



## **VEOLIA ENVIRONNEMENT EUROPEAN WORKS COUNCIL AGREEMENT**

### **Between**

The undersigned,

The Special Negotiation Group (GSN) composed of:

- Germany: Peter Starre
- Belgium: Philippe Deron
- Denmark: Christiansen Finn
- Spain: Diego Cardoso
- Estonia: Milvi Ilves
- Finland: Juha Ollas
- France: M'hammed Marham
- France: **Olivier Monnier**
- France: Charles Liaser
- France: **Dominique Le Morvan**
- France: Franck Leroux
- France: David Bimboire
- Hungary: Janos Csiszar
- Italy: Nicoletta Oltolina
- Ireland: Brian Bell
- Lithuania: Antanas Gervylus
- Norway: Kristian Herringbotn
- Netherlands: Théo Knijff
- Portugal: Pedro Vendas
- Poland: Dariusz Stefanowicz
- Czech Republic: Pasa Pavel
- United Kingdom: Jimmy Philibin
- Romania: Nicolae Turcuman
- Slovakia: Frantisek Nemecek
- Slovenia: Metka Roksandic
- Sweden: Christer Lindh

**on the one hand**

**and**

The Management of Veolia Environnement, represented by Mr Eric Marie de Ficquelmont, Executive Vice-President of the company Veolia Environnement S.A. and in this capacity duly authorised to represent the company

**on the other hand**

have on this day come to the following agreement concerning the Veolia Environnement European Works Council:

**PREAMBLE:**

► The group Veolia Environnement consists of Veolia Environnement S.A. and its four divisions: transportation (Connex), energy services (Dalkia), waste management (Onyx) and water (Veolia Water).

Veolia Environnement's growth is achieved by developing the skills of all its employees, synergies between its divisions and a global and consistent approach to each of its businesses.

► The Veolia Environnement European Works Council is a priority arena for information and exchange concerning the life of the group.

The European Works Council must be a flexible and responsive body whose effectiveness will be judged on the quality of the social dialogue it allows between stakeholders, rather than the number or frequency of its meetings. To guarantee its effectiveness, structures for dialogue shall be set up on three different levels.

► The vocation of the European Works Council is to enable consultation around transnational matters that may lead to joint statements or recommendations. This constitutes the third level of dialogue.

Aware of the communication challenges arising from changes in Veolia Environnement divisions and in the number of countries included in this agreement, and with the aim of highlighting topics of interest, the Veolia Environnement European Works Council is keen to create structures for social dialogue within each country. This second level of dialogue will deal with transversal matters.

The first level of dialogue is located at the level of each company within Veolia Environnement, which works in association with institutions representing employees on matters falling within their prerogatives.

► Social dialogue within Veolia Environnement should take into account the specific confidentiality requirements resulting from the company's listing on the stock exchange and the fact that Veolia Environnement is listed on French, European and international indexes.

Furthermore, this social dialogue within Veolia Environnement must be carried out within a common ethical framework, based on shared convictions and the responsibility of each participant in promoting these values, the most important of which are compliance with the law, honesty, social responsibility, control of risks, information, corporate governance and a commitment to sustainable development.

► Pursuant to European Directive 94/45/EC of 22 September 1994 on Establishment of a European Works Council and Law 96-985 of 12 November 1996 on informing and consulting employees in Community-scale Undertakings and Groups of Undertakings, the signatory parties agree to set up a European Works Council the terms of operation of which form the subject of this Agreement, and which shall be called the Veolia Environnement European Works Council.

## **Article 1 : PURPOSE OF THE AGREEMENT**

### **1.1: Veolia Environnement European Works Council**

The Veolia Environnement European Works Council is a body created for information and consultation<sup>1</sup>, discussion and social dialogue with employee representatives concerning transnational<sup>2</sup> issues. Its powers and duties are described in article 4 below.

The purpose of creation of the Veolia Environnement European Works Council is to ensure a balance between the structure of the bodies representing employees and the group's organisation bodies, to provide employee representatives with genuine information and to discuss with them subjects concerning all the group's employees, particularly when related to the general policy of Veolia Environnement.

The Veolia Environnement European Works Council may be called on to negotiate certain agreements in principle on transnational issues, implementation of which depends on national laws and regulations in each of the countries covered by these agreements.

### **1.2: Creation of national structures for social dialogue**

The national structure for social dialogue provides an opportunity for dialogue, exchange of views and information between management and employee representatives in the countries included in the scope of the European Works Council in accordance with article 3.1, notably on transversal topics<sup>3</sup>. Its duties do not include negotiating agreements. The national structure for social dialogue is not a works council at the level of each country concerned.

In countries -- such as France -- where this social dialogue structure does not yet exist, it may be set up in compliance with the following provisions: the social dialogue structure is an equi-representational body made up of no more than four representatives of Veolia Environnement employees attached to a body representing the employees of one of the group's companies in that country and four representatives of Management.

The actual number of representatives depends on the number of divisions present in a country taking into account the number of employees by division.

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<sup>1</sup> Information and consultation encompasses exchange of views and establishment of a social dialogue between employee representatives and management

<sup>2</sup> A subject is considered to be transnational when it arises in at least two countries covered by the agreement.

<sup>3</sup> A subject is considered to be transversal when it affects at least two divisions of Veolia Environnement.

Employee representatives in the Veolia Environnement European Works Council shall be nominated from among the employee representatives in the social dialogue structures of each country included within its scope, in accordance with national laws and regulations.

The mission of the national social dialogue structures comprises, notably:

- contributing to the work of reflection of the Veolia Environnement European Works Council as a liasing body
- presenting and analysing economic and social data in the country
- debating transversal subjects
- informing employees in the divisions concerned about their activity.

The national social dialogue structure shall meet at least once a year.

The national social dialogue structures must be set up within 3 (three) years following signature of this agreement. Whatever the date on which they are set up, the term of office of their members may not exceed the end of the term of office of representatives of the European Works Council, in accordance with article 3.1, paragraph 7. Beyond this first cut-off date, the term of office of members of the national social dialogue structures shall be the same as that of representatives of the European Works Council.

The minutes of meetings of these national social dialogue structures shall be sent to the Secretary of the Bureau and to Management.

The setting up of national social dialogue structures will be regularly assessed during meetings of the Veolia Environnement European Works Council.

## **Article 2: SCOPE**

The European Works Council encompasses the company Veolia Environnement S.A. and all its subsidiaries or sub-subsidiaries within the European Union and in Member States of the European Economic Area in which it has a controlling interest<sup>4</sup>.

The list of companies concerned as of 31 December 2004 is shown in appendix 1. It is an integral part of this agreement and will be updated every 4 (four) years at the end of the year.

Nevertheless, if, during the period of validity of the agreement, a change in the group's basis of consolidation were to lead to a manifest imbalance between the number of representatives and the number of employees represented, Management shall inform the European Works Council so that the parties may meet to examine any changes to be made to its composition. These changes shall be set out in a codicil to appendix 1.

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<sup>4</sup> Romania is also included in this Agreement by anticipation.

The scope of the European Works Council may be extended to include other countries subject to the agreement of the Management of Veolia Environnement and a majority of the members of the European Works Council.

### **Article 3: COMPOSITION**

#### **3.1. Representatives of Group Company employees**

Each Member State of the European Union, listed in appendix 2, having a workforce of between 500 (five hundred) and 5,000 (five thousand) employees, shall have a seat on the European Works Council.

An additional seat shall be allocated where the workforce is between 5001 (five thousand and one) and 10,000 (ten thousand) employees.

Three additional seats will be allocated to countries with a total workforce of over 50,000 (fifty thousand) employees.

In consequence whereof, the European Works Council is composed of 29 (twenty-nine) members representing the employees of Veolia Environnement companies. The members of the European Works Council must be members of the social dialogue structures in their country (except for French members) and must be employees elected by a body representing the employees of one of the group companies.

Each of the 21 countries making up the scope of the European Works Council shall have a substitute entitled to replace a member in the event of his/her unavailability.

The members of the European Works Council shall be appointed for a term of office of 4 (four) years. Substitutes appointed to replace members prevented from carrying out their duties will remain in office until the member's term of office has expired.

Candidate countries may obtain an observer's seat under the same conditions as are required for an extension of the scope of the Council (Article 2, paragraph 4). With the exception of the purpose of this observer's mission, all the rules and regulations applying to members by virtue of this agreement apply also to observers.

MOROCCO already has an observer's seat.

#### **3.2. Representation of the Management of Veolia Environnement**

The Veolia Environnement European Works Council is chaired by the President of Veolia Environnement or a representative authorised by the President, assisted by colleagues whose presence at a given meeting is justified by their duties within the company or by a particular item on the agenda.

### **Article 4: POWERS AND DUTIES**

The annual meeting of the European Works Council shall regularly cover transnational matters, notably concerning information and consultation on the following topics:

the structure of the Undertaking or Group of Undertakings, its economic and financial situation, the probable development of its business, investments, changes concerning its organisation, mergers, spin-offs, acquisitions, downsizing or closure of companies, establishments or important parts thereof and collective redundancies, the situation of and likely trends in employment, variations in workforce levels, forward management of employment, management of skills, sustainable development and research and development.

The Veolia Environnement European Works Council may not replace the existing employee representation structures in the countries covered by this agreement, nor call into question their prerogatives.

In some cases, certain subjects may give rise to a recommendation from one or other of the parties, subject to prior agreement between the two parties.

#### **Article 5: METHODS FOR APPOINTING EMPLOYEE REPRESENTATIVES**

Appointment of employee representatives to the European Works Council must be carried out in accordance with the specific laws and regulations applying in each country. In addition, the representative appointed must be an employee of one of the Veolia Environnement companies in his/her country and **except in the case of French members** must also be a member of the social dialogue structure in his/her country. *(voir p 5)*

In the event of a substantial number of members of the Veolia Environnement European Works Council becoming ineligible for office during the term of office, the provisions of article 2, paragraph 3 shall be applied in the same way.

#### **Article 6: OPERATION, RESOURCES AND STATUS OF MEMBERS**

##### **6-1. Bureau**

##### **6.1.1 Composition and role of the Bureau**

For the greater effectiveness of discussions between Management and the employee representatives on the Veolia Environnement European Works Council, a Bureau of five members shall be set up.

The Bureau shall appoint from its members one secretary and four deputy secretaries. The Secretary represents the Veolia Environnement European Works Council in carrying out all actions linked to the legal personality of the council.

The Bureau is responsible for coordinating the business of the Works Council, communication between members and follow-up of expert reports. It shall meet once every quarter.

##### **6.1.2. Election of members of the Bureau**

Bureau members shall be elected by and from among the members of the European Works Council having the right to participate in discussion and to vote, at the first meeting of the Council's term of office.

##### **6.1.3. Meetings of the Bureau with Management**

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The Bureau of the Veolia Environnement European Works Council shall be immediately informed if, in the interval between two plenary sessions, developments occur which are likely to modify the structure and strategic orientations of the group.

## **6.2. Meetings**

The Works Council shall hold two one-day plenary sessions per year on notice from the Chairman or his representative. Each one-day plenary session shall be preceded by a one-day preparatory meeting and followed by a half-day closing meeting. Hence, each of these ordinary annual meetings will take up two and a half days.

The Secretary and the Chairman or his/her representative may agree to hold one or more extraordinary meetings.

## **6.3. Agenda of plenary sessions**

The agenda shall be drawn up jointly by the Chairman or his/her representative and the Secretary. It shall be conveyed - accompanied, if necessary, by related documents - to the members of the Veolia Environnement European Works Council with the notice to attend the meeting.

However, failing agreement on the content of the agenda, it shall be drawn up by the Chairman and conveyed to the members of the European Works Council at least ten days before the date of the meeting.

## **6.4. Minutes of the plenary sessions**

The minutes of each meeting shall be drawn up under the responsibility of the Secretary of the European Works Council. The minutes shall be provisionally approved by the Bureau and Management. For each plenary session, a person will be appointed to assist the Secretary of the Veolia Environnement European Works Council by taking notes.

The minutes shall be adopted definitively at the following meeting. The non-confidential parts of the minutes may be distributed after provisional approval.

## **6.5. Support for the Works Council**

A representative (expert) appointed by the European Confederation of Employees (C.E.S.) and a representative (expert), appointed by the European Confederation of Managerial Staff (C.E.C.) may assist the Bureau or the European Works Council in carrying out their duties insofar as this is necessary for accomplishment of their tasks. Where Management and the confederation concerned have established the need to use the services of an expert on a particular matter, the confederation concerned shall present a competitive estimate in the prescribed form to Management. The appointment of a paid expert rules out participation by any other person or institution in the meetings of the Veolia Environnement European Works Council, irrespective of its composition.

## **6.6. Joint statements and recommendations**

As and when necessary, joint statements of method or recommendations may be contracted between Management and the Veolia Environnement European Works Council. These joint statements of method or recommendations may be the subject of discussion between the members of the Bureau and Management of the Veolia Environnement group.

These joint statements of method or recommendations may be implemented through negotiation of company-wide agreements within the Veolia Environnement group in compliance with local laws and regulations.

Follow-up of these joint statements of methods or recommendations shall be carried out at the annual meetings of the Veolia Environnement European Works Council.

### **6.7. Communication**

Management shall ensure translation of meetings in all the languages within Veolia Environnement and, where necessary, translation of the main information documents.

### **6.8. Training**

Regular and substitute members of the Veolia Environnement European Works Council may benefit from training organised and financed by Management once during each term of office. This training in legal, economic and social issues shall be provided by the Veolia Environnement Campus.

### **6.9. Protection**

Members of the Veolia Environnement European Works Council benefit from the protection provided by the European directive mentioned in the preamble.

## **Article 7 – OBLIGATION OF CONFIDENTIALITY**

The members of the Veolia Environnement European Works Council, the experts providing support and observers are bound by professional secrecy and must maintain total confidentiality concerning all information provided by Management on a confidential basis.

## **Article 8 – REVISION AND RENEGOTIATION**



### **8.1. Revision**

To guarantee the ongoing adaptation of this agreement, a follow-up committee composed of the five members of the Bureau shall be set up. The follow-up committee may make proposals for changes to this Agreement, which, after discussion, may give rise to codicils.

### **8.2. Renegotiation**

The most diligent party wishing to renegotiate the Agreement, shall make this known by registered letter with acknowledgement of receipt: Management to the Secretary of the Bureau, the European Works Council through the Secretary of the Bureau to the head of the company. Within two months of the information being made known, the members of the Veolia Environnement European Works Council shall meet to negotiate a new agreement.

In the event of failure to hold a meeting or breakdown of these negotiations, the effect of this Agreement shall be maintained during the next 6 (six) months. At the end of this period, a European Works Council shall be put in place, made up as in the absence of the Agreement until such time as the members of the Veolia Environnement European Works Council have agreed on a new agreement with Management.

## **Article 9 - TERM OF THE AGREEMENT**

This Agreement is entered into for an undetermined period running from its signature.

Paris, 3 October 2005

in thirty-six copies, of which each party has received one after signature, one for each member of the GSN, translated into his/her mother tongue, one for Management, one for the Conciliation Board and five for the local labour authorities (D.D.T.E.)

For the GSN:

For Veolia Environnement:

Germany: Peter Starre

Eric Marie de Ficquelmont

Belgium: Philippe Deron

Denmark: Christiansen Finn

Spain: Diego Cardoso

Estonia: Milvi Ilves

Finland: Juha Ollas

France : M'hammed Marham

France: Olivier Monier

France: Charles Liaser

France: Dominique Le Morvan

France: Franck Leroux

France: David Bimboire

Hungary: Janos Csiszar

Italy: Nicoletta Oltolina

Ireland: Brian Bell

Lithuania: Antanas Gervylus

Norway: Kristian Herringbotn

Netherlands: Theo Knijff

Poland: Dariusz Stefanowicz

Portugal: Pedro Vendas

Czech Republic: Pasa Pavel

United Kingdom: Jimmy Philibin

Romania: Nicolae Turcuman

Slovakia: Frantisek Nemecek

Slovenia: Metka Roksandic

Sweden: Christer Lindh