

SEQUOIA 2020

Veolia Employee Share Plan

**Employee Briefing Sessions
Sept 2020**

Sequoia, it's us

Employee shareholders to resource the world

Agenda



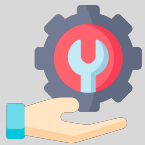
1. All involved:
Background, history & future
2. It gets even better:
Exploring the Offers
3. What it means for you:
Case studies
4. It's now!
Timeline and Next Steps

Veolia Employee Share Plan 2020: All involved

Why develop employee share ownership?



Recognise employee commitment and loyalty



Support and enhance employee retention



Enhance employee involvement, focus and alignment



Provide employees with a financial share in the company (shares)

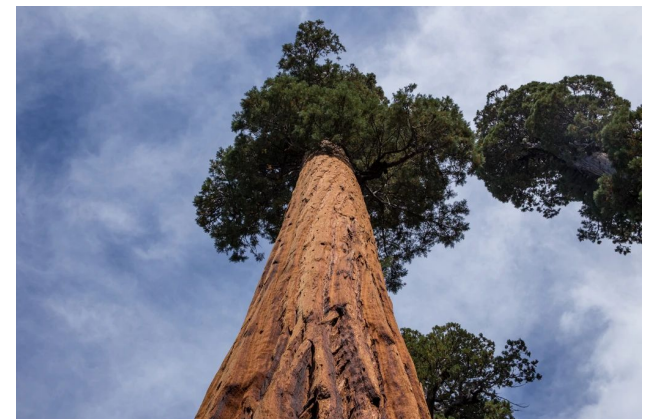
History of the Veolia Employee Share Plan

Background to the Veolia Employee Share Plan

- The Veolia Employee Share Plan (called 'Sequoia') has been operating in the Veolia Group since 2002 and has been offered to Australian employees since 2009
- This is now the 3rd year in a row the program has been offered with it anticipated to be an annual offer from now onwards
- In Australia approximately 10% of eligible Veolia employees are shareholders

What does Sequoia mean? How is it pronounced?

- A large Californian evergreen tree. One that never loses its leaves and can reach a height of more than 90 metres
- Pronounced - 'suh-coy-a'



All Involved

ALREADY
+100,000
EMPLOYEE
SHAREHOLDERS



1 EMPLOYEE
OUT OF 3
PARTICIPATED
IN 2019


144,000 (~)
ELIGIBLE
EMPLOYEES


TARGET
5% OF CAPITAL
HELD BY
EMPLOYEES

THIS YEAR'S OFFERS
1.THE SECURE OFFER
2. THE CLASSIC OFFER

ELIGIBILITY
3 MONTHS
EMPLOYMENT AS AT
10 NOVEMBER



Veolia Employee Share Plan 2020: It gets even better

The Employee Share Scheme Offer 2020

Offer No. 1 - The SECURE Offer

Objective	This plan is targeted to employees who want protection of their investment at redemption, including the company match
Minimum investment	At least one share worth AUD\$33.59 (€20.41)
Maximum investment	Capped at AUD\$5,000 - Total investment (personal contribution + company match)
Discount	A 20% discount
Company Match	100% company match, up to AUD\$493.72* gross (€300)
Guarantee/Sale after 5 years	At sale, the employee will get at least 100% of their total investment initially made, plus the company match, regardless of the share price
Dividends	Benefit from annual dividends paid to your nominated bank account, as and when paid
Possible gains	Growth in value of both your shares purchased and matching share plus multiple of 4 times the final increase in Veolia Environnement share price
Conditions	5 year vesting condition

*Using the exchange rate and share price on 13.08.2020

The Employee Share Scheme Offer 2020

Offer No. 2 - The CLASSIC Offer

Objective	This plan is aimed at employees who would like to invest a larger contribution
Minimum Investment	At least one share worth AUD\$33.59 (€20.41)
Maximum Investment	Capped at 25% of 2020 Gross Annual Remuneration
Discount	A 20% discount
Company Match	No company match
Sale after 5 years	The subscriber will get full market price of the shares/units initially subscribed, with no protection.
Possible gains	Dividends reinvested and increase in the value of the shares in the event of the performance of the Veolia Environnement share.
Condition	5 year vesting condition

*Using the exchange rate and share price on 13.08.2020

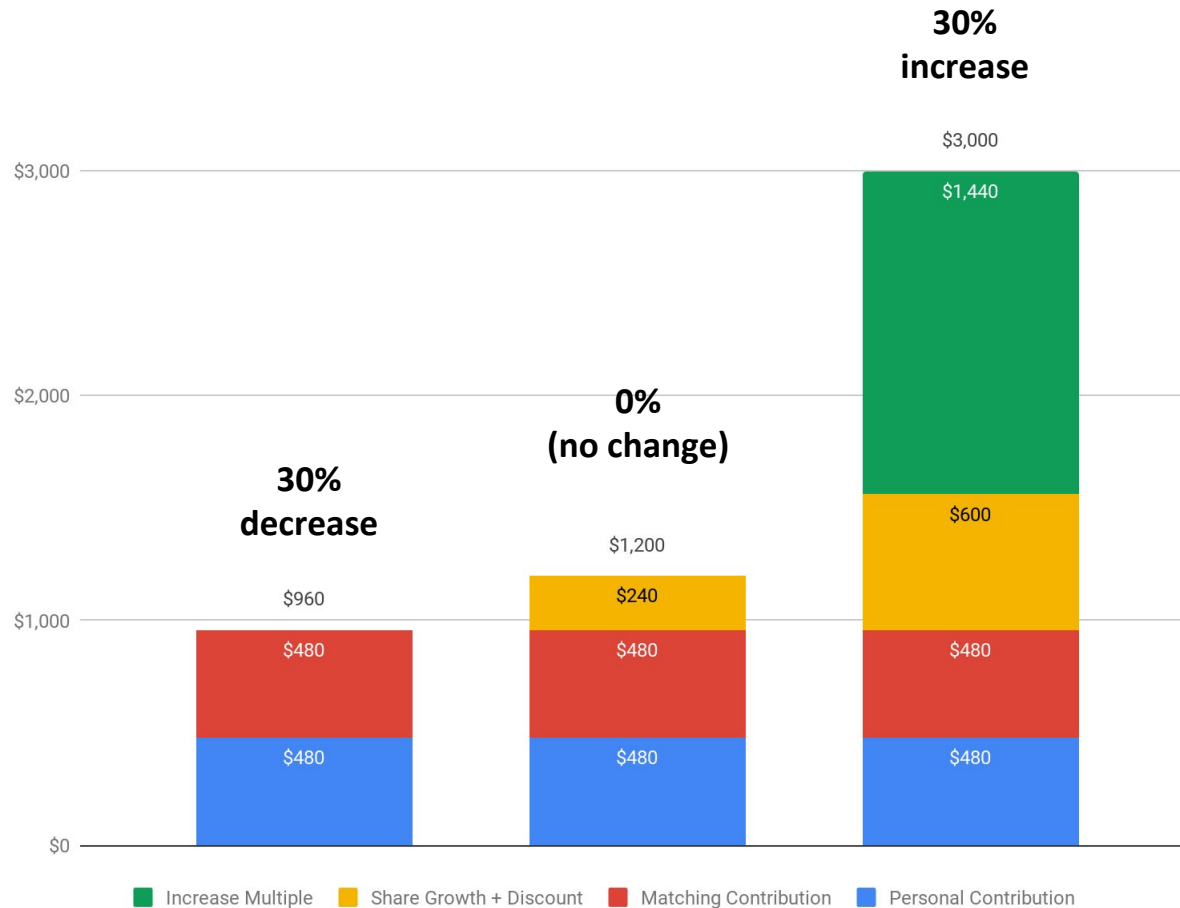


What is a Vesting Period?

- The investment is subject to a 5 year 'vesting' condition
 - Vesting means you are unable to sell your shares during the set vesting period (there are exceptions)
- During this 5 year period, the shareholder employees (or their legal personal representative) can sell their investment with one of the following early exit events:
 - Termination of the employee's employment contract (including voluntary resignation and retirement);
 - Total and permanent disability of the employee; or
 - Death of the employee.
- Note: If one of the exceptions above occurs and the shares are sold, then the shareholder can sell the shares they have purchased and the company match at the then share price, and be entitled to receive the Stock Appreciation Right payment.

Secure Offer – Movements in the share price

How much would my investment be worth in 5 years if I invest \$480?



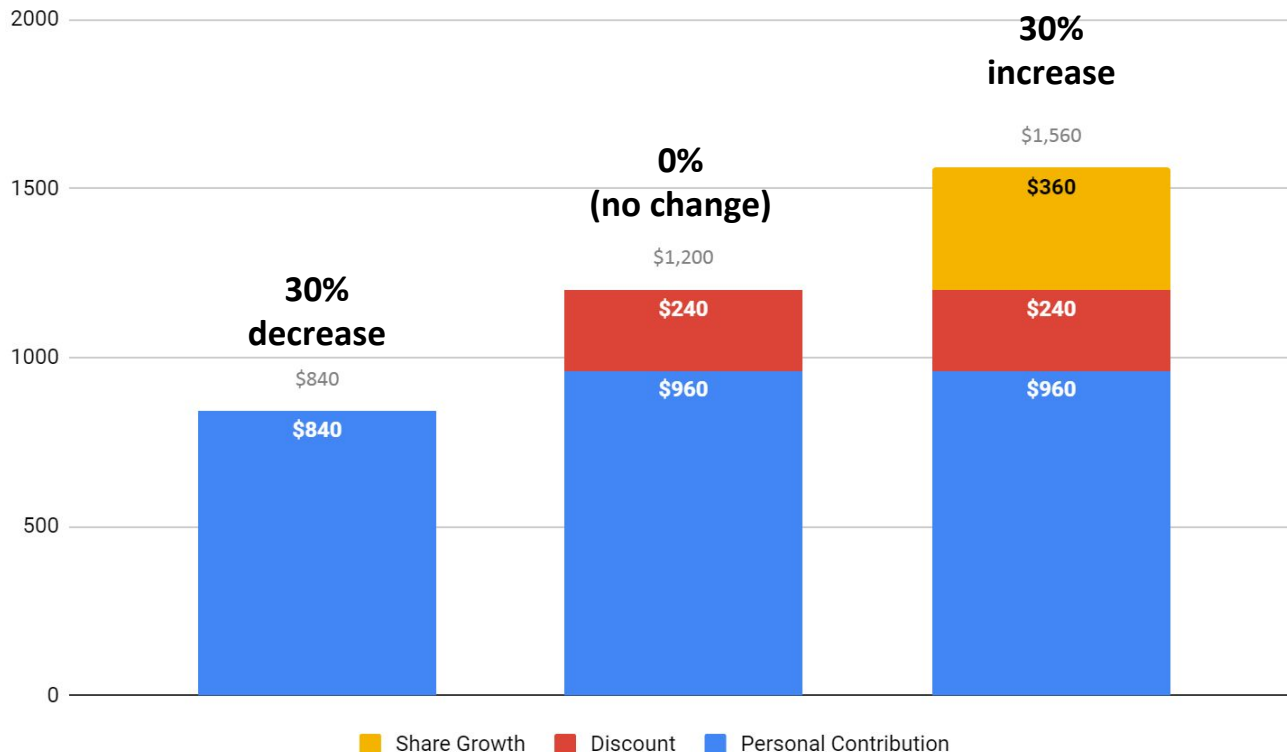
This simulation is merely an illustration. The amounts are approximate and calculated before any tax and dividends.



*Before tax and dividends

Classic Offer – Movements in the share price

How much will my investment be worth in 5 years if I invest \$960?



*Before tax and dividends
**Share price of \$32 per share

This simulation is merely an illustration. The amounts are approximate and calculated before any tax and dividends.

Australian Taxation Consequences

TAX ON ACQUISITION

The 20% discount offered to you under both the Secure and Classic offer will be taxable but you may be eligible for a tax exemption if you participate in the Secure offer (see below)

DISCOUNTED CAPITAL GAIN

The growth in value of your shares under both the Secure and Classic Offer will be subject to capital gains discount of 50% of the growth once held for more than 12 months

i.e. pay half tax on the growth

AUD\$1,000 EXEMPT

Under Australian Taxation Law, if your adjusted taxable income is less than \$180,000 p.a. you should be entitled to a tax exemption to the extent the discount you receive under the Secure Offer is \$1,000 or less

i.e. no tax on discount received where discount is less than \$1,000

WITHHOLDING TAX CREDIT

You should generally be entitled to a tax credit against your Australian income tax liability for any French withholding tax paid on your dividends.

i.e. the tax on your dividends will be your tax rate minus 12.8%

Veolia Employee Share Plan 2020: What it means for you

Case Studies

SECURE Offer - Case Study 1 - John

Share price €19.24 – exchange rate¹ AUD \$32

John decides to invest contributing \$160

– with matching and discount he is able to purchase 12 Shares (\$400/32 per share)

Contribution ³	\$160.00	
Veolia matches	\$160.00	- Matching shares
Total investment	\$320.00	
Plus discount (20%) ³	\$ 80.00	
Investment value day one	\$400.00	
Plus dividends 4.73% ² for 5 years (\$18.92 x 5)	\$ 94.60	
Investment value	\$494.60	

- Guaranteed return on investment – if no growth in value of share
 - Even if share price decreases, your investment will be worth 3.09 times initial contribution
 - If share price increases by 30%, your investment will be valued at \$1094.60 which is 6.84 times contribution due to 4 times growth in value multiple

Notes

¹ Exchange rate at 4 August 2020

² Average dividend yield last 13 years 4.73%

³ Contribution (160) + discount (80) = \$240 Therefore tax exempt as below \$1,000

SECURE Offer - Case Study 2 – Jill

Share price €19.24 – exchange rate¹ AUD \$32

Jill decides to invest contributing \$480

– with matching and discount she is able to purchase 37 Shares (\$1200/32 per share)

Contribution ³	\$480.00
Veolia matches	\$480.00 - Matching shares
Total investment	\$960.00
Plus discount (20%) ³	\$ 240.00
Investment value day one	\$1200.00
Plus dividends 4.73% ² for 5 years (\$56.76 x 5)	\$ 283.80
Investment value	\$1483.80

- Guaranteed return on investment – if no growth in value of share
 - Even if share price decreases, your investment will be worth 3.09 times initial contribution
 - If share price increases by 30%, your investment will be valued at \$3283.80 which is 6.84 times contribution due to 4 times growth in value multiple

Notes

¹ Exchange rate at 4 August 2020

² Average dividend yield last 13 years 4.73%

³ Contribution (480) + discount (240) = \$720 Therefore tax exempt as below \$1,000



SECURE Offer - Case Study 3 - Joan

Share price €19.24 – exchange rate¹ AUD \$32

Joan decides to invest contributing \$960

– with matching and discount she is able to purchase 56 Shares (\$1800/32 per share)

Contribution ³	\$960.00	
Veolia matches	\$480.00	Matching shares
Total investment	\$1440.00	
Plus discount (20%) ³	\$ 360.00	
Investment value day one	\$1800.00	
Plus dividends 4.73% ² for 5 years (\$85.14 x 5)	\$ 425.70	
Investment value	\$2225.70	

- Guaranteed return on investment – if no growth in value of share
 - Even if share price decreases, your investment will be worth 2.32 times initial contribution
 - If share price increases by 30%, your investment will be valued at \$4049.70 which is 4.22 times contribution due to 4 times growth in value multiple

Notes

¹ Exchange rate at 4 August 2020

² Average dividend yield last 13 years 4.73%

³ Contribution (960) + discount (360) = \$1320 Therefore tax exempt for the first \$1,000 only



CLASSIC Offer - Case Study 4 - Joyce

Share price €19.24 – exchange rate ¹ AUD \$32	
Joyce decides to invest contributing \$960 – with discount she is able to purchase 37 Shares (\$1200/32 per share)	
Contribution	\$960.00
No match	-
Plus discount (20%)	\$ 240.00
Investment value day one	\$1,200.00
Share value increases by 30% worth at year 5	\$1,560.00
Plus dividends 4.73% ² for 5 years (\$56.76 x 5)	\$ 283.80
Value of investment if share price increases by 30%	\$1,843.80
Times contribution	1.92

Notes

¹ Exchange rate at 4 August 2020

² Average dividend yield last 13 years 4.73%

CLASSIC Offer - Case Study 5 - Greg

Share price €19.24 – exchange rate ¹ AUD \$32	
Greg decides to invest contributing \$960 – with discount he is able to purchase 37 Shares (\$1200/32 per share)	
Contribution	\$960.00
No match	-
Plus discount (20%)	\$ 240.00
Investment value day one	\$1,200.00
Share value decreases by 30% worth at year 5	\$ 840.00
Plus dividends 4.73% ² for 5 years (\$56.76 x 5)	\$ 283.80
Value of investment if share price decreases by 30%	\$1,123.80
Times contribution	1.17

Notes

¹ Exchange rate at 4 August 2020

² Average dividend yield last 13 years 4.73%

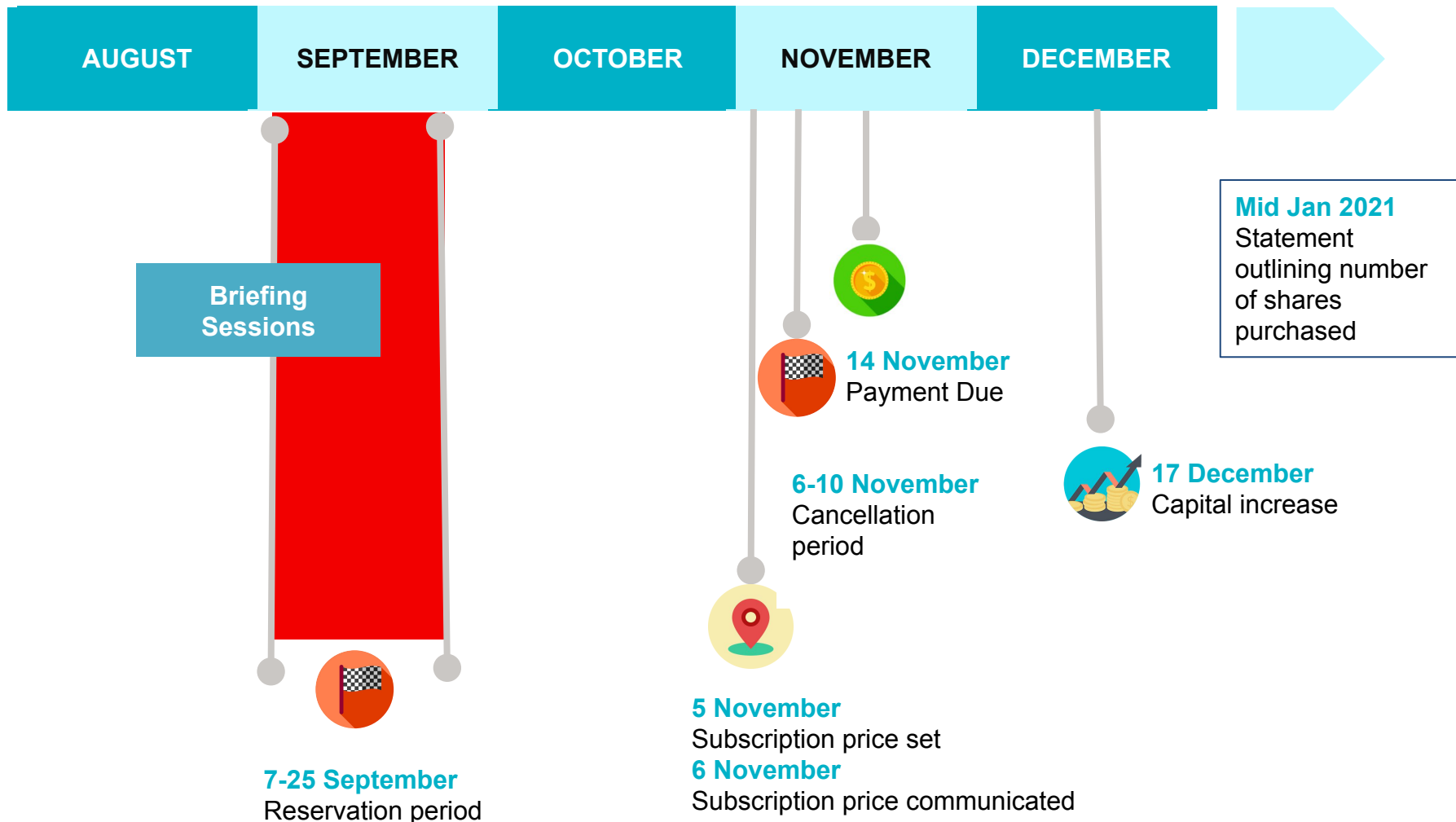
Veolia Employee Share Plan 2020: It's now

How do I participate in the Share Plan?



- ❖ Participation is from the 7th to 25th September only
- ❖ Your access code & password will be sent to your Veolia email address on approximately 7 Sept 2020
- ❖ Go to the following website
www.ors.interepargne.natixis.com/sequoia2020
- ❖ If you have not received your login details then contact the Compensation & Benefits Team at one of the following:
 - sequoia.australia@veolia.com
 - Delshad Irani
 - delshad.irani@veolia.com or 0410 627 917
 - Sarah Clancy
 - sarah.clancy@veolia.com or 0447 033 846

Timeline



ⓘ No payment is to be made during the registration and cancellation period. Your total investment amount will be communicated to you after the subscription price is set by the group.

Seek your own financial advice

- As with any financial decision, before you decide to participate, you need to consider your personal circumstances.
- We encourage you to seek independent financial and tax advice before deciding to take up the invitation.
- Although SmartEquity can assist you to understand the Employee Share Plan offering they cannot offer you financial advice or tax advice for your individual circumstances

Find out more about our Employee Share Plan

Visit the Sequoia global website

www.sequoia.veolia.com



QR Code
for the
Global site

Or the Australian [Employee Share Plan](#) intranet site

ON THE GLOBAL WEBSITE



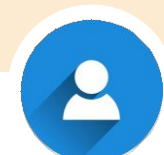
AN ANIMATION

2 minute overview of
the Veolia Employee
Share Plan 2020
offers



A SIMULATOR

To make your own
simulations and see the
performance



YOUR CONTACTS

For additional
information

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