



Board of Directors' meeting of 16 May 2017

RENEWAL OF THE TERM OF OFFICE OF MARTIN BOUYGUES AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER – DEFINED-BENEFIT PENSION

Martin Bouygues, Chairman and Chief Executive Officer of Bouygues, reached the age of 65 on 3 May 2017.

Under Article 13.7 of the Articles of Association, if the Chairman reaches the age of 65, his term of office must be submitted for confirmation to the next subsequent Board meeting for a maximum period of one year. The Board of Directors may then renew the term of office annually for one-year periods until the Chairman reaches the age of 70, at which time the Chairman is considered to have automatically resigned.

Under Article 17.1 of the Articles of Association, if the Chief Executive Officer reaches the age of 65, his term of office must be submitted for confirmation to the next subsequent Board meeting for a maximum period of one year. The Board of Directors may then renew the term of office annually for one-year periods until the Chief Executive Officer reaches the age of 70, at which time the Chief Executive Officer is considered to have automatically resigned.

At the proposal of the Selection and Remuneration Committee, the Board of Directors decided to:

- renew the option to combine the offices of Chairman and Chief Executive Officer;
- renew the terms of office of Martin Bouygues as Chairman and Chief Executive Officer for a period of one year, i.e. up to 3 May 2018; and,
- Martin Bouygues having abstained, to reiterate the decisions taken by the Board meeting of 22 February 2017 as regards the remuneration of Martin Bouygues for the 2017 financial year.

Martin Bouygues, on the same basis and subject to the same conditions as the other members of the Bouygues group Management Committee, belongs to a defined-benefit supplementary pension scheme giving entitlement to an annual pension equal to 0.92% of the reference salary (average of the three best years) per year in the scheme. Benefits under this scheme vest after ten years' service with the Bouygues group. The pension is capped at eight times the Social Security ceiling, equivalent to a cap of €313,824 in 2017.

The Macron Law of 6 August 2015 introduced a new legal requirement that the vesting of new pension benefits under defined-benefit pension schemes awarded to Executive Officers of listed companies must be subject to the attainment of performance conditions. This legal requirement also applies to directors appointed or reappointed subsequent to the publication of the law, with effect from the date of their appointment or reappointment.

It should be borne in mind that on 7 August 2015, the date of entry into force of the Macron Law, Martin Bouygues had – given his length of service, and the level of his past remuneration – long ago fulfilled the conditions for entitlement to the supplementary pension at the maximum rate, obviating the need to stipulate performance conditions for the period subsequent to that date. As regards the



rights that vested under this pension scheme prior to entry into force of the Macron Law, those rights are not subject to performance conditions and are retained unconditionally by Martin Bouygues.

At the proposal of the Selection and Remuneration Committee, the Board of Directors therefore decided that Martin Bouygues should retain unaltered his entitlement under the supplementary pension scheme to which he belongs.