

7.2 Activities of the Board of Directors and its Committees AFR

7.2.1 ACTIVITIES OF THE BOARD OF DIRECTORS

7.2.1.1 Corporate Governance principles and the AFEP-MEDEF Code

The Company applies a Corporate Governance Code in accordance with the provisions of the French Commercial Code and as part of the listing of its shares on the Euronext Paris regulated market.

It is recalled that the Company's Board of Directors confirmed that the Company follows the AFEP-MEDEF Corporate Governance Code of listed corporations (hereinafter the "AFEP-MEDEF Code") (<http://www.afep.com/publications/code-afep-medef/>).

In accordance with the "comply or explain" rule introduced by the AFEP-MEDEF Code, the Company notes that no recommendations of this Code were disregarded in fiscal year 2019.

7.2.1.2 Change in the composition of the Board of Directors

In accordance with the AFEP-MEDEF Code, Article 11 of the Company's Articles of Association provides for a four-year term of office for Directors and the renewal of the offices of one quarter of Board members.

Changes in 2019

The Combined General Meeting of April 18, 2019 renewed the terms of office as Director of Mrs. Maryse Aulagnon, Mrs. Clara Gaymard and Mr. Louis Schweitzer for a period of four years expiring at the end of the 2023 General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022.

Mrs. Homaira Akbari and Mr. Baudouin Prot did not seek the renewal of their terms of office.

Date of GSM	Expiry of term of office	Renewal	Appointment
April 18, 2019	Homaira Akbari Baudouin Prot	Maryse Aulagnon Clara Gaymard Louis Schweitzer	None

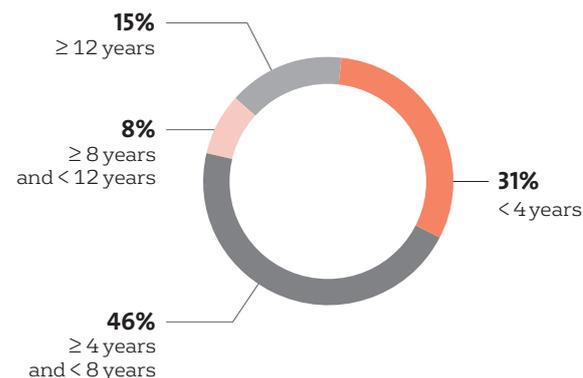
Planned changes in 2020 ⁽¹⁾

As part of the annual renewal of the Board of Directors, the **Board of Directors'** meeting of March 10, 2020 formally noted the expiry of the terms of office of four Directors (Mr. Jacques Aschenbroich, Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier) at the end of the Shareholders' Meeting of April 22, 2020.

At the recommendation of the Nominations Committee, the Board of Directors' Meeting of March 10, 2020 decided to recommend the renewal by the Combined General Meeting of April 22, 2020 of the terms of office as Director of Mr. Jacques Aschenbroich, Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier, for a period of four years expiring at the end of the 2024 Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2023.

Following this proposed renewal, and **subject to its approval by the Shareholders' Meeting of April 22, 2020**, the Board of Directors would have 13 members, including two Directors representing employees and 5 women (i.e. 45.45% ⁽²⁾⁽³⁾).

Length of service of Directors as of December 31, 2019



(1) Subject to the approval of shareholders at the Combined General Shareholders' Meeting of April 22, 2020.

(2) In accordance with Article L. 225-18-1 of the French Commercial Code.

(3) Excluding Directors representing employees in accordance with the AFEP-MEDEF Code.

Diversity policy – Selection criteria for Directors

In addition to increasing the number of female Directors, the Board is striving to diversify the profiles of its members, of both French and non-French nationality, while ensuring the balanced representation of the Company's various stakeholders. As of the date of filing of this Universal Registration Document, the Board has three non-French Directors (Mrs. Isabelle Courville, a Canadian citizen, Mr. Paolo Scaroni, an Italian citizen, and Mr. Pavel Páša, a Czech citizen), representing 23.07% of total Board members.

Based on the following expertise chart, the Nominations Committee advises the Board of Directors on the selection of candidates, where appropriate with the assistance of an external firm, for the purpose

of renewing the composition of the Board of Directors primarily based on the following criteria:

- management skills acquired in major French and non-French international corporations;
- familiarity with the Group and its industry;
- professional experience;
- financial and accounting expertise;
- CSR, R&D and digital skills;
- sufficient availability.

	 Experience in Veolia's businesses	 International experience	 Public affairs	 Industry	 RGD	 Bank Finance	 CSR	 Digital
Antoine Frérot	●	●	●		●	●	●	
Louis Schweitzer		●	●	●		●	●	
Maryse Aulagnon	●	●	●	●		●		
Jacques Aschenbroich		●	●	●	●	●		
Caisse des dépôts et consignations, represented by Olivier Mareuse			●	●		●		
Isabelle Courville	●	●	●	●		●	●	
Clara Gaymard		●	●	●		●	●	●
Marion Guillou		●	●		●		●	
Franck Le Roux, Director representing employees	●						●	
Pavel Páša, Director representing employees	●						●	
Nathalie Rachou		●	●			●		
Paolo Scaroni		●	●	●		●		
Guillaume Texier	●	●	●	●		●		
RATE PER CRITERION	46.1%	76.9%	84.6%	61.5%	23.1%	76.9%	53.8%	7.6%

Training and integration of directors

At the request of the Board of Directors, the Company organizes training for new directors on the specific aspects of the Group's businesses to facilitate their integration, particularly through site visits. Moreover, to facilitate their integration, new Board members may meet the Group's key Executive Officers.

Thus, in the context of the integration of two directors representing employees at the end of 2014, the Company organized in 2014 and 2015 an internal training session for them and enrolled them in an outside training program designed by the IFA and Sciences Po

which led to the issue of a Corporate Director's Certificate. This training program was repeated in 2019 for Mr. Franck Le Roux.

In addition, since 2015, the Company has organized meetings between directors and economic and political leaders and director visits to Group operating sites, including exchanges with Group operating teams, notably in the Czech Republic, the United Kingdom, China and Hungary.

These annual visits contribute to a better understanding of Veolia's businesses.

7.2.1.3 Independence of directors

Director independence criteria

According to the internal regulations of the Board of Directors, regularly updated to incorporate legal and regulatory changes, members are considered independent if they have no relationship with the Company, its Group or its management that might compromise their ability to exercise their judgment objectively. The internal regulations adopt the Independent Director criteria set-out in the AFEP-MEDEF Code:

Criterion 1	Employee or Executive Officer during the course of the previous five years Not to be and not to have been during the course of the previous five years: <ul style="list-style-type: none"> • an employee or executive corporate officer of the Company; • an employee, executive corporate officer or Director of a company consolidated by the Company; • an employee, executive corporate officer or Director of the Company's parent company or a company consolidated by this parent company.
Criterion 2	Cross-directorships Not to be an executive corporate officer of any company in which the Company directly or indirectly holds a directorship, or in which an employee appointed as such or an executive corporate officer of the Company (current or within the past five years) is a director.
Criterion 3	Significant business relationships Not to be a customer, supplier, investment banker, commercial banker or consultant: <ul style="list-style-type: none"> • that is significant to the Company or its Group; • or for which the Company or its Group represents a significant portion of its business. The evaluation of the significance or otherwise of the relationship with the Company or its Group is debated by the Board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) explicitly stated in the annual report.
Criterion 4	Family ties Not have any close family ties with a Director or corporate officer.
Criterion 5	Statutory Auditor Not have been a Statutory Auditor of the Company within the past five years.
Criterion 6	Directorship of more than 12 years Not have been a director of the Company for more than twelve years. Loss of the status of Independent Director occurs on the date when this period of twelve years is reached.
Criterion 7	Status of non-executive corporate officer A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or the Group.
Criterion 8	Status of major shareholder Directors representing major shareholders of the Company or its parent company may be considered independent, provided these shareholders do not take part in the control of the Company. In the case of directors holding 10% or more of the Company's share capital or voting rights, the Board, based on a report from the Nominations Committee, shall systematically consider whether or not they are independent, taking into account the composition of the Company's share capital and the existence of any potential conflicts of interest.

Those criteria are assessed and weighted by the Board of Directors, which may decide that a director who does not meet the criteria defined in the internal regulations may nevertheless be described as independent in light of his/her particular situation or that of the Company, given its shareholding structure or any other reason, or vice versa.

The internal regulations also stipulate that, before publishing the Universal Registration Document each year, the Board of Directors must assess the independence of each of its members based on the criteria set out in the aforementioned regulations, any special circumstances, the situation of the person in question, of the Company and of the Group and the opinion of the Nominations Committee.

Assessment of the independence of directors

At its meeting of March 10, 2020, the Board of Directors carried out its annual review of the independence of Directors after hearing the opinion of the Nominations Committee. Taking note of the increasing Director independence requirements resulting from both legal rules and governance codes, the Board strictly applies the independence criteria set out in the AFEP-MEDEF Code and particularly the criterion concerning the length of time a director has been on the Board.

In the absence of business relationships, the Board classified the following eight Directors (out of a total of 11 excluding the two Directors representing employees) as independent: Jacques

Aschenbroich, Maryse Aulagnon, Isabelle Courville, Clara Gaymard, Marion Guillou, Nathalie Rachou and Guillaume Texier.

In addition, the Nominations Committee and the Board specifically examined the business relationships between the Company and Caisse des Dépôts et des Consignations (CDC), represented by Mr. Olivier Mareuse. The Nominations Committee and the Board of Directors having noted, as last year, that:

- (i) the CDC is not a major shareholder of the Company as defined by the AFEP-MEDEF Code (stake of 5.9% of the share capital and 9.9% of voting rights as of the date of this Universal Registration Document);
- (ii) the existence of a single current contract between the two groups (commercial lease between ICADE SA, a CDC subsidiary and the Company for Veolia's administrative headquarters in Aubervilliers) is not likely to represent a "significant business relationship" or represent a significant share of the activities,

expenses or income of the Veolia, CDC or ICADE groups, with regard to the financial indicators of these three groups ⁽¹⁾.

The Board therefore considered that this contractual relationship is not likely to compromise the freedom of judgement and independence of CDC as a Director of the Company.

Accordingly, as of the date of filing of this Universal Registration Document, the Company's Board of Directors therefore has eight **independent members out of a total of 11** Directors (the Directors representing employees are not taken into account when determining these percentages), representing a rate of **72.72%**, in excess of the AFEP-MEDEF Code recommendation ⁽²⁾.

The following table presents the compliance of each director with the independence criteria defined by the AFEP-MEDEF Code. The criteria corresponding to the numbers in the following table are presented on the preceding page in the section "Director independence criteria".

	Criterion 1 Employee or Executive Officer during the course of the previous five years	Criterion 2 Cross- directorships	Criterion 3 Significant business relationships	Criterion 4 Family ties	Criterion 5 Statutory Auditor	Criterion 6 Directorship of more than 12 years	Criterion 7 Status of non- executive corporate officer	Criterion 8 Status of major shareholder	Classification
Antoine Frérot		◆	◆	◆	◆	◆	N/A	N/A	Not independent
Louis Schweitzer	◆	◆	◆	◆	◆		N/A	N/A	Not independent
Maryse Aulagnon	◆	◆	◆	◆	◆	◆	N/A	N/A	Independent
Jacques Aschenbroich	◆	◆	◆	◆	◆	◆	N/A	N/A	Independent
Caisse des dépôts et consignations, represented by Olivier Mareuse	◆	◆	◆	◆	◆	◆	N/A	◆	Independent
Isabelle Courville	◆	◆	◆	◆	◆	◆	N/A	N/A	Independent
Clara Gaymard	◆	◆	◆	◆	◆	◆	N/A	N/A	Independent
Marion Guillou	◆	◆	◆	◆	◆	◆	N/A	N/A	Independent
Franck Le Roux, Director representing employees	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pavel Pása, Director representing employees	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nathalie Rachou	◆	◆	◆	◆	◆	◆	N/A	N/A	Independent
Paolo Scaroni	◆	◆	◆	◆	◆		N/A	N/A	Not independent
Guillaume Texier	◆	◆	◆	◆	◆	◆	N/A	N/A	Independent

◆ indicates compliance with the AFEP-MEDEF Code in relation to the independence criteria.
N/A: Not Applicable

(1) This lease, which entered into effect on July 18, 2016, of an annual amount of €17.2 million and negotiated on an arm's length basis, cannot be considered a significant business relationship with regard to the financial indicators of the Veolia and CDC groups. The annual lease amount or the aggregate lease amount (approximately €93 million) over the remaining lease term (nine-year lease expiring in July 2025), do not represent a significant portion of the business or assets of these two groups (well below 1%).

(2) Pursuant to Article 9.3 of the AFEP-MEDEF Code, "The Independent Directors should account for half the members of the Board in widely-held companies without controlling shareholders. In controlled companies, Independent Directors should account for at least one third of Board members. Directors representing the employee shareholders and directors representing employees are not taken into account when determining these percentages."

Subject to approval of the renewal of the terms of office of Mr. Jacques Aschenbroich, Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier, proposed to the General Shareholders' Meeting of April 22, 2020, the Board of Directors would have eight Independent Directors out of a total of 11 Directors (excluding the two Directors representing employees), representing a rate of 72.72%, in excess of the AFEP-MEDEF Code recommendation ⁽ⁱ⁾.

7.2.1.4 Powers and work of the Board of Directors

Powers of the Board of Directors

In accordance with the law, the Board of Directors establishes the policies concerning the Company's business and supervises their implementation. Subject to the powers expressly granted to General Shareholders' Meetings and within the limits of the corporate purpose, the Board of Directors has the authority to consider all matters concerning the proper operation of the Company and, by its deliberations, resolves matters that concern the Board.

In addition to the powers conferred on the Board of Directors by the law, its internal regulations impose an internal requirement that certain major decisions of the Chairman and Chief Executive Officer be submitted to the Board of Directors for prior approval. These internal limits on powers are detailed below (see Section 7.3.2 below).

Meeting frequency, duration and attendance

According to its internal regulations, the Company's Board of Directors must meet at least four times a year.

In 2019, the Board of Directors met six times and its meetings lasted an average of around three hours (as in 2018). In addition, on December 12 and 13, the Board members attended a seminar dedicated to the Group's strategy, during which they reviewed and discussed strategic issues presented by management over two half-days. Based on the expectations expressed during the annual assessment of the Board's activities and those collected from directors, this seminar notably focused on:

- a review of the 2020-2023 strategic program;
- an analysis of the consistency of this strategic program with Veolia's Purpose and the multiple performance indicators covering the duration of this program.

The average attendance rate at Board meetings in 2019 was over **95%** (up 5% on 2018). The option to participate through electronic communication was not used in 2019 (compared with during five out of seven meetings in 2018).

Individual attendance rates are presented in Section 7.1.1.2 above.

Date of Board of Directors' Meeting (Fiscal year 2019)	Attendance rate
February 20	15/15 (100%)
March 5	14/15 (93.33%)
April 18	14/15 (93.33%)
April 30	13/13 (100%)
July 31	13/13 (100%)
November 6	12/13 (92.31%)

(i) Pursuant to Article 9.3 of the AFEP-MEDEF Code, "The Independent Directors should account for half the members of the Board in widely-held companies without controlling shareholders. In controlled companies, Independent Directors should account for at least one third of Board members. Directors representing the employee shareholders and directors representing employees are not taken into account when determining these percentages."

Work of the Board of Directors in 2019

In 2019, the Board of Directors examined the following points in particular:

Financial and cash positions and commitments of the Group	<ul style="list-style-type: none"> • review of the 2018 annual financial statements and the 2019 first-half financial statements; • accounting information for the first and third quarters of 2019; • corresponding draft financial communications; • renewal of the financial and legal authorizations granted to the Chairman and Chief Executive Officer, notably with regard to financing transactions and off-balance sheet commitments and authorization of the Group's significant guarantee transactions; • dividend policy, proposed appropriation of net income and payment of the dividend; • Group financing policy; • self-assessment of internal control; • examination of the summaries and reports issued by its Chairman on the work of the Accounts and Audit Committee (see Section 7.2.2.1 below).
Monitoring of the Group's strategic direction and major transactions and CSR policy	<ul style="list-style-type: none"> • review of the 2019 budget and the long-term plan; • review of several Group activities, including notably activities in Latin America; • review of the Group's digital roadmap; • review of the program and action plan concerning the Group's compliance system with regard to the report of the Accounts and Audit Committee; • review of the risk mapping and the materiality matrix of CSR issues; • review of the Group's non-financial ratings and the extent of roll-out of its sustainable development commitments; • consideration of Veolia's position on coal-based energy production; • review of the Group's human resources policy and in particular the management policy for executives and talent, the gender equality policy in management bodies and the policy for increasing the number of women managers and the international profile; • review of succession plans for Executive Committee members and the Chairman and Chief Executive Officer; • examination of the summaries and reports issued by its Chairman on the work of the Research, Innovation and Sustainable Development Committee (see Section 7.2.2.4 below).
Corporate governance	<ul style="list-style-type: none"> • approval of the Chairman and Chief Executive Officer compensation policy and amount for 2018 and 2019 at the recommendation of the Compensation Committee; • examination of an employee share ownership plan and a performance share grant plan; • review of the selection of directors when renewing the composition of the Board; • review of the Group's compliance and ethics structure; • assessment of the independence of directors; • allocation of directors' compensation; • assessment of the organization and operations of the Board and each of its Committees; • review of the Board's internal regulations; • examination of the proposed updates to the internal regulations of the Accounts and Audit Committee and the Research, Innovation and Sustainable Development Committee in application of the AFEP-MEDEF Code recommendations; • examination and approval of the proposed wording of Veolia's Purpose; • examination of the summaries and reports issued by their chairmen on the work of the Nominations (see Section 7.2.2.2 below) and Compensation (see Section 7.2.2.3 below) Committees; • review of the vigilance plan.
Other	<ul style="list-style-type: none"> • convening of the annual Combined General Meeting and approval of the reports and draft resolutions; • review of multi-year regulated agreements and commitments and related-party transactions; • monitoring of changes in the Company's share ownership and report by Executive Management on the road shows held following publication of the accounts.

In 2019, the Board of Directors was regularly informed of key commercial developments and the initiatives planned by Executive Management. The Board of Directors, mainly through the reports of the Accounts and Audit Committee, was periodically informed of changes in the Group's financial and cash position and off-balance sheet commitments, as well as changes in significant litigation. The Group's Chief Financial Officer, General Counsel and Chief Operating Officer attended Board meetings in 2019. The Directors receive a monthly report on the Company's share price and a review of analysts' recommendations. Every six months, Executive Management provides the Directors with detailed documentation

regarding the Group's business activities, Research and Innovation initiatives, internal matters (appointments and social policy), corporate activities (initiatives with various institutions in France, Europe and abroad, and updates on regulatory changes) and CSR and sustainable development actions.

Furthermore, in line with the expectations expressed during the 2017 annual assessment of the Board's activities, the Directors have met, since their May 3, 2017 meeting, in an executive session without the presence of the Chairman and Chief Executive Officer. During these sessions, the Directors held informal discussions on specific topics and news issues.

A digital platform is also available to directors for the performance of their duties since 2014. This “Board Vantage” platform can be accessed *via* an application on tablets provided by the Company to all Board members. The platform provides secure access to documents for Board of Directors’ and Committee meetings.

Assessment of the Board of Directors and Executive Management actions

Once a year, the Board devotes one point on its agenda to an assessment of how it operates, to be prepared by the Nominations Committee, and arranges a discussion about the way in which it operates in order to:

- improve its effectiveness;
- check that major issues are suitably prepared and discussed by the Board;
- and measure the effective contribution of each member to the Board’s work.

Furthermore, the Board’s internal regulations provides that a formal assessment be performed every three years by an external organization under the supervision of the Nominations Committee, with the aim of checking that the operating principles of the Board have been complied with and identifying possible improvements in its operation and effectiveness. The Nominations Committee produces an annual report for the Board of Directors, which the Directors discuss, assessing how the Chairman and directors have performed, as well as the actions taken by Executive Management.

It is recalled that the Chairman of the Nominations Committee reported to the Board of Directors’ meeting of March 6, 2018, on the results of the **formal assessment** of the Board, its Committees and Executive Management action, performed with the assistance of an external firm and using a questionnaire sent to each director, completed by individual interviews.

The Chairman of the Nominations Committee reported to the **Board of Directors’ Meeting of March 5, 2019**, on the results of the annual assessment of the Board, its Committees and Executive Management action, performed with the assistance of an external firm and using a questionnaire sent to each Director, completed by individual interviews. This latest assessment confirmed continued improvement in the Board’s activities and momentum. It notably highlighted the good organization, the quality of debates, the contributions produced by the wide range of expertise and the quality of discussions, both among Directors and with Executive Management. It was generally considered that these conditions surrounding the Board’s work clearly support the finalization of its operating conclusions. In addition to highlighting the excellent quality of Executive Management presentations at the Group’s 2018 strategy session, Directors welcomed efforts by Executive Management to provide the Board with a new analysis approach to the Group’s strategy each year. The trips and visits to operating sites organized in 2018 were highly appreciated and are considered essential to a better understanding of the Group’s businesses and getting to know local management teams. The Directors are extremely satisfied with the executive sessions held at the end of each Board meeting (whether with or without the

presence of the Chairman and Chief Executive Officer) and consider them essential to the proper functioning of the Board. Efforts to inform Directors of current issues and monitor decisions made by the Board were also noted. Areas for improvement identified include a desire for more in-depth sector presentations of the Group’s businesses and presentations of the geographic business units, with a greater number of developments focused on local strategic challenges. Certain Directors would also like the Board to receive a systematic formal report monitoring all acquisitions, irrespective of their size, and would like to spend more time on human resource, risk management and compliance policy issues. Regarding the composition of the Board, the majority of Directors are satisfied with the reduction in the number of Board members in 2018. Directors are generally satisfied with the composition of the Committees and their activities, which they consider useful to Board decision-making.

After presenting the review by the Nominations Committee of the assessment of the Group’s governance by the non-financial rating agencies, RobecoSAM, FTSE4Good and Vigéo-Eiris (Moody’s), which bear witness year after year to steady progress, the Chairman of the Nominations Committee reported to the **Board of Directors’ Meeting of March 10, 2020**, on the results of the annual assessment of the Board, its Committees and Executive Management action, performed with the assistance of an external firm and using a questionnaire sent to each Director. Generally speaking and with regard to the positive points, the opinions highlighted by the 2020 appraisal are consistent with the appraisal performed last year. The main conclusions are summarized below.

With regard to the Board’s activities, the Directors broadly welcome the good organization of its activities by the Chairman and the high quality of presentations produced by Executive Management. In addition, the executive sessions organized by the Vice-Chairman at the end of each Board meeting (certain with the Chairman and Chief Executive Officer and certain without) are considered an important addition to the formal Board meetings, as they allow a certain number of subjects to be raised informally. They consider that, in general, they have a good understanding of the key strategic issues, thanks to the high quality of the annual strategy seminar, the occasional presentations by the Group’s geographic Business Unites and the periodic visits to Group sites, which enable them to extend their knowledge of the Group’s operating activities. They highlighted the good cohesion and strong commitment of Board members in their work, the high quality of discussions and the good working relationship established with Executive Management.

The Board particularly appreciated being able to deliberate the text of the Company’s Purpose on several occasions and to have the ability to amend it as necessary. It wishes to receive, in the future, an in-depth analysis of the impact of the adoption by the Company of this Purpose and close monitoring of the Company’s non-financial performance and energy transition commitments.

With regard to desired improvements, the assessment notably highlighted the following points: Directors would like (i) to spend more time on human resource policy issues and management of the Group’s risks and notably cybersecurity risks; (ii) to consider in more depth new trends that could impact the Group’s businesses concerning, in particular, issues tied to social, corporate and environmental transformations, and changes in competition.

It is generally considered, *with regard to the Board's composition*, that the reduction in the size of the Board contributed significantly to creating a better dynamic in its collective work. The Directors consider that the Board should continue to include Directors who are or were leaders of global companies.

As in 2019, Directors are generally satisfied with the composition of *the Committees and their activities*, which they consider useful to Board decision-making.

Role of the non-voting member (censeur)

The duties of non-voting members (censeurs) in public limited companies are not recognized by law. Within Veolia Environnement, the Board of Directors may appoint one or more non-voting members (censeurs) pursuant to Article 18 of the Articles of Association. Pursuant to the Articles of Association, the Board of Directors sets the duration of their term of office, which they may terminate at any time.

The role of a non-voting member (censeur) is to attend the Board of Directors' Meetings in an advisory capacity, and the Board may freely ask their opinion.

In addition, this position also offers a way to integrate one or more director candidates before proposing their appointment to a General Shareholders' Meeting. This technique was adopted with Mrs. Isabelle Courville, who performed these duties prior to her appointment as a director by the General Shareholders' Meeting of April 21, 2016.

As of the date of the filing of the Universal Registration Document, the Board of Directors has no non-voting directors (censeur).

7.2.1.5 Role of the Chairman of the Board of Directors

The internal regulations of the Board set out the role of the Chairman of the Board of Directors.

The Chairman of the Board of Directors organizes and directs the work of the Board, on which he reports to General Shareholders' Meetings. He is responsible for preparing reports on the organization of the Board's work, internal control and risk management. He chairs General Shareholders' Meetings.

More generally, the Chairman of the Board of Directors ensures the proper operation of the Company's corporate bodies and compliance with good governance principles and practices, in particular regarding the Board Committees. He ensures that the Directors are capable of performing their duties and that they are adequately informed. He devotes the time necessary to questions concerning the Group's future and, in particular, those relating to the Group's strategy.

In accordance with the internal regulations, the Directors are required to promptly inform the Chairman and the Board of all conflicts of interest, even if only potential, and of all proposed agreements that may be entered into by the Company in which they may have a direct or indirect interest.

The Chairman of the Board chairs Board meetings and prepares and coordinates the Board's work.

In this regard, he:

- convenes Board meetings in accordance with the timetable of meetings agreed upon with the Directors and decides if it is necessary to convene Board meetings at any other time;

- prepares the agenda for meetings, supervises the preparation of documentation to be provided to the Directors and ensures that the information contained in them is complete;
- ensures that certain subjects are discussed by the Committees in preparation for Board meetings and ensures that the Committees perform their duty of making recommendations to the Board;
- leads and directs the Board's discussions;
- ensures that directors comply with the provisions of the internal regulations of the Board and of the Committees;
- monitors the implementation of the Board's decisions;
- prepares and organizes the periodic assessment of the Board's activities, in conjunction with the Nominations and Compensation Committees.

The Chairman has all the means required for the performance of his duties.

7.2.1.6 Vice-Chairman/ Senior Independent Director

Appointment of a Vice-Chairman/ Senior Independent Director

On October 21, 2009, the Board of Directors decided to create the position of Vice-Chairman to assist the Chairman with his duty to ensure the proper operation of the Company's governing bodies, based on the British model of the Senior Independent Director. In accordance with the internal regulations of the Board, the Senior Independent Director is chosen from among the Directors classified as independent for the duration of his/her term of office as a director. The Board appointed the Independent Director Mr. Louis Schweitzer to assume this position of Vice-Chairman, effective November 27, 2009.

At the recommendation of the Nominations and Compensation Committee, the Board decided to appoint him, with effect from the Annual General Meeting of May 16, 2012, as Senior Independent Director responsible for performing duties relating to the smooth running of the Company's governance bodies for the duration of his term of office, insofar as he remains an Independent Director as determined by the Board. At the meeting of May 14, 2013 and after approval by the General Shareholders' Meeting of the same day of the amendment to Article 12 of the Company's Articles of Association, increasing the maximum age for a Vice-Chairman from 70 to 75 years, the Board of Directors approved, at the recommendation of the Nominations and Compensation Committee, the renewal of Mr. Louis Schweitzer's appointment as Vice-Chairman, which he previously held up to the 2012 General Shareholders' Meeting. From this date, Mr. Louis Schweitzer exercised the duties of Vice-Chairman and Senior Independent Director.

From December 1, 2017, in order to strictly apply the AFEP-MEDEF Code independence criteria and at the recommendation of the Nominations Committee, the Board of Directors, at its meeting of November 6, 2017, **appointed Mrs. Maryse Aulagnon, Independent Director, as Senior Independent Director, to replace Mr. Louis Schweitzer, who continues to exercise the duties of Vice-Chairman for the remainder of his term of office as Director**, renewed at the General Shareholders' Meetings of April 22, 2015 and April 18, 2019.

Mrs. Maryse Aulagnon, for the term of her office as Director, which was renewed by the Shareholders' Meeting of April 18, 2019 and of her appointment as Senior Independent Director as determined by the Board, is responsible for performing duties relating to the smooth running of the Company's governance bodies.

The Board of Directors' Meeting of March 6, 2018 adjusted the duties of the Vice-Chairman and the Senior Independent Director in its internal regulations.

Role of the Vice-Chairman

The Vice-Chairman chairs the meetings of the Board and organizes and directs its work when the Chairman is absent or unable to do so. In particular, he chairs the sessions bringing together members of the Board, with or without the Chairman and Chief Executive Officer (executive sessions), as well as discussions assessing the performance of the Chairman and Chief Executive Officer.

In 2019, at the end of nearly all the Board meetings, the Vice-Chairman chaired five executive sessions (compared with six Board meetings in 2019), with and without the presence of the Chairman and Chief Executive Officer. These executive sessions notably allow the Directors to express their comments and wishes regarding improvements in the Board's activities. During the annual assessment of the activities of the Board and its Committees, Directors considered these executive sessions to be essential to the proper functioning of the Board.

Role of the Senior Independent Director

The Senior Independent Director's duties include:

- helping the Chairman ensure that the Company's governance bodies are running smoothly. The Board can task him with specific governance assignments;
- considering conflicts of interest that may arise within the Board of Directors. He examines, in particular, conflicts of interest, including potential conflicts of interest that may concern the Chairman of the Board with regard to the interests of the Company, whether they arise in connection with operational projects, strategic policies or specific agreements. He submits recommendations to the Chairman and the Board, after any necessary consultation with the other Independent Directors;
- obtaining an understanding of the concerns of major shareholders not represented on the Board regarding governance matters and ensuring that such concerns are addressed. In agreement with the Chairman and the Vice-Chairman of the Board, he may also respond directly to questions from major shareholders and meet with them, if the ordinary avenues involving the Chairman and Chief Executive Officer, or the Chief Financial Officer have been unable to deal with such concerns or if the nature of the matter itself renders these ordinary avenues inadequate or inappropriate;
- adding points to the agenda of Board meetings;
- assisting the Compensation Committee with its assessment of the performance of the Chairman of the Board as part of the assessment of the Board's activities in accordance with its internal regulations.

In January 2020, as in previous years and since the end of 2016, the Senior Independent Director held a series of meetings in Paris

and London with proxy advisors and the Governance Departments of certain major investors. These meetings enabled the Senior Independent Director to identify the expectations of these advisors and investors, to discuss with them a range of issues concerning governance and the compensation policy and report back to the Board of Directors' Meeting of March 10, 2020.

7.2.1.7 Securities trading by corporate officers

Reporting obligations and ban on securities trading

According to the Board's internal regulations, each director and non-voting member (*censeur*) must report all transactions in the Company's securities to the AMF (the French Financial Markets Authority) and to the Company and comply, in particular, with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-22 of the AMF's general regulations (a table detailing transactions in Veolia Environnement securities carried out by directors in 2019 is presented in Section 7.5.1 below). The members of the Board of Directors and Company executives or key senior management, or any person with close ties to them, shall report all acquisitions, sales, subscriptions or trades in the Company's securities and financial instruments to the AMF, within three trading days of completion.

In addition, directors and executive corporate officers are also subject to French regulations on breach of duty and insider trading, which penalize the use or disclosure of insider information. In accordance with Regulation (EU) no. 596/2014 and Commission Implementing Regulation (EU) 2016/347 of March 10, 2016, the Company prepares and updates a list of insiders, which is made available to the AMF.

The Company's Directors and executive corporate officers are required to comply with the provisions of the Company's Code of conduct with respect to securities transactions (see Chapter 6, Section 6.5.4 above). In that respect, the members of the Board of Directors and of the Executive Committee in particular, may not buy or sell the Company's securities, directly or through a third-party intermediary, during certain periods: during the five-week period up to and including the date of publication of the annual financial statements, the four-week period up to and including the publication of the interim financial statements, and the two-week period up to and including the date of publication of quarterly financial information, or even outside of those periods so long as they possess insider information. In order to prevent any difficulties relating to the application of the Code of conduct, the individuals in question should consult with the Group's Legal Department or the General Counsel and refer, where appropriate, to the decisions of the Inside Information Committee, whose role is to determine the classification of any event or information that could potentially be classified as inside information (see Section 6.5.2.2 above).

Obligation to hold shares and ban on hedging transactions applicable to executive corporate officers and members of the Executive Committee

Pursuant to the AFEP-MEDEF Code (see Article 23), which requires the Board of Directors to set a minimum quantity of shares to be held by executive corporate officers in registered form until the termination of

their duties, and the provisions of Article L. 225-197-1 II, paragraph 4 of the French Commercial Code applicable in the event of performance share grants to executive corporate officers, it was decided during the Board meetings of March 6, 2018 and April 30, 2018 to apply the following share retention rules:

- with regard to the share bonus grant in April 2018 to Mr. Antoine Frérot under the long-term incentive plan known as the Management Incentive Plan (details of this plan can be found in Section 7.4.3.2 below), the Board of Directors' Meeting of March 6, 2018, at Mr. Antoine Frérot's proposal to the Compensation Committee, took due note of his decision to hold until termination of his duties, 40% of the total share bonus granted under this plan, net of applicable social security contributions and taxes, until a total shareholding equal to 200% of his gross annual fixed compensation has been reached;
- with regard to the grant by the Board of Directors' Meeting of May 2, 2018 of performance shares to a group of approximately 700 top executives, high potential employees and key contributors of the Group, including the Chairman and Chief Executive Officer, authorized by Combined General Meeting of April 19, 2018 (21st resolution), the Board of Directors' Meeting of May 2, 2018 confirmed pursuant to the implementation of this plan:
 - (i) for the Chairman and Chief Executive Officer, an obligation to hold until the termination of his duties 40% of total performance shares granted under this plan, net of applicable social security contributions and taxes, until he has reached a total shareholding equal to 200% of his gross annual fixed compensation,
 - (ii) for members of the Company's Executive Committee, an obligation to hold until the termination of their duties, 25% of total performance shares granted under this plan, net of applicable social security contributions and taxes, until they have reached a total shareholding equal to 100% of their gross fixed compensation.
- this same obligation to hold a portion of performance shares granted will apply to the Chairman and Chief Executive Officer and Executive Committee members for any new performance share plans implemented in the future. This is the case for the 2019 performance share plan approved by the Combined General Meeting of April 18, 2019 (15th resolution) and the plan submitted to the Combined Shareholders' Meeting of April 22, 2020 (23rd resolution).

In accordance notably with the AFEP-MEDEF Code to which the Company refers, the Chairman and Chief Executive Officer and Executive Committee members receiving shares may not enter into risk hedging transactions until the end of the share retention period set by the Board of Directors.

7.2.1.8 Other Information on the operation of the Board

This section summarizes mainly the corresponding sections of the Board of Directors' internal regulations.

Rights and obligations of directors

According to the Board's internal regulations, its members are subject to the following obligations:

- to act in the Company's best interests;

- to inform the Board of any conflict of interest, even potential, and to abstain from voting on any decisions in which they may have a conflict of interest;
- to perform their duties in accordance with statutory provisions, notably those concerning limits on the number of offices, and to regularly attend Board and Committee meetings;
- to stay informed in order to be able to deal effectively with the agenda items;
- to consider themselves bound by professional secrecy and by a duty of loyalty;
- to comply with the Company's Code of conduct with respect to securities transactions;
- to promptly report to the Chairman of the Board any agreement signed by the Company in which they have a direct or indirect interest or which was concluded through an intermediary on their behalf.

Each director receives a periodically updated "Directors' Guide" which includes the following primary documents:

- the Company's Articles of Association;
- the appointment procedure for, and the duties of, the Chairman and Chief Executive Officer;
- the appointment procedure for, and the duties of, the Vice-Chairman and Senior Independent Director;
- the internal regulations of the Board of Directors and of the Accounts and Audit Committee, the Nominations and Compensation Committees and the Research, Innovation and Sustainable Development Committee;
- the French regulations applicable to Audit Committees;
- the Company's Code of conduct for securities trading and compliance with French stock exchange legislation;
- the list of directors and the expiry dates of their terms of office;
- the composition of the Board of Directors' Committees;
- useful contacts for members of the Board of Directors and the Committees;
- the composition of the Executive Committee;
- the current version of the AFEP-MEDEF Code.

Information provided to directors

The Chairman provides directors, in a timely manner, with the necessary information for them to fully perform their duties. In addition, the Chairman provides the members of the Board with all significant information concerning the Company on an ongoing basis. Each director receives and has the right to request all necessary information to perform his/her duties, and may also request additional training concerning specific aspects of the Company and the Group.

In order to fulfill their duties, the Directors may meet with the key management personnel of the Company and Group, subject to giving prior notice to the Chairman of the Board.

At the request of the Chairman or of a director, the heads of the Group's divisions may be invited to any Board meeting devoted to the outlook and strategy for their business sector.

Meeting attendance by electronic means of communication

Directors may participate in Board discussions by videoconference or other electronic means of communication, in the manner and on the terms set out in Articles L. 225-37 and R. 225-21 of the French Commercial Code and as provided for by the internal regulations of the Board of Directors. In such case, directors are deemed to be present for the purpose of calculating quorum and majority, except with regard to the vote on certain major decisions as provided by law and by the Board's internal regulations (in particular, the approval of the annual financial statements and the preparation of the management report and the consolidated financial statements).

Charter and procedure for assessing everyday agreements entered into at arm's length

Pursuant to the provisions of Article L. 225-39, paragraph 2, of the French Commercial Code, the Board of Directors' meeting of

February 26, 2020 implemented a procedure to assess agreements concerning everyday transactions entered into at arm's length in order to identify any potential regulated agreements requiring prior authorization by the Board. This procedure (known as the "internal charter") (i) clarifies the concept of "everyday agreement entered into at arm's length" by referring notably to the study produced by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes, CNCC) in 2014; (ii) provides for the set-up of an internal assessment committee comprising representatives of the Company's Legal and Finance Departments, charged with collecting and analyzing the agreements that may enter into the scope of the regulation in order to issue an opinion and determine their classification and (iii) indicates that a report will be submitted to the Board (or one of its Committees) annually on the implementation of this procedure; the Board (or the appointed Committee) may, where applicable, instruct any internal or external audit measures and/or update the internal charter if necessary.

7.2.2 COMPOSITION AND ACTIVITIES OF THE BOARD COMMITTEES

Since April 30, 2003, when the Company adopted the governance method of a public limited company with a Board of Directors (*société anonyme à conseil d'administration*), the Company's Board of Directors has been assisted by:

- an Accounts and Audit Committee;
- a Nominations Committee;
- a Compensation Committee;
- a Research, Innovation and Sustainable Development Committee.

7.2.2.1 Accounts and Audit Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meetings in 2019
Nathalie Rachou	◆	Chairman	12/01/2017	100%	4
Jacques Aschenbroich	◆	Member	12/12/2012	50%	
Isabelle Courville	◆	Member	12/01/2017	100%	
Franck Le Roux*	N/A	Member	11/06/2018	N/A	
Guillaume Texier ⁽¹⁾	◆	Member	04/18/2019	100%	

INDEPENDENCE RATE **100%**

(1) Member of the Accounts and Audit Committee since April 18, 2019.

* Director representing employees, not taken into account when calculating independence percentages pursuant to Article 9.3 of the AFEP-MEDEF Code

◆ Independent pursuant to AFEP-MEDEF Code independence criteria, as assessed by the Board of Directors.

N/A: Not Applicable.

The Accounts and Audit Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board of Directors at least five times a year to review the periodic and annual financial statements before their submission to the Board of Directors and periodically assesses its own work. The Accounts and Audit Committee has between three and six members appointed by the Board of Directors from among the Directors (excluding those in management positions) on the basis of recommendations made

by the Nominations Committee. The Committee's Chairman is appointed by the Board.

During its meeting of April 18, 2019, the Board of Directors adjusted the composition of the Accounts and Audit Committee, by appointing Mr. Guillaume Texier (Independent Director) as member to replace Mrs. Homaira Akbari whose term of office as Director expired on April 18, 2019.