



**Information relating to elements of the compensation of the Chairman and Chief Executive Officer
published pursuant to the recommendations of the
AFEP-MEDEF Corporate Governance Code**

Grant of performance shares by the Board of Directors on April 30, 2019

Paris, May 3, 2019

In the context of the Group's compensation policy and the authorization given by the General Shareholders' Meeting of Veolia Environnement on April 18, 2019 (15th resolution), the Board of Directors decided, on April 30, 2019, on a proposal from its Compensation Committee, to grant 1,131,227 performance shares (or about 0.2% of the share capital, under an authorization from the Shareholders' Meeting with a global limit of 0.4% of the capital) to around 450 beneficiaries including the Group's top executives, high potential employees and key contributors.

In this context, 47,418 performance shares were granted to the Chairman and Chief Executive Officer, Mr. Antoine Frérot (or about 0.01% of the capital, under an authorization from the Shareholders' Meeting with a global limit of 0.04% of the capital).

These shares will vest subject to the beneficiary **remaining with the Group** until April 30, 2022, inclusive, save in the event of death, invalidity or exceptional circumstances and a **performance condition** tied to the attainment of the following internal and external criteria:

- **an economic criterion;**
- **a stock market criterion;**
- **CSR (Corporate Social Responsibility) criteria.**

The number of performance shares that vest under this plan will depend on the attainment of:

- **internal economic criteria for 50%** of performance shares granted, assessed on expiry of the plan, based on target average growth in current net income attributable to owners of the Company per share (CAGR: Compound Annual Growth Rate) of 10% per year from 2018, over the reference period comprising fiscal years 2019, 2020 and 2021. No performance shares will vest in respect of this criteria if the average annual growth rate is less than 5%. Shares will vest on a proportional basis between 5% and 10%.
- **external stock market performance criteria for 25%** of performance shares granted, measuring the relative performance of the Total Shareholder Return (TSR) of the Veolia Environnement share (including dividends) compared with the CAC 40 index (the "Index"). This performance will be determined as of December 31, 2021, the fiscal year preceding the vesting date and calculated over the three fiscal years, 2019, 2020 and 2021, corresponding to the reference period (the "Reference Period") preceding the vesting of the shares. This performance condition will be applied over the reference period as follows:
if the TSR of the Veolia Environnement share over three years:
 - increases less than the Index: no shares will vest under this criterion;
 - increases in the same amount as the index: 50% of the performance share granted under this criterion will vest;
 - increases by 10% or more compared with the Index: all performance shares granted under this criterion will vest;
 - increases between the Index and 10% higher than the Index: the number of shares that vest under this criterion will be determined by linear interpolation (proportional basis).



- **external and internal CSR (Corporate Social Responsibility) performance criteria for 25%** of performance shares granted, assessed on maturity of the plan as follows:
 - (i) 12.5% of performance shares granted if Veolia is in the Top 10% best performing Utilities sector companies in the FTSE4GOOD non-financial index during the three reference fiscal years (2019, 2020 and 2021), as follows:
 - if Veolia is in the Top 10% Utilities sector companies during the three reference fiscal years: all performance shares granted under this criterion will vest;
 - if Veolia is in the Top 10% Utilities sector companies during two reference fiscal years: 66% of performance shares granted under this criterion will vest;
 - if Veolia is in the Top 10% Utilities sector companies during one reference fiscal year: 33% of performance shares granted under this criterion will vest;
 - if Veolia is not in the Top 10% Utilities sector companies during the three reference fiscal years: no performance shares will vest under this criterion.
 - (ii) 12.5% of performance shares granted based on the attainment of the circular economy revenue growth objective over the three reference fiscal years (2019, 2020 and 2021), as published in the Company's annual financial statements (basis: fiscal year 2018), as follows:
 - if the average growth in circular economy revenue exceeds the average growth in Group revenue by 2.5% or more: all performance shares granted under this criterion will vest;
 - if the average growth in circular economy revenue is less than or equal to the average growth in Group revenue: no shares will vest under this criterion;
 - between these two thresholds, the number of shares that vests under this criterion will be determined by linear interpolation (proportional basis).

Pursuant to Article L. 225-197-1 of the French Commercial Code, Mr. Antoine Frérot will also be obliged to retain as registered shares until the end of his duties, 40% of the total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of his annual gross fixed compensation is reached.

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