



26 Bd Malesherbes - 75008 PARIS  
11 Hill Street – LONDON W1J 5LF  
Tel : + 33 1 4387 1866 / + 44 20 3876 7981  
www.ci-am.com

**Suez**  
**Mr. Philippe Varin**  
Chairman  
Tour CB 21  
16, place de l'Iris  
92040 Paris La Défense Cedex

LRAR

Paris, 20<sup>th</sup> October 2020

Mr. Chairman and board members,

In an e-mail sent on 24 September, CIAM raised questions to the Board about Suez's interest in losing its right to dispose of a significant asset, to the benefit of a foreign legal structure.

This "*poison pill*" clearly violates Suez's corporate interest. In fact, by creating a foundation under Dutch law in order to make this strategic asset inalienable, the Board of Directors directly caused Suez to lose rights over its subsidiary – and thus considerable value - without any compensation for the company. The primary beneficiary of this decision appears to be the Board itself, which is illegitimately protecting itself to the detriment of the company. This action is against the company's corporate interest and seems to have been guided only by the personal interests of the members of the Board of Directors, in a highly questionable "*entrenchment*" strategy, which may lead to civil and even criminal liability.

Moreover, this decision appears to be illegal in our view, in that it limits not only the powers of the Board following a "*change of control*", but also those of shareholders, who can no longer effectively decide on the fate of this asset at the general meeting. The Board of Directors is obviously prohibited from restricting its own future powers or those of shareholders' meetings, as both of these are defined by law for all limited companies.

In addition, the financial consequences of a change of control contravene the legal principle of free revocation of board members, which may well constitute, in our view, one of the objectives of this arrangement.

The Board, alongside this decision, also accelerated its disposal of assets, the haste of which, in this context, appears to be potentially detrimental to corporate interest.



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Suez's Board of Directors therefore seems to have chosen the "scorched earth" policy, simultaneously negating the principles of sound governance, the rights of shareholders and corporate interest that it is supposed to uphold. The strategy currently pursued by the Board makes the question of its legitimacy to represent the shareholders' interests increasingly pressing.

Under these circumstances, we are compelled to remind you of your fundamental fiduciary duties, and to inform you that we will not hesitate to hold the members of the Board liable, both civilly and criminally, for what we consider already characterized misconduct.

Yours sincerely,

**CIAM**  
**Catherine Berjal**