

INFORMATION ACCORDING TO FRENCH COMMERCIAL CODE AND THE FRENCH AFEP-MEDEF ASSOCIATION CORPORATE GOVERNANCE CODE

Paris, December 22, 2009: In accordance with the recommendations of the French AFEP/MEDEF corporate governance code, the Board of Directors of Veolia Environnement, which met on 17 December 2009, took the following decisions in respect of remuneration based on the proposals from the Nomination and Compensation Committee. These decisions will be detailed in the Reference Document (Annual Report) to be filed with respect to the 2009 fiscal year.

Chairman of the Board of Directors

The Board of Directors set the annual compensation for the Chairman of the Board of Directors at EUR 450,000, as from the effective date of his appointment (November 27, 2009).

The Chairman of the Board of Directors shall not receive any variable compensation, and, moreover, has waived his rights to director's fees.

Chief Executive Officer

The Board of Directors set the fixed annual compensation of the Chief Executive Officer ("CEO") at EUR 750,000 as from the effective date of his appointment (November 27, 2009).

His variable compensation for the 2010 financial year shall be decided upon at the Board of Directors' meeting scheduled to be held in March 2010.

In addition to his compensation, the CEO is entitled to a company car and to the social security benefits or cover similar to those granted to the employees (sickness benefit and provident scheme). He also benefits from a supplementary defined benefits group pension plan, established starting from 2006 fiscal year for the CEO and other members of the executive committee.

Termination of the employment contract of the CEO and introduction of a severance pay

In order for Veolia Environnement to be in compliance with the recommendations of the AFEP/MEDEF consolidated code of corporate governance of December 2008, it has been decided to terminate the employment contract of the CEO, Mr Antoine Frérot, who was previously Managing Director of the Water Division, as from 1 January 2010.

The Board of Directors, following a proposal from the Nomination and Compensation Committee, decided that Mr Antoine Frérot shall be granted, as consideration for the termination of his employment contract, the right to receive severance pay in accordance with the provisions of Article L 225-42-1 of the French Commercial Code (*Code de commerce*), subject to certain performance conditions as established by the Board of Directors. This payment is limited to cases of "forced departure owing to a change of control or strategy" and to 2 years fixed and variable compensation in accordance with the AFEP/MEDEF consolidated code.

The main features of this severance pay are as follows:

- Maximum amount of severance pay:

Twice the total gross annual compensation (not including directors' fees and benefits in kind), including the amount of the fixed part of his compensation for the last financial year ("Fixed Part") and twice the average of the variable part ("Variable Part") paid or owed for the last three financial years closed-out prior to the cessation of his duties as CEO ("Reference Compensation").

- Payment calculation methods:

The amount and the fixed and variable components of this payment both depend on performance conditions achieved for the calculation of his annual variable compensation.

The amount of this payment is twice the total of (1) the Variable Part of his Reference Compensation (average of the last three financial years) and (2) the Fixed Part of his Reference Compensation (last financial year), adjusted by a "Performance Rate" corresponding to the average percentage of the target variable compensation (bonus) achieved during the last three financial years closed-out prior to the cessation of his duties.

Should Mr Antoine Frérot leave his position as CEO before it is possible to determine the Reference Compensation or the average Performance Rate over three closed-out financial years, these indicators shall be determined, accordingly, on the basis of the last or the last two financial years closed-out prior to the date when Mr Antoine Frérot leaves his position as CEO.

Should Mr Antoine Frérot leave his position as CEO before the closing-out of the first full financial year during which he held the position of CEO, the Board of Directors shall decide on the payment owed on the basis of an appraisal of Mr Antoine Frérot's performance levels, as regards those of the Company by taking account, in particular, of his long and successful career (over 19 years seniority) with the Group prior to the termination of his employment.

- Trigger for the payment:

Forced departure owing to a change of control or strategy (unless he decides to retire and to benefit from the supplementary defined benefits group pension plan, established for the CEO and other members of the executive committee or he accepts a professional reclassification in VE group).

- Right to keep the Share-subscription options or performance-based shares allocated to the CEO in case of a Forced departure triggering the payment of this severance pay:

Share-subscription options or performance-based shares shall be maintained, whether they are in the process of being acquired or are able to be exercised (subject to the performance conditions provided for in the plan's rules).