (ii) **Make-whole Redemption by the Issuer**

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 12 (*NOTICES*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the outstanding Notes, at any time prior to their

Maturity Date (the "**Make-whole Redemption Date**") at an amount per Note (the "**Make-whole Redemption Amount**") calculated by the Calculation Agent equal to the greater of:

- (a) 100 per cent. of the principal amount of the Notes; and
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes to, but excluding, the Make-whole Redemption Date) discounted to the Make-whole Redemption Date on an annual basis (Actual/Actual ICMA) at the Reference Rate (as defined below) plus an Early Redemption Margin,

plus, in each case (a) or (b) above, any interest accrued on the Notes to, but excluding, the Make-whole Redemption Date.

The Reference Rate will be published by the Issuer in accordance with Condition 12 (*NOTICES*).

The "**Reference Rate**" is the average of the four quotations given by the Reference Dealers of the mid-market annual yield of the Reference Benchmark Security on the fourth (4<sup>th</sup>) Business Day preceding the Make-whole Redemption Date at 11.00 a.m. (Central European Time ("**CET**").

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent, after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (CET) on the third (3<sup>rd</sup>) Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer.

Where:

"**Early Redemption Margin**" means 0.35 per cent. *per annum*.

"**Reference Benchmark Security**" means the Federal Government Bund of Bundesrepublik Deutschland due 15 February 2028, with ISIN DE0001102440;

"**Reference Dealers**" means each of the four banks (that may include BNP Paribas) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

"**Similar Security**" means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or if the Calculation Agent fails duly to establish the amount due in relation to this Condition 5.4(ii), the Issuer shall appoint another leading bank engaged in the Euro interbank market (acting through its principal Euro-zone office) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

- (iii) Clean-Up Call Option

In the event that 80 per cent. or more of the initial aggregate nominal amount of the Notes (including any further notes to be assimilated with the Notes pursuant to

Condition 14 (*FURTHER ISSUES*) has been redeemed or purchased by the Issuer, the Issuer may, at its option, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 12 (*NOTICES*) (which notice shall be irrevocable), redeem the outstanding Notes, in whole but not in part, at their principal amount plus any accrued interest up to (but excluding) the date fixed for redemption.

#### 5.5 **Cancellation**

All Notes which are redeemed or purchased for cancellation by, or for the account of, the Issuer, will be cancelled and accordingly may not be reissued or resold.

### 6. **PAYMENTS**

#### 6.1 **Method of payment**

Payment of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account, in accordance with tax provisions or with any other applicable laws or regulations, and subject to the provisions of Condition 7 (*TAXATION*).

Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear France, Euroclear and Clearstream).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7 (*TAXATION*). No commission or expenses shall be charged to the Noteholders in respect of such payments.

#### 6.2 **Payments on Business Days**

If any due date for payment of principal or interest or any other amount in respect of any Note is not a Business Day, then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the holder shall not be entitled to any interest or other additional sums in respect of such postponed payment.

#### 6.3 **Fiscal and Paying Agent and Calculation Agent**

The initial Fiscal and Paying Agent and Calculation Agent and its specified office are as follows:

CACEIS Corporate Trust  
1-3, place Valhubert  
75013 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal and Paying Agent and/or Calculation Agent and/or appoint another Fiscal and Paying Agent and/or Calculation Agent and additional or other Fiscal and Paying Agents and/or Calculation Agents, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders, in accordance with Condition 12 (*NOTICES*), and as long as there will at all times be (i) a Fiscal and Paying Agent and a Calculation Agent having a specified office in a European city and (ii) so long as the Notes are admitted to trading on Euronext Paris, a Fiscal and Paying Agent and a Calculation Agent having a specified office in a European city and ensuring financial services in France.

Any change of Fiscal and Paying Agent and Calculation Agent will be notified to the Noteholders in accordance with the provisions of Condition 12 (*NOTICES*).

### 7. **TAXATION**

#### 7.1 All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed, levied or collected by or on behalf of



France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

- 7.2 If French law or regulation should require that payments of principal of, interest on, or other revenues on any of the Notes be subject to deduction or withholding for or on account of any present or future taxes or duties of whatever nature, the Issuer shall, to the extent permitted by law, pay such additional amounts as will result in the receipt by the Noteholders of the amounts which would have been receivable by them in the absence of such requirement to deduct or withhold.

However, if the Issuer would, as a result of any change in or in the application or interpretation of French laws or regulations, be required to pay any such additional amounts, and this obligation cannot be avoided by reasonable measures of the Issuer, then the Issuer may at any time, but at the earliest thirty (30) days prior to such change becoming effective, redeem all of the outstanding Notes at their principal amount together with interest accrued up to (but excluding) the date fixed for redemption.

- 7.3 Provisions mentioned in paragraph 7.2 above shall not apply to payment of interests and other revenues to a Noteholder in respect of such Notes which are subject to taxes by reason of him having some connection with France other than the mere holding of such Notes.

- 7.4 If the Issuer is obliged to make such additional payments as defined in sub-paragraph 7.2 here above and if such payments are or would become prohibited by French law and if the obligation to make such additional payments cannot be avoided by reasonable measures of the Issuer, the Issuer will then be obliged to redeem all outstanding Notes at their principal amount, together with accrued interest up to (but excluding) the date fixed for redemption, at the earliest thirty (30) days prior to the change defined in sub-paragraph 7.2 here above becoming effective and at the latest on the date such additional payment would have been due.

- 7.5 In the event of repayment in accordance with sub-paragraph 7.2 here above, the Issuer will publish, or cause to be published, a redemption notice, as described under Condition 12 (*NOTICES*), at the earliest sixty (60) days and at the latest thirty (30) days prior to the date fixed for repayment. In the event of repayment in accordance with sub-paragraph 7.4 here above, the Issuer will publish, or cause to be published, a redemption notice, in the same conditions at the earliest sixty (60) days and at the latest seven (7) days prior to the date fixed for such repayment.

## 8. **CHANGE OF CONTROL OF THE ISSUER**

If at any time while any Note remains outstanding a Change of Control occurs, each Noteholder will have the option (the "**Put Option**") (unless, prior to the giving of the Put Event Notice, the Issuer gives notice of its intention to redeem the Notes under Condition 5.3 (*Redemption for Taxation Reasons*), Condition 5.4(i) (*Pre-Maturity Call Option*), Condition 5.4(ii) (*Make-whole Redemption by the Issuer*) or Condition 5.4(iii) (*Clean-Up Call Option*)) to require the Issuer to redeem or, at the Issuer's option, procure the purchase of the Notes it holds on the Optional Redemption Date (as defined below) at an amount equal to 101 per cent. of its principal amount outstanding on this date together with (or, where purchased, together with an amount equal to) any accrued interest to but excluding the Optional Redemption Date.

A "**Change of Control**" shall be deemed to have occurred if at any time following the Issue Date:

- (a) the Consortium ceases to own at least 50.1 per cent. of the outstanding share capital and voting rights of the Parent; or
- (b) the Parent ceases to own at least 100 per cent. of the outstanding share capital and voting rights of the Issuer, excluding the Excluded Issuer Shares; or
- (c) the Issuer and Engie cease to own together at least 50.1 per cent. of the outstanding share capital and voting rights of GRTgaz.

Immediately upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice to the Noteholders in accordance with Condition 12 (*NOTICES*) specifying the nature of the Change of Control and the procedure for exercising the Put Option contained in this Condition (the "**Put Event Notice**").

To exercise the Put Option a Noteholder must transfer (or cause to be transferred by its Account Holder) its Notes to be so redeemed or purchased to the account of the Fiscal and Paying Agent (details of which shall be specified in the Put Event Notice) for the account of the Issuer within the period of sixty (60) days after the Put Event Notice is given (except where (i) the Noteholder gives the Issuer written notice of the occurrence of a Change of Control of which it is aware and (ii) the Issuer fails to give a Put Event Notice to the Noteholder by close of business of the third (3<sup>rd</sup>) Business Day after the receipt of such notice from the Noteholder, in which case the Put Period will start from such third (3<sup>rd</sup>) Business Day and will end on the day falling sixty (60) days thereafter) (the "**Put Period**"), together with a duly signed and completed notice of exercise in the then current form obtainable from the specified office of any Fiscal and Paying Agent (a "**Put Option Notice**") and in which the holder shall specify an account denominated in euro (or any other account to which euro may be credited or transferred) opened with a bank in a city in which banks use the TARGET System, to which payment is to be made under this Condition. A Put Option Notice once given will be irrevocable.

The Issuer shall redeem or, at its option, procure the purchase of the Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Fiscal and Paying Agent for the account of the Issuer as described above, on the date which is the tenth (10<sup>th</sup>) Business Day following the end of the Put Period (the "**Optional Redemption Date**"). Payment in respect of any Note so transferred will be made in euro on the Optional Redemption Date to the account specified in the relevant Put Option Notice and otherwise subject to the provisions of Condition 6 (*PAYMENTS*).

## 9. COVENANTS

### 9.1 Limitation on Financial Indebtedness

9.1.1 So long as any Note remains outstanding, the Issuer will not incur or have outstanding any Financial Indebtedness, other than a Permitted Issuer Shareholder Loan or an Existing Issuer Financial Indebtedness, unless:

- (a) the net proceeds of such Financial Indebtedness is either applied:
  - (i) to repay, redeem or refinance, in whole or in part, the Notes on a euro for euro basis, provided that (i) such repayment, redemption or refinancing shall be made in accordance with the terms hereof and (ii) any such Notes redeemed shall be cancelled forthwith; or
  - (ii) to finance a Permitted Issuer Investment;
- (b) such additional Financial Indebtedness qualifies as Subordinated Financial Indebtedness or does not rank senior to the Notes;
- (c) on the date of incurrence of such Financial Indebtedness, after giving effect thereto on a *pro forma* basis,
  - (i) the Issuer LR as at the most recent Testing Date (the "**Determination Date**") shall not be greater than (x) 0.90:1 and (y) the Issuer LR as at the Testing Date immediately preceding the Determination Date, with respect of any Financial Indebtedness incurred more than 12 months after the Issue Date; and
  - (ii) the Issuer ICR with respect to the most recent Testing Period (the "**Determination Period**") shall not be less than (x) 2.5 and (y) the Issuer ICR in respect of the Testing Period immediately

preceding the Determination Period, with respect of any Financial Indebtedness incurred more than 18 months after the Issue Date;

- (d) the maturity of such additional Financial Indebtedness is not earlier than the Maturity Date (unless such additional Financial Indebtedness is repaid by way of set-off against a subscription of new shares of the Issuer); and
- (e) no Event of Default would or is reasonably likely to occur as the result of the incurrence of such additional Financial Indebtedness.

Compliance by the Issuer with the provisions of this Condition 9.1 (*Limitation on Financial Indebtedness*) shall be evidenced in a Compliance Certificate that shall be delivered to the Representative within fifteen (15) Business Days following the date of incurrence of the additional Financial Indebtedness, unless the Financial Statements for the relevant Determination Date or Determination Period are not available in accordance with Condition 9.7 (*Information; Certificates; Notification of Events of Default*) in which case the Compliance Certificate shall be delivered to the Representative within fifteen (15) Business Days following the availability of such Financial Statements.

For the purpose of determining the compliance by the Issuer with the provisions of paragraph (c) of Condition 9.1 (*Limitation on Financial Indebtedness*),

- (i) the Issuer LR with respect to the relevant Determination Date shall be determined on a *pro forma* basis after giving effect to the incurrence of the additional Financial Indebtedness on such Determination Date; and
- (ii) the Issuer ICR with respect to the relevant Determination Period shall be determined on a *pro forma* basis after giving effect to the incurrence of the additional Financial Indebtedness as if such Financial Indebtedness had been incurred on the first (1<sup>st</sup>) day of such Determination Period.

9.1.2 Pursuant to the Issuer Securities Accounts Pledge Agreements, so long as any Note remains outstanding, the Parent will not incur or have outstanding any Financial Indebtedness other than a Permitted Parent Shareholder Loan.

## 9.2 Financial ratios

The Issuer shall ensure that:

- (a) the Issuer LR shall not be greater than 0.95:1 as at any Testing Date; and
- (b) the Issuer ICR shall not be less than the following ratios for the corresponding Testing Periods:

Issuer ICR	Testing Period ending on
1.6	31 December / 30 June

For the purpose of this Condition 9.2 (*Financial ratios*), the Issuer LR and the Issuer ICR shall be as stated in the Compliance Certificate for the relevant Testing Date and relevant Testing Period.

No Event of Default shall occur as a result of a breach of any of the financial ratio above if, within fifteen (15) Business Days after delivery of a Compliance Certificate (i) the Issuer receives an Issuer Equity Cure Amount and (ii) a Compliance Certificate is delivered to the Representative evidencing that, after taking into account the Issuer Equity Cure Amount, the relevant financial ratio is no longer breached.

### 9.3 Limitation on dividends, share redemption and restricted payments

The proceeds of dividends received by the Issuer from GRTgaz shall be applied in priority in paying any amounts due under the Notes.

The Issuer shall not:

- (a) declare, make or pay any dividend, charge, fee, any amount by way of intercompany loan or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital;
- (b) repay or distribute any dividend or share premium reserve;
- (c) pay any management, advisory or other fee to or to the order of any direct or indirect shareholders of the Issuer;
- (d) redeem, repurchase or repay any of its share capital or resolve to do so; or
- (e) make any payment under or in respect of any Subordinated Financial Indebtedness;

if, with respect to any payment made under paragraphs (a) to (e) above:

- (i) the Issuer LR is greater than 0.90:1 as at any Testing Date (taking into account such payment); or
- (ii) the GRTgaz LR is greater than 0.72:1 as at any Testing Date; or
- (iii) the Issuer ICR is less than the following ratios for the corresponding Testing Periods:

Issuer ICR	Testing Period ending on
2.5	31 December / 30 June

- (iv) or, an Event of Default is continuing or would occur immediately after the making of such payment.

### 9.4 Limitation on acquisitions

9.4.1 So long as any Note is outstanding, the Issuer shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) or enter into an agreement as part of or in anticipation of further future commitments or agreements, to acquire, finance or guarantee the acquisition of, or have the benefit of, any assets or rights, other than Permitted Issuer Investments.

9.4.2 Pursuant to the Issuer Securities Accounts Pledge Agreements, so long as any Note is outstanding, the Parent shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) or enter into an agreement as part of or in anticipation of further future commitments or agreements, to acquire, finance or guarantee the acquisition of, or have the benefit of, any assets or rights other than Permitted Parent Investments.

### 9.5 Limitation on the disposal of assets and maintenance of ownership

So long as any Note is outstanding, the Issuer shall:

- (a) not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to dispose of, assign or transfer any of its (direct or indirect) GRTgaz Shares or other interests in GRTgaz (representing 24.91 per cent. of the issued share capital and voting rights of GRTgaz on the Issue Date), other than the GRTgaz Shares or other interests in GRTgaz that do not constitute at any time GRTgaz Securities.

- (b) own at any time a number of GRTgaz Shares representing at least 15 per cent. of the issued share capital and voting rights of GRTgaz.

#### 9.6 **Conduct of Business**

So long as any Note is outstanding, the Issuer shall:

- (a) not trade, carry on any business, own any material assets, incur any material liabilities, except in relation to Permitted Issuer Investments or Servicing Agreements and other than those contemplated in or permitted by the Note Documents;
- (b) carry on and conduct its affairs and procure, to the extent permitted by the Shareholders' Agreement, that GRTgaz will carry on and conduct its affairs in a proper and efficient manner;
- (c) not enter into and shall procure, to the extent permitted by the Shareholders' Agreement, that GRTgaz shall not enter into, any agreement which:
  - (i) restricts the ability of GRTgaz to pay dividends or make any other distribution to any of its shareholders (including the Issuer), provided that, for the avoidance of doubt, nothing in this paragraph (c)(i) shall be construed as preventing the Issuer to take into account the corporate interest of GRTgaz; or
  - (ii) results in a default or mandatory prepayment obligation (whether upon the giving of notice by a creditor or otherwise) in respect of any Financial Indebtedness of the Issuer or GRTgaz if such a payment or distribution referred to in paragraph (i) above is made;
- (d) not incorporate or acquire any shares, rights or interest in (however designated), equity in person or entity, other than in relation to a Permitted Issuer Investment;
- (e) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its Affiliates;
- (f) not amend its corporate purpose (*objet social*) or any material provision of its articles of association (*statuts*) unless as a result of any share capital increase or required by any change of law; and
- (g) observe all provisions of its articles of association (*statuts*) and any applicable law.

#### 9.7 **Information; Certificates; Notification of Events of Default**

- (a) So long as any Note is outstanding, the Issuer shall:
  - (i) furnish to the Representative, as soon as the same become available, but in any event within one hundred and twenty (120) days after the end of each of its financial years, its audited financial statements for that financial year and the audited financial statements of GRTgaz for that financial year;
  - (ii) furnish to the Representative, as soon as the same become available, but in any event within one hundred (100) days after the end of each half of each of its financial years, its unaudited financial statements for that financial half year and the unaudited financial statements of GRTgaz for that financial half year; and
  - (iii) publish the documents referred to in (i) and (ii) above on the website of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)).
- (b) On or before each Compliance Reporting Date, the Issuer shall deliver a Compliance Certificate to the Representative signed by the Chairman of the Board of Directors and Chief Executive Officer (*président-directeur général*) of the Issuer.

- (c) The Issuer shall notify the Representative within fifteen (15) Business Days of it becoming aware of the occurrence of any Event of Default stating what action, if any, the Issuer is taking with respect to that Event of Default.
- (d) The Issuer shall notify the Representative within fifteen (15) Business Days of any amendment, modification or breach of the Shareholders Agreement.
- (e) The Issuer shall give at least ten (10) Business Days' prior notice to the Noteholders of any future appointment, resignation or removal of a Fiscal and Paying Agent or of any change by a Fiscal and Paying Agent of its specified office and not make any such appointment or removal without the Representative's written approval.
- (f) The Issuer shall give or procure to be given to the Representative such opinions, certificates, information and evidence as it shall require and in such form as it shall reasonably require, for the purpose of the discharge or exercise of the duties, powers, authorities and discretions vested in it under any Note Document.

#### 9.8 Listing of the Notes

The Issuer shall use all reasonable endeavours to maintain the admission to trading of the Notes on the regulated market of Euronext Paris or, if it is unable to do so having used its reasonable endeavours or if the Representative agrees with the Issuer that the maintenance of such listing is unduly onerous and the Representative is satisfied that to do so would not be materially prejudicial to the interests of the Noteholders, use its reasonable endeavours to obtain and maintain a quotation or listing of the Notes on a regulated market of the European Economic Area or on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the prior written approval of the Representative) decide.

#### 9.9 Obligations

The Issuer shall comply with and perform all its obligations under the Note Documents and use all reasonable endeavours to procure that the Fiscal and Paying Agent and the Calculation Agent comply with and perform their obligations under the Agency Agreement.

#### 9.10 Further Assurances

The Issuer shall take all such action as is available to it (including making all filings and registrations) as may be legally necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interest conferred or intended to be conferred under the Notes or pursuant to any of the Security Agreements.

### 10. EVENTS OF DEFAULT

If any of the following events ("**Events of Default**") occurs and is continuing (subject to any applicable grace periods), the Representative (as defined in Condition 13.2 (*Representative*)) shall, upon request pursuant to a Collective Decision of Noteholders, upon written notice given by registered letter with acknowledgment of receipt to the Issuer (copy to the Fiscal and Paying Agent) before all defaults shall have been cured, cause all, but not some only, of the Notes to become immediately due and payable, at their principal amount together with any accrued interest thereon until their actual redemption date:

- (a) the Issuer defaults in any payment of principal or interest on any Note on the due date thereof and such default continues for a period of more than five (5) Business Days from such due date, unless such default is caused by any administrative or technical error and payment is made within two (2) Business Days in addition to the above mentioned five (5) Business Days;
- (b) the Issuer or the Parent does not perform or comply with any or more of its obligations under Conditions 2 (*STATUS OF THE NOTES*), 3 (*SECURITY*), 9.1 (*Limitation on Financial Indebtedness*), 9.2 (*Financial ratios*) and 9.3 (*Limitation on dividends, share redemption and restricted payments*);

- (c) the Issuer or the Parent does not perform or comply with any of its other obligations under the Notes or the Note Documents, and such default remains unremedied within fifteen (15) Business Days after receipt by the Issuer of written notice of such default;
- (d) any other present or future Financial Indebtedness of the Issuer or the Parent:
  - (i) is not paid when due nor within any originally applicable grace period, or
  - (ii) becomes (or becomes capable of being declared) due and payable prior to its stated maturity as a result of any default or event of default (howsoever described), provided that the aggregate principal or notional amount of Financial Indebtedness in the respect of which the events mentioned above in sub-paragraphs (i) and (ii) above occurred equals or exceeds €30,000,000 or its equivalent in any other currency;
- (e) any other present or future Financial Indebtedness of GRTgaz becomes due and payable prior to its stated maturity as a result of any default or event of default (howsoever described), provided that the aggregate principal or notional amount of Financial Indebtedness in the respect of which the events mentioned above occurred equals or exceeds (i) €30,000,000 or its equivalent in any other currency if such Financial Indebtedness is owed to Engie or any entity of its group or (ii) €50,000,000 or its equivalent in any other currency if such Financial Indebtedness is owed to any creditor other than Engie or any entity of its group;
- (f) the GRTgaz LR exceeds 0.80:1 as at any Testing Date, provided that no Event of Default shall occur as a result of a breach of this financial ratio if, within thirty (30) Business Days after delivery of a Compliance Certificate (i) GRTgaz receives a GRTgaz Equity Cure Amount and (ii) a Compliance Certificate is delivered to the Representative evidencing that, after taking into account the GRTgaz Equity Cure Amount, this financial ratio is no longer breached;
- (g) the occurrence of a Merger Event with respect to the Issuer, GRTgaz or the Parent (other than a Permitted Reorganisation);
- (h) the termination of the Shareholders' Agreement and no Substitute Shareholders' Agreement shall be entered into by the Issuer on or prior to the date of such termination;
- (i) any amendment to a Material Provision of the Shareholders' Agreement having a material adverse effect on the rights of the Issuer thereunder;
- (j) any party to the Shareholders' Agreement does not perform or comply with any one or more of a Material Provision of the Shareholders' Agreement and such default of performance or compliance is materially prejudicial to the interests of the Noteholders and is not remedied, waived or indemnified within fifteen (15) Business Days as from the occurrence of such default;
- (k) the Issuer or the Parent makes any proposal for a general moratorium in relation to its debts;
- (l) the Issuer, GRTgaz or the Parent (i) applies for the appointment of a *mandataire ad hoc*, (ii) applies to enter into a conciliation procedure (*procédure de conciliation*), or is subject to such application, (iii) applies to enter into a safeguard proceeding (*procédure de sauvegarde*) or an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), (iv) a judgment is rendered for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, GRTgaz or the Parent, as the case may be or (v) to the extent permitted by applicable law, is subject to any other similar insolvency or bankruptcy proceedings;
- (m) the failure by the Issuer or the Parent to pay final judgments entered into by a court or courts of competent jurisdiction aggregating in excess of €30,000,000

(exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been discharged or waived and there shall have been a period of sixty (60) days during which a stay of enforcement of such judgment or order, by reason of an appeal, waiver or otherwise, shall not have been in effect;

- (n) any breach by the Issuer or the Parent of any material representation, warranty or agreement provided for in the Security Agreements; the security interest created by the Security Agreements ceases to be in full force and effect, or an assertion by the Issuer or the Parent that any security interest created pursuant to the Security Agreements is not a valid, perfected security interest; or the repudiation by the Issuer or the Parent of any of its material obligations under the Security Agreements; unless any of these events has been remedied, cured or waived within a period of fifteen (15) Business Days as from their occurrence; and
- (o) any event occurs that under laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

#### 11. **ILLEGALITY**

If it becomes unlawful due to a legal provision entered into force after the Issue Date or to a change of interpretation of such provision by any authority competent for that purpose for the Issuer or the Parent to perform or comply with any material obligation under any Note Documents ("**Illegality**"), and such Illegality shall not have been avoided or remedied (or these Conditions amended by mutual consent of the Issuer and the *Masse*) within thirty (30) Business Days after the date of default in the performance of the relevant obligation by reason of such Illegality, if capable of remedy, then the Representative shall, by notice given by registered letter with acknowledgment of receipt to the Issuer (copy to the Fiscal and Paying Agent) (the "**Acceleration Notification Date**") before the continuing Illegality shall have been remedied, cause the Notes to become immediately due and payable at their principal amount together with any interest accrued up to, but excluding, the date set for redemption. Notice of the fact that the Notes have become due and payable pursuant to this Condition 11 (*ILLEGALITY*) shall be given by the Fiscal and Paying Agent on behalf of the Issuer, failing whom the Representative, to the Noteholders in accordance with Condition 12 (*NOTICES*), indicating the date set for redemption, not later than the tenth (10<sup>th</sup>) Business Day following the Acceleration Notification Date.

#### 12. **NOTICES**

- (a) Any notice to the Noteholders will be duly given if (i) delivered to Euroclear France, (ii) published on the website of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)) and (iii) so long as the Notes are listed on Euronext Paris and if the rules of Euronext Paris so require, published on the website of Euronext Paris ([www.euronext.com](http://www.euronext.com)).
- (b) Notices required to be given to the Noteholders pursuant to Articles R.228-79 and R.236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France and on the website of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)).

Any notice to the Noteholders shall be deemed to have been given on the date of such publication or if published on different dates, on the date of the first publication.

#### 13. **REPRESENTATION OF THE NOTEHOLDERS**

The Noteholders will be grouped automatically for the defense of their common interests in a *masse* (the "**Masse**").

The *Masse* will be governed by the provisions of the French *Code de commerce* (with the exception of the provisions of Articles L.228-59, L.228-65-II, L.228-71, R.228-63, R.228-65, R.228-67 and R.228-69 thereof), subject to the following provisions:



### 13.1 Legal personality

The *Masse* will be a separate legal entity by virtue of Article L.228-46 of the French *Code de commerce*, acting in part through the representative (the "**Representative**") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

### 13.2 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (a) the Issuer, the members of its board of directors, its statutory auditors, its managers, its employees and their ascendants, descendants and spouses;
- (b) companies guaranteeing all or part of the obligations of the Issuer;
- (c) companies of which the Issuer possesses at least ten (10) per cent. of the share capital; and
- (d) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative is:

Selarl MCM Avocat  
10, rue de Sèze  
75009 Paris  
France  
Tel : +33 1 53 43 36 00  
Fax : +33 1 53 43 36 01  
Contact : Antoine Lachenaud - avocat  
antoine.lachenaud@avocat-mcm.com

The alternative representative of the *Masse* (the "**Alternative Representative**") is:

Philippe Maisonneuve  
Avocat  
Tel : +33 1 53 43 36 00  
Fax : +33 1 53 43 36 01  
Contact : Philippe Maisonneuve - avocat  
philippe.maisonneuve@avocat-mcm.com

The Alternative Representative replaces the initial Representative when the initial Representative has resigned or is no longer able to fulfil his duties. In the event of death, retirement, dissolution or revocation of the Alternative Representative, a replacement will be elected by a Collective Decision.

The Representative will receive a net remuneration of €600 per year for its services.

All interested Noteholders will at all times have the right to obtain the names and addresses of the initial Representative and the Alternative Representative at the registered office of the Issuer and the specified offices of any of the Fiscal and Paying Agents.

### 13.3 Powers of the Representative

The Representative shall, in the absence of any Collective Decision to the contrary, have the power to take all acts of management necessary for the defence of the common interests of the Noteholders. All legal proceedings against the Noteholders or initiated by them, in order to be justifiable, must be brought against the Representative or by him.

The Representative may not interfere in the management of the affairs of the Issuer.

### 13.4 Collective Decisions

Collective Decisions are adopted either in a general meeting of Noteholders (a “**General Meeting**”) or by consent following a Written Resolution (as defined below).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) Business Day preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with 13.7 (*Notice to the Noteholders*).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes.

### 13.5 General Meetings

General Meetings may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30th) of outstanding Notes may address to the Issuer and the Representative a request for convocation of the General Meeting; if such General Meeting has not been convened within two (2) months from such demand, such Noteholders may commission one of themselves to petition the competent courts within the jurisdiction of the Court of Appeal of Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided under Condition 12 (*NOTICES*) not less than ten (10) Business Days prior to the date of the General Meeting for the first convocation and seven (7) Business Days for the second convocation, as the case may be.

Each Noteholder has the right to participate in meetings of the *Masse* in person, by proxy, correspondence, or videoconference or any other means of telecommunications allowing the identification of the participating Noteholders as provided *mutadis mutandis* by Article R.223-20-1 of the French *Code de commerce*. Each Note carries the right to one (1) vote.

### 13.6 Powers of General Meetings

A General Meeting is empowered to deliberate on the remuneration, dismissal and replacement of the Representative, and also may act with respect to any other matter relating to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

A General Meeting may further deliberate on any proposal relating to the modification of the Conditions, including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions.

It is specified, however, that a General Meeting may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares.

The General Meeting may validly deliberate on first convocation only if Noteholders present or represented hold at least one fifth (1/5th) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings

shall be taken by a majority of two thirds (2/3) of votes cast by the Noteholders attending such meeting or represented thereat.

For the avoidance of doubt, in the Conditions 13.5 and 13.6, the term "outstanding" shall not include those Notes subscribed or purchased by the Issuer pursuant to Article L.213-0-1 of the French *Code monétaire et financier* that are held by it and not cancelled.

#### 13.7 **Notice to the Noteholders**

Any notice to be given to Noteholders in accordance with this Condition 13 (*REPRESENTATION OF THE NOTEHOLDERS*) shall be given in accordance with Condition 12 (*NOTICES*) not more than ninety (90) days from the date thereof.

#### 13.8 **Information to the Noteholders**

Each Noteholder or representative thereof will have the right, during the fifteen (15) Business Day period (or the ten (10) Business Day period for the second convocation) preceding the holding of each meeting of a General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting. Those documents will be available for inspection at the principal office of the Issuer, at the offices of the Fiscal and Paying Agents and at any other place specified in the notice of meeting.

#### 13.9 **Written Resolutions**

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution. Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 12 (*NOTICES*) not less than ten (10) Business Days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

For the purpose hereof, a "**Written Resolution**" means a resolution in writing signed by the Noteholders of not less than 80 per cent. in nominal amount of the Notes outstanding.

#### 13.10 **Expenses**

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by a Collective Decision, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

#### 14. **FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes (the "**Additional Notes**"), provided that (i) the Additional Notes and the Notes shall carry identical rights in all respects (or in all respects except for the issue price and the first payment of interest thereon), (ii) the terms and conditions of the Additional Notes shall provide for such assimilation, (iii) the issuance of Additional Notes shall be made in compliance with Condition 9.1 (*Limitation on Financial Indebtedness*) and (iv) a number of GRTgaz Shares equal to such number of GRTgaz

Shares which have been purchased, in whole or in part, with the proceeds of such Additional Notes, in accordance with Condition 9.1, as certified in writing by the Issuer to the Representative, have been credited to the GRTgaz Securities Account.

In the case of such assimilation, the holders of the Additional Notes and the Noteholders will be grouped in a single *masse*. References in these Conditions to the Notes include any Additional Notes issued pursuant to this Condition and assimilated (*assimilables*) with the Notes.

15. **PRESCRIPTION**

All claims against the Issuer for the payment of principal or interest in respect of the Notes shall lapse after ten (10) years (in the case of principal) and five (5) years (in the case of interest) from due date for payment thereof.

16. **MODIFICATION TO THE NOTE DOCUMENTS**

The Note Documents may be amended by the parties to it, without the consent of the Noteholders, for the purpose of curing or correcting a formal error (*erreur matérielle*) contained in it, or in any manner the parties to the relevant Note Documents mutually deem necessary or desirable and which does not, in the opinion of the Representative, adversely affect the interest of the Noteholders.

17. **GOVERNING LAW, JURISDICTION AND LANGUAGE**

The Notes are governed by French law.

Any dispute arising out of or in connection with the Notes will be submitted to the competent courts in the jurisdiction of the courts of second instance in Paris.

18. **NO HARDSHIP (*IMPRÉVISION*)**

The Issuer and the Noteholders acknowledge that the provisions of Article 1195 of the French *Code civil* shall not apply to these Conditions.

19. **DEFINITIONS**

For the purposes of these Conditions:

**"49 per cent. Issuer Securities Account Pledge Agreement"** means the securities account pledge agreement relating to 49 per cent. of the Issuer Shares dated 12 July 2018 between, amongst others, the Parent in its capacity as pledgor and the Representative.

**"51 per cent. Issuer Securities Account Pledge Agreement"** means the securities account pledge agreement relating to 51 per cent. of the Issuer Shares dated 12 July 2018 between, amongst others, the Parent in its capacity as pledgor and the Representative.

**"Acceleration Notification Date"** has the meaning given to it in Condition 11 (*ILLEGALITY*).

**"Account Holders"** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream and Euroclear.

**"Accounting Principles"** means International Financial Reporting Standards (IFRS).

**"Additional Notes"** has the meaning given to it in Condition 14 (*FURTHER ISSUES*).

**"Affiliate"** means any person or entity, controlled directly or indirectly by the Issuer or controlling directly or indirectly the Issuer, within the meaning of Article L.233-3 of the French *Code de commerce*.

**"Agency Agreement"** means the agency agreement entered into between the Issuer, the Fiscal and Paying Agent and the Calculation Agent dated 10 July 2018.

**"Alternative Representative"** has the meaning given to it in Condition 13.2 (*Representative*).

**"Business Day"** means a day (except for Saturdays and Sundays) on which (i) Euroclear France is open for business and (ii) the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET 2) (the **"TARGET System"**) is operating and (iii) commercial banks and foreign exchange markets are open for general business in France.

**"Caceis Bank"** means Caceis Bank, a *société anonyme* incorporated under the laws of France, registered with the *Registre du Commerce et des sociétés* of Paris under number 692 024 722, the registered office of which is located at 1-3 place Valhubert, 75013 Paris, France.

**"Calculation Agent"** means CACEIS Corporate Trust, acting as calculation agent, which expressions shall, where the context so admits, include any successor for the time being as calculation agent.

**"Cash"** means cash in hand or credit balances or amounts on deposit which are freely transferable and freely convertible and are accessible by the Issuer on demand with any bank and which is not subject to any security interest.

**"Cash Equivalents"** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by a bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of (x) the United States of America, the United Kingdom, France, Germany or (y) any other member state of the European Economic Area or any Participating Member State having a credit rating equivalent to the one of the United States of America, the United Kingdom, France or Germany; or by an instrumentality or agency of any of the countries listed in (x) and (y) above and having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in (x) the United States of America, the United Kingdom, France, Germany or (y) any other member state of the European Economic Area or any Participating Member State having a credit rating equivalent to the one of the United States of America, the United Kingdom, France or Germany;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating; or
- (d) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's or F1 or higher by Fitch Ratings or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above and (iii) can be turned into cash on not more than thirty (30) days' notice.

**"Change of Control"** has the meaning given to it in Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*).

**"Clearstream"** means Clearstream Banking, S.A.

**"Compliance Certificate"** means a certificate that shall be delivered by the Issuer to the Representative and the Noteholders, on or before each Compliance Reporting Date, signed by the Chairman of the Board of Directors and Chief Executive Officer (*président-directeur général*) of the Issuer, (i) certifying compliance with the ratios in Condition 9.1

(*Limitation on Financial Indebtedness*), Financial ratios 9.2 (*Financial ratios*) and the ratios set forth in paragraph (f) of Condition 10 (*EVENTS OF DEFAULT*) and providing calculations for the financial ratios as at the relevant Testing Date or Determination Date or for the relevant Testing Period or Determination Period, as the case may be, in reasonable detail and (ii) certifying as at the date of the certificate that no Event of Default occurred or is continuing.

**"Compliance Reporting Date"** means (i) in respect of a Testing Date falling on 31 December or 1 January or a Testing Period ending on 31 December, each 30 April and (ii) in respect of a Testing Date falling on 30 June or a Testing Period ending on 30 June, each 30 September.

**"Conditions"** means the terms and conditions of the Notes which are the numbered paragraphs above.

**"Consortium"** means Caisse des Dépôts et Consignations, CNP Assurances, any Affiliate of Caisse des Dépôts et Consignations or CNP Assurances.

**"day"** means a calendar day.

**"Determination Date"** has the meaning given to it in Condition 9.1 (*Limitation on Financial Indebtedness*).

**"Determination Period"** has the meaning given to it in Condition 9.1 (*Limitation on Financial Indebtedness*).

**"Dividend Amount"** means the aggregate amount of dividends in respect of GRTgaz Shares received by the Issuer, less corporation tax, in respect of the relevant Testing Period.

**"Early Redemption Margin"** has the meaning given to it in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*).

**"Elengy"** means Elengy, a *société anonyme* incorporated under the laws of France, registered with the Registre du commerce et des sociétés of Nanterre under number 451 438 782, the registered office of which is located at 11, avenue Michel Ricard, 92270 Bois-Colombes, France.

**"Engie"** means Engie, a *société anonyme* incorporated under the laws of France, registered with the *Registre du commerce et des sociétés* of Nanterre under number 542 107 651, the registered office of which is located at 1, place Samuel de Champlain, 92400 Courbevoie, France.

**"Euroclear"** means Euroclear Bank SA/NV

**"Euroclear France"** means Euroclear France, a subsidiary of Euroclear.

**"Event of Default"** means an event described in Condition 10 (*EVENTS OF DEFAULT*).

**"Excluded Issuer Shares"** means the shares of the Issuer which are required to be held by the shareholders and the directors of the Issuer in accordance with applicable law, within a maximum number of 6 shares.

**"Existing Issuer Financial Indebtedness"** means any indebtedness in respect of the Notes and the Security Agreements and any forward financial instrument or financial contract entered into by the Issuer in relation thereto.

**"Financial Indebtedness"** means, without double counting, any indebtedness (whether principal, interest or otherwise) for or in respect of:

- (a) monies borrowed,
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent,
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (whether or not redeemable, exchangeable or convertible into shares),

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease,
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a nonrecourse basis),
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value shall be taken into account),
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution where the underlying liability otherwise constitutes Financial Indebtedness,
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) the primary reason behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than one hundred and eighty (180) days after the date of supply,
- (i) any amount raised under any other transaction (including any forward financial instrument, forward sale or purchase agreement) to the extent treated as a borrowing under the Accounting Principles, and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

**"Financial Statements"** means the audited financial statements, the notes thereto and the auditor's report thereon, prepared in accordance with the Accounting Principles, for the financial year ending 31 December and the unaudited interim financial statements, the notes thereto and the auditors limited review's report thereon, prepared in accordance with the Accounting Principles, for the financial half year ending 30 June.

**"Fiscal and Paying Agent"** means CACEIS Corporate Trust, acting as fiscal and paying agent, which expressions shall, where the context so admits, include any successor for the time being as fiscal and paying agent.

**"GRTgaz"** means GRTgaz, a *société anonyme* incorporated under the laws of France, registered with the *Registre du commerce et des sociétés* of Nanterre under number 440 117 620, the registered office of which is located at 6, rue Raoul Nordling, 92270 Bois-Colombes, France.

**"GRTgaz Equity Cure Amount"** means an equity funding made to the benefit of GRTgaz, through a subscription of shares for cash by any shareholder (including the Issuer), the net proceeds of which are applied in whole to the payment, repayment or redemption of Financial Indebtedness of GRTgaz or placed in Cash or Cash Equivalents held by GRTgaz, in order to remedy the breach of the GRTgaz Leverage Ratio set out in paragraph (f) of Condition 10 (*EVENTS OF DEFAULT*) by, for the purpose of calculating the GRTgaz LR, reducing the GRTgaz Net Indebtedness and increasing the GRTgaz Shareholder Equity.

**"GRTgaz LR" or "GRTgaz Leverage Ratio"** means the following ratio:

$$\text{GRTgaz Net Indebtedness}$$


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$$\text{GRTgaz Net Indebtedness} + \text{GRTgaz Shareholder Equity}$$

**"GRTgaz Net Indebtedness"** means the aggregate amount of Financial Indebtedness incurred by GRTgaz less Cash and Cash Equivalents held by GRTgaz, as determined on a consolidated basis in accordance with the Accounting Principles on the basis of the most recently available Financial Statements.

**"GRTgaz Securities"** means (i) the GRTgaz Shares held by the Issuer and representing 24.91 per cent. of the issued share capital and voting rights of GRTgaz on Issue Date, (ii) any GRTgaz Shares or securities giving directly or indirectly access to the share capital of GRTgaz acquired, subscribed for or received by the Issuer in order for the Issuer to hold at any time at least 15 per cent. of the issued share capital and voting rights of GRTgaz, and (iii) any other GRTgaz Shares or securities giving directly or indirectly access to the share capital of GRTgaz acquired, subscribed for or received by the Issuer and financed, in whole or in part, by the issuance of Additional Notes.

**"GRTgaz Securities Account"** means the securities account (*compte titres*) opened under the name of the Issuer in the books of GRTgaz in which the GRTgaz Securities owned by the Issuer are registered, together with the related cash account opened in the books of Caceis Bank.

**"GRTgaz Securities Account Pledge Agreement"** means the agreement dated 12 July 2018 between, amongst others, the Issuer in its capacity as pledgor and the Representative.

**"GRTgaz Shareholder Equity"** means the shareholder equity (*capitaux propres*) of GRTgaz as determined on a consolidated basis in accordance with the Accounting Principles on the basis of the most recently available Financial Statements.

**"GRTgaz Shares"** means the shares (*actions ordinaires*) in GRTgaz and any other securities (*valeurs mobilières*) which may be substituted for or added to the shares, following or in connection with share exchanges, consolidations, splits, free issues, subscriptions by way of cash or otherwise.

**"Illegality"** has the meaning given to it in Condition 11 (*ILLEGALITY*).

**"Interest Commencement Date"** has the meaning given to it in Condition 4.1 (*Interest*).

**"Interest Payment Date"** has the meaning given to it in Condition 4.1 (*Interest*).

**"Interest Period"** has the meaning given to it in Condition 4.1 (*Interest*).

**"Interest Rate"** has the meaning given to it in Condition 4.1 (*Interest*).

**"Issue Date"** means 12 July 2018.

**"Issuer"** means Société d'Infrastructures Gazières, a *société anonyme* incorporated under the laws of France, registered with the *Registre du commerce et des sociétés* of Paris under number 532 900 552, the registered office of which is located at 4 place Raoul Dautry 75015 Paris, France.

**"Issuer Equity Cure Amount"** means an equity or quasi-equity funding made to the benefit of the Issuer, either through a subscription for cash by the Parent for shares in the Issuer or a Permitted Issuer Shareholder Loan, the net proceeds of which are applied in whole to the payment, repayment or redemption of Financial Indebtedness (other than Financial Indebtedness owed to the Parent, GRTgaz or any member of the Consortium) of the Issuer or placed in Cash or Cash Equivalents, in order to remedy any covenant set out in Condition 9.2 (*Financial ratios*) by (i) reducing the Issuer Net Indebtedness, for the purpose of calculating the Issuer LR, and (ii) reducing the Issuer Interest Charges as if the payment had taken effect at the beginning of the relevant Testing Period, for the purpose of calculating the Issuer ICR.

**"Issuer ICR" or "Issuer Interest Coverage Ratio"** means the ratio (expressed as a ratio of 1) of the Dividend Amount to the Issuer Interest Charges in respect of any Testing Period.

**"Issuer Interest Charges"** means, in respect of the relevant Testing Period, the aggregate amount of the accrued interest or other finance charges in respect of the Notes (including any Additional Notes) and any other Financial Indebtedness of the Issuer whether paid, payable or capitalised (other than pursuant to any Permitted Issuer Shareholder Loan), minus the revenues resulting from any placement in Cash or Cash Equivalents, determined in accordance with the Accounting Principles on the basis of the most recently available Financial Statements.



**"Issuer LR" or "Issuer Leverage Ratio"** means the following ratio:

$$\frac{\text{Issuer Net Indebtedness} + (\text{GRTgaz Net Indebtedness} \times \text{Relevant GRTgaz Shareholding})}{(\text{GRTgaz Net Indebtedness} + \text{GRTgaz Shareholder Equity}) \times \text{Relevant GRTgaz Shareholding}}$$

**"Issuer Net Indebtedness"** means the aggregate amount of Financial Indebtedness incurred by the Issuer (other than a Permitted Issuer Shareholder Loan) less Cash and Cash Equivalents held by the Issuer, as determined in accordance with the Accounting Principles on the basis of the most recently available Financial Statements.

**"Issuer Securities Accounts"** means the securities accounts (*comptes titres*) opened under the name of the Parent in the books of the Issuer in which all the existing and future Issuer Shares owned by the Parent are registered, together with the related cash accounts opened in the books of Caceis Bank.

**"Issuer Securities Accounts Pledge Agreements"** means the 49 per cent. Issuer Securities Account Pledge Agreement and the 51 per cent. Issuer Securities Account Pledge Agreement.

**"Issuer Shares"** means the shares (*actions ordinaires*) in the Issuer and any other securities (*valeurs mobilières*) which may be substituted for or added to the shares, following or in connection with share exchanges, consolidations, splits, free issues, subscriptions by way of cash or otherwise.

**"Make-whole Redemption Amount"** has the meaning given to it in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*).

**"Make-whole Redemption Date"** has the meaning given to it in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*).

**"Masse"** has the meaning given to it in Condition 13 (*REPRESENTATION OF THE NOTEHOLDERS*).

**"Material Provisions"** means the rights of the Issuer under the following articles of the Shareholders' Agreement: (i) articles 4.1.1 and 4.3.2 with respect to the composition and the decisions of the board of directors of GRTgaz, (ii) article 10 with respect to the distribution policy and (iii) articles 20.1 and 20.2 with respect to the financial commitments of Engie.

**"Merger Event"** means any amalgamation, demerger, spin-off, merger, consolidation or transfer of all or a significant part of assets and/or activities, including any *fusion*, *fusion-absorption* or *scission*.

**"Notes"** means the €586,400,000 2.715 per cent. senior secured notes maturing on 12 July 2029 issued by the Issuer.

**"Note Documents"** means the Conditions of the Notes, the Security Agreements and the Agency Agreement.

**"Noteholders"** means the holders of the Notes.

**"Optional Redemption Date"** has the meaning given to it in Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*).

**"Parent"** means Holding d'Infrastructures Gazières, a *société par actions simplifiée* incorporated under the laws of France, registered with the *Registre du commerce et des sociétés* of Paris under number 532 779 105, the registered office of which is located at 4 place Raoul Dautry 75015 Paris, France.

**"Participating Member State"** means any member state of the European Communities that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

**"Permitted Issuer Investment"** means the acquisition of GRTgaz Shares and any investment in Cash or Cash Equivalents, and any assets directly related or reasonably incidental to the establishment, maintenance, and management of its corporate existence.

**"Permitted Issuer Security Interest"** means the pledge (*nantissement de compte-titres*) over the GRTgaz Securities Account under the GRTgaz Securities Account Pledge Agreement in order to secure the Issuer's obligations under the Notes (including Additional Notes) and any other pledges (*nantissements de compte-titres*) over additional GRTgaz Shares which would be acquired by the Issuer after the Issue Date in order to secure additional Financial Indebtedness incurred by the Issuer in accordance with the provisions of Condition 9.1 (*Limitation on Financial Indebtedness*).

**"Permitted Issuer Shareholder Loan"** means a loan made by the Parent or any member of the Consortium to the Issuer in order to fund an Issuer Equity Cure Amount or a GRTgaz Equity Cure Amount, provided that (i) any amount (whether principal, interest or otherwise) owed by the Issuer under such loan shall be subordinated in right of payment to the Notes and any other Financial Indebtedness (other than a Subordinated Financial Indebtedness) of the Issuer, (ii) the maturity of such loan shall not be earlier than the maturity of the Notes and such loan shall not be redeemed as long as any Note remains outstanding, and (iii) any interest accrued under such loan shall be capitalised and shall only become due and payable at the maturity date of such loan, it being specified that such loan may be repaid by way of set-off against the subscription of new shares of the Issuer.

**"Permitted Parent Investments"** means the acquisition of additional Issuer Shares and any investment in Cash or Cash Equivalents, and any assets directly related or reasonably incidental to the establishment, maintenance, and management of its corporate existence.

**"Permitted Parent Security Interest"** means the pledges (*nantissement de comptes-titres*) over the Issuer Securities Accounts under the Issuer Securities Accounts Pledges Agreements in order to secure the Issuer's obligations under the Notes.

**"Permitted Parent Shareholder Loan"** means a loan made to the Parent by any member of the Consortium in order to fund an Issuer Equity Cure Amount, a GRTgaz Equity Cure Amount or a Permitted Parent Investment.

**"Permitted Reorganisation"** means a Merger Event where the surviving legal entity which acquires or to which is transferred all or a substantial part of the business and/or activities of GRTgaz or the Parent, as applicable:

- (a) is a company incorporated and resident in a member state of the OECD;
- (b) carries on the same or similar business and activities of the GRTgaz or the Parent;
- (c) expressly and effectively by law assumes all the obligations of GRTgaz or the Parent and has obtained all authorisations there for; and
- (d) where no Event of Default would or is reasonably likely to occur as the result of such Merger Event.

**"Put Event Notice"** has the meaning given to it in Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*).

**"Put Option"** has the meaning given to it in Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*).

**"Put Option Notice"** has the meaning given to it in Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*).

**"Put Period"** has the meaning given to it in Condition 8 (*CHANGE OF CONTROL OF THE ISSUER*).

**"Reference Benchmark Security"** has the meaning given to it in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*).

**"Reference Dealers"** has the meaning given to it in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*).

**"Reference Rate"** has the meaning given to it in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*)

**"Relevant GRTgaz Shareholding"** means the percentage of share capital and voting rights in GRTgaz owned by the Issuer at any Testing Date.

**"Representative"** has the meaning given to it in Condition 13.2 (*Legal personality*).

**"Security Agreements"** means the GRTgaz Securities Account Pledge Agreement and the Issuer Securities Accounts Pledge Agreements.

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Servicing Agreement"** means any management or servicing agreement entered into from time to time between the Issuer and any member of the Consortium.

**"Shareholders' Agreement"** means the shareholders' agreement and its appendices entered into by the Issuer and Engie with respect to GRTgaz on or about 27 June 2011 and any agreement in relation thereto.

**"Similar Security"** has the meaning given to it in Condition 5.4(ii) (*Make-whole Redemption by the Issuer*).

**"Subordinated Financial Indebtedness"** means all existing and future Financial Indebtedness of the Issuer that is expressed to be subordinated in right of payment to the Notes.

**"Substitute Shareholders' Agreement"** means any shareholders' agreement providing for rights for the benefit of the Issuer which are, in the opinion of the Representative, similar to the rights of the Issuer under the Shareholders' Agreement.

**"Testing Date"** means:

- (a) 31 December and 30 June in each year, starting on (i) 31 December 2018 with respect to the Issuer LR and GRTgaz LR and (ii) 31 December 2019 with respect to the Issuer ICR,
- (b) or any other date that may be agreed between the Issuer and the Representative as a result of a change in the financial year.

**"Testing Period"** means, in respect of a Testing Date falling on 31 December or on 30 June, the immediately preceding 12 months.

**"Treasury Transaction"** means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate, index or price.

## USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for the refinancing of its €586,400,000 5.375 per cent. Notes due 12 July 2018.

## DESCRIPTION OF THE ISSUER

### 1. STATUTORY AUDITORS

Principal auditors	Date of First Appointment	Term of Office	Expiry Date of Current Appointment
Mazars Represented by Olivier Leclerc	At incorporation of the Issuer and renewed in June 2016	6 years	At the end of the annual shareholders' meeting held to approve the financial statements for the 2021 financial year
Price Waterhouse Cooper Audit Represented by Bénédicte Vignon	Appointed by the shareholders' meeting in November 2012 and renewed in June 2018	6 years	At the end of the annual shareholders' meeting held to approve the financial statements for the 2023 financial year
Alternate auditor Franck Boyer	At incorporation of the Issuer and renewed in June 2016	6 years	At the end of the annual shareholders' meeting held to approve the financial statements for the 2021 financial year

### 2. GENERAL INFORMATION ABOUT THE ISSUER

#### 2.1. Legal and commercial name

The corporate name of the Issuer is Société d'Infrastructures Gazières.

#### 2.2. Registered office (Article 4 of the by-laws)

The registered office of the Issuer is located at 4, place Raoul Dautry, 75015 Paris, France. The registered office telephone number is: +33 (0)1 42 18 78 16.

#### 2.3. Legal form

Société d'Infrastructures Gazières is a joint stock corporation (*société anonyme*) with a Board of Directors (*conseil d'administration*), subject to the laws and regulations governing commercial corporations in France, particularly the provisions under the French *Code de commerce*.

#### 2.4. Date of incorporation and term (Article 5 of the by-laws)

The Issuer was incorporated on 10 June 2011 for a period of 99 years. The expiration date is 9 June 2100, except in the event of extension or early dissolution.

#### 2.5. Financial year (Articles 24 and 25 of the by-laws)

The Issuer's financial year shall commence on 1 January and end on 31 December of each year.

#### 2.6. Place of registration and registration number

The Issuer is registered with the Paris Register of Commerce and Companies under reference number 532 900 552.

### 3. BUSINESS OVERVIEW

#### 3.1. Corporate purpose (Article 2 of the by-laws)

The purpose of Société d'Infrastructures Gazières is, directly or indirectly, in France and in all countries:

- holding an interest in the share capital of GRTgaz;
- management of its shareholding;
- contribution to, and participation in, any business ventures or companies created or to be created, either directly or indirectly connected with the aforementioned purposes, a similar or ancillary purpose. Such participation shall take effect by any means, particularly with the formation of new companies, capital contributions, sponsorship, subscription to new shares, the purchase of shares or political rights, mergers, joint ventures, economic interest grouping or others;
- cash management and investment resulting from the above transactions;
- granting any pledges, guarantees and any other transactions authorised pursuant to Article L.511-7 3° of the French *Code monétaire et financier*;
- supply of services, offering advice and assistance in the context of commercial, financial, accounting, legal, tax, technical, administrative and IT issues in contractual negotiations for all types of agreements or overseeing the supply of services to companies, entities or groups in which the Issuer controls the majority of shares or rights; and
- all financial, commercial and industrial transactions in general which involve moveable property or real estate, that are directly or indirectly associated with the aforementioned purposes or with all related or ancillary purposes.

#### 3.2. Principal activities

Société d'Infrastructures Gazières is a holding company, whose sole asset is its 24.91 per cent. minority interest in GRTgaz. Société d'Infrastructures Gazières' shareholding in GRTgaz.

The Issuer may incur additional indebtedness under certain circumstances in accordance with the Terms and Conditions of the Notes, including for the acquisition of new shares in GRTgaz.

The Issuer acquired its 24.91 per cent. interest in the share capital and voting rights in GRTgaz from Engie on 12 July 2011 pursuant to an investment agreement (*accord d'investissement*) entered into by and between the Issuer and Engie on 27 June 2011. Engie is the controlling majority shareholder of GRTgaz with a 74.78 per cent. interest in the shares and voting rights in GRTgaz.

In connection with the acquisition by the Issuer of its 24.91 per cent. interest in GRTgaz, the Issuer entered into a shareholders' agreement with Engie, dated 27 June 2011 (the "**Shareholders' Agreement**"). The Shareholders Agreement governs the parties' respective rights, duties and obligations with respect to the ownership of the GRTgaz shares. The Shareholders' Agreement was concluded for a period of twenty (20) years, renewable once for a period of ten (10) years at the initiative of either party to the agreement.

Pursuant to the Shareholders' Agreements, the Issuer has the right to designate three members at the board of directors of GRTgaz for election by the general meeting of shareholders of GRTgaz and is entitled to a representation on the Audit Committee, Compensation Committee and Investment Committee of the board of directors of GRTgaz. Engie and the Issuer must vote their shares in such a manner that is consistent with the composition of the board as set forth in the Shareholders' Agreement.

The shareholders' agreement provides that GRTgaz will distribute an agreed percentage of 100 per cent. of the consolidated net income (as determined under IFRS) of GRTgaz to its shareholders as dividends. If such distribution is unfeasible for any legal or regulatory reason, GRTgaz will distribute an agreed percentage of no less than 95 per cent. of its net income (as determined under French GAAP) as dividend.

Additionally, the Shareholders Agreement details the matters requiring the approval of the Issuer's representatives on the board of directors of GRTgaz (including, among other things, a change in the dividend policy of GRTgaz), and provides for pre-emptive rights as well as tag-along rights in favor of the Issuer with respect to sales of shares of GRTgaz by Engie to a third party. The Shareholders' Agreement also includes additional terms regarding certain obligations of Engie, including Engie's covenant to use its best effort to be compliant with the provision of the Third Gas Directive.

GRTgaz since the financial year ending 31 December 2011 prepares a separate set of financial statements under IFRS standards. The main difference between the French GAAP net income and the IFRS net income of GRTgaz results from the restatement of special derogation allowances related to fixed assets amortisation (mainly pipes and compression stations), and its corresponding impact on deferred tax liabilities.

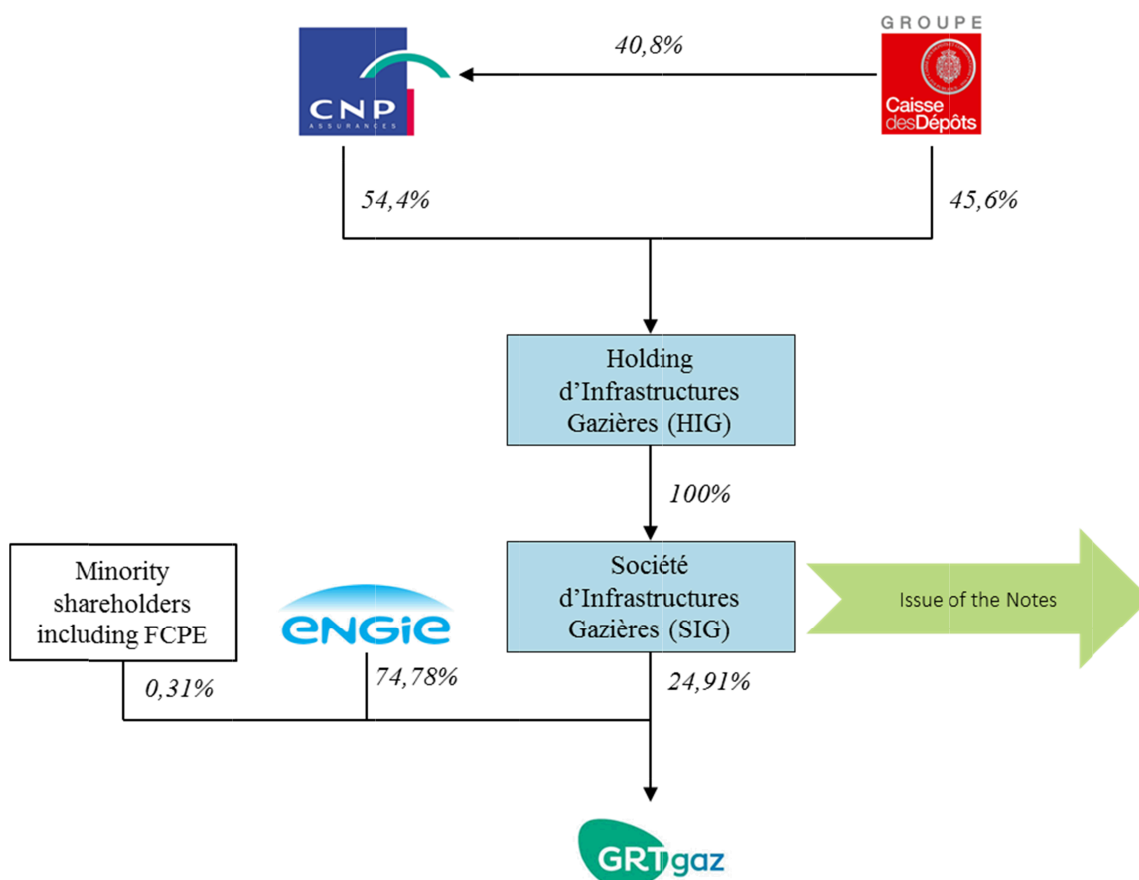
On 27 September 2017, GRTgaz has acquired 25 per cent. of Elengy SA and Engie contributed the remaining 75 per cent. of Elengy to GRTgaz, pursuant to the definitive agreements signed on 18 July 2017. The consideration for the acquisition of the 25 per cent. of Elengy has been paid in cash by GRTgaz to Engie. GRTgaz financed this acquisition through a capital increase reserved to Société d'Infrastructures Gazières. Following the acquisition, GRTgaz became the sole shareholder of Elengy.

Elengy is France's largest LNG terminal operator with three terminals in operation.

GRTgaz's operations, businesses and the regulatory framework applicable to GRTgaz are described in more detail in the section "Description of GRTgaz" of this Prospectus.

#### 4. ORGANISATIONAL STRUCTURE

Below is an organisational chart of the Société d'Infrastructures Gazières' group:



## 5. MANAGEMENT AND BOARD OF DIRECTORS

In accordance with French law governing a *société anonyme*, the Issuer's affairs are managed by its board of directors (*conseil d'administration*) and by its Chairman and Chief Executive Officer, who has full executive authority to manage the Issuer's affairs, subject to the prior authorisation of the board of directors or its shareholders for certain decisions specified by law or the by-laws of the Issuer.

The board of directors has four members. The members hold office for a term of two years.

The members of the board of directors of Société d'Infrastructures Gazières are currently:

- **Mikaël Cohen:** Mikaël Cohen has been an investment director (*directeur des investissements*) at CNP Assurances since January 2011. He is also representing CNP Assurance in its function of member of the board of directors of GRTgaz and Holding d'Infrastructures Gazières. His professional address is 4 place Raoul Dautry, 75015 Paris;
- **Gautier Chatelus:** Gautier Chatelus is senior investment director at Caisse des Dépôts et Consignations. He is also member (administrateur) of the boards of directors of, inter alia, of GRTgaz, RGDS (gas distribution in Strasbourg) and Holding d'Infrastructures Gazières. His professional address is 72 avenue Pierre Mendès-France, 75013 Paris;
- **Olivia Yedikardachian:** Olivia Yedikardachian is head of unlisted investments of Caisse des Dépôts et Consignations and member of the board of directors of GRTgaz. Her professional address is 56 rue de Lille, 75007 Paris; and
- **SOCIETE IMMOBILIERE DE CONSTRUCTION ET D'ACQUISITION DE LA CNP- SICAC:** SICAC is a French non trading company (*société civile*), registered with the Paris Register of Commerce and Companies under number 323 707 968, the registered office of which is located at 4 place Raoul Dautry, 75015 Paris and represented by CNP Assurances.

The chairman of the board of directors and chief executive officer (*président du conseil d'administration et directeur général*) of Société d'Infrastructures Gazières is Mikaël Cohen.

## 6. MAJOR SHAREHOLDERS

### 6.1. Share capital

As of the date of this Prospectus, the share capital of Société d'Infrastructures Gazières amounts to EUR 603,944,200, divided into 60,394,420 fully paid-up ordinary shares with a par value of EUR 10 each.

### 6.2. Shareholders

As of the date of this Prospectus, the share capital of Société d'Infrastructures Gazières is held as follows:

	Number of shares	per cent. of shares outstanding	per cent. of voting rights
Holding d'Infrastructures Gazières	60,394,414	99.99999 per cent.	99.99999 per cent.
Other shareholders	6	0.00001 per cent.	0.00001 per cent.
TOTAL	60,394,420	100 per cent.	100 per cent.

The majority shareholder of Société d'Infrastructures Gazières is Holding d'Infrastructures Gazières. Holding d'Infrastructures Gazières is itself held by CNP Assurances and Caisse des Dépôts et Consignations.



- **CNP Assurances**

A leading French personal insurer, CNP Assurances designs, produces, and manages personal life insurance products distributed with the help of key partners – major banking networks, financial institutions, and mutual insurers. CNP Assurances operates in three main market segments: savings, pensions, and personal risk, with the aim of providing protection for its 36 million customers worldwide (including 23 million in Europe) in each phase of their lives. Listed on the Paris Stock Exchange's main market since 1998, CNP Assurances is backed by a stable shareholder base consisting of the Caisse des Dépôts et Consignations, Sopassure (holding vehicle combining the shareholdings of Banque Postale and BPCE group) and the French State. Through partnerships with major banking networks, CNP Assurances is located in 15 countries, including Italy, Spain, Brazil, and Argentina.

- **Caisse des Dépôts et Consignations**

Caisse des Dépôts et Consignations and its subsidiaries constitute a public group in the service of the country's general interest and economic development. The Group fulfils missions of general interest in support of public policies implemented by the French State and by local authorities, and it can carry out competitive activities. Caisse des Dépôts et Consignations is a long-term investor and contributes, in respect of its proprietary interests, to the development of companies. Caisse des Dépôts et Consignations also performs operations essential to national cohesion, the public interest, such as savings programs, social housing financing, managing retirement plans, and protecting funds entrusted to the legal profession. Through its subsidiaries, Caisse des Dépôts et Consignations is active in personal insurance (CNP Assurances), business investment and private equity (BPI France), real estate (the SNI group, Icade), services (Veolia Transdev, Egis, Compagnie des Alpes and Belambra), and the environment (Société Forestière and CDC Biodiversité).

## DESCRIPTION OF GRTGAZ

### **Activity**

According to the internal studies, GRTgaz manages the transmission network (pipelines, interconnection grids, and in-line compression stations) in France, and supervises Engie's other subsidiaries and holdings in transmission infrastructures in Europe. This network includes GRTgaz Deutschland and Megal in Germany.

GRTgaz has the longest high-pressure natural gas network in Europe, to route gas for its users.

### **Transmission Operations**

GRTgaz, which owns its own network, develops, operates and maintains its transmission network, regulates natural gas flows, provides access services to gas suppliers, and markets it to other potential users. As of 31 December 2017, the GRTgaz network in France consisted of 32,414 km of pipelines, of which 7,498 km were part of a primary high-pressure network and 24,979 km were regional networks covering a broad extent of the country. During the financial year ending 31 December 2017, GRTgaz sent 627 TWh of gas through the French network compared with 617 TWh in 2016.

GRTgaz, through GRTgaz Deutschland also manages Megal gas pipeline, which connects the Czech Republic, Germany, Austria and France. This pipeline was 1,161 km long.

### **Elengy**

According to the internal studies, Elengy is France's largest and Europe 2<sup>nd</sup> largest LNG terminal operator, with currently 3 terminals in operation. Elengy operates Montoir-de-Bretagne on the Atlantic Coast, which it owns at 100 per cent., Fos Tonkin on the Mediterranean Coast, also owned at 100 per cent. and Fos Cavaou on the Mediterranean Coast, which it owns at 72.5 per cent. (the remaining 27.5 per cent. being held by TOTAL). Elengy's total regasification capacity amounts to 21.25 million cubic meters and the group has an LNG storage capacity of 770,000 cubic meters. Elengy services include LNG carriers unloading, storage and regasification of LNG, ship reloading, transshipment as well as truck loading. Elengy was acquired by GRTgaz on 27 September 2017.

### **Structure of the shareholding in GRTgaz**

The Issuer has a 24.91 per cent. direct interest in the share capital and voting rights of GRTgaz. Engie is the controlling majority shareholder of GRTgaz with a 74.78 per cent. direct interest in the share capital and voting rights of GRTgaz. The Issuer and Engie entered into a Shareholders' Agreement dated 27 June 2011 as further described at paragraph 3.2 of the section "Description of the Issuer" in this Prospectus.

GRTgaz is controlled as described above. The Issuer considers that there is no risk that such control would be abusive.

In addition, Article 18 of Directive 2009/73/EC of 13 July 2009, as implemented into French law by Ordinance No. 2011-504 of 9 May 2011 (now codified in Articles L.111-9 *et seq.* of the French *Code de l'énergie*), lays down the general principle that an Independent Transmission Operator (or ITO), such as GRTgaz, while remaining part of a vertically integrated undertaking (the Engie group), must have effective decision-making rights, independent from any other part of the vertically integrated undertaking, with respect to assets necessary to operate, maintain and develop its transmission system. This implies a general requirement of independence for GRTgaz towards Engie, as regards its network ownership and operation.

### **Management and Governance**

GRTgaz has a board of directors (*conseil d'administration*), which consists of seventeen members. Fourteen are appointed by the general shareholders' meeting, with two of them being independent directors. Three of the directors are staff representatives.

### **Legal Environment Governing Natural Gas Transmission in France**

GRTgaz is responsible for the operational management of the transmission network, which has been isolated from the Engie Group's supply and production operations to ensure the

independence of the network manager, in accordance with EC Directive 2003/55 of 26 June 2003 concerning common rules for the internal market in natural gas. Statutory non-discriminatory access to the gas transmission networks is under the control of the CRE. On 13 July 2009, the European Union adopted Directive 2009/73 of 13 July 2009, regarding common regulations for the natural gas market, as part of the third Energy Package (the "**Third Gas Directive**"), within the ongoing process of liberalizing the European natural gas and electricity markets.

The main aims of the Third Gas Directive are as follows:

- harmonizing existing technical and legal frameworks within Member States;
- developing interconnected regional markets;
- enacting minimal consumer protection
- rules to be implemented by Member States;
- increasing cooperation among TSOs (in particular through the creation of ENTSOG, the European Network of Transmission System Operators of Gas); and
- forming a European agency to coordinate national regulatory authorities (the ACER).

In addition, the Third Gas Directive specifically provides for the management by transmission managers of three independent transmission schemes: the separation of the firm's generation assets and supply activities from the transmission network ("ownership unbundling" model), the independent operator ("ISO") model, or the independent transmission network operator ("ITO") model.

All the legislative provisions of the Third gas Directive were adapted to French law by Ordinance No. 2011-504 of 9 May 2011 relating to codification of the legislative part of the French *Code de l'énergie*, which was published on 10 May 2011. The Ordinance came into force on 1 June 2011. The corresponding rules are now codified in Articles L.111-2 *et seq.* of the French *Code de l'énergie*.

As part of this adaption, France opted for the ITO model, which provides for an independent transmission operator owned by a company integrating both gas marketing & sales and gas transmission activities. This model may be applied by TSOs created before 3 September 2009. However, the ownership unbundling model applies to (i) new operators created after this date, and (ii) existing operators which control is modified after this date. Therefore, GRTgaz can only benefit from the *ITO* model if Engie maintains its control over it.

### **Regulatory Framework**

#### **GRTgaz transmission network shipping tariffs**

From 1 January 2009, GRTgaz has applied the pricing structure prescribed by French Ministerial Decree dated 6 October 2008, approving the CRE's tariff proposal of 10 July 2008. The rate of return applied to the regulated asset base ("**RAB**") is determined by taking into account the inherent economic risk in operating natural gas transmission infrastructures.

The basic, real, pre-tax corporate rate was set at 7.25 per cent. This was increased by 1.25 per cent. for assets brought into service between 2004 and 2008, or for which a decision had been taken prior to 2008 and brought into service from 2009 onwards. A 3 per cent. increase was granted for any new investment that creates additional capacity in the primary network. The RAB on which the tariff for using the distribution network is based, was c. €8.2 billion as of 31 December 2017.

The current tariff, applicable for the 2017-20 period, provides for a 5.25 per cent. base rate of return on RAB (real pretax) with a 3 per cent. premium on new investments creating additional transmission capacities in the network. The GRTgaz tariff matrix is annually updated and is set to cover, for each year, the revenue authorised by the CRE based on official inflation data and the best available predictions of capacity subscriptions and energy prices for the year in question.

#### **Business strategy**

GRTgaz is considering development projects consisting in improving interconnection capacities with Belgium and Spain, connecting new customers, developing the network to meet its public

service obligations and improving existing facilities in order to meet market demand by enhancing the fluidity of the transmission network and by improving security of supply for Europe, particularly France.

## DESCRIPTION OF HIG

### 1. STATUTORY AUDITORS

Principal auditor	Date of First Appointment	Term of Office	Expiry Date of Current Appointment
Mazars Represented by Olivier Leclerc	At incorporation of the Issuer and renewed in June 2016	6 years	At the end of the annual shareholders' meeting held to approve the financial statements for the 2021 financial year
Alternate auditor Franck Boyer	At incorporation of the Issuer and renewed in June 2016	6 years	At the end of the annual shareholders' meeting held to approve the financial statements for the 2021 financial year

### 2. GENERAL INFORMATION ABOUT HIG

#### 2.1. Legal and commercial name, legal form and registered office

Holding d'Infrastructures Gazières ("HIG") is a simplified joint stock corporation (*société par actions simplifiée*) with a board of directors (*conseil d'administration*), subject to the laws and regulations governing commercial corporations in France, particularly the provisions under the French *Code de commerce*. Its registered office is located at 4 place Raoul Dautry, 75015 Paris.

Its registered office telephone number is: +33 (0)1 42 18 78 16

#### 2.2. Date of incorporation and term

HIG was incorporated on 6 June 2011 for a period of 99 years. Its expiration date is 5 June 2110, except in the event of extension or early dissolution.

#### 2.3. Financial year

HIG's financial year shall commence on 1 January and end on 31 December of each year.

#### 2.4. Place of registration and registration number

HIG is registered with the Paris Register of Commerce and Companies under reference number 532 779 105.

### 3. BUSINESS OVERVIEW

#### 3.1. Corporate purpose (Article 2 of the by-laws)

The purpose of HIG is, directly or indirectly, in France and in all countries:

- holding an interest in the share capital of Société d'Infrastructure Gazière;
- managing its shareholding;
- contributing to, and participating in, any business ventures or companies created or to be created, either directly or indirectly connected with the aforementioned purposes, a similar or ancillary purpose. Such participation shall take effect by any means, particularly with the setting up of new companies, capital contributions, sponsorship, subscription to new shares, the purchase of shares or voting rights, mergers, joint ventures, economic interest grouping or others;

- cash management and investment resulting from the above transactions;
- granting any pledges, guarantees and any other transactions authorised pursuant to Article L.511-7 3° of the French *Code monétaire et financier*;
- supplying services, offering advice and assistance in the context of commercial, financial, accounting, legal, tax, technical, administrative and IT issues in contractual negotiations for all types of agreements or overseeing the supply of services to companies, entities or groups in which the Issuer controls the majority of shares or rights; and
- all financial, commercial and industrial transactions in general which involve moveable property or real estate, that are directly or indirectly associated with the aforementioned purposes or with all related or ancillary purposes.

### 3.2. Principal activities

HIG is a holding company, whose sole asset is its 100 per cent. interest in Société d'Infrastructures Gazières.

## 4. MANAGEMENT AND BOARD OF DIRECTORS

In accordance with French law governing a *société par actions simplifiée*, HIG's affairs are managed by its board of directors (*conseil d'administration*) and by its chairman (*président*) who has full executive authority to manage the company's affairs, subject to the prior authorisation of the board of directors or its shareholders for certain decisions specified by law or its by-laws.

The members of the board of directors of HIG are currently:

- **CNP Assurances** which address is 4 place Raoul Dautry, 75015 Paris;
- **Gautier Chatelus**: Gautier Chatelus is senior investment director at Caisse des Dépôts et Consignations. He is also member (*administrateur*) of the board of directors of, inter alia, the Issuer, GRTgaz RGDS (gas distribution in Strasbourg) and Axegaz Service (LNG retail). His professional address is 72 avenue Pierre Mendès-France, 75013 Paris;
- **Olivia Yedikardachian**: Olivia Yedikardachian is head of unlisted investments of Caisse des Dépôts et Consignations and member of the board of directors of GRTgaz. Her professional address is 56 rue de Lille, 75007 Paris; and
- **SOCIETE IMMOBILIERE DE CONSTRUCTION ET D'ACQUISITION DE LA CNP-SICAC**: SICAC is a French non trading company (*société civile*), registered with the Paris Register of Commerce and Companies under number 323 707 968, the registered office of which is located at 4 place Raoul Dautry, 75015 Paris and represented by CNP Assurances.

The chairman (*président*) of HIG is CNP Assurances.

## 5. ORGANISATIONAL STRUCTURE

Please refer to the organisational structure chart of the Issuer.

## 6. MAJOR SHAREHOLDERS

Please refer to the organisational structure chart of the Issuer.

## TAXATION

*The following is a summary limited to certain withholding tax considerations in France relating to the Notes held by holders who are not shareholders of the Issuer and is included herein solely for information purposes. This summary is based on the laws in force in France as of the date of this Prospectus, as applied and construed by the relevant tax authorities, all of which are subject to any changes in law or in interpretation, possibly with a retroactive effect. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes, but is a general description included herein solely for information purposes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.*

### French withholding tax

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The Non-Cooperative States list is published by a ministerial decision (*arrêté*) which is updated on at least once a year. A draft law published by the French government on 28 March 2018 would, if adopted in its current form, expand the list of Non Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include states and jurisdictions on the blacklist published by the Council of the European Union and as a consequence, would expand this withholding tax regime to certain states and jurisdictions included in the blacklist. Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes are not deductible (where otherwise deductible) from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (the **Deductibility Exclusion**). The draft law published by the French government on 28 March 2018 abovementioned would, if adopted in its current form, expand this regime to the states and jurisdictions included in the blacklist published by the Council of the European Union.

Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons which are not French tax residents, or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, the law provides that neither the 75 per cent. withholding tax provided by Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion, and therefore the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such Deductibility Exclusion, will apply in respect of the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 (no. 550 and no. 990), BOI-RPPM-RCM-30-10-20-40-20140211 (no. 70 and no. 80) and BOI-IR-DOMIC-10-20-20-60-20150320 (no.10), the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State (as defined above). For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

The Notes being admitted to the operations of a duly authorised central depository as from their Issue Date, payments of interest and other revenues made by, or for the account of, the Issuer under the Notes, are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion, and therefore the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, do not apply to such payments.

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France is subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at a current aggregate rate of 17.2 per cent. on interest paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.



## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (*contrat de placement*) (the "**Subscription Agreement**") dated 10 July 2018, BNP Paribas (the "**Lead Manager and Bookrunner**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment for the Notes at an issue price equal to 100 per cent. of the aggregate principal amount of the Notes, less any applicable commission. The Subscription Agreement entitles, in certain circumstances, the Lead Manager and Bookrunner to terminate it prior to payment being made to the Issuer.

### **General restrictions**

No action has been or will be taken by the Issuer or the Lead Manager and Bookrunner (to their best knowledge) in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

### **Prohibition of Sales to EEA Retail Investors**

The Lead Manager and Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **France**

The Lead Manager and Bookrunner has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors acting on their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

### **United States of America**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**"). The Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to or for the account or benefit of U.S. Persons except in accordance with Regulation S under the Securities Act (the "**Regulation S**"). In addition, until forty (40) days after commencement of the offering, an offer or sale of Notes within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom**

The Lead Manager and Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving, the United Kingdom.

## GENERAL INFORMATION

1. The Notes have been accepted for clearance through Clearstream (42, avenue John F. Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (1, boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (66, rue de la Victoire, 75009 Paris, France). The ISIN for the Notes is FR0013349453. The common code number for the Notes is 185611060.
2. The issue of the Notes was authorised pursuant to a resolution of the Board of Directors (*conseil d'administration*) of the Issuer dated 3 July 2018 and a decision of Mikaël Cohen, Chairman of the Board of Directors and Chief Executive Officer (*président-directeur général*) of the Issuer dated 10 July 2018.
3. The Notes will be admitted to trading on Euronext Paris on 12 July 2018.
4. Price Waterhouse Cooper Audit and Mazars have audited the financial statements of the Issuer for the years ended 31 December 2017 and 31 December 2016. Mazars has audited the financial statements of HIG for the years ended 31 December 2017 and 31 December 2016. Price Waterhouse Cooper Audit and Mazars are registered as Commissaires aux Comptes (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.
5. The total expenses related to the admission to trading of the Notes are EUR 16,100 (including AMF fees).
6. The yield of the Notes is 2.715 per cent. *per annum*, as calculated at the Issue Date on the basis of the issue price of the Notes. It is not an indication of future yield.
7. Save for any fees payable to the Lead Manager and Bookrunner, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue.
8. There has been no significant change in the financial or trading position of the Issuer since 31 December 2017.
9. There has been no significant change in the financial or trading position of HIG since 31 December 2017.
10. There has been no material adverse change in the prospects of the Issuer since 31 December 2017.
11. There has been no material adverse change in the prospects of HIG since 31 December 2017.
12. As of the date hereof, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.
13. As of the date hereof, HIG is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which HIG is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on HIG's financial position or profitability.
14. As of the date hereof, save as disclosed in the Prospectus, and to the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of members of the board of directors of the Issuer and HIG and the duties they owe to the Issuer and HIG respectively, other than those resulting from the fact that, as of the Issue Date, the Caisse des Dépôts et Consignations and CNP Assurances own directly 100% of the share capital of HIG and indirectly 100% of the share capital of the Issuer, and will subscribe all the Notes at such date. As a result, one or several managers of the Issuer and HIG represent the interests of Caisse des Dépôts et Consignations and CNP Assurance.

15. The Issuer has not entered into contracts outside the ordinary course of the Issuer's business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of the Notes in respect of the Notes being issued.
16. HIG has not entered into contracts outside the ordinary course of HIG's business, which could result in HIG being under an obligation or entitlement that is material to HIG's ability to meet its obligation to holders of the Notes in respect of the Notes being issued.
17. The Issuer's LEI code is 969500342BNYXRA3OM93.
18. So long as any of the Notes remain outstanding, copies of this Prospectus, the Agency Agreement, the Shareholders' Agreement, the Security Agreements and the *statuts* (by-laws) of the Issuer and of HIG will be available for inspection, copies of the Issuer 2017 audited consolidated financial statements, of the Issuer 2016 audited consolidated financial statements, of HIG 2017 audited non consolidated financial statements, of HIG 2016 audited non consolidated financial statements and copies of the most recent annual financial statements of the Issuer and HIG will be obtainable, free of charge, at the specified offices for the time being of the Paying Agent during normal business hours. This Prospectus is also available free of charge on the website of the Issuer ([www.societe-infrastructures-gazieres.com](http://www.societe-infrastructures-gazieres.com)). This Prospectus is available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).
19. The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**"). In accordance with U.S. laws, and subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons, both as defined in Regulation S under the Securities Act (the "**Regulation S**").
20. In this Prospectus, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**€**", "**EURO**", "**EUR**" or to "**euro**" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.
21. This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof, and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events.

## PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

Paris, 10 July 2018

The Issuer declares, after having taken all reasonable care to ensure that such is the case and to the best of its knowledge, that the information contained in this Prospectus is, in accordance with the facts and contains no omission likely to affect its import.

### SOCIÉTÉ D'INFRASTRUCTURES GAZIÈRES

4, place Raoul Dautry

75015 Paris

France

duly represented by

Mikaël Cohen, Chairman of the Board of Directors and Chief Executive Officer

*(président-directeur general)*

The Parent declares, after having taken all reasonable care to ensure that such is the case and to the best of its knowledge, that the information contained in this Prospectus is, in accordance with the facts and contains no omission likely to affect its import.

### HOLDING D'INFRASTRUCTURES GAZIÈRES

4, place Raoul Dautry

75015 Paris

France

duly represented by

Mikaël Cohen, Permanent representative (*représentant permanent*) of CNP Assurances, Chairman (*président*)



In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulation (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* ("**AMF**") has granted to this Prospectus the visa n°18-294 on 10 July 2018. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

**Issuer**

**Société d'Infrastructures Gazières**

4, place Raoul Dautry  
75015 Paris  
France

**Parent**

**Holding d'Infrastructures Gazières**

4, place Raoul Dautry  
75015 Paris  
France

**Lead Manager and Bookrunner**

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Fiscal and Paying Agent and Calculation Agent**

**Caceis Corporate Trust**

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**Auditors to the Issuer**

**Mazars**

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**PricewaterhouseCoopers**

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**Legal Advisers**

**to the Issuer**

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**to the Lead Manager and Bookrunner**

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