

Tomáš Macura, MBA

Mayor of the City of Ostrava

04-06-2021

Dear Director-General,

I am writing to you in my position as the Mayor of Ostrava, the third largest city in the Czech Republic and a long-term partner of the SUEZ Group via Ostrava's water management company *Ostravské vodárny a kanalizace a.s.* (OVAK). This is a joint-stock company in which the City of Ostrava owns a 40.6% stake and SUEZ owns 50.15%. Its purpose is to operate the water management infrastructure owned by the City and to provide drinking water and sewerage services to customers connected to this network. The City-owned infrastructure is managed by OVAK on the basis of a licensing contract which was signed in the 1990s when SUEZ (operating at the time as Lyonnaise des Eaux) entered the Czech market; the contract expires at the end of 2024.

At the outset, I would like to emphasize that the City of Ostrava has been very satisfied with the services provided by OVAK for many years – as have the company's customers and Ostrava's citizens. I also greatly appreciate the strategic partnership with SUEZ, which participates in the management of OVAK and whose expertise and experience have made a substantial contribution to the transformation of this formerly state-owned corporation into a modern company with very high operational and technological standards. Nevertheless, as the licensing contract will expire in just a few years, it is my duty to begin considering an appropriate arrangement for the future provision of water management services to the City of Ostrava, and to conduct a realistic evaluation of potential scenarios for future development. In this connection, I would like to ask you to send us a statement on whether SUEZ would be willing to negotiate the sale of its stake in OVAK (or part of this stake) to the City of Ostrava. A partial sale of SUEZ's stake in OVAK would be defined as an amount of shares which would give the City of Ostrava a minimum 50% of the total shares in OVAK.

I am contacting you in this matter because I have obtained information about the recent acquisition of a substantial stake in SUEZ by a competitor (Veolia), as well as about other facts that are connected with this acquisition – particularly concerning proposals by both parties which would ultimately lead to SUEZ being divided into separate components. My attention was particularly drawn to a recent call by SUEZ for a compromise solution, which would consist in the sale of part of the group's assets (especially in France) to investment funds, enabling the group to maintain a sufficient size in order to continue its activities, while the remaining assets would be transferred to Veolia. However, from the information available to me it is not clear whether in such a case, SUEZ would remain at least a technical partner for OVAK, or whether your stake in OVAK would be transferred to the control of an entirely different company (with unclear consequences for the City of Ostrava).

I am sure you fully understand the reasons that have led to me ask for a clarification of the current situation and information on the future position of SUEZ in relation to OVAK – including the question of discussions on the potential sale of your shares in OVAK to the City of Ostrava.

I look forward to receiving your reply, and I would like to wish you good health and every success in your work.

Yours sincerely



Bertrand Joseph Henri CAMUS
Directeur Général
SUEZ S.A.
Tour Cb 21
16 Place de l'Iris
92040 Paris La Défense Cedex, FRANCE

Magistrát města Ostravy

09 -04- 2021

PODATELNA!!!



Mr. Tomáš MACURA
Mayor of Ostrava
Office no. 203, New City Hall
Prokešovo náměstí 8, 2nd floor
1803, 702 00 Moravská
Ostrava a Přívoz
TCHEQUIE

Paris La Défense, June, 8th 2021

Subject: Long term partnership for the provision of water services between SUEZ and the City of Ostrava

Dear Mr. Mayor,

Thank you for your recent letter, it is always a great pleasure for me to hear directly from partners especially one of such longstanding. Our partnership, as you know, has been built over many years based on a strong mutual trust and a common desire to develop the water services and infrastructure in Ostrava into an operational and technological reference point.

As you state, the original license comes to the end of its initial first cycle and thus, it is both natural and prudent that you, as Mayor of the City, takes stock of the various options open to you to find a solution which continues to build upon the strong foundations we have created in our original partnership.

Before answering your direct question regarding the provision of a statement from SUEZ regarding the sale of part of our shares in OVAK, I think it is important that I address your request for further clarity around our recent agreement with Veolia.

I have waited to respond to you so that I could give you a clearer answer as to how the intended transaction with Veolia would impact on our ongoing relationship.

For your information on the 14th May 2021 a combination agreement was reached with Veolia on the acquisition of several strategic assets alongside the creation of a new SUEZ supported by a new set of shareholders, namely, GIP and Meridiam (40% each) and the Caisse des Dépôts et Consignations Group (including CNP Assurances) (20%).

SUEZ

S. A. S. au capital de 3 371 214 942 Euros – Siège social : Tour CB 21 – 16, place de l'Iffs – 92040 Paris-la-Défense Cedex – France 410 118 608 RCS Nanterre
TVA FR 76 410 118 608 – Tel : +33 (0)1 58 81 20 00 – www.suez.fr

SUEZ

It is expected that before the end of this year, once Competition Authorities have given their clearance of the intended transaction between the parties, that a New SUEZ will be created.

This New SUEZ will continue to be active in the Czech Republic post the transaction, as we will maintain our ownership of all our current water assets -OVAK being one of them. The New SUEZ, backed by a stable shareholder base will maintain its excellence in water management building upon its substantial base in notably France, together with its world-renowned research and operational support capabilities at the CIRSEE (R&D center in Paris).

Our Group was founded on a culture of strong partnership and an appreciation to work together to find equitable solutions together with all our partners, this is demonstrated by the number of longstanding relationships that we continue to enjoy. I believe that we can build upon the existing strong relationship between our two organizations and find a long-term solution that will allow the City of Ostrava and SUEZ to continue our excellent relationship and operational performance.

Although I can give a commitment from SUEZ to work with you and your officials to find an equitable solution to the ownership structure of OVAK, the sale of our shares is not envisaged at this current time. I hope you will appreciate that the timing of your request is difficult for SUEZ to manage due to the need to first finalize the transaction with Veolia. This, however, doesn't preclude our local teams, who are in constant communication, to begin to develop some ideas of how and what a future relationship could be look like in the meantime.

Mr. Mayor rest assured of our continued long-term commitment to you and the City of Ostrava.

Yours sincerely,



Bertrand CAMUS

SUEZ

S. A. S. au capital de 3 371 214 842 Euros - Siège social : Tour CB 21 - 16, place de l'Iris - 92040 Paris-la-Défense Cedex - France 410 118 808 RCS Nanterre
TVA FR 76 410 118 808 - Tel : +33 (0)1 58 81 20 00 - www.suez.fr