This document is an unofficial English-language translation of the tender offer document (*note d'information*) which received from the *Autorité des marchés financiers* visa no. 18-324 as of July 24, 2018. In the event of any differences between this unofficial English-language translation and the official French document, the official French document shall prevail.

SIMPLIFIED TENDER OFFER
for the shares of

initiated by

presented by

Bank presenting the offer	**Bank presenting the offer and acting as guarantor**

OFFER DOCUMENT PREPARED BY TOTAL S.A.

<u>TERMS OF THE OFFER</u>:

42 euros per share of Direct Énergie

<u>OFFER PERIOD</u>:

37 trading days

The timetable for the tender offer referred to herein (the "Offer") will be set out by the *Autorité des marchés financiers* (the "AMF") in accordance with the provisions of its General Regulation.

Pursuant to Article L. 621-8 of the French Monetary and Financial Code and Article 231-23 of the AMF's General Regulation, the AMF has, in accordance with its decision regarding the Offer on July 24, 2018, granted visa No. 18-324 as of July 24, 2018, to this offer document (the "**Offer Document**"). The Offer Document was prepared by Total and is the responsibility of its signatories.

The visa, in accordance with Article L. 621-8-1 I of the French Monetary and Financial Code, was granted after the AMF verified that it was complete and understandable and that the information that it contained was consistent. The AMF's review does not imply an endorsement of the transaction or the verification of the accounting or financial information presented herein.

IMPORTANT NOTICE

Under the conditions provided for in Article L. 433-4 III of the French Monetary and Financial Code and Articles 237-14 to 237-19 of the AMF's General Regulation, Total intends to implement, as soon as the Offer is closed or within three months following the closing of the Offer, a squeeze-out to acquire the Direct Énergie shares not tendered in the Offer (with the exception of the treasury shares held by Direct Énergie and Direct Énergie shares that are subject to a liquidity mechanism) in exchange for compensation equal to the Offer price, after adjustments, where applicable.

The Offer Document must be read together with all other documents published in relation to the Offer. Specifically, a description of the legal, financial and accounting characteristics of Total will be made available to the public no later than the day preceding the opening of the Offer.

The Offer Document is available in French on the websites of the AMF (www.amf-france.org) and Total (www.total.com) and may be obtained free of charge from:

Total	Lazard Frères Banque	Société Générale
2, place Jean Millier	121, Boulevard Haussmann	CORI/COR/SEG
La Défense 6	75382 Paris cedex 08	75886 Paris cedex 18
92400 Courbevoie	France	France
France		

In accordance with Article 231-28 of the AMF's General Regulation, information relating to Total, in particular, its legal, financial, and accounting characteristics, will be made available to the public in the same manner no later than the day preceding the opening of the Offer. A press release will be issued to inform the public of the manner in which this information will be made available.

TABLE OF CONTENTS

1. DESCRIPTION OF THE OFFER

Pursuant to Title III of Book II and more specifically Articles 233-1 2° and 234-2 of the AMF's General Regulation, Total S.A., a limited liability corporation (*société anonyme*) with a board of directors and share capital of 6,660,782,345 euros, having its registered office at 2 place Jean Millier, La Défense 6, 92400 Courbevoie, registered with the Nanterre Trade and Companies Register under number 542 051 180, the shares of which are traded on Euronext Paris under ISIN Code FR0000120271 (ticker symbol "FP") (the "**Offeror**" or "**Total**"), makes an irrevocable offer to the holders of shares of Direct Énergie (the "**Shares**"), a limited liability corporation (*société anonyme*) with a board of directors and share capital of 4,560,836.90 euros, having its registered office at 2 bis rue Louis Armand, 75015 Paris, registered with the Paris Trade and Companies Register under number 442 395 448, the Shares of which are traded on Euronext Paris under ISIN Code FR0004191674 (ticker symbol "DIREN") (the "**Company**" or "**Direct Énergie**"), to acquire, pursuant to the terms and conditions of the Offer described below, which may be followed by a squeeze-out, if applicable, pursuant to the provisions of Article 237-14 of the AMF's General Regulation.

The Offer, which follows the acquisition by the Offeror of 33,311,459 Shares (representing, to the knowledge of the Offeror, approximately 73.04% of the share capital and 71.16% of the theoretical voting rights[1] of the Company as of the date of the Offer Document), is for:

i. all of the 12,296,910 Shares issued and outstanding that are not held by the Offeror as of the date of the Offer Document, with the exception of the treasury Shares held by Direct Énergie[2] on the one hand, and, on the other hand, of the Non-Transferable Shares (as such term is defined in Section 2.5 of the Offer Document) that are issued and held by corporate officers of the Company or their personal holding companies (the "**Personal Holding Companies**") that benefit from, subject to certain conditions, the liquidity mechanisms[3]; and

ii. the 1,044,348 Shares that may be issued prior to the closing date of the Offer, as a result of the exercise of the 1,044,348 Share subscription options granted to employees and corporate officers of the Company or its subsidiaries that are outstanding as of the date of the Offer Document (the "**Options**") with the exception of Non-Transferable Shares (as such term is defined in Section 2.5 of the Offer Document) that may be issued as a result of the exercise of the Options and held by corporate officers of the Company that benefit from, subject to certain conditions, the liquidity mechanisms[4];

altogether representing, to the knowledge of the Offeror as of the date of the Offer Document, if all the Options are exercised, a maximum number of 12,599,383 Shares.

In addition, the Offer does not target the 1,309,712 Share warrants issued on October 31, 2017 for the exclusive benefit of Lucia Holding SAS (the "**Quadran Warrants**"), which are, in accordance with their terms and conditions, non-transferable, nor does it target the Shares that may be issued as a result of the exercise of the Quadran Warrants, it being specified that no Quadran Warrants is exercisable, to

---

[1] On an non-diluted basis and based on information disclosed by the Company on its website as of June 30, 2018 in accordance with Article 223-16 of the AMF's General Regulation and including the 1,810 treasury Shares, and taking into account the loss of the double voting rights as a result of the Acquisition of the Blocks.

[2] Direct Énergie's board of directors, during its meeting of July 5, 2018, decided not to tender the 1,810 treasury Shares held by Direct Énergie.

[3] Representing, to the knowledge of the Offeror, 718,875 Shares corresponding to 1,810 treasury Shares and 717,065 Non-Transferable Shares issued and outstanding and held by corporate officers of the Company or their Personal Holding Companies (these Non-Transferable Shares will be assimilated to Shares held by the Offeror in accordance with the provisions of Article L. 233-9 I 4° and 4°bis of the French Commercial Code in connection with the implementation of a squeeze-out).

[4] Representing, to the knowledge of the Offeror, 23,000 Non-Transferable Shares which, if issued upon the exercise of the 23,000 corresponding Options held by Mr. Sébastien Loux, will benefit from the liquidity mechanism.

the knowledge of the Offeror, prior to the closing of the Offer (in accordance with the terms and conditions).

In accordance with Article 231-13 of the AMF's General Regulation, Lazard Frères Banque and Société Générale, in their capacity as the financial institutions presenting the Offer, filed the proposed Offer and the draft offer document with the AMF, on July 6, 2018, on behalf of the Offeror. Only Société Générale warrants the content and the irrevocable nature of the undertakings made by the Offeror in connection with the Offer pursuant to the provisions of Article 231-13 of the AMF's General Regulation.

In accordance with the provisions of Article 234-2 of the AMF's General Regulation, this Offer is being filed following Total's crossing of the threshold of 30% of Direct Énergie's share capital and voting rights as a result of the closing, on July 6, 2018, of the Acquisition of the Blocks by Total comprised of 33,311,459 Shares, representing, to the knowledge of the Offeror, approximately 73.04% of the share capital and 71.16% of the theoretical voting rights[5] of the Company. The Offer will be conducted following the simplified procedure pursuant to Articles 233-1 *et seq.* of the AMF's General Regulation.

1.1 Background and reasons for the Offer

1.1.1 Background of the Offer

Total, which has produced oil and gas for almost a century, is one of the largest international oil and gas companies and a major player in low-carbon energies. It is present on five continents and in more than 130 countries. Total's activities include the exploration and production of oil and gas, refining, petrochemicals and the distribution of energy in various forms to the end customer.

Total's ambition over the next 20 years is to become the responsible energy major by contributing to the supply of more affordable, more available and cleaner energy to the greatest number of people, particularly by providing its customers with a mix of energy products whose carbon intensity is regularly reduced. To fulfil its ambition, Total intends to develop an integrated model that can be applied to the entire gas-renewable energy-electricity chain.

As France's leading alternative energy player, Direct Énergie positions itself as the energy operator of the 21st century by focusing its strategy on customer satisfaction, innovation and the development of the energies of the future. Operating in France and Belgium, Direct Énergie supplies electricity and gas to over 2.6 million residential and non-residential customer sites. Direct Énergie also produces electricity through renewable production facilities (onshore wind, solar, hydraulic and biogas) and conventional plants (natural gas combined cycle).

The integration of Direct Énergie within the Total Group is a great opportunity to accelerate the development of both groups on the energy supply market. With a global customer portfolio already reaching 4 million sites in France and Belgium, the newly combined entity now targets over 6 million customer sites in France, and more than 1 million in Belgium by 2022. Regarding its power generation activities, the vertical integration strategy implemented by Direct Énergie is perfectly complementary to the deployment process led by Total, with a diversified energy mix (operational and under construction gas-fired power plants, renewable assets with Quadran and Total Eren), and strong ambitions to commission new means of production, including hydropower concessions as soon as the bidding process is launched again.

Direct Énergie's installed capacity of 1.35 GW, including 800 MW of gas-fired power plant and 550 MW of renewable electricity, will supplement Total group's 900 MW installed capacity. Given Direct

[5] On an non-diluted basis and based on information disclosed by the Company on its website as of June 30, 2018 in accordance with Article 223-16 of the AMF's General Regulation and including the 1,810 treasury Shares, and taking into account the loss of the double voting rights as a result of the Acquisition of the Blocks.

Énergie's project portfolio in this area (a 400 MW gas-fired power plant under construction and a 2 GW pipeline of renewable electricity projects in France), Total Eren in emerging countries and Sunpower in the United States, Total aims to have a global capacity of at least 10 GW of installed capacity within five years, either in the form of gas-fired power plants or in the form of renewable electricity capacities.

Total's integration of Direct Énergie is part of its strategy to develop low-carbon energies, in line with their ambition to become the responsible energy major.

The Offer will allow Total to actively pursue its development in electricity and gas generation and distribution in France and Belgium. In the field of natural gas and electricity distribution to both consumers and professionals, Total is firmly establishing itself as a leading alternative supplier.

1.1.2 Description of the terms and conditions of the combination of Total and Direct Énergie

1.1.2.1 *Overview of the transaction*

Total disclosed to Direct Énergie its interest in carrying out a friendly combination with the Company through the acquisition of the Shares held by its principal shareholders, namely: Impala SAS ("**Impala**"), AMS Industries SAS ("**AMS**"), Lov Group Invest SAS ("**LGI**"), EBM Trirhena AG ("**EBM**"), Mr. Xavier Caïtucoli, Crescendix SAS ("**Crescendix**"), Crescendissimo SAS ("**Crescendissimo**") and Luxempart SA ("**Luxempart**") (individually, a "**Selling Shareholder**" and collectively, the "**Selling Shareholders**") followed by a takeover bid on the Shares (together the "**Transaction**"). Total and Direct Énergie then engaged in discussions to assess the strategic benefits and determine the terms and conditions of such combination.

Following a period of negotiation, the board of directors of the Company (the "**Board of Directors**") met on April 17, 2018 to be informed of the terms of the Transaction. The Board of Directors:

(i) welcomed the Transaction and confirmed its strategic advantages, given the complementarity of the two groups' electricity supply and production businesses, particularly in the area of renewable energy;

(ii) decided to initiate the information-consultation process with employee representative bodies regarding the Company's proposed combination with Total, pursuant to the applicable provisions of the French Labor Code;

(iii) undertook to recommend to its shareholders to tender their Shares in the Offer, subject to confirmation of its fairness by the Independent Expert (such as defined below);

(iv) approved the entry into a memorandum of understanding for the purpose of determining the terms and conditions for the cooperation between Total and Direct Énergie in the context of this combination (the "**Memorandum of Understanding**") and related transactions; and

(v) appointed the firm Ledouble as independent expert (the "**Independent Expert**") to determine whether the terms of the Offer are fair under market regulations.

Total and the Selling Shareholders entered into a share purchase agreement on April 17, 2018,[6] subject to the satisfaction of conditions precedent (described in the paragraph below), for Shares representing, to the knowledge of the Offeror, approximately 74.11% of the Company's share capital[7] (the "**Acquisition of the Blocks**" and the agreement relating to the Acquisition of the Blocks, the "**Share Purchase Agreement**").

[6] On a non-diluted basis at April 10, 2018, including 4,423 treasury Shares as of this date.
[7] This agreement was amended on June 22, 2018.

At its meeting on April 17, 2018, Total's board of directors was informed and approved the terms of the Transaction.
After (i) authorization for the Acquisition of the Blocks was obtained from the European Commission, (ii) the Board of Directors issued a favourable reasoned opinion on the merits of the Offer and its consequences for the Company, its shareholders and its employees, on the basis of Article 231-17 of the AMF's General Regulation (the "**Favourable Opinion**") and (iii) the Selling Shareholders obtained the release of all encumbrances on the Shares owned by them, the Acquisition of the Blocks was completed on July 6, 2018 (the "**Completion Date**").

1.1.2.2 *The Memorandum of Understanding*

Total and Direct Énergie entered into a Memorandum of Understanding on April 17, 2018.[8] It specifies the terms and conditions of the cooperation between the Offeror and the Company until the Transaction is completed, in particular:

- the main terms and conditions of the Offer;

- Total's undertaking to procure that a presenting bank of its choice file the Offer no later than on the 3rd trading day following the Completion Date;

- Direct Énergie's undertaking to file, simultaneously with Total's filing of the Offer with the AMF, the Company's draft reply document, including the Favourable Opinion, the Independent Expert's report and the opinion of the employee representative bodies;

- Direct Énergie's undertaking (i) to amend the terms and conditions of the Options so as to permit holders of these Options to exercise them after the Completion Date, (ii) not to modify or adjust the number of Options and (iii) not to grant free shares or other stock-options between April 17, 2018 and the Completion Date;

- Direct Énergie's undertaking to manage operations in the ordinary course of business until the Completion Date;

- Direct Énergie's undertaking not to tender its treasury shares in the Offer;

- Direct Énergie and Total's undertaking to collaborate in (i) the information-consultation process with the Company's employee representative bodies, (ii) relation with the Independent Expert, (iii) preparing all the documents relating to the Offer, (iv) relation with the AMF, (v) refinancing the Company's debt, (vi) managing change of control, exclusivity and non-compete clauses in certain agreements entered into by the Company and/or its subsidiaries that may be triggered by the Transaction, (vii) the communication relating to the Offer and (viii) obtaining the authorization for the Transaction from the European Commission.

1.1.2.3 *Acquisition of the Blocks*

The Acquisition of the Blocks by Total, for a total of 33,311,459 Shares (representing, to the knowledge of the Offeror, approximately 73.04% of the share capital and 71.16% of the Company's theoretical voting rights[9] as of the date of the Offer Document) took place through an off-market transaction, on July 6, 2018.

[8] This agreement was amended on June 22, 2018.
[9] On a non-diluted basis and based on information disclosed on the Company's website as of June 30, 2018 in accordance with Article 223-16 of the AMF's General Regulation and including 1,810 treasury Shares, and taking into account the loss of the double voting rights as a result of the Acquisition of the Blocks.

Through this transaction, Total acquired:

– 15,000,000 Shares from Impala;

– 8,307,826 Shares from AMS;

– 2,474,544 Shares from LGI;

– 2,067,870 Shares from EBM;

– 375,368 Shares from Mr. Xavier Caïtucoli;

– 373,246 Shares from Crescendix;

– 419,854 Shares from Crescendissimo; and

– 4,292,751 Shares from Luxempart.

The purchase price for the acquisition of the Shares in cash from the Selling Shareholders is 42 euros per Share.

Under the Share Purchase Agreement, the Selling Shareholders will also have a top-up right (*droit de suite)* if, before July 6, 2019, Total (or one of its subsidiaries), acting alone or in concert, acquires Shares (on or off-market) at a price per Share of more than 42 euros (a "**Subsequent Transaction**"). In the event of a Subsequent Transaction, Total undertook to pay each Selling Shareholder an amount equal to (A) the positive difference between (x) the price per share offered in the Subsequent Transaction and (y) 42 euros, multiplied by (B) the number of Shares transferred to Total by the relevant Selling Shareholder (the "**Top-Up**"). However, it should be noted that the acquisition of Shares under the liquidity agreements, described in Section 2.5, will not be considered a Subsequent Transaction and will not triggered the payment of any Top-Up of any kind.

The Acquisition of the Blocks was financed through Total's available cash.

Table summarizing the Acquisition of the Blocks of Shares

Selling Shareholders	Number of Shares sold	Price received (in euros)
Impala	15,000,000	630,000,000
AMS	8,307,826	348,928,692
LGI	2,474,544	103,930,848
EBM	2,067,870	86,850,540
Mr. Xavier Caïtucoli	375,368	15,765,456
Crescendix	373,246	15,676,332
Crescendissimo	419,854	17,633,868
Luxempart	4,292,751	180,295,542
Total	**33,311,459**	**1,399,081,278**

1.1.3 Changes in Direct Énergie's share capital and voting rights

1.1.3.1 *Distribution of Direct Énergie's share capital and voting rights as of June 30, 2018, before the completion of the Acquisition of the Blocks*

To the knowledge of the Offeror, the share capital and voting rights of the Company were distributed as follows as of June 30, 2018, before the completion of the Acquisition of the Blocks:

Shareholders	Number of Shares	In %	Number of theoretical voting rights	In %
Impala	15,000,000	32.89%	25,958,434	35.46%
AMS	8,307,826	18.22%	14,323,632	19.57%
LGI	2,474,544	5.43%	4,949,088	6.76%
EBM	2,067,870	4.53%	4,135,740	5.65%
Majority shareholding group ("Concert majoritaire")	*27,850,240*	*61.07%*	*49,366,894*	*67.44%*
Luxempart	4,292,751	9.41%	8,384,492	11.45%
Mr. Xavier Caïtucoli[10]	1,763,694	3.87%	2,604,516	3.56%%
Mr. Fabien Choné	854,505	1.87%	1,479,010	2.02%
Mr. Sébastien Loux	228,714	0.50%	363,890	0.50%
FCPE Direct Énergie	97,947	0.21%	97,947	0.13%
Lucia Holding	246,704	0.54%	246,704	0.34%
HSBC Bank Plc	599,030	1.31%	599,030	0.82%
BDL Capital Management	1,988,555	4.36%	1,988,555	2.72%
Treasury Shares	1,810	0.00%	1,810	0.00%
Floating Shares	7,684,419	16.86%	8,069,688	11.02%
Total	**45,608,369**	**100%**	**73,202,536**	**100%**

[10] Directly and indirectly (through his Personal Holding Companies).

1.1.3.2 *Distribution of Direct Énergie's share capital and voting rights immediately after the completion of the Acquisition of the Blocks*

To the knowledge of the Offeror, Direct Énergie's share capital and voting rights were distributed as follows immediately after the completion of the Acquisition of the Blocks:[11]

Shareholders	Number of Shares	In %	Number of theoretical voting rights	In %
Total	33,311,459	73.04%	33,311,459	71.16%
BDL Capital Management	1,988,555	4.36%	1,988,555	4.25%
Mr. Fabien Choné[12]	854,505	1.87%	479,010	3.16%
HSBC Bank Plc	599,030	1.31%	599,030	1.28%
Mr. Xavier Caïtucoli[13]	595,226	1.31%	651,326	1.39%
Lucia Holding	246,704	0.54%	246,704	0.53%
Mr. Sébastien Loux[14]	228,714	0.50%	363,890	0.78%
FCPE DE	97,947	0.21%	97,947	0.21%
Treasury Shares	1,810	0.00%	1,810	0.00%
Floating Shares	7,684, 419	16.86%	8,069,688	17.24%
Total	**45,608,369**	**100%**	**46,809,419**	**100%**

Since the beginning of the pre-offer period[15]:

- Sand Grove Capital Management LLP has disclosed[16] that it holds 600,231 CFDs[17] (long position);

- HSBC Bank Plc has disclosed[18] that it holds 599,030 Shares and voting rights in Direct Énergie and 600,231 CFDs (short position);

- BDL Capital Management has disclosed that it purchased 663,000 Shares[19], then 148,597 Shares[20] and finally 30,500 Shares[21] and therefore holds 1,988,555 Shares and voting rights in Direct Énergie.

1.1.4 Shareholding thresholds crossing and related declaration of intents

In accordance with the provisions of Articles L. 233-7 *et seq.* of the French Commercial Code, the Offeror notified in writing to the AMF and the Company that it had crossed the legal thresholds of 5%,

[11] Based on information disclosed on the Company's website as of June 30, 2018 pursuant to Article 223-16 of the AMF's General Regulation, and taking into account the loss of the double voting rights as a result of the Acquisition of the Blocks.
[12] Including 93,131 Non-Transferable Shares.
[13] Directly and indirectly (through his Personal Holding Companies), all of them being Non-Transferable Shares.
[14] Including 28,708 Non-Transferable Shares.
[15] AMF D&I 218C0740 of April 18, 2018.
[16] AMF D&I 218C0754 of April 19, 2018.
[17] *Contract for difference* with cash settlement concerning a proportionate amount of Direct Énergie shares.
[18] AMF D&I 218C0764 of April 20, 2018.
[19] AMF D&I 218C0765 of April 20, 2018.
[20] AMF D&I 218C0768 of April 20, 2018.
[21] AMF D&I 218C0843 of May 7, 2018.

10%, 15%, 20%, 25%, 30%, 1/3, 50% and 2/3 of Direct Énergie's share capital and voting rights on July 6, 2018, following the completion of the Acquisition of the Blocks.

Total also notified its intentions for the six months to come, in accordance with the provisions of Article L. 233-7 VII of the French Commercial Code.

The AMF published a notice on its website following such notifications[22].

1.1.5 Acquisition of Shares by Total in the 12 months preceding the event triggering the obligation to file the Offer

With the exception of the Acquisition of the Blocks, the Offeror has not carried out any transactions on the Shares or securities giving access to the Company's share capital in the 12 months preceding the event triggering the obligation to file the Offer, that is, the Offeror's crossing the threshold of 30% of the Company's share capital and voting rights under the conditions described in Section 1.1.2.3 of the Offer Document.

1.1.6 Regulatory clearances

The Offer itself does not require any regulatory clearance. However, the Acquisition of the Blocks required the authorization from the European Commission,[23] as the competent authority to review and approve the Acquisition of the Blocks with regard to merger control.

1.2 Benefits of the Offer and Total's intents for the next twelve months

1.2.1 Advantages of the Offer for Total, Direct Énergie and its shareholders

The Transaction will strengthen Total's position in the generation and distribution of low-carbon energies, particularly in France and Belgium, thus allowing Total to establish itself as the main alternative supplier by combining its client portfolio with that of Direct Énergie.

The Transaction will allow Total to pursue and expand its development in the power generation market, as Direct Énergie's power generation activities offer an excellent complementarity with those of Total's subsidiaries operating in these fields.

The Transaction will also bring highly qualified personnel and recognized expertise that will serve to complement Total's workforce.

Total intends to pursue the development of Direct Énergie's business by providing it the means necessary to do so. Total plans to rely on aspects that have historically contributed to Direct Énergie's success and combine them with its own expertise to establish itself as a leading player in the electricity generation and distribution sector.

Direct Énergie shareholders who tender their Shares in the Offer will receive immediate liquidity and a premium corresponding to:

- 31.70% over the closing price per Share on the last trading day prior to the announcement of the Transaction, *i.e.*, April 17, 2018;
- 38% over the volume-weighted average price for the last month preceding the announcement of the Transaction; and

[22] AMF D&I 218C1224 of July 6, 2018.
[23] The decision from the European Commission authorizing the Acquisition of the Blocks has been obtained on July 2, 2018.

– 25,70% over the volume-weighted average price for the last three months preceding the announcement of the Transaction.

The information used to determine the Offer price is presented in Section 3 of the Offer Document.

1.2.2 Industrial, commercial and financial strategy and policy

The Offeror's intentions with respect to industrial, commercial and financial policy are described in Sections 1.1.1 and 1.2.1 of the Offer Document.

1.2.3 Synergies – Economic gains

Total's ambition is to become a major player in electricity over a five-year period, operating throughout all the value chain from production to marketing. The acquisition of Direct Énergie allows Total to accelerate and simplify its development plan, which could lead to a reduction in costs. By reaching a critical size faster than expected, and combining all of its activities in electricity (including Lampiris, Total Spring), Total also expects to achieve medium-term synergies, concerning for instance, information systems or marketing, with a unique brand, and the costs associated with client prospection. A notional target of 35-40 million euros per year (pre-tax, post-2019), representing 250-300 million euros cumulated over 10 years, was therefore mentioned for illustrative purposes.

By their notional, medium-long term, and essentially prospective nature, *i.e.*, related to the optimization of Total's development plan and not to productivity gains achievable within the sole scope of Direct Énergie, these potential savings have not been apprehended in the valuation of Direct Énergie. They have nevertheless been taken into account in part by Total, considering the execution risks, up to a maximum amount of 3 euros per share to confirm its decision to offer a price of 42 euros per share, which price is higher than the valuation range resulting from the selected methods used in connection with the determination of the Offer price.

1.2.4 Total's intents concerning the employment policy

The Offer is part of an ongoing development strategy with respect to Direct Énergie and should have no particular impact on its policies with regard to workforce and human resources management.

1.2.5 Composition of Direct Énergie's management and supervisory bodies

In accordance with the Memorandum of Understanding, a meeting of the Board of Directors was held on July 5, 2018 during which the following decisions were taken, effective on the Completion Date:

i. the resignation of the following members of the Board of Directors (including observers): (i) Ms. Monique Roosmale Nepveu, director, (ii) Impala, represented by Ms. Stéphanie Levan, director, (iii) AMS, represented by Ms. Sybille de Richecour-Falguière, director, (vi) Luxempart, represented by Mr. Jacquot Schwertzer, director, (v) Mr. Jean-Paul Bize, director, (vi) Mr. Jacques Veyrat, observer, (vii) Luxempart Management S.A.R.L, represented by Mr. Alain Huberty, observe, and (viii) Mr. Jean-Jacques Laurent, observer; and

ii. the appointment, by co-option, of the following members of the Board of Directors: (i) Mr. Philippe Sauquet (President, Gas Renewables & Power and member of Total group executive committee), (ii) Ms. Namita Shah (President, People & Social Responsibility and member of Total group executive committee), (iii) Ms. Helle Kristoffersen (Senior Vice President, Strategy & Business Intelligence and General Secretary, Gas Renewables & Power), (iv) Ms. Cécile Arson (Chief Financial Officer, Gas Renewables & Power) and (v) Mr. Jean-Hugues de Lamaze (designated as independent member).

In accordance with the laws and regulations in force, the new Board of Directors is composed of three women out of seven members, or 43% of the members of the Board of Directors.

The Offeror intends to rely on the qualifications of the Company's management team.

1.2.6 Intents concerning dividend policy

The Offeror reserves the right to modify the Company's dividend policy following the Offer, in accordance with applicable laws and the Company's bylaws and according to its distribution capacity and financing needs.

The Offeror also reserves the right to cease distributing dividends in order to reserve further funds to finance the Company's future development.

Today, no decision has been made in this regard, it being nevertheless specified that, taking into account the important investments made by the Company and its subsidiaries (including Quadran) and its financing needs, it is contemplated that no dividend be distributed in the short-medium term.

1.2.7 Intents with respect to maintaining Direct Énergie's listing following the Offer

1.2.7.1 *Squeeze-Out*

Under the conditions provided for in Article L. 433-4 III of the French Monetary and Financial Code and Articles 237-14 to 237-19 of the AMF's General Regulation, Total intends to conduct, as soon as the Offer is closed or within three months following the closing of the Offer, a squeeze-out to acquire the Shares not tendered in the Offer (with the exception of the treasury Shares held by the Company and/or the Non-Transferable Shares that are subject to the liquidity mechanisms described in Section 2.5 of the Offer Document) in exchange for compensation in the amount of 42 euros per Share, which is equal to the Offer price.

To this end, and pursuant to Articles 261-1 I and 261-1 II of the AMF's General Regulation, the Board of Directors held on April 17, 2018, appointed Ledouble, represented by Mr. Olivier Cretté, as Independent Expert in charge of issuing an opinion on the financial terms and conditions of the Offer, which will be followed, if possible, by a squeeze-out. The Independent Expert confirmed, in their report dated July 5, 2018, that the compensation offered to minority shareholders as part of the Offer, as well as the compensation offered to minority shareholders in the event of a squeeze-out, was fair. The full text of their report is provided in the Company's reply document.

Under the conditions provided for in Articles 236-3 and 237-1 of the AMF's General Regulation, the Offeror also reserves the right, in the event that no squeeze-out would have been conducted as described above, to file a buyout offer with the AMF, followed, if the conditions are met, by a squeeze-out of the Shares that are not yet, directly or indirectly, held by Total (other than the treasury Shares held by the Company and/or the Non-Transferable Shares that are subject to liquidity mechanisms described in Section 2.5 of the Offer Document), in accordance with Articles 236-3 and 237-1 of the AMF's General Regulation.

1.2.7.2 *Delisting from Euronext Paris*

If it does not conduct a squeeze-out, Total is considering asking Euronext Paris to delist the Shares from Euronext Paris.

The delisting may take place in accordance with the conditions set forth in Article P. 1.4.2 of Book II of the Euronext Rule Book, following the Offer, if (i) Total holds at least 90% of the voting rights of Direct Énergie on the date on which the delisting is requested, (ii) the total trading volume of Direct Énergie's Shares over the 12 months preceding the request to delist represents less than 0.5% of Direct

Énergie's market capitalization, (iii) the request to delist is filed after a period of 180 calendar days has passed since any tender offer prior to this Offer, (iv) Total undertakes, for a period of three months following the closing of the Offer, to acquire, at a price equal to the offer price, the securities of the minority shareholders not tendered in the Offer, and (v) Total undertakes, for a transitional period of one fiscal year following the year during which the delisting of Direct Énergie takes effect, to report any crossing upward or downward of the threshold of 95% of Direct Énergie's share capital or voting rights, and not to directly or indirectly propose, as an agenda item for a General Shareholders' Meeting of Direct Énergie, a change in its corporate form to become a French *société par actions simplifiée*.

It should be noted that under Articles 6905/1 *et seq*. of the Euronext Harmonized Market Rules, Euronext Paris may delist shares admitted to its market upon the written request of the issuer, which must indicate the reasons for its request. Euronext Paris may decide not to delist securities upon request if the delisting would harm the equitable, orderly and efficient functioning of the market. Euronext Paris could also approve the delisting subject to any additional conditions that it deems appropriate.

1.2.8 Merger prospects – Other reorganizations

The Offeror reserves the right to examine the possibility of a merger of the Company with other entities of the Total group or a transfer of assets, including through contribution, between the Company and the Offeror (or any other entity of the Total group). The Offeror also reserves the right to carry out any other reorganization of the Company. As of today, no decision has been made in this regard. A working group will soon be established to reflect on the optimization of the organization of the group, and all the options will then be assessed (including contributions and transfers of assets, or mergers).

1.3 Agreements that may have a material effect on the valuation of the Offer or its outcome

With the exception of (i) the Memorandum of Understanding (see Section 1.1.2.2 of the Offer Document), (ii) the Share Purchase Agreement (see Section 1.1.2.3 of the Offer Document) and (iii) the liquidity mechanisms (see Section 2.5 of the Offer Document), the Offeror is not aware of any agreements that could have a material effect on the valuation of the Offer or its outcome.

2. CHARACTERISTICS OF THE OFFER

2.1 Conditions of the Offer

In accordance with the provisions of Articles 231-13 and 231-18 of the AMF's General Regulation, the draft Offer was filed with the AMF on July 6, 2018 by Lazard Frères Banque and Société Générale, in their capacity as the financial institutions presenting the Offer, acting on behalf of the Offeror. Only Société Générale warrants, in accordance with the provisions of Article 231-13 of the AMF's general regulations, the content and the irrevocable nature of the undertakings made by the Offeror in connection with the Offer.

The Offer will be conducted following the simplified tender offer procedure, in accordance with Articles 233-1 *et seq*. of the AMF's General Regulation.

A notice of filing was published by the AMF on July 6, 2018 on its website (www.amf-france.org). In accordance with the provisions of Article 231-16 of the AMF's General Regulation, a press release containing a summary of the draft offer document was published the same day.

On July 24, 2018, the AMF published on its website (www.amf-france.org) a declaration of conformity with respect to the Offer after verifying that the Offer complies with applicable laws and regulations. This declaration of conformity constitutes approval ("*visa*") of the Offer Document.

In accordance with Articles 231-27 and 231-28 of the AMF's General Regulation, the Offer Document, as approved by the AMF, as well as information about the legal, financial, accounting and other characteristics of the Offeror, will be made available to the public, free of charge, by the Offeror, Lazard Frères Banque and Société Générale no later than the day preceding the opening of the Offer. These documents will also be available on the websites of the Offeror (www.total.com) and of the AMF (www.amf-france.org).

In accordance with the provisions of Articles 231-27 and 231-28 of the AMF's General Regulation, a press release specifying the means by which these documents will be made available will be issued in accordance with the provisions of Article 221-4 IV of the AMF's General Regulation.

Prior to the opening of the Offer, the AMF will publish a notice announcing the opening of the Offer and its timetable, and Euronext Paris will publish a notice announcing the terms and the timetable of the Offer.

2.2 Terms of the Offer

In accordance with the provisions of Articles 233-1 *et seq*. of the AMF's General Regulation, Total irrevocably undertakes for a period of thirty-seven (37) trading days to offer to the Company's shareholders the right to tender their Shares in the Offer in exchange for an amount in cash of 42 euros per Share.

Shareholders are reminded that the Offer is being made following the simplified tender offer procedure and that the Offer will not be re-opened following the publication of the Offer's final results.

2.3 Adjustment of the terms of the Offer

Any distribution of a dividend, interim dividend, reserve, issue premium or any other distribution (in cash or in kind) decided by the Company whose ex-dividend date would take place, or any capital decrease carried out, prior to the closing of the Offer (with the exception of the 2018 dividend approved by the Company's general shareholders' meeting of May 29, 2018, detached on June 1, 2018 and paid on June 5, 2018) will result in a reduction, on a euro per euro basis, of the price per share proposed in connection with the Offer.

In the event of a Subsequent Transaction resulting in the payment of a Top-Up to the Selling Shareholders pursuant to the Share Purchase Agreement (see Section 1.1.2.3), the Offeror undertakes, under the conditions described below, to pay the relevant Top-Up to each shareholder that tendered its Shares in the Offer according to the Centralized Procedure (as described and defined in Section 2.6).

Shareholders tendering their Shares under the Non-Centralized Procedure (as described and defined in Section 2.6) will not be eligible for the potential payment of the Top-Up.

This Top-Up will also be paid, as the case may be, to shareholders whose Shares were transferred to Total under the squeeze-out procedure implemented in accordance with Section 1.2.7.1.

2.4 Number and type of securities included in the Offer

As of the date of the Offer Document, the Offeror holds 33,311,459 Shares, representing approximately 73.04% of the share capital and 71.16% of the theoretical voting rights[24] of the Company.

---

[24] On a non-diluted basis and based on information disclosed on the Company's website as of June 30, 2018 in accordance with Article 223-16 of the AMF's General Regulation and including 1,810 treasury Shares, and taking into account the loss of the double voting rights as a result of the Acquisition of the Blocks.

The Offer is for:

i. all of the 12,296,910 Shares issued and outstanding that are not held by the Offeror as of the date of the Offer Document, with the exception of the treasury Shares held by Direct Énergie[25] and of the Non-Transferable Shares (as such term is defined in Section 2.5 of the Offer Document) that are issued and held by corporate officers of the Company or their Personal Holding Companies that benefit from, subject to certain conditions, the liquidity mechanisms[26]; and

ii. the 1,044,348 Shares that may be issued prior to the closing date of the Offer, as a result of the exercise of the 1,044,348 Options with the exception of Non-Transferable Shares (as such term is defined in Section 2.5 of the Offer Document) that may be issued as a result of the exercise of the Options and held by corporate officers of the Company that benefit from, subject to certain conditions, the liquidity mechanisms described[27];

altogether representing, to the knowledge of the Offeror as of the date of the Offer Document, if all the Options are exercised, a maximum number of 12,599,383 Shares.

In addition, the Offer does not target the 1,309,712 Quadran Warrants, which are, in accordance with their terms and conditions, non-transferable, nor does it target the Shares that may be issued as a result of the exercise of the Quadran Warrants, it being specified that no Quadran BSA is exercisable, to the knowledge of the Offeror, prior to the closing of the Offer (in accordance with the applicable terms and conditions).

2.4.1 Situation of the beneficiaries of Free Shares and/or Options and of Shares that may be issued upon exercise of the Quadran Warrants

2.4.1.1 *Situation of the beneficiaries of Free Shares*

To the knowledge of the Offeror, the Company put in place a free Share allocation plan on December 20, 2012 and allocated 711,000 Shares to certain employees and/or officers of the Company (the "**Free Shares**").

The Free Shares were definitively acquired by their beneficiaries on December 20, 2014. The holders of the Free Shares were subject to a two-year lock-up period following their definitive acquisition. This lock-up period ended on December 20, 2016.

However, in accordance with the provisions of Article L. 225-197-1 II of the French Commercial Code, the Board of Directors decided to set at 20% the proportion of Free Shares allocated to the Company's officers to be kept in registered form by these officers until they leave office.

[25] Direct Énergie's board of directors, during its meeting of 5 July, 2018, decided not to tender the 1,810 treasury Shares held by Direct Énergie.

[26] Representing, to the knowledge of the Offeror, 718,875 Shares corresponding to 1,810 treasury Shares and 717,065 Non-Transferable Shares issued and outstanding and held by corporate officers of the Company or their Personal Holding Companies apportioned as follows: (i) 56,100 Free Shares and 41,708 Shares resulting from the exercise of Options held by Mr. Xavier Caïtucoli, (ii) 497,418 Shares held by Crescendix, (iii) 56,100 Free Shares and 37,031 Shares resulting from the exercise of Options held by Mr. Fabien Choné and (iv) 10,000 Free Shares and 18,708 Shares resulting from the exercise of Options held by Mr. Sébastien Loux.

[27] Representing, to the knowledge of the Offeror, 23,000 Non-Transferable Shares which, if issued upon the exercise of the 23,000 corresponding Options held by Mr. Sébastien Loux, will benefit from the liquidity mechanism.

As a result, all the Free Shares may be tendered in the Offer, with the exception, to the knowledge of the Offeror, of 122,200 Free Shares (the "**Non-Transferable Free Shares**").[28]

The beneficiaries of Non-Transferable Free Shares will benefit, under certain conditions, from a liquidity mechanism (as described in Section 2.5 of the Offer Document).

2.4.1.2 *Situation of the beneficiaries of Options*

As of the date of the Offer Document and to the knowledge of the Offeror, 1,044,348 Options granted under the (i) Poweo 1 plan of July 18, 2008, (ii) the Poweo 2 plan of September 10, 2008, (iii) the OSA 1 plan of December 20, 2012, (iv) the OSA 2 plan of July 16, 2014, (v) the OSA 4 plan of December 10, 2014, (vi) the OSA 5 plan of June 2, 2015, (vii) the OSA 6 of December 14, 2015, (viii) the OSA 7 plan of December 13, 2016 and (ix) the OSA 8 plan of April 20, 2017 are in effect.

Each Option gives right to subscribe to one Share.

In accordance with the Memorandum of Understanding, the Board of Directors held on June 29, 2018 amended the terms and conditions of the OSA 6, OSA 7 and OSA 8 plans in order to allow the exercise of all Options granted under these plans as of the Completion Date. As a result, as of the date of Offer Document, all of the outstanding Options are exercisable.

The holders of the Options will be able to tender in the Offer, Shares they would come to hold as a result of exercising their Options, provided that the Shares resulting from this exercise are transferable pursuant to such Option plans and applicable regulations.

It is specified that, in accordance with the provisions of Article L. 225-185 of the French Commercial Code, the Board of Directors decided to set at 10% the proportion of Shares held by the Company's officers resulting from the exercise of their Options to be kept in registered form by these officers until they leave office (the "**Non-Transferable Underlying Shares**").

As a result, the Shares resulting from the exercise of the Options may be tendered in the Offer, with the exception, to the knowledge of the Offeror, of 120,447 Non-Transferable Underlying Shares that are issued and outstanding or that will be issued upon exercise of the corresponding Options.[29]

The table below shows the principal characteristics of the Option plans, to the knowledge of the Offeror, as of the date of the Offer Document:

[28] Corresponding to 56,100 Non-Transferable Free Shares out of 280,500 Free Shares allocated to Mr. Xavier Caïtucoli; 56,100 Non-Transferable Free Shares out of 280,500 Free Shares allocated to Mr. Fabien Choné; and 10,000 Non-Transferable Free Shares out of 50,000 Free Shares allocated to Mr. Sébastien Loux.

[29] Apportioned as follows : (i) 97,447 Non-Transferable Underlying Shares issued and outstanding, including 41,708 Non-Transferable Underlying Shares held by Mr. Xavier Caïtucoli, 37,031 Non-Transferable Underlying Shares held by Mr. Fabien Choné and 18,708 Non-Transferable Underlying Shares held by Mr. Sébastien Loux and (ii) 23,000 Non-Transferable Underlying Shares which will be issued upon exercise of the 230,000 Options (90,000 granted in connection with OSA 4 plan and 140,000 granted in connection with OSA 5 plan) held by Mr. Sébastien Loux.

	Poweo 1 Plan	Poweo 2 Plan	OSA 1 Plan	OSA 2 Plan	OSA 4 Plan
Allocation date	07/18/2008	09/10/2008	12/20/2012	07/16/2014	12/10/2014
Exercise price	€26.50	€26.50	€4.77	€9.00	€12,00
Earliest date for exercise of Options	07/19/2012	09/11/2012	11/09/2016	11/09/2016	11/09/2016
Expiration date	07/17/2018	09/09/2018	12/20/2019	07/16/2021	12/10/2021
Number of Options granted	175,000	25,250	511,000	425,000	270,000
Number of Options as of the date of the Offer Document	63,125	25,250	60,992	115,360	90,000

	OSA 5 Plan	OSA 6 Plan	OSA 7 Plan	OSA 8 Plan
Allocation date	06/02/2015	12/14/2015	12/13/2016	04/20/2017
Exercise price	€13.40	€19.00	€34.00	€37.00
Earliest date for exercise of Options	11/09/2016	07/06/2018	07/06/2018	07/06/2018
Expiration date	06/02/2022	12/14/2022	12/13/2023	04/19/2024
Number of Options granted	420,000	312,500	360,000	40,000
Number of Options as of the date of the Offer Document	140,000	191,615	318,006	40,000

2.4.1.3 *Shares that may be issued upon exercise of the Quadran Warrants*

To the Offeror’s knowledge, the Quadran Warrants have the following main characteristics:

– In connection with the acquisition of Quadran, the Company and Lucia Holding SAS entered into a sale and contribution protocol on July, 31 2017 in accordance with which the Company and Lucia Holding SAS notably agreed to transfer through a sale and a contribution, for the benefit of the Company, of 100% of the share capital of Quadran, in exchange for compensation in cash, and the issuance of 327,428 new shares of the Company with a Quadran Warrant attached to each of them.

– Each Quadran Warrant allows to subscribe one ordinary share of the Company, at a price of 49.205 euros, provided certain objectives are achieved, notably in connection with the pace at which production parks are put into service within the two next maturity dates (scheduled on December 31, 2018 and June 15, 2019, for an amount corresponding to the earnout relating to the acquisition). Upon exercise of a Quadran Warrant, the exercise price will be fully and exclusively paid by compensation with the amounts due by the Company pursuant to the earnout.

To the knowledge of the Offeror, 1,196,807 Shares may be issued as a result of the exercise of the Quadran Warrants (112,905 Quadran Warrants are not exercisable pursuant to the applicable terms and conditions). However, the Offer does not target these Shares, insofar as, pursuant to the terms and conditions and to the knowledge of the Offeror, the Quadran Warrants cannot be exercised prior to the closing of the Offer.

As of today, no liquidity mechanism is contemplated for the Quadran Warrants or the Shares that would result from the exercise of said Quadran Warrants. In the event that a squeeze-out is implemented by the Offeror, in accordance with Article L.433-4 III of the French Monetary and Financial Code and Articles 237-14 to 237-19 of the AMF's General Regulation, the Shares underlying the Quadran Warrants that are not exercised at the date on which the squeeze-out is implemented will not be taken into account in the determination of the share capital and voting rights of the Company (which will not be assessed on a diluted basis, but solely on the basis of the Shares issued and outstanding). In addition, the Quadran Warrants that are not exercised at the date the squeeze-out is implemented will not be targeted by said squeeze-out.

2.5 Liquidity

The Non-Transferable Free Shares, the Non-Transferable Underlying Shares and the Non-Transferable Shares held by Personal Holding Companies are referred to as the "**Non-Transferable Shares**".[30]

As part of the Acquisition of the Blocks and pursuant to the Memorandum of Understanding, on April 17, 2018, Total entered into liquidity agreements with the holders of Non-Transferable Shares that will not be able to tender them in the Offer, providing for, subject to certain conditions, (i) the relevant holder's binding and irrevocable undertaking to transfer all his Non-Transferable Shares (the "**Promise to Sell**") and (ii) Total's binding and irrevocable undertaking to buy them (the "**Promise to Buy**") as of their Availability Date (as this term is defined below) or the dates specifically provided for in the agreements. The Promise to Sell and the Promise to Buy are hereby collectively referred to as the "**Promises**" and individually as a "**Promise**".

These Promises will only be exercised in the event of a situation of insufficient liquidity of the relevant Shares.[31]

For each Non-Transferable Free Share or Non-Transferable Underlying Share, the Promise to Buy may be exercised by the relevant holder as of the day on which the relevant Share becomes transferable, as a result of the termination of his duties as a corporate officer of the Company or otherwise[32] (the "**Availability Date**"). The Promise to Buy will be exercisable for a period of 60 calendar days as of the Availability Date (the "**Exercise Period of the Promise to Buy**"). The Promise to Sell will be exercisable by Total for a period of 60 calendar days as from the expiration date of the Exercise Period of the Promise to Buy, but only if the relevant holder has not exercised his Promise to Buy at the end of the Exercise Period of the Promise to Buy.

For the Non-Transferable Shares held by the Personal Holding Companies, (i) the Promise to Sell may be exercised by Total for a period of 60 calendar days as from October 13, 2018 and (ii) the Promise to Buy may be exercised by the relevant Personal Holding Company for a period of 60 calendar days from the expiration of the exercise period of the Promise to Sell, but only if Total has not exercised its Promise to Sell at the end of the exercise period of the Promise to Sell.

In the event a Promise relating to Non-Transferable Shares held by the Personal Holding Companies is exercised, the purchase price will correspond to the Offer price. In the event a Promise relating to the other Non-Transferable Shares is exercised, the purchase price will correspond to the Offer price if

[30] The non-transferability of the Shares held by the Personal Holding Companies (in this case, Crescendix only) is due to a tax-related holding period set to expire on October 13, 2018.
[31] A situation of insufficient liquidity will be constituted (i) in case of implementation of a squeeze-out or a delisting of the shares, or (ii) if the volume-weighted average price of Company's shares for the last twenty (20) trading days preceding the exercise date of the promise is lower than 0.04% of the share capital.
[32] In the event that applicable laws will make the corresponding shares available other than as a result of the termination of duties.

said Promise is exercised before April 17, 2019, and to the Offer price as indexed to the evolution of the trading price of the Total share if said Promise is exercised after April 17, 2019.

In the event of any potential squeeze-out procedure being implemented, the Non-Transferable Shares that are subject to the liquidity mechanisms described above will be treated as Shares held by the Offeror in accordance with Article L. 233-9 I, 4° and 4°bis of the French Commercial Code, and will not be covered by such squeeze-out procedure (but will be sold to the Offeror in due course in accordance with the applicable liquidity mechanisms).

2.6 Procedure for tendering in the Offer

Pursuant to the provisions of Articles 233-1 *et seq*. of the AMF's General Regulation, the Offer will be open for a period of thirty-seven (37) trading days.

The Shares tendered in the Offer must be freely negotiable and free of all liens, pledges and other sureties and restrictions of any nature whatsoever restricting the free transfer of their ownership.

Direct Énergie's shareholders whose Shares are held through a financial intermediary and who wish to tender their Shares in the Offer must deliver a tender order to the financial intermediary, no later than the closing date of the Offer, in the form made available to them by that financial intermediary and in a timely manner, so that their order can be executed. Direct Énergie's shareholders should inquire with their financial intermediary as to any specific deadline for submitting their tender orders.

Shareholders whose Shares are held in registered form and who wish to tender their Shares in the Offer must request the conversion of such Shares in bearer form as soon as possible. Prior to the sale, financial intermediaries must convert the Shares tendered in the Offer to bearer form.

Trading fees (including brokerage fees and banking commissions and the related VAT) will remain entirely at the expense of Direct Énergie's shareholders tendering in the Offer.

Total will not pay any commission to the financial intermediaries through which Direct Énergie's shareholders tender their Shares in the Offer.

This Offer and all of related agreements are governed by French law. Any dispute or conflict relating to this Offer, whatever its subject-matter or grounds, will be brought before the competent courts.

The Company's shareholders who wish to tender their Shares in the Offer may do so according to one of the two following procedures, in accordance with Article 233-2 of the AMF's General Regulation:

- a non-centralized procedure (the "**Non-Centralized Procedure**"): shareholders may sell their Shares on the market, in which case the settlement of the Shares sold will take place on the 2nd trading day following the execution of the orders. Société Générale, the investment services provider authorized as a buyer's market member (*membre du marché acheteur)*, will purchase, on behalf of the Offeror, all the Shares that will be tendered in the Offer. Shareholders opting for this procedure will not be eligible for any potential Top-Up that may apply, as described in Section 2.3;

- a centralized procedure (the **"Centralized Procedure**"): shareholders can sell their Shares using the Centralized Procedure through Euronext Paris, in which case the settlement of the Shares sold will take place at the end of the centralization procedure, after the last day on which the Offer is open. **Shareholders opting for this procedure (and they alone) will be eligible for any potential Top-Up that may apply, as described in Section 2.3.**

Tender orders in the Offer will be irrevocable.

2.7 Centralization of the tender orders transmitted under the Centralized Procedure

The centralization of the tender orders transmitted under the Centralized Procedure will be implemented by Euronext Paris. Each financial intermediary account holder will have to, at the date indicated in the notice from Euronext Paris, transfer to Euronext Paris the Shares for which they will have received a tender order transmitted under the Centralized Procedure. After receipt by Euronext Paris of all these tender orders, Euronext Paris will proceed to the centralization of these orders and communicate its outcome to the AMF.

2.8 Publication of the Offer's outcome and settlement of the Centralized Procedure

The AMF will announce the final outcome of the Offer no later than nine (9) trading days after the closing of the Offer, and Euronext Paris will issue a notice indicating the date and procedures for the delivery and payment of Shares.

At the date of the settlement of the Centralized Procedure, the Offeror will credit Euronext Paris with the funds corresponding to the settlement of the Offer. At this date, the Shares tendered to the Centralized Procedure and all of the rights attached thereto will be transferred to the Offeror. Euronext Paris will effect the settlement in cash to the financial intermediaries as from the date of the settlement.

No interest will be due for the period running from the date of the tender of Shares in the Offer to the date of settlement of the Offer.

2.9 Total's right to acquire Shares during the Offer period

The Offeror reserves the right to acquire Shares, on or off-market, in accordance with Articles 231-38 and 231-39 of the AMF's General Regulation.

2.10 Tentative timetable for the Offer

Prior to the opening of the Offer, the AMF will publish a notice announcing the opening of the Offer and its timetable, and Euronext Paris will publish a notice announcing the terms and the timetable of the Offer.

A tentative timetable is set forth below:

Dates	**Principal Stages of the Offer**
July 6, 2018	- Draft offer document filed with the AMF - Draft offer document made available to the public and posted to the websites of the Offeror (www.total.com) and the AMF (www.amf-france.org) - Press release published announcing the filing and availability of the draft offer document
July 6, 2018	- Direct Énergie's draft reply document filed with the AMF - Direct Énergie's draft reply document made available to the public and posted to the websites of Direct Énergie (www.direct-energie.com) and of the AMF (www.amf-france.org) - Press release published announcing the filing and availability of Direct Énergie's draft reply document
July 24, 2018	- Declaration of conformity of the Offer issued by the AMF, which serves as the approval ("*visa*") of the Offer Document and Direct Énergie's reply document

Dates	Principal Stages of the Offer
July 25, 2018	- The Offer Document, approved by the AMF, and the information relating to the Offeror's legal, financial and accounting characteristics are made available to the public and posted on the websites of the Offeror (www.total.com) and the AMF (www.amf-france.org) - Press release published announcing the availability of the Offer Document, approved by the AMF, and the information relating to the Offeror's legal, financial and accounting characteristics - Direct Énergie's approved reply document and the information relating to the Company's legal, financial and accounting characteristics are made available to the public and posted on the websites of approved (www.direct-energie.com) and the AMF (www.amf-france.org) - Press release published announcing the availability of Direct Énergie's approved reply document and the information relating to the Company's legal, financial and accounting characteristics
July 26, 2018	- Opening of the Offer
September 14, 2018 (included)	- Closing of the Offer
September 20, 2018	- Results of the Offer published by the AMF
September 24, 2018	- Settlement of the Offer (Centralized Procedure)
Following the publication of the outcome of the Offer	- Implementation of the squeeze-out procedure, if possible

2.11 Costs and financing of the Offer

2.11.1 Costs of the Offer

The overall amount of the fees, costs and external expenses incurred by the Offeror in connection with the Offer, including, in particular, fees and other expenses relating to its various legal, financial and accounting advisors and any other experts and consultants, as well as publicity costs, is estimated at approximately 3.5 million euros (taxes not included).

2.11.2 Means of financing the Offer

In the event that all of the Shares targeted by the Offer are tendered in the Offer, the total amount of compensation in cash to be paid by the Offeror to the shareholders of the Company that tendered their Shares in the Offer would be 529,174,086 euros.

The Offer will be financed through the Offeror's available cash.

2.11.3 Brokerage fees and compensation of intermediaries

The Offeror will not bear the cost of any brokerage fees or compensation for intermediaries (including, in particular, brokerage and banking commissions and related VAT).

2.12 Offer restrictions outside of France

The Offer has not been registered with or approved by any financial regulatory authority other than the AMF. Consequently, shareholders of the Company residing outside France may only validly tender their Shares in the Offer if the foreign laws to which they are subject allow them to do so. In addition, the publication of the draft offer document, the Offer Document, the Offer and the acceptance of the Offer may be subject to specific regulations or restrictions in certain countries.

As a result, the Offer does not apply to persons that are directly or indirectly subject to such restrictions and may not be accepted from a country in which the Offer is subject to restrictions. It is the responsibility of shareholders of the Company residing outside France to inquire as to any restrictions that may apply to them and to comply with such restrictions. The Offer Document does not constitute a sale offer or a solicitation for a purchase offer for securities in any jurisdiction in which such an offer or solicitation is illegal. Those who come into possession of the Offer Document must inform themselves of the applicable legal restrictions and comply with them. Failure to comply with these restrictions may constitute a violation of applicable stock exchange laws and regulations in one of these countries. Total will not be liable for the violation, by any person residing outside France, of any foreign regulations that may apply to this person.

The Offer will be made in the United States of America in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the U.S. Exchange Act), and the rules and regulations promulgated thereunder, including Regulation 14E, and is subject to the exemptions from regulation under Regulation 14D and certain provisions of Regulation 14E provided by Rule 14d-1(d) under the U.S. Exchange Act and otherwise in accordance with the requirements of French law. Accordingly, the Offer will be subject to certain disclosure and other procedural requirements, including with respect to the Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, that are different from those applicable under U.S. tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. Shareholder of Direct Énergie may be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction. Each U.S. Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Offer.

It may be difficult for U.S. Shareholders of Direct Énergie to enforce their rights and claims arising out of the U.S. federal securities laws because Total and Direct Énergie are located in a country other than the United States of America, and some or all of their respective officers and directors may be residents of a country other than the United States of America. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

To the extent permissible under applicable law or regulations, including Rule 14e-5 of the U.S. Exchange Act, and in accordance with normal French practice, Total and its affiliates or broker(s) (acting as agents or on behalf of Total or its affiliates, as applicable) and Direct Énergie and its affiliates or broker(s) (acting as agents or on behalf of Direct Énergie or its affiliates, as applicable) may from time to time both prior to and after the date hereof, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per Share that is greater than the Offer Price. To the extent information about such purchases or arrangements to purchase is made public in France, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. Shareholders of such information and on the website of Total at www.total.com. No purchases will be made outside of the Offer in the United States of America by or on behalf of Total, Direct Énergie and/or their respective affiliates. Affiliates of the financial advisers of Total and Direct Énergie may engage in ordinary course trading activities in securities of Direct Énergie, which may include purchases or arrangements to purchase such securities.

This Offer Document has not been filed with or reviewed by any federal or state securities commission or regulatory authority of any jurisdiction in the United States of America, nor has any such commission or authority passed upon the accuracy or adequacy of this Offer Document. Any representation to the contrary is unlawful and may be a criminal offense.

2.13 Tax regime of the Offer

This section outlines certain tax consequences under current French laws and regulations that may apply to shareholders who participate in the Offer.

Participating shareholders should note that this information is only a summary of the tax regime applicable under current legislation, presented for general information purposes,.

The rules described below could be impacted by possible changes in laws and regulations, which could have a retroative effect or could apply to the current calendar year or fiscal year, or by possible changes in their interpretation by French Tax Authorities.

The tax information set forth below does not constitute an exhaustive description of all the tax consequences that may apply to shareholders participating in the Offer.

Participating shareholders are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their own situation.

Persons who are not French tax residents must comply with the tax legislation applicable in the jurisdiction of which they are tax residents and, where applicable, with the provisions of any tax treaties signed between France and the relevant jurisdiction.

2.13.1 French resident individual shareholders holding shares as part of their private estate and who do not trade on the markets on a usual basis and who do not hold shares acquired pursuant to an employee stock ownership or incentive plan (free shares or stock options)

The following does not apply to individuals who carry out stock market transactions under conditions similar to those which define an activity carried out by a person conducting such operations on a professional basis and to individuals who hold shares acquired through a company savings plan (*plan d'épargne d'entreprise)* or a group savings plan (*plan d'épargne de groupe)* or through a stock option plan or a free share allocation plan. Such individuals are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their own situation.

2.13.1.1 *Standard tax regime*

(i) Personal income tax

As from January 1, 2018, pursuant to Article 200 A and Article 150-0 A et seq., of the French Tax Code ("**FTC**") net capital gains resulting from the sale of securities and assimilated rights by individuals who are French tax residents are subject to a 12.8 % flat tax without application of any rebate.

Notwithstanding the above, taxpayers will have the option to elect, before the deadline related to the filing of the income tax return for the applicable year, that such net capital gains be taken into account for the purposes of the determination of the net global income subject to the progressive income tax rate scale. The election applies on a yearly basis to all their investment income and capital gains which normally fall in the scope of the 12.8% flat tax and earned during the given year.

If such an election is filed, the net capital gains derived from the sale of shares, acquired or subscribed before January 1, 2018, will be taken into account for the purposes of the determination of the net global income subject to the progressive income tax rate scale after application of a rebate in accordance with Article 150-0 D of the FTC, which is equal to:

- 50% of their amount where the shares have been held for at least two years and less than eight years, at the date of the disposal;
- 65% of their amount where the shares have been held for at least eight years, at the date of the disposal.

Subject to exceptions, this holding period is computed as from the share subscription date or acquisition date.

No such rebate would apply to shares acquired or subscribed on or after January 1, 2018.

Shareholders with reportable net capital losses or recognizing capital losses on the disposal of the shares in the context of the Offer are urged to consult with their usual tax advisor in order to analyze the rules governing the use of such capital losses.

Where relevant, the disposal of the shares in the context of the Offer would trigger the termination of any tax deferral or rollover relief from which shareholders could have benefited with respect to prior transactions.

(ii) Social levies

Net capital gains resulting from the sale of securities are also subject to social levies at an overall rate of 17.2%, without any rebate, distributed as follows:

- the general social contribution (*contribution sociale généralisée*, "**CSG**"), at a rate of 9.9%;
- the contribution for social debt repayment (*contribution pour le remboursement de la dette sociale*, "**CRDS**"), at a rate of 0.5%;
- the social levy, at a rate of 4.5%;
- an additional contribution to the social levy, at a rate of 0.3%; and
- a solidarity levy, at a rate of 2%.

If the net capital gains are subject to the 12.8% flat tax, none of the abovementioned social levies are deductible from the taxable income. In the case where the taxpayer files an election for the taxation based on the progressive income tax rate scale, apart from the CSG, which would be deductible to the extent of 6.8% from the taxable income of the year during which it is paid, such social levies would not be deductible from the taxable income.

(iii) Exceptional contribution on high income earners

Article 223 sexies of the FTC provides that taxpayers subject to personal income tax are also subject to an exceptional contribution on high income applicable when their reference income for tax purposes exceeds certain thresholds.

This contribution is calculated by applying a rate of:

- 3% for the portion of reference income which is comprised between (x) 250,001 euros and 500,000 euros for taxpayers who are single, widowed, separated, divorced or married but taxed separately (y) between 500,001 euros and 1,000,000 euros for taxpayers subject to joint taxation;

- 4% for the portion of reference income exceeding (x) 500,000 euros for taxpayers who are single, widowed, separated, divorced or married but taxed separately and (y) 1,000,000 euros for taxpayers subject to joint taxation.

For the purposes of such rules, the reference income of a tax household is defined in accordance with Article 1417-IV 1 of the FTC, without application of the "quotient" rules defined under Article 163-0 A of the FTC.

The reference income includes the net capital gains resulting from the disposal of shares realized by the relevant taxpayers, before the application of the rebate if such a rebate is applicable in accordance with the conditions described herein above, in case the taxpayer files the election for the taxation at the progressive income tax rate scale (see paragraph (i) (Personal income tax) above).

2.13.1.2 *Shares held through a share savings plan ("**PEA**")*

Persons holding shares of the Company as part of a PEA (*plan d'épargne en actions*) can participate in the Offer.

Subject to certain conditions, the PEA allows (i) during the life-time of the PEA, to benefit from an exemption from personal income tax and social levies with respect to capital gains and subject to certain conditions, dividends and other income, generated by the investment made through the PEA provided, in particular, that such income and capital gains are maintained within the PEA and (ii) at the time of the closing of the PEA (if it occurs more than five years after the opening date of the PEA, including as a result of a partial withdrawal occurring after five years and before eight years) or at the time of a partial withdrawal of funds from the PEA (if such withdrawal occurs more than eight years after the opening date of the PEA), to benefit from an exemption from personal income tax of the net gain earned since the opening of the plan.

Such net gain is not taken into account for the calculation of the exceptional contribution on high incomes described above, but remains subject to social levies described in paragraph (a) (ii) (Social levies) above at a rate of 17.2% for the gain realized as from January 1, 2018. However, the effective rate of these social levies may vary depending on the date of realization for (i) gains acquired or recorded before January 1, 2018 and (ii) gains realized within the first five years following the opening of the plan where such plan was opened before January 1, 2018.

Specific provisions, not described in this offer document, are applicable in case of realization of capital losses, closing of the plan before the end of the fifth year following the opening of the PEA or withdrawal from the PEA in the form of an annuity. The relevant persons are urged to consult with their usual tax advisor.

2.13.2 French tax resident companies subject to corporate income tax under standard conditions and for which the Company's shares do not qualify as equity investment (*titres de participation*) or assimilated securities for the purposes of the provisions of article 219 I-a quinquies of the FTC

Net capital gains resulting from the sale of shares in the Offer shall be included in the taxable income subject to corporate income tax ("**CIT**") at the relevant applicable tax rate increased (i) by the social contribution of 3.3% (Article 235 ter ZC of the FTC), which is assessed on the portion of corporate income tax exceeding an amount of 763,000 euros per twelve-month period, (ii) for companies with revenues exceeding 1 billion euros, subject to certain limitations, an exceptional contribution to CIT applicable to fiscal years closed between December 31, 2017 (included) and December 30, 2018 (included) assessed at a rate of 15% on the CIT as determined before taking into account any reductions, tax credits and tax receivables of any nature (Article 1 of the Amending Finance Law for 2017 of 1 December 2017 no 2017-1640) and (iii) for companies with a turnover representing 3 billion euros or more, subject to certain limitations, an additional contribution to the exceptional contribution mentioned above applicable to the same fiscal years and assessed at the same rate of 15% on the CIT as determined before taking into account any reductions, tax credits and tax receivables of any nature resulting therefore in a global exceptional surtax of 30% on CIT for companies with a turnover representing 3 billion euros or more.

Capital losses incurred on the sale of shares of the Company in the context of the Offer are deductible from the taxable income of the legal entity.

Furthermore, it should be noted that the disposal of the Company's shares in the context of the Offer would result in the termination of any tax deferral or rollover relief from which shareholders could have benefited with respect to prior transactions.

The applicable CIT rate will depend on the turnover of the company and the timing of the sale, as a result of the scheduled progressive reduction of the CIT rate as follows:

<table>
<tr><th>Company's turnover (T)</th><th>Portion of taxable income (€)</th><th>Fiscal year opened on or after 1/1/2017 and before 1/1/2018</th><th>Fiscal year opened on or after 1/1/2018 and before 1/1/2019</th></tr>
<tr><td rowspan="4">T< €7.63 M €</td><td>0 to 38,120</td><td>15 %* or 28%**</td><td>15 %* or 28%</td></tr>
<tr><td>38,120 to 75,000</td><td>28%**</td><td rowspan="2">28 %</td></tr>
<tr><td>75,000 to 500,000</td><td rowspan="2">33.1/3 %</td></tr>
<tr><td>> 500,000</td><td>33.1/3 %</td></tr>
<tr><td rowspan="3">T> €7.63 M€</td><td>0 to 75,000</td><td>28%**</td><td rowspan="2">28 %</td></tr>
<tr><td>75,000 to 500,000</td><td rowspan="2">33.1/3%</td></tr>
<tr><td>> 500,000</td><td>33.1/3 %</td></tr>
<tr><td colspan="2"></td><td colspan="2">(*) If the conditions set forth in Article 219, I-b of the FTC are met.
(**) If the conditions set forth in Article 219, I-c of the FTC are met or if the company is a SME as defined by European Union Law (Regulation (EU) No 651/2014).</td></tr>
</table>

Shareholders that are legal entities are urged to consult with their usual tax advisor in order to determine the tax rate applicable to them in light of their own situation.

Shareholders that are legal entities and for which the Company's shares qualify as equity investment (*titres de participation*) or assimilated securities for the purposes of the provisions of article 219 I-a quinquies of the FTC are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their own situation.

2.13.3 Non-French tax resident shareholders

Subject to any international tax treaties and any specific rules that may apply to individuals who are not French tax residents and have acquired their shares through an employee incentive or stock ownership plan, capital gains on the sale of their shares by taxpayers who are not French tax residents within the meaning of Article 4B of the FTC or whose registered office is located outside of France (and the ownership of whose shares is not connected to a fixed base or a permanent establishment subject to taxation in France on the balance sheet of which the shares are recorded as an asset) and that have at no time during the five (5) years preceding the sale held, directly or indirectly, alone or together with the members of their family, a more than 25% interest in the Company's profits are in principle not subject to taxation in France (Articles 244-bis B and C of the FTC), except where the capital gains are earned by persons or entities that are domiciled, established or formed outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the FTC ("**NCSTs**"). In the latter case, regardless of the percentage ownership of the shareholder, capital gains will be taxed at the flat rate of 75%. A list of NCSTs is published by ministerial decree and may be updated at any time. A draft law published by the French government on March 28, 2018 would, if adopted in its current form, (i) remove from the NCSTs list as defined under Article 238- 0 A of the FTC States and territories which signed the Common Reporting Standard Multilateral Competent Authority Agreement of October 29, 2014 and (ii) expand such a list to the States and jurisdictions included on the blacklist published by the Council of the European Union and expand to such States and jurisdictions, subject to certain limitations, the applicable tax regimes of the FTC referring to Article 238-0 A of the FTC as amended.

Shareholders who do not fulfill the conditions to benefit from an exemption are urged to consult with their usual tax advisor.

Shareholders who are not French tax residents are urged consult with their usual tax advisor in order to determine the tax regime applicable to their own situation both in France and in the country jurisdiction where they reside for tax purposes.

Where relevant, the disposal of the shares in the context of the Offer will trigger the termination of any payment deferral that may have been available individuals subject to the "exit tax" rules set out in Article 167 bis of the FTC in the context of the transfer of their tax residence outside of France. Such individuals are urged to consult with their usual tax advisor.

2.13.4 Shareholders subject to a different tax regime

Shareholders subject to a tax regime other than those referred to above and who participate in the Offer, in particular taxpayers who carry out stock market transactions under conditions similar to those which define an activity carried out by a person conducting such operations on a professional basis or who have booked their shares as an asset on their commercial balance sheet, individuals who hold shares acquired through an employee stock ownership or incentive plan or legal entities subject to corporate income tax and for which the Company's shares qualify as equity investment (*titres de participation*) or assimilated securities are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their own situation.

2.13.5 Transfer tax or financial transaction tax

Pursuant to Article 235 *ter* ZD of the FTC, the financial transaction tax ("**French FTT**") applies to acquisitions for consideration of equity securities admitted for trading on a regulated market issued by a company having its registered office in France and a market capitalization in excess of one billion euros as of December 1 of the year preceding the calendar year in which the tax is due. A list of the companies falling within the scope of the French FTT is published every year. That list includes the Company for transactions carried out in 2018. As a consequence, the French FTT will be due at a rate of 0.3% of the Offer price with respect to shares sold in the context of the Offer.

The transfer tax at the rate of 0.1% referred to in Article 726 of the FTC is not due when the French FTT applies.

3. VALUATION CRITERIA FOR THE OFFER

The price offered by Total in the context of the public tender offer, 42 euros per share payable in cash, is equivalent to the price paid by Total for the acquisition of shares representing in the aggregate 74.11%[33] of Direct Énergie's share capital (on a non-diluted basis).

The valuation criteria for the Offer have been prepared by Lazard Frères Banque and Société Générale, acting as Presenting Banks on behalf of Total. The analysis presented herein has been established based on a multi-criteria approach combining usual valuation methodologies and references, and factoring specificities and characteristics of the Company, notably its size and business sector.

In the absence of business plan provided by the Company, the valuation analysis is based only on public information, notably research analysts' forecasts. The accuracy and completeness of the information used by the Presenting Banks have not been independently verified by the latter.

3.1 Methodologies

3.1.1 Retained valuation methodologies

The assessment of the Offer price is based on a multi-criteria approach considering the following methodologies:

- Recent Relevant Block Acquisitions;
- Historical Share Prices;
- Financial Analysts' Target Prices;
- Discounted Cash Flow Valuation Method (« DCF »);
- Sum of the Parts based on precedent comparable transactions.

3.1.2 Non-retained valuation methodologies

The following methodologies, deemed irrelevant, have not been retained:

Trading comparables

This approach consists in determining the value of the Company by applying to its financial metrics the multiples observed for peers, comparable to Direct Énergie in terms of their business activity, size, profitability and growth perspectives.

Direct Énergie operates on two core segments: (i) supply of gas and electricity to residential and industrial customers, (ii) generation of energy (mostly from renewable sources, but also through two Combined Cycle Gas Turbines "CCGT")

Given the absence of comparable peers presenting similar characteristics, this approach has not been retained:

(i) Direct Énergie's growth projections for 2017-2020 are well above the average of integrated utilities including EDF, ENGIE, Enel, Iberdrola and Gas Natural, and renewable energy producers including EDPR, Albioma, Falck Renewables, Voltalia, Orsted and Boralex;

(ii) Direct Énergie clearly differentiates itself from integrated utilities as it does not operate regulated assets;

[33] Based on 44 886 772 shares as of April 10, 2018.

(iii) Retail division of Direct Énergie is a distinguishing feature of its business vis-a-vis renewable energy producers;

(iv) Application of the trading multiples to the Sum of the Parts analysis has not been retained in the absence of financial projections by division for Direct Énergie.

Net asset value approach

This methodology, which determines the value of a company based on its book value, is deemed irrelevant to value a company with ongoing business operations, such as Direct Énergie. The net asset value approach reflects the historical value of the assets and liabilities and does not take into account either the Company's payout capacity or its future performance.

Given the above reasons, this approach has not been retained. Furthermore, the net asset value approach does not reflect the value of intangible assets of the Company which is better accounted for by analysing the Company's capacity to generate cash flows rather than by analyzing its value on the balance sheet.

For information purposes only, as of December 31, 2017, the net asset value per share amounts to 8.7 euros per share on a non-diluted basis .

Adjusted net asset value approach

This approach defines the equity value of a company as the difference between its assets and its liabilities, after reevaluation of its main assets, in particular the intangibles, to their market value.

The methodology of adjusted net asset value is deemed irrelevant to value a company with ongoing business operations, such as Direct Énergie. This approach is, indeed, mainly used to value diversified holdings or companies holding diversified assets, that are likely to see their book value falling short the immediate economic value. For the above reasons, this approach has not been retained.

Dividend discount model approach

This methodology, which consists in valuing the equity of a company by discounting, at the company's cost of equity capital, the projected dividends.

This approach has been excluded from the valuation criteria since it mainly relies on the payout ratio determined by the major shareholders and is not necessarily representative of the Company's capacity to generate cash flows. Furthermore, this approach is redundant with the discounted cash flows methodology. Finally, the dividend discount model approach is usually applied to value financial companies and is not suitable to value operational companies, such as Direct Énergie. For the above reasons, this approach has not been retained.

3.1.3 Retained assumptions and sources of information

The valuation analysis performed by the Presenting Banks is based exclusively on:

- The latest available historical financial reports for Direct Énergie (in particular the annual reports for 2015, 2016 and 2017 and the Q1 2018 quarterly report);
- The presentations and press releases available on Direct Énergie's website;
- With respect to Direct Énergie's forecasts: public financial information and financial analysts' consensus (Société Générale (15/05/2018), Oddo (15/05/2018), Kepler Chevreux

[34] Based on number of shares outstanding as of December 31, 2017.

(19/04/2018), CM-CIC (10/04/2018), MidCap Partners (16/03/2018), BNP Paribas - Exane (15/03/2018));

- With respect to comparable transactions analysis: available public financial information;
- With respect to market data: IMF, Bloomberg, Thomson Eikon and Factset;
- With respect to financial analysts' target prices: Bloomberg, Factset and financial analysts' research notes;
- With respect to maintenance capital expenditure estimates : *Levelized Cost of Electricity for Renewables*, *2011-40*, published by IHS on September 7, 2016 (« IHS LCOE »).

It should be noted that the Presenting Banks did neither have access to any business plan of the Company, nor to any other non-public information, nor did they have any interaction with Direct Énergie's management.

3.2 Financial Data and Preliminary Information

3.2.1 Selected Financial Items / Consensus Overview

In the absence of a business plan of the Company, the valuation analysis is based on Direct Energie's consolidated audited accounts for the financial year ended December 31, 2017, the latest quarterly report published by the Company for the three-month period ending March 31, 2018, and consensus forecasts prepared by the analysts covering the Company.

The consensus retained for the 2018-2020 period is derived from analysts' research notes including detailed financial forecasts published following the publication of Direct Energie's annual results on March 14, 2018.

Retained Consensus for Direct Energie

The retained consensus for the 2018-2020 period is derived from research notes prepared by Gilbert Dupont (15/05/2018), Oddo (15/05/2018), Kepler Cheuvreux (19/04/2018) and BNP Paribas - Exane (15/03/2018).

The financial items presented below, including Sales, EBITDA, EBIT, Change in WCR and Net Capital Expenditures for 2018, 2019 and 2020 are calculated as the average of estimates provided by above-cited research analysts. However, it should be noted that financial forecasts for the year 2020 are calculated as the average of the estimates provided by Oddo (15/05/2018), Kepler Cheuvreux (19/04/2018) and BNP Paribas - Exane (15/03/2018), as Gilbert Dupont's research note (15/05/2018) does not provide estimates for the year 2020.

It should be noted that the research notes of CM-CIC (10/04/2018) and MidCap Partners (16/03/2018) were excluded from the analysis in order to ensure forecast consistency: (i) MidCap Partners and CM-CIC do not provide estimates for cash-flow items (notably capital expenditures); (ii) MidCap Partners does not provide EBITDA estimates.

The consensus is based on the new IFRS 15 accounting principles, mandatory as of January 1, 2018. The application of these principles by the Company results in revenues associated with the distribution components of the regulated tariff no longer being recognized in turnover. The estimates provided by research analysts for 2018-2020 have not been adjusted, assuming that they already take into account the new IFRS 15 accounting principles in their sales forecasts.

The main income statement financial aggregates for the year 2017 are also presented on a "pro-forma" basis, to include the full-year contribution of Quadran, acquired on October 31, 2017. The estimates provided by research analysts for 2018-2020 have not been adjusted, assuming that they already account for the full contribution of Quadran from 2018 onwards.

It should be noted that the several ratios computed below are presented for illustrative purposes only and are derived from average aggregates.

Finally, the significant amounts of Net Capital Expenditures in 2018 and 2019 are mainly driven by investments of Quadran in the beginning of its investment plan.

	Historical		Consensus		
in €m, FYE 31/12	**2017A**	**2017PF**[(1)]	**2018E**	**2019E**	**2020E**
Income Statement					
Sales	**1,141.0**	**1,191.2**	**1,402.6**	**1,648.0**	**1,855.7**
% growth	*n.a.*	*n.a.*	*17.8%*	*17.5%*	*12.6%*
EBITDA	**142.7**	**174.3**	**14.0**	**245.6**	**265.7**
% margin	*12.5%*	*14.6%*	*1.0%*	*14.9%*	*14.3%*
EBIT	**102.1**	**111.5**	**125.1**	**152.1**	**166.1**
% margin	*8.9%*	*9.8%*	*8.9%*	*9.2%*	*9.0%*
Cash Flow					
Change in WCR	**(75.8)**		**(9.2)**	**(29.7)**	**(46.1)**
% change in sales	*n.a*		*(4.4%)*	*(12.1%)*	*(22.2%)*
Net Capital Expenditures	**(108.0)**		**(376.4)**	**(295.5)**	**(161.4)**
% sales	*(9.5%)*		*(26.8%)*	*(17.9%)*	*(8.7%)*

3.2.2 Enterprise value to equity value bridge

The bridge from enterprise value to equity value is based on the latest published financials of Direct Énergie as of December 31, 2017, (unless otherwise specified), adjusted for fiscal year 2017 dividend, paid on June 5, 2018.

[35] Including Quadran's full-year contribution

	€m
Net financial debt[36]	661.2
Non-controlling interests	6.3
Quadran cash earn-out, recognized but not distributed	26.0
Provisions for employees benefits	2.6
Provisions for dismantling	12.7
Others provisions for liabilities and charges	45.0
Investments in associates	(34.3)
Tax loss carryforwards	(37.2)
Landivisiau project value[37,38]	(22.0)
Accruals[39]	(31.1)
Enterprise value to equity value bridge	**629.1**

The full value of the bridge from enterprise value to equity value amounts to 629.1m euros.

3.2.3 Number of shares retained

As of December 31, 2017, the total number of outstanding shares amounts to 44,789,016, corresponding to the total number of 45,190,868 shares, adjusted for 401,852 treasury shares.

This number is adjusted for 2,154,137 additional shares reflecting the potential dilution related to:

- 957,330 shares to be issued following the potential exercise of the stock options (calculated in accordance to the *« treasury stock method »*) on the basis of a reference price of 42 euros per share;
- 1,196,807 shares to be issued following the conversion of the share warrants related to the Quadran acquisition (remaining earn-out paid in shares).

No additional dilutive instruments have been issued by the Company since December 31, 2017, as per public information available. The total number of shares retained for the valuation of the Company amounts to 46,943,153 shares on a diluted basis.

3.3 Appraisal of the Offer price

3.3.1 Recent Block Acquisitions

This methodology relies on analyzing the Company's value based on recent transactions involving Direct Énergie.

The Offer price of 42 euros per share is identical to the per share price paid by Total in connection with the acquisition from the key shareholders of the 74.11%[40] block of shares in Direct Énergie.

36 Including € 15.9m of dividends paid on June 5, 2018, based on a 2017 dividend of 0.35 euro per share.
37 Source: Kepler Cheuvreux as of November 17, 2017.
38 Combined cycle power plant construction project in Landivisiau (Finistère) managed by the Compagnie Electrique de Bretagne, 60%-owned by Direct Énergie and 40%-owned by Siemens Project Venture.
39 Post-tax.
40 Based on 44 886 772 shares as of April 10, 2018.

This transaction represents a critical value reference, as the price of 42 euros per share (coupon detached) has been simultaneously accepted by the Company's six major shareholders, considered as financially well educated. This price includes a change of control premium, also offered to the remaining shareholders when they tender their shares.

The capital increase completed by Direct Énergie on July 12, 2017 at the price of 49.50 euros per share has been considered as irrelevant due to the structural changes in the competitive and economic environment of Direct Énergie in the past 9 months, in particular:

- The emergence of new players in the market since September 2017, (Total Spring, Butagaz, Cdiscount) offering a variety of retail alternatives to the clients which results in a greater pressure on Direct Énergie's margins and an increase of customer acquisition costs;
- The increase in electricity wholesale prices since July 2017, which negatively affects the retail margins of the Company;
- The publication of 2017 half-year results and announced 2018 financial guidance below market expectations.

These events have considerably changed the financial outlook of the Company, hence, this capital increase is not considered as a relevant value reference in the present situation.

3.3.2 Historical Share Prices

Direct Énergie shares (ISIN code FR0004191674) are listed on Euronext Paris. The historical share price is considered as a relevant criterion for the valuation of the Company given satisfactory level of liquidity for the past 6 months:

- 0.43 % of the daily exchanged free float / 0.10 % of the daily exchanged capital on Euronext Paris;
- 52.4 % of the cumulated free float / 11.5 % of the cumulated capital over the same period of time on Euronext.

The following table summarizes the premium represented by the Offer price of 42 euros per share compared to the closing share price of Direct Énergie as of April 17, 2018, and to the volume-weighted average prices for the selected periods, adjusted for 2017 dividend of 0.35 euro per share.

The analysis of the share price of the Company is based on the market data as of April 17, 2018, last trading day before the announcement of the Offer.

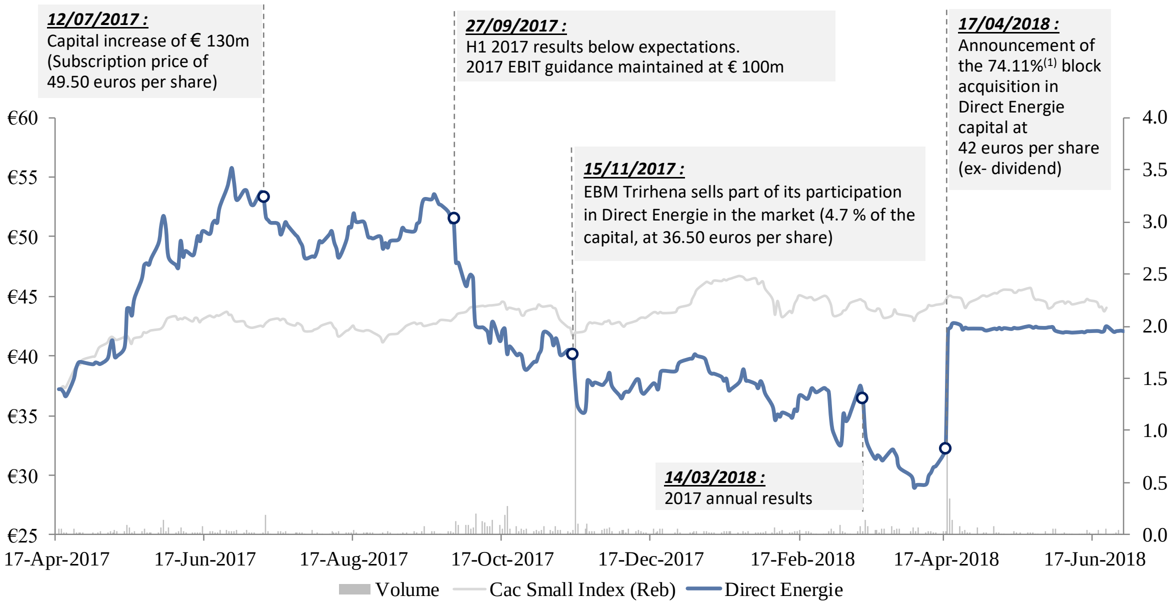
April 17 as point of reference	Share Price[41]	Implied Premium
Spot price of last trading day	€ 31.9	31.7 %
1-month VWAP	€ 30.4	38.0 %
3-month VWAP	€ 33.4	25.7 %
6-month VWAP	€ 36.7	14.4 %
12-month VWAP	€ 40.7	3.2 %
Lowest price (over 12 months, 4 April 2018)	€ 28.6	46.9 %
Highest price (over 12 months, 28 June 2017)	€ 55.5	(24.3 %)

Source : Factset as of 17/04/2018

The Offer price represents a premium of 31.7 % to the closing share price as of April 17, 2018 (adjusted for 2017 dividend of 0.35 euro per share) and a premium of 25.7 % and 14.4 % to, respectively, the 3-month and 6-month volume-weighted average prices (adjusted for 2017 dividend of 0.35 euro per share).

[41] Adjusted for the dividend paid for the year 2017, equal to 0.35 euro per share.

Share price performance and volume exchanged since April 17, 2017 (one year prior to the Offer)



Source: Thomson Eikon as of 29/06/2018

Between the capital increase in July 2017, and the Offer announcement in April 2018, Direct Énergie's share price decreased by c. 40%, mainly due to the structural changes in the competitive and economic environment of Direct Énergie mentioned in the Section 3.3.1.

3.3.3 Financial Analysts' Target Prices

The analysis of financial analysts' target prices, complementary to the share price analysis, assesses the value of the share based on the 6 research notes prepared by financial analysts and the associated published target prices.

On April 18, 2018, the announcement date of the transaction, the Company was covered by 6 financial analysts, who slightly updated their target prices prior to this date. Since then, some target prices have been impacted by the Offer.

The table below presents the premium and discount implied by the Offer Price relative to the last target prices published before April 17, 2018, (last day before the announcement of the Offer).
It is assumed that these target prices reflect financial analysts' expectations of the future value as of the date of the announcement of the transaction, unaffected by the Offer.

Analyst	**Prior to the announcement – as of 17/04/2018**			**As of 12/07/2018** *(illustrative)*		
	Date	**Adjusted Target Price**	**Implied Premium / (Discount)**	**Date**	**Target Price**	**Implied Premium / (Discount)**
CM - CIC	10 April 18	€ 54.0	(22.2%)	30 May 18	€ 54.0	(22.2%)
Gilbert Dupont	21 March 18	€ 36.0	16.7%	09 July 18	€ 42.0	0.0%
Midcap Partners	16 March 18	€ 45.0	(6.7%)	15 May 18	€ 42.0	0.0%
Exane	15 March 18	€ 40.0	5.0%	14 May 18	€ 42.0	0.0%
Oddo	15 March 18	€ 36.0	16.7%	15 May 18	€ 36.0	16.7%
Kepler Cheuvreux	15 March 18	€ 35.0	20.0%	19 April 18	€ 42.0	0.0%

[42] Based on 44 886 772 shares as of April 10, 2018.

Median	**€ 38.0**	**10.5%**	
Average	**€ 41.0**	**2.4%**	

The financial analysts' target prices imply a valuation ranging from 35.0 euros to 54.0 euros per share with a median target price amounting to 38.0 euros per share. For illustrative purposes, the financial analysts' average target price amounts to 41.0 euros per share, however distorted by the target price provided by CM-CIC, not in line with the consensus.

3.3.4 Discounted Cash Flow Valuation Method

This valuation method aims at calculating the enterprise value of a Company by discounting its future cash flows. The equity value of the Company is then derived by adjusting the enterprise value for the items taken into account in the enterprise value to equity value bridge.

The discounted cash flow valuation method has been retained given (i) the availability of Company's historical performance of over 10 years and (ii) this method allows to take into account Company's future growth through the development of its renewable energy activities and of its client portfolio.

It should be noted that the Terminal Value results in a normalized EBITDA multiple of 9.5x, in line with 2018 EBITDA multiple derived from discounted future cash flows and consistent with sector multiples.

The discounted cash flow valuation is performed as of December 31, 2017, using the mid-year discounting convention.

The implementation of this method relies on the Presenting Banks' assumptions, resulting from the extrapolation of the retained consensus for the 2018-2020 to the 2021-2027 period.

3.3.4.1 *Assumptions used for the 2021-2027 extrapolation*

- Average sales growth of 7.5% over the 2020-2027 period, with a normative growth of 1.9%, in line with the long-term inflation rate projection communicated by the IMF for France;
- Flat EBITDA margin equal to 14.3% (in line with the 2020 margin forecasted by the consensus), reflecting (i) a favorable business mix evolution, offset by (ii) increasing competition and a margin decrease, notably due to an increase in electricity wholesale prices;
- Linear evolution of depreciation and amortization as a percentage of sales, reaching 75% of capital expenditures in the normative year. This normative ratio results from the perpetual factoring of the time gap between an investment and its amortization, taking into account (i) a perpetual growth rate of 1.9% and (ii) a 30-year average amortization period of the asset base;
- Working capital requirements assumed to be stable, with regard to the activity, representing 37 sales days, in line with the retained consensus for the year 2020;
- Tax rate in line with article 41 of *Projet de loi de finances 2018* (PLF 2018), enacted on December 30, 2017, and related to the diminution of corporate income tax;
- Net capital expenditures reflecting the development plan set out by Quadran, increased for the maintenance investments, estimated in line with the IHS LCOE study[43], amounting to 7.8% of sales in average over the 2021-2027 period.

[43] IHS LCOE : *Levelized Cost of Electricity for Renewables, 2011-40*, published by IHS 7 September 2016

3.3.4.2 *Determination of the discount rate*

The free cash flows are discounted at the weighted average cost of capital (« WACC »), i.e. the rate of return required by financial investors given the activities and risks inherent in the Company's businesses.

The weighted average cost of capital of Direct Energie retained by the Presenting Banks amounts to 6.8%. The parameters of the WACC computation have been set as follows:

- Risk-free rate of 0.74%, based on a one-month average of risk free rates, as of June 29, 2018 (source: Bloomberg);
- Market risk premium of 8.58%, based on a one-month average of market risk premiums in France, as of June 29, 2018 (source: Bloomberg);
- Unlevered beta of 0.90, corresponding to the average of (i) the Company's 3-year Beta prior to the announcement of the transaction, as of April 17, 2018 (source: Bloomberg), and (ii) the predicted local beta as of March 30, 2018 (source: MSCI Barra Beta);
- Estimated pre-tax cost of debt of 4.15%, corresponding to the average coupon of the last 3 bonds issued by the Company;
- Gearing of 44.2%, computed based on Direct Energie's indebtedness as of April 17, 2018, in line with prevailing normative levels in the industry.

The computed WACC is in line with the WACC assumptions retained by the financial analysts covering Direct Energie, namely:

- BNP Paribas – Exane: 6.7% (15/03/2018)
- Kepler Cheuvreux: 7.1% (15/03/2018)
- Oddo: between 5.9% and 7.0% (15/03/2018)

3.3.4.3 *Terminal value computation assumptions*

The terminal value is computed using the Gordon Shapiro method. Normative free cash flow used for the determination of the terminal value is based on the following assumptions:

- Long term growth rate of 1.9%, in line with the long-term inflation rate projection;
- EBITDA margin of 14.3%, in line with the retained consensus for the year 2020;
- Level of depreciation and amortization equal to 75% of the net capital expenditures, in line with normative growth assumptions and normative net capital expenditures;
- Working capital requirements equal to 37 sales days, in line with the last year of the consensus;
- Tax rate of 25.825% in line with article 41 of *Projet de loi de finances 2018* (PLF 2018), enacted on December 30, 2017, and related to the diminution of corporate income tax;
- Net capital expenditures of 144m euros (representing 4.6% of normative sales), computed as the sum of (i) annual maintenance capital expenditures (generation and supply) of 43m euros and (ii) annual long-term capital expenditures dedicated to the renewal of the generating portfolio of 101m euros (CCGT and renewables), based on the targeted capacity disclosed by the Company.

These assumptions are consistent with the ones retained by the financial analysts and presented by the Company in its financial communication.

3.3.4.4 *Direct Energie implied share price computed using the Discounted Cash Flow Method*

The table below shows the valuation of Direct Energie computed using the Discounted Cash Flow method:

	€m
Discounted cash flows value as of December 31, 2017	**40**
% of enterprise value as of December 31, 2017	*1.7%*
Discounted terminal value as of December 31, 2017	**2,279**
% of enterprise value as of December 31, 2017	*98.3%*
Enterprise value as of December 31, 2017	**2,319**
Equity value as of December 31, 2017	**1,690**
Implied share price	**€ 36.0**
Implied Offer Premium	*16.7%*

It should be noted that the Terminal Value carries a considerable weight in the Enterprise Value (98.3%), notably because of the impact of Quadran's development and investment plan on Direct Energie's short-term and mid-term cash flows.

The Discounted Cash Flow method results in a valuation of 36.0 euros per share. The Offer price, therefore, reflects a 16.7% premium on this central value.

For illustrative purposes, the tables below show the sensitivity of the value per share to (i) changes in WACC and perpetual growth rate; and (ii) changes in WACC and normative EBITDA margin (linear adjustment of the EBITDA margin over the 2021-2027 period).

		Weighted Average Cost of Capital (%)						
		6.31%	**6.56%**	**6.69%**	**6.81%**	**6.94%**	**7.06%**	**7.31%**
Perpetual growth rate (%)	**1.37%**	38.4	34.8	33.1	31.5	30.0	28.5	25.8
	1.62%	41.2	37.2	35.4	33.6	32.0	30.4	27.5
	1.75%	42.6	38.5	36.6	34.8	33.1	31.5	28.4
	1.87%	44.2	39.9	37.9	36.0	34.2	32.5	29.4
	2.00%	45.8	41.3	39.2	37.3	35.4	33.6	30.4
	2.12%	47.6	42.8	40.6	38.6	36.7	34.8	31.4
	2.37%	51.4	46.1	43.7	41.5	39.4	37.4	33.7

		Weighted Average Cost of Capital (%)						
		6.31%	**6.56%**	**6.69%**	**6.81%**	**6.94%**	**7.06%**	**7.31%**
EBITDA margin variation (%)	**(0.50%)**	40.6	36.5	34.6	32.8	31.2	29.6	26.6
	(0.25%)	42.4	38.2	36.2	34.4	32.7	31.0	28.0
	-	44.2	39.9	37.9	36.0	34.2	32.5	29.4
	0.25%	46.0	41.5	39.5	37.6	35.7	34.0	30.8
	0.50%	47.8	43.2	41.1	39.1	37.3	35.5	32.2

The Discounted Cash Flow Valuation Method, based on the assumptions described above, implies a value per share of between 34.2 euros (WACC of 6.9% and perpetual growth rate of 1.9%) and 37.9 euros (WACC of 6.7% and perpetual growth rate of 1.9%), the Offer price thus representing a premium of between 10.9% and 22.8%.

3.3.5 Sum of the Parts based on precedent comparable transactions

This methodology determines the market value of the Company by applying valuation ratios observed for comparable transactions to the financial aggregates of the Company's divisions. The Company is structured around four separate business areas:

- Energy supply, comprising energy procurement activity and distribution of gas and electricity to ultimate consumers;
- Thermal electricity production (CCGT[44]);
- Wind and solar electricity production;
- Hydro and biogas electricity production.

3.3.5.1 *Selection criteria for the retained comparable transactions*

This approach consists in applying the average valuation multiples of a sample of recent transactions in a comparable sector, of a comparable size and profitability. The transactions have been selected in accordance with specific criteria: *(i)* they are recent and comparable, *(ii)* they have been realized in Western Europe excluding the United Kingdom (for CCGT, only French transactions have been retained) and *(iii)* they refer to a majority stake acquisition.

Moreover, the following size criteria have been retained:

- Energy supply: enterprise value greater than 100m euros;
- Solar electricity production: capacity greater than 50 MW;
- Wind electricity production: capacity greater than 150 MW;
- Hydroelectric production: capacity lower than 50 MW.

3.3.5.2 *Energy supply*

Direct Energie sets itself apart from its peers by:

i. Robust pace of client acquisition (3 million client sites and 4 million client sites objectives for 2018 and 2020 respectively);
ii. Superior margins compared to those of the sector.

For the Energy supply division, the selection of transactions includes 3 comparable transactions where the target is a non-integrated producer and which satisfies the criteria previously outlined.

Date	Country	Target	Acquirer	Clients ('000)	% of capital	100% EV (€m)	Y-1 EBITDA x	EV / Client (€/client)
Oct-17	Italy	Gas Natural Vendita Italia	Edison	484	100%	263	12.5x	543
Nov-16	France	Gaz Européen	DCC Energy	500	97%	110	n.a.	220
Jun-16	Belgium	Lampiris	Total	1,050	100%	180	n.a.	171
Average								***312***

[44] CCGT : Combined Cycle Gas Turbine

The selected multiples for the valuation of the Energy supply division are:

i. The average multiple of the enterprise value by client (EV/Client) of the selected transactions;

ii. The multiple of the enterprise value to EBITDA (EV/EBITDA) of the acquisition of Gas Natural Vendita Italia (GNVI) in 2017 (only reference point available). This data point represent the upper limit of the valuation range, given the strong exposure of GVNI's portfolio to "regulated" customers (which is not the case of Direct Energie's), and the low churn rate of this portfolio.

The retained EV/Client multiple has been applied to the 2018 target announced by the Company, i.e. 3 million client sites, in order to take into account the dynamic pace of Direct Energie's client acquisition.

Application of the client multiple (312 euros per client) and the EBITDA multiple (12.5x) to Direct Energie's aggregates results in Energy supply valuation of 1,129m euros.

3.3.5.3 *Wind and solar electricity production*

Since December 31, 2017, the Company operates, through Quadran, wind plants of a gross capacity of 368 MW and solar plants of a gross capacity of 155 MW.

For the Wind and solar electricity production division, we have selected two representative samples of transactions satisfying the previously defined criteria. The selected multiples are those of the enterprise value over capacity (EV/Capacity).

Date	Country	Target	Acquirer	Capacity (MW)	% of capital	100% EV (€m)	Y-1 EBITDA x	EV / Capacity (€m/MW)
SOLAR								
Jun-17	**France**	**Quadran**	**Direct Energie**	**443**	**100%**	**681**	**n.a.**	**1.5**
Jan-17	Spain	Vela Energy	Sonnedix	136	100%	600	n.a.	4.4
Nov-16	Spain	T-Solar Global	I Squared Capital	326	88%	928	n.a.	2.8
Dec-15	Italy	Antin Solar Investments	JV Quercus / Swiss Life	77	100%	310	9.2x	4.0
Jul-15	Spain	Gestamp Asetym Solar	KKR Global Infrastructure Investors II	300	80%	923	n.a.	3.1
Jun-15	Italy	Cogipower	F2i Fondi Italiani per le infrastrutture	56	100%	140	n.a.	2.5
Average								***3.1***

Date	Country	Target	Acquirer	Capacity (MW)	% of capital	100% EV (€m)	Y-1 EBITDA x	EV / Capacity (€m/MW)
WIND								
Apr-18	France	Kallista	Boralex	163	100%	223	n.a.	1.4
Jun-17	**France**	**Quadran**	**Direct Energie**	**443**	**100%**	**681**	**n.a.**	**1.5**
May-17	France	Futuren	EDF Energies Nouvelles	374	62%	394	14.1x	1.1
Jul-17	Ireland	Invis Energy	Consortium (Mitsibushi UFJ, Sojitz, Kansai Electric power)	223	60%	300	n.a.	1.3
Jun-17	Italy	Societa Energie Rinnovabili	Glennmont Partners	245	100%	416	n.a.	1.7
Sep-15	Portugal	Finerge	First State Investments	642	100%	900	nm	1.4
Oct-15	Spain	Eolia Renovables	Oaktree Capital Management	584	n.a.	920	10.7x	1.6
Oct-15	Portugal	Iberwind	Consortium (CKI, Power Assets Holdings)	684	100%	997	7.0x	1.5
Oct-15	Spain	Renovalia Energy	Cerberus	600	100%	1,000	n.a.	1.7
Jun-15	Spain	Gecalsa	Gas Natural Fenosa	201	100%	260	n.a.	1.3
May-15	Germany	Prokon Regenerative Energien	EnBW Energie Baden-Wuerttemberg	537	100%	550	n.a.	1.0
Dec-14	France	Enel Green Power France	Boralex	196	100%	295	14.8x	1.5
Dec-13	Spain	FCC energia	Plenium partners	542	51%	779	n.a.	1.4
Average							***11.6x***	***1.4***

Applying the average multiple to Direct Energie's capacity in wind and solar production division results in a valuation of 995m euros.

3.3.5.4 *Thermal electricity production*

In 2015 Direct Energie acquired its first gas power plant in Bayet of an installed capacity of around 400 MW. In 2016 Direct Energy acquired Marcinelle Energie, which operates a combined cycle power plan station of 400 MW.

For the Thermal electricity production division, only one transaction meeting the relevant criteria has been identified.

Date	Country	Target	Acquirer	Capacity (MW)	% of capital	100% EV (€m)	Y-1 EBITDA x	EV / Capacity (€m/MW)
Oct-14	France	Pont-sur-Sambre and Toul power plant	KKR	848	100%	150	n.a.	0.2

The selected multiple is the enterprise value over capacity (equal to 0.2m euros per MW) which results in an enterprise value of 142m euros for the CCGT division of Direct Energy.

3.3.5.5 *Hydro and biogaz electricity production*

Direct Energie owns and operates, through its subsidiary Quadran, 9 hydroelectric plants with a total capacity of 5 MW. Moreover, Quadran operates via Méthanergy and its subsidiaries 10 biogas valuation units for a total power of 13 MW.

For each division, hydro and biogas, a representative sample corresponding to the desired characteristics has been selected.

Date	Country	Target	Acquirer	Capacity (MW)	% of capital	100% EV (€m)	Y-1 EBITDA x	EV / Capacity (€m/MW)
BIOGAS								
Aug-17	Spain	Lucena biomass power generation plant of EDF EN SA	ENCE Energia y Celulosa	27	100%	28	n.a.	1.0
Jun-15	France	BiOlevano	Pool of Italian entrepreneurs	21	60%	130	n.a.	6.2
Average								***3.6***

Date	Country	Target	Acquirer	Capacity (MW)	% of capital	100% EV (€m)	Y-1 EBITDA x	EV / Capacity (€m/MW)
HYDRO								
Jun-17	Italy	Pac Pejo	Iniziative Bresciane SOA	12	60%	10	n.a.	0.8
Apr-16	Italy	Rotalenergia	KRE IDRO	2	100%	9	8.8x	5.6
Jul-13	Italy	Chi.Na.Co S.r.l.	BKW Energie AG	8	100%	40	12.8x	5.0
Average							***10.8x***	***3.8***

The selected multiples are those of the enterprise value over capacity (EV/Capacity). By taking the averages (3.6m euros per MW for the biogas and 3.8m euros per MW for hydropower), the resulting enterprise value for the biogas and hydro electricity production is of 66m euros.

3.3.5.6 *Synthesis of the Sum of the Parts approach:*

Division	Selected multiple	Multiple	Direct Energie's aggregates	EV (€m)
Energy supply	VE / client	376	3 m	1,129
Production (Wind / Solar)	VE / Capacité	1.9	523 MW	995
Production (CCGT)	VE / Capacité	0.2	800 MW	142
Production (Biogas / Hydraulic)	VE / Capacité	3.6	13 MW	66
Enterprise Value				***€ 2,331m***
Equity Value				***€ 1,702m***
Share Price				***€ 36,3***
Implied Premium				***15,9 %***

Application of the average multiples to Direct Énergie's aggregates results in a global enterprise value of 2,331m euros, or 36.3 euros per share. The Offer price of 42 euros per share, thus, represents a premium of 15.9%.

3.4 Summary valuation analysis of the Offer price

The Offer price of 42 euros per share implies a premium on all the references and valuation methods used. The table below summarizes the valuations resulting from the various assessment criteria which have been considered, as well as premia implied by the Offer price:

Retained Methods

	Retained value			Offer price premium / (discount)		
Methods	Minimum	Base case	Maximum	Minimum	Central	Maximum
Recent Block Acquisition		42.0			-	
Share price as of 17/04/2018[45,46]		31.9			+31.7%	

[45] Reference closing price prior to announcement

[46] Adjusted for the dividend paid for the year 2017, equal to 0.35 euro per share.

1-month average share price[2]		30.4			+38.0%	
3-month average share price[2]		33.4			+25.7%	
6-month average share price[2]		36.7			+14.4%	
12-month average share price[2]		40.7			+3.2%	
Analysts' Target Prices median		38.0			+10.5%	
Discounted Cash Flows[47]	34.2	36.0	37.9	+22.8%	+16.7%	+10.9%
Sum of the Parts (by applying comparable transaction multiples)	33.8	36.3	38.7	+24.4%	+15.9%	+8.4%

4. METHOD FOR MAKING INFORMATION RELATING TO THE OFFEROR AVAILABLE

In accordance with Article 231-28 of the AMF's General Regulation, information relating to the legal, financial and accounting characteristics of Total will be filed with the AMF and made available to the public through methods intended to ensure full and effective disclosure, no later than the opening of the Offer.

5. PERSONS RESPONSIBLE FOR THE OFFER DOCUMENT

5.1 For the Offeror

"*The information contained in this Offer Document is, to my knowledge, true and correct and there has been no omission which would lead to misrepresentation*."

Patrick Pouyanné, Chairman and Chief Executive Officer of Total

5.2 For the institution presenting the Offer

"*In accordance with Article 231-18 of the AMF's General Regulation, Lazard Frères Banque and Société Générale, the institutions presenting the Offer, certify that, to their knowledge, the presentation of the Offer, which they examined on the basis of information provided by the Offeror, and the factors used to value the proposed price are true and correct and do not include any omission likely to alter their scope.*"

Lazard Frères Banque — Société Générale

[47] Retained valuation range based on a WACC of between 6.69% and 6.94%