

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.

According to the internal regulations of the Accounts and Audit Committee, its members are selected for their financial or accounting expertise, and at least one Committee member must have specific financial or accounting expertise and be independent according to the criteria specified in the Board of Directors' internal regulations. During its meeting of April 30, 2019, the Board of

Changes in 2019

Date	Expiry of term of office	Renewal	Appointment
April 18, 2019	Homaira Akbari	None.	Guillaume Texier

Planned changes in 2020

No changes are currently planned, subject to the renewal of the terms of office of Mr. Jacques Aschenbroich, Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier by the Combined General Meeting of April 22, 2020.

Duties of the Committee

The duties of the Accounts and Audit Committee, according to its internal regulations adopted by the Board, include the tasks assigned by the regulations governing the internal control of financial and accounting information stipulated by the Order of December 8, 2008 enacting into French law the Eighth Directive on the Statutory Audit of Accounts (Directive 2006/43/EC) and the AMF recommendations of July 2010.

In general, the Accounts and Audit Committee is responsible for monitoring matters concerning the preparation and control of accounting and financial information and, in particular, for monitoring:

- (i) the integrity of the Group's financial statements and the process for preparing financial information;
- (ii) the effectiveness of internal control systems concerning financial and accounting information and the Group's management system for risks expressed in the accounting statements or identified by Executive Management that may affect the financial statements;
- (iii) the Group's compliance with statutory and regulatory requirements where these are relevant to financial reporting or internal control;
- (iv) the assessment of the Statutory Auditors' capabilities and independence; and
- (v) the performance by the Group's Internal Audit Department and the Statutory Auditors of their duties with respect to auditing the parent company and consolidated financial statements.

In this regard, the Committee monitors more particularly the following activities:

■ the process of preparing accounting and financial information:

- (i) together with the Statutory Auditors, reviewing the relevance and consistency of the accounting methods used to prepare the parent company and consolidated financial statements, examining whether major transactions are adequately processed on a Group-wide level,
- (ii) reviewing the scope of the consolidated companies and the procedures for collecting financial and accounting information and seeking the explanations and comments of the Statutory Auditors in this respect, where necessary,
- (iii) giving an opinion on the draft interim and annual parent company and consolidated financial statements prepared by

Directors designated, on the recommendation of the Accounts and Audit Committee and pursuant to prevailing regulations, Mrs. Nathalie Rachou, Mrs. Isabelle Courville, Mr. Jacques Aschenbroich and Mr. Guillaume Texier. The Board estimated that these Accounts and Audit Committee members had the required competencies and experience.

Executive Management before those statements are presented to the Board,

- (iv) interviewing the Statutory Auditors, the members of Executive Management and financial officers, particularly on the off-balance sheet commitments, depreciation/amortization, provisions, goodwill and principles of consolidation; such interviews may be conducted without the presence of the Company's Executive Management,
- (v) acquainting itself with, and expressing an opinion on the process of preparing press releases on the publication of the annual or interim financial statements and the quarterly information; and in the context of the Board's examination of the press releases concerning, in particular, the annual and interim financial statements, making sure that the presentation of this financial information to the market is consistent with the information in the financial statements, according to the information in its possession;

■ internal audit:

- (i) acquainting itself with the Company's Audit Charter,
- (ii) examining the Group's annual internal audit program on a yearly basis,
- (iii) periodically receiving information from the Company with regard to progress with the internal control audit program and the self-assessment of the internal control and risk management system, summaries of the audit assignments carried out and, once a year, an overall analysis of the main lessons learned from the auditing year, and
- (iv) interviewing the head of the Internal Audit Department and giving the Committee's opinion on the organization of the work of this department;

■ the effectiveness of internal control and risk management systems, particularly in the context of Article L. 823-19 of the French Commercial Code:

- concerning the monitoring of the effectiveness of internal control systems:
 - (i) periodically receiving information from the Company about the organization and procedures of internal control relating to financial and accounting information,
 - (ii) interviewing the head of the Internal Audit Department and giving the Committee's opinion on the organization of the work of this department,
 - (iii) hearing an annual report from the Ethics Committee on the whistle blowing system available to employees with respect to accounting, finance, management control and audit and all ethics issues; having significant matters referred to it by the Ethics Committee in such fields and ensuring the follow-up of those cases with this Committee,

• *concerning the monitoring of the effectiveness of the management system for risks expressed in the accounting statements or identified by Executive Management that may have an impact on the financial statements, financial reporting and, where appropriate, non-financial reporting:*

- (i) periodically examining the mapping of the main risks identified by Executive Management that may impact the financial statements, including notably risks of an ethical and non-compliance nature,
- (ii) acquainting themselves with the main characteristics of the procedures for managing those risks and their results, based in particular on the work of the Risk, Insurance and Internal Control Coordination Department, the Compliance Department, the Internal Audit Department and the Statutory Auditors in relation to internal control procedures, and
- (iii) following up on the implementation of corrective actions in relation to any identified weaknesses that might have an impact on the financial statements;

▪ **Statutory Auditors:**

- (i) reviewing the Statutory Auditors' planned work on an annual basis,
- (ii) interviewing the Statutory Auditors and the executives in charge of finance, accounting and treasury, in certain cases without the presence of members of the Company's Executive Management,
- (iii) supervising and making recommendations in respect of the Statutory Auditor selection process,
- (iv) expressing its opinion on the amount of Statutory Auditor fees,
- (v) giving its prior approval to auditors' activities that are strictly ancillary or directly complementary to the audit of the financial statements, and
- (vi) being informed of the fees that the Company and the Group pay to the audit firm and its network, ensuring that the amount of these payments or the share of these payments in the firm's and the network's revenue does not call into question the independence of the Statutory Auditors, and reviewing together with the Statutory Auditors the risks threatening their independence and the precautionary measures taken to reduce such risks.

Activities in 2019

The Accounts and Audit Committee organized its activities, as before, within the framework of a program drawn up for the year and approved by the Committee. Minutes are taken of the meetings and the Committee Chairman produces a report for the Board of Directors.

The Committee may interview persons outside the Company if it deems such interviews useful for the performance of its duties. In addition, the Committee may consult outside experts. It may also interview the Company's financial officers or the Statutory Auditors without the presence of the Chief Executive Officer. During the past year, the Chairman of the Accounts and Audit Committee and/or the Committee members interviewed and met: the Chairman and Chief Executive Officer, the Chief Financial Officer, the Director of Financial Control, the Legal Director and secretary of the Committee,

the Group Audit Director, the Group Risk, Insurance and Internal Control Coordination Director, the Compliance Officer, the Information Systems Director, the Tax Director, the Chairman of the Ethics Committee, the Financing and Treasury Director, and the Company's Statutory Auditors.

During these meetings, the Accounts and Audit Committee particularly:

- reviewed the main accounting options, the annual and interim financial statements and the associated business reports;
- reviewed impairment tests;
- reviewed the draft financial communications;
- reviewed at-risk contracts and the main tax risks to which the Company is exposed;
- reviewed the financial information and business reports for the first and third quarters of 2019;
- examined the summary of the internal control self-assessment for fiscal year 2018 and the Statutory Auditors' opinion;
- examined reports on fraud and reviewed the action plans, as well as the report on the activities of the Ethics Committee;
- examined summaries of internal audits conducted in 2018 and the first half of 2019, and approved the internal audit program for 2020;
- reviewed with Company management the following key processes contributing to its duties: the financial policy and planned financing transactions, changes in internal control, investment and divestment procedures and processes, the legal reporting of major disputes;
- reviewed the risk management system including the risk mapping, the risk materiality matrix (including CSR issues) and the Group's insurance program;
- examined planned divestitures and acquisitions and progress with Group restructuring transactions;
- examined the process of integrating companies acquired by the Group;
- reviewed the Statutory Auditors' assignments for 2019. The Committee also reviewed the Statutory Auditors' fee budget for 2019, non-audit services (NAS) and the distribution of assignments between the joint auditors, as well as their independence, how they organized their tasks and their recommendations;
- supervised the process and conditions for the renewal of the offices of the Statutory Auditors on their expiry;
- examined the Company's cybersecurity, including its place in Group policy, its organization, the cyber risk mapping and related actions plans and training programs;
- reviewed the program and action plan regarding the Group's compliance system;
- updated the Committee's internal regulations in accordance with the AFEP-MEDEF Code's recommendations.

In addition, the Committee's work is assessed annually as part of the annual assessment of the Board and its Committee.

7.2.2.2 Nominations Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meetings in 2019
Louis Schweitzer, <i>Vice-Chairman</i>		Chairman	03/25/2014	100%	
Maryse Aulagnon, <i>Senior Independent Director</i>	◆	Member	03/25/2014	100%	5
Isabelle Courville	◆	Member	11/06/2018	100%	
INDEPENDENCE RATE		66.6%			

◆ *Independent pursuant to AFEP-MEDEF Code independence criteria, as assessed by the Board of Directors.*
N/A: *Not Applicable.*

In accordance with its internal regulations, the Nominations Committee is comprised of three to six members, who are appointed by the Board of Directors at the recommendation of the Nominations Committee. The Committee members are selected from among the

Directors who do not hold management positions. The Chairman of the Committee is appointed by the Board of Directors at the recommendation of the Committee.

Changes in 2019

Date	Expiry of term of office	Renewal	Appointment
April 18, 2019	None	Maryse Aulagnon	None

Changes planned in 2020

No changes are currently planned, subject to the renewal of the term of office of Mrs. Isabelle Courville by the Combined General Meeting of April 22, 2020.

Duties of the Committee

The duties of this Committee are as follows:

- **nominations:** the Committee is charged with making recommendations regarding the future composition of the Company's management bodies and, more importantly, it is responsible for selecting the Company's corporate officers and developing a succession plan; it also recommends the appointment of directors and of the members, as well as the Chairman of each Board Committee, striving to ensure diversity in experience and points of view, while making certain that the Board of Directors retains the necessary objectivity and independence vis-à-vis any specific shareholder or group of shareholders. The Committee gives its opinion on the succession plan for the Company's key managers who are not corporate officers of the Company. The Committee strives to ensure that at least:
 - (i) one-half of the Directors,
 - (ii) two-thirds of the members of the Accounts and Audit Committee, and
 - (iii) one-half of the members of the Nominations Committee are Independent Directors.

Each year, the Nominations Committee conducts a case-by-case assessment of each director with regard to the independence

criteria set forth in the internal regulations of the Board of Directors and makes proposals to the Board of Directors for the Board's review of the position of each director in question;

- **assessment:** the Nominations Committee assists the Board in its periodic assessments. It prepares the Board's annual assessment of its organization and operation, and leads the formal assessment of the Board that is carried out every three years by an outside organization. Each year, the Committee provides the Board of Directors with a report assessing the performances of the Chairman and of the Directors, as well as the actions of Executive Management. Lastly, each year, the key managers who are not corporate officers of the Company meet with each member of the Committee.

Activities in 2019

In 2019, the Nominations Committee focused on:

- changes in and a review of the composition of the Board and its Committee;
- formal assessment procedures and the report on the activities of the Board and its Committees;
- the review of the independence of directors.

Meetings focused on various governance issues, the succession plan for key managers (including the Chairman and Chief Executive Officer) and reviewing the actions of the Chairman and Chief Executive Officer. The latter participated in the governance activities of the Committee (appointment and renewal of directors) and work on the succession plan for key managers.

7.2.2.3 Compensation Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meetings in 2019
Maryse Aulagnon, <i>Senior Independent Director</i>	◆	Chairman	12/01/2017	100%	4
Marion Guillou	◆	Member	11/05/2014	100%	
Louis Schweitzer, <i>Vice-Chairman</i>		Member	04/30/2003	100%	
Franck Le Roux*	N/A	Member	11/06/2018	N/A	

INDEPENDENCE RATE

66.6%

* 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.

In accordance with its internal regulations, the Compensation Committee has between three and six members, who are appointed by the Board of Directors at the recommendation of the Compensation Committee. The Committee members are selected from among the Directors who do not hold management positions. The Chairman of the Committee is appointed by the Board of Directors at the recommendation of the Committee.

Changes in 2019

Date	Expiry of term of office	Renewal	Appointment
April 18, 2019	Clara Gaymard	Maryse Aulagnon Louis Schweitzer	None

Planned changes in 2020

No changes are currently planned.

Duties of the Committee

The duties of this Committee are as follows:

- to study and make proposals regarding the overall compensation of the Company's executive corporate officers, in particular with regard to the rules and criteria governing the variable portion of compensation consistent with the annual assessment of their performance and the medium-term strategy and performance of the Company and the Group, and with regard to the granting of in-kind corporate benefits, share subscription or purchase options and the allocation of free shares, pension plans, termination compensation and any other benefits, ensuring that all such components are taken into account in assessing and setting their overall compensation;
- to recommend to the Board of Directors an overall amount of directors' fees to be paid to directors, as well as the rules for their distribution;
- to present its opinion to the Board of Directors on the general policy and terms and conditions for granting share purchase or subscription options, the allocation of free shares and the setting-up of employee share ownership plans, as well as Company or Group employee profit-sharing measures;
- to make proposals to the Board concerning the granting of stock options and, if applicable, free shares to the Company's corporate officers, as well as with respect to the performance conditions applicable thereto;

- to make proposals to the Board concerning the obligation for the Company's executive corporate officers to hold shares obtained by exercising share purchase and subscription options or, if applicable, the allocation of free shares;
- to present its opinion on the compensation policy for the Company's key managers who are not corporate officers of the Company or of other companies in the Group.

As part of its assignments, the Compensation Committee may request external technical studies. In this respect, it may notably seek the advice of companies specializing in executive compensation.

Activities in 2019

In 2019, the work of the Compensation Committee focused on preparing proposals and recommendations for the Board of Directors on the following matters, in particular:

- the compensation of the Chairman and Chief Executive Officer paid or payable in respect of 2018;
- the 2019 compensation policy;
- reviewing the budget and allocation of the Directors' compensation;
- defining the terms and conditions of the 2019 performance share plan for the Chairman and Chief Executive Officer and top executives;
- examining a proposed employee share ownership plan.

7.2.2.4 Research, Innovation and Sustainable Development Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meetings in 2019
Jacques Aschenbroich	◆	Chairman	12/12/2012	100%	
Isabelle Courville	◆	Member	04/20/2017	100%	
Clara Gaymard	◆	Member	04/20/2017	66.67%	3
Marion Guillou	◆	Member	12/12/2012	100%	
Pavel Páša*	N/A	Member	11/05/2014	100%	
Guillaume Texier	◆	Member	04/20/2017	100%	
INDEPENDENCE RATE		100%			

* 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.

According to its internal regulations, the Research, Innovation and Sustainable Development Committee meets when convened by its Chairman or at the request of the Chairman of the Board of Directors. It is required to hold at least three meetings per year. The Committee met three times in 2019 (as in 2018). The average attendance rate was 94.4% (as in 2018).

The Research, Innovation and Sustainable Development Committee has between three and five members, who are appointed by the Board of Directors at the recommendation of the Nominations Committee. The Chairman of the Committee is appointed by the Board of Directors at the recommendation of the Chairman of the Board.

Changes in 2019

Date	Expiry of term of office	Renewal	Appointment
-	None	None.	None

Changes planned in 2020

No changes are currently planned, subject to the renewal of the terms of office of Mr. Jacques Aschenbroich, Mrs. Isabelle Courville and Mr. Guillaume Texier by the Combined General Meeting of April 22, 2020.

Duties of the Committee

The main duty of this Committee is to assess the Group's strategy and policies with regard to research, innovation and sustainable development and to issue an opinion to the Board of Directors.

The Committee is informed of programs and priority actions undertaken in the areas within its remit and assesses the results thereof. In particular, it keeps abreast of the budgets and staff levels and gives its opinion regarding the allocation of means and resources and whether they are appropriate in light of the strategic choices made. As regards, more specifically, the Company's environmental policy and issues, the Committee is informed of the information, objectives, commitments and main indicators concerning sustainable development published by the Company in its management report and familiarizes itself with the non-financial ratings obtained by the Group.

The Committee's main contacts are the Chairman of the Company's Board of Directors, Executive Management and the Executive Committee, the Group's Development, Innovation and Markets,

Technical and Performance and Sustainable Development Departments, as well as any other manager within the Company who has information or opinions that may be of use to the Committee.

The Committee may also interview persons outside the Company if it deems such interviews to be of use in the performance of its duties. In addition, the Committee may consult outside experts.

The Committee seeks to analyze the content of Veolia's service offerings, its potential customers, the size of markets, the Group's competitive advantages, its competitors, its research programs, technologies and the best economic balance for each area addressed.

Activities in 2019

In 2019, the Committee focused successively on:

- the Group's CSR performance and non-financial ratings;
- the deployment of cybersecurity tools in Veolia;
- Veolia's positioning in coal-based energy production;
- Veolia solutions for reducing greenhouse gas emissions;
- prospective selective waste sorting in France;
- the extent of roll-out of the Group's sustainable development commitments.