

Looking forward: 2015 benefits transition guide



Veolia North America

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One of our goals as we unify our North American business is a consistent benefits program for all U.S. employees. We've taken some big steps forward already and as we approach annual enrollment this year, we're continuing to harmonize our U.S. benefits programs that help us attract, retain and competitively reward our talent while remaining nimble and competitive across our business.

PROGRESS TO DATE

FALL 2013

During annual enrollment, all VNA employees were offered a new benefits program and used the same process to elect coverage for 2014, including:

- ❖ Medical/prescription drug
- ❖ Dental
- ❖ Vision
- ❖ Spending accounts — flexible spending accounts (FSAs) and the health savings account (HSA)
- ❖ Life and accidental death and dismemberment (AD&D) insurance
- ❖ Long-term disability (LTD) insurance
- ❖ Voluntary Group Legal
- ❖ Employee Assistance Program

EARLY 2014

We rolled out a single payroll/human resources information system, outsourced benefits administration, and introduced two centralized groups of professionals:

- ❖ The Human Resources Shared Services Center (HRSSC) to automate and standardize payroll and HR transactions
- ❖ The Veolia Benefits Center, a fully-staffed service center to assist employees with benefit questions and enrollment

Continuing our journey

This guide provides a preview of the changes you can expect to your health, disability insurance and retirement plan benefits for 2015.

Our journey forward

As of January 1, 2015, our harmonized benefits program will include:

- ❖ Health benefits, including medical, prescription drug, dental, vision, flexible spending and health savings accounts
- ❖ Insurance benefits, including life/accidental death and dismemberment (AD&D) insurance, short- and long-term disability
- ❖ 401(k) retirement benefits
- ❖ A common schedule of company holidays
- ❖ Tuition reimbursement
- ❖ Employee Assistance Program
- ❖ Voluntary Group Legal

A great deal of input and effort from VNA leaders and employees from each business unit went into defining our benefits program. Since we operate across a range of businesses with different competitive pressures and expectations, our program allows for variability where it's needed — but eliminates differences that increase administrative complexity and cause confusion.

What this means for you

Over the next few months, you'll hear more about what the latest steps of our harmonization effort mean for you. In some cases and for some employees, benefits will not change. In other cases, benefits will look different than what you had previously. In total, we are offering a competitive benefits program that strategically positions VNA for success.

Note: *If you are represented by a bargaining unit, you may not be eligible for the benefits described in this guide. You should refer to your union contract, which identifies any Company benefits for which you may be eligible.*

NOW

VNA is harmonizing the following programs for January 1, 2015:

- ❖ Employee contributions in the medical plans
- ❖ 401(k) retirement savings plan and record keeper
- ❖ Short-term disability (STD) program and leave of absence administration
- ❖ Company holidays
- ❖ Tuition reimbursement





Health benefits

MEDICAL

Your contributions

In keeping with the One Veolia goal, in 2015 employee medical contributions for VNA employees will be the same by plan and coverage tier regardless of former legacy-company association, except where differences are required by collective bargaining agreements.

For many employees, provided you elect the same medical plan option and coverage tier in 2015 that you did in 2014, your contribution will be the same — or may even decrease. Some employees may experience an increase in contributions. However, if you elect the same plan and coverage tier in 2015, VNA has established a program to limit the financial impact to no more than a 10% increase over 2014 rates. If you change your plan option or coverage tier, your contributions may change more significantly, either up or down. Specifics of the program will be explained in detail in personal communications with those employees that are impacted.

EPO medical plan changes

Effective January 1, 2015, the Exclusive Provider Organization (EPO) medical plan option will cover 90% of eligible in-network medical expenses once the deductible has been satisfied. Covered services include office visits, inpatient hospital admissions, outpatient surgery and emergency room visits.

Kaiser Permanente HMO (for California residents only)

Effective January 1, 2015, the Kaiser HMO Plan will be available to all Veolia employees living in California. Previously, this plan was only available to legacy VESNA employees.

OTHER HEALTH BENEFITS

In general, your prescription drug, dental, vision, spending and savings account benefits are not changing for 2015. More information on these benefits will be provided in late October.

Insurance benefits

SHORT-TERM DISABILITY

VNA offers short-term disability (STD) benefits to help replace a portion of your income if you become ill or injured and are unable to work. Effective January 1, 2015, there will be one STD program for all VNA employees, except where differences are required by collective bargaining agreements.

What's changing

- ❖ STD benefits for an approved disability due to a non-work related illness or injury will cover two weeks of base pay at 100%, followed by a maximum of 24 weeks of base pay at 60%. This benefit is paid for entirely by VNA; employees pay nothing.
- ❖ Benefits will begin on the eighth calendar day for any type of illness or injury (the first day after satisfying a seven-day “elimination period”). To avoid an interruption of income, the employee may elect to use accrued time off (e.g., sick time, floating holidays or vacation days) until the seven-day elimination period expires.

Employees are eligible for STD benefits on the first day of the month following their date of hire (or on the date of hire, if hired on the first day of the month), unless stated otherwise in applicable collective bargaining agreements. STD benefit checks will be issued through VNA's payroll system according to the payroll schedule to which you are already accustomed. There is no maximum weekly STD benefit payment.

While you are on STD, you must continue to pay for your health and welfare benefits, like your medical and life insurance coverage.

Effective January 1, 2015, Matrix Absence Management, a Reliance Standard company, will administer the VNA STD benefits. Reliance Standard already oversees Veolia's life insurance, accidental death and dismemberment, and long-term disability benefits, and has been the STD administrator for legacy VESNA employees — so this is a logical step toward consolidating our vendor partners.

Leave of absence administration

Beginning January 1, 2015, Matrix Absence Management will also administer most leaves of absence for VNA, including those that qualify under the Family and Medical Leave Act (FMLA).

Retirement benefits

VNA 401(K) SAVINGS PLAN

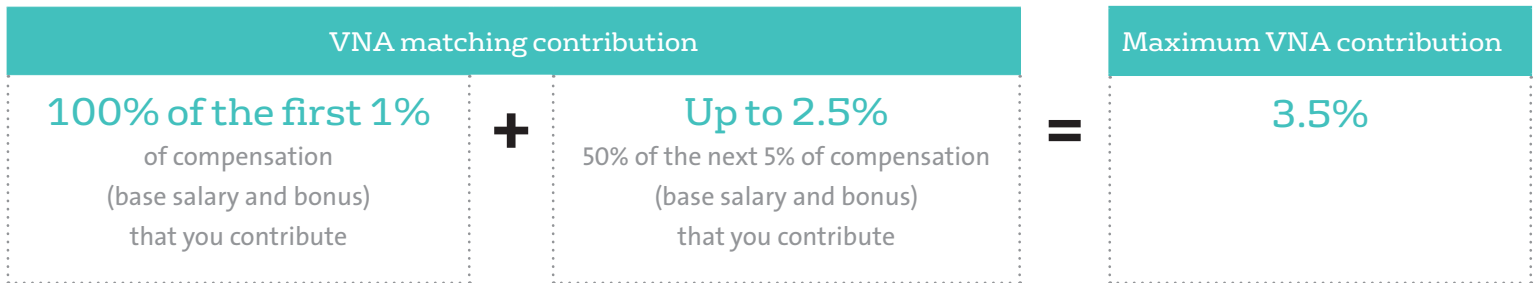
To help you save for retirement, VNA will offer a new, consolidated 401(k) savings plan starting in 2015. You can contribute a percentage of your pay on a pre-tax basis, receive a matching contribution from Veolia, and invest these contributions in a variety of investments. VNA employees are eligible to participate in the 401(k) plan beginning on their date of hire.

In the fall of 2014, all employees will have an opportunity to elect their 2015 contribution rate with Vanguard to this new plan.

If you don't elect a contribution (including 0%) with Vanguard, you will be automatically enrolled at a 3% contribution rate.

What's changing

Beginning January 1, 2015, VNA will provide a matching contribution totaling up to 3.5% of compensation, as follows:



VNA will also introduce a new 401(k) record keeper — Vanguard — as well as a new investment lineup for this new plan. Vanguard is one of the world's largest global investment management companies. We will move to Vanguard on January 1, and current accounts will be transitioned automatically.

Note: *If you are in a union that has bargained for a 401(k) benefit, your negotiated benefits will be delivered in a new 401(k) plan for union employees, which will also be at Vanguard.*

Auto-enrollment and escalation

Saving in the 401(k) plan is an easy way to help you prepare for a more comfortable financial future. We want employees to increase their savings and see how easy it is to save even more.



Those employees not making an affirmative election with Vanguard in the fall of 2014 for the new plan will benefit from two new features:

❖ Auto-enrollment

Beginning January 1, 2015, you will be automatically enrolled at a contribution rate of 3% of your compensation and put into an age-appropriate target-date investment if you are not currently enrolled or don't opt out.

❖ Auto-escalation

Beginning January 1, 2016, and each year thereafter, the percentage of compensation that you contribute will automatically increase by 1% (to a maximum contribution of 6%). If you prefer not to participate, you will need to affirmatively opt out of participation or change your contribution rate to something other than the 3% default level. (Instructions for changing your contribution rate will be provided later this year.)



Company holidays

Effective January 1, 2015, VNA will adopt a common set of statutory and company holidays for U.S. employees as listed below. A new schedule will be communicated each year as dates change. There may be some variances to this holiday schedule based on the needs of a specific business unit or location; your HR Business Partner will communicate any differences for your business or location.

Company holidays are granted in addition to any sick time or vacation time for which employees may be eligible. All full-time and part-time regular employees are eligible for holiday pay.

In addition to these holidays, you will receive three (3) floating holidays to be used at your discretion.

Holiday	Date of VNA Closure in 2015
New Year's Day	Thursday, January 1
Memorial Day	Monday, May 25
Independence Day (observed)	Friday, July 3
Labor Day	Monday, September 7
Thanksgiving Day	Thursday, November 26
Day after Thanksgiving Day	Friday, November 27
Christmas Day	Friday, December 25

Other benefits

TUITION REIMBURSEMENT

VNA is committed to helping employees develop professionally and is proud to offer reimbursement for educational programs that will help maintain or improve your skills in your current job, or prepare you for future work within the company.

All full-time and part-time regular employees not on a performance improvement plan are eligible to apply for tuition reimbursement. Reimbursement will be provided only for approved courses, and will be paid according to the following schedule based on grade achievement.

The maximum reimbursement amount for undergraduate study is \$5,250 per year, and \$12,000 per year for graduate study.

Grade	Reimbursement Percentage (<i>subject to annual maximums</i>)
A, B	100%
C	80%
Below C-	0%
Pass (<i>in a required course graded Pass/Fail</i>)	100%
Pass (<i>in a non-required course graded Pass/Fail</i>)	0%
Fail (<i>in a required course graded Pass/Fail</i>)	0%

In total, we are offering a competitive benefits program that strategically positions VNA for success.

Annual enrollment for benefits

During annual enrollment, you have an opportunity to review your current benefit elections (including your dependent and beneficiary information) and make any necessary changes. Any changes or new elections will be effective on January 1, 2015. **Annual enrollment for 2015 benefits will open on November 3, 2014, and close on November 17, 2014.**

This year's annual enrollment will be "passive." **This means that your current 2014 benefit elections in the following plans will automatically continue as your benefit elections for 2015 unless you actively make a change:**

- » Medical/prescription drug coverage
- » Dental coverage
- » Vision coverage
- » Supplemental life and AD&D insurance
- » Supplemental long-term disability insurance coverage
- » Voluntary Group Legal coverage, and
- » Health Savings Account (HSA)

There are exceptions to passive enrollment. **Your current 2014 Flexible Spending Account (FSA) elections (Health Care, Limited Purpose, and Dependent Care) will NOT carry over to 2015.** If you want to contribute to a Flexible Spending Account for the 2015 plan year, you must re-enroll during annual enrollment.

If you were assigned default benefits in 2014 because you did not actively enroll, now is the time for you to make your 2015 benefit elections. **Or, if you do not want benefits, you must actively decline coverage.** Otherwise, your default coverage from 2014 will carry over to 2015 as described above, and deductions from your pay will continue.

How to learn more

In late October you will receive details in the mail about all of your plan options and how to enroll. This information will also be posted on yourveoliabenefits.com.

If you have questions:

- » Visit yourveoliabenefits.com
- » Call the Veolia Benefits Center, at 1-888-892-6564, Monday – Friday:
 - During annual enrollment: from 7:00 a.m. to 7:00 p.m. CST
 - Outside of annual enrollment: from 8:00 a.m. to 5:00 p.m. CST

IN SUMMARY

At Veolia North America, we're building toward operating as one company. Harmonizing our benefits will strengthen our North American organization by reducing unnecessary duplication and costs; and attracting, retaining and competitively rewarding all employees.

We're looking forward to Veolia's future — a future that benefits our employees, our customers and the company.



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Together, we are continuing to unite Veolia employees and companies. Read this *Looking Forward* Guide to learn more about important benefit plan changes in 2015.



Resourcing the world

BENEFITS ENROLLMENT