

EXECUTION

This Settlement Agreement has been entered into as a Deed on the date stated at the beginning of it.

SEAL REF No. ~~148~~ 148

THE CORPORATE SEAL OF)
THE SECRETARY OF STATE FOR)
TRANSPORT)

is hereunto affixed:



Authenticated by authority of the
Secretary of State for Transport

DAN MOORE

Executed as a deed for and on behalf of The Channel Tunnel Group Limited, acting by

[REDACTED]

NAME: *Frangis Gauthier*

POSITION: *Director and CEO*

Witnessed by :

[REDACTED]

NAME:

[REDACTED]

DATE: *28/2/2019*

Executed as a deed for and on behalf of France-Manche S.A., acting by

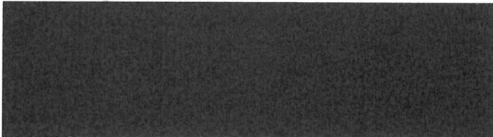
.....


NAME: *Frangas Gauthey*

POSITION: *Président Directeur Général*

who, in accordance with the laws of the territory in which France-Manche S.A. is incorporated, are acting under the authority of France-Manche S.A.

Witnessed by:

.....


NAME :

DATE : *28 / 2 / 2019*

Appendix 1
FORM OF DRAFT CONSENT ORDER DISMISSING PROCEEDINGS

Claim No.: HT-2019-000028

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
TECHNOLOGY AND CONSTRUCTION COURT (QBD)

BETWEEN:

(1) THE CHANNEL TUNNEL GROUP LTD
(2) FRANCE-MANCHE SA
(TOGETHER T/A "EUROTUNNEL")

Claimants

and

SECRETARY OF STATE FOR TRANSPORT

Defendant

DRAFT CONSENT ORDER

UPON the application of the Parties

AND UPON the Parties having agreed terms of settlement

BY CONSENT IT IS ORDERED THAT:

1. The Claim be dismissed.
2. There be no order as to costs.

Dated this day of 2019

Signed

Signed

.....
For and on behalf of the Claimants

.....
For and on behalf of the Defendant

Appendix 2
FORM OF DRAFT CONSENT ORDER DISMISSING PROCEEDINGS

Claim No.: CO/399/2019

IN THE HIGH COURT OF JUSTICE
QUEENS BENCH DIVISION
ADMINISTRATIVE DIVISION

IN THE MATTER OF AN APPLICATION FOR PERMISSION TO APPLY FOR JUDICIAL REVIEW

BETWEEN:

R on the application of:
(1) THE CHANNEL TUNNEL GROUP LTD
(2) FRANCE-MANCHE SA
(TOGETHER T/A "EUROTUNNEL")

Claimants

and

SECRETARY OF STATE FOR TRANSPORT

Defendant

DRAFT CONSENT ORDER

UPON the application of the Parties

AND UPON the Parties having agreed terms of settlement

BY CONSENT IT IS ORDERED THAT:

1. The application be dismissed.
2. There be no order as to costs.

Dated this day of 2019

Signed

Signed

.....
For and on behalf of the Claimants

.....
For and on behalf of the Defendant

Appendix 4
Infrastructure Resilience Improvement Obligations

Whereas Eurotunnel is intending to undertake various projects in respect of the Channel tunnel site's infrastructure as more fully described in this Appendix 4 and is willing to give the assurances and commitments in respect of those projects as set out herein:

1. Eurotunnel will implement projects to develop, enhance and upgrade the Channel tunnel site's infrastructure to adapt to the greater complexities at the border following the UK's departure from the EU and/or to support longer term resilience in the light of the significant, continuing importance of the Channel tunnel in the transport of critical goods. That resilience will include security measures (including counter terrorism measures, including by way of example but not limited to scanners and hostile vehicle mitigation measures), border preparedness measures and site infrastructure enhancements to improve the resilience of the UK terminal of the fixed link and the immediate surrounding environment (including Dollands Moor), such as:
 - a. projects to assist in access to the UK terminal;
 - b. projects to assist in improving traffic flow on the UK terminal;
 - c. projects to assist in enhancing and improving counter terrorism measures on, in and around the UK terminal;
 - d. projects to assist with making changes in border preparations;
 - e. projects to assist in the development of rail freight traffic (not shuttles) including the development of Dollands Moor (subject to consents required under the sub-contracting arrangements) to reduce operational dependency on the UK Channel tunnel terminal and increase resilience for Channel tunnel traffic, with any infrastructure open to access on fair, reasonable and non-discriminatory terms; and
 - f. such other projects of similar nature and object as those listed in sub-paragraphs a-e above as the Parties shall agree, (each a "**Permitted Project**").
2. Without prejudice to the generality of the foregoing, Eurotunnel agrees and acknowledges that the following shall not constitute Permitted Projects:
 - a. purchase of new rolling stock;
 - b. infrastructure development on the French terminal (except as it relates to counter terrorism measures and other distinct projects by exception);
 - c. Any expenditure which would likely be prohibited by law of any jurisdiction to which either Party is subject;
 - d. the ElecLink Project initially presented to the Channel Tunnel Intergovernmental Commission (as established under Article 11 of the Treaty of Canterbury) (the "**IGC**") in February 2012 and, as at the date of this Settlement Agreement, currently before the IGC, or any current or future project of a similar nature.
3. Eurotunnel shall, in discharging its obligation under paragraph 1 above, commit amounts of no less than £33 million in aggregate over a period of not more than 45 months from the Effective Date. Such amounts shall be committed in equal parts no later than 21 months after receipt of each Instalment Payment.

4. On or before each of:

31 March 2020 (in respect of the period 1 April 2019 to 30 September 2019);
30 September 2020 (in respect of the period 1 April 2019 to 31 March 2020);
30 September 2021 (in respect of the period 1 April 2020 to 31 March 2021); and
30 September 2022 (in respect of the period 1 April 2021 to 31 March 2022).

Eurotunnel shall provide to the Principal a report in English (each a "**Project Report**") setting out details of:

- (i) all amounts committed or expended in relation to Permitted Projects;
- (ii) the use made of such amounts;
- (iii) details of each Permitted Project commissioned, commenced or ongoing; and
- (iv) an explanation of how such amounts have been applied to Permitted Projects.

5. The Project Report shall be prepared by Eurotunnel (as to paragraph 4(iii) and 4(iv)) and by Eurotunnel's statutory auditors (or auditors to be agreed by the parties) (as to paragraph 4(i) and 4(ii)).
6. Within one month of receipt of a Project Report, the Principal shall issue an opinion (a "**Conformity Opinion**") setting out the Principal's assessment as to Eurotunnel's compliance with its obligations under this Appendix 4, including whether or not the projects to which amounts detailed in the Project Report have been applied are Permitted Projects.
7. If the Principal reasonably considers that the projects to which amounts detailed in the Project Report have been applied are not Permitted Projects or is otherwise not satisfied with a Project Report, the Principal shall give notice to Eurotunnel and the Parties shall meet within 30 days following Eurotunnel's receipt of the notice in order to discuss their disagreement. Eurotunnel may submit details (equivalent to those required to be provided under paragraph 1 above) in relation to other projects (not previously considered) which are Permitted Projects, which will serve as replacement Permitted Projects for the purposes of compliance with its obligations under this Settlement Agreement. Should the parties be unable to resolve their disagreement within 60 days of Eurotunnel receiving the Conformity Opinion, then the Parties shall follow the dispute provision in paragraph 8 of this Appendix 4.
8. The Parties agree that, in the event of a dispute as to whether any particular project constitutes a Permitted Project then, prior to commencing any proceedings (other than as may be required to obtain urgent, interim relief):
 - (v) either Party may, no later than 10 business days after becoming aware of the dispute, give notice to the other Party that it disputes the other Party's assessment of the relevant project (a "**Project Dispute Notice**").
 - (vi) following service of a Project Dispute Notice, if the Parties do not reach agreement, either Party may refer the matters covered by the relevant Project Dispute Notice to such relevant subject matter expert or body as the Parties may mutually agree (the "**Expert**").
 - (vii) In the event that the Parties cannot agree on the identity of the Expert and cannot otherwise resolve the matters the subject of the Project Dispute Notice, the Parties shall be free to commence such proceedings as may be required.
 - (viii) In any reference to the Expert in accordance with paragraph 8(b) above:
 - i. the Expert shall act as an expert and not as an arbitrator;

- ii. the decision of the Expert shall, in the absence of fraud or manifest error, be final and binding on the Parties;
- iii. the costs of the Expert shall be paid by the Parties equally or as otherwise determined by the Expert; and
- iv. each of the Parties shall respectively provide or procure the provision to the Expert of all such information as the Expert shall reasonably require.