

This document is an unofficial English-language translation of the response document (*note en réponse*) which received from the *Autorité des marchés financiers* visa no. 18-325 on 24 July 2018. In the event of any differences between this unofficial English-language translation and the official French document, the official French document shall prevail.

**RESPONSE DOCUMENT
PREPARED BY**



IN RESPONSE TO

**THE SIMPLIFIED TENDER OFFER
FOR THE SHARES OF DIRECT ÉNERGIE MADE BY**



In accordance with article L. 621-8 of the French Monetary and Financial Code and article 231-26 of the General Regulations of the French financial markets authority, the *Autorité des Marchés Financiers* (the “AMF”), the AMF granted this response document visa no. 18-325 on 24 July 2018. This response document has been prepared by Direct Énergie S.A. and is the responsibility of its signatories.

IMPORTANT NOTICE

Pursuant to articles 231-19 and 261-1 *et seq.* of the AMF’s General Regulations, the report prepared by Ledouble, acting as independent expert, is included in this response document.

This response document (the “**Response Document**”) is available on the website of Direct Énergie (www.direct-energie.com) and on that of the AMF (www.amf-france.org) and may be obtained free of charge from the registered office of Direct Énergie, 2 *bis* rue Louis Armand, 75015 Paris, France.

In accordance with article 231-28 of the AMF’s General Regulations, the information relating notably to Direct Énergie’s legal, financial and accounting characteristics will be filed with the AMF and made available to the public in the same manner, by 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 these documents will be made available.

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I. REMINDER OF THE PRINCIPAL TERMS OF THE OFFER

Pursuant to Title III of Book II and more specifically articles 233-1 2° *et seq.* of the AMF's General Regulations, Total S.A., a French *société anonyme* (form of limited liability company), having its registered office at 2 place Jean Millier, La Défense 6, 92400 Courbevoie, France, registered with the Nanterre Trade and Companies Register under number 542 051 180 (the “**Offeror**” or “**Total**”), has made an irrevocable offer to the shareholders of Direct Énergie, a French *société anonyme* (form of limited liability company), having its registered office at 2 *bis* rue Louis Armand, 75015 Paris, France, registered with the Paris Trade and Companies Register under number 442 395 448 (the “**Company**” or “**Direct Énergie**”), the shares of which are traded on Euronext Paris under ISIN Code FR0004191674 (the “**Shares**”), to acquire all the Shares that are not held by the Offeror at a price of €42 per share (the “**Offer**”). The Offer is further described in the offer memorandum prepared by Total (the “**Offer Document**”) and in section 2.4 of the Response Document.

The Offer, which follows the acquisition by the Offeror of 33,311,459 Shares representing, on the basis of the number of shares issued as of 30 June 2018, approximately 73.04% of the share capital and 71.16% of the theoretical voting rights of the Company, targets:

- (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, with the exception of the 1,810 treasury shares held by Direct Énergie on the one hand, and, on the other hand, of the 717,065 Non-Transferable Shares 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 described in section 2.7 of the Response Document; 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 on 30 June 2018 (the “**Options**”) with the exception of Non-Transferable Shares 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 in section 2.7 of the Response Document.

The Offer does not include the 1,309,712 share subscription warrants issued on 31 October 2017 for the exclusive benefit of Lucia Holding SAS (*société par actions simplifiée*), having its registered office at Chemin de Maussac, Domaine de Patau, 34420 Villeneuve-les-Béziers, France, registered with the Paris Trade and Companies Register under number 531 330 389 (the “**Quadran Warrants**”), which are, in accordance with their terms and conditions, non-transferable, nor does it include the Shares that may be issued as a result of the exercise of the Quadran Warrants¹, no Quadran Warrant being exercisable prior to the closing of the Offer (in accordance with the applicable issuance conditions).

The Offer will be conducted in accordance with the simplified procedure set forth in Articles 233-1 *et seq.* of the AMF's General Regulations. The Offer will be opened for a period of thirty-seven (37) trading days.

¹ Pursuant to their terms and conditions, the Quadran Warrants cannot result in the acquisition of more than 1,196,807 Shares.

II. BACKGROUND AND FEATURES OF THE OFFER

2.1. Background to the Offer

2.1.1. Acquisition of the Blocks of Shares

The Offer, which follows the crossing of the threshold of 30% and 50% of the Company's share capital and voting rights that occurred in the context of the acquisition by the Offeror, on 6 July 2018, of 33,311,459 shares and voting rights of the Company (representing, on the basis of the number of shares issued as of 30 June 2018, approximately 73.04% of the share capital and 71.16% of the theoretical voting rights of the Company) through an off market acquisition of blocks of shares (the "**Acquisition of the Blocks**") from the following shareholders:

- 15,000,000 shares from Impala, a French *société par actions simplifiée* (form of limited liability company) having its registered office at 4 rue Euler, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 562 004 614 ("**Impala**");
- 8,307,826 shares from AMS Industries, a French *société par actions simplifiée* (form of limited liability company) having its registered office at 41 avenue George V, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 447 948 076 ("**AMS**");
- 2,474,544 shares from Lov Group Invest, a French *société par actions simplifiée* (form of limited liability company) having its registered office at 5 rue François Ier, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 494 031 008 ("**LGI**");
- 2,067,870 shares from EBM Trirhena, a company incorporated under the laws of Switzerland having its registered office at 27 Weidenstrasse 4142 Münchenstein, Switzerland, registered with the Basle Trade and Companies Register under number CHE – 109.336.300 ("**EBM**");
- 375,368 shares from Mr Xavier Caïtucoli, born on 30 November 1970 in Paris (75014), domiciled at 88 rue Michel Ange, 75016 Paris, France, who is chairman and chief executive officer (*président-directeur général*) of the Company;
- 373,246 shares from Crescendix, a French *société par actions simplifiée* (form of limited liability company) having its registered office at 36 rue de Monceau, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 752 446 815 ("**Crescendix**");
- 419,854 shares from Crescendissimo, a French *société par actions simplifiée* (a form of limited liability company) having its registered office at 36 rue de Monceau, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 839 754 009;
- 4,292,751 shares from Luxempart, a Luxembourg *société anonyme* (form of limited liability company) having its registered office at 12 rue Léon Laval, L-3372 Leudelange, Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 27.846 ("**Luxempart**"),

(referred to collectively as the “**Sellers**” and individually as a “**Seller**”)

The Acquisition of the Blocks was completed on 6 July 2018 (the “**Completion Date**”) pursuant to the terms of a share purchase agreement concluded on 17 April 2018 between Total and the Sellers and amended on 22 June 2018 (the “**Share Purchase Agreement**”) which provided for the following conditions precedent:

- (i) clearance from the European Commission of the Acquisition of the Blocks;
- (ii) the issuance by the board of directors of the Company of 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 Regulations; and
- (iii) the release of all encumbrances on the Shares owned by the Sellers.

The European Commission approved the Acquisition of the Blocks in a decision dated 3 July 2018.

In the context of the Acquisition of the Blocks, the purchase price for the acquisition of the Shares in cash from the Sellers is €42 per Share.

Under the Share Purchase Agreement, the Sellers will also have a resale right (*droit de suite*) if, before 6 July 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 (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, multiplied by (B) the number of Shares transferred to Total by the relevant Selling Shareholder (the “**Earn-out**”). However, it should be noted that the acquisition of Shares under the liquidity agreements, described in section 2.7 of the Response Document, will not be considered as a Subsequent Transaction and will not warrant the payment of any Earn-out of any kind.

2.1.2. Memorandum of Understanding

In parallel with the negotiation relating to the Acquisition of the Blocks, Total and Direct Énergie discussed the strategic advantages of a potential combination and its terms. Following this period of discussion, a meeting of the board of directors of the Company was held on 17 April 2018 to be informed of the terms of the transaction. At that meeting, 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 Labour Code;
- (iii) undertook to recommend to its shareholders that they tender their Shares in the Offer, subject to confirmation of its fairness by the Independent Expert (the “**Favourable Opinion**”);
- (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 Ledouble as independent expert (the “**Independent Expert**”) to determine whether the terms of the Offer are fair in accordance with market regulations.

The Memorandum of Understanding was concluded on 17 April 2018 between Total and Direct Énergie and was amended on 22 June 2018. The Memorandum of Understanding summarises the terms and conditions of the cooperation between the Offeror and the Company until the completion of the Offer, and in particular:

- (i) the main terms and conditions of the Offer;
- (ii) Total’s undertaking to procure that a presenting bank of its choice file the Offer no later than the 3rd trading day following the Completion Date;
- (iii) Direct Énergie’s undertaking to file, concurrently with Total’s filing of the Offer with the AMF, the Company’s response document, including the Favourable Opinion, the Independent Expert’s report and the opinion of the employee representative bodies;
- (iv) Direct Énergie’s undertaking (i) to modify 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 share subscription or purchase options between 17 April 2018 and the Completion Date;
- (v) Direct Énergie’s undertaking to manage operations in the normal course of business until the Completion Date;
- (vi) Direct Énergie’s undertaking not to tender its treasury shares in the Offer;
- (vii) Direct Énergie and Total’s undertaking to collaborate in (i) the information-consultation process with the Company’s employee representative bodies, (ii) relations with the Independent Expert, (iii) preparing all the documents relating to the Offer (iv) relations 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 Acquisition of the Blocks or the Offer, (vii) the communication relating to the Offer and (viii) obtaining clearance of the Transaction from the European Commission.

Pursuant to the terms of the Memorandum of Understanding, a meeting of the board of directors was held on 5 July 2018 in order to:

- acknowledge, effective on Completion Date, the resignation of the following members of the board of directors (including observers (*censeurs*)): (i) Ms Monique Roosmale Nepveu, director, (ii) Impala, represented by Ms Stéphanie Levan, director, (iii) AMS, represented by Ms Sybille de Richecour-Falguière, director, (iv) 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, observer and (viii) Mr Jean-Jacques Laurent, observer; and
- appoint, by co-optation, the following members of the board of directors: (i) Mr Philippe Sauquet, (ii) Ms Namita Shah, (iii) Ms Helle Kristoffersen, (iv) Ms Cécile Arson and (v) Mr Jean-Hugues de Lamaze.

2.2. Shares held by the Offeror

The Offer Document indicates that the Offeror held, directly or indirectly, alone or in concert, no Shares prior to completion of the Acquisition of the Blocks of Shares, i.e., 6 July 2018.

As at the date of the Response Document, Total holds, to the Company's knowledge, 33,311,459 shares and voting rights of the Company, representing approximately 73.04% of the share capital and 71.16% of the voting rights of the Company².

2.3. Number and nature of the securities targeted by the Offer

The Shares are admitted to trading on Compartment A of the regulated market of Euronext Paris ("Euronext Paris") under ISIN Code FR0004191674 (reference "DIREN").

As at 30 June 2018, the Company had a total of 45,608,369 Shares, with 73,202,536 theoretical voting rights pursuant to article 223-11 of the AMF's General Regulations.

The Offer, which follows the acquisition by the Offeror of 33,311,459 Shares, targets:

- (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, with the exception of the 1,810 treasury shares held by Direct Énergie on the one hand, and, on the other hand, of the 717 065 Non-Transferable Shares 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 described in section 2.7 of the Response Document; 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 Options with the exception of Non-Transferable Shares 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 in section 2.7 of the Response Document.

The Offer does not relate to the 1,309,712 Share subscription warrants issued as of 31 October 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 include the Shares that may be issued as a result of the exercise of the Quadran Warrants³, no Quadran Warrant being exercisable prior to the closing of the Offer (in accordance with the applicable issuance conditions).

Except for the Shares, the Options and the Quadran Warrants, there are no other shares or securities issued by the Company or rights that may grant access, immediately or in the future, to the capital or voting rights of the Company.

2.4. Terms of the Offer

(i) *Main terms of the Offer*

In accordance with the provisions of Articles 233-1 *et seq.* of the AMF's General Regulations, Total irrevocably undertakes 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 per Share.

² Based on the number of shares and voting rights as at 30 June 2018.

³ Pursuant to their terms and conditions, the Quadran Warrants cannot result in the acquisition of more than 1,196,807 Shares.

(ii) 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 fall, or any capital reduction carried out, prior to the closing of the Offer (with the exception of the 2018 dividend approved by the general meeting of the Company's shareholders held on 29 May 2018, detached on 1 June 2018 and paid on 5 June 2018) will result in a reduction, on a euro per euro basis, of the price per share proposed in the Offer.

In the event of a Subsequent Transaction resulting in the payment of an Earn-out to the Selling Shareholders pursuant to the Share Purchase Agreement (see section 2.1.1 of the Response Document), the Offeror undertakes, under the conditions described below, to pay the relevant Earn-out to each shareholder tendering their Shares in the Offer according to the Centralised Procedure (as described and defined in section 2.5.1 of the Response Document).

Shareholders tendering their Shares under the Non-Centralised Procedure (as described and defined in section 2.5.1 of the Response Document) will not be eligible for payment of the Earn-out.

This Earn-out 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 of the Offer Document.

(iii) Authorisations as regards merger control

The Offer is not subject to authorisations whatsoever as regards merger control.

However, the Acquisition of the Blocks did require authorisation from the European Commission, which is the relevant authority for reviewing and approving the Acquisition of the Blocks as regards merger control.

(iv) Validity threshold

The Offer will not be subject to a validity threshold pursuant to which a minimum number of Shares must be tendered in order for the Offer to be deemed to be valid.

(v) Intentions of the Offeror with respect to maintaining the Company's listing following the Offer

- *Squeeze-out*

The Offer Document states that as 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 Regulations, 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 2.7 of the Response Document) in exchange for compensation in an amount of €42 per Share, which is equal to the Offer price.

The Offer Document states that as provided for in articles 236-3 and 237-1 of the AMF's General Regulations, the Offeror also reserves the right, in the event that no squeeze-out has 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, directly or indirectly, held by Total (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 2.7 of the Response Document), in accordance with articles 236-3 and 237-1 of the AMF's General Regulations.

- *Delisting from Euronext Paris*

The Offer Document indicates that if the Offeror does not conduct a squeeze-out, Total reserves the right to ask Euronext Paris to delist the Shares from Euronext Paris.

The procedure for delisting the Shares from Euronext Paris is described in section 1.2.7.2 of the Offer Document.

2.5. Details of the Offer Procedure

The Offer will be open for a period of thirty-seven (37) trading days, from 26 July 2018 to 14 September 2018 inclusive.

The Offer will be conducted according to the simplified procedure in accordance with articles 233-1 *et seq.* of the AMF's General Regulations.

The shareholders should note that as the Offer is being conducted according to the simplified procedure, the Offer will not be re-opened following publication of the final outcome of the Offer.

The indicative timetable of the Offer is set out in section 2.10 of the Offer Document.

In accordance with article 231-13 I of the AMF's General Regulations, Lazard Frères Banque and Société Générale, in their capacity as the financial institutions presenting the Offer, filed the proposed Offer and Offer Document with the AMF on 6 July 2018, on behalf of the Offeror. It should be noted that Société Générale alone warrants the content and the irrevocable nature of the undertakings given by the Offeror in connection with the Offer.

2.5.1. Procedure for tendering Shares in the Offer

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 an Offer 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 check with their financial intermediary as to any specific deadline for submitting their Offer 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 to hold them in bearer form as soon as possible. Prior to the sale, the financial intermediaries must convert the Shares tendered in the Offer to bearer form.

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

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 Regulations:

- a non-centralised procedure (the “**Non-Centralised 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 authorised as a buyer’s market member (*membre du marché acheteur*), will purchase, on behalf of the Offeror, all the Shares that are tendered in the Offer. Shareholders opting for this procedure will not be eligible for any potential Earn-out that may apply, as described in section 2.4;
- a centralised procedure (the “**Centralised Procedure**”): shareholders can sell their Shares using the Centralised Procedure through Euronext Paris, in which case the settlement of the Shares sold will take place at the end of the centralisation 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 Earn-out that may apply, as described in section 2.4.

Offer tender orders will be irrevocable.

2.5.2. Centralisation of the tender orders transmitted through the Centralised Procedure

The Offer Document states that the tender orders transmitted through the Centralised Procedure will be centralized by Euronext Paris. Each financial intermediary account holder must, on the date indicated in the notice from Euronext Paris, transfer to Euronext Paris the Shares for which they have received a tender order transmitted through the Centralised Procedure. After receipt by Euronext Paris of all these tender orders, Euronext Paris will centralise these orders and communicate the outcome to the AMF.

2.5.3. Publication of the outcome of the Offer and delivery and settlement in the Centralised 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 of the Shares and settlement.

At the date of delivery and settlement of the Centralised Procedure, the Offeror will credit Euronext Paris with the funds corresponding to the settlement of the Offer. On that 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 between the date of the tender of Shares in the Offer to the date of delivery and settlement of the Offer.

2.5.4. Offer restrictions outside 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. Publication of the draft offer document, the Offer Document, the Offer and the acceptance of the Offer may indeed 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.

Persons 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 certain of those countries.

The Company shall not be liable for the violation by any person of the applicable regulations.

In addition to France, the Offer will notably 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 will be 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.

Receipt of payment of the price pursuant to the Offer by a U.S. Shareholder of Direct Énergie may be a taxable transaction, including as a taxable transaction for U.S. federal income tax purposes. Each U.S. Shareholder is strongly 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 of Direct Énergie 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 comply with a U.S. court’s judgment.

To the extent permissible under applicable laws 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 of the Offer Document, 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 Direct Énergie 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.

The 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 issued an opinion as to the accuracy or adequacy of the Offer Document. Any representation to the contrary is unlawful and may be a criminal offence.

2.6. Situation of beneficiaries of Options, Free Shares and Shares that may be issued upon exercise of the Quadran Warrants

2.6.1. Situation of beneficiaries of Options

As at 30 June 2018, 1,044,348 Options granted under the (i) Poweo 1 plan of 18 July 2008, (ii) the Poweo 2 plan of 10 September 2008, (iii) the OSA 1 plan of 20 December 2012, (iv) the OSA 2 plan of 16 July 2014, (v) the OSA 4 plan of 10 December 2014, (vi) the OSA 5 plan of 2 June 2015, (vii)

the OSA 6 plan of 14 December 2015, (viii) the OSA 7 plan of 13 December 2016 and (ix) the OSA 8 plan of 20 April 2017 are in effect.

Each Option gives the right to subscribe to one Share.

In accordance with the Memorandum of Understanding, the board of directors at its meeting held on 29 June 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 of the Acquisition of the Blocks. As a result, as at the date of the Response 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 should be noted 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 of 120,447 Non-Transferable Underlying Shares that are issued and outstanding or that will be issued upon exercise of the corresponding Options⁴.

The table below shows the principal characteristics of the Option plans as at 30 June 2018:

Name of plan	Outstanding Options	Exercise Price	Plan inception date	Plan expiry date
OSA 8	40,000	€37.00	20/04/2017	19/04/2024
OSA 7	318,006	€34.00	13/12/2016	12/12/2023
OSA 6	191,615	€19.00	14/12/2015	13/12/2022
OSA 5	140,000	€13.40	02/06/2015	01/06/2022
OSA 4	90,000	€12.00	10/12/2014	09/12/2021
OSA 2	155,360	€9.00	16/07/2014	15/07/2021
OSA 1	60,992	€4.77	20/12/2012	19/12/2019
Poweo 2 Plan	25,250	€26.50	10/09/2008	09/09/2018
Poweo 1 Plan	63,125	€26.50	18/07/2008	17/07/2018
TOTAL	1,044,348	–	–	–

2.6.2. Situation of beneficiaries of Free Shares

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

⁴ As at 30 June 2018: (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 held by Mr Sébastien Loux (90,000 allocated pursuant to the OSA 4 Plan and 140,000 allocated pursuant to the OSA 5 Plan).

The Free Shares were definitively acquired by their beneficiaries on 20 December 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 20 December 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.

As a result, all the Free Shares may be tendered in the Offer, with the exception of 122,200 Free Shares (the “**Non-Transferable Free Shares**”)⁵.

The beneficiaries of Non-Transferable Free Shares will benefit, under certain conditions, from a liquidity mechanism (as described in section **Erreur ! Source du renvoi introuvable.**2.7 of the Response Document).

2.6.3. Shares that may be issued upon exercise of the Quadran Warrants

On 31 October 2017, 1,309,712 Quadran Warrants were issued for the benefit of Lucia Holding in the context of the acquisition by Direct Énergie of Quadran, a French *société par actions simplifiée* (form of limited liability company), having its registered office at Chemin de Patau, Domaine de Patau, 34420 Villeneuve-les-Béziers, France, registered with the Béziers Trade and Companies Registry under number 434 836 276 (“**Quadran**”).

Each Quadran Warrant carries the right to subscribe for one ordinary share in the Company, at a price of €49.205, provided certain targets are achieved, notably related to the rate at which production parks are put into service within the two next maturity dates (scheduled for 31 December 2018 and 15 June 2019, for an amount corresponding to the earn-out relating to the acquisition). Upon exercise of a Quadran Warrant, the exercise price will be fully and exclusively paid by way of set-off against the amounts due by the Company pursuant to the earn-out.

Taking into account the maximum earn-out which could be payable by Direct Énergie in connection with the acquisition of Quadran, the Quadran Warrants will carry the right to subscribe for up to 1,196,807 Shares (112,905 Quadran Warrants are not exercisable in accordance with the applicable terms and conditions). However, the Offer does not target these Shares, insofar as, pursuant to their terms and conditions, the Quadran Warrants cannot be exercised prior to the closing of the Offer.

2.7. Liquidity

The Non-Transferable Free Shares, the Non-Transferable Underlying Shares and the Non-Transferable Shares held by the Personal Holding Companies⁶ are referred to as the “**Non-Transferable Shares**”.

As part of the Acquisition of the Blocks and pursuant to the Memorandum of Understanding, on 17 April 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 “**Undertaking to Sell**”) and (ii) Total's binding and irrevocable undertaking to buy them (the

⁵ As at 30 June 2018, corresponding to (i) 56,100 Non-Transferable Free Shares held by Mr Xavier Caïtucoli; (ii) 56,100 Non-Transferable Free Shares held by Mr Fabien Choné; and (iii) 10,000 Non-Transferable Free Shares held by Mr Sébastien Loux.

⁶ 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 which is to expire on 13 October 2018.

“**Undertaking to Buy**”) as of their Availability Date (as this term is defined below) or the dates specifically provided for in the agreements. The Undertaking to Sell and the Undertaking to Buy are hereby collectively referred to as the “**Liquidity Undertakings**” and individually as a “**Liquidity Undertaking**”.

These Liquidity Undertakings may only be enforced in the event of insufficient liquidity of the relevant Shares⁷.

For each Non-Transferable Free Share or Non-Transferable Underlying Share, the Undertaking to Buy may be enforced by the relevant holder as of the date 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 (the “**Availability Date**”). The Undertaking to Buy may be enforced within a period of 60 calendar days from the Availability Date (the “**Period of Enforcement of the Undertaking to Buy**”). The Undertaking to Sell may be enforced by Total within a period of 60 calendar days from the expiry date of the Period of Enforcement of the Undertaking to Buy, but only if the relevant holder has not enforced the Undertaking to Buy upon expiry of the Period of Enforcement of the Undertaking to Buy.

For the Non-Transferable Shares held by the Personal Holding Companies, (i) the Undertaking to Sell may be enforced by Total within a period of 60 calendar days from 13 October 2018 and (ii) the Undertaking to Buy may be enforced by the relevant Personal Holding Company within a period of 60 calendar days from expiry of the period of enforcement of the Undertaking to Sell, but only if Total has not enforced the Undertaking to Sell upon expiry of the period of enforcement of the Undertaking to Sell.

In the event a Liquidity Undertaking relating to Non-Transferable Shares held by the Personal Holding Companies is enforced, the purchase price will correspond to the Offer price. In the event a Liquidity Undertaking relating to the other Non-Transferable Shares is enforced, the purchase price will correspond to the Offer price if said Liquidity Undertaking is enforced before 17 April 2019, and to the Offer price as indexed to Total’s share price if said Liquidity Undertaking is enforced after 17 April 2019.

III. REASONED OPINION OF THE COMPANY’S BOARD OF DIRECTORS

In accordance with the terms of article 231-19 of the AMF’s General Regulations, the members of the Company’s board of directors met on 5 July 2018, further to notice given by the chairman in accordance with the articles of association, in order to issue a reasoned opinion on the draft Offer.

All of the members of the board of directors were present, whether in person or by video conference. Mr Xavier Caïtucoli, as chairman of the board of directors, chaired the discussions and the vote concerning the reasoned opinion to be issued by the board of directors.

The board of directors’ resolution containing its reasoned opinion is reproduced in full below:

⁷ There will be a case of insufficient liquidity (i) in the event of implementation of a squeeze-out or a delisting of the shares, or (ii) if the average volume of the Company’s shares traded over the twenty (20) trading days preceding the exercise date of the liquidity undertaking represents less than 0.04% of the share capital.

*‘The chairman reminded the members of the board of directors that they had been invited to attend today’s meeting in order to give a reasoned opinion, as regards the Company, its shareholders and its employees’ interests, on the draft tender offer filed by Total, a French ‘société anonyme’ (form of limited liability company) having its registered office at 2 place Jean Millier, La Défense 6, 92400 Courbevoie, France, registered with the Nanterre Trade and Companies Register under number 542 051 180 (“**Total**” or the “**Offeror**”), for all of Direct Énergie’s shares not owned by Total on the date of the draft offer, at a price of €42 per share (the “**Offer**”).*

*The chairman reminded the members of the board of directors that the Offer is made in the context of and further to a share purchase agreement amended on 22 June 2018 (the “**Share Purchase Agreement**”) relating to the sale of several blocks of shares representing, at the time of signing, 74.11% of the share capital of the Company (the “**Acquisition of the Blocks**”). Completion of the Acquisition of the Blocks by Total will result in Total being under an obligation to file the Offer pursuant to articles 234-1 et seq. of the General Regulation of the French financial market authority, the Autorité des marchés financiers (the “**AMF**”).*

The chairman pointed out that the completion of the Acquisition of the Blocks is subject to fulfilment of the conditions precedent set forth in the Share Purchase Agreement, in particular, obtaining clearance from the relevant competition authorities and the Company’s board of directors issuing a favourable reasoned opinion on the merits of the Offer based notably on the report of the independent expert. The chairman indicated that clearance from the European Commission was obtained on 3 July 2018. The condition precedent concerning clearance from the competition authorities has therefore been fulfilled.

The Chairman reminded the members of the board of directors that the board of directors had appointed Ledouble as independent expert in charge of drafting the report on the terms of the Offer and the squeeze-out pursuant to article 261-1 of the AMF’s General Regulation.

The Chairman reminded the members of the board of directors that after discussing the contemplated transaction as provided for in the Share Purchase Agreement and the contemplated Offer at the board meeting held on 17 April 2018, the board of directors had approved the contemplated Acquisition of the Blocks and the Offer and had undertaken to recommend to the shareholders that they tender their shares in the Offer, subject to confirmation by the independent expert that the terms of the Offer are fair.

Lastly, the Chairman reminded the members of the board of directors that pursuant to the memorandum of understanding concluded on 17 April 2018 between the Company and Total, Direct Énergie had agreed not to tender the treasury shares, i.e. as at the date of the present meeting, 1,810 Direct Énergie shares.

The chairman indicated to the board of directors that it must, pursuant to article 231-19 of the AMF’s General Regulation, issue a reasoned opinion on the merits of the Offer and its consequences for the Company, its shareholders and its employees. He invited the board of directors to review the main documents relating to the Offer, in particular:

- the favourable opinion issued by the works council on 22 May 2018;*
- the report dated 5 July 2018 prepared by Ledouble, the independent expert;*
- the draft offer document prepared by Total, which contains, among other things, the rationale and the objectives of the Offer, the intentions of Total for the next 12 months, and the elements used to determine the offer price for the Offer as set out by Lazard Frères Banque and Société Générale, together with the main terms of the agreements concluded in connection with the Offer;*
- the draft response document prepared by the Company; and*

- *the draft document relating to the legal, financial and accounting characteristics of the Company.*

- ***Opinion of the Company's works council***

The Chairman indicated that several meetings of the Company's works council had taken place since the announcement by Total of the contemplated Offer, in the context of an information-consultation process relating to this contemplated transaction.

The Chairman provided the board of directors with an extract of the minutes of the works council's meeting held on 22 May 2018 during which the works council of the Company issued, unanimously, a favourable opinion on the Offer.

- ***Analysis of the Offer***

After having taken note of the documents referred to above and the additional information provided, the board of directors acknowledged that:

- *the Offeror would hold, alone, 33,311,459 shares of the Company representing approximately 73.40% of the share capital and 71.16% of the voting rights of the Company;*
- *the Offeror had announced its intention to apply to the AMF in order to carry out a squeeze-out as provided for in articles 237-14 et seq. of the AMF's General Regulations in the event that the shares not tendered in the Offer (with the exception of the Company's treasury shares and/ or the Non-Transferable Shares that are subject to the liquidity mechanisms) do not represent more than 5% (or any other percentage that may apply after the date of the offer document) of the share capital or voting rights of the Company;*
- *the price of €42 per share ex-dividend of €0.35 (i.e. €42.35 cum dividend) represents a premium of 31.70% above Direct Énergie's closing share price on 17 April 2018 (€31.90), a premium of 14.40% above the volume weighted average share price over the past six months (€36.70) and of 3.20% above the volume weighted average share price over the past year (€40.70);*
- *the Offer's price represents a premium in all the valuation methods used to determine the offer price for the Offer as set out by Lazard Frères Banque and Société Générale in section 3 of the draft offer document;*
- *the Offer represents an opportunity for the shareholders wishing to tender their shares in the Offer to benefit from liquidity on favourable terms as regards the price;*

The board of directors also noted that the intentions of the Offeror for the next 12 months, as presented in the offer document, are the following:

- *with respect to strategy, the Offeror intends to develop Direct Énergie's business by providing the means necessary in order to achieve this, Total's intention being to rely on the resources that, in the past, have contributed to the success of Direct Énergie and combine them with Total's expertise in order to become a key player in the production and supply of electricity;*
- *with respect to synergies, the Offeror has indicated that to date no precise assessment has been made of deployment savings or operational synergies, but a notional target of €35-40 million per year (pre-tax, post-2019), representing a cumulative amount of €250-300 million over 10 years, has been mentioned for illustrative purposes;*

- *with respect to employment, the Offeror indicates in the draft offer document that the acquisition of control of the Company by Total is in line with the intention to continue developing the Company and its business and should have no particular impact on its policies with regard to workforce and human resources management;*
- *with respect to the Company's listing following the Offer, Total intends to conduct, immediately after the Offer has closed or within a period of three months from the Offer closing, a squeeze-out to acquire the Shares not tendered in the Offer (with the exception of the Company's treasury shares and/or the Non-Transferable Shares that are subject to liquidity mechanisms) in exchange for compensation in the amount of €42 per share, which corresponds to the Offer price;*
- *with respect to future dividend policy, the Offeror reserves the right to modify the Company's dividend distribution policy following the Offer, in accordance with applicable laws and the Company's articles of association and notably according to its distribution capacity and financing needs. The Offeror also reserves the right to no longer distribute dividends in order to leave the Company more means to ensure its development.*

The Board of directors has carefully reviewed the report of the independent expert which concludes that:

“the €42 Offer price is fair from a financial point of view for Direct Énergie's shareholders who tender their shares in the Offer; this conclusion also applies to the squeeze-out which may be implemented after the Offer if the minority shareholders of Direct Énergie come to hold less than 5% of the share capital and voting rights of the Company”

After a detailed discussion, on the basis, in particular, of the Offeror's offer document, the draft response document prepared by the Company and the report of the independent expert, the board of directors, unanimously:

- *considered that the contemplated Offer, as described in the Offeror's offer document is in line with the interests of the Company, its shareholders and its employees; and*
- *recommended to the Company's shareholders that they tender their shares in the Offer;”*

IV. INTENTIONS OF THE COMPANY'S BOARD MEMBERS

The members of the Company's board of directors who attended the meeting at which the board issued its reasoned opinion, reproduced in part III hereof, have disclosed their intentions as follows:

Name	Role	Number of Shares held on the date of the reasoned opinion	Intention
Xavier Caitucoli	Chairman of the Board of Directors	473,176 incl. 97,808 non-transferable shares	To sell 375,368 Shares in the context of the Acquisition of the Blocks and to keep the 97,808 non-transferable shares
Luxempart	Independent Director	4,292,751	To sell all of its Shares in the context of the Acquisition of the Blocks
Monique Louis-Dreyfus	Director	1	To terminate the share loan under which she holds one Share

Name	Role	Number of Shares held on the date of the reasoned opinion	Intention
Impala	Director	15,000,000 ⁸	To sell all of its Shares in the context of the Acquisition of the Blocks
AMS	Director	8,307,826	To sell all of its Shares in the context of the Acquisition of the Blocks
Jean-Paul Bize	Director	2	To tender his Shares in the Offer
Xirr Europe	Independent Director	0	N/A

V. INTENTIONS OF THE COMPANY RELATING TO TREASURY SHARES

As at 30 June 2018, the Company had 1,810 treasury shares.

Pursuant to the terms of the Memorandum of Understanding entered into between Total and the Company on 17 April 2018 as described in section 2.1.2 of the Response Document, the Company has undertaken not to tender the 1,810 treasury shares in the Offer.

VI. CLAUSES OF AGREEMENTS WHICH COULD HAVE AN IMPACT ON THE VALUATION OF THE OFFER OR ITS OUTCOME

Subject to the Memorandum of Understanding, the Share Purchase Agreement and the Liquidity Undertakings, the Company is not aware of any other agreements related to the Offer or which could have a material effect on the valuation of the Offer or its outcome.

VII. ELEMENTS WHICH COULD HAVE AN IMPACT IN THE EVENT OF A TENDER OFFER

7.1 Share capital structure and ownership

As at 30 June 2018, the Company had a share capital of €4,560,836.90, divided into 45,608,369 Shares of a nominal value of €0.10 each, each fully paid up and all of the same class; 27,594,167 Shares carry double voting rights; such rights were granted for shares having been held for more than two years in registered form.

As at 30 June 2018, to the Company's knowledge and on the basis of the disclosures it has received, the Company's share capital and voting rights are as follows:

Shareholders	Number of shares held	% of capital	Number of theoretical voting rights	% of voting rights
IMPALA SAS	15,000,000	32.89%	25,958,434	35.46%
AMS INDUSTRIES	8,307,826	18.22%	14,323,632	19.57%
LOV GROUP INVEST	2,474,544	5.43%	4,949,088	6.76%
EBM TRIRHENA AG	2,067,870	4.53%	4,135,740	5.65%
LUXEMPART	4,292,751	9.41%	8,384,492	11.45%
Mr Xavier Caïtucoli (1)	1,763,694	3.87%	2,604,516	3.56%

⁸ Including one share loaned to Mrs Stéphanie Levan (under a *prêt à la consommation*). This loan will be terminated on the completion date of the Acquisition of the Blocks so that the share can be sold to Total.

Shareholders	Number of shares held	% of capital	Number of theoretical voting rights	% of voting rights
Mr Fabien Choné	854,505	1.87%	1,479,010	2.02%
Mr Sébastien Loux	228,714	0.50%	363,890	0.50%
FCPE DE	97,947	0.21%	97,947	0.13%
Lucia Holding	246,704	0.54%	246,704	0.34%
BDL	1,988,555	4.36%	1,988,555	2.72%
Treasury shares	1,810	0.00%	1,810	0.00%
Free float	8,283,449	18.16%	8,668,718	11.84%
TOTAL	45,608,369	100%	73,202,536	100%

(1) Directly and indirectly held

7.2 Restrictions on exercising voting rights and transferring Shares as provided for in the articles of association or clauses in agreements disclosed to the Company in accordance with article L. 233-11 of the French Commercial Code

7.2.1 Restrictions on exercising voting rights or transferring Shares

There are no restrictions specifically provided for in the articles of association concerning the exercise of voting rights or the transfer of the Company's Shares.

Article 12.2 of the Company's articles of association specifies that when the legal ownership in the shares is transferred the shares carrying double voting rights lose such double voting rights.

7.2.2 Agreements between shareholders of which the Company is aware and which could entail restrictions on Share transfers or the exercise of voting rights

To the Company's knowledge, as at the date of this Response Document, there are no agreements between shareholders which could entail restrictions on transfers of Shares or on the exercise of voting rights in the Company.

7.2.3 Clauses in agreements containing preferential terms for the sale or purchase of Shares and relating to at least 0.5% of the share capital or voting rights in the Company

To the Company's knowledge, there is no agreement containing preferential terms for the sale or purchase of Shares and relating to at least 0.5% of the share capital or voting rights in the Company.

7.3 Direct and indirect shareholdings in the Company in respect of which disclosure has been made that a threshold has been crossed or in respect of which a securities transaction disclosure has been made since 1 January 2018

To the Company's knowledge, as at the date of the Response Document, the Company's share capital is owned as follows:

Shareholders	Number of shares held	% of capital	Number of theoretical voting rights	% of voting rights
Total	33,311,459	73.04%	33,311,459	71.16%

Shareholders	Number of shares held	% of capital	Number of theoretical voting rights	% of voting rights
BDL Capital Management	1,988,555	4.36%	1,988,555	4.25%
Mr Fabien Choné	854,505	1.87%	1,479,010	3.16%
HSBC Bank Plc	599,030	1.31%	599,030	1.28%
Mr Xavier Caïtucoli (1)	595,226	1.31%	651,326	1.39%
Lucia Holding	246,704	0.54%	246,704	0.53%
Mr Sébastien Loux	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%
Free float	7,684,419	16.86%	8,069,688	17.24%
TOTAL	45,608,369	100%	46,809,419	100%

(1) Directly and indirectly held

Since 31 December 2017, the AMF has received the following disclosures of thresholds being crossed:

- Sand Grove Capital Management LLP disclosed that it held 600,231 CFD (long position);
- HSBC Bank Plc disclosed that it held 599,030 shares and voting rights in Direct Énergie and 600,231 CFD (short position);
- BDL Capital Management disclosed that it had purchased 663,000 shares, then 148,597 shares and lastly 30,500 shares in Direct Énergie, and thus that it held 1,988,555 shares and voting rights in Direct Énergie;
- Mr Xavier Caïtucoli disclosed that he had made a contribution-in-kind of 419,854 shares to a personal holding company;
- Total disclosed that it held 33,311,459 shares and voting rights in Direct Énergie; and
- Impala, AMS, LGI, EBM and Luxempart disclosed that they had sold all of the shares they held in Direct Énergie.

7.4 List of holders of any securities comprising special control rights and description of such rights

To the Company's knowledge, there are no holders of securities comprising special control rights.

7.5 Control mechanisms provided for in any employee share ownership scheme when the control rights are not exercised by the employees

As at 31 June 2018, the employee savings scheme "FCPE Direct Énergie" holds 0.21% of the share capital and 0.13% of the voting rights in the Company. It is managed by Equalis.

The "FCPE Direct Énergie" employee savings scheme is supervised by a supervisory board and the rules of the scheme for the Direct Énergie 'economic and social unit' was amended on 28 June 2018

in order to allow the supervisory board to decide to tender the shares held by the FCPE employee savings scheme in the Offer. A meeting of the supervisory board of the “FCPE Direct Énergie” employee savings plan is to held soon to take a decision concerning tendering the Shares in the Offer.

7.6 Rules applicable regarding the appointment and replacement of members of the board of directors and regarding the amendment of the Company’s articles of association

7.6.1 Rules applicable regarding the appointment and replacement of the members of the board of directors

In accordance with article 13 of the articles of association, the Company is administered by a board of directors comprising a minimum of three (3) and a maximum of eighteen (18) members. The internal rules of the board of directors also provides that no more than a third of the directors in office may have an employment contract with the Company and that the board of directors must comprise at least two directors considered to be independent.

A legal entity may be appointed as a director. In such case, it must designate a permanent representative who will be subject to the same requirements and obligations, and who will bear the same civil and criminal liability, as if he were a director in his own name, without affecting the liability of the legal entity he/she represents. The appointment of the permanent representative must be confirmed each time the appointment of the legal entity as director is renewed.

Any person who is of age and who is not under guardianship (*tutelle* or *curatelle*) may be appointed as director whatever his nationality.

In accordance with the Company’s articles of association, each director must own at least one (1) share in the Company’s share capital. Failing that, he shall automatically be deemed to have resigned if he has not rectified the situation within three (3) months.

The directors shall be appointed for a term of four (4) years expiring at the close of the ordinary general meeting of the shareholders considering the accounts for the financial year ended and held in the year in which his term of office expires. They may be re-elected.

The internal rules of the board of directors furthermore recommends that the directors’ terms of office end in rotation so as to avoid the renewal of too many directors’ offices at once and to facilitate the appointment of new directors.

The proportion of directors who are private individuals or permanent representatives of directors which are legal entities, who may be more than 76 years old, may not exceed a third of the directors in office at the end of the financial year. When this number is exceeded, the eldest member of the board of directors shall automatically be deemed to have resigned.

The directors shall be appointed or their appointments shall be renewed by the general meeting of the shareholders as provided for by law. However, pursuant to the internal rules, civil servants, *avocats* (lawyers), statutory auditors (*commissaires aux comptes*) appointed by the Company, authorised accountants (*comptables agréés*) or notaries may not be appointed director.

In the event of a vacancy on the board as a result of death or resignation of one or more directors, the board of directors may, in the interval between two general meetings, appoint directors

provisionally. These appointments are subject to ratification by the shareholders at the next ordinary general meeting.

In accordance with the Company's articles of association, observers (*censeurs*) (non-voting members appointed in an advisory capacity), who may be private individuals or legal entities, may be appointed to the Company. They are appointed for a period of two (2) years.

The *censeurs'* role is to advise the directors in their decisions by drawing on their experience in certain areas. They are given notice of the meetings of the board of directors and may attend them but their vote is only of advisory and not deliberative value.

7.6.2 Rules applicable regarding amendment of the articles of association

An extraordinary general meeting of the shareholders may amend any of the provisions of the articles of association.

An extraordinary general meeting of the shareholders may delegate authority to the board of directors to make the amendments to the articles of association which are necessary to make the articles comply with the provisions of applicable laws and regulations, subject to these amendments being ratified by the next extraordinary general meeting.

The extraordinary general meeting of the shareholders may only validly conduct business if the shareholders present or represented own at least a quarter of the Shares with voting rights in the event of a meeting convened for the first time, or if the meeting is adjourned and reconvened a second time, as well as in the event that the second meeting is postponed, a fifth of the said Shares.

The decisions are adopted with a two-thirds majority of votes validly cast. The votes cast do not include those attaching to Shares whose shareholder has not taken part in the vote or who abstained or issued a blank or invalid vote.

7.7 Powers of the board of directors, particularly regarding the issue or buy-back of securities

The board of directors shall carry out the tasks and exercise the powers entrusted to it by the law and by the Company's articles of association.

Irrespective of the legal provisions, the Company shall pay particular attention to ensure that the board of directors can assume the following roles:

- determine the Company's strategic orientations and ensure that they are implemented. Subject to the powers expressly allocated to the shareholders in general meeting and within the limit of the Company's corporate purpose, the board of directors may consider any issue concerning the proper functioning of the Company and shall settle by its decisions matters concerning the Company;
- to act as guardian of the common interests of the Company's shareholders, employees and stakeholders while protecting the Company's own interests;
- to carry out any inspections or verifications that it considers appropriate and in particular the performance by the corporate officers (*dirigeants mandataires sociaux*) of their respective roles.

In this respect, each director shall receive all the information necessary to carry out his role and may request any documents that he considers may be useful.

Thus, pursuant to the internal rules of the Company, the role of the board of directors is:

- to approve all decisions relating to the Company's main strategic, economic, social and financial orientations and ensure that they are implemented;
- to ensure the proper functioning within the Company of a system offering reasonable assurance that operations are carried out in compliance with applicable laws and regulations;
- to set up and lead special committees in order to enrich decision-making;
- to approve investment projects and any transactions, notably acquisitions or disposals, likely to have a material effect on the Company's results, the structure of its balance sheet or its risk profile;
- to adopt the annual budget, review and finalise the financial statements prior to half-year and annual publication;
- to define the Company's financial communication policy;
- to ensure the quality of the information provided to the shareholders and to the market;
- to appoint the corporate officers responsible for managing the Company;
- to define the remuneration policy for management on the recommendation of the appointments and remuneration committee;
- to examine each year on a case-by-case basis, the situation of each of the directors so that the independent directors can be identified; and
- to define the details of preparation and organisation of the board of directors' work as well as to define the internal control procedures put in place by the Company and to approve the report on corporate governance prepared by the board of directors.

Besides the general powers provided for by law and the special powers provided for in the Company's articles of association and internal rules, the Company's board of directors has the following delegations of authority:

Date of general meeting which granted or amended the authorisation or delegation of authority	Nature of the authorisation or delegation of authority	Expiry date/ Period of validity	Authorisations or delegations of authority effectively used	Maximum amount authorised	Suspension of the delegation of authority during an offer period (from the date of filing until the end of the offer period)
29 May 2018 (10th resolution)	Share buy-back programme (maximum purchase price: €70)	28 November 2019 (18 months)	Transactions during the financial year: Purchases: - Sales: -	Within the limit of 10% of the share capital as at the date of implementation of the delegation of authority	Yes

Date of general meeting which granted or amended the authorisation or delegation of authority	Nature of the authorisation or delegation of authority	Expiry date/ Period of validity	Authorisations or delegations of authority effectively used	Maximum amount authorised	Suspension of the delegation of authority during an offer period (from the date of filing until the end of the offer period)
29 May 2018 (17th resolution)	Issue of ordinary shares and/or transferable securities giving access to the share capital of the Company, any subsidiary and/or any other company, without cancellation of existing shareholders' preferential subscription rights	28 July 2020 (26 months)	No	Capital: €2,300,000 ⁹ Debt securities: €250,000,000 ¹⁰	Yes
29 May 2018 (18th resolution)	Issue of ordinary shares and/or transferable securities giving access to the share capital of the Company, any subsidiary and/or any other company, with cancellation of existing shareholders' preferential subscription rights, in the context of a public offering	28 July 2020 (26 months)	No	Capital: €2,300,000 ¹ Debt securities: €200,000,000 ²	Yes
29 May 2018 (19th resolution)	Issue of ordinary shares and/or transferable securities giving access to the share capital of the Company, any subsidiary and/or any other company, with cancellation of existing shareholders' preferential subscription rights, by private placement referred to in paragraph II of article L. 411-2 of the French Monetary and Financial Code	28 July 2020 (26 months)	No	Capital: €2,300,000 ¹ Debt securities: €200,000,000 ²	Yes
29 May 2018 (20th resolution)	Determination of the issue price of shares or transferable securities giving access to the share capital, within the limit of 10% of the share capital per year, in the context of a share capital increase with cancellation of existing shareholders' preferential subscription rights (14th and 15th resolutions)	28 July 2020 (26 months)	No	10% of the share capital per year (as at the date of issue)	No
29 May 2018 (21st resolution)	Increase of the amount of initial issue, in the event of issue of securities with or without cancellation of existing shareholders' preferential subscription rights decided pursuant to the 17th to 20th resolutions	28 July 2020 (26 months)	No	Within the limit of the caps provided for issues of capital or debt securities	No
29 May 2018 (22nd resolution)	Share capital increase through the issue of ordinary shares and/or transferable securities giving access to the share capital with cancellation of existing shareholders' preferential subscription rights, as consideration for the securities tendered to the Company in a public exchange offer initiated by the Company for the securities of another company	28 July 2020 (26 months)	No	Capital: €2,300,000 ¹ Debt securities: €200,000,000 ²	Yes
29 May 2018 (23rd resolution)	Share capital increase through the issue of ordinary shares and/or transferable securities giving access to the share capital, with cancellation of existing shareholders' preferential subscription rights, as consideration for contributions-in-kind made to the Company	28 July 2020 (26 months)	No	10% of the share capital as at the date of issue ¹¹	Yes

⁹ Subject to a global cap on the share capital increase of €2,300,000, from which his amount will be deducted.

¹⁰ Subject to a global cap on debt securities issued of €250,000,000, from which this amount will be deducted.

¹¹ Subject to a global cap on the share capital increase of €2,300,000, from which this amount will be deducted.

Date of general meeting which granted or amended the authorisation or delegation of authority	Nature of the authorisation or delegation of authority	Expiry date/ Period of validity	Authorisations or delegations of authority effectively used	Maximum amount authorised	Suspension of the delegation of authority during an offer period (from the date of filing until the end of the offer period)
29 May 2018 (24th resolution)	Global cap on authorised issuances, with or without cancellation of existing shareholders' preferential subscription rights	N/A	N/A	Caps: - Capital: €2,300,000 - Debt securities: €250,000,000	No
29 May 2018 (25th resolution)	Issue of ordinary shares reserved for employees who are members of a company or group employee savings plan, with cancellation of existing shareholders' preferential subscription rights in favour of these employees	28 July 2020 (26 months)	No	3% of the Company's share capital	Yes
29 May 2018 (26th resolution)	Reduction of the share capital by cancellation of the Company's shares	28 May 2020 (24 months)	No	Within the limit of 10% of the share capital on the date the delegation of authority is implemented	No
29 May 2018 (27th resolution)	Share capital increase by incorporation of reserves, profits, premiums or other items	28 July 2020 (26 months)	No	€2,300,000	Yes
29 May 2018 (28th resolution)	Allocation of options to subscribe for shares, with cancellation of existing shareholders' subscription rights in favour of salaried employees and corporate officers of the Company or its subsidiaries	28 July 2021 (38 months)	No	3% of the Company's share capital on the date the delegation of authority is implemented	No
29 May 2018 (29th resolution)	Allocation, free of charge, of existing shares or of shares to be issued subsequently, with cancellation of existing shareholders' preferential subscription rights in favour of the employees and/or corporate officers of the Company or its subsidiaries	28 July 2021 (38 months)	No		No
29 May 2018 (31st resolution)	Allocation, free of charge, of preference shares in the Company to employees and/or corporate officers of the Company and its subsidiaries, entailing waiver by existing shareholders of their preferential subscription rights	28 May 2019 (12 months)	No	3% of the Company's share capital on the date of the general meeting 1,344,974 Shares	No

7.8 **Material agreements entered into by the Company which would be amended or terminated in the event of a change of control of the Company**

The corporate bonds, the acquisition bank loan and the corporate revolving credit facility at the Company's level (detailed in section 3.5.2 of Direct Énergie's registration document) contain acceleration clauses requiring mandatory prepayment in the event of a change of control of the Company.

Pursuant to a factoring agreement, CM-CIC Factor is entitled to terminate the agreement in the event of a change in the Company's share capital ownership which would result in a change of control of the Company within the meaning of article L. 233-3 of the French Commercial Code.

To the Company's knowledge and to the extent that, as at today's date, the Company is already controlled by Total, there is no agreement containing a change of control clause which could be enforced as a result of the Offer.

7.9 Agreements providing for termination indemnities for members of the Company's board of directors or employees, if they resign or are dismissed without just cause or if their employment terminates as a result of a tender offer

There is no agreement, within the Company or its subsidiaries, containing an undertaking to pay termination indemnities to executives or employees in the event of resignation or dismissal without just cause or in the event of a tender offer for all of the Company's Shares.

Pursuant to the terms of their employment contracts, Mr Sébastien Loux and Mr Fabien Choné are bound by a non-compete clause. In exchange for these non-compete undertakings, the Company has committed to pay, for a period of 12 months from termination of their employment contracts:

- 70% of Mr Sébastien Loux's last monthly fixed remuneration if he has not found work; and
- 80% of Mr Fabien Choné's last monthly fixed remuneration if he has not found work.

7.10 Exceptional events and disputes

To the knowledge of Direct Énergie, as at the date of filing of this document, there are no disputes, arbitration proceedings or exceptional events, other than those mentioned in this document and in the Registration Document, and the filing of the Offer and the transactions related thereto, likely to have a significant impact on the annual targets communicated by the Group.

VIII. REPORT OF THE INDEPENDENT EXPERT IN ACCORDANCE WITH ARTICLE 261-1 OF THE AMF'S GENERAL REGULATIONS

In accordance with articles 261-1 I, 1° and 4° of the AMF's General Regulations, Ledouble, represented by Mr Olivier Cretté, was appointed as independent expert by the Company's board of directors at a meeting held on 17 April 2018, in order to draw up a report on the financial terms and conditions of the Offer. That report as well as an addendum thereto are set out in **Annex 1**.

IX. AVAILABILITY OF INFORMATION RELATING TO THE COMPANY

The other information relating notably to the Company's legal, financial and accounting characteristics will be filed with the AMF by no later than the day preceding the opening of the Offer. In accordance with article 231-28 of the AMF's General Regulations, this information will be available on the website of the Company (www.direct-energie.com) and on that of the AMF (www.amf-france.org), on the day preceding the opening of the Offer and may be obtained free of charge from Direct Énergie, 2 *bis* rue Louis Armand, 75015 Paris, France.

X. PERSONS RESPONSIBLE FOR THE RESPONSE DOCUMENT

“To the best of my knowledge, the information contained in this response document is in accordance with the facts and does not omit anything likely to affect the import of such information.”

Xavier Caïtucoli

Chairman and Chief Executive Officer of Direct Énergie

ANNEX 1

Report of the Independent Expert

[Document available in French in the official French response document]