



Paris - La Défense, February 28, 2019

Elements of corporate officers' compensation and financial conditions for their departure

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, the Board of Directors, in its meeting on February 26, 2019, and upon recommendation of the Compensation Committee, made the following decisions concerning the compensation of Gérard Mestrallet, Chairman of the Board of Directors, and Jean-Louis Chaussade, Chief Executive Officer, whose terms will come to an end following the Shareholders' Meeting on May 14, 2019.

I - COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

There was no compensation awarded by the Company to Gérard Mestrallet for the 2018 fiscal year, apart from Directors' fees allocated to him, which amounted to €53,055.

The Board of Directors renewed the Chairman of the Board of Directors' compensation policy for the period from January 1 to May 14, 2019, when Gérard Mestrallet's term as Chairman of the Board of Directors will come to an end.

II - COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

Compensation for the 2018 fiscal year

The Chief Executive Officer's compensation for the 2018 fiscal year was established in application of the compensation policy approved by the Shareholders' Meeting on May 17, 2018 under Resolution 14.

Jean-Louis Chaussade's gross fixed compensation for the 2018 fiscal year was €750,000 (unchanged since 2009). The annuities paid under the CNAV retirement plan and the mandatory ARRCO and AGIRC plans are included in this fixed compensation.

The Chief Executive Officer's variable compensation for the 2018 fiscal year was €666,415 (compared with €541,098 in 2017), i.e 61.3% of his maximum variable compensation and 88.9% of his fixed compensation. The payment of this variable compensation is subject to the approval of the Shareholders' Meeting on May 14, 2019.

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This variable compensation was established based on criteria set by the Board of Directors in its meeting on February 28, 2018, after reviewing the 2018 full-year results for quantifiable criteria and assessing the degree to which qualitative criteria were achieved.

	Weighting	Evaluation scale ^(a)	Level of achievement	Total
EBIT	20%	0-120%	104.31%	€141,005
Free Cash Flow	20%	0-120%	114.80%	€192,150
ROCE	10%	0-120%	105.57%	€73,572
Total Shareholder Return	25%	0-120%	< 80%	-
TOTAL QUANTIFIABLE CRITERIA	75%		98.08%	€406,727
TOTAL QUALITATIVE CRITERIA^(b)	25%	0-120%	118.00%	€259,688
TOTAL VARIABLE COMPENSATION	100%		102.72%	€666,415

(a) Quantifiable criteria, as set according to the budget reviewed by the Board of Directors, corresponds to 80% of the objective being met. The level is 0% if the achievement level is less than or equal to 80% of the budget. The level is 145% if the level of achievement is greater than or equal to 120% of the budget.

(b) The qualitative criteria were based on health and safety results, implementation of the Group transformation plan and implementation of strategy (profitable growth, asset rotation).

Compensation for the period from January 1 to May 14, 2019

Since Jean-Louis Chaussade's term as Chief Executive Officer comes to an end after the Shareholders' Meeting on May 14, 2019, the following elements of compensation were fixed by the Board of Directors for the period from January 1 to May 14, 2019:

FIXED COMPENSATION

The Chief Executive Officer's gross annual fixed compensation will be maintained at €750,000 in 2019, on an annual basis (with the understanding that the total annuities received under the general retirement plan and the mandatory ARRCO and AGIRC retirement plans are deducted from the €750,000 total before payment). This fixed compensation will be calculated on a *prorata temporis* basis until May 14, 2019.

VARIABLE COMPENSATION

His 2019 variable compensation will be determined under conditions similar to those of 2018. As in previous years, it will be between 0 % and 145 % of his fixed compensation and will be determined according to the following criteria:

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	Weighting
EBIT	20 %
Free Cash Flow	20 %
ROCE	10 %
Total Shareholder Return	25 %
Total quantifiable criteria	75 %
Total qualitative criteria	25 %
– Management transition	
– Health and Safety results	
TOTAL VARIABLE COMPENSATION	100 %

The level of achievement of the performance criteria will be evaluated by the Board of Directors based on December 31, 2019 results. This figure will be pro-rated based on the actual period in which Jean-Louis Chaussade served as Chief Executive Officer.

BENEFITS IN KIND - HEALTHCARE COVERAGE

The Chief Executive Officer will continue to benefit from the use of a company car and from the Company healthcare coverage, for the period from January 1 to May 14, 2019.

No other compensation will be granted to Jean-Louis Chaussade for the 2019 fiscal year for his duties as Chief Executive Officer.

Conditions of the Chief Executive Officer's Departure

The Board of Directors also acknowledged the financial conditions applicable at the end of Jean-Louis Chaussade's term as Chief Executive Officer, after the Shareholders' Meeting on May 14, 2019.

The Board reiterated the fact that the Chief Executive Officer will not receive any severance pay or compensation under a non-compete clause. Therefore the Chief Executive Officer will not receive any compensation of any kind related to the end of his term as Chief Executive Officer.

However, as stipulated when his retirement plans were liquidated on August 1, 2014, Jean-Louis Chaussade will receive an annuity under SUEZ's defined benefit retirement plan, which he had voluntarily renounced, starting from the end of his term as Chief Executive Officer. These annual annuities, to be paid by an insurance company (and not by Suez), will total €280,304, 19.7% of his annual compensation for 2018 (including fixed and variable annual compensations). These

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annuities will be added to the total annuities received under the general retirement plan and the mandatory ARRCO and AGIRC retirement plans.

The Board reiterated that the following elements of compensation will apply under the conditions initially stipulated when they were granted, after the end of the term as Chief Executive Officer:

LONG-TERM VARIABLE COMPENSATION

In its meeting on February 28, 2017, the Board of Directors decided to grant the Chief Executive Officer a long-term variable compensation of a maximum of €750,000 (100% of his fixed compensation), wholly subject to the achievement of the performance conditions in the 2017 to 2019 fiscal years, to be evaluated by the Board of Directors in 2020 during the approval of the consolidated financial statements for the 2019 fiscal year. The total amount due to Jean-Louis Chaussade for this variable long-term compensation will be paid in 2020, subject to the approval of the 2020 Shareholders' Meeting. The Board of Directors confirmed that the terms for granting this compensation would still apply, even though the Chief Executive Officer's term of office will end before the conclusion of the period for evaluating performance conditions, since the end of this period is close to the end of the Chief Executive Officer's term of office.

No other long-term variable compensation plans will apply to the Chief Executive Officer at the end of his term, since he renounced the long-term compensation plan introduced in 2018 and he is not owed any amount under the long-term variable compensation plan granted in 2016 (because one performance condition was not achieved).

EXCEPTIONAL COMPENSATION

As a reminder, in 2018 the Board of Directors decided to grant the Chief Executive Officer exceptional compensation following the acquisition of GE Water & Process Technologies. This exceptional compensation totaled a target amount of €1,500,000 (twice the Chief Executive Officer's fixed compensation), which could be raised to a maximum of €1,650,000 in the event of overperformance, to be paid in cash, subject to the level of achievement of the performance conditions to be evaluated by the Board of Directors over an 18-month period between October 1, 2017 and March 31, 2019.

The amount of this exceptional compensation will be determined in the first half of 2019, and, in accordance with article L.225-100 of the French Commercial Code, its payment will be subject to the approval of the Shareholders' Meeting called to approve the 2019 financial statements.

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In application of articles L.225-37-2 and L.225-100 of the French Commercial Code, the Board of Directors will present the policy on the compensation of corporate officers for the 2019 fiscal year for a vote at the Shareholders' Meeting on May 14, 2019 and will ask the shareholders to approve the elements of the corporate officers' compensation for the 2018 fiscal year.

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