



**VEOLIA ENVIRONNEMENT**

(a *société anonyme* incorporated in France)

**€850,000,000 Undated Non-Call 5.5 Year Deeply Subordinated Fixed Rate Resettable Notes  
Issue Price: 100 per cent.**

**and**

**€1,150,000,000 Undated Non-Call 8.5 Year Deeply Subordinated Fixed Rate Resettable Notes  
Issue Price: 100 per cent.**

The €850,000,000 Undated Non-Call 5.5 Year Deeply Subordinated Fixed Rate Resettable Notes (the **5.5 Year Non-Call Notes**) and the €1,150,000,000 Undated Non-Call 8.5 Year Deeply Subordinated Fixed Rate Resettable Notes (the **8.5 Year Non-Call Notes**) and together with the 5.5 Year Non-Call Notes, the **Notes** of Veolia Environnement (the **Issuer** or **Veolia**) will be issued on 20 October 2020 (the **Issue Date**).

The Notes are deeply subordinated notes of the Issuer. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities of the Issuer, as further described in the Terms and Conditions of the Notes.

The net proceeds of the issuance of the Notes will be used as described in the section "Use of Proceeds" of this Prospectus.

The 5.5 Year Non-Call Notes shall bear interest on their principal amount:

- (i) from, and including, the Issue Date to, but excluding, 20 April 2026 (the **First Reset Date**), at an interest rate of 2.250 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2021 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 1,121.92 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, 20 April 2031 (the **First Step-up Date**), at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2027 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, 20 April 2046 (the **Second Step-up Date**), at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2032 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Fourth Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2047;

where the Initial Margin shall be 2.706 per cent. *per annum*, the First Step-up Margin shall be 0.25 per cent. *per annum* and the Second Step-up Margin shall be 1.00 per cent. *per annum*, as further described in the section "Terms and Conditions of the 5.5 Year Non-Call Notes" of this Prospectus (the **Terms and Conditions of the 5.5 Year Non-Call Notes**).

The 8.5 Year Non-Call Notes shall bear interest on their principal amount:

- (i) from, and including, the Issue Date to, but excluding, 20 April 2029 (the **First Reset Date**), at an interest rate of 2.500 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2021 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 1,246.58 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, 20 April 2034 (the **First Step-up Date**), at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2030 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, 20 April 2049 (the **Second Step-up Date**), at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2035 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Fourth Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2050;

where the Initial Margin shall be 2.840 per cent. *per annum*, the First Step-up Margin shall be 0.25 per cent. *per annum* and the Second Step-up Margin shall be 1.00 per cent. *per annum*, as further described in the section "Terms and Conditions of the 8.5 Year Non-Call Notes" of this Prospectus (the **Terms and Conditions of the 8.5 Year Non-Call Notes** and together with Terms and Conditions of the 5.5 Year Non-Call Notes, the **Terms and Conditions of the Notes**).

**Payment of interest on the Notes may be deferred at the option of the Issuer under certain circumstances, as set out in the Terms and Conditions of the Notes.**

The Notes are undated securities with no specified maturity date. The Issuer will have the right to redeem all (but not some only) of the Notes (i) at any time from and including three (3) months prior to the First Reset Date (*i.e.* 20 January 2026 with respect to the 5.5 Year Non-Call Notes and 20 January 2029 with respect to the 8.5 Year Non-Call Notes) (the **First Optional Redemption Date**) to and including the relevant First Reset Date and upon any subsequent Interest Payment Date at their principal amount plus accrued interest, and (ii) at any time (other than during the period from and including the First Optional Redemption Date to and including the First Reset Date or upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount, all as defined and further described in the Terms and Conditions of the Notes. The Issuer may also, at its option, redeem all (but not some only) of the Notes, upon the occurrence of a Gross-Up Event, a Tax Deduction Event, a Withholding Tax Event, an Accounting Event, an Equity Credit Rating Event or a Substantial Repurchase Event, as further described in Terms and Conditions of the Notes.

This document constitutes a prospectus (the **Prospectus**) for the purposes of Article 6 of Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). This Prospectus has been approved by the *Autorité des marchés financiers* (**AMF**) in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority (**ESMA**).

The Notes will, as from their Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in the Terms and Conditions of the Notes) including Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

The Notes will be in dematerialised bearer form (*au porteur*) in the denomination of €100,000. The Notes will at all times be represented in book-entry form (*inscription en compte*) in the books of the Account Holders in compliance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French Code *monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Code *monétaire et financier*) will be issued in respect of the Notes.

The Notes have been rated BB+ by S&P Global Ratings Europe Limited (**S&P**) and Baa3 by Moody's Investors Service Ltd (**Moody's**). As at the date of this Prospectus, the Issuer's long-term senior debt has been respectively rated (i) BBB with stable outlook by S&P and (ii) Baa1 with stable outlook by Moody's. S&P and Moody's are established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 as amended (the **CRA Regulation**). As such, S&P and Moody's are included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Copies of this Prospectus and the documents incorporated by reference will be available on the website of the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

**Prospective investors should review all the information contained or incorporated by reference in this Prospectus and, in particular, the information described in the section "Risk Factors" of this Prospectus.**

#### **Sole Structuring Advisor**

**NATIXIS**

#### **Global Coordinators**

**DEUTSCHE BANK**

**MIZUHO SECURITIES**

**MUFG**

**NATIXIS**

#### **Joint Bookrunners**

**BBVA**

**BNP PARIBAS**

**CIC MARKET SOLUTIONS**

**DEUTSCHE BANK**

**MEDIOBANCA**

**MIZUHO SECURITIES**

**MUFG**

**NATIXIS**

**SMBC NIKKO**

**STANDARD CHARTERED BANK**

**UNICREDIT BANK**

*This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the **Group**) and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group, the rights attaching to the Notes and the reason for the issuance of the Notes and its impact on the Issuer.*

*This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.*

*This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**). Subject to certain exceptions, the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".*

*No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained or incorporated by reference in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

**AN INVESTMENT IN THE NOTES MIGHT NOT BE SUITABLE FOR ALL INVESTORS** - *The Notes are complex financial instruments that may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:*

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;*
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;*
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;*
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and*
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

*The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase, sale or pledge of any Notes. Financial*

*institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.*

*Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Further, a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes. Potential investors are advised to ask for tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of each potential investor. Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.*

**IMPORTANT - PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.*

**MiFID II PRODUCT GOVERNANCE / TARGET MARKET** – *Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.*

*To the extent permitted by law, each of the Joint Bookrunners accepts no responsibility whatsoever for the content of this Prospectus (including the documents which are incorporated herein by reference) or for any other statement in connection with the Issuer or the Group.*

*The Joint Bookrunners have not separately verified the information or representations contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. None of the Joint Bookrunners makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information or representation contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Joint Bookrunners that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information or representation contained in this Prospectus and its purchase of Notes should be based upon such investigation and assessment as it deems necessary. None of the Joint Bookrunners undertook or undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Bookrunners.*

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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and are material for the purpose of assessing the market risks associated with Notes. All of these factors are contingencies which may or may not occur.*

*Factors which the Issuer believes are specific to the Issuer and/or the Notes and material for an informed investment decision with respect to investing in the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal inherent risks in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*In each sub-category below the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of its negative impact and the probability of its occurrence.*

*Words and expressions defined under sections "Terms and Conditions of the 5.5 Year Non-Call Notes" and "Terms and Conditions of the 8.5 Year Non-Call Notes" shall have the same meanings in this section. References to "Conditions" in this section refer to the Terms and Conditions of the 5.5 Year Non-Call Notes and the Terms and Conditions of the 8.5 Year Non-Call Notes (together, the **Terms and Conditions of the Notes**).*

### 1. RISK FACTORS RELATING TO THE ISSUER

Risks factors relating to the Group and its activity are described on pages 266 and 275 to 297 of the 2019 Universal Registration Document and in pages 75 to 76 of the Amendment to the 2019 Universal Registration Document (each as defined in section "Documents Incorporated by Reference") which are incorporated by reference into this Prospectus.

Those risk factors include the following:

#### 1.1 Risks relating to the business environment in which the Group operates

- Risks relating to market changes
- Competition risks
- Economic risks (as updated in the Amendment to the 2019 Universal Registration Document)
- Seasonality risks
- Political risks
- Risks relating to natural disasters
- Risks relating to the business climate
- Risks relating to climate change

#### 1.2 Operational risks

- Risks of skills availability
- Risks related to tangible and intangible property, and information systems
- Risks relating to employee health and safety (as updated in the Amendment to the 2019 Universal Registration Document)
- Risks relating to the selection and integration of acquisitions
- Third-party liability risks and particularly health and environmental risks
- Risks relating to changes in business lines
- Personal security risks

#### 1.3 Financial risks

- Risks inherent to fluctuations in the price of energy and commodities
- Counterparty risks relating to operating activities (as updated in the Amendment to the 2019 Universal Registration Document)
- Risks relating to tax developments
- Foreign exchange risk
- Liquidity risks

## 1.4 Regulatory, ethical and legal risks

- Risks relating to regulatory changes, particularly in the area of health or the environment
- Corruption and business integrity risks
- Human rights risks
- Risks relating to long-term contracts

Below, the Group risk matrix presented in page 278 of the 2019 Universal Registration Document

Group risk matrix

IMPACT	High	<ul style="list-style-type: none"> <li>• Corruption and business integrity risks (CSR)</li> <li>• Human rights risks (CSR)</li> <li>• Risks related to tangible and intangible property, and information systems</li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to market changes</li> <li>• Competition risks</li> <li>• Risks relating to employee health and safety (CSR)</li> </ul>	
	Moderate	<ul style="list-style-type: none"> <li>• Political risks</li> <li>• Risks of skills availability (CSR)</li> <li>• Personal security risks</li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to the selection and integration of acquisitions</li> <li>• Risks inherent to fluctuations in the price of energy and commodities</li> <li>• Seasonality risks</li> <li>• Third-party liability risks and particularly health and environmental risks (CSR)</li> <li>• Risks relating to changes in business lines</li> </ul>	<ul style="list-style-type: none"> <li>• Economic risks</li> <li>• Risks relating to regulatory changes, particularly in the area of health or the environment</li> <li>• Counterparty risks relating to operating activities</li> </ul>
	Low	<ul style="list-style-type: none"> <li>• Foreign exchange risk</li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to the business climate</li> <li>• Risks relating to natural disasters (CSR)</li> <li>• Risks relating to tax developments</li> <li>• Liquidity risks</li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to long-term contracts</li> <li>• Risks relating to climate change (CSR)</li> </ul>
		Low	Moderate	High
PROBABILITY OF OCCURRENCE				

Prospective investors shall assess the above risk factors in the light of the most recent developments with respect to the Issuer. In that respect, the Issuer has published several press releases, which are reproduced in the section "*Recent Developments*" of this Prospectus below, relating to its acquisition of 29.9% of Suez shares from Engie and its intention to file a public offer with respect to the remaining Suez shares, subject to the satisfaction of certain conditions.

For more details regarding Veolia's intention to file a public offer with respect to Suez remaining shares (the **Project**), and the conditions of such a public offering, please refer to the press release dated 5 October 2020 entitled "*Veolia acquires 29.9% of Suez's capital from Engie and confirms its intention to acquire control*" reproduced in the section "*Recent Developments*" of this Prospectus. The AMF has released, in a notice dated 6 October 2020, included in the section "*Recent Developments*" of this Prospectus indicating that a pre-offer period had begun.

The following constitutes the main risk factors that the Issuer believes are specific to the Project:

- Veolia has acquired 29.9% of Suez shares from Engie for approximately €3.4 billion. Veolia does not intend to exercise its voting rights in connection with such shares, except for decisions related to preserving their property value, upon authorization of the European Commission. As a result of the positions expressed by Suez's management and the measures taken by it, Veolia may not be able to launch a public offer with respect to Suez shares. Veolia indicated in its press release dated 5 October 2020, that it will only launch a public offer with respect to Suez shares once the Project has been favorably received by Suez's board of directors, on which no assurance can be given at this stage. In such a case, Veolia would remain at a 29.9% shareholding level, a non-controlling shareholder unable to achieve the synergies expected from the Project.
- Suez has announced its intention to oppose to the Project by any and all means, including litigation. While Veolia does not believe that any serious legal grounds exist upon which an action could successfully be

brought, there can be no assurance that Suez will not initiate multiple legal proceedings in order to complicate or lengthen the completion of the Project, or that any such proceedings would not have a negative impact on the Project, Veolia or Suez. Suez's management could also continue, as part of its defensive strategy, to proceed with further asset disposals or to take other measures that could complicate, impede or render pointless Veolia's takeover of Suez. As indicated by Veolia in its press release dated 5 October 2020, there can be no assurance that any such measures would not have an adverse effect on the Project, Veolia or Suez, or would not result in a decrease in the price of the public offer, or even in the withdrawal of the Project. In such a case, Veolia would remain at a 29.9% shareholding level, a non-controlling shareholder unable to achieve the synergies expected from the Project.

- (iii) Veolia has announced its intention to file a voluntary takeover bid for the remaining Suez shares, subject to the conditions detailed in its press release dated 5 October 2020. The financing of the offer would be provided by a bridge loan concluded with a banking syndicate. It is expected that this loan will be refinanced in part by the proceeds from the sale of the remedial assets and, possibly, by the issue of equity securities or securities giving access to the capital (depending in particular on the amount of the disposals and a possible part offered in Veolia shares in the public offering) with a view to preserving the current credit rating and maintaining the extended group's net financial debt / EBITDA ratio below 3.0x in the medium term in accordance with the group's objectives. Such transactions will depend on applicable market conditions at the time of execution. As a result, while Veolia is confident in its capacity to obtain such financings, there can be no assurance that these transactions will be able to be completed successfully or with acceptable financial terms. Any inability or difficulty in completing these transactions successfully could have an adverse effect on the Project or Veolia. In the event that it would not be able to obtain financing for the public offer, Veolia would remain at a 29.9% shareholding level, a non-controlling shareholder unable to achieve the synergies expected from the Project.
- (iv) The completion of the Project depends upon number of regulatory authorizations being obtained. Although Veolia has identified specific issues relating to competition that the takeover of Suez would involve and has anticipated remedies, the definitive scope and nature of any remedies and the conditions of their implementation remain uncertain, which could have an adverse effect on the Project and Veolia.

Should the Project be completed, additional risks, standards in the context of an acquisition, will also have to be considered by any potential investor in the Notes and, in particular, but without limitation: risks relating to the integration of Suez's activities and failure to achieve expected synergies or other benefits anticipated from the Project; risks relating to Suez's performance and unexpected liabilities; risks that the Issuer incurs substantial transaction costs in connection with the Project and its completion; risks of disputes relating to the Project and its completion; risks relating to triggering change of control clauses and related provisions at a Suez level; risks relating to the transition period until completion of the Project; risk of loss and/or reputational damage; tax risks relating to the Project and its completion.

## 2. RISKS RELATED TO THE NOTES

### 2.1. Risks for the Noteholders as creditors of the Issuer

*The following paragraphs describe some of the risks that the Issuer believes are material to the Notes in order to assess the market risk associated thereto. They do not describe all the risks of an investment in the Notes.*

#### **French insolvency law**

As a *société anonyme* incorporated in France, French insolvency laws apply to the Issuer. The Noteholders will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 10 (*Representation of Noteholders*). However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) if a safeguard procedure (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes).

The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de*



*sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling payments which are due and/or partially or totally/ writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give the right to share capital.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the amount of debt securities held by the holders which have cast a vote at such Assembly or represented thereat). No quorum is required to hold the Assembly.

Hence, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

The procedures, as described above or as they may be amended, could have an adverse impact on holders of the Notes seeking payment of sums due to them.

It should be noted that Directive 2019/1023/EU on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt and amending Directive 2017/1132/EU dated 20 June 2019 (the **Restructuring Directive**) shall be transposed by the Member States before 17 July 2021. Depending on how it will be transposed into French law, it may modify French insolvency law described above and impact the situation of Noteholders in the event that the Issuer or its subsidiaries were to be subject to the relevant French insolvency proceedings.

More specifically the Restructuring Directive is expected to impact the process of adoption of restructuring plans under insolvency proceedings. Creditors (including the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that are sufficiently similar to justify considering the members of the class a homogenous group with commonality of interest. As a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority vote representing a specified amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States at not higher than 75% of the amount of claims or interests in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority by applying a cross-class cram-down. Therefore, when the Restructuring Directive is transposed into French law, it is expected that holders of notes (including the Noteholders) will no longer deliberate on the proposed restructuring plan in a separate assembly and accordingly will no longer benefit from a specific veto right on this plan. Instead, as any other affected parties, holders of notes (including the Noteholders) will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram-down.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes. Any decisions taken by the Assembly or a class of creditors, as the case may be, could substantially impact the Noteholders and even cause them to lose all or part of their investments, should they not be able to recover amounts due to them from the Issuer.

### ***Modification of the Terms and Conditions of the Notes***

Noteholders will be grouped automatically for the defence of their interests in a Masse, as defined in Condition 10 (*Representation of the Noteholders*) which contains provisions regarding Collective Decisions of Noteholders to consider matters affecting their interests generally, which may be adopted either through a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Resolution**). These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend, were not represented at the relevant meeting or did not consent or respond to the Written Resolution, and Noteholders who voted in a manner contrary to the majority. The Masse, through Collective Decisions, may deliberate on proposals

relating to the modification of the conditions of the Notes subject to the limitation provided by French law and the Terms and Conditions of the Notes. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes.

By exception to the above provisions, Condition 10.9 of the Terms and Conditions of the Notes provides that (i) the provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes and (ii) the provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall not apply to the Notes to the extent that such proposal relates to a merger or demerger with another entity of the Group (as defined in the Conditions). As a result of these exclusions, the prior approval of the Noteholders will not have to be obtained on any such matters which may affect their interests generally.

## ***2.2 Risks related to the trading markets of the Notes***

### ***Market value of the Notes***

The Notes have been rated BB+ by S&P and Baa3 by Moody's. The Issuer's long-term senior debt has been respectively rated (i) BBB with stable outlook by S&P and (ii) Baa1 with stable outlook by Moody's. The market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors.

Each of S&P and Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and/or ratings assigned to an issuer on a standalone basis and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

The value of the Notes depends on a number of interrelated factors, including, but not limited to, the level of the Reference Rate, its volatility, market interest and yield rates, economic, financial and political events in France or elsewhere, and factors affecting capital markets in general and Euronext Paris (on which the Notes are intended to be traded). The price at which a Noteholder will be able to sell the Notes prior to redemption by the Issuer may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the Reference Rate should not be taken as an indication of the Reference Rate's future performance during the life of the Notes.

### ***No active secondary/trading market for the Notes***

Application will be made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris. However, the Notes may not have an established trading market when issued and admitted to trading. There can be no assurance of a secondary market for the Notes or the continued liquidity of such market if one develops. When the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although this Prospectus has been approved by the *Autorité des marchés financiers* in France and application will be made for the Notes to be admitted to trading on Euronext Paris, there is no assurance that such admission to trading will occur or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

The absence of liquidity may have a significant material adverse effect on the value of the Notes. In addition, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and in extreme circumstances such investors could suffer loss of their entire investment.

### ***Exchange rate and currency risk***

The Issuer will pay principal and interest on the Notes in euro. If the euro is not the currency of the purchaser's home jurisdiction and/or the purchaser wishes to receive funds in currency other than the euro (the **Investor's Currency**) an investment in the Notes may involve exchange rate risks. Exchange rates between currencies are

determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. The degree to which such exchange rates between the euro and the Investor's Currency may vary is uncertain and presents a highly significant risk to the value and return of the Notes as measured in the Investor's Currency. This may result in a significant loss on any capital invested from the perspective of an investor whose domestic currency is not the euro.

### **2.3. Risks related to the particular structure of the Notes**

#### ***The Notes are deeply (i.e., lowest ranking) subordinated obligations of the Issuer***

Pursuant to Condition 3.1 (*Deeply Subordinated Notes*), the principal and interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) on the Notes constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities. As of 30 June 2020, the Group current and non-current financial liabilities (excluding IFRS 16 lease debt), which were unsecured and ranked senior to the Notes, represented €17 808,6 million. Except the Notes, the Issuer does not have any other outstanding perpetual subordinated bonds at the date of the Prospectus.

In accordance with Condition 3.2 (*Payment on the Notes in the event of the liquidation of the Issuer*), in the event of any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery (*redressement judiciaire*) procedure, or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (in all cases listed above, other than pursuant to a consolidation, amalgamation, merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes), the rights of Noteholders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including holders of Unsubordinated Obligations), of the ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Obligations), of lenders in relation to *prêts participatifs*, if any, granted to the Issuer and *titres participatifs*, if any, issued or to be issued by the Issuer, if and to the extent that there is still cash available for those payments.

Thus, the Noteholders face a higher recovery risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer. In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the Noteholders, the obligations of the Issuer in connection with the Notes shall terminate. The claims of the Noteholders under the Notes are intended to be senior only to claims of holders of Junior Securities. There are currently no other instruments of the Issuer that rank junior to the Notes other than the ordinary shares of the Issuer. Thus, the Noteholders face a significantly higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer which could result in a loss of all or a part of a Noteholder's investment in the event of a bankruptcy.

#### ***The Notes are undated securities***

In accordance with Condition 6.1 (*Final Redemption*), the Notes are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Notes at any time and the Noteholders have no right to require redemption of the Notes except, in accordance with Condition 9 (*Enforcement Events, no Events of Default and no Cross Default*), if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following a recovery procedure (*redressement judiciaire*), the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all the cases above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Notes).

As the Notes do not have a fixed maturity, the Noteholders must bear the significant financial risks of an investment in the Notes for an indefinite period and may not recover their investment in a foreseeable future.

### ***Deferral of interest payment***

In accordance with Condition 5.5 (*Optional Interest Deferral*), on any applicable Interest Payment Date, the Issuer may elect to defer payment of all or part of the interest accrued on the Notes to that date, and any such failure to pay shall not constitute a default by the Issuer for any purpose. Any interest in respect of the Notes not paid on an applicable Interest Payment Date will, so long as the same remains outstanding, be deferred and shall constitute Arrears of Interest and bear interest, and may be payable in whole or in part as provided in Condition 5.5 (*Optional Interest Deferral*) of the Terms and Conditions of the Notes.

Any deferral of interest payments or the perception that the Issuer will exercise its optional deferral right would have a significant adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provisions of the Notes, the market value of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be materially and negatively affected.

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If one or several interest payments are deferred, a purchaser of Notes in the secondary market may not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes, which would cause the Noteholders to lose all or part of the value of their investment in the Notes.

### ***No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes***

Condition 4 (*No Negative Pledge*) provides that there will be no negative pledge in respect of the Notes. As a result, there is no restriction on the amount of debt which the Issuer may issue or guarantee or any negative pledge provisions. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. An increase of the outstanding amount of such securities or other liabilities may if such outstanding amount were to exceed the assets of the Issuer materially reduce the amount (if any) recoverable by Noteholders on a winding-up of the Issuer and Noteholders could suffer loss of their entire investment if the Issuer were liquidated (whether voluntarily or not). If the amount of interest due under such securities or other liabilities increases, it significantly increases the likelihood of a deferral of interest payments under the Notes and as a result Noteholders could suffer a significant reduction in the return of the Notes.

### ***Risk relating to the change in the rate of interest***

Interest on the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. A Noteholder is exposed to the risk that the market value of the Notes could fall as a result of changes in the market interest rate. While the nominal interest rate of the Notes specified herein is a fixed rate of (i) 2.250 per cent. *per annum*, up to (but excluding) the First Reset Date for the 5.5 Year Non-Call Notes and (ii) 2.500 per cent. *per annum*, up to (but excluding) the First Reset Date for the 8.5 Year Non-Call Notes (as specified in Condition 5 (*Interest*)), the current interest rate on the capital markets ("**market interest rate**") typically varies on a daily basis. As the market interest rate changes, the market value of the Notes would typically change in the opposite direction. If the market interest rate increases, the market value of the Notes would typically fall, until the yield of the Notes is approximately equal to the market interest rate. If the market interest rate falls, the market value of the Notes would typically increase, until the yield of the Notes is approximately equal to the market interest rate. The degree to which the market interest rate may vary is uncertain and presents a significant risk to the market value of the Notes if an investor were to dispose of the Notes.

In accordance with Condition 5 (*Interest*), the Interest Rate in respect of the Notes will be reset as from their respective First Reset Date and on each Reset Date thereafter. Such Interest Rate will be determined two (2) Business Days before the First Reset Date and before each Reset Date thereafter and as such is not pre-defined at the date of issue of the Notes. Each reset Interest Rate may be different from the initial Interest Rate and may negatively impact the return under the Notes and result in a reduced market value of the Notes if an investor were to dispose of the Notes.

Following the First Reset Date, the interest rate of the Notes will be reset as from the First Reset Date and then every five (5) years on each subsequent Reset Date and shall be calculated on the basis of the mid swap rates for

EUR swap transactions with a maturity of five years. These mid swap rates are not pre-defined for the lifespan of the Notes. Lower mid swap rates for EUR swap transactions mean a lower interest under the Notes

In addition, due to the varying interest income on the Notes, potential investors are not able to determine a definite yield of the Notes at the time they purchase the Notes and accordingly their return on investment cannot be compared with that of investments having longer fixed interest periods.

***There are no events of default or cross default under the Notes***

Condition 9 (*Enforcement Events, no Events of Default and no Cross Default*) provides that there are no events of default in respect of the Notes or cross default under the Notes. Compared to unsubordinated debt securities, the Terms and Conditions of the Notes do not provide for events of default or cross default allowing acceleration of the Notes if certain events occur. As a result, (i) if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, or defaults on any of its other outstanding indebtedness, investors will not have the right of acceleration of principal, and (ii) upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be negatively affected.

***Early Redemption Risk***

The Issuer may redeem all (but not some only) of the Notes:

- (i) at any time from and including the relevant First Optional Redemption Date to and including the relevant First Reset Date and upon any subsequent Interest Payment Date at their principal amount plus accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon) in accordance with Condition 6.2 (*Optional Redemption*);
- (ii) at any time (other than (i) during the period from and including the relevant First Optional Redemption Date to and including the relevant First Reset Date or (ii) upon any subsequent Interest Payment Date) at their Make-whole Redemption Amount in accordance with Condition 6.3 (*Make-whole Redemption by the Issuer*); and
- (iii) at any time following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deduction Event (in accordance with Condition 6.4 (*Redemption for Taxation Reasons*)), an Accounting Event (in accordance with Condition 6.5 (*Redemption following an Accounting Event*)), an Equity Credit Rating Event (in accordance with Condition 6.6 (*Redemption following an Equity Credit Rating Event*)), or a Substantial Repurchase Event (in accordance with Condition 6.7 (*Redemption following a Substantial Repurchase Event*)), in each case at the Early Redemption Price.

In the event of an early redemption of the Notes at the option of the Issuer following the occurrence of an event referred to in paragraph (iii) above, the Early Redemption Price will be calculated as follows:

- (i) 101% of the principal amount of the Notes in the case where the redemption of the Notes occurs before the First Optional Redemption Date as a result of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event; and
- (ii) 100% of the principal amount of the Notes (a) in the case of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event where such redemption occurs on or after the First Optional Redemption Date or (b) in the case of a Substantial Repurchase Event, a Gross-Up Event or a Withholding Tax Event;

in each case (i) and (ii) above, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower

than the interest rate on the Notes. Noteholders may not be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on the Notes had they not been redeemed.

***Changes in equity credit criteria may lead to the early redemption of the Notes***

If an amendment, clarification or change in the equity credit criteria of S&P and Moody's or any other rating agency of equivalent international standing solicited by the Issuer to grant a corporate credit rating to the Issuer or to the Notes, results in a lower equity credit for the Notes than the then respective equity credit assigned to the Notes on the Issue Date, or (i) if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time, or (ii) if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, any or all of the Notes would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed, the Issuer may, at its option, redeem all of the Notes (but not some only), as set forth under Condition 6.6 (*Redemption following an Equity Credit Rating Event*). The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant.

***The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event***

In June 2018, the IASB (International Accounting Standards Board) published the DP/2018/1 Paper. While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented, the current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer will have the option to redeem all (but not some only) of the Notes (pursuant to Condition 6.5 (*Redemption following an Accounting Event*) of the Terms and Conditions of the Notes). See the risk factor entitled "*Early Redemption Risk*" above. The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, the future classification of the Notes may vary from an accounting perspective and such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes pursuant to the Terms and Conditions of the Notes. The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

***Reform and regulation of "benchmarks" may adversely affect the value of the Notes***

Interest on the Notes before the First Reset Date is calculated at a fixed rate. Following the First Reset Date, interest on the Notes for each Reset Period shall be calculated on the basis of the Euro 5 Year Swap Rate plus the applicable margin. The Euro 5-Year Swap Rate and the 6 month EURIBOR rate (on which the floating leg of the Euro 5-Year Swap Rate is based) constitute benchmarks for the purposes of Regulation (EU) 2016/1011, as amended (the **Benchmarks Regulation**).

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non EU based, deemed equivalent or recognised or endorsed).

Notwithstanding the provisions of Condition 5.6 (*Benchmark Discontinuation*) which seek to offset any adverse effects for the Noteholders, the Benchmarks Regulation could have an adverse effect on their market value and return if the methodology or other terms of EURIBOR as a "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Euro 5-Year Swap Rate.

In the event of the occurrence of a Benchmark Event, modifications could be made to the Terms and Conditions of the Notes to implement the changes required by determining an alternative benchmark and, if applicable, adjustment spread, without the consent of the Noteholders in accordance with Condition 5.6 (*Benchmark Discontinuation*). Accordingly, the application of an adjustment spread may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Euro 5-Year Swap Rate were to continue to apply in its current form.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". Any of the foregoing changes and their potential consequences, as a result of international, national or other reforms, or investigations, could have an adverse effect on the market value of, and return on, the Notes.

The Terms and Conditions of the Notes provide that the Euro 5-Year Swap Rate shall be determined by reference to the Screen Page (or its successor or replacement). In circumstances where the Euro 5-Year Swap Rate (as defined in Condition 1 (*Definitions*)) is discontinued, neither the Screen Page, nor any successor or replacement may be available. Where the Screen Page is not available, and no successor or replacement for the Screen Page is available, the Terms and Conditions of the Notes provide for the Euro 5-Year Swap Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. If such quotations are not available, the Euro 5-Year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last Euro 5-Year Swap Rate available on the Screen Page as determined by the Calculation Agent.

#### ***Risks relating to a Benchmark Event***

Pursuant to Condition 5.6 (*Benchmark Discontinuation*), in the event of a "Benchmark Event", the Issuer will (at its own cost) appoint an Independent Adviser (as defined in Condition 5.6 (*Benchmark Discontinuation*)). The Independent Adviser shall endeavour to determine a successor or replacement rate and, acting in a commercially reasonable manner, to make necessary changes (if any) to the Terms and Conditions of the Notes (including, without limitation, to the business day convention, the definition of business day, the reset interest determination date, the day count fraction and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Reference Rate).

Such Replacement Reference Rate will (in the absence of manifest error) be final and binding, and no consent of the Noteholders shall be required in connection with effecting any replacement rate, any other related adjustments and/or amendments to the Terms and Conditions of the Notes (or any other document) which are made in order to effect such Replacement Reference Rate.

The Replacement Reference Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, given the uncertainty concerning the availability of a replacement rate and the involvement of an agent, the fallback provisions may not operate as intended at the relevant time and the replacement rate may perform differently from the Euro 5 Year Swap Rate. Any adjustment factor applied to the Notes may not adequately compensate such impact. This could in turn have a negative effect on the rate of interest on and trading value of the Notes.

Notwithstanding the fallback provisions relating to Benchmark Events discussed above, no Replacement Reference Rate will be adopted, nor will the applicable adjustment spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" assigned to the Notes by any Rating Agency when compared to the "equity credit" assigned to the Notes immediately prior to the occurrence of the Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Notes for "equity credit" from any Rating Agency.

If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser is unable to or otherwise does not advise the Issuer a Replacement Reference Rate for any Reset Interest Determination Date, no replacement rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available on the Screen

Page as determined by the Calculation Agent. This could result in the effective application of a fixed rate to the Notes. As a consequence, the Noteholders may receive less than they would have received in the absence of a Benchmark Event.



## GENERAL DESCRIPTION OF THE NOTES

*This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. It does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 7 of the Prospectus Regulation or any implementing regulation thereof. For a more complete description of the Notes, including definitions of capitalized terms used but not defined in this Section, please see the section "Terms and Conditions of the 5.5 Year Non-Call Notes" or "Terms and Conditions of the 8.5 Year Non-Call Notes", as the case may be.*

<b>Issuer:</b>	Veolia Environnement
<b>Notes:</b>	€850,000,000 Undated Non-Call 5.5 Year Deeply Subordinated Fixed Rate Resetable Notes (the <b>5.5 Year Non-Call Notes</b> ) and €1,150,000,000 Undated Non-Call 8.5 Year Deeply Subordinated Fixed Rate Resetable Notes (the <b>8.5 Year Non-Call Notes</b> ).  Unless otherwise provided, the terms " <b>Note</b> " and " <b>Notes</b> " used in the General Description of the Notes below refer to the 5.5 Year Non-Call Notes and the 8.5 Year Non-Call Notes respectively).
<b>Sole Structuring Advisor</b>	Natixis
<b>Global Coordinators:</b>	Deutsche Bank Aktiengesellschaft, Mizuho Securities Europe GmbH, MUFG Securities (Europe) N.V. and Natixis
<b>Joint Bookrunners</b>	Banco Bilbao Vizcaya Argentaria, S.A, BNP Paribas, Crédit Industriel et Commercial S.A., Deutsche Bank Aktiengesellschaft, Mediobanca Banca di Credito Finanziario S.p.A., Mizuho Securities Europe GmbH, MUFG Securities (Europe) N.V., Natixis, SMBC Nikko Capital Markets Europe GmbH, Standard Chartered Bank and UniCredit Bank AG
<b>Fiscal Agent, Calculation Agent and Principal Paying Agent:</b>	Société Générale
<b>Issue Date:</b>	20 October 2020
<b>Denomination:</b>	The Notes will be issued in the denomination of EUR 100,000 per Note.
<b>Form of the Notes:</b>	The Notes will be issued in dematerialised bearer form ( <i>au porteur</i> ) and will at all times be evidenced in book-entry form ( <i>inscription en compte</i> ) in the books of the Account Holders (as defined below). No physical documents of title (including <i>certificats représentatifs</i> ) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.  <b>Account Holder</b> shall mean any financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV and Clearstream Banking SA.
<b>Status/Ranking of the Notes:</b>	The Notes are deeply subordinated Notes of the Issuer issued pursuant to the provisions of Article L.228-97 of the French <i>Code de commerce</i> . The Notes constitute <i>obligations</i> under French law. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts (including for the

avoidance of doubt, any Arrears of Interest) constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) (**Deeply Subordinated Obligations**) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities.

Where:

**Junior Securities** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*));

**Ordinary Subordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs*, if any, granted to the Issuer, to *titres participatifs*, if any, issued by the Issuer and to Deeply Subordinated Obligations of the Issuer, including the Notes;

**Parity Obligations** means (a) any securities or other similar instruments issued by, or obligations of, the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Notes and (b) any securities or other similar instruments issued by, or obligations of, a Subsidiary of the Issuer which have the benefit of a guarantee (or similar instrument) from the Issuer, which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes; and

**Unsubordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) with all other present or future unsecured and unsubordinated obligations of the Issuer.

**Negative Pledge:**

There will be no negative pledge in respect of the Notes.

**Interest of the 5.5 Year  
Non-Call Notes:**

The 5.5 Year Non-Call Notes shall bear interest on their principal amount as follows:

- (i) from, and including, the Issue Date to, but excluding, 20 April 2026 (the **First Reset Date**), at an interest rate of 2.250 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2021 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 1,121.92 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, 20 April 2031 (the **First Step-up Date**), at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2027 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, 20 April 2046 (the **Second Step-up Date**), at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2032 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Fourth Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2047,

where the **Initial Margin** shall be 2.706 per cent. *per annum*, the **First Step-up Margin** shall be 0.25 per cent. *per annum* and the **Second Step-up Margin** shall be 1.00 per cent. *per annum*, provided that each of the Second Interest Rate, the Third Interest Rate and the Fourth Interest Rate shall never be less than zero.

**Interest of the 8.5 Year  
Non-Call Notes:**

The 8.5 Year Non-Call Notes shall bear interest on their principal amount as follows:

- (i) from, and including, the Issue Date to, but excluding, 20 April 2029 (the **First Reset Date**), at an interest rate of 2.500 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2021 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 1,246.58 per EUR 100,000 Note;

- (ii) from, and including, the First Reset Date to, but excluding, 20 April 2034 (the **First Step-up Date**), at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2030 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, 20 April 2049 (the **Second Step-up Date**), at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2035 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Fourth Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2050,

where the **Initial Margin** shall be 2.840 per cent. *per annum*, the **First Step-up Margin** shall be 0.25 per cent. *per annum* and the **Second Step-up Margin** shall be 1.00 per cent. *per annum*, provided that each of the Second Interest Rate, the Third Interest Rate and the Fourth Interest Rate shall never be less than zero.

**Benchmark  
Discontinuation:**

If a Benchmark Event occurs then the Issuer will appoint an Independent Adviser to determine a Replacement Reference Rate and any applicable Adjustment Spread.

**Interest Deferral:**

Interest payments shall only be due and payable if the Issuer so elects, in accordance with the following provisions:

*Optional Interest Payments*

Interest which accrues during an Interest Period on the Notes ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer elects, at its sole discretion, to defer such payment, in whole or in part, on the Notes, and the Issuer shall not have any obligation to make such payment and any failure to so pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has been deferred on an Interest Payment Date shall constitute **Arrears of Interest** and shall be payable as described below.

*Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) in respect of the Notes may at the option of the Issuer be paid, in whole or in part, at any time, provided that all Arrears of Interest (together with the

corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on whichever is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Day following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all or part of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with, and subject to, Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the **Arrears Interest Rate**) and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise mutatis mutandis as provided in the Conditions.

Where:

**Mandatory Payment Event** means that:

- (i) a dividend (either interim or final), or any other distribution or payment (whether or not in cash) was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Obligations, except (a) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities or Parity Obligations and (b) in the case of Parity Obligations any partial payment of Arrears of Interest at the option of the Issuer; or
- (ii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (a) such repurchase, purchase, redemption or acquisition was undertaken pursuant to any share buyback programme in force and duly approved by its shareholders' general meeting in connection with the satisfaction by the Issuer or any Subsidiary of the Issuer of its respective obligations under any employee shareholding programme (including any share purchase option plan, free share

allocation plan, shares sold to employees through the Issuer savings funds or through a share capital increase) reserved for directors, officers and/or employees of the Issuer's group, or any associated hedging transaction, (b) such repurchase, purchase, redemption or acquisition was undertaken pursuant to the hedging of convertible securities or hedging of other equity-linked securities, (c) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities or (d) such repurchase, purchase, redemption or acquisition is made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider; or

- (iii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Parity Obligations or any Notes, except where (a) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Obligations or (b) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value.

**Subsidiary** means in relation to a company (the **Parent Company**) at any time, any other company in which the Parent Company holds more than fifty (50) per cent. of the share capital (as provided in article L.233-1 of the French *Code de commerce*) or any other company which is controlled directly or indirectly by the Parent Company within the meaning of article L.233-3 of the French *Code de commerce*.

*Optional Partial Payment of Arrears of Interest and Additional Interest Amounts*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Notes in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Notes in respect of that period to the date of payment.

**Taxation:**

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic

of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

**Additional Amounts:** If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature levied by the Republic of France, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions.

**Final Redemption:** The Notes are undated securities with no specified maturity date.

**Optional Redemption:** The Issuer will have the right to redeem all (but not some only) of the Notes at any time from and including three (3) months prior to the First Reset Date (*i.e.* 20 January 2026 with respect to the 5.5 Year Non-Call Notes and 20 January 2029 with respect to the 8.5 Year Non-Call Notes) (the **First Optional Redemption Date**) to and including First Reset Date or upon any Interest Payment Date thereafter. Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

**Make-whole Redemption by the Issuer:** The Issuer will have the right to redeem all (but not some only) of the Notes then outstanding at any time (other than (i) during the period from and including the First Optional Redemption Date, to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount, together with accrued interest (if any) on the date specified in such notice upon giving the appropriate notice.

**Early Redemption following an Accounting Event, an Equity Credit Rating Event, a Gross-Up Event, a Substantial Repurchase Event, a Tax Deduction Event or a Withholding Tax Event:** The Issuer will also have the right to redeem all (but not some only) of the Notes at any time at the Early Redemption Price upon the occurrence of an Accounting Event, an Equity Credit Rating Event, a Substantial Repurchase Event, a Tax Deduction Event, a Gross-Up Event or a Withholding Tax Event affecting the Notes.

Where:

**Early Redemption Date** means the effective date of redemption of the Notes.

**Early Redemption Price** means:

- (i) 101% of the principal amount of the Notes in the case where the redemption of the Notes occurs before the First Optional Redemption Date as a result of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event; and
  - (ii) 100% of the principal amount of the Notes (a) in the case of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event where such redemption occurs on or after the First Optional Redemption Date or (b) in the case of a Substantial Repurchase Event, a Gross-Up Event or a Withholding Tax Event,
- in each case (i) and (ii) above, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

**Redemption for Taxation Reasons** If a Gross-Up Event shall occur after the Issue Date, the Issuer may, at its option, at any time, subject to having given not more than forty (40) nor less

than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.

If a Withholding Tax Event shall occur after the Issue Date, then the Issuer shall forthwith give notice of such event to the Fiscal Agent and the Issuer may, at its option, at any time, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders, redeem all (but not some only) of the Notes at the Early Redemption Price on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.

If a Tax Deduction Event shall occur after the Issue Date, the Issuer may, at its option, at any time (subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable)), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

Where:

**Gross-Up Event** means that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts.

**Tax Deduction Event** means that an opinion of a recognised law firm of international standing has been delivered to the Issuer, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced.

**Withholding Tax Event** means that the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts.

**Redemption following an Accounting Event:**

If an Accounting Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at the Early Redemption Price subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable).

Where:



**Accounting Event** means that a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles or methodology (or in each case the application thereof) which has been officially adopted after the Issue Date (such date, the **Accounting Event Adoption Date**), the Notes may not or may no longer be recorded as "equity" in full in any of the consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

**IFRS** means the International Financial Reporting Standards and any other accounting standards that may replace IFRS for the purposes of preparing the annual, semi-annual or quarterly consolidated financial statements of the Issuer.

**Redemption following an  
Equity Credit Rating  
Event:**

If an Equity Credit Rating Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at any time, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which all or any of the Notes are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Notes by the relevant Rating Agency on the Issue Date, or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time.

Where:

**Equity Credit Rating Event** means that the Issuer certifies in a notice to the Noteholders that, due to any amendment, clarification or change in the hybrid capital methodology or a change in the interpretation thereof by any Rating Agency which has assigned solicited ratings to the Issuer, in each case occurring or becoming effective after the Issue Date all or any of the Notes will no longer be eligible (or if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, all or any of the Notes that would no longer have been eligible as a result of such amendment, clarification, change in hybrid capital methodology or change in the interpretation had they not been re- financed) for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Notes at the Issue Date (or, if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time).

**Rating Agency** means any of the following: S&P Global Ratings Europe Limited (**S&P**) or Moody's Investors Service Ltd (**Moody's**), and any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof. Each of S&P and Moody's is established in the European Union, is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the **CRA Regulation**) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation.

**Redemption following a Substantial Repurchase Event:** If a Substantial Repurchase Event shall occur after the Issue Date, the Issuer may at its option, at any time, redeem all (but not some only) of the outstanding Notes at the Early Redemption Price, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable).

Where:

**Substantial Repurchase Event** means that, prior to the giving of the relevant notice of redemption, at least seventy five per cent. (75%) of the aggregate principal amount of the Notes issued on the Issue Date (and on the issue date of any further notes issued and assimilated thereto) has been purchased by or on behalf of the Issuer or a Subsidiary of the Issuer and has been cancelled.

**Purchase:** The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price subject to applicable laws and regulations. All Notes so purchased by, or for the account of the Issuer, may, at its sole discretion be held and resold or be cancelled, in accordance with applicable laws and regulations.

**Enforcement Events, no Events of Default and no Cross Default:** There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any and any Arrears of Interest (including any Additional Interest Amounts thereon) to the date of payment, in the event that a judgment is rendered by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason. No payments will be made to holders of any Junior Securities of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

**Representation of Noteholders:** Noteholders will be grouped automatically for the defense of their common interests in a masse governed by the provisions of the French *Code de commerce* as amended and supplemented by the Terms and Conditions of the Notes (the **Masse**). The Masse will be a separate legal entity and will act in part through a representative and in part through collective decisions of the Noteholders.

<b>Admission to trading</b>	Application has been made for the Notes to be admitted to trading on Euronext Paris. Such admission to trading is expected to occur as of the Issue Date or as soon as practicable thereafter.
<b>Selling Restrictions:</b>	There are restrictions on the offer and sale of the Notes and the distribution of offering material in connection thereto, including in the United States of America, the European Economic Area, the United Kingdom and France. See section "Subscription and Sale" below
<b>Governing law:</b>	The Notes are governed by French law.
<b>Use of Proceeds:</b>	The Notes will be issued in order to refinance, in whole or in part, the acquisition of 29.9% of the Suez shares from Engie.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the information contained in the following sections which are incorporated in, and shall be deemed to form part of, this Prospectus:

- (a) the sections referred to in the table below of the French language *amendement au Document d'enregistrement universel* of the Issuer (the **Amendment to the 2019 Universal Registration Document**) which was filed with the AMF on 3 August 2020 under registration number D.20-0136-A01 which includes the interim consolidated financial statements of the Issuer for the half year ended 30 June 2020 ([https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/08/Finance\\_Veolia-Amendement\\_du\\_document\\_d-enregistrement\\_universel\\_2019-Rapport\\_financier\\_au\\_30\\_juin\\_2020.pdf](https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/08/Finance_Veolia-Amendement_du_document_d-enregistrement_universel_2019-Rapport_financier_au_30_juin_2020.pdf));
- (b) the sections referred to in the table below of the French language *Document d'enregistrement universel* of the Issuer for the financial year 2019 (the **2019 Universal Registration Document**) which was filed with the AMF on 17 March 2020 under registration number D.20-0136 ([https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/03/Finance\\_VEOLIA\\_ENVIRONNEMENT\\_URD\\_REF-2019\\_VDEF.pdf](https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/03/Finance_VEOLIA_ENVIRONNEMENT_URD_REF-2019_VDEF.pdf)); and
- (c) the sections referred to in the table below of the French language *Document de référence* of the Issuer for the financial year 2018 (the **2018 Registration Document**) which was filed with the AMF on 13 March 2019 under registration number D.19-0140 (<https://www.veolia.com/sites/g/files/dvc2491/files/document/2019/04/Veolia-Documents-de-reference-2018-Rapport-Financier.pdf>).

Any statement contained in the documents incorporated by reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any document incorporated by reference in this Prospectus may be obtained, without charge and upon request at the registered office of the Issuer during normal business hours so long as any of the Notes is outstanding, as described in the "General Information" of the Prospectus below. Such document will be published on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)).

Free English translations of the 2019 Universal Registration Document and the 2018 Registration Document are also available for viewing on the website of the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus (including for the avoidance of doubt any information on the websites which appear in the documents incorporated by reference) refers does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list below. Any information contained in the documents incorporated by reference that is not cross-referenced in the following table is for information purposes only shall not be incorporated in, and form part of, this Prospectus. The non-incorporated parts of the documents incorporated by reference herein are either not relevant for investors or covered elsewhere in this Prospectus.

<b>Annex VII of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 – Registration document for wholesale non-equity securities</b>		
	<b>Information incorporated by reference</b>	<b>Page no. in the relevant document</b>
<b>3.</b>	<b>RISK FACTORS</b>	
<b>3.1</b>	<p>A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.</p> <p>In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.</p>	<p>pp. 266 and 275 to 297 in 2019 Universal Registration Document</p> <p>pp. 75 to 76 in the Amendment to the 2019 Universal Registration Document</p>
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
<b>4.1</b>	<b><u>History and development of the Issuer</u></b>	
<b>4.1.1</b>	The legal and commercial name of the Issuer	p. 466 in 2019 Universal Registration Document
<b>4.1.2</b>	The place of registration of the Issuer, its registration number and legal entity identifier ("LEI").	p. 466 in 2019 Universal Registration Document
<b>4.1.3</b>	The date of incorporation and length of life of the Issuer, except where the period is indefinite.	p. 466 in 2019 Universal Registration Document
<b>4.1.4</b>	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	p. 466 in 2019 Universal Registration Document
<b>4.1.5</b>	Any recent events particular to the Issuer and which are to a material extent relevant to the evaluation of the Issuer's solvency.	<p>pp. 100-101 in 2019 Universal Registration Document</p> <p>pp. 10 to 11 and 28 in the Amendment to the 2019 Universal Registration Document</p>
<b>5.</b>	<b>BUSINESS OVERVIEW</b>	
<b>5.1</b>	<b><u>Principal activities</u></b>	
<b>5.1.1</b>	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	pp. 23 to 27 in 2019 Universal Registration Document
<b>5.1.2</b>	The basis for any statements made by the issuer regarding its competitive position.	pp. 35 to 36 in 2019 Universal Registration Document
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>	
<b>6.1</b>	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	pp. 40 to 41 in 2019 Universal Registration Document
<b>6.2</b>	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	p. 474 in 2019 Universal Registration Document
<b>8.</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>	
<b>8.1</b>	Where an issuer includes on a voluntary basis a profit forecast or a profit estimate, that profit forecast or estimate shall be clear and	N/A

	<p>unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast or estimate. The forecast or estimate shall comply with the following principles:</p> <p>(a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies;</p> <p>(b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast.</p> <p>(c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.</p>	
<b>9.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
<b>9.1</b>	<p>Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p>	<p>pp. 398 to 410 in 2019 Universal Registration Document</p> <p>pp. 78 to 79 in Amendment to the 2019 Universal Registration Document</p>
<b>9.2</b>	<p>Administrative, management, and supervisory bodies conflicts of interests</p> <p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p>	p. 411 in 2019 Universal Registration Document
<b>10.</b>	<b>MAJOR SHAREHOLDERS</b>	
<b>10.1</b>	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	<p>pp. 73 to 74 in 2019 Universal Registration Document</p> <p>p. 8 in Amendment to the 2019 Universal Registration Document</p>
<b>10.2</b>	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	p. 473 in 2019 Universal Registration Document
<b>11.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
<b>11.1</b>	<b><u>Historical financial information</u></b>	
<b>11.1.1</b>	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year	
	<b><i>Consolidated financial statement first half of 2020:</i></b>	
		<p>pp. 31 to 73 in Amendment to the 2019 Universal Registration Document</p> <p>review report: p. 74 in Amendment to the 2019 Universal Registration Document</p>
	<b><i>Consolidated financial statements 2019:</i></b>	

		pp. 108 to 216 in 2019 Universal Registration Document audit report: pp. 217 to 220 in 2019 Universal Registration Document
	<b><i>Non-consolidated financial statements 2019:</i></b>	
		pp. 221 to 257 in 2019 Universal Registration Document audit report: pp. 258 to 260 in 2019 Universal Registration Document
	<b><i>Consolidated financial statements 2018:</i></b>	
		pp. 104 to 201 in 2018 Registration Document audit report: pp. 202 to 205 in 2018 Registration Document
	<b><i>Non-consolidated financial statements 2018:</i></b>	
		pp. 207 to 243 in 2018 Registration Document audit report: pp. 244 to 246 in 2018 Registration Document
<b>11.1.3</b>	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002	
	<b><i>Consolidated financial statement first half of 2020:</i></b>	
		p. 41 in Amendment to the 2019 Universal Registration Document
	<b><i>Consolidated financial statements 2019:</i></b>	
		pp. 117 to 119 in 2019 Universal Registration Document
	<b><i>Consolidated financial statements 2018:</i></b>	
		pp. 113 to 116 in 2018 Registration Document
<b>11.1.4</b>	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:	
	<b><i>Non-consolidated financial statements 2019:</i></b>	
	(a) the balance sheet;	pp. 221 to 224 in 2019 Universal Registration Document
	(b) the income statement;	pp. 225 to 226 in 2019 Universal Registration Document
	(c) the accounting policies and explanatory notes.	pp. 229 to 257 in 2019 Universal Registration Document
	<b><i>Non-consolidated financial statements 2018:</i></b>	
	(a) the balance sheet;	pp. 207 to 210 in 2018 Registration Document
	(b) the income statement;	pp. 211 to 212 in 2018 Registration Document
	(c) the accounting policies and explanatory notes.	pp. 215 to 243 in 2018 Registration Document

<b>11.1.5</b>	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	
	<b><i>Consolidated financial statement first half of 2020:</i></b>	
	(a) the balance sheet;  (b) the income statement;  (c) the accounting policies and explanatory notes.	pp. 31 and 32 in Amendment to the 2019 Universal Registration Document  pp. 33 and 34 in Amendment to the 2019 Universal Registration Document pp. 41 to 73 in Amendment to the 2019 Universal Registration Document
	<b><i>Consolidated financial statements 2019:</i></b>	
	(a) the balance sheet;  (b) the income statement;  (c) the accounting policies and explanatory notes.	pp. 108 to 109 in 2019 Universal Registration Document p. 110 in 2019 Universal Registration Document pp. 116 to 216 in 2019 Universal Registration Document
	<b><i>Consolidated financial statements 2018:</i></b>	
	(a) the balance sheet;  (b) the income statement;  (c) the accounting policies and explanatory notes.	pp. 104 to 105 in 2018 Registration Document pp. 106 to 107 in 2018 Registration Document pp. 113 to 201 in 2018 Registration Document
<b>11.1.6</b>	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	
	<b><i>Consolidated financial statement first half of 2020:</i></b>	
		pp. 31 and 32 in Amendment to the 2019 Universal Registration Document
	<b><i>Consolidated financial statements 2019:</i></b>	
		pp. 108 to 109 in 2019 Universal Registration Document
	<b><i>Non-consolidated financial statements 2019:</i></b>	
		pp. 221 to 224 in 2019 Universal Registration Document
<b>11.2</b>	<b><u>Auditing of historical annual financial information</u></b>	
<b>11.2.1</b>	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2006/43/CE and Regulation 537/2014/EU.	
	<b><i>Consolidated financial statements 2019:</i></b>	



		pp. 217 to 220 in 2019 Universal Registration Document
	<b>Non-consolidated financial statements 2019:</b>	
		pp. 258 to 260 in 2019 Universal Registration Document
	<b>Consolidated financial statements 2018:</b>	
		pp. 202 to 205 in 2018 Registration Document
	<b>Non-consolidated financial statements 2018:</b>	
		pp. 244 to 246 in 2018 Registration Document
<b>11.2.1(a)</b>	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.	p. 202 in 2018 Registration Document p. 217 in 2019 Universal Registration Document
<b>11.2.2</b>	Indication of other information in the registration document which has been audited by the auditors.	N/A
<b>11.3</b>	<b><u>Legal and arbitration proceedings</u></b>	
<b>11.3.1</b>	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	pp. 206 to 209 and 471 to 472 in 2019 Universal Registration Document pp. 67, 69 to 72 and 80 to 82 in Amendment to the 2019 Universal Registration Document
<b>12.</b>	<b>MATERIAL CONTRACTS</b>	
<b>12.1</b>	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	p. 473 in 2019 Universal Registration Document

## TERMS AND CONDITIONS OF THE 5.5 YEAR NON-CALL NOTES

*The following is the text of the terms and conditions that shall be applicable (save for the Replacement Language provisions appearing at the end of these Conditions that are for information purposes only) to the Notes.*

The issue of the €850,000,000 Undated Non-Call 5.5 Year Deeply Subordinated Fixed Rate Resettable Notes (the **Notes** which expression shall, unless the context requires otherwise, include any further notes issued pursuant to Condition 12 (*Further Issues*)) of Veolia Environnement (the **Issuer**) on 20 October 2020 (the **Issue Date**) has been authorised by resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer held on 10 March 2020 and 1 October 2020 and a decision of the *Directeur Général* of the Issuer dated 15 October 2020.

The Issuer has entered into a fiscal agency agreement dated 16 October 2020 with Société Générale as fiscal agent, principal paying agent and calculation agent for the purposes of the Conditions (the **Agency Agreement**). The fiscal agent, the principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Calculation Agent** and the **Paying Agent** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection at the specified offices of the Fiscal Agent and the registered office of the Issuer. The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

References to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

### 1. DEFINITIONS

**Accounting Event** means that a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles or methodology (or in each case the application thereof) which has been officially adopted after the Issue Date (such date, the **Accounting Event Adoption Date**), the Notes may not or may no longer be recorded as "equity" in full in any of the consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

**Actual/Actual (ICMA)** means:

- (i) if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Period in which the relevant period falls;
- (ii) if interest is required to be calculated for a period of more than one year, the sum of (a) the number of calendar days of the relevant period falling in the Interest Period in which it begins divided by the total number of calendar days in such Interest Period and (b) the number of calendar days of the relevant period falling in the next Interest Period divided by the total number of calendar days in such next Interest Period (including the first such day but excluding the last).

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or the methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Replacement Reference Rate and which is required to be applied to the Replacement Reference Rate, to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Euro 5-Year Swap Rate with the Replacement Reference Rate and is the spread, formula or methodology which:

- (i) in the case of a successor rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Euro 5-Year Swap Rate with the successor rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of a substitute rate, the Independent Adviser determines, is customarily applied to the relevant substitute or successor rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Euro 5-Year Swap Rate; or
- (iii) if no such recommendation or option has been made (or made available), or if the Independent Adviser determines that there is no such spread, formula or methodology in customary market usage, the Independent Adviser acting in good faith determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Euro 5-Year Swap Rate, where such rate has been replaced by the substitute or successor rate (as the case may be).

**Benchmark Event** means:

- (i) the Euro 5-Year Swap Rate ceasing to exist or be published; and/or
- (ii) the later of (a) the making of a public statement by the administrator of the Euro 5-Year Swap Rate that it will, on or before a specified date, cease publishing the Euro 5-Year Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Euro 5-Year Swap Rate) and (b) the date falling six (6) months prior to the specified date referred to in (a) above; and/or
- (iii) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate has been permanently or indefinitely discontinued; and/or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate will, on or before a specified date, be permanently or indefinitely discontinued and (b) the date falling six (6) months prior to the specified date referred to in (a) above; and/or
- (v) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that means the Euro 5-Year Swap Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months; and/or
- (vi) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed; and/or
- (vii) it has or will prior to the next Reset Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Euro 5-Year Swap Rate (including, without limitation, under the Benchmarks Regulation, if applicable); and/or
- (viii) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmark Regulation of any benchmark administrator previously authorised to publish such Euro 5-Year Swap Rate has been adopted.

**Benchmark Regulation** means Regulation (EU) 2016/1011 of 8 June 2016, as amended or supplemented.

**Business Day** means any calendar day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

**Day Count Fraction** means Actual/Actual (ICMA).

**Early Redemption Date** means the effective date of redemption of the Notes made in accordance with Condition 6 (*Redemption and Purchase*).

**Early Redemption Price** means:

- (i) 101% of the principal amount of the Notes in the case where the redemption of the Notes occurs before the First Optional Redemption Date as a result of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event; and
- (ii) 100% of the principal amount of the Notes (a) in the case of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event where such redemption occurs on or after the First Optional Redemption Date or (b) in the case of a Substantial Repurchase Event, a Gross-Up Event or a Withholding Tax Event,

in each case (i) and (ii) above, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

**Equity Credit Rating Event** means that the Issuer certifies in a notice to the Noteholders that, due to any amendment, clarification or change in the hybrid capital methodology or a change in the interpretation thereof by any Rating Agency which has assigned solicited ratings to the Issuer, in each case occurring or becoming effective after the Issue Date all or any of the Notes will no longer be eligible (or if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, all or any of the Notes that would no longer have been eligible as a result of such amendment, clarification, change in hybrid capital methodology or change in the interpretation had they not been re-financed) for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Notes at the Issue Date (or, if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time).

**Euro 5-Year Swap Rate** means:

- (i) the mid-swap rate for a term of five (5) years as displayed on Reuters screen "ICESWAP2/EURSFIXA" as at 11:00 a.m. (Central European time) or, if such rate is not displayed on such screen as at the relevant time, the mid-swap rate as displayed on a successor page as determined by the Calculation Agent (in each case, the **Screen Page**); and
- (ii) in the event that the Euro 5-Year Swap Rate does not appear on the Screen Page on the relevant Reset Interest Determination Date, the Euro 5-Year Swap Rate will be the Reference Bank Rate on such Reset Interest Determination Date.

**First Optional Redemption Date** means 20 January 2026.

**First Reset Date** means 20 April 2026.

**First Step-up Date** means 20 April 2031.

**Gross-Up Event** means that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (as defined in Condition 8 (*Taxation*)).

**Group** means the Issuer and any entity falling within the consolidated perimeter of the Issuer taken as a whole.

**IFRS** means the International Financial Reporting Standards and any other accounting standards that may replace IFRS for the purposes of preparing the annual, semi-annual or, as the case may be, quarterly consolidated financial statements of the Issuer.

**Interest Payment Date** means 20 April of each year, commencing on 20 April 2021.

**Interest Period** means the period from, and including, the Issue Date to, but excluding, the first Interest Payment Date and thereafter each period beginning on, and including, an Interest Payment Date to, but excluding, the next Interest Payment Date.

**Interest Rate** means any of the First Interest Rate, the Second Interest Rate, the Third Interest Rate or the Fourth Interest Rate (all as defined in Condition 5 (*Interest*)), as applicable.

**Junior Securities** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

**Mandatory Payment Event** means that:

- (i) a dividend (either interim or final), or any other distribution or payment (whether or not in cash) was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Obligations, except (a) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities or Parity Obligations and (b) in the case of Parity Obligations any partial payment of Arrears of Interest at the option of the Issuer; or
- (ii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (a) such repurchase, purchase, redemption or acquisition was undertaken pursuant to any share buyback programme in force and duly approved by its shareholders' general meeting in connection with the satisfaction by the Issuer or any Subsidiary of the Issuer of its respective obligations under any employee shareholding programme (including any share purchase option plan, free share allocation plan, shares sold to employees through the Issuer savings funds or through a share capital increase) reserved for directors, officers and/or employees of the Issuer's group, or any associated hedging transaction, (b) such repurchase, purchase, redemption or acquisition was undertaken pursuant to the hedging of convertible securities or hedging of other equity-linked securities, (c) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities or (d) such repurchase, purchase, redemption or acquisition is made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider; or
- (iii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Parity Obligations or any Notes, except where (a) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Obligations or (b) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value.

**Noteholder** means, on a given date, the person whose name appears in the account of the relevant Account Holder (as defined in Condition 2 (*Form, Denomination and Title*)) as being entitled to such Notes.

**Ordinary Subordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs*, if any, granted to the Issuer, to *titres participatifs*, if any, issued by the Issuer and to Deeply Subordinated Obligations of the Issuer, including the Notes.

**Parity Obligations** means (a) any securities or other similar instruments issued by, or obligations of, the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Notes and (b) any securities or other similar instruments issued by, or obligations of, a Subsidiary of the Issuer which have the benefit of a guarantee (or similar instrument) from the Issuer, which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes.

**Rating Agency** means any of S&P Global Ratings Europe Limited (**S&P**) or Moody's Investors Service Ltd (**Moody's**), and any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof. Each of S&P and Moody's is established in the European Union, is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the **CRA Regulation**) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation.

**Reference Bank Rate** means the percentage rate determined on the basis of the five year mid swap rate for Euro swap transactions provided by at least four leading swap dealers in the interbank market selected by the Calculation Agent in consultation with the Issuer (the **Reference Banks**) to the Calculation Agent at its request at approximately 11:00 a.m. (Central European time) on the relevant Reset Interest Determination Date. If one quotation is provided, the Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the last Euro 5-Year Swap Rate available on the Screen Page as determined by the Calculation Agent.

**Reference Rate** means the Euro 5-Year Swap Rate on the day falling two (2) Business Days prior to the first day of the relevant Reset Period (each a **Reset Interest Determination Date**).

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of such central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**Reset Date** means the First Reset Date and every fifth (5<sup>th</sup>) Interest Payment Date thereafter.

**Reset Period** means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

**Second Step-up Date** means 20 April 2046.

**Subsidiary** means in relation to a company (the **Parent Company**) at any time, any other company in which the Parent Company holds more than fifty (50) per cent. of the share capital (as provided in article L.233-1 of the French *Code de commerce*) or any other company which is controlled directly or indirectly by the Parent Company within the meaning of article L.233-3 of the French *Code de commerce*.

**Substantial Repurchase Event** means that, prior to the giving of the relevant notice of redemption, at least seventy five per cent. (75%) of the aggregate principal amount of the Notes issued on the Issue Date (and on the issue date of any further notes issued and assimilated thereto) has been purchased by or on behalf of the Issuer or a Subsidiary of the Issuer and has been cancelled.

**TARGET 2 Settlement Day** means any calendar day on which the TARGET 2 System is operating.

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

**Tax Deduction Event** means that an opinion of a recognised law firm of international standing has been delivered to the Issuer, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced.

**Unsubordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) with all other present or future unsecured and unsubordinated obligations of the Issuer.

**Withholding Tax Event** means that the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts (as defined in Condition 8 (*Taxation*)).

## 2. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form in dematerialised bearer form (*au porteur*) in the denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R. 211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

## 3. STATUS AND SUBORDINATION OF THE NOTES

### 3.1 Deeply Subordinated Notes

The Notes (which constitute *obligations* under French law) are deeply subordinated notes (**Deeply Subordinated Notes**) of the Issuer issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) (**Deeply Subordinated Obligations**) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities.

### 3.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation, merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes), the payments of the creditors of the Issuer shall

be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- (i) unsubordinated creditors of the Issuer (including creditors under Unsubordinated Obligations);
- (ii) ordinary subordinated creditors of the Issuer (including creditors under Ordinary Subordinated Obligations);
- (iii) creditors under *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer; and
- (iv) deeply subordinated creditors of the Issuer (including holders of Deeply Subordinated Notes).

For such purposes, the rights of the Noteholders will be calculated on the basis of the principal amount of the Notes together with any accrued interest on such principal amount and any Arrears of Interest (including any Additional Interest Amount thereon).

In the event of liquidation of the Issuer, the Notes shall rank in priority to any payments to holders of Junior Securities.

In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the holders of the Notes upon such liquidation, the obligations of the Issuer in connection with any present or future Deeply Subordinated Obligations (including the Notes) shall be terminated.

#### 4. NO NEGATIVE PLEDGE

There will be no negative pledge in respect of the Notes.

#### 5. INTEREST

##### 5.1 General

Unless previously redeemed in accordance with Condition 6 (*Redemption and Purchase*) and subject to the further provisions of this Condition (in particular, but not limited to, Condition 5.5 (*Optional Interest Deferral*)), the Notes shall bear interest on their principal amount as follows:

- (i) from, and including, the Issue Date to, but excluding, the First Reset Date, at an interest rate of 2.250 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2021 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 1,121.92 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, the First Step-up Date, at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2027 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2032 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Fourth**



**Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2047,

where the **Initial Margin** shall be 2.706 per cent. *per annum*, the **First Step-up Margin** shall be 0.25 per cent. *per annum* and the **Second Step-up Margin** shall be 1.00 per cent. *per annum*, provided that each of the Second Interest Rate, the Third Interest Rate and the Fourth Interest Rate shall never be less than zero.

Each Interest Amount (as defined below) shall be payable (subject as otherwise provided in these Conditions) annually in arrear on each Interest Payment Date, provided that there will be a short first coupon in respect of the first Interest Period.

Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Interest Rate and calculate the relevant Interest Amount (as defined below).

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount to be notified to the Issuer and the Fiscal Agent and, if required by the rules of Euronext Paris or any other stock exchange on which Notes are listed from time to time, to such stock exchange, and to the Noteholders in accordance with Condition 13 (*Notices*) without undue delay, but, in any case, not later than on the fourth (4<sup>th</sup>) Business Day after its determination.

## **5.2 Calculation of the Interest Amount**

The amount of interest (the **Interest Amount**) payable on each Note and on each Interest Payment Date will be the product of the principal amount of the Note and the applicable Interest Rate, multiplied by the Day Count Fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

## **5.3 Notifications, etc. to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 (*Interest*), whether by the Reference Banks (or any of them) or the Calculation Agent will (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

## **5.4 Calculation Agent**

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act honestly and in good faith and exercise the diligence of a reasonably prudent expert in comparable circumstances.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 13 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## **5.5 Optional Interest Deferral**

Interest payments shall only be due and payable if the Issuer so elects, in accordance with the following provisions:

(a) *Optional Interest Payment*

The Issuer may, at any time and at its sole discretion, elect to defer all or part of the payment of interest accrued on the Notes in respect of any Interest Period, except in relation to a payment of interest to be made on an Interest Payment Date falling on the date of redemption of the Notes, by giving notice of such election to the Noteholders in accordance with Condition 5.5(d) below. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment or partial payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with this paragraph will be deferred and shall constitute **Arrears of Interest** and shall be payable as provided below.

(b) *Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid, in whole or in part, at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on the date which is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Days following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer, or in the event the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with, and subject to, Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the **Arrears Interest Rate**) and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Conditions.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with and to the extent permitted by applicable law to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest, for the purpose only of calculating the Additional Interest Amount accruing thereafter.

(c) *Optional Partial Payment of Arrears of Interest and Additional Interest Amounts*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the

order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and

- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Notes in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Notes in respect of that period to the date of payment.

(d) *Notice of Deferral and Payment of Arrears of Interest*

Notice of (i) deferral of any interest under the Notes on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Noteholders in accordance with Condition 13 (*Notices*), and the Fiscal Agent and the Calculation Agent at least five (5) Business Days in Paris, but no more than thirty (30) Business Days in Paris, prior to such Interest Payment Date or date. So long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

## 5.6 Benchmark Discontinuation

If a Benchmark Event occurs in relation to the Euro 5-Year Swap Rate at any time when any Interest Rate (or any component part thereof) remains to be determined by reference to the Euro 5-Year Swap Rate, then the following provisions shall apply and prevail over the other fallbacks specified in the definition of "Euro 5-Year Swap Rate" in Condition 1 (*Definitions*).

If the Issuer (in consultation with the Calculation Agent) determines at any time prior to, on or following any Reset Interest Determination Date, a Benchmark Event occurs in relation to the Euro 5-Year Swap Rate, the Issuer will as soon as reasonably practicable (and in any event prior to the next relevant Reset Interest Determination Date) appoint (at its own cost) an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise (the **Independent Adviser**), which, acting in a commercially reasonable manner and as an independent expert in the performance of its duties, will advise the Issuer as to whether a substitute or successor rate is available for purposes of determining the Reference Rate on each Reset Interest Determination Date falling on such date or thereafter that is substantially comparable to the Euro 5-Year Swap Rate. If the Independent Adviser determines that there is an industry accepted successor rate, the Independent Adviser will advise the Issuer accordingly. For these purposes, a rate that is formally recommended by a relevant central bank, reserve bank, monetary authority, a group of the aforesaid central banks, monetary authority or supervisory authority, or any similar institution (including any committee or working group thereof) for the currency to which the Euro 5-Year Swap Rate relates or any supervisory authority which is responsible for supervising the administrator of the Euro 5-Year Swap Rate will be considered as an industry accepted successor rate. It is further specified that if there is two or more industry successor rates recommended by the above mentioned authority, institution or working groups, the Independent Adviser shall determine which of those successor rates is most appropriate, having regard to, *inter alia*, the particular features of the Notes and the nature of the Issuer. Following the foregoing advice, the Independent Adviser will determine a substitute or successor rate (such rate, the **Replacement Reference Rate**), for the purpose of determining the Reference Rate on each Reset Interest Determination Date falling on or after such determination but not earlier than the actual discontinuation of the Euro 5-Year Swap Rate. Additionally, (i) the Independent Adviser will determine the changes (if any) to the Terms and Conditions of the Notes (including, without limitation, to the business day convention, the definition of business day, the reset interest determination date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Euro 5-Year Swap Rate (including any Adjustment Spread)), in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate, (ii) references to the Euro 5-Year Swap Rate in these Conditions will be deemed to be references to the Replacement Reference Rate, including any alternative method for determining such rate as described in (i) above, and (iii) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 13 (*Notices*)) and the Paying Agent(s) specifying the Replacement Reference Rate, as well as the details described in (i) above that it will have received from the Independent Adviser.

The determination of the Replacement Reference Rate and the other matters referred to above by the the Independent Adviser will (in the absence of manifest error) be final and binding on the Fiscal Agent, the Calculation Agent, the Paying Agent(s) and the Noteholders, unless the Independent Adviser, acting in a commercially reasonable manner, considers at a later date that the Replacement Reference Rate is no longer substantially comparable to the Euro 5-Year Swap Rate or does not constitute an industry accepted successor rate, in which case the Independent Adviser, or another Independent Adviser appointed by the Issuer, shall advise the Issuer on confirming the Replacement Reference Rate and/or determining a substitute Replacement Reference Rate in an identical manner as described in this Condition 5.6 (*Benchmark Discontinuation*).

For the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.6. No Noteholder consent shall be required in connection with effecting the Replacement Reference Rate or such other changes pursuant to this Condition 5.6.

Notwithstanding any other provision of this Condition 5.6, no Replacement Reference Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" assigned to the Notes by any Rating Agency when compared to the "equity credit" assigned to the Notes immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Notes for "equity credit" from any Rating Agency.

Notwithstanding any other provision of this Condition 5.6, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser is unable to or otherwise does not advise the Issuer a Replacement Reference Rate for any Reset Interest Determination Date, no Replacement Reference Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available on the Screen Page as determined by the Calculation Agent.

## **6. REDEMPTION AND PURCHASE**

The Notes may not be redeemed otherwise than in accordance with this Condition.

### **6.1 Final Redemption**

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

### **6.2 Optional Redemption**

The Issuer will have the right to redeem all (but not some only) of the Notes at any time from and including the First Optional Redemption Date to and including the First Reset Date or upon any Interest Payment Date thereafter, subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 13 (*Notices*). Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

### **6.3 Make-whole Redemption by the Issuer**

The Issuer may, having given not less than ten (10) nor more than forty (40) calendar days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (each such date, a **Make-whole Redemption Date**)) redeem all but not some only of the Notes then outstanding at any time (other than (i) during the period from and including the First Optional Redemption Date to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount (the **Make-whole Redemption Option**). The Issuer shall, not less than fifteen (15) calendar days before the giving of any notice referred to above, notify the Fiscal Agent and the Calculation Agent of its decision to

exercise the Make-whole Redemption Option. No later than the Business Day immediately following the Calculation Date, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-whole Redemption Amount. All Notes shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Condition.

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**Benchmark Rate** means the amount displayed on the Reference Screen Rate or, if the Reference Screen Rate is not available, the average of the quotations given by each Reference Dealer on the Business Day immediately preceding the Calculation Date at market close of the mid-market annual yield to maturity of the Reference Bond. If the Reference Bond is no longer outstanding or the Reference Screen Rate does not quote the yield on the Reference Bond, a Similar Security will be chosen by the Issuer in consultation with an independent investment bank of international standing on the Business Day immediately preceding the Calculation Date and notified to the Calculation Agent. The Benchmark Rate (and the reference of the Similar Security if applicable) will be published by the Issuer in accordance with Condition 13 (*Notices*).

**Calculation Date** means the third Business Day prior to the Make-whole Redemption Date.

**Make-whole Margin** means:

- (i) 0.45 per cent. *per annum* if the Make-whole Redemption Date occurs prior to the First Step-up Date;
- (ii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the First Step-up Date but prior to the Second Step-up Date; and
- (iii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the Second Step-up Date.

**Make-whole Redemption Amount** means, in respect of each Note, an amount in Euro, determined by the Calculation Agent, equal to the sum of:

- (i) the greater of (x) the principal amount of such Note and (y) the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note (excluding any Arrears of Interest and Additional Interest Amount thereon and any interest accruing on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) discounted from (A) the First Optional Redemption Date, if the relevant Make-whole Redemption Date occurs prior to the First Optional Redemption Date, or (B) the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date to such Make-whole Redemption Date, in each case on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate; and
- (ii) any interest accrued and any Arrears of Interest (and Additional Interest Amount thereon) but not paid on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date, to, but excluding, the Make-whole Redemption Date.

**Make-whole Redemption Rate** means the sum, as calculated by the Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

**Reference Bond** means the German government treasury bond bearing interest at a rate of 0.5 per cent. *per annum* due 15 February 2029, with ISIN DE0001102390.

**Reference Dealers** means four banks selected from time to time by the Calculation Agent, at its sole discretion, which are primary European government security dealers or makers in pricing corporate bond issues.

**Reference Screen Rate** means Bloomberg HP page for the Reference Bond (using the settings "Mid YTM" and "Daily").

**Similar Security** means a reference bond or reference bonds issued by the German Government selected as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed (assuming for this purpose only that the Notes mature: (A) if the relevant Make-whole Redemption Date occurs prior to the First Optional Redemption Date or (B) on the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable to the Notes.

#### **6.4 Redemption for Taxation Reasons**

- (i) If a Gross-Up Event shall occur after the Issue Date, the Issuer may, at its option, at any time, subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.
- (ii) If a Withholding Tax Event shall occur after the Issue Date, then the Issuer shall forthwith give notice of such event to the Fiscal Agent and the Issuer may, at its option, at any time, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders, in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.
- (iii) If a Tax Deduction Event shall occur after the Issue Date, the Issuer may, at its option, at any time (subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable)), in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

#### **6.5 Redemption following an Accounting Event**

If an Accounting Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at the Early Redemption Price subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*).

#### **6.6 Redemption following an Equity Credit Rating Event**

If an Equity Credit Rating Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at any time, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which all or any of the Notes are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Notes by the relevant Rating Agency on the Issue Date, or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time.

#### **6.7 Redemption following a Substantial Repurchase Event**

If a Substantial Repurchase Event shall occur after the Issue Date, the Issuer may at its option, at any time, redeem all (but not some only) of the outstanding Notes at the Early Redemption Price, subject

to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*).

## **6.8 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

## **6.9 Cancellation**

All Notes which are purchased for cancellation by the Issuer pursuant to this Condition 6 (*Redemption and Purchase*) will forthwith be cancelled in accordance with applicable laws and regulations. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## **7. PAYMENTS**

### **7.1 Method of Payment**

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Notes will be made in euro by credit or transfer to a euro denominated account (or any other account to which euros may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET 2 System.

Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to any applicable fiscal or other laws, regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

### **7.2 Payments on Business Days**

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Noteholder shall not be entitled to any interest or other sum in respect of such delay.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

### **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

The names of the initial Agents and their specified offices are set out below:

Fiscal Agent, Principal Paying Agent and Calculation Agent

**Société Générale**  
32 rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent or Paying Agent or the Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent, a Principal Paying Agent and a Calculation Agent having a specified office in a European city and (ii) a Paying Agent having a specified office in such city as shall be required by the rules of any exchange on which the Notes are listed from time to time. Notices

of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders or another Calculation Agent in accordance with Condition 13 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## 8. TAXATION

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature levied by the Republic of France, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

References in these Conditions to (i) **principal** shall be deemed to include any premium, any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes, the Early Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption and Purchase*) or any amendment or supplement to it, (ii) **interest** shall be deemed to include all accrued interest and all other amounts (including, for the avoidance of doubt, if any, all Arrears of Interest and all Additional Interest Amount) payable pursuant to Condition 6 (*Redemption and Purchase*) or any amendment or supplement to it and (iii) **principal** and/or **interest** and/or **other revenues** shall be deemed to include any Additional Amounts that may be payable under this Condition.

## 9. ENFORCEMENT EVENTS, NO EVENTS OF DEFAULT AND NO CROSS DEFAULT

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amounts thereon) to the date of payment, in the event that a judgment is rendered by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery (*redressement judiciaire*) procedure, or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes). No payments will be made to holders of any Junior Securities of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

## 10. REPRESENTATION OF NOTEHOLDERS

The Noteholders will be grouped automatically for the defence of their common interests in a *Masse* (the *Masse*) which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 10 (*Representation of Noteholders*) and, in particular, with the exception of Articles L.228-65 I 1°, 3° and 4° of the French *Code de commerce* as per Condition 10.9 (*Exclusion of certain provisions of the French Commercial Code (Code de commerce)*) below.



## 10.1 Legal Personality

The *Masse* will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes.

## 10.2 Representative

The following person is designated as Representative:

AETHER FINANCIAL SERVICES S.A.R.L  
36 rue de Monceau  
75008 Paris – France

The Issuer shall pay to the Representative of the Masse an amount equal to €400 *per annum* (excluding taxes), payable annually on the anniversary date of the issue. No additional remuneration is payable in relation to any further notes issued pursuant to Condition 12 (*Further Issues*).

In the event of death, liquidation, dissolution, retirement, resignation or revocation of the Representative, such Representative will be replaced by its alternate, if any, or another Representative may be appointed. Collective Decisions in relation to the appointment or replacement of the Representative shall be published in accordance with Condition 13 (*Notices*).

## 10.3 Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

## 10.4 Collective Decisions

Collective Decisions are adopted either (i) in a general meeting (the **General Meeting**) or (ii) by unanimous consent of the Noteholders following a written consultation (the **Written Unanimous Resolutions**, as further described in Condition 10.6 (a) below), or (iii) by consent of one or more Noteholders holding together at least ninety (90) per cent. of the principal amount of the Notes outstanding, following a written consultation (the **Written Majority Resolutions**, as further described in Condition 10.6 (b) below and together with the Written Unanimous Resolutions, the **Written Resolutions**).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2<sup>nd</sup>) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 13 (*Notices*).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

## 10.5 General Meetings

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes cast by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 13 (*Notices*) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by videoconference.

Each Noteholder or Representative thereof will have the right, during the fifteen (15) calendar day period on the first convocation and five (5) calendar day period on the second convocation preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

## 10.6 Written Resolutions and Electronic Consent

Pursuant to Article L.228-46-1 of the French *Code de commerce* the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Unanimous Resolution or a Written Majority Resolution.

### (a) *Written Unanimous Resolution*

Written Unanimous Resolutions shall be signed by or on behalf of all Noteholders and shall not have to comply with formalities and time limits referred to in Condition 10.6 (b). Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce*, approval of a Written Unanimous Resolution may also be given by way of electronic communication allowing the identification of Noteholders (**Electronic Consent**). Any Written Unanimous Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Unanimous Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 13 (*Notices*).

### (b) *Written Majority Resolution*

Notices seeking the approval of a Written Majority Resolution, which shall include the text of the proposed resolutions together with any report thereon, will be published as provided under Condition 10.5 no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Majority Resolution (the **Written Majority Resolution Date**). Notices seeking the approval of a Written Majority Resolution will contain the conditions of form and time limits to be complied with by the Noteholders who wish to express their approval or rejection

of such proposed Written Majority Resolution. Noteholders expressing their approval or rejection before the Written Majority Resolution Date will undertake not to dispose of their Notes until after the Written Majority Resolution Date.

Written Majority Resolutions shall be signed by one or more Noteholders holding together at least ninety (90) per cent. of the nominal amount of the Notes outstanding. Approval of a Written Majority Resolution may also be given by Electronic Consent. Any Written Majority Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Majority Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 13 (*Notices*).

#### **10.7 Expenses**

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

#### **10.8 Outstanding Notes**

For the avoidance of doubt, in this Condition 10, the term "**outstanding**" shall not include those Notes purchased by the Issuer, or on its behalf, or by any of its subsidiaries pursuant to applicable laws and regulations.

#### **10.9 Exclusion of certain provisions of the French Commercial Code (*Code de commerce*)**

The provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

The provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall not apply to the Notes to the extent that such proposal relates to a merger or demerger with another entity of the Group.

### **11. PRESCRIPTION**

Claims against the Issuer for the payment in respect of the Notes shall be prescribed and become void within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

### **12. FURTHER ISSUES**

The Issuer may, without the consent of the Noteholders create and issue further Notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the issue date) and that the terms of such further Notes provide for such assimilation, and references in these Conditions to "**Notes**" shall be construed accordingly. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

### **13. NOTICES**

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)) and so long as the Notes are admitted

to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.fr](http://www.euronext.fr)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

#### **14. GOVERNING LAW AND JURISDICTION**

(a) Governing Law

The Notes are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim against the Issuer in connection with any Notes may be brought before any competent court in Paris.

***Replacement Capital Language:***

*The following paragraph in italics does not form part of the Conditions:*

***Considerations regarding redemption and repurchase of the Notes:***

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Notes only to the extent the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes), unless*

- (i) the credit rating assigned by S&P to the Issuer is at least the same as or higher than the credit rating assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancings without net new issuance) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of a repurchase or a redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of ten consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or*
- (iii) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*
- (iv) the Notes are redeemed pursuant to an Equity Credit Rating Event, Accounting Event, Withholding Tax Event, Tax Gross-up Event or a Tax Deduction Event, or*
- (v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology, or*
- (vi) any such redemption or repurchase occurs on or after the Second Step-up Date.*

*Terms used but not defined in the above paragraphs shall have the same meaning as that in the Conditions.*

## TERMS AND CONDITIONS OF THE 8.5 YEAR NON-CALL NOTES

*The following is the text of the terms and conditions that shall be applicable (save for the Replacement Language provisions appearing at the end of these Conditions that are for information purposes only) to the Notes.*

The issue of the €1,150,000,000 Undated Non-Call 8.5 Year Deeply Subordinated Fixed Rate Resettable Notes (the **Notes** which expression shall, unless the context requires otherwise, include any further notes issued pursuant to Condition 12 (*Further Issues*)) of Veolia Environnement (the **Issuer**) on 20 October 2020 (the **Issue Date**) has been authorised by resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer held on 10 March 2020 and 1 October 2020 and a decision of the *Directeur Général* of the Issuer dated 15 October 2020.

The Issuer has entered into a fiscal agency agreement dated 16 October 2020 with Société Générale as fiscal agent, principal paying agent and calculation agent for the purposes of the Conditions (the **Agency Agreement**). The fiscal agent, the principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Calculation Agent** and the **Paying Agent** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection at the specified offices of the Fiscal Agent and the registered office of the Issuer. The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

References to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

### 1. DEFINITIONS

**Accounting Event** means that a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles or methodology (or in each case the application thereof) which has been officially adopted after the Issue Date (such date, the **Accounting Event Adoption Date**), the Notes may not or may no longer be recorded as "equity" in full in any of the consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

**Actual/Actual (ICMA) means:**

- (i) if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Period in which the relevant period falls;
- (ii) if interest is required to be calculated for a period of more than one year, the sum of (a) the number of calendar days of the relevant period falling in the Interest Period in which it begins divided by the total number of calendar days in such Interest Period and (b) the number of calendar days of the relevant period falling in the next Interest Period divided by the total number of calendar days in such next Interest Period (including the first such day but excluding the last).

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or the methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Replacement Reference Rate and which is required to be applied to the Replacement Reference Rate, to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Euro 5-Year Swap Rate with the Replacement Reference Rate and is the spread, formula or methodology which:

- (i) in the case of a successor rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Euro 5-Year Swap Rate with the successor rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of a substitute rate, the Independent Adviser determines, is customarily applied to the relevant substitute or successor rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Euro 5-Year Swap Rate; or
- (iii) if no such recommendation or option has been made (or made available), or if the Independent Adviser determines that there is no such spread, formula or methodology in customary market usage, the Independent Adviser acting in good faith determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Euro 5-Year Swap Rate, where such rate has been replaced by the substitute or successor rate (as the case may be).

**Benchmark Event** means:

- (i) the Euro 5-Year Swap Rate ceasing to exist or be published; and/or
- (ii) the later of (a) the making of a public statement by the administrator of the Euro 5-Year Swap Rate that it will, on or before a specified date, cease publishing the Euro 5-Year Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Euro 5-Year Swap Rate) and (b) the date falling six (6) months prior to the specified date referred to in (a) above; and/or
- (iii) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate has been permanently or indefinitely discontinued; and/or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate will, on or before a specified date, be permanently or indefinitely discontinued and (b) the date falling six (6) months prior to the specified date referred to in (a) above; and/or
- (v) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that means the Euro 5-Year Swap Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months; and/or
- (vi) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed; and/or
- (vii) it has or will prior to the next Reset Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Euro 5-Year Swap Rate (including, without limitation, under the Benchmarks Regulation, if applicable); and/or
- (viii) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmark Regulation of any benchmark administrator previously authorised to publish such Euro 5-Year Swap Rate has been adopted.

**Benchmark Regulation** means Regulation (EU) 2016/1011 of 8 June 2016, as amended or supplemented.

**Business Day** means any calendar day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

**Day Count Fraction** means Actual/Actual (ICMA).

**Early Redemption Date** means the effective date of redemption of the Notes made in accordance with Condition 6 (*Redemption and Purchase*).

**Early Redemption Price** means:

- (i) 101% of the principal amount of the Notes in the case where the redemption of the Notes occurs before the First Optional Redemption Date as a result of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event; and
- (ii) 100% of the principal amount of the Notes (a) in the case of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event where such redemption occurs on or after the First Optional Redemption Date or (b) in the case of a Substantial Repurchase Event, a Gross-Up Event or a Withholding Tax Event,

in each case (i) and (ii) above, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

**Equity Credit Rating Event** means that the Issuer certifies in a notice to the Noteholders that, due to any amendment, clarification or change in the hybrid capital methodology or a change in the interpretation thereof by any Rating Agency which has assigned solicited ratings to the Issuer, in each case occurring or becoming effective after the Issue Date all or any of the Notes will no longer be eligible (or if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, all or any of the Notes that would no longer have been eligible as a result of such amendment, clarification, change in hybrid capital methodology or change in the interpretation had they not been re-financed) for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Notes at the Issue Date (or, if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time).

**Euro 5-Year Swap Rate** means:

- (i) the mid-swap rate for a term of five (5) years as displayed on Reuters screen "ICESWAP2/EURSFIXA" as at 11:00 a.m. (Central European time) or, if such rate is not displayed on such screen as at the relevant time, the mid-swap rate as displayed on a successor page as determined by the Calculation Agent (in each case, the **Screen Page**); and
- (ii) in the event that the Euro 5-Year Swap Rate does not appear on the Screen Page on the relevant Reset Interest Determination Date, the Euro 5-Year Swap Rate will be the Reference Bank Rate on such Reset Interest Determination Date.

**First Optional Redemption Date** means 20 January 2029.

**First Reset Date** means 20 April 2029.

**First Step-up Date** means 20 April 2034.

**Gross-Up Event** means that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (as defined in Condition 8 (*Taxation*)).

**Group** means the Issuer and any entity falling within the consolidated perimeter of the Issuer taken as a whole.

**IFRS** means the International Financial Reporting Standards and any other accounting standards that may replace IFRS for the purposes of preparing the annual, semi-annual or, as the case may be, quarterly consolidated financial statements of the Issuer.

**Interest Payment Date** means 20 April of each year, commencing on 20 April 2021.



**Interest Period** means the period from, and including, the Issue Date to, but excluding, the first Interest Payment Date and thereafter each period beginning on, and including, an Interest Payment Date to, but excluding, the next Interest Payment Date.

**Interest Rate** means any of the First Interest Rate, the Second Interest Rate, the Third Interest Rate or the Fourth Interest Rate (all as defined in Condition 5 (*Interest*)), as applicable.

**Junior Securities** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

**Mandatory Payment Event** means that:

- (i) a dividend (either interim or final), or any other distribution or payment (whether or not in cash) was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Obligations, except (a) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities or Parity Obligations and (b) in the case of Parity Obligations any partial payment of Arrears of Interest at the option of the Issuer; or
- (ii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (a) such repurchase, purchase, redemption or acquisition was undertaken pursuant to any share buyback programme in force and duly approved by its shareholders' general meeting in connection with the satisfaction by the Issuer or any Subsidiary of the Issuer of its respective obligations under any employee shareholding programme (including any share purchase option plan, free share allocation plan, shares sold to employees through the Issuer savings funds or through a share capital increase) reserved for directors, officers and/or employees of the Issuer's group, or any associated hedging transaction, (b) such repurchase, purchase, redemption or acquisition was undertaken pursuant to the hedging of convertible securities or hedging of other equity-linked securities, (c) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities or (d) such repurchase, purchase, redemption or acquisition is made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider; or
- (iii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Parity Obligations or any Notes, except where (a) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Obligations or (b) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value.

**Noteholder** means, on a given date, the person whose name appears in the account of the relevant Account Holder (as defined in Condition 2 (*Form, Denomination and Title*)) as being entitled to such Notes.

**Ordinary Subordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs*, if any, granted to the Issuer, to *titres participatifs*, if any, issued by the Issuer and to Deeply Subordinated Obligations of the Issuer, including the Notes.

**Parity Obligations** means (a) any securities or other similar instruments issued by, or obligations of, the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Notes and (b) any securities or other similar instruments issued by, or obligations of, a Subsidiary of the Issuer which have the benefit of a guarantee (or similar instrument) from the Issuer, which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes.

**Rating Agency** means any of S&P Global Ratings Europe Limited (**S&P**) or Moody's Investors Service Ltd (**Moody's**), and any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof. Each of S&P and Moody's is established in the European Union, is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the **CRA Regulation**) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation.

**Reference Bank Rate** means the percentage rate determined on the basis of the five year mid swap rate for Euro swap transactions provided by at least four leading swap dealers in the interbank market selected by the Calculation Agent in consultation with the Issuer (the **Reference Banks**) to the Calculation Agent at its request at approximately 11:00 a.m. (Central European time) on the relevant Reset Interest Determination Date. If one quotation is provided, the Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the last Euro 5-Year Swap Rate available on the Screen Page as determined by the Calculation Agent.

**Reference Rate** means the Euro 5-Year Swap Rate on the day falling two (2) Business Days prior to the first day of the relevant Reset Period (each a **Reset Interest Determination Date**).

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of such central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**Reset Date** means the First Reset Date and every fifth (5<sup>th</sup>) Interest Payment Date thereafter.

**Reset Period** means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

**Second Step-up Date** means 20 April 2049.

**Subsidiary** means in relation to a company (the **Parent Company**) at any time, any other company in which the Parent Company holds more than fifty (50) per cent. of the share capital (as provided in article L.233-1 of the French *Code de commerce*) or any other company which is controlled directly or indirectly by the Parent Company within the meaning of article L.233-3 of the French *Code de commerce*.

**Substantial Repurchase Event** means that, prior to the giving of the relevant notice of redemption, at least seventy five per cent. (75%) of the aggregate principal amount of the Notes issued on the Issue Date (and on the issue date of any further notes issued and assimilated thereto) has been purchased by or on behalf of the Issuer or a Subsidiary of the Issuer and has been cancelled.

**TARGET 2 Settlement Day** means any calendar day on which the TARGET 2 System is operating.

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

**Tax Deduction Event** means that an opinion of a recognised law firm of international standing has been delivered to the Issuer, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced.

**Unsubordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) with all other present or future unsecured and unsubordinated obligations of the Issuer.

**Withholding Tax Event** means that the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts (as defined in Condition 8 (*Taxation*)).

## 2. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form in dematerialised bearer form (*au porteur*) in the denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R. 211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

## 3. STATUS AND SUBORDINATION OF THE NOTES

### 3.1 Deeply Subordinated Notes

The Notes (which constitute *obligations* under French law) are deeply subordinated notes (**Deeply Subordinated Notes**) of the Issuer issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) constitute direct, unconditional, unsecured and deeply subordinated obligations *engagements subordonnés de dernier rang*) (**Deeply Subordinated Obligations**) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities.

### 3.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation, merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes), the payments of the creditors of the Issuer shall

be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- (i) unsubordinated creditors of the Issuer (creditors under Unsubordinated Obligations);
- (ii) ordinary subordinated creditors of the Issuer (creditors under Ordinary Subordinated Obligations);
- (iii) creditors under *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer; and
- (iv) deeply subordinated creditors of the Issuer (including holders of Deeply Subordinated Notes).

For such purposes, the rights of the Noteholders will be calculated on the basis of the principal amount of the Notes together with any accrued interest on such principal amount and any Arrears of Interest (including any Additional Interest Amount thereon).

In the event of liquidation of the Issuer, the Notes shall rank in priority to any payments to holders of Junior Securities.

In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the holders of the Notes upon such liquidation, the obligations of the Issuer in connection with any present or future Deeply Subordinated Obligations (including the Notes) shall be terminated.

#### 4. NO NEGATIVE PLEDGE

There will be no negative pledge in respect of the Notes.

#### 5. INTEREST

##### 5.1 General

Unless previously redeemed in accordance with Condition 6 (*Redemption and Purchase*) and subject to the further provisions of this Condition (in particular, but not limited to, Condition 5.5 (*Optional Interest Deferral*)), the Notes shall bear interest on their principal amount as follows:

- (i) from, and including, the Issue Date to, but excluding, the First Reset Date, at an interest rate of 2.500 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2021 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 1,246.58 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, the First Step-up Date, at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2030 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, 20 April 2049 (the **Second Step-up Date**), at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2035 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Fourth**

**Interest Rate**), payable annually in arrear on 20 April of each year, commencing on 20 April 2050,

where the **Initial Margin** shall be 2.840 per cent. *per annum*, the **First Step-up Margin** shall be 0.25 per cent. *per annum* and the **Second Step-up Margin** shall be 1.00 per cent. *per annum*, provided that each of the Second Interest Rate, the Third Interest Rate and the Fourth Interest Rate shall never be less than zero.

Each Interest Amount (as defined below) shall be payable (subject as otherwise provided in these Conditions) annually in arrear on each Interest Payment Date, provided that there will be a short first coupon in respect of the first Interest Period.

Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Interest Rate and calculate the relevant Interest Amount (as defined below).

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount to be notified to the Issuer and the Fiscal Agent and, if required by the rules of Euronext Paris or any other stock exchange on which Notes are listed from time to time, to such stock exchange, and to the Noteholders in accordance with Condition 13 (*Notices*) without undue delay, but, in any case, not later than on the fourth (4<sup>th</sup>) Business Day after its determination.

## **5.2 Calculation of the Interest Amount**

The amount of interest (the **Interest Amount**) payable on each Note and on each Interest Payment Date will be the product of the principal amount of the Note and the applicable Interest Rate, multiplied by the Day Count Fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

## **5.3 Notifications, etc. to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 (*Interest*), whether by the Reference Banks (or any of them) or the Calculation Agent will (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

## **5.4 Calculation Agent**

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act honestly and in good faith and exercise the diligence of a reasonably prudent expert in comparable circumstances.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 13 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## **5.5 Optional Interest Deferral**

Interest payments shall only be due and payable if the Issuer so elects, in accordance with the following provisions:

(a) *Optional Interest Payment*

The Issuer may, at any time and at its sole discretion, elect to defer all or part of the payment of interest accrued on the Notes in respect of any Interest Period, except in relation to a payment of interest to be made on an Interest Payment Date falling on the date of redemption of the Notes, by giving notice of such election to the Noteholders in accordance with Condition 5.5(d) below. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment or partial payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with this paragraph will be deferred and shall constitute **Arrears of Interest** and shall be payable as provided below.

(b) *Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid, in whole or in part, at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on the date which is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Days following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer, or in the event the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with, and subject to, Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the **Arrears Interest Rate**) and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Conditions.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with and to the extent permitted by applicable law to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest, for the purpose only of calculating the Additional Interest Amount accruing thereafter.

(c) *Optional Partial Payment of Arrears of Interest and Additional Interest Amounts*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (v) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (vi) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the

order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and

- (vii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Notes in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Notes in respect of that period to the date of payment.

(d) *Notice of Deferral and Payment of Arrears of Interest*

Notice of (i) deferral of any interest under the Notes on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Noteholders in accordance with Condition 13 (*Notices*), and the Fiscal Agent and the Calculation Agent at least five (5) Business Days in Paris, but no more than thirty (30) Business Days in Paris, prior to such Interest Payment Date or date. So long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

## 5.6 Benchmark Discontinuation

If a Benchmark Event occurs in relation to the Euro 5-Year Swap Rate at any time when any Interest Rate (or any component part thereof) remains to be determined by reference to the Euro 5-Year Swap Rate, then the following provisions shall apply and prevail over the other fallbacks specified in the definition of "Euro 5-Year Swap Rate" in Condition 1 (*Definitions*).

If the Issuer (in consultation with the Calculation Agent) determines at any time prior to, on or following any Reset Interest Determination Date, a Benchmark Event occurs in relation to the Euro 5-Year Swap Rate, the Issuer will as soon as reasonably practicable (and in any event prior to the next relevant Reset Interest Determination Date) appoint (at its own cost) an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise (the **Independent Adviser**), which, acting in a commercially reasonable manner and as an independent expert in the performance of its duties, will advise the Issuer as to whether a substitute or successor rate is available for purposes of determining the Reference Rate on each Reset Interest Determination Date falling on such date or thereafter that is substantially comparable to the Euro 5-Year Swap Rate. If the Independent Adviser determines that there is an industry accepted successor rate, the Independent Adviser will advise the Issuer accordingly. For these purposes, a rate that is formally recommended by a relevant central bank, reserve bank, monetary authority, a group of the aforesaid central banks, monetary authority or supervisory authority, or any similar institution (including any committee or working group thereof) for the currency to which the Euro 5-Year Swap Rate relates or any supervisory authority which is responsible for supervising the administrator of the Euro 5-Year Swap Rate will be considered as an industry accepted successor rate. It is further specified that if there is two or more industry successor rates recommended by the above mentioned authority, institution or working groups, the Independent Adviser shall determine which of those successor rates is most appropriate, having regard to, *inter alia*, the particular features of the Notes and the nature of the Issuer. Following the foregoing advice, the Independent Adviser will determine a substitute or successor rate (such rate, the **Replacement Reference Rate**), for the purpose of determining the Reference Rate on each Reset Interest Determination Date falling on or after such determination but not earlier than the actual discontinuation of the Euro 5-Year Swap Rate. Additionally, (i) the Independent Adviser will determine the changes (if any) to the Terms and Conditions of the Notes (including, without limitation, to the business day convention, the definition of business day, the reset interest determination date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Euro 5-Year Swap Rate (including any Adjustment Spread)), in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate (ii) references to the Euro 5-Year Swap Rate in these Conditions will be deemed to be references to the Replacement Reference Rate, including any alternative method for determining such rate as described in (i) above and (iii) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 13 (*Notices*)) and the Paying Agent(s) specifying the Replacement Reference Rate, as well as the details described in (i) above that it will have received from the Independent Adviser.

The determination of the Replacement Reference Rate and the other matters referred to above by the the Independent Adviser will (in the absence of manifest error) be final and binding on the Fiscal Agent, the Calculation Agent, the Paying Agent(s) and the Noteholders, unless the Independent Adviser, acting in a commercially reasonable manner, considers at a later date that the Replacement Reference Rate is no longer substantially comparable to the Euro 5-Year Swap Rate or does not constitute an industry accepted successor rate, in which case the Independent Adviser, or another Independent Adviser appointed by the Issuer, shall advise the Issuer on confirming the Replacement Reference Rate and/or determining a substitute Replacement Reference Rate in an identical manner as described in this Condition 5.6 (*Benchmark Discontinuation*).

For the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.6. No Noteholder consent shall be required in connection with effecting the Replacement Reference Rate or such other changes pursuant to this Condition 5.6.

Notwithstanding any other provision of this Condition 5.6, no Replacement Reference Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" assigned to the Notes by any Rating Agency when compared to the "equity credit" assigned to the Notes immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Notes for "equity credit" from any Rating Agency.

Notwithstanding any other provision of this Condition 5.6, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser is unable to or otherwise does not advise the Issuer a Replacement Reference Rate for any Reset Interest Determination Date, no Replacement Reference Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available on the Screen Page as determined by the Calculation Agent.

## **6. REDEMPTION AND PURCHASE**

The Notes may not be redeemed otherwise than in accordance with this Condition.

### **6.1 Final Redemption**

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

### **6.2 Optional Redemption**

The Issuer will have the right to redeem all (but not some only) of the Notes at any time from and including the First Optional Redemption Date to and including the First Reset Date or upon any Interest Payment Date thereafter, subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 13 (*Notices*). Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

### **6.3 Make-whole Redemption by the Issuer**

The Issuer may, having given not less than ten (10) nor more than forty (40) calendar days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (each such date, a **Make-whole Redemption Date**)) redeem all but not some only of the Notes then outstanding at any time (other than (i) during the period from and including the First Optional Redemption Date to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount (the **Make-whole Redemption Option**). The Issuer shall, not less than fifteen (15) calendar days before the giving of any notice referred to above, notify the Fiscal Agent and the Calculation Agent of its decision to



exercise the Make-whole Redemption Option. No later than the Business Day immediately following the Calculation Date, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-whole Redemption Amount. All Notes shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Condition.

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**Benchmark Rate** means the amount displayed on the Reference Screen Rate or, if the Reference Screen Rate is not available, the average of the quotations given by each Reference Dealer on the Business Day immediately preceding the Calculation Date at market close of the mid-market annual yield to maturity of the Reference Bond. If the Reference Bond is no longer outstanding or the Reference Screen Rate does not quote the yield on the Reference Bond, a Similar Security will be chosen by the Issuer in consultation with an independent investment bank of international standing on the Business Day immediately preceding the Calculation Date and notified to the Calculation Agent. The Benchmark Rate (and the reference of the Similar Security if applicable) will be published by the Issuer in accordance with Condition 13 (*Notices*).

**Calculation Date** means the third Business Day prior to the Make-whole Redemption Date.

**Make-whole Margin** means:

- (i) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs prior to the First Step-up Date;
- (ii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the First Step-up Date but prior to the Second Step-up Date; and
- (iii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the Second Step-up Date.

**Make-whole Redemption Amount** means, in respect of each Note, an amount in Euro, determined by the Calculation Agent, equal to the sum of:

- (i) the greater of (x) the principal amount of such Note and (y) the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note (excluding any Arrears of Interest and Additional Interest Amount thereon and any interest accruing on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) discounted from (A) the First Optional Redemption Date, if the relevant Make-whole Redemption Date occurs prior to the First Optional Redemption Date, or (B) the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date to such Make-whole Redemption Date, in each case on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate; and
- (ii) any interest accrued and any Arrears of Interest (and Additional Interest Amount thereon) but not paid on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date, to, but excluding, the Make-whole Redemption Date.

**Make-whole Redemption Rate** means the sum, as calculated by the Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

**Reference Bond** means the German government treasury bond bearing interest at a rate of 0.25 per cent. *per annum* due 15 February 2026, with ISIN DE0001102465.

**Reference Dealers** means four banks selected from time to time by the Calculation Agent, at its sole discretion, which are primary European government security dealers or makers in pricing corporate bond issues.

**Reference Screen Rate** means Bloomberg HP page for the Reference Bond (using the settings "Mid YTM" and "Daily").

**Similar Security** means a reference bond or reference bonds issued by the German Government selected as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed (assuming for this purpose only that the Notes mature: (A) if the relevant Make-whole Redemption Date occurs prior to the First Optional Redemption Date or (B) on the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable to the Notes.

#### **6.4 Redemption for Taxation Reasons**

- (i) If a Gross-Up Event shall occur after the Issue Date, the Issuer may, at its option, at any time, subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.
- (ii) If a Withholding Tax Event shall occur after the Issue Date, then the Issuer shall forthwith give notice of such event to the Fiscal Agent and the Issuer may, at its option, at any time, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders, in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.
- (iii) If a Tax Deduction Event shall occur after the Issue Date, the Issuer may, at its option, at any time (subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable)), in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

#### **6.5 Redemption following an Accounting Event**

If an Accounting Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at the Early Redemption Price subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*).

#### **6.6 Redemption following an Equity Credit Rating Event**

If an Equity Credit Rating Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at any time, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which all or any of the Notes are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Notes by the relevant Rating Agency on the Issue Date, or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time.

#### **6.7 Redemption following a Substantial Repurchase Event**

If a Substantial Repurchase Event shall occur after the Issue Date, the Issuer may at its option, at any time, redeem all (but not some only) of the outstanding Notes at the Early Redemption Price, subject

to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*).

## **6.8 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

## **6.9 Cancellation**

All Notes which are purchased for cancellation by the Issuer pursuant to this Condition 6 (*Redemption and Purchase*) will forthwith be cancelled in accordance with applicable laws and regulations. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

# **7. PAYMENTS**

## **7.1 Method of Payment**

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Notes will be made in euro by credit or transfer to a euro denominated account (or any other account to which euros may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET 2 System.

Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to any applicable fiscal or other laws, regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

## **7.2 Payments on Business Days**

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Noteholder shall not be entitled to any interest or other sum in respect of such delay.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

## **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

The names of the initial Agents and their specified offices are set out below:

Fiscal Agent, Principal Paying Agent and Calculation Agent

**Société Générale**  
32 rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent or Paying Agent or the Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent, a Principal Paying Agent and a Calculation Agent having a specified office in a European city and (ii) a Paying Agent having a specified office in such city as shall be required by the rules of any exchange on which the Notes are listed from time to time. Notices

of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders or another Calculation Agent in accordance with Condition 13 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## 8. TAXATION

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature levied by the Republic of France, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

References in these Conditions to (i) **principal** shall be deemed to include any premium, any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes, the Early Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption and Purchase*) or any amendment or supplement to it, (ii) **interest** shall be deemed to include all accrued interest and all other amounts (including, for the avoidance of doubt, if any, all Arrears of Interest and all Additional Interest Amount) payable pursuant to Condition 6 (*Redemption and Purchase*) or any amendment or supplement to it and (iii) **principal** and/or **interest** and/or **other revenues** shall be deemed to include any Additional Amounts that may be payable under this Condition.

## 9. ENFORCEMENT EVENTS, NO EVENTS OF DEFAULT AND NO CROSS DEFAULT

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any and any Arrears of Interest (including any Additional Interest Amounts thereon) to the date of payment, in the event that a judgment is rendered by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery (*redressement judiciaire*) procedure, or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes). No payments will be made to holders of any Junior Securities of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

## 10. REPRESENTATION OF NOTEHOLDERS

The Noteholders will be grouped automatically for the defence of their common interests in a *Masse* (the *Masse*) which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 10 (*Representation of Noteholders*) and, in particular, with the exception of Articles L.228-65 I, 1°, 3° and 4° of the French *Code de commerce* as per Condition 10.9 (*Exclusion of certain provisions of the French Commercial Code (Code de commerce)*) below.

## 10.1 Legal Personality

The *Masse* will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes.

## 10.2 Representative

The following person is designated as Representative:

AETHER FINANCIAL SERVICES S.A.R.L  
36 rue de Monceau  
75008 Paris – France

The Issuer shall pay to the Representative of the *Masse* an amount equal to €400 *per annum* (excluding taxes), payable annually on the anniversary date of the issue. No additional remuneration is payable in relation to any further notes issued pursuant to Condition 12 (*Further Issues*).

In the event of death, liquidation, dissolution, retirement, resignation or revocation of the Representative, such Representative will be replaced by its alternate, if any, or another Representative may be appointed. Collective Decisions in relation to the appointment or replacement of the Representative shall be published in accordance with Condition 13 (*Notices*).

## 10.3 Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

## 10.4 Collective Decisions

Collective Decisions are adopted either (i) in a general meeting (the **General Meeting**) or (ii) by unanimous consent of the Noteholders following a written consultation (the **Written Unanimous Resolutions**, as further described in Condition 10.6 (a) below), or (iii) by consent of one or more Noteholders holding together at least ninety (90) per cent. of the principal amount of the Notes outstanding, following a written consultation (the **Written Majority Resolutions**, as further described in Condition 10.6 (b) below and together with the Written Unanimous Resolutions, the **Written Resolutions**).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2<sup>nd</sup>) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 13 (*Notices*).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

## 10.5 General Meetings

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes cast by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 13 (*Notices*) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by videoconference.

Each Noteholder or Representative thereof will have the right, during the fifteen (15) calendar day period on the first convocation and five (5) calendar day period on the second convocation preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

## 10.6 Written Resolutions and Electronic Consent

Pursuant to Article L.228-46-1 of the French *Code de commerce* the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Unanimous Resolution or a Written Majority Resolution.

### (a) *Written Unanimous Resolution*

Written Unanimous Resolutions shall be signed by or on behalf of all Noteholders and shall not have to comply with formalities and time limits referred to in Condition 10.6 (b). Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce*, approval of a Written Unanimous Resolution may also be given by way of electronic communication allowing the identification of Noteholders (**Electronic Consent**). Any Written Unanimous Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Unanimous Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 13 (*Notices*).

### (b) *Written Majority Resolution*

Notices seeking the approval of a Written Majority Resolution, which shall include the text of the proposed resolutions together with any report thereon, will be published as provided under Condition 10.5 no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Majority Resolution (the **Written Majority Resolution Date**). Notices seeking the approval of a Written Majority Resolution will contain the conditions of form and time limits to be complied with by the Noteholders who wish to express their approval or rejection

of such proposed Written Majority Resolution. Noteholders expressing their approval or rejection before the Written Majority Resolution Date will undertake not to dispose of their Notes until after the Written Majority Resolution Date.

Written Majority Resolutions shall be signed by one or more Noteholders holding together at least ninety (90) per cent. of the nominal amount of the Notes outstanding. Approval of a Written Majority Resolution may also be given by Electronic Consent. Any Written Majority Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Majority Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 13 (*Notices*).

#### **10.7 Expenses**

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

#### **10.8 Outstanding Notes**

For the avoidance of doubt, in this Condition 10, the term "**outstanding**" shall not include those Notes purchased by the Issuer, or on its behalf, or by any of its subsidiaries pursuant to applicable laws and regulations.

#### **10.9 Exclusion of certain provisions of the French Commercial Code (*Code de commerce*)**

The provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

The provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall not apply to the Notes to the extent that such proposal relates to a merger or demerger with another entity of the Group.

### **11. PRESCRIPTION**

Claims against the Issuer for the payment in respect of the Notes shall be prescribed and become void within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

### **12. FURTHER ISSUES**

The Issuer may, without the consent of the Noteholders create and issue further Notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the issue date) and that the terms of such further Notes provide for such assimilation, and references in these Conditions to "**Notes**" shall be construed accordingly. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

### **13. NOTICES**

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)) and so long as the Notes are admitted

to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.fr](http://www.euronext.fr)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

#### **14. GOVERNING LAW AND JURISDICTION**

(a) Governing Law

The Notes are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim against the Issuer in connection with any Notes may be brought before any competent court in Paris.



***Replacement Capital Language:***

*The following paragraph in italics does not form part of the Conditions.*

***Considerations regarding redemption and repurchase of the Notes:***

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Notes only to the extent the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes), unless*

- (i) the credit rating assigned by S&P to the Issuer is at least the same as or higher than the credit rating assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancings without net new issuance) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of a repurchase or a redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of ten consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or*
- (iii) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*
- (iv) the Notes are redeemed pursuant to an Equity Credit Rating Event, Accounting Event, Withholding Tax Event, Tax Gross-up Event or a Tax Deduction Event, or*
- (v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology, or*
- (vi) any such redemption or repurchase occurs on or after the Second Step-up Date.*

*Terms used but not defined in the above paragraphs shall have the same meaning as that in the Conditions.*

## **USE OF PROCEEDS**

The estimated net proceeds of the issue (i) of the 5.5 Year Non-Call Notes will amount to € 845,750,000 and (ii) of the 8.5 Year Non-Call Notes will amount to € 1,144,250,000.

The proceeds of the Notes will be used by the Issuer to refinance, in whole or in part, the acquisition of 29.9% of the Suez shares from Engie.

## DESCRIPTION OF THE ISSUER

For a general description of the Group, its activities and its financial condition, please refer to the sections and pages of the 2019 Universal Registration Document and of the Amendment to the 2019 Universal Registration Document identified in the cross-reference table of the "*Documents Incorporated by Reference*" section of this Prospectus and the "*Recent Developments*" section of this Prospectus.

## RECENT DEVELOPMENTS

The following recent developments are disclosed by the Issuer:

1. Press release dated 18 August 2020

**"Veolia enters into exclusive negotiations to acquire Osis**

**Veolia has announced the signature of an agreement with the Suez Group to acquire its subsidiary Suez RV OSIS, which specializes in the maintenance of sanitation networks and infrastructure and on-site industrial services (for the most part, industrial maintenance and cleaning). The agreement is in the form of a unilateral purchase undertaking subject to an exclusivity period of 150 days, during which the parties are expected to finalize their agreement.**

Veolia has considerable know-how in the area of industrial and sanitation maintenance, through its subsidiary Société d'Assainissement Rationnel et de Pompage (SARP). SARP operates mainly in France and has consolidated revenue of EUR 470 million and about 3,850 employees.

The merger of SARP and Suez RV OSIS would position the Veolia Group as a major player in this field and would enable both entities to offer new services to their public, service and industrial sector customers and to cover the whole country.

The transaction price is expected to be EUR 298 million, subject to the signature of final agreements between the parties. It would take place in accordance with the applicable obligations concerning the consultation of staff representative bodies and would be subject to prior authorization by the competent merger control authority."

2. Press release dated 30 August 2020

**"Veolia is offering to acquire 29.9% of Suez from Engie, to create the French world champion of ecological transformation.**

***This all-cash proposal at a price of €15.50 per share represents a 50% premium on the Suez share price on July 30, the day before Engie's announcement.***

**Veolia (VIE) announced today that it has made a firm offer to Engie for the acquisition of 29.9% of the Suez shares it holds. This offer follows Engie's announcement on July 31, 2020 of the launch of a strategic review including its stake in Suez. This offer at a price of €15.50 per Suez share, which can be implemented immediately, is valid until September 30, 2020. The proposed price of Euro 15.50 per share represents a premium of 50% over the closing price of Suez on July 30, unaffected by the announcement of Engie's intentions.**

This offer, unanimously approved by Veolia's Board, would be paid in cash. If it is accepted by Engie, Veolia intends, following the acquisition of the 29.9% of Suez shares, to file a voluntary tender offer for the remaining Suez shares. The filing of this voluntary tender offer will be completed as soon as the necessary regulatory authorizations, in particular with respect to competition, have been obtained within 12 to 18 months. Veolia reserves the right to file the public offer at any time before obtaining these authorizations. In accordance with stock exchange regulations, the characteristics of the public offer and in particular its price will be determined at the time of its filing. The price will take into account the price paid to Engie for its 29.9% block of shares, which is an important reference, and, as the case may be, any subsequent significant events affecting Suez. Veolia's proposal to Engie includes a commitment by Engie to contribute its remaining 1.8% stake in Suez to the public offer.

The entire transaction would be accretive from the first year. Group debt would remain under control, enabling Veolia to maintain its Investment Grade profile.

**Antoine Frérot, Chairman and CEO of Veolia said:** "The environmental urgency is stronger than ever, given the state of natural resources and climate change. The growing pressure of public opinion, the European Green Deal and the stimulus packages that are being announced in many countries make ecological ambition a necessity. This project will enable us to complement the solutions we provide to public and private actors in order to give them the means to sustainably reduce their environmental impact. This historic opportunity will enable us to build

the French world champion in ecological transformation, while accelerating international development and strengthening the new entity's capacity for innovation. This project is part of a friendly approach, as we share the same businesses, corporate culture and values with Suez.

Prior to this transaction, Veolia has already identified the limited antitrust issues that such a transaction would entail, and has anticipated remedies. In this context, Veolia has identified an acquirer for Suez's French water activities, Meridiam, a French infrastructure management company, capable of preserving competition and employment. Meridiam has made a formal commitment to this acquisition.

All of Suez's French water activities, as well as the engineering and R&D teams related to this division, would be acquired by this long-term French buyer. Meridiam, a benefit corporation, is a world leader in investment and infrastructure management for public services that would provide Suez Eau France with access to the financial resources it needs to realize its growth potential and industrial ambition.

In addition, the other identified areas of competition would concern certain waste management activities in France and a very few cases outside France.

#### A strong strategic rationale based on five pillars

By combining the very solid skills of Suez and Veolia, this transaction would be able to significantly accelerate the development of the new entity in the face of growing competition, and would enable the industry in France, Europe and the world to meet the environmental challenges of the 21st century.

- Broader expertise and an enlarged commercial offer

The two companies, which share a common nationality, corporate culture and know-how, are also complementary in water treatment and distribution, waste collection and recovery, particularly hazardous and toxic waste, plastics recycling, soil remediation, air quality and optimization of energy consumption. All these skills, brought together under the same brand name and supported by a team united by the same values, provide a complete range of solutions at a time when public authorities and industrial clients alike are seeking to make their activities cleaner, more efficient and more virtuous.

- An increased capacity for innovation

In a particularly fragmented volume market, innovation is fundamental to inventing and developing the technologies that are still missing to fully succeed in the ecological transformation. The combination of talent and research skills would accelerate the development of these forward-looking solutions and enable a better return on the necessary investments.

This enhanced capacity for innovation would also be supported in particular by French small and medium-sized companies working on innovation in the major areas of ecological transformation, through a support fund set up by the new entity.

In addition, the operation would lead to the establishment of a new professional training center, providing all the necessary levels of skills for the new professions that will be created by the ecological transformation, and thus launch a dedicated European school of ecological transformation in France.

- Strengthened geographical positions

Both because of the complementary nature of Suez's and Veolia's different geographies, but also by consolidating the key geographies in which the two groups operate, the new group's international footprint would be strengthened, with a significantly increased share of the world's fast-growing regions.

Veolia is particularly well established in Central and Eastern Europe and the United Kingdom, while Suez's historical geographies are in Spain and Northern Europe. Outside Europe, where the main growth regions for our businesses are located, the company would double in size in South America and Australia, while significantly strengthening its positions in North America and Asia.

- A natural combination of forces

The sale by Engie of its stake in Suez would take place at the ideal time to complete this combination: the reorganizations carried out in recent years by the two groups make them more compatible and complementary than ever. Indeed, their new strategic plans, Shaping 2030 for Suez and Impact 2023 for Veolia, are convergent and both clearly oriented towards international markets with high growth and innovation potential.

- A transaction that creates value for all stakeholders

For employees, this new, more innovative and international entity would offer even more perspectives and opportunities. The transaction would be carried out without any negative impact on employment in France. In addition, all customers, local authorities and industrial clients, would find in this new entity a partner that would enable them to achieve their own ecological transformation objectives much more quickly.

Finally, this transaction would create value for Veolia shareholders from the very first year, thanks in particular to operating and purchasing synergies estimated at 500 million euros, which have been taken into account in the price offered to Engie.

This exciting project would be fully in line with Veolia's corporate purpose, and would ideally position the new entity to meet the main challenge of this century: ecological transformation.

Messier Maris & Associés, and Perella Weinberg Partners are acting as financial advisers to Veolia for this transaction, Cleary Gottlieb Steen & Hamilton LL.P., Professor Xavier Boucobza, Me. Patrice Gassenbach, Peltier Juvigny Marpeau & Associés and Hogan Lovells, Flichy Grangé Avocats as legal advice. Citi and Gide are the financial and legal advisers of the board of directors."

### 3. Press release dated 3 September 2020

<p align="center"><b>Information relating to the total number of voting rights forming the share capital</b></p> <p align="center"><b>Article L. 238-8-II of the French commercial Code and article 223-16 of the AMF (French Financial Markets Authority) general regulation</b></p>
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**Corporate name of the issuer:** Veolia Environnement  
21, rue La Boétie  
75008 PARIS  
FRANCE  
(ISIN code: FR0000124141-VIE)

Information closing date	Total number of shares forming the share capital *	Total number of voting rights *
August 31, 2020	567,266,539	Total number of theoretical voting rights <sup>(1)</sup> : 602,732,486
		Total number of voting rights that may be exercised <sup>(2)</sup> : 589,905,313

\* Inclusion in the Veolia Environnement Articles of Association of a clause requiring a reporting obligation of the declaration of crossing a shareholding threshold, complementary to the one relating to the thresholds provided by the French law and the regulations in force (article 8).

<sup>(1)</sup> Number of theoretical voting rights = after taking into account the number of shares with double voting rights as of August 31, 2020 (35,465,947 shares) and the number of treasury shares held as of August 31, 2020 (12,827,173 shares).

<sup>(2)</sup> Number of voting rights that may be exercised = number of theoretical voting rights (or total number of voting rights attached to shares) - shares without voting rights (number of treasury shares held as of August 31, 2020).

4. Press release dated 7 September 2020

**"Veolia speeds up the development of its energy business in the Czech Republic and will operate the district heating network in Prague's Right Bank.**

**Through its subsidiary Veolia Ceska Republika, Veolia has signed an agreement to take over *Pražská Teplárenská (PT)*, a subsidiary of the Czech company *Energetický a Průmyslový Holding a.s.*, which runs the district heating network in Prague's Right Bank. The Veolia Group already operates the network in Prague's Left Bank so this transaction will strengthen its position in energy services in the Czech Republic and will eventually represent annual revenue for the Group estimated at €230 million.**

The network operated by PT is currently the largest heating network in the Czech Republic. Covering 550 kilometers and with more than 400 employees, it supplies heating to 230,000 homes, municipal installations and tertiary-sector premises on a daily basis.

Veolia's takeover of PT marks a further stage in the development of heating networks in the Czech Republic. It will also consolidate the Group's historical connection with the city of Prague, whose municipal authority is a shareholder of PVK, Veolia's subsidiary that has run water and sanitation services in the city for more than 20 years.

*"This transaction is a structural step that will further consolidate our presence in the region. It also fits in perfectly with Veolia's strategy in Central and Eastern Europe to develop the management of municipal heating networks through long-term national and local partnerships and to offer our customers innovative and distinctive services", said Philippe Guitard, Veolia's Senior Executive Vice President, Central and Eastern Europe.*

Veolia employs more than 25,000 people in 10 Central and Eastern European countries. Among other things, the Group has a presence in seven of the region's capitals, where it manages drinking water, sanitation and district heating services. The Group also operates in several major cities in the Czech Republic such as Ostrava, Frýdek-Místek, Olomouc, Přerov, Nový Jičín, Krnov, Kolín, Vlašim and Mariánské Lázně. The Group's heating networks, operated in partnership with CEZ, supply nearly 712,000 of the country's inhabitants, and it also provides energy services to 230 industrial and tertiary-sector customers.

This acquisition transaction is subject to the usual suspensive conditions relating to authorization by the competition authorities. Post-acquisition, and with the development of our partnerships with Czech partners, the overall impact on the Group's net debt should be neutral."

5. Press release dated 7 September 2020

**"Veolia announces the launch of a shareholding plan reserved for approximately 140,000 employees of the Group**

**Veolia Environnement announces the launch of a new shareholding plan for the Group's employees. This plan is offered to approximately 140,000 employees of the Group, aiming at associating them with the development and performance of Veolia. The settlement and delivery of the new shares shall take place on December 17, 2020.**

The main terms and conditions of this plan are described hereafter.

#### **Issuer**

Veolia Environnement, a société anonyme (public limited company) governed by French law

Listing: Euronext Paris (France)

Ordinary share with ISIN code: FR0000124141 VIE

#### **Purpose of the plan**

This shareholding plan is part of the Group's policy of developing employee shareholding within the Group. Through this plan, Veolia intends to associate its employees in France and abroad with the Group's development

even more closely, by offering them the possibility of subscribing directly or indirectly for Veolia Environnement shares.

### **Framework of the plan – Securities offered**

The offer is being made within the framework of the Véolia Environnement group savings plan (plan d'épargne groupe) and international group savings plan (plan d'épargne groupe international) in accordance with provisions of Articles L. 3332-18 et seq. of the French Labor Code and in accordance with the shareholders' authorization granted by the twenty-first resolution of the Combined Shareholder's Meeting dated April 22, 2020. Its main features were set by a decision of the Board of Directors dated May 5, 2020. The offer concerns a maximum nominal amount of 56,726,653 Euros (i.e. approximately 2% of the share capital).

The dates of the subscription/cancellation period and the subscription price will be set by a decision of the Chairman and Chief Executive Officer acting upon the delegation given by the Board of Directors, planned to occur on November 5, 2020. The subscription price will be equal to the average of the Veolia Environnement share's closing prices on the Euronext Paris stock exchange during the twenty (20) trading days preceding the decision of the Chairman and Chief Executive Officer above-mentioned, minus a 20% discount and rounded up to the highest euro cent.

The new shares will carry current dividend right.

### **Provisional timetable for the plan**

The timetable below is provided for information purposes only and is subject to modifications due to any event affecting the smooth completion of the plan.

Reservation Period: from September 7 to September 25, 2020 (inclusive)

Subscription Price to be set: on November 5, 2020

Subscription/Cancellation Period: from November 6 to November 10, 2020 (inclusive)

Settlement-delivery of the shares under the plan: on December 17, 2020

### **Subscription terms and conditions**

#### **Beneficiaries**

The offer is carried out pursuant to provisions of articles L. 3332-18 et seq. of the French Labor Code, in the context of Veolia Environnement's group Savings plan (Plan d'Epargne de Groupe or PEG) and international group savings plan (Plan d'Epargne de Groupe International or PEGI).

This plan is intended for employees of the Group who have at least three months' seniority within the Group as on the closing date of the cancellation period, located in the following countries and regions: Argentina, Australia, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Czech Republic, Finland, France, Germany, Hong Kong, Hungary, Ireland, Italy, Luxembourg, Mexico, Morocco, Netherlands, Oman, Poland, Portugal, Romania, Slovakia, South Korea, Spain, Sweden, United Arab Emirates, United Kingdom and United States. In the United Kingdom, employees also have the option of investing in Veolia Environnement shares under the Share Incentive Plan mechanism.

Former employees who are either retired or on early retirement and still hold assets in the PEG since they left the Group are eligible to participate in the plan. They will not, however, benefit from the employer matching contribution.

#### **Subscription Formulas**

Beneficiaries will have the possibility of subscribing for Veolia Environnement shares under two separate offerings, a leveraged secure offering and a classic offering:



The leveraged secure offering: the subscriber benefits from a gross employer matching contribution corresponding to 100% of his/her personal contribution up to a maximum of 300 euros, a protection on the amount of his/her initial investment, including the employer matching contribution, and a multiple of the potential increase of the Veolia Environnement share price.

The classic offering: the subscriber invests in Veolia Environnement shares at the 20% discounted price. Any investment made under the classic offering carries a risk of capital loss as it will follow the upward and downward fluctuations of the Veolia Environnement share price.

#### **Custody of the Shares**

The subscription is carried out through an FCPE or, in some countries, by direct shareholding.

For shares subscribed and held in the FCPE, voting rights attached to these shares will be exercised by the FCPE's supervisory board. The voting rights will be exercised directly by the subscribers for shares subscribed and held directly by them.

#### **Lock-up period**

In accordance with provisions of Article L. 3332-25 of the French Labor Code, the directly subscribed shares as well as the FCPE units are unavailable for a period of approximately five years, except in the event of occurrence of an early release case as described in articles L. 3332-25 and R. 3324-22 of the French Labor Code, as applicable in the various countries where the plan is proposed.

#### **Hedging transaction**

The implementation of the financial mechanisms relating to the leveraged secure offering requires hedging transactions by the financial institution structuring the offering carried out on market exchange and/or over-the-counter exchanges, by means of the purchase and/or sales of shares, the purchase of call options and/or all other transactions, at all times and in particular as from the starting date of the determination of the subscription price and for the whole duration of the plan.

#### **Listing of the shares**

The Veolia Environnement shares are admitted to trading on the Euronext Paris stock exchange. The request for admitting the newly issued Veolia Environnement shares to trading on the Euronext Paris regulated market will be sent as soon as possible after the completion of the share capital increase. The new shares will be listed on the same line as the existing shares (ISIN code: FR 0000124141-VIE) and will be entirely assimilated to the existing shares as from the date of their admission to trading.

#### **Specific notification concerning the international offering**

This press release does not constitute an offer to sell or a solicitation to subscribe Veolia Environnement shares. The offering of Veolia Environnement shares is strictly reserved for the above referenced beneficiaries and will be carried out only in those countries where such an offering has been registered with or disclosed to the relevant local authorities and/or where a prospectus has been approved by the relevant local authorities, or an exemption from the requirement to prepare a prospectus or to register or disclose the offering has been granted.

More generally, the plan will only be carried out in countries in which all required filing procedures or notifications have been completed and the necessary authorizations have been obtained.

Veolia Environnement shares offered to sale under this plan have not been recommended by any governmental securities commission or regulatory authority. Neither Veolia Environnement nor any employer is giving investment advice. Investing is a personal decision that must be made by the employee, taking into account his/her financial resources, investment goals, personal tax situation, any other investment alternatives available and the fact that the value of a quoted share will fluctuate. In this regard, employees are encouraged to consider the diversification of their investment portfolio to ensure that the risk that they assume is not unduly concentrated on any single investment.

The Offer is proposed on a discretionary basis by Veolia Environnement. Neither Veolia Environnement, nor the employers are required to repeat the plan or to make similar offerings in the future. The terms and conditions of the plan do not form part of the employment contract of the employees."

6. Press release dated 9 September 2020

**"Solvay and Veolia partner to renew the life cycle for electric car batteries**

**A new consortium is born, creating a circular value eco-system for electric and hybrid vehicle batteries in Europe by enabling the reuse of scarce critical raw materials**

Today, Solvay and Veolia are pleased to announce their partnership on a circular economy consortium to offer new solutions that promise better resource efficiency for critical metals used in lithium ion electric vehicle (EV) batteries.

With the number of electric vehicles on the road expected to grow from 8 million in 2020 to 116 million by 2030, ensuring stable access to raw materials is a strategic challenge. Furthermore, materials used today in EV batteries are not always recovered at their maximum value.

Solvay and Veolia, through its subsidiary SARP Industries, are already actively engaged in discussions with a car manufacturer and battery cell producers, to coordinate, collaborate and leverage on respective technologies and core competences at each step of the value chain - from access and spent battery feedstock to dismantling, metal extraction and purification.

Solvay's role in this consortium is to optimize the extraction and purification of critical metals such as cobalt, nickel and lithium and transform them into high-purity raw materials for new batteries, ready for another fresh start. The project demonstrates that Solvay's technologies are essential in closing the loop of circular economy. Solvay is also present in the EV and hybrid battery value chain thanks to its high-performance specialty polymers for binders and separators and specialty additives for electrolytes.

"I am truly excited about our partnership with Veolia, aiming to take circularity another meaningful step forward towards cleaner mobility," explained Solvay CEO Ilham Kadri. "At Solvay, our technologies will bring new life to batteries at the end of their cycle. Our unique know-how combining Specialty Polymers, Composites and Mining solutions together with Veolia's unique experience in waste management, is a fantastic opportunity to build a greener battery ecosystem."

In its recycling plant in eastern France, Veolia has already been dismantling batteries for electric vehicles since 2013. The combination of mechanical and hydrometallurgical processes makes it possible to treat the active cells and extract the active metals. These metals are then used by industry and transformed into new materials.

"The recycling of electric vehicle batteries and the management of the pollutants they contain are major ecological and industrial challenges. By partnering, Veolia and Solvay help develop the recycling value chain and the production of strategic raw materials for the production of new batteries. If today the essential compounds of batteries are mainly imported, tomorrow they will be regenerated in Europe", declares Antoine Frérot Chairman and CEO of Veolia.

Establishing this partnership is integral to Solvay Group's sustainability ambitions and its Solvay One Planet commitments. By 2030, Solvay will generate 15% of its revenues from either bio-based or recycled-based materials."

7. Press release dated 28 September 2020

**"Veolia confirms today that Engie having canceled its board of directors scheduled on September 25, it will submit its improved offer no later than September 30, 2020"**

8. Press release dated 30 September 2020

**"Veolia confirms its project to create the world leader in the ecological transformation**

**Taking into consideration both the French State and Engie's concerns, Veolia has decided to improve all the characteristics of its offer in order to present the best possible offer for the vote of the Board of Directors of Engie today.**

Veolia formerly undertakes to respect all the social commitments which are today presented to Engie and to the Minister of Economy and Finance.

Veolia has committed, in case it would take full control of Suez, to maintain full employment in France, and that all employees would also keep their social status, including both individual and collective benefits. With regards to activities in France which will have to be divested in order to obtain the anti-trust clearance, Veolia commits that the buyers will undertake the same commitments.

Concerning the management teams of the new Group, Veolia will integrate the executives of Suez in the management and executive committees, in a well-balanced spirit and according to their competencies.

After the purchase of the 29.9% stake of Suez from Engie, Veolia is ready to commit to launch a tender offer on 70.1% of the capital of Suez (according to its previous announcements) only provided it is on a friendly basis, benefitting from a favorable recommendation of the Board of Directors of Suez.

In order to achieve this, Veolia proposes to Suez to allow each party a period of 6 months ending on March 31st 2021, during which the 2 Groups will undertake their best efforts to reach an agreement to successfully implement the project carried out by Veolia.

In return for these commitments, Veolia intends that Suez removes the mechanism announced on September 23rd based on the Dutch-based foundation.

Finally, Veolia is also improving the price of its offer to purchase the 29.9% stake of Suez from Engie, increasing it to €18 per share (including dividend).

This revised offer remains valid today and will expire at midnight."

#### 9. Press release dated 4 October 2020

"Following constructive discussions with the management of the Suez group since October 1, and as confirmed today to Jean-Pierre Clamadiou, Chairman of the Board of Engie, Veolia group announces that it unconditionally commits not to file a hostile takeover bid following the sale of the shares held by Engie in Suez. Any public takeover bid on Suez's remaining capital will therefore require a prior favorable reception from Suez's board of directors.

Veolia thus provides the guarantee expressed by Engie's board of directors, in addition to the price offered and the strong social commitments made by the Group, thus making possible the sale of the 29.9% of the capital that Engie holds in Suez.

Veolia has also made a commitment to Philippe Varin, Chairman of the Board of Suez, to respond favorably to the request formulated by Suez to the public authorities to extend the scope of the assets sold to the buyer of Suez Eau France to international water assets for a total turnover of around 5 billion euros (including 2.2 billion euros for the French Water)."

#### 10. Press release dated 5 October 2020

##### **"Veolia acquires 29.9% of Suez's capital from Engie and confirms its intention to acquire control**

Veolia acknowledges Engie's decision to respond favorably to its offer to acquire a 29.9% stake in Suez.

As a reminder, this proposal, submitted on August 30 and continuously improved since, presents in particular the following elements:

- a price of 18 euros per share (dividend included), i.e. a premium of 75% over the unaffected price of July 30, 2020, paid immediately in cash and paving the way for a public tender offer on the remaining share capital of Suez for all of its shareholders;
- the guarantee of 100% of jobs and social benefits for all Suez employees in France;
- the certainty of a French operation;
- the preservation of competition thanks to the takeover by French company Meridiam of the Water activity in France from Suez, Meridiam having committed to preserving all jobs and social benefits, to take over the R&D center of Suez and to double the investments planned and to inject 800 million euros into this new scope within 5 to 7 years.

This decision marks a first decisive step in the construction in France of a world super champion of the ecological transformation making the trail in this strategic sector for at least 20 years.

**Antoine Frérot said:** *"I am very happy to lay the foundation stone in France today for a world super champion of the ecological transformation. This is a wonderful opportunity for the employees, customers and shareholders of both groups, and it is a project which serves France and the planet".*

In accordance with the commitments made, Veolia confirms its intention to file a voluntary public takeover bid on the remaining Suez share capital in order to complete the merger of the two companies. This offer will be at the same price as that paid to Engie, i.e. 18 euros per share, under the conditions detailed below. At the same time, Veolia recalls that this offer will not be launched without first having obtained a favorable opinion from the board of directors of Suez, with which Veolia wishes to resume discussions as of tomorrow.

The details of Veolia's intentions are shown below.

Messier Maris & Associés, and Perella Weinberg Partners are acting as financial advisors to Veolia for this transaction, Cleary Gottlieb Steen & Hamilton LLP., Professor Xavier Boucobza, Me. Patrice Gassenbach, Peltier Juvigny Marpeau & Associés and Hogan Lovells, Flichy Grangé Avocats as legal advice. Citi and Gide are the financial and legal advisers of the board of directors.

...

**Veolia has today acquired Suez shares representing 29.9% of the capital of Suez from Engie, at a price of 18 euros per share (dividend included)<sup>1</sup>.**

#### **Intention to file a public offer**

Veolia intends, following the acquisition of the 29.9% block of Suez shares, to take control of Suez. To this end, Veolia intends to file a voluntary takeover bid for the remaining Suez shares. This public offer will be in cash, without cap, Veolia reserving the possibility of adding to the part offered in cash a capped part in Veolia shares.

The filing of this public offer will take place at the latest when the necessary regulatory authorizations are obtained, in particular in competition matters, within 12 to 18 months, Veolia reserving the right to file the public offer at any time before obtaining these authorizations.

However, Veolia's public offering will only take place once the Veolia project has been favorably received by Suez's board of directors, possibly after the general meeting of its shareholders.

The price of the public offer will be that paid to ENGIE, i.e. 18 euros per share (coupon attached). This price will be adjusted to take into account any distribution in any form whatsoever (in cash or in kind), including (i) any distribution of a dividend, an interim dividend, reserves or premiums made by Suez or (ii) any amortization or reduction by Suez of its share capital, or any acquisition or repurchase of its own shares by Suez, for a price per share higher than the offer price. Likewise, in the event of an operation having an impact on Suez's capital (in particular, merger, demerger, division or consolidation of shares, distribution of free shares in respect of existing shares by incorporation of reserves or profits), the price offered per share (and, in the case of a subsidiary part offered in Veolia shares, the exchange ratio) will be automatically adjusted in order to take into account the impact of said transactions.

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<sup>1</sup> To protect Engie, the share transfer contract entered into with Engie includes a price supplement clause in the event that the market benefits from an overbid from Veolia, thus allowing Engie to benefit from all or part of this overbidding.

In addition, Veolia reserves the right, where applicable, to modify the price of 18 euros per share (coupon attached) in the event of significant events that have affected or are likely to affect Suez's balance sheet, income or outlook between the date of acquisition of the block from ENGIE and the date of filing of the tender offer. These significant events include asset disposals or acquisitions, the granting of rights to third parties over Suez assets, and commitments made outside the normal course of business. Any price change that could result from such events would be such as to reflect Suez's impairment as determined by a multi-criteria analysis.

Veolia also reserves the right not to file a public tender offer in the event of major adverse circumstances impacting the Suez group or of a sale by Suez of any strategic asset, namely the Spanish and Chilean water assets, WTS, regulated water assets in the United States of America, waste management assets in France, the UK and Australia or any other measure significantly affecting these assets.

#### **Employee commitments**

Veolia formally confirmed its employee commitments, which were handed over to Engie and the French Minister of the Economy, Finance and Recovery.

Veolia has made a commitment that the merger operation will not have a negative impact on employment in France.

Regarding the activities in France that will have to be sold to enable us to obtain regulatory authorizations, Veolia undertakes that the chosen buyers will make the same employee commitments.

On bringing together the management teams to form the new group, Veolia is committed to integrating Suez executives into the management bodies in a spirit of balance and on the basis of competence criteria.

#### **Authorizations relating to merger control**

As reported on August 30, 2020, Veolia has identified the targeted competition issues that the merger with Suez would involve and has anticipated remedies.

Notifications will be required in a number of jurisdictions, including the European Union, United States of America, United Kingdom, Australia, China, Morocco. Pending authorization from the European Commission, Veolia will not exercise the voting rights attached to its stake, except for decisions likely to protect the property value of this stake with the authorization of the Commission.

In the context of the remedies identified, Veolia proposed Meridiam as a buyer capable of preserving competition and employment for the activities of Suez Eau France. Meridiam has formally committed to this acquisition by submitting an offer to Veolia, for the benefit of Suez, relating to the management and operation of drinking water and sanitation services carried out in France as well as the R&D activities related to water and those of the design / construction of water treatment facilities in France (Degrémont France). Meridiam's offer, which is at a market price (the price of 18 euros per Suez share offered by Veolia taking this into account), covers the scope comprising the entire capital of the company Suez Eau France and its subsidiaries, and the design-build activities in France corresponding to Degrémont France, for those not owned by Suez Eau France.

The only conditions for this acquisition would be obtaining the required authorizations for merger control and the settlement and delivery of Veolia's public tender offer for Suez. Meridiam's offer is valid until December 31, 2022.

#### **Funding**

The acquisition of the 29.9% block is financed from the group's own resources. The financing of the offer would be provided by a bridge loan concluded with a banking syndicate. It is expected that this loan will be refinanced in part by the proceeds from the sale of the remedial assets and, possibly, by the issue of equity securities or giving access to the capital (depending in particular on the amount of the disposals and a possible part offered in Veolia shares in the public offering) with a view to preserving the current credit rating and maintaining the extended group's net financial debt / EBITDA ratio below 3.0x in the medium term in accordance with the group's objectives."

11. Press release dated 9 October 2020

**"Veolia is appealing the decision of interim relief Judge of the Judicial Court of Paris.**

This decision, **which does not call into question the ownership of the shares acquired by Veolia on October 6**, has no legal basis. The so-called *"decisions already taken and publicly announced in the press on August 30, 2020 by Veolia and Engie"* covered by the ordinance do not exist. At that date, there was only an offer from Veolia to Engie. And to date, according to the CEO of Suez himself, Veolia is not a controlling shareholder.

This decision is also particularly incomprehensible as only the management of Suez is competent to organize an information-consultation of its Employee Works Council. This is a reality that cannot escape anyone. Suez has not initiated an information-consultation procedure vis-à-vis its employee representative bodies since its management is opposed to the project. Bringing responsibility for the failure to organize such a consultation to Veolia is therefore perfectly grotesque since the Group clearly did not have this power.

Veolia points out that it has always made itself available to the managers of Suez and its employee representative bodies, and as soon as August 30th. It is common knowledge that Veolia has had several meetings with Suez management over the past few days to present its project. Veolia remains available to present its project to employee representatives.

Because this interim order, provisional, and issued by a single judge is based on so-called "decisions" that do not exist, Veolia is appealing against it.

**In addition, the AMF has published a notice confirming the beginning of a pre-offer period as a result of Veolia's press release dated 5 October 2020."**

12. AMF's notice dated 6 October 2020

On 6 October 2020, following the Issuer's press release dated 5 October 2020 relating to its intention to file a public tender offer with respect to Suez remaining shares, the AMF has published a notice confirming the beginning of a pre-offer period as a result of which the provisions related to trading on the securities (articles 231-38 to 231-43 of the General Regulation of the AMF) and reporting on transactions (articles 231-44 to 231-52 of the General Regulation of the AMF) on Suez shares are applicable.

## SUBSCRIPTION AND SALE

### Subscription Agreement

Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas, Crédit Industriel et Commercial S.A., Deutsche Bank Aktiengesellschaft, Mediobanca Banca di Credito Finanziario S.p.A., Mizuho Securities Europe GmbH, MUFG Securities (Europe) N.V., Natixis, SMBC Nikko Capital Markets Europe GmbH, Standard Chartered Bank and UniCredit Bank AG (together, the **Joint Bookrunners**), have, pursuant to a subscription agreement dated 16 October 2020 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment, or failing which to subscribe and pay, for (i) the 5.5 Year Non-Call Notes at an issue price equal to 100 per cent. of the principal amount of the 5.5 Year Non-Call Notes, less any applicable commission and (ii) the 8.5 Year Non-Call Notes at an issue price equal to 100 per cent. of the principal amount of the 8.5 Year Non-Call Notes, less any applicable commission.

In addition, the Issuer will pay certain costs incurred by it and the Joint Bookrunners in connection with the issue of the Notes.

The Joint Bookrunners are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

### General Selling Restrictions

Each Joint Bookrunner has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would, to the best of each Joint Bookrunner's knowledge, permit a non-exempt offer of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

### France

Each of the Joint Bookrunners has represented and agreed that it has only offered or sold, and will only offer or sell, directly or indirectly, any Notes in France to qualified investors (*investisseurs qualifiés*) (with the exception of individuals), as defined in Article 2(e) of the Prospectus Regulation and Article L.411-2 1° of the French *Code monétaire et financier*, and has only distributed and will only distribute or cause to be distributed this Prospectus and any other offering material relating to the Notes to such qualified investors.

### Prohibition of Sales to European Economic Area and United Kingdom Retail Investors

Each of the Joint Bookrunners has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA or in the UK.

For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### United Kingdom

Each Joint Bookrunner has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States in reliance on Regulation S.

Each Joint Bookrunner has represented and agreed with the Issuer that, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until and including the fortieth day after the later of the commencement of the offer and the closing date for the sale of any Notes, within the United States or to, or for the account or benefit of U.S. persons except in accordance with Rule 903 of Regulation S. Each Joint Bookrunner has also agreed that it, each of its affiliates and each person acting on its or their behalf have complied and will comply with the offering restriction requirements of Regulation S; and at or prior to confirmation of a sale of Notes it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. Each Joint Bookrunner has also represented and agreed with the Issuer that no directed selling efforts (as defined in Regulation S) have been made or will be made in the United States by the Joint Bookrunners, any of their affiliates or any person acting on behalf of any of the Joint Bookrunners or their affiliates in respect to the Notes.

Terms used in the preceding paragraph and not otherwise defined in this Prospectus have the meanings given to them by Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.



## GENERAL INFORMATION

### 1. Approval by the AMF

This Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation and received the approval number no. 20-516 dated 16 October 2020.

The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

### 2. Clearing of the Notes

The 5.5 Year Non-Call Notes have been accepted for clearance through the Euroclear France, Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number (ISIN) of the 5.5 Year Non-Call Notes is FR00140007K5 and their Common Code number is 224577281.

The 8.5 Year Non-Call Notes have been accepted for clearance through the Euroclear France, Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number (ISIN) of the 8.5 Year Non-Call Notes is FR00140007L3 and their Common Code number is 224577338.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### 3. Admission to trading

Application has been made to admit the Notes to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended.

### 4. Listing fees

The estimated costs for the admission to trading of the 5.5 Year Non-Call Notes are € 21,250 (including AMF fees) and the estimated costs for the admission to trading of the 8.5 Year Non-Call Notes are € 21,250 (including AMF fees).

### 5. Corporate authorisations

The issue of the Notes was authorised by resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 10 March 2020 and 1 October 2020 and a decision of Antoine Frérot, Chairman and CEO (*Président Directeur général*) of the Issuer dated 15 October 2020.

The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of the Notes.

### 6. Documents available

Copies of:

- (i) the *statuts* of the Issuer;
- (ii) the Agency Agreement;
- (iii) this Prospectus; and
- (iv) the documents incorporated by reference in this Prospectus,

will be available for inspection during the usual business hours on any week day (except Saturdays, Sundays and public holidays) at the registered office of the Issuer.

This Prospectus and the documents incorporated by reference in this Prospectus will be published on the website of (a) the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)) and (b) the AMF ([www.amf-france.org](http://www.amf-france.org)).

The *statuts* of the Issuer are available at:

[https://www.veolia.com/sites/g/files/dvc2491/files/document/2019/05/Finance\\_VE-Statuts-au-03-05-2019\\_VF.pdf](https://www.veolia.com/sites/g/files/dvc2491/files/document/2019/05/Finance_VE-Statuts-au-03-05-2019_VF.pdf).

**7. No material adverse change**

Save as disclosed in the Prospectus, including with respect to the impact that the sanitary crisis resulting from the coronavirus (COVID-19) may have, there has been no material adverse change in the prospects of the Issuer since 31 December 2019.

**8. Significant Change**

Save as disclosed in the Prospectus, including with respect to the impact that the sanitary crisis resulting from the coronavirus (COVID-19) may have, there has been no significant change in the financial performance and/or position of the Issuer and/or the Issuer and its subsidiaries, taken as a whole since 30 June 2020.

**9. Litigation**

Except as disclosed in the Prospectus, neither the Issuer nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries, taken as a whole.

**10. Auditors**

KPMG S.A., Tour Egho, 2 avenue Gambetta, 92066 Paris La Défense, France and Ernst & Young 1 -2, Place des Saisons Paris-La Défense 1 – 92400 Courbevoie have (i) audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2019 and (ii) carried out a limited review of the consolidated financial statements of the Issuer for the half year ended 30 June 2020. KPMG S.A. and Ernst & Young are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles* and regulated by the *Haut Conseil du Commissariat aux Comptes*.

**11. Rating**

The Notes have been rated BB+ by S&P and Baa3 by Moody's. As at the date of this Prospectus, the Issuer's long-term and short-term debt has been respectively rated (i) BBB and A-2 with stable outlook by S&P and (ii) Baa1 and P-2 with stable outlook by Moody's. S&P and Moody's are established in the European Union and is registered under the CRA Regulation. As such, S&P and Moody's are included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency

**12. Yield**

Being undated securities, there is no explicit yield to maturity for the Notes.

The annual yield in respect of the 5.5 Year Non-Call Notes to the First Reset Date is 2.250 per cent. *per annum* and is calculated on the Issue Date on the basis of the issue price of the 5.5 Year Non-Call Notes.

The annual yield in respect of the 8.5 Year Non-Call Notes to the First Reset Date is 2.500 per cent. *per annum* and is calculated on the Issue Date on the basis of the issue price of the 8.5 Year Non-Call Notes.

It is not an indication of future yield.

**13. Conflicts of interest**

As of the date hereof, and to the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of the members of the *Conseil d'Administration* of the Issuer and the duties they owe to the Issuer.

**14. No conflicts**

In the ordinary course of their business activities, the Joint Bookrunners and the Calculation Agent, and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Bookrunners and the Calculation Agent or their affiliates that have a lending relationship with the Issuer routinely hedge their

credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunner or the Calculation Agent and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. The Joint Bookrunners and the Calculation Agent and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The net proceeds of this issuance will be used, at the time of the issuance, or may be used in the near future, to repay part of the exposures held by certain of the Joint Bookrunners or the Calculation Agent, or their affiliates.

#### **15. Stabilisation**

In connection with the issue of the Notes, Natixis (the **Stabilising Manager**) (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the Issue Date of the Notes and sixty (60) calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

#### **16. Forward-Looking Statements**

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

The Issuer operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and the Issuer does not undertake any obligation to update or revise any of these forward-looking statements, to reflect new information, future events or circumstances or otherwise. These forward-looking statements do not constitute profit forecasts or estimates under the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation.

#### **17. LEI**

The Issuer's Legal Entity Identifier (LEI) is: 969500LENY69X51OOT31.

#### **18. Currency**

In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR" or "euro" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

#### **19. Benchmarks Regulation**

Amounts payable under the Notes from and including the First Reset Date are calculated by reference to the Euro 5-Year Swap Rate which itself currently refers to Reuters screen ICESWAP2/EURSFIXA, which is provided by ICE Benchmark Administration Limited (the **Administrator**). As at the date of this Prospectus, the Administrator appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulation.

#### **20. Websites**

Any websites mentioned or referred to in this Prospectus are for information purposes only and the information to such websites does not form any part of this Prospectus unless that information is incorporated by reference into the Prospectus.

## PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

The Issuer hereby declares that, to the best of its knowledge, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### Veolia Environnement

21 rue La Boétie  
75008 Paris

duly represented by Antoine Frérot, Chairman and CEO  
on 16 October 2020



This Prospectus has been approved by the AMF in its capacity as competent authority for the purposes of Regulation (EU) 2017/1129, as amended.

The AMF approves this Prospectus having verified that the information contained in it is complete, coherent and comprehensible as provided under Regulation (EU) 2017/1129, as amended.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

This Prospectus has been approved on 16 October 2020 and is valid until the date of admission of the Notes to trading on Euronext Paris and must during such period and in accordance with Article 23 of Regulation (EU) 2017/1129, as amended, be completed by a supplement to the Prospectus in the event of any new significant facts or material errors or inaccuracies. The approval number applicable to this Prospectus is 20-516.

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