

COMBINED ANNUAL GENERAL MEETING

2018 CONVENING NOTICE

THURSDAY 26 APRIL 2018

Challenger

**1 avenue Eugène Freyssinet
Guyancourt (France)**



BOUYGUES

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All times are Central European Times (CET).



MESSAGE FROM MARTIN BOUYGUES

CHAIRMAN AND CEO

6 April 2018

To the shareholders,

It is my pleasure to invite you to our next Annual General Meeting, which will be held at Challenger on Thursday 26 April 2018 at 3.30pm (CET).

The Annual General Meeting is an important occasion for all Bouygues shareholders.

At the meeting, you will be asked to take important decisions for the company and for the Bouygues group as a whole: approval of the financial statements, setting of

the dividend, approval of regulated agreements and commitments, renewal of the terms of office of two directors, renewal of some of the authorisations or delegations of powers to the Board of Directors with a view to permitting the company to buy back its own shares, and to reduce or increase share capital.

For the first time within the framework of the Sapin 2 law, you will be asked to approve the remuneration awarded in respect of the last financial year to the Executive Officers (Chairman and CEO, and Deputy CEOs).

In addition, pursuant to the Sapin 2 law, you will be asked to approve the remuneration policy applicable to the Executive Officers for the current financial year.

The Annual General Meeting is an excellent opportunity for shareholders to meet senior executives and to obtain information about the situation of the company and the Group.

Bouygues now gives shareholders the option of voting by internet before the meeting, on the Votaccess secure platform that can be accessed via the company's dedicated website (for registered shareholders) or via the internet portal of the financial intermediary managing their securities account (for bearer shareholders).

I hope that you will take part in the meeting, either by attending in person or by voting by correspondence or by proxy.

Thank you for your trust.

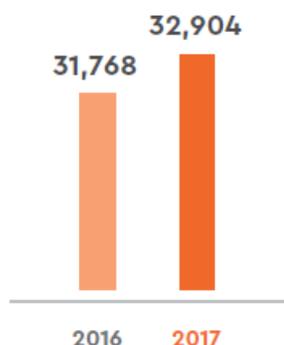
Best regards,

1. THE BOUYGUES GROUP IN 2017

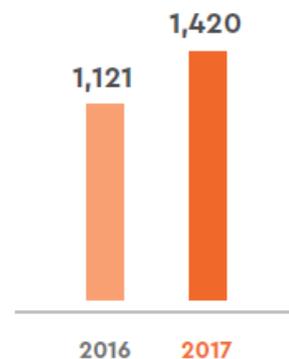
FULL-YEAR 2017 RESULTS

- SHARP INCREASE IN GROUP RESULTS AND PROFITABILITY YEAR-ON-YEAR
- ALL 2017 TARGETS MET OR EXCEEDED
- DIVIDEND OF €1.70 PER SHARE FOR 2017, UP BY €0.10
- FURTHER IMPROVEMENT IN THE GROUP'S PROFITABILITY IN 2018

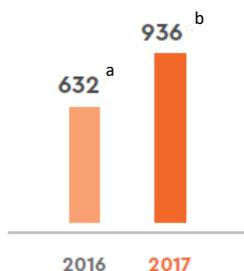
Sales
€ million



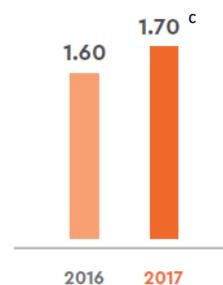
Current operating profit
€ million



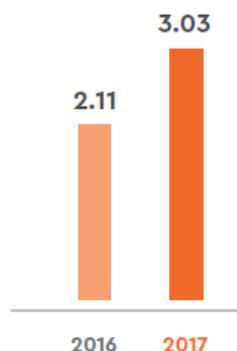
Net profit attributable to the Group excluding exceptional items
€ million



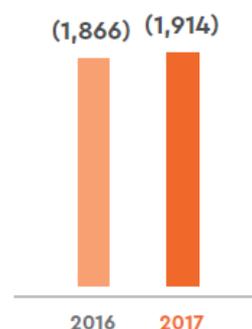
Dividend per share
€



Earnings per share^d
€ per share



Net debt
€ million, at end-December



- (a) Including a net capital gain of €189 million on the sale of stakes in motorway concession companies Adelaç (A41 motorway) and Atlandes (A63 motorway)
 (b) After stripping out the non-current income and charges (net of taxes) recorded by each business segment and the reimbursement of the 3% tax on dividends
 (c) To be proposed at the Annual General Meeting of 26 April 2018
 (d) Basic earnings per share from continuing operations

KEY FIGURES (€ million)	2016	2017	Change
Sales	31,768	32,904	+4% ^a
Current operating profit	1,121	1,420	+27%
Current operating margin	3.5%	4.3%	+0.8 pts
Operating profit	947 ^b	1,533 ^c	+62%
Net profit attributable to the Group	732 ^d	1,085	+48%
Net profit attributable to the Group excl. exceptional items ^e	632	936	+48%
Free cash flow	395	828	+€433m
Net debt (-)/net cash surplus (+) at 31 December	(1,866)	(1,914)	-€48m

(a) Up 4% like-for-like and at constant exchange rates

(b) Including non-current charges of €174m

(c) Including non-current income of €113m (see details on page 9)

(d) Including a capital gain of €189m on the sale of stakes in the highway concession companies Adelac (A41) and Atlandes (A63)

(e) See reconciliation on page 10

In line with the first nine months, the Group saw a sharp improvement in its results and profitability in 2017.

- Sales were up 4% versus 2016 at €32.9 billion.
- Current operating profit rose 27% year-on-year to €1,420 million.
- The current operating margin rose 0.8 points to 4.3% in 2017, driven by good operating performances in all three of the Group's activities (Construction, Media and Telecoms).
- Operating profit rose 62% year-on-year to €1,533, and included non-current income of €113 million (versus non-current charges of €174 million in 2016).
- Net profit attributable to the Group was €1,085 million, a year-on-year increase of 48%.
- Group free cash flow more than doubled versus 2016 to €828 million, to the same level as in 2013. 2017 therefore confirms a return to durable growth.

All the Group's businesses contributed to this performance by meeting or exceeding their targets:

- As expected, the current operating margin of the construction businesses improved by 0.2 points in 2017 (up 0.1 points excluding Nextdoor^a).
- TF1's savings plan generated €27 million of recurring savings in 2017, compared with an annual target of €25-30 million.
- Bouygues Telecom had an excellent 2017 and met or exceeded all the targets disclosed at the October 2015 Capital Markets Day. The company added 1.7 million mobile plan customers excluding MtoM and 1 million new fixed customers between end-2014 and end-2017, compared with a target of 1 million in each of these two markets. Its EBITDA margin was 27.2%, growing strongly by 4.6 points versus 2016 and significantly outperforming the target of 25%, which had been raised to between 26% and 27% at the nine-month 2017 results release.

The Group's businesses strengthened their positions in their respective markets in 2017.

- The construction businesses posted excellent commercial performances both in France and on international markets while remaining highly selective. The backlog reached a record level at end-December 2017. In particular, they strengthened their key position in the sustainable neighborhood and smart city markets. They also continued to expand in countries where the Group has a long-term presence, such as Canada and Australia.
- TF1 developed its production activity at the European level and accelerated its growth in digital media, in particular with the ongoing acquisition of aufeminin.
- Bouygues Telecom increased market share in fixed and is ramping up the roll-out of its FTTH network and the marketing of its fiber offers.

(a) Excluding a capital gain of €28 million in 2017 on the sale of 50% of Nextdoor and remeasurement of the residual interest

The Group maintained a very robust financial structure and therefore has all the means to ensure its development.

Net debt was €1.9 billion at end-December 2017, stable year-on-year. That stability notably reflects the sharp improvement in cash flow year-on-year, up €380 million. Net debt at 31 December 2017 does not include the ongoing acquisition of Miller and McAsphalt group by Colas and of aufeminin by TF1.

DIVIDEND

As a result of these good results, the Group is able to offer its shareholders a **dividend increase of €0.10 per share** for the 2017 financial year. The Board of Directors will therefore ask the Annual General Meeting of 26 April 2018 to approve a **dividend payment of €1.70 per share**.

The ex-date, record date and payment date have been set at 2, 3 and 4 May 2018 respectively.

OUTLOOK

Martin Bouygues, Chairman and CEO of Bouygues, said: "The Group is very well positioned in high-growth potential activities, which ensures a promising outlook for all its businesses".

The Group expects to continue to **gradually improve its profitability** in 2018.

- Benefiting from an upbeat environment in France and on international markets, the **construction businesses** will continue to be selective and focus on profitability rather than volumes. The current operating profit^a and current operating margin^a of the construction businesses are expected to improve versus 2017.
- **TF1** confirmed its targets to improve profitability:
 - In 2018, a higher **current operating margin**, excluding major sporting events;
 - In 2019, a **double-digit current operating margin** and the non-advertising activities of the five unencrypted channels that should contribute at least one third of consolidated sales;
 - The **annual average cost of programs** reduced to **€960 million^a** over the 2018-2020 period for the five unencrypted channels.
- **Bouygues Telecom** is experiencing a profitable growth momentum with a free cash flow target of €300 million for 2019. Sales from services are expected to grow by more than 3% in 2018 versus 2017, with a higher EBITDA/sales from services margin than in 2017 and gross capex of around €1.2 billion.

DETAILED ANALYSIS BY SECTOR OF ACTIVITY

CONSTRUCTION BUSINESSES

The backlog in the construction businesses at end-December 2017 reached a record level of €31.9 billion, up 6% year-on-year and up 8% at constant exchange rates, offering them good visibility on future activity.

In **France**, the good commercial momentum continued, with the backlog up 9% year-on-year.

The backlog was at the highest level in three years, rising 8% and 9% respectively at **Bouygues Construction and Colas** versus 2016. Bouygues Construction won contracts worth over €1 billion for the Grand Paris Express rapid transit project in 2017, plus a €128-million contract in fourth-quarter 2017 for the extension of the 3 Fontaines shopping center in Cergy. Higher order intake at Colas was driven by the recovery of the roads activity and substantial orders for railway maintenance.

Bouygues Immobilier increased market share in 2017, recording a 14% rise in residential property reservations, outperforming growth in the market sustained by the Pinel tax incentive, extension of the zero-interest loan program and low interest rates.

(a) Excluding major sporting events

The Group has strong **international presence**, while applying a highly selective approach to its choice of projects. The backlog at end-2017 was up 3% year-on-year (up 7% at constant exchange rates). It includes a number of significant orders booked in fourth-quarter 2017, including the €1.1 billion contract for the construction of the Melbourne metro tunnel in Australia, won by **Bouygues Construction**, major road and rail projects for **Colas**, which won three motorway contracts in Hungary worth a total of €330 million and a seven-year rail maintenance contract in the UK worth €255 million.

International business represented 57% of the backlog at Bouygues Construction and Colas at end-December 2017.

The **construction businesses** reported sales of €25.8 billion, up 3% versus 2017 and up 4% at constant exchange rates. Current operating profit was €948 million, up €69 million year-on-year. The current operating margin improved 0.2 points to 3.7% (up 3.6% excluding Nextdoor).

The current operating margins at **Bouygues Immobilier** and **Bouygues Construction** improved significantly in 2017, reaching 7.2% excluding Nextdoor (up 0.7 points year-on-year) and 3.1% (up 0.3 points year-on-year) respectively.

At **Colas**, current operating profit growth in fourth-quarter 2017 (up 26% year-on-year) offset part of the delay in activity in the first nine months of 2017, versus the first nine months of 2016, which was the result of the late start of operations in North America caused by adverse weather conditions especially in Canada, and of the difficulties in the rail activity. However, the current operating margin in 2017 was still lower than in 2016.

Operating profit was €943 million, €162 million more than in 2016. It includes non-current charges of €5 million in 2017 versus €98 million in 2016.

TF1

TF1 continued to roll out its multi-channel, multi-business, multi-media strategy in 2017. The five unencrypted channels (TF1, TMC, TFX, TF1 Séries Films, LCI) scored a combined audience share of 32.3% among women under 50 who are purchasing decision-makers, up 0.2 points year-on-year.

TF1 reported sales of €2,125 million, up 3% versus 2016, driven by a 2% year-on-year increase in advertising sales and a 6% rise in sales from other activities.

Current operating profit was €185 million, up €56 million year-on-year. The current operating margin grew strongly by 2.4 points year-on-year to 8.7%. This increase is a result of the strategy pursued since the fall of 2016, savings on recurring costs and the absence of any major sporting event during the period.

Operating profit was €162 million, and included non-current charges of €23 million related to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios.

BOUYGUES TELECOM

Bouygues Telecom had an excellent year due to the strategy pursued since 2014 and met or exceeded all the targets disclosed at the October 2015 Capital Markets Day.

The company had 14.4 million mobile customers at end-December 2017. It added 500,000 mobile plan customers excluding MtoM in 2017, including 150,000 in fourth-quarter 2017. Bouygues Telecom added 1.7 million mobile plan customers excluding MtoM over a three-year period, considerably outperforming the target of 1 million new mobile customers excluding MtoM at end-2017 versus end-2014. 4G penetration within Bouygues Telecom's customer base continued, with 7.9 million users at end-December 2017, 1 million more than at end-December 2016.

Bouygues Telecom posted a very good commercial performance in the fixed market, adding 340,000 new customers in 2017, including 98,000 in the fourth quarter, for a total of 3.4 million customers at end-December 2017. The company therefore achieved its target of 1 million additional fixed customers by end-2017 versus end-2014.

FTTH recruitment accelerated, accounting for 58% of net growth in fourth-quarter 2017, the best quarter since the launch of fiber offers. Bouygues Telecom had 265,000 FTTH customers at end-December 2017, up 2.2 times year-on-year.

The company also stepped up its roll-out of FTTH, with 20 million premises secured at end-December 2017, up 11 million versus end-2016, and 4 million premises marketed, up 2 million versus end-2016. Bouygues Telecom confirms its target of 12 million premises marketed at end-2019 and of 20 million by 2022.

Bouygues Telecom reported sales of €5,086 million in 2017, 7% more than in 2016. Sales from network rose 5% to €4,272 million (up 6% excluding incoming traffic). This reflected growth in the customer base and the full impact of price increases on Premium mobile offers and all fixed offers introduced at the end of May 2017.

EBITDA was €1,162 million, up €246 million year-on-year. The EBITDA margin rose 4.6 points year-on-year to 27.2%, exceeding the target set for 2017.

Operating profit was €470 million, up €301 million year-on-year. It included non-current income of €223 million related to the capital gain on the sale of sites to Cellnex and non-current charges of €79 million related to network sharing.

Net profit attributable to the Group was €260 million, up €168 million versus 2016, and included a charge of €33 million due to an exceptional income tax payment.

Gross capex in 2017 stood at €1,208 million.

ALSTOM

As announced on 14 November 2017, Alstom's financial contribution to the Group's net profit was €105 million in 2017, after a contribution of €36 million in 2016.

BOARD OF DIRECTORS

The Board of Directors will ask at the Annual General Meeting of 26 April 2018 to renew the terms of office of Martin Bouygues and Anne-Marie Idrac as directors.

2017 BUSINESS ACTIVITY

BACKLOG AT THE CONSTRUCTION BUSINESSES (€ million)	End-December		
	2016	2017	Change
Bouygues Construction	20,177	21,177	+5%
Bouygues Immobilier	2,966	3,162	+7%
Colas	7,058	7,584	+7%
Total	30,201	31,923	+6%

BOUYGUES CONSTRUCTION ORDER INTAKE (€ million)			
	2016	2017	Change
France	5,761	6,175	+7%
International	6,872	6,955	+1%
Total	12,633	13,130	+4%

BOUYGUES IMMOBILIER RESERVATIONS (€ million)			
	2016	2017	Change
Residential property	2,343	2,636	+13%
Commercial property	495	429	-13%
Total	2,838	3,065	+8%

COLAS BACKLOG (€ million)	End-December		
	2016	2017	Change
Mainland France	2,891	3,161	+9%
International and French overseas territories	4,167	4,423	+6%
Total	7,058	7,584	+7%

TF1 AUDIENCE SHARE			
	2016	2017	Change
Total	32.1%	32.3%	+0.2 pts

(a) Source: Médiamétrie – women under 50 who are purchasing decision-makers

BOUYGUES TELECOM CUSTOMER BASE ('000)			
	End-Dec 2016	End-Dec 2017	Change
Plan customers	12,130	13,706	+1,576
Prepaid customers	866	681	-185
Total mobile customers	12,996	14,387	+1,391
Total fixed customers	3,101	3,442	+341

2017 FINANCIAL PERFORMANCE

CONDENSED CONSOLIDATED INCOME STATEMENT (€ million)	2016	2017	Change
Sales	31,768	32,904	+4% ^a
Current operating profit	1,121	1,420	+€299m
Other operating income and expenses ^b	(174)	113	+€287m
Operating profit	947	1,533	+€586m
Cost of net debt	(222)	(226)	-€4m
Other financial income and expenses	41 ^c	38	-€3m
Income tax	(249)	(303)	-€54m
Share of net profit of joint ventures and associates o/w Alstom	267 ^d 36	163 105	-€104m +€69m
Net profit from continuing operations	784	1,205	+€421m
Net profit attributable to non-controlling interests	(52)	(120)	-€68m
Net profit attributable to the Group	732	1,085	+€353m
Net profit attributable to the Group excl. exceptional items ^e	632	936	+€304m

(a) Up 4% like-for-like and at constant exchange rates

(b) In 2016, including non-current charges of €84m at TF1, €62m at Colas, €23m at Bouygues Construction, €13m at Bouygues Immobilier and non-current income of €20m at Bouygues Telecom (of which non-current charges of €84m related to the roll-out of network sharing and non-current income of €104m related to the capital gain on the sale of towers). In 2017, including non-current charges of €23m at TF1, €5m at Colas and non-current income of €141m at Bouygues Telecom (of which mainly non-current charges of €79m essentially related to network sharing and non-current income of €223m related to the capital gain on the sale of sites)

(c) Including the impact of the sale of Colas' stake in the A63 highway concession company

(d) Including the impact of the sale of Bouygues Construction's and Colas' stake in the A41 highway concession company

(e) See reconciliation on page 11

CALCULATION OF EBITDA (€ million)	2016	2017	Change
Current operating profit	1,121	1,420	+€299m
Net depreciation and amortization expense	1,599	1,655	+€56m
Charges to provisions and impairment losses, net of reversals due to utilization	461	330	-€131m
Reversals of unutilized provisions and impairment losses	(424)	(437)	-€13m
EBITDA	2,757	2,968	+€211m

SALES BY SECTOR OF ACTIVITY (€ million)	2016	2017	Change	Forex effect	Scope effect	lfl & consta nt fx
Construction businesses^a	25,001	25,753	+3.0%	+0.9%	0.0%	+3.9%
o/w Bouygues Construction	11,815	11,660	-1.3%	+1.3%	+0.3%	+0.3%
o/w Bouygues Immobilier	2,568	2,712	+5.6%	0.0%	+0.1%	+5.7%
o/w Colas	11,006	11,705	+6.4%	+0.6%	-0.3%	+6.7%
TF1	2,063	2,125	+3.0%	0.0%	-1.5%	+1.5%
Bouygues Telecom	4,761	5,086	+6.8%	-	-	+6.8%
Holding company and other	133	142	Ns	-	-	ns
Intra-Group eliminations^b	(578)	(526)	Ns	-	-	ns
Group sales	31,768	32,904	+3.6%	+0.7%	-0.1%	+4.2%
o/w France	20,071	20,989	+4.6%	0.0%	0.0%	+4.6%
o/w international	11,697	11,915	+1.9%	+1.9%	-0.2%	+3.6%

(a) Total of the sales contributions (after eliminations within the construction businesses)

(b) Includes intra-Group eliminations of the construction businesses

CONTRIBUTION TO GROUP EBITDA BY SECTOR OF ACTIVITY (€ million)	2016	2017	Change
Construction businesses	1,516	1,439	-€77m
o/w Bouygues Construction	537	472	-€65m
o/w Bouygues Immobilier	178	231	+€53m
o/w Colas	801	736	-€65m
TF1	364	392	+€28m
Bouygues Telecom	916	1,162	+€246m
Holding company and other	(39)	(25)	+€14m
Group EBITDA	2,757	2,968	+€211m

CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	2016	2017	Change
Construction businesses	879	948	+€69m
o/w Bouygues Construction	326	363	+€37m
o/w Bouygues Immobilier	167	223	+€56m
o/w Colas	386	362	-€24m
TF1	129	185	+€56m
Bouygues Telecom	149	329	+€180m
Holding company and other	(36)	(42)	-€6m
Group current operating profit	1,121	1,420	+€299m

CONTRIBUTION TO GROUP OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	2016	2017	Change
Construction businesses	781	943	+€162m
o/w Bouygues Construction	303 ^a	363	+€60m
o/w Bouygues Immobilier	154 ^a	223	+€69m
o/w Colas	324 ^a	357 ^b	+€33m
TF1	45^a	162^b	+€117m
Bouygues Telecom	169^a	470^b	+€301m
Holding company and other	(48)	(42)	+€6m
Group operating profit	947	1,533	+€586m

(a) In 2016, including non-current charges of €84m at TF1, €62m at Colas, €23m at Bouygues Construction, €13m at Bouygues Immobilier and non-current income of €20m at Bouygues Telecom (of which non-current charges of €84m related to the roll-out of network sharing and non-current income of €104m related to the capital gain on the sale of towers)

(b) In 2017, including non-current charges of €23m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and of €5m at Colas related to preliminary works for the dismantling of the Dunkirk site and non-current income of €141m at Bouygues Telecom (of which mainly non-current charges of €79m essentially related to network sharing and non-current income of €223m related to the capital gain on the sale of sites)

CONTRIBUTION TO NET PROFIT ATTRIBUTABLE TO THE GROUP BY SECTOR OF ACTIVITY (€ million)	2016	2017	Change
Construction businesses	754	761	+€7m
o/w Bouygues Construction	320	319	-€1m
o/w Bouygues Immobilier	91	125	+€34m
o/w Colas	343	317	-€26m
TF1	18	60	+€42m
Bouygues Telecom	83	236	+€153m
Alstom	36	105	+€69m
Holding company and other	(159)	(77)	+€82m
Net profit attributable to the Group	732^a	1,085	+€353m
Net profit attributable to the Group excl. exceptional items^b	632	936	+€304m

(a) Including the capital gains on the sale of stakes in the A63 and A41 highway concession companies and on the sale of towers

(b) See reconciliation on page 10

IMPACT OF EXCEPTIONAL ITEMS ON NET PROFIT ATTRIBUTABLE TO THE GROUP (€ million)	2016	2017	Change
Net profit attributable to the Group	732	1,085	+€353m
o/w non-current income/charges related to the construction businesses (net of taxes)	69	3	-€66m
o/w non-current income/charges related to TF1 (net of taxes)	24	7	-€17m
o/w non-current income/charges related to Holding company (net of taxes)	8	0	-€8m
o/w non-current income/charges related to Bouygues Telecom (net of taxes)	(12)	(72)	-€60m
o/w net capital gains on the sale of Bouygues Construction' stakes in the A41 motorway	(110)	0	+€110m
o/w net capital gains on the sale of Colas' stakes in the A63 and A41 motorways	(79) ^a	0	+€79m
o/w reimbursement of the 3% tax on dividends	0	(87)	-€87m
Net profit attributable to the Group excl. exceptional items	632	936	+€304m

(a) The capital gain on the A41 motorway concession company includes a €9m restatement at Group level

**NET SURPLUS CASH/(NET DEBT)
BY BUSINESS SEGMENT
(€ million)**

	End-December		
	2016	2017	Change
Bouygues Construction	3,387 ^a	3,409	+€22m
Bouygues Immobilier	(124) ^a	(86)	+€38m
Colas	517 ^a	433	-€84m
TF1	187	257	+€70m
Bouygues Telecom	(1,012)	(976)	+€36m
Holding company and other	(4,821) ^b	(4,951)	-€130m
TOTAL	(1,866)	(1,914)	-€48m

(a) Including a 2016 interim dividend of €250m paid by Bouygues Construction, of €178m by Colas and of €90m by Bouygues Immobilier

(b) Including a 2016 interim dividend of €512m

CONTRIBUTION TO NET CAPITAL EXPENDITURE BY SECTOR OF ACTIVITY (€ million)	2016	2017	Change
Construction businesses	585	488	-€97m
o/w Bouygues Construction	173	119	-€54m
o/w Bouygues Immobilier	28	14	-€14m
o/w Colas	384	355	-€29m
TF1	209	198	-€11m
Bouygues Telecom	802	830	+€28m
Holding company and other	42	11	-€31m
TOTAL	1,638	1,527	-€111m

CONTRIBUTION TO GROUP FREE CASH FLOW BY SECTOR OF ACTIVITY (€ million)	2016	2017	Change
Construction businesses	530	712	+€182m
o/w Bouygues Construction	256	274	+€18m
o/w Bouygues Immobilier	80	118	+€38m
o/w Colas	194	320	+€126m
TF1	51	127	+€76m
Bouygues Telecom	3	17^a	+€14m
Holding company and other	(189)	(28)	+€161m
TOTAL	395	828	+€433m

(a) Stripping out exceptional income tax of €33m, Bouygues Telecom's free cash flow is €50m

IMPACT OF IFRS 15 ON 2017 FINANCIAL STATEMENTS (M€)	2017 reported	o/w Bouygues Immobilier	o/w Bouygues Telecom	o/w TF1	2017 restated
Sales	32,904	+37	-26	+7	32,923
Current operating profit	1,420	-5	-9	0	1,406
Operating profit	1,533	-5	-9	0	1,519
Income tax	(303)	0	+4	0	(299)
Share of net profit of joint ventures and associates	163	+6	0	0	169
Net profit from continuing operations	1,205	+1	-5	0	1,201
Net profit attributable to non-controlling interests	(120)	0	+1	0	(119)
Net profit attributable to the Group	1,085	+1	-4	0	1,082

2. GOVERNANCE

The Board of Directors refers to the recommendations of the Afep-Medef Corporate Governance Code. It draws on the work of three committees. The Board of Directors met five times in 2017. The attendance rate was 96%. At the date of the Annual General Meeting, the proportion of women with seats on the Board of Directors, excluding directors representing employees, is 46.2%. The proportion of women with seats on Board committees is 72.7%. The proportion of directors qualified as independent by the Board, excluding directors representing employees or employee shareholders, is 45.5%.

Current composition of the Board of Directors



MARTIN BOUYGUES

Chairman and CEO

Date of birth: 3 May 1952 – French

Date of first appointment:
21 January 1982

Expiry of current term of office:
2018

Number of shares in the company^a: 369,269
(76,278,329 via SCDM and SCDM Participations)

Chairman of SCDM



OLIVIER BOUYGUES

Deputy CEO, director

Date of birth: 14 September 1950 – French

Date of first appointment:
5 June 1984

Expiry of current term of office:
2019

Number of shares in the company^a: 192,993
(76,278,329 via SCDM and SCDM Participations)

CEO of SCDM



FRANCIS CASTAGNÉ

Director representing employees

Date of birth: 29 December 1963 – French

Date of first appointment:
27 April 2016

Expiry of current term of office:
2018

Member of the Selection and Remuneration Committee

Works Director at Bouygues Bâtiment Ile-de-France



RAPHAËLLE DEFLESSELLE

Director representing employees

Date of birth: 27 April 1972 – French

Date of first appointment:
20 May 2014

Expiry of current term of office:
2018

Member of the Ethics, CSR and Patronage Committee

Director, IT Governance, Research and Transformation within the Information Systems Division at Bouygues Telecom



CLARA GAYMARD

Independent director

Date of birth: 27 January 1960 – French

Date of first appointment:
21 April 2016

Expiry of current term of office:
2019

Number of shares in the company^a: 500

Member of the Accounts Committee

Co-founder of Raise



ANNE-MARIE IDRAC

Independent director

Date of birth: 27 July 1951 – French

Date of first appointment:
26 April 2012

Expiry of current term of office:
2018

Number of shares in the company^a: 500

Chairwoman of the Ethics, CSR and Patronage Committee and Member of the Accounts Committee

Chair of the supervisory board of Toulouse-Blagnac Airport

(a) At 31 December 2017



PATRICK KRON
Director
 Date of birth: 26 September 1953 – French
Date of first appointment:
 6 December 2006
Expiry of current term of office:
 2019
Number of shares in the company^a: 500
 Chairman of PKC&I and Truffle Capital



HELMAN LE PAS DE SÉCHEVAL
Director
 Date of birth: 21 January 1966 – French
Date of first appointment:
 24 April 2008
Expiry of current term of office:
 2020
Number of shares in the company^a: 638
Chairman of the Accounts Committee and Member of the Selection and Remuneration Committee
 General Counsel of the Veolia group



COLETTE LEWINER
Independent director
 Date of birth: 19 September 1945 – French
Date of first appointment:
 29 April 2010
Expiry of current term of office:
 2019
Number of shares in the company^a: 12,685
Chairwoman of the Selection and Remuneration Committee
 Advisor to the Chairman of Capgemini on matters regarding energy and utilities



SANDRA NOMBRET
Director representing employee shareholders
 Date of birth: 24 May 1973 – French
Date of first appointment:
 29 April 2010
Expiry of current term of office:
 2019
Member of the Ethics, CSR and Patronage Committee
 Director, Legal Affairs at Bouygues Bâtiment International



ALEXANDRE DE ROTHSCHILD
Director
 Date of birth: 3 December 1980 – French
Date of first appointment:
 27 April 2017
Expiry of current term of office:
 2020
Number of shares in the company^a: 500
 Deputy CEO of Rothschild & Co



ROSE-MARIE VAN LERBERGHE
Independent director
 Date of birth: 7 February 1947 – French
Date of first appointment:
 25 April 2013
Expiry of current term of office:
 2019
Number of shares in the company^a: 531
Member of the Ethics, CSR and Patronage Committee
 Vice-Chairwoman of Klépierre

(a) At 31 December 2017



MICHÈLE VILAIN

Director representing employee shareholders

Date of birth: 14 September 1961 – French

Date of first appointment:

29 April 2010

Expiry of current term of office:

2019

Member of the Accounts Committee

Deputy Director, Opéra IT project management at Bouygues Immobilier



EDWARD BOUYGUES

Standing representative of SCDM on the Board of Bouygues

Date of birth: 14 April 1984 – French

Date of first appointment:

21 April 2016

Expiry of current term of office:

2019

CEO of RCBT

(Club Bouygues Telecom store network)



CYRIL BOUYGUES

Standing representative of SCDM Participations on the Board of Bouygues

Date of birth: 31 January 1986 – French

Date of first appointment:

21 April 2016

Expiry of current term of office:

2019

Head of Strategy and Business Development Manager at SCDM Energy Limited (United Kingdom)

(a) At 31 December 2017

Board Committees

Board Committees	Raphaële Deflesselle ^c	Anne-Marie Idrac ^a	Helman le Pas de Sécheval ^a	Colette Lewiner ^a	Sandra Nombret ^b	Rose-Marie Van Lerberghe ^a	Michèle Vilain ^b	Clara Gaymard ^a	Francis Castagné ^c
Accounts Committee		Member	Chair				Member	Member	
Selection and Remuneration Committee			Member	Chair					Member
Ethics, CSR and Patronage Committee	Member	Chair			Member	Member			

- Chair
- Member

(a) Independent Director

(b) Director representing employee shareholders

(c) Director representing employees

Composition of the Board of Directors after the Annual General Meeting ^a

The Board of Directors will ask the Annual General Meeting of 26 April 2018 to renew the terms of office of Martin Bouygues and Anne-Marie Idrac as directors, due to expire at the end of said Annual General Meeting.

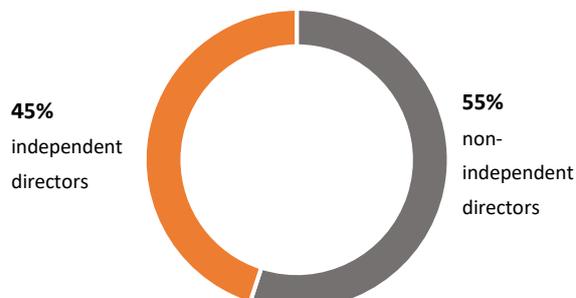
Gender balance on the Board of Directors

Excluding directors representing employees



Portion of independent directors

Excluding directors representing employee shareholders



The average age (calculated at the date of the Annual General Meeting) will be 54.

(a) Subject to the approval of the twelfth and thirteenth resolutions

Summary information about directors after the Annual General Meeting ^a

Name	Gender	Nationality	Age	Number of shares in the company at 31/12/2017	Number of offices held in listed companies outside the Bouygues group	Expertise	Board of Directors		Accounts Committee	Selection and Remuneration Committee	Ethics, CSR and Patronage Committee
							Start of first term ^b	End of current term			
Years on Board											
Executive Officers (members of the SCDM group)											
Martin Bouygues Chairman and CEO		M	FR	65	369,269 (76,278,329 via SCDM)		1982	2021	36		
Olivier Bouygues Deputy CEO		M	FR	67	192,993 (76,278,329 via SCDM)		1984	2019	34		
Directors representing the SCDM group											
Cyril Bouygues (Standing representative of SCDM Participations)		M	FR	32	SCDM Participations: 3,044,972		2016	2019	2		
Edward Bouygues (Standing representative of SCDM)		M	FR	34	SCDM: 73,233,357		2016	2019	2		
Directors representing employee shareholders											
Sandra Nombret		F	FR	44			2010	2019	8		
Michèle Vilain		F	FR	57			2010	2019	8		
Directors representing employees											
Francis Castagné		M	FR	54			2016	2018	2		
Raphaëlle Deflesselle		F	FR	45			2014	2018	4		

Independent directors

Clara Gaymard		F	FR	58	500 3		2016	2019	2		
Anne-Marie Idrac		F	FR	66	500 3		2012	2021	6		
Helman le Pas de Sécheval		M	FR	52	638		2008	2020	10		
Colette Lewiner		F	FR	72	12,685 4		2010	2019	8		
Rose-Marie Van Lerberghe		F	FR	71	531 2		2013	2019	5		

Other directors

Patrick Kron		M	FR	64	500 3		2006	2019	11		
Alexandre de Rothschild		M	FR	37	500		2017	2020	1		

(a) Subject to the approval of the twelfth and thirteenth resolutions and the renewal by the Board of Directors of the office of Martin Bouygues as Chairman and CEO and of Olivier Bouygues as Deputy CEO of Bouygues



(b) Either in a personal capacity or as a standing representative

Expertise: Construction Banking & Finance Law Water Energy Senior executive in large groups Political office Industry IT International Media Corporate Social Responsibility (CSR) HR Health
 Telecoms Transport

Presentation of directors the renewal of whose term of office is submitted for approval by the Annual General Meeting



**MARTIN
BOUYGUES**

Chairman and CEO

Date of birth: 3 May 1952 – French

Date of first appointment: 21 January 1982

Number of shares in the company at 31 December 2017: 369,269 (76,278,329 via SCDM and SCDM Participations)

Attendance rate at Board meetings: 100%

Expertise/experience

Martin Bouygues joined the Bouygues group in 1974 as a works supervisor. In 1978, he established Maison Bouygues, specialising in the sale of catalogue homes. In 1987, Martin Bouygues was appointed Vice-Chairman of the Bouygues Board of Directors, on which he has served since 1982. In September 1989, Martin Bouygues took over from Francis Bouygues as Chairman and CEO of Bouygues. At Martin Bouygues' instigation, the Group pursued its development in construction as well as in media (TF1) and launched Bouygues Telecom in 1996. In 2006, Bouygues acquired a stake in Alstom.

Principal positions outside Bouygues SA

Chairman of SCDM.

Other positions and functions in the Group

In France: Director of TF1 ^a; member of the Board of Directors of the Francis Bouygues Foundation.

Other positions and functions outside the Group

In France: Standing representative of SCDM; Chairman of Actiby and SCDM Participations.

Outside France: Member of the Board of Directors of the Skolkovo Foundation (Russia).

(a) Listed company



**ANNE-MARIE
IDRAC**

Independent director
Chairwoman of the Ethics, CSR and Patronage Committee
Member of the Accounts Committee

Date of birth: 27 July 1951 – French

Date of first appointment: 26 April 2012

Number of shares in the company at 31 December 2017: 500

Attendance rate at Board meetings: 83%

Attendance rate at the Accounts Committee meetings: 100%

Attendance rate at the Ethics, CSR and Patronage Committee meetings: 100%

Expertise/experience

Anne-Marie Idrac graduated from Institut d'Études Politiques de Paris (IEP) and École Nationale d'Administration (Simone Weil intake, 1974). She began her career as a senior civil servant serving in a number of posts at the French Ministry of Infrastructure in the fields of the environment, housing, urban development and transport. She was director general at the Public Development Agency (EPA) of Cergy-Pontoise from 1990 to 1993, and director of land transportation from 1993 to 1995. She has also held political offices: Secretary of State for Transport from 1995 to 1997, then Member of Parliament for a constituency in the Yvelines from 1997 to 2002, Councillor for the Paris region from 1998 to 2002, and junior minister for foreign trade from 2008 to 2010. In addition, she has held significant responsibilities in major transport companies: she was Chair and CEO of the RATP (Paris public transport authority) from 2002 to 2006, before becoming the first woman to head the SNCF (French state railways) where she was Chair and CEO from 2006 to 2008. She was also the first woman to become Vice-Chair of Union Internationale des Chemins de Fer (UIC – International Railway Union). In 2017, she was appointed High Representative for the development of driverless vehicles.

Principal positions outside Bouygues SA

Chair of the supervisory board of Toulouse-Blagnac Airport.

Other positions and functions outside the Group

In France: Director of Total ^a, Saint-Gobain ^a and Air France-KLM ^a; Senior Advisor to Suez ^a and to Sia Partners.

(a) Listed company

3. REMUNERATION OF CORPORATE OFFICERS IN 2017 AND 2018

This section contains the reports required by the Commercial Code, and the tables recommended in the Afep-Medef Corporate Governance Code and in AMF pronouncements on information to be included in the registration documents of listed companies about the remuneration of corporate officers.

3.1 Remuneration for 2017

Information required under Articles L. 225-37-3 and L. 225-100 paragraph II of the Commercial Code, and reiterating the principles and criteria covered by the twelfth resolution of the Annual General Meeting of 27 April 2017.

3.1.1 Principles and rules for determining remuneration awarded to Executive Officers in 2017

The Board of Directors has consistently applied the successive changes to the Afep-Medef Corporate Governance Code, including those in the application guidance issued by the High Committee for Corporate Governance in October 2016 and the revised version of the Code issued in November 2016.

The principles and rules currently applied by the Board, and used to determine remuneration for the 2017 financial year, are described below. As required by Article L. 225-37-2 of the Commercial Code, the Board submitted the principles and criteria for determining, allocating and awarding the remuneration components of Executive Officers for 2017 to a shareholder vote at the Annual General Meeting of 27 April 2017. The remuneration policy was approved when the twelfth resolution of the Annual General Meeting was passed with 90.13% in favour.

A. General preliminary remarks

- None of the four Executive Officers holds an employment contract. Prior to their appointment as Deputy Chief Executive Officers, Philippe Marien and Olivier Roussat were employees of Bouygues SA, but their employment contracts were suspended effective from the date of their appointment, i.e. 30 August 2016.
- The Board of Directors has not granted them any entitlement to severance compensation or non-competition indemnity in the event that they leave the company.
- They were not awarded any deferred annual variable remuneration or exceptional remuneration in 2017.
- A new medium-term remuneration component was introduced in 2017, in the form of multi-year variable remuneration subject to performance conditions.
- The overall remuneration package awarded to Executive Officers takes account of the existence of a capped supplementary pension benefit, and of the fact that they are not entitled to any severance compensation or non-competition indemnity.
- Apart from directors' fees (see Table 4 below), no Group subsidiary pays any remuneration to Martin Bouygues, Olivier Bouygues or Philippe Marien.

In parallel with his role as Deputy Chief Executive Officer of Bouygues, Olivier Roussat also holds office as Chairman and Chief Executive Officer of Bouygues Telecom. Consequently, his remuneration is charged 60% to Bouygues and 40% to Bouygues Telecom.

B. General structure of 2017 remuneration of Executive Officers

Fixed Remuneration (FR)
Performance-related annual variable remuneration
Performance-related multi-year variable remuneration ^a
Directors' fees
Benefits in kind
Performance-related supplementary pension

(a) Awarded only to Martin Bouygues and Olivier Bouygues in 2017.

C. 2017 fixed remuneration

The rules used to determine fixed remuneration (FR) were established in 1999 and have been applied consistently ever since. Fixed remuneration is determined according to the level and complexity of the person's responsibilities, experience in the post and length of service with the Group, and practices followed by groups or companies carrying on comparable businesses.

D. 2017 benefits in kind

Benefits in kind consist of the use of a company car, and in the case of Martin Bouygues and Olivier Bouygues the part-time assignment of a personal assistant and a chauffeur/security guard for their personal needs.

E. 2017 annual variable remuneration

GENERAL DESCRIPTION OF METHOD USED TO DETERMINE THE 2017 ANNUAL VARIABLE REMUNERATION OF MARTIN BOUYGUES, OLIVIER BOUYGUES, OLIVIER ROUSSAT AND PHILIPPE MARIEN

The Board has defined five variable remuneration criteria for Martin Bouygues, Olivier Bouygues, Olivier Roussat and Philippe Marien.

An objective is set for each criterion. When the objective is attained, a variable portion corresponding to a percentage of fixed remuneration is awarded.

In the case of those portions of variable remuneration linked to a quantitative criterion, if an objective is exceeded or not attained the variable portion is adjusted on a straight line basis within a specified range. The variable portion is subject to an upper limit, and is reduced to zero if the objective falls below a lower limit.

The sum total of the five variable portions calculated on this basis cannot under any circumstances exceed the overall cap, set in 2017, of 160% of each Executive Officer's fixed remuneration (see below).

THE FIVE CRITERIA USED TO DETERMINE THE 2017 ANNUAL VARIABLE REMUNERATION OF MARTIN BOUYGUES, OLIVIER BOUYGUES, OLIVIER ROUSSAT AND PHILIPPE MARIEN

For 2017, the variable remuneration of Martin Bouygues, Olivier Bouygues, Olivier Roussat and Philippe Marien is based on the performance of the Group, determined by reference to four key quantitative criteria and to qualitative criteria (P1, P2, P3, P4 and P5):

P1 = Current operating profit (COP) for the year / Objective = COP per the 2017 plan

P2 = Consolidated net profit attributable to the Group (CNP) for the year (excluding exceptional items) / Objective = CNP per the 2017 plan

P3 = Consolidated net profit attributable to the Group (CNP) for the year / Objective = CNP for the previous year

P4 = Change in net debt (CND) during the year (excluding external growth not built into the plan) / Objective = CND per the 2017 plan

P5 = Qualitative criteria set by the Board (performance in CSR and compliance)

The quantitative objectives (P1, P2, P3 and P4) and the qualitative criterion (P5) were established with precision but are not disclosed for confidentiality reasons.

The method used to determine the annual variable remuneration of the Executive Officers for 2017 is as follows:

(FR = Fixed Remuneration)

The effective weight of each criterion used to determine each variable portion awarded (P1, P2, P3, P4 and P5) reflects the actual performance achieved during the year.

Each of the P1, P2, P3 and P4 components is calculated as follows:

1) If actual performance is more than 10% below the Objective: the component concerned (P1, P2, P3 or P4) = 0

2) If actual performance is in the range between (Objective – 10%) and the Objective:

P1 = 0% to 40% of FR

P2 = 0% to 40% of FR

P3 = 0% to 30% of FR

P4 = 0% to 20% of FR

3) If actual performance is higher than the Objective:

P1 = 40% to 70% of FR

P2 = 40% to 70% of FR

P3 = 30% to 50% of FR

P4 = 20% to 30% of FR

Between these limits the effective weight of each component is determined by linear interpolation.

The P5 component is determined on the basis of CSR and compliance performance as assessed by the Board, and is capped at 30% of FR.

The sum of the five components P1, P2, P3, P4 and P5 calculated according to the above method may never exceed a **cap of 160% of FR (i.e. €1,472,000)**.

The table below summarises the method used to determine annual variable remuneration.

Objective	Variable remuneration calculation method		
	Theoretical annual variable remuneration if objective is attained Cap (% of FR)	Maximum theoretical annual variable remuneration if objective is exceeded (% of FR)	Annual variable remuneration awarded based on 2017 performance (% of FR)
P1 Current operating profit for the year per the 2017 plan	40%	70%	47.5%
P2 Consolidated net profit for the year per the 2017 plan	40%	70%	70%
P3 Actual consolidated net profit for the previous year (2016 CNP)	30%	50%	50%
P4 Change in net debt per the 2017 plan	20%	30%	30%
P5 Qualitative criteria (CSR and compliance)	30%	30%	30%
	Total = 160% of FR	Total = 250% of FR Reduced to 160%	Total = 227.5% of FR Reduced to 160%
Cap	160%	160%	160%

F. 2017 multi-year variable remuneration

Martin Bouygues and Olivier Bouygues were awarded multi-year variable remuneration in 2017. Olivier Roussat and Philippe Marien having been appointed in 2016, they were not awarded multi-year variable remuneration in 2017.

The 2017 multi-year variable remuneration of Martin Bouygues and Olivier Bouygues is based on medium-term performance, determined by reference to two quantitative criteria potentially giving entitlement to two components (P6 and P7):

P6 = Average of actual consolidated current operating profit (COP) of the Group for 2017, 2016 and 2015 / Average COP figures for 2017, 2016 and 2015 set as objectives in the business plan.

P7 = Average of actual consolidated net profit (CNP) of the Group for 2017, 2016 and 2015 / Average CNP figures for 2017, 2016 and 2015 set as objectives in the business plan.

These quantitative objectives were established with precision but are not disclosed for confidentiality reasons.

The method used to determine the 2017 multi-year variable remuneration of Martin Bouygues and Olivier Bouygues is as follows:

(FR = Fixed Remuneration)

P6 → If the Objective is attained P6 = 0

→ If the Average of the three actual COP figures is 20% or more above the Objective → P6 = 15% of FR

P7 → If the Objective is attained P7 = 0

→ If the Average of the three actual CNP figures is 20% or more above the Objective → P7 = 15% of FR

Between these limits the effective weight of each component is determined by linear interpolation, in the range from 0% to 15%.

Consequently, 2017 multi-year variable remuneration is capped at 30% of FR (i.e. at €276,000).

The table below summarises the method used to determine multi-year variable remuneration:

Objective	Multi-year variable remuneration (MYVR) calculation method		MYVR awarded based on 2017 performance
	Theoretical MYVR		
	If the Objective is attained	If actual performance is $\geq 20\%$ above the Objective	
P6: Average of 2017, 2016 and 2015 COP per the plan	0% of FR	15% of FR	4.5% of FR
P7: Average of 2017, 2016 and 2015 CNP per the plan	0% of FR	15% of FR	15% of FR
Cap		30%	30%
2017 MYVR			19.5%

G. Exceptional remuneration

In exceptional circumstances, the Board of Directors may, on the advice of the Selection and Remuneration Committee, grant an exceptional bonus.

H. 2017 directors' fees

Martin Bouygues and Olivier Bouygues receive and retain the directors' fees paid by Bouygues and by certain Group subsidiaries. Philippe Marien and Olivier Roussat retain the directors' fees paid by certain subsidiaries (see sections 3.1.2 and 3.1.3 below).

I. 2017 supplementary pension

The four Executive Officers are entitled, subject to certain conditions, to a supplementary pension when they retire.

PERFORMANCE CONDITIONS FOR THE SUPPLEMENTARY PENSION IN 2017

Under Article 229 of the law of 6 August 2015, vesting of the pension rights of Executive Officers of listed companies in respect of a given financial year must now be subject to performance conditions.

Martin Bouygues and Olivier Bouygues cannot acquire any supplementary pension rights in 2017 since the rights vested in them to date have reached the cap set by the Board of Directors (eight times the annual social security ceiling).

Philippe Marien and Olivier Roussat having been appointed Deputy Chief Executive Officers, the Board of Directors has set performance conditions that must be met if they are to acquire pension rights for 2017.

The table below summarises the method used to determine pension rights for 2017:

Supplementary pension scheme		
Annual cap on vesting of pension rights = 0.92% of the 2017 reference salary (Fixed + Annual Variable)		
Performance conditions		
Objective = plan average – 10% (average of CNP figures per the 2017 and 2016 plans)	If the Average of actual CNP figures for 2017 and 2016 is more than 10% below the Objective Pension rights = 0	If the Average of actual CNP figures for 2017 and 2016 is \geq the Objective Pension rights = 0.92%
<p>←————— —————→ Linear interpolation between 0% and 0.92%</p>		
Overall cap on pension rights = 8 times social security ceiling (giving a cap of €313,824 in 2017).		

Note: Annual pension rights for 2017 are contingent on CNP performances for 2017 and 2016. In 2018, annual pension rights would be contingent on CNP performances for 2018, 2017 and 2016.

Those performances were achieved by Philippe Marien and Olivier Roussat in 2017. Consequently, their pension rights would be 0.92% of their reference salary.

INFORMATION PROVIDED BY THE COMPANY ON PENSION COMMITMENTS OR OTHER LIFETIME BENEFITS PURSUANT TO ARTICLES L. 225-37-3 (PARAGRAPH 3) AND D.225-104-1 OF THE COMMERCIAL CODE

The characteristics of the supplementary pension scheme awarded to the Group's senior executives are as follows:

1. Title of the commitment: defined-benefit collective pension scheme.
2. Reference to legal provisions identifying the scheme: Article L. 137-11 of the Social Security Code.
3. Conditions for joining the scheme and other eligibility conditions. The beneficiary must:
 - be a member of the Group Management Committee on the date of voluntary or compulsory retirement;
 - have at least ten years' service with the Bouygues group at the date of voluntary or compulsory retirement;
 - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of voluntary or compulsory retirement);
 - be at least 65 years old at the date of voluntary or compulsory retirement;
 - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC);
 - meet the performance conditions set by the Board of Directors.

4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries:

The reference salary must be equal to the average gross salary of the three best calendar years of the Executive Officer or employee at the Bouygues group during his or her period on the Group Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC scheme, on the date the term of office ends or the employment contract is terminated. The reference gross salary is that used to calculate social security contributions in accordance with Article L. 242-1 of the Social Security Code.

5. Pattern of vesting of rights: annual.

6. Annual cap on vesting of pension rights: 0.92% of reference salary.

7. Overall cap (amount and calculation method): eight times the annual social security ceiling, giving a cap of €313,824 in 2017.

8. Terms and conditions for funding the benefit: outsourced to an insurance company, to which a contribution is paid each year.

9. Estimated amount of annual annuity at the end of the reporting period:

Name	Annual annuity €
Martin Bouygues	310,074
Olivier Bouygues	222,174
Philippe Marien	174,263
Olivier Roussat	237,922

Note: The annual annuities of Martin Bouygues and Olivier Bouygues would each amount to eight times the annual social security ceiling once the contributions paid into the scheme by SCDM, calculated on a pro rata basis for the time spent on SCDM business each year by the person concerned, are taken into account.

Note: Before being appointed as Deputy Chief Executive Officers, Philippe Marien and Olivier Roussat were already members of the Group Management Committee and as such were entitled to benefit from the defined-benefit pension scheme described above.

10. Tax and social security charges borne by the company: the contributions paid into the scheme by the company are not subject to employers' social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 24% of those contributions.

J. Other information on remuneration

The remuneration of Martin Bouygues and Olivier Bouygues, as determined by the Bouygues Board of Directors, is paid by SCDM. SCDM then invoices Bouygues this remuneration and the related social security charges, pursuant to the agreement governing relations between Bouygues and SCDM as approved under the regulated agreements procedure. Those invoices strictly reflect the amounts of remuneration as determined by the Bouygues Board of Directors. The agreement between Bouygues and SCDM was approved by the Annual General Meeting of 27 April 2017 (fourth resolution) under the regulated agreements procedure.

Olivier Bouygues spends part of his time on SCDM business. The Board of Directors has ensured that his remuneration reflects how he splits his time. His operational responsibilities within SCDM do not significantly reduce his availability and do not give rise to a conflict of interest.

As mentioned above, because Olivier Roussat holds office as Chairman and Chief Executive Officer of Bouygues Telecom in parallel with his office as Deputy Chief Executive Officer of Bouygues, 60% of his remuneration is charged to Bouygues and 40% to Bouygues Telecom.

K. Combined Annual General Meeting of 27 April 2017 – Say on Pay

The Annual General Meeting of 27 April 2017 expressed a favourable opinion on the remuneration components awarded in respect of the 2016 financial year to Martin Bouygues (eighth resolution, passed with 98.29% in favour), Olivier Bouygues (ninth resolution, 98.27% in favour), Philippe Marien (tenth resolution, 97.48% in favour) and Olivier Roussat (eleventh resolution, 97.48% in favour).

3.1.2 Remuneration of Executive Officers in respect of the 2017 financial year

Description of the remuneration of Martin Bouygues, Chairman and Chief Executive Officer, in respect of the 2017 financial year

I. Remuneration components due or awarded in respect of the 2017 financial year and submitted to the Annual General Meeting of 26 April 2018 for approval (Resolution 7)	Quantity/ accounting value €	Comments
Fixed remuneration	920,000	Martin Bouygues' fixed remuneration has not changed since 2003.
Change versus 2016	0%	
Annual variable remuneration	1,472,000	Variable remuneration criteria (2017 financial year): see 5.4.1.1 (E) above.
Change versus 2016	+6.67%	
Variable/fixed ^a	160%	
Cap ^b	160%	
Multi-year variable remuneration	179,400	Medium-term remuneration introduced by the Board for the first time in 2017.
Deferred variable remuneration		No deferred variable remuneration.
Exceptional remuneration		No exceptional remuneration.
Value of stock options, performance shares or any other long-term remuneration awarded in respect of the year		No stock options, performance shares or other long-term remuneration awarded in respect of the year.
Directors' fees	90,200	
	<ul style="list-style-type: none"> • of which Bouygues: 70,000 • of which subsidiaries: 20,200 	
Value of benefits in kind	31,892	Company car. Part-time assignment of personal assistant and chauffeur/security guard for personal needs.

II. For information: remuneration components due or awarded in respect of the 2017 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 27 April 2017, Resolution 4)

	Quantity/ accounting value	
	€	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		<p>Martin Bouygues, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a 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, capped at eight times the social security ceiling (giving a cap of €313,824 for 2017). Because he has reached this cap, Martin Bouygues cannot acquire any further rights.</p> <p>Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. If he had retired in 2017, taking into account his length of service, Martin Bouygues would have been entitled to an annual pension of €310,074 (although the €313,824 cap would have been reached because Martin Bouygues has also acquired pension rights through the office he holds at SCDM).</p> <p>In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.</p>
TOTAL	2,693,492	
Change versus 2016	+12.16%	
(a)	<i>Variable remuneration expressed as a percentage of fixed remuneration.</i>	
(b)	<i>Cap on variable remuneration, set at a percentage of fixed remuneration.</i>	

Description of the remuneration of Olivier Bouygues, Deputy Chief Executive Officer, in respect of the 2017 financial year

I. Remuneration components due or awarded in respect of the 2017 financial year and submitted to the Annual General Meeting of 26 April 2018 for approval (Resolution 8)	Quantity/ accounting value €	Comments
Fixed remuneration	500,000	Olivier Bouygues' fixed remuneration has not changed since 2009.
Change versus 2016	0%	
Annual variable remuneration	800,000	Variable remuneration criteria (2017 financial year): see 5.4.1.1 (E) above.
Change versus 2016	+6.67%	
Variable/fixed ^a	160%	
Cap ^b	160%	
Multi-year variable remuneration	97,500	Medium-term remuneration introduced by the Board for the first time in 2017.
Deferred variable remuneration		No deferred variable remuneration.
Exceptional remuneration		No exceptional remuneration.
Value of stock options, performance shares or any other long-term remuneration awarded in respect of the year		No stock options, performance shares or other long-term remuneration awarded in respect of the year.
Directors' fees	90,417	<ul style="list-style-type: none"> • of which Bouygues: 40,000 • of which subsidiaries: 50,417
Value of benefits in kind	11,631	Company car. Part-time assignment of personal assistant and chauffeur/security guard for personal needs.

II. For information: remuneration components due or awarded in respect of the 2017 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 27 April 2017, Resolution 4)	Quantity/ accounting value €	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		<p>Olivier Bouygues, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a 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, capped at eight times the social security ceiling (giving a cap of €313,824 for 2017). Because he has reached this cap, Olivier Bouygues cannot acquire any further rights.</p> <p>Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. If he had retired in 2017, taking into account his length of service, Olivier Bouygues would have been entitled to an annual pension of €222,174 (although the €313,824 cap would have been reached because Olivier Bouygues has also acquired pension rights through the office he holds at SCDM).</p> <p>In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.</p>
TOTAL	1,499,548	
Change versus 2016	+12.19%	
(a)	<i>Variable remuneration expressed as a percentage of fixed remuneration.</i>	
(b)	<i>Cap on variable remuneration, set at a percentage of fixed remuneration.</i>	

Description of the remuneration of Olivier Roussat, Deputy Chief Executive Officer, in respect of the 2017 financial year

I. Remuneration components due or awarded in respect of the 2017 financial year and submitted to the Annual General Meeting of 26 April 2018 for approval (Resolution 10)	Quantity/ accounting value €	Comments
Fixed remuneration	552,000	Corresponds to 60% of Olivier Roussat’s fixed remuneration, the remainder being charged to Bouygues Telecom.
Change versus 2016	not applicable	Olivier Roussat was appointed as a Deputy CEO of Bouygues on 30 August 2016 (see comments at “TOTAL” below).
Variable remuneration	883,200	Corresponds to 60% of Olivier Roussat’s variable remuneration, the remainder being charged to Bouygues Telecom.
Change versus 2016	not applicable	
Variable/fixed ^a	160%	Variable remuneration criteria (2017 financial year): see 5.4.1.1 (E) above.
Cap ^b	160%	
Multi-year variable remuneration		No multi-year variable remuneration.
Deferred variable remuneration		No deferred variable remuneration.
Exceptional remuneration		No exceptional remuneration.
Value of stock options, performance shares or any other long-term remuneration awarded during the period in respect of the year		No stock options, performance shares or other long-term remuneration awarded in respect of 2017the year.
Directors’ fees	Directors’ fees – subsidiaries: 34,550	
Value of benefits in kind	16,504	Company car and unemployment insurance.

II. For information: remuneration components due or awarded in respect of the 2017 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 27 April 2017, Resolution 4)	Quantity/ accounting value €	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		<p>Olivier Roussat, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a 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, capped at eight times the social security ceiling (giving a cap of €313,824 for 2017).</p> <p>Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. If he had retired in 2017, Olivier Roussat would have been entitled, taking into account his length of service, to an annual pension of €237,922.</p> <p>In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.</p>
TOTAL	1,486,254	Olivier Roussat was appointed as a Deputy CEO of Bouygues on 30 August 2016. The total amount of his remuneration components for the last four months of 2016 was €476,037 (60% being charged to Bouygues, the remaining 40% being charged to Bouygues Telecom).
(a)	<i>Variable remuneration expressed as a percentage of fixed remuneration.</i>	
(b)	<i>Cap on variable remuneration, set at a percentage of fixed remuneration.</i>	

Description of the remuneration of Philippe Marien, Deputy Chief Executive Officer, in respect of the 2017 financial year

I. Remuneration components due or awarded in respect of the 2017 financial year and submitted to the Annual General Meeting of 26 April 2018 for approval (Resolution 9)	Quantity/ accounting value	Comments
	€	
Fixed remuneration	920,000	Philippe Marien was appointed as a Deputy CEO of Bouygues on 30 August 2016 (see comments at "TOTAL" below).
Change versus 2016	not applicable	
Variable remuneration	1,472,000	
Change versus 2016	not applicable	Variable remuneration criteria (2017 financial year): see 5.4.1.1 (E) above.
Variable/fixed ^a	160%	
Cap ^b	160%	
Multi-year variable remuneration		No multi-year variable remuneration.
Deferred variable remuneration		No deferred variable remuneration.
Exceptional remuneration		No exceptional remuneration.
Value of stock options, performance shares or any other long-term remuneration awarded in respect of the year		No stock options, performance shares or other long-term remuneration awarded in respect of the year.
Directors' fees	Directors' fees – subsidiaries: 78,400	
Value of benefits in kind	8,533	Company car.

II. For information: remuneration components due or awarded in respect of the 2017 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 27 April 2017, Resolution 4)	Quantity/ accounting value €	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		<p>Philippe Marien, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a 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, capped at eight times the social security ceiling (giving a cap of €313,824 for 2017).</p> <p>Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. If he had retired in 2017, Philippe Marien would have been entitled, taking into account his length of service, to an annual pension of €174,263.</p> <p>In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.</p>
TOTAL	2,478,933	Philippe Marien was appointed as a Deputy CEO of Bouygues on 30 August 2016. The total amount of his remuneration components for the last four months of 2016 was €640,016.
(a)	<i>Variable remuneration expressed as a percentage of fixed remuneration.</i>	
(b)	<i>Cap on variable remuneration, set at a percentage of fixed remuneration.</i>	

Table 1 – General summary of legal status of Executive Officers: Restrictions on combining corporate office with employment contract – Supplementary pension – Severance compensation – Non-competition indemnity

Executive Officer	Employment contract		Supplementary pension scheme		Compensation or other benefits due or liable to become due on cessation or change of office		Non-competition indemnities	
	yes	no	yes	no	yes	no	yes	no
	Martin Bouygues							
Office: Chairman and CEO		X	X			X		X
Olivier Bouygues								
Office: Deputy CEO		X	X			X		X
Olivier Roussat								
Office: Deputy CEO		X ^a	X			X		X
Philippe Marien								
Office: Deputy CEO		X ^a	X			X		X

(a) Employment contracts suspended with effect from 1 September 2016.

Table 2 – General summary of remuneration, benefits in kind and options awarded to the four Executive Officers in 2017

	Martin Bouygues (Chairman and CEO)		Olivier Bouygues (Deputy CEO)		Olivier Roussat (Deputy CEO)		Philippe Marien (Deputy CEO)	
	in 2017	in 2016	in 2017	in 2016	in 2017	in 2016	in 2017	in 2016
€								
Remuneration due in respect of the year or period (see details in Table 3 and Table 4)	2,693,492	2,401,522	1,499,548	1,336,631	1,486,254	476,034	2,478,933	640,116
Value of options awarded during the year or period ^a								
Value of performance shares awarded during the year or period ^b								
TOTAL	2,693,492	2,401,522	1,499,548	1,336,631	1,486,254	476,034	2,478,933	640,116
Change 2017 vs 2016	+12.16%		+12.19%		not applicable		not applicable	

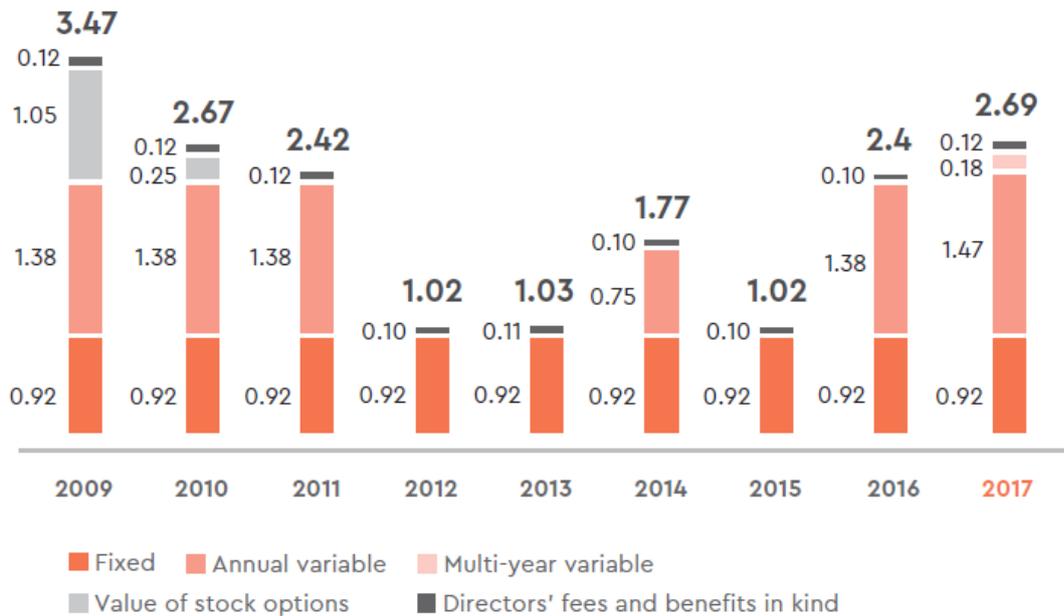
(a) No options were awarded to either Martin Bouygues or Olivier Bouygues in 2016 or 2017. Olivier Roussat and Philippe Marien were each awarded 80,000 options in May 2016 prior to their appointment as Deputy Chief Executive Officers. They were not awarded any options in 2017.

(b) Bouygues has not awarded any performance shares.

Martin Bouygues – Chairman and Chief Executive Officer

Number of options awarded in 2017: 0

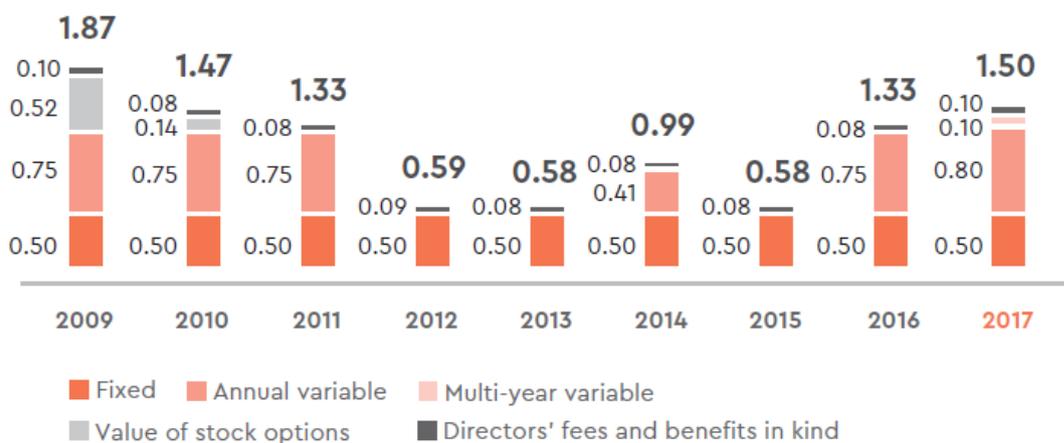
€ million



Olivier Bouygues – Deputy Chief Executive Officer

Number of options awarded in 2017: 0

€ million



Note: Because Olivier Roussat and Philippe Marien were appointed as Deputy Chief Executive Officers on 30 August 2016, 2016/2017 comparisons are not meaningful. The year-on-year change in their remuneration will be reported in the 2018 Registration Document.

Table 3 – Detailed breakdown of remuneration awarded to the four Executive Officers in respect of the 2017 financial year

The Selection and Remuneration Committee has carried out an assessment of the attainment level of the variable remuneration criteria for the four Executive Officers.

Office held and length of service with the Group	Remuneration ^a	Amounts ^b in respect of 2017		Amounts ^b in respect of 2016		Variable remuneration criteria ^f (2017)
		€		€		
		due ^c	paid	due ^c	paid	
Martin Bouygues Chairman and CEO (44 years)	Fixed	920,000	920,000	920,000	920,000	<ul style="list-style-type: none"> • P1 = Current operating profit versus plan (40%) • P2 = Consolidated net profit ^g versus plan (40%) • P3 = Change in consolidated net profit ^g versus 2016 (30%) • P4 = Change in net debt versus plan (20%) • P5 = Qualitative criteria: CSR and compliance (30%)
	• Change	0%	0%	0%	0%	
	Variable	1,472,000	1,380,000	1,380,000	0	
	• Change	+6.67%				
	• Variable/fixed ^d	160%		150%		
	• Cap ^e	160%		150%		
	Multi-year variable	179,400	0	0	0	
	Exceptional					
	Directors' fees	90,200	90,200	70,200	70,200	
Benefits in kind	31,892	31,892	31,322	31,322		
Total	2,693,492	2,422,092 ^h	2,401,522	1,021,522		
Olivier Bouygues Deputy CEO (44 years)	Fixed	500,000	500,000	500,000	500,000	<ul style="list-style-type: none"> • P1 = Current operating profit versus plan (40%) • P2 = Consolidated net profit ^g versus plan (40%) • P3 = Change in consolidated net profit ^g versus 2016 (30%) • P4 = Change in net debt versus plan (20%) • P5 = Qualitative criteria: CSR and compliance (30%)
	• Change	0%	0%	0%	0%	
	Variable	800,000	750,000	750,000	0	
	• Change	+6.67%				
	• Variable/fixed ^d	160%		150%		
	• Cap ^e	160%		150%		
	Multi-year variable	97,500	0	0	0	
	Exceptional					
	Directors' fees	90,417	90,417	75,875	75,875	
Benefits in kind	11,631	11,631	10,756	10,756		
Total	1,499,548	1,352,048 ^h	1,336,631	586,631		

(a) Subject to remuneration awarded to Olivier Roussat in his capacity as Chairman and CEO of Bouygues Telecom, no remuneration other than that mentioned in the table was paid to the Executive Officers by Bouygues group companies.

(b) Amounts due = all amounts awarded in respect of the financial year. Amounts paid = all amounts paid during the financial year (bearing in mind that up until 2017 the variable portion awarded for any one financial year was actually paid in the first quarter of the following financial year), and that as from 2018, the variable portion will be paid after and subject to the approval of the Annual General Meeting.

(c) Amounts due – Change: the percentages shown under the amount of fixed and variable remuneration indicate the change relative to the previous financial year.

(d) Variable remuneration expressed as a percentage of fixed remuneration.

(e) Cap on variable remuneration, set at a percentage of fixed remuneration.

(f) Variable remuneration criteria: the percentages shown indicate the weight attached to each criterion in determining total variable remuneration.

(g) Consolidated net profit = consolidated net profit (attributable to the Group) for Bouygues (excluding exceptional items).

(h) The difference versus 2016 is due to the decision by the Annual General Meeting of 27 April 2017 to increase directors' fees for 2017 and subsequent years. There was also a small increase in benefits in kind during the financial year.

Office held and length of service with the Group	Remuneration ^a	Amounts ^b in respect of 2017		Amounts ^b in respect of the last four months of 2016		Variable remuneration criteria ^f (2017)
		€		€		
		due ^c	paid	due ^c	paid	
Olivier Roussat Deputy CEO (23 years)	Fixed	552,000	552,000	184,000	184,000	<ul style="list-style-type: none"> • P1 = Current operating profit versus plan (40%) • P2 = Consolidated net profit ^g versus plan (40%) • P3 = Change in consolidated net profit ^g versus 2016 (30%) • P4 = Change in net debt versus plan (20%) • P5 = Qualitative criteria: CSR and compliance (30%)
	• Change	not applicable		not applicable		
	Variable	883,200	276,000	276,000		
	• Change	not applicable				
	• Variable/fixed ^d	160%				
	• Cap ^e	160%				
	Exceptional					
Directors' fees	34,550	34,550	11,517	11,517		
Benefits in kind	16,504	16,504	4,517	4,517		
Total		1,486,254	879,054	476,034	200,034	
Philippe Marien Deputy CEO (37 years)	Fixed	920,000	920,000	306,667	306,667	<ul style="list-style-type: none"> • P1 = Current operating profit versus plan (40%) • P2 = Consolidated net profit ^g versus plan (40%) • P3 = Change in consolidated net profit ^g versus 2016 (30%) • P4 = Change in net debt versus plan (20%) • P5 = Qualitative criteria: CSR and compliance (30%)
	• Change	not applicable		not applicable		
	Variable	1,472,000	306,667	306,667		
	• Change	not applicable				
	• Variable/fixed ^d	160%		100%		
	• Cap ^e	160%		150%		
	Exceptional					
Directors' fees	78,400	78,400	25,567	25,567		
Benefits in kind	8,533	8,533	1,215	1,215		
Total		2,478,933	1,313,600	640,116	333,449	
TOTAL FOR THE FOUR EXECUTIVE OFFICERS		8,158,227	5,966,794	4,854,303	2,141,636	

See footnotes to table on previous page.

3.1.3 Directors' fees

The thirteenth resolution of the Annual General Meeting of 27 April 2017 set the total amount of directors' fees payable to Bouygues directors at €1,000,000 for each financial year, leaving it to the Board of Directors to determine how this amount should be allocated.

The thirteenth resolution was passed with 98.96% of votes in favour.

Directors' fees comprise (i) a fixed portion of 30% and (ii) a variable portion of 70% calculated in proportion to the actual presence of each director at the five periodic Board meetings held each year and (for committee members) at committee meetings.

The Board of Directors changed the amount of directors' fees in 2017 to bring it into line with the amounts paid by comparable companies.

- Chairman and CEO: €70,000 (€50,000 before 2017)
- Directors: €40,000 (€25,000 before 2017)
- Accounts Committee members: €16,000 (€14,000 before 2017)
- Members of other committees (Selection and Remuneration; Ethics, CSR and Patronage): €12,000 (€7,000 before 2017)

Table 4 – Directors’ fees paid in respect of the 2017 financial year

€		Source (Notes 1 & 2)	2017	2016
M. Bouygues	Chairman and CEO	Bouygues	70,000	50,000
		Subsidiaries	20,200	20,200
O. Bouygues	Deputy CEO	Bouygues	40,000	25,000
		Subsidiaries	50,417	50,875
		BOUYGUES	110,000	75,000
		SUBSIDIARIES	70,617	71,075
SUB-TOTAL – EXECUTIVE OFFICERS		SUB-TOTAL	180,617	146,075
C. Bouygues	Director	Bouygues	40,000	16,125
E. Bouygues	Director	Bouygues	40,000	16,125
		Subsidiaries	12,500	
R. Deflesselle	Director	Bouygues	40,000	25,000
			12,000	7,000
F. Castagné	Director	Bouygues	40,000	16,125
			12,000	4,025
C. Gaymard	Director	Bouygues	40,000	16,125
			16,000	9,030
A.-M. Idrac	Director	Bouygues	34,400	21,500
			28,000	17,080
P. Kron	Director	Bouygues	40,000	25,000
C. Lewiner	Director	Bouygues	40,000	21,500
			12,000	7,000
		Subsidiaries	32,000	26,400
H. le Pas de Sécheval	Director	Bouygues	34,400	25,000
			28,000	21,000
S. Nombret	Director	Bouygues	40,000	25,000
			12,000	7,000
Alexandre de Rothschild ^a	Director	Bouygues	25,800	0
R.-M. Van Lerberghe	Director	Bouygues	28,800	25,000
			8,640	7,000
M. Vilain	Director	Bouygues	40,000	25,000
			16,000	14,000
SUB-TOTAL – OTHER DIRECTORS (NOTE 3)		BOUYGUES	628,040	350,635
		SUBSIDIARIES	44,500	26,400
		SUB-TOTAL	672,540	377,035
GRAND TOTAL OF DIRECTORS’ FEES EXECUTIVE OFFICERS AND DIRECTORS (NOTE 4)		BOUYGUES	772,440	536,610
		SUBSIDIARIES	159,117	164,875
		TOTAL	931,557	762,460

(a) Appointed as a director on 27 April 2017.

Note 1: Bouygues = directors’ fees paid for attendance as a member of the Bouygues Board of Directors. The first line shows fees paid for attendance at Board meetings. The second line shows fees paid for attendance at one or more committee meetings.

Note 2: Subsidiaries = Directors’ fees paid by Group companies, within the meaning of Article L. 233-16 of the Commercial Code (mainly Colas, Bouygues Telecom and TF1).

Note 3: The “Other directors” sub-total for 2016 is not a valid comparison since five directors left the Board during 2016.

Note 4: For 2017, each grand total includes directors’ fees (Bouygues or subsidiaries) paid to François Bertière (Bouygues €17,200, subsidiaries €24,000) and Hervé Le Bouc (Bouygues €17,200, subsidiaries €20,000), both of whom left the Board in 2017. For 2016, each grand total includes directors’ fees paid to the five directors who left the Board in 2016.

Directors representing employee shareholders and directors representing employees

Salaries paid to the two directors representing employee shareholders who have an employment contract with Bouygues or one of its subsidiaries, and salaries paid to the two directors representing employees, are not disclosed.

3.2 Report on the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds payable to the Chairman and CEO and Deputy CEOs

Information required under Articles L. 225-37-2 of the Commercial Code, and covered by the eleventh resolution of the Annual General Meeting of 26 April 2018.

Payment of the variable and exceptional components described below is subject to approval by an Ordinary General Meeting of the remuneration components of the person concerned under the conditions set forth in Article L. 225-100 of the Commercial Code.

3.2.1 General principles

The Board of Directors laid down the following twelve general principles on the basis of which the 2018 remuneration and benefits of the Executive Officers of Bouygues will be determined.

1. Compliance with Afep-Medef Code recommendations.
2. No employment contract with Executive Officers during their term of office; existing employment contracts suspended on appointment as Executive Officer.
3. No severance benefit or non-competition indemnity on leaving office.
4. Level of remuneration taking into account the existence of a capped supplementary pension and the fact that no severance benefit or non-competition indemnity has been granted.
5. Remuneration commensurate with the level and difficulty of each Executive Officer's responsibility. Remuneration commensurate with each Executive Officer's experience in the position held and length of service with the Group.
6. Remuneration takes account of the practices applied in groups or enterprises carrying on comparable activities.
7. An incentivising remuneration structure comprising the following:
 - fixed remuneration;
 - annual variable remuneration;
 - multi-year variable remuneration;
 - directors' fees;
 - limited benefits in kind;
 - supplementary pension.
8. No deferred annual variable remuneration.
9. Discretion left to the Board of Directors to decide to pay exceptional remuneration but reserved for truly exceptional circumstances.
10. No other remuneration paid to any Executive Officer by a Group subsidiary apart from directors' fees (with the caveat that Olivier Roussat's remuneration will be charged 60% to Bouygues and 40% to Bouygues Telecom, reflecting how he splits his time between the two companies).
11. No stock options or performance shares awarded to Executive Officers in 2018.
12. For the first time, inclusion of multi-year remuneration arrangements determined on the basis of medium-term performance in the remuneration packages of Olivier Roussat and Philippe Marien (Martin Bouygues and Olivier Bouygues became eligible for this multi-year remuneration for the first time in 2017).

The aim is to incentivise the four Executive Officers to exceed the objectives set for them.

Given that Bouygues is run by an Executive Officer drawn from the founding family and reference shareholder, the appointment of two Deputy Chief Executive Officers who are not major or reference shareholders was regarded as the right time to introduce this type of multi-year remuneration determined by reference to actual performances over the medium term rather than the performance of the most recent financial year.

3.2.2 Criteria and methods used in 2018 by the Board of Directors to determine, allocate and award the fixed, variable and exceptional components of the total remuneration and benefits of all kinds of each Executive Officer (Martin Bouygues, Olivier Bouygues, Philippe Marien and Olivier Roussat)

The criteria and methods agreed by the Board of Directors to determine, allocate and award the fixed, variable and exceptional components of the total remuneration and benefits of all kinds of each Executive Officer for 2018 are described below. Changes were made to those criteria and methods in 2017 with the introduction of multi-year variable remuneration (medium-term remuneration). In general, however, the Board of Directors considered it advisable to retain the majority of the existing criteria and methods, which have been applied for many years.

1. Fixed remuneration

- €920,000 (Martin Bouygues – Philippe Marien)
- €552,000 (Olivier Roussat)
- €500,000 (Olivier Bouygues)

The rules used to determine fixed remuneration were established in 1999 and have been applied consistently ever since. Fixed remuneration is determined according to the level and complexity of the person's responsibilities, experience in the post and length of service with the Group, and practices followed by groups or companies carrying on comparable businesses.

2. Annual variable remuneration

Capped at 160% of fixed remuneration, i.e. a cap of €1,472,000 for Martin Bouygues and Philippe Marien, €883,200 for Olivier Roussat and €800,000 for Olivier Bouygues.

The annual variable remuneration would be determined by applying five criteria (three of them referring to the three-year business plan), opening up the possibility of receiving five variable components: P1, P2, P3, P4 and P5.

- P1** Actual consolidated current operating profit (COP) of the Group for the year / Objective = COP per 2018 plan
- P2** Actual consolidated net profit (CNP) of the Group for the year / Objective = CNP per 2018 plan
- P3** Actual CNP for the year (excluding exceptional items) / Objective = CNP for the previous year (excluding exceptional items)
- P4** Change in net debt (excluding external growth not built into the plan) / Objective = Change in net debt per 2018 plan
- P5** Qualitative criteria: performance in CSR ^a and compliance and overall qualitative assessment - Overall downward adjustment in the event of a serious adverse event during the year

(a) Corporate Social Responsibility.

METHOD FOR DETERMINING ANNUAL VARIABLE REMUNERATION FOR 2018

The method for determining the annual variable remuneration of the Executive Officers would be based on five separate variable components: P1, P2, P3, P4 and P5.

(FR = Fixed Remuneration)

P1, P2, P3 and P4

The effective weight of each criterion determining the payment of each of the three components P1, P2 and P4 is dependent on the performance achieved during the financial year relative to the business plan.

P3 is determined by reference to the performance for the previous financial year.

The four variable components P1, P2, P3 and P4 are calculated as follows:

1) If actual performance is more than 10% below the Objective, the component concerned (P1, P2, P3 or P4) = 0

2) If actual performance is between (Objective – 10%) and the Objective:

P1 = 0% to 40% of FR

P2 = 0% to 40% of FR

P3 = 0% to 30% of FR

P4 = 0% to 20% of FR

3) If actual performance is higher than the Objective:

P1 = 40% to 70% of FR

P2 = 40% to 70% of FR

P3 = 30% to 50% of FR

P4 = 20% to 30% of FR

Between these limits the effective weight of each component is determined by linear interpolation.

P5

The Board of Directors determines the effective weight of P5, subject to a strict cap of 30% of FR. Each of the CSR, compliance and overall qualitative assessment criteria is subject to a cap of 15%. The Board of Directors reserves the right to make an overall downward adjustment that would reduce or eliminate P5 in the event of a serious adverse event during the year.

Cap

The sum of the five components P1, P2, P3, P4 and P5 calculated according to the above method may never exceed a **cap of 160% of FR**.

3. Multi-year variable remuneration (medium-term remuneration)

Each Executive Officer would be entitled to multi-year variable remuneration, i.e. a medium-term remuneration arrangement determined by reference to two criteria derived from the three-year business plan:

P6: Actual consolidated current operating profit (COP) of the Group for the last three financial years (2018, 2017 and 2016) for Martin Bouygues and Olivier Bouygues, and for the last two financial years (2018 and 2017) for Olivier Roussat and Philippe Marien / the COP figures set as objectives in the business plan.

P7: Actual consolidated net profit (CNP) of the Group for the last three financial years (2018, 2017 and 2016) for Martin Bouygues and Olivier Bouygues, and for the last two financial years (2018 and 2017) for Olivier Roussat and Philippe Marien / the CNP figures set as objectives in the business plan.

Multi-year variable remuneration would be determined as follows:

(FR = Fixed Remuneration)

P6: Objective = average of the current operating profit figures for the financial years set as objectives in the business plan.

- If the objective is attained, P6 = 0
- If the COP figures are 20% or more above the objective, P6 = 15% of FR

Between these lower and upper limits, P6 is determined by linear interpolation on the basis of the actual profit figure achieved.

P7: Objective = average of the consolidated net profit figures for the financial years set as objectives in the business plan.

- If the objective is attained, P7 = 0
- If the CNP figures are 20% above the objective, P7 = 15% of FR

Between these lower and upper limits, P7 is determined by linear interpolation on the basis of the actual profit figure achieved.

Multi-year variable remuneration is therefore **capped at 30% of fixed remuneration**.

Martin Bouygues and Olivier Bouygues were already entitled to benefit from this new remuneration component on completion of the 2017 financial year. Philippe Marien and Olivier Roussat could benefit from it for the first time on completion of the 2018 financial year, with the 2017 and 2018 financial years used as reference points.

On completion of the 2019 financial year and each subsequent financial year, the reference points for all four Executive Officers would be the three previous financial years.

4. Directors' fees

Directors' fees paid by Bouygues or a subsidiary of the Group would be retained by the Executive Officer.

5. Benefits in kind

Each Executive Officer would be allocated a company car.

Martin Bouygues and Olivier Bouygues would receive an additional benefit in the form of the part-time assignment of a personal assistant and chauffeur/security guard for their personal needs.

(A chauffeur is made available to Philippe Marien and Olivier Roussat for business purposes).

6. Supplementary pension scheme

Each Executive Officer would be eligible for a defined benefit collective pension scheme governed by Article L. 137-11 of the Social Security Code. This pension scheme would have the following characteristics:

1. Conditions for joining the scheme and other eligibility conditions. The beneficiary must:
 - be a member of the Group Management Committee on the date of voluntary or compulsory retirement;
 - have at least ten years' service with the Bouygues group at the date of voluntary or compulsory retirement;
 - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of voluntary or compulsory retirement);
 - be at least 65 years old at the date of voluntary or compulsory retirement;
 - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC).
2. Reference salary equal to the average gross salary of the Executive Officer's three best calendar years at the Bouygues group during his or her period on the Group Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC scheme, on the date of cessation of office or termination of employment contract.

The reference gross salary is that used to calculate social security contributions in accordance with Article L. 242-1 of the Social Security Code.

3. Pattern of vesting of rights: annual.
4. Annual cap on vesting of pension rights: 0.92% of reference salary.
5. Overall cap: eight times the annual social security ceiling (giving a cap of €317,856 in 2018).
6. Financing outsourced to an insurance company outside the Group to which a contribution is made annually.
7. Performance conditions:
 - a) Executive officers concerned

Martin Bouygues and Olivier Bouygues cannot acquire any further supplementary pension rights since the rights vested in them to date exceed the cap set by the Board of Directors (eight times the annual social security ceiling).

However, Philippe Marien and Olivier Roussat may acquire pension rights subject to attainment of the performance conditions described below.

b) Definition of the performance objective (the “Objective”)

For 2018: Objective = that the average of the consolidated net profit figures for 2018, 2017 and 2016 (“Average CNP”) is no more than 10% below the average of the consolidated net profit figures specified in the plans for 2018, 2017 and 2016.

c) Terms for determining the vesting of performance-based pension rights:

- if average CNP is equal to or above the Objective:
Annual pension rights = 0.92% of the reference salary
- if average CNP is more than 10% below the Objective:
Annual pension rights = 0

Between those lower and upper limits pension rights will vary on a straight-line basis between 0% and 0.92% of the reference salary.

4. AGENDA OF THE ANNUAL GENERAL MEETING

Ordinary General Meeting

1. Approval of the parent company financial statements and transactions for the year ended 31 December 2017;
2. Approval of the consolidated financial statements and transactions for the year ended 31 December 2017;
3. Appropriation of 2017 earnings, setting of dividend;
4. Approval of regulated agreements and commitments specified in Articles L. 225-38 of the Commercial Code;
5. Approval of the commitment relative to the defined-benefit pension scheme to which Martin Bouygues, Chairman and Chief Executive Officer, is entitled;
6. Approval of the commitment relative to the defined-benefit pension scheme to which Olivier Bouygues, Deputy Chief Executive Officer, is entitled;
7. Approval of the remuneration components and benefits paid or awarded to Martin Bouygues, in his capacity as Chairman and Chief Executive Officer, in respect of the year ended 31 December 2017;
8. Approval of the remuneration components and benefits paid or awarded to Olivier Bouygues, in his capacity as Deputy Chief Executive Officer, in respect of the year ended 31 December 2017;
9. Approval of the remuneration components and benefits paid or awarded to Philippe Marien, in his capacity as Deputy Chief Executive Officer, in respect of the year ended 31 December 2017;
10. Approval of the remuneration components and benefit paid or awarded to Olivier Roussat, in his capacity as Deputy Chief Executive Officer, in respect of the year ended 31 December 2017;
11. Approval of the principles and criteria for determining, allocating and awarding the components of remuneration and benefits to be awarded to Executive Officers, in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer;
12. Renewal of the term of office of Martin Bouygues as a director for three years;
13. Renewal of the term of office of Anne-Marie Idrac as a director for three years;
14. Authorisation to the Board of Directors to trade in the company's shares, for a period of eighteen months, up to a limit of 5% of the share capital.

Extraordinary General Meeting

15. Authorisation to the Board of Directors, for a period of eighteen months, to reduce share capital by cancelling treasury shares held by the company, up to a limit of 10% of the share capital in any twenty-four month period;
16. Delegation of powers to the Board of Directors, for a period of eighteen months, to issue equity warrants during a period of a public offer for the company's shares, up to a limit of 25% of the share capital;
17. Amendment to Article 22 of the articles of association in order to remove the requirement to appoint alternate auditors;
18. Powers to carry out formalities.

5. BOARD OF DIRECTORS' REPORT AND THE DRAFT RESOLUTIONS

Ordinary General Meeting

Resolutions 1, 2 and 3 – Approval of the parent company and consolidated financial statements, and transactions for the year ended 31 December 2017, appropriation of 2017 earnings and setting of the dividend (€1.70 per share)

Object and purpose

We ask you to approve:

- the parent company financial statements for the year ended 31 December 2017, showing net profit of €102,398,551.57;
- the consolidated financial statements for the year ended 31 December 2017, showing net profit attributable to the Group of €1,085 million;
- the transactions recorded in those financial statements, or disclosed in the Board of Directors' management report or in the statutory auditors' report.

Those financial statements and reports are included in this Registration Document; they are also available on www.bouygues.com. The Convening Notice to the Annual General Meeting contains the condensed consolidated financial statements.

The financial year ended 31 December 2017 gave distributable earnings of €2,294,270,439.64, consisting of the following:

- net profit for the year: €102,398,551.57;
- transfer to the legal reserve -€26,276.20;
- retained earnings brought forward €2,191,898,164.27;
- distributable earnings €2,294,270,439.64.

We propose to appropriate earnings as follows:

- the distribution of an overall dividend of €622,412,984.50;
- appropriate the remainder of €1,671,857,455.14, to retained earnings.

The dividend represents a payout of €1.70 (€0.10 more than the dividend paid out in respect of 2016) for each of the 366,125,285 existing shares as at 31 December 2017. Taking account of the cancellation of 1,157,844 treasury shares on 21 February 2018, the overall dividend is €620,444,649.70. This dividend is eligible for the optional 40% tax relief in accordance with paragraph 2 of Article 158-3 of the General Tax Code.

The dividend payment date is 4 May 2018. The ex-date and record date have been set at 2 May 2018 and the evening of 3 May 2018 respectively.

In accordance with Article 243 bis of the General Tax Code, listed below are the dividend amounts paid out in respect of the last three financial years.

	2014	2015	2016
Number of shares	336,086,458	345,135,316	354,908,547
Dividend per share	€1.60	€1.60	€1.60
Total dividend ^{a & b}	€537,731,932.80	€552,128,505.60	€567,837,675.20

(a) The amounts shown represent dividends actually paid, taking account of the fact that shares held by the company itself do not qualify for dividends.

(b) Amounts eligible for 40% tax relief in accordance with paragraph 2 of Article 158-3 of the General Tax Code.

First resolution

(Approval of the parent company financial statements and transactions for the year ended 31 December 2017)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, having acquainted itself with the parent company financial statements for the year ended 31 December 2017, the management report of the Board of Directors and the auditors' report on the parent company financial statements, hereby approves the parent company financial statements for the year ended 31 December 2017, showing a net profit of €102,398,551.57 million, as well as the transactions recorded in those financial statements and disclosed in those reports.

Second resolution

(Approval of the consolidated financial statements and transactions for the year ended 31 December 2017)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, having acquainted itself with the consolidated financial statements for the year ended 31 December 2017, the Board of Directors' report on the management of the Group included in the management report in accordance with Article L. 233-26 of the Commercial Code, and the auditors' report on the consolidated financial statements, hereby approves the consolidated financial statements for the year ended 31 December 2017, showing a net profit of €1,085 million, as well as the transactions recorded in those financial statements and disclosed in those reports.

Third resolution

(Appropriation of 2017 earnings, setting of dividend)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, having acquainted itself with the Board of Directors' management report and the statutory auditors' report on the parent company financial statements, notes that net profit for the year ended 31 December 2017 amounts to €102,398,551.57, which minus the transfer to the legal reserve of €26,276.20 and plus retained earnings of €2,191,898,164.27 gives distributable earnings of €2,294,270,439.64.

The meeting resolves, on the proposal of the Board of Directors, to appropriate earnings as follows:

Net profit for the year	102,398,551.57	€
Transfer to the legal reserve	-26,276.20	
Retained earnings brought forward	2,191,898,164.27	
Distributable earnings	2,294,270,439.64	
Appropriation		
- Dividend ^a	622,412,984.50	
- Retained earnings carried forward	1,671,857,455.14	

(a) €1.70 x 366,125,285 shares.

Accordingly, the dividend for the year ended 31 December 2017 is hereby set at €1.70 per share carrying dividend rights.

The ex-date for the Euronext Paris market will be 2 May 2018, and the dividend will be payable in cash on 4 May 2018 based on positions qualifying for payment on the evening of 3 May 2018.

The entire dividend payout will be eligible for the optional 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code.

If the company holds some of its own shares at the dividend payment date, the dividends not paid on those shares shall be allocated to retained earnings.

In accordance with law, the Annual General Meeting notes that the following dividends were paid for financial years 2014, 2015 and 2016:

	2014	2015	2016
Number of shares	336,086,458	345,135,316	354,908,547
Dividend per share	€1.60	€1.60	€1.60
Total dividend ^{a & b}	€537,731,932.80	€552,128,505.60	€567,837,675.20

(a) The amounts shown represent dividends actually paid, taking account of the fact that shares held by the company itself do not qualify for dividends.

(b) Amounts eligible for 40% tax relief in accordance with paragraph 2 of Article 158-3 of the General Tax Code.

Resolution 4 – Approval of regulated agreements and commitments

Object and purpose

We ask you to approve the regulated agreements entered into directly or indirectly, in 2017, between Bouygues and:

- one of its corporate officers (Executive Officer, director);
- a company in which a corporate officer of Bouygues also holds a directorship;
- a shareholder holding more than 10% of voting rights of Bouygues.

This approval is part of what is known as the regulated, or related-party, agreements procedure, which aims to prevent potential conflicts of interest.

We also ask you to approve the commitments relative to the defined-benefit pension scheme to which Executive Officers are entitled (Chairman and Chief Executive Officer and Deputy Chief Executive Officers).

In accordance with law, these agreements and commitments were granted prior approval by the Board of Directors; the directors concerned abstained from voting. You will find the detailed list of these agreements and commitments, the benefit for Bouygues, their financial terms and the amounts invoiced in 2017, in the auditors' special report on regulated agreements and commitments (chapter 8, section 8.3 of the Registration Document).

The agreements and commitments mentioned in the auditors' special report that were approved by general meetings in previous years do not have to be voted on again by this Annual General Meeting.

The agreements and commitments we ask you to approve, having acquainted yourselves with this report and the auditors' report, concern the following subjects:

- **Shared service agreements.** Bouygues provides a range of general and expert services to its subsidiaries in areas such as finance, communications, sustainable development, patronage, new technologies, insurance, legal affairs, human resources and innovation consultancy. As part of the agreement, Bouygues and its main subsidiaries sign annual agreements relating to these services, so that each business segment can request relevant services and expertise if need be. The principle behind these agreements is based on rules for allocating and invoicing the cost of shared services, including specific services and a share of residual costs, up to a limit expressed as a percentage of sales of the subsidiary concerned. The share of residual costs is invoiced at cost plus a margin of 10% for high value-added services and 5% for low value-added services.

In 2017, Bouygues invoiced the following amounts under these shared service agreements:

Bouygues Construction	€17.50 million
Colas	€17.54 million
TF1	€3.56 million
Bouygues Telecom	€8.85 million

The Board of Directors authorised, for a period of one year, the renewal of these shared service agreements for 2018.

- **Reciprocal service agreement between Bouygues and SCDM.** SCDM, a company owned by Martin Bouygues and Olivier Bouygues, contributes to initiatives in favour of the Bouygues group on an ongoing basis (research and analysis into strategic developments and the growth of the Bouygues group, multi-year plans, research and analysis into major investments and divestments). SCDM may also supply Bouygues with services other than those provided as part of its permanent duties. This agreement enables Bouygues to benefit from the services of Martin Bouygues and Olivier Bouygues, who are paid by SCDM, and of the members of the small group that supports them by conducting the research and analysis mentioned above, as well as various specific services for the benefit of the Group. For its part, Bouygues provides SCDM with specific services, principally management, human resources, information technology, and legal and financial services.

The Board of Directors authorised the renewal of this agreement for 2018.

The maximum amount that SCDM can potentially invoice Bouygues in respect of this agreement is €7 million. The amount invoiced by SCDM to Bouygues under this agreement in 2017 was €5.35 million, consisting mainly of the remuneration (salaries and charges) of Martin Bouygues and Olivier Bouygues, 86.8% of the total, within the limit of the amount set by the Bouygues Board of Directors. The remainder (13.2% of the total) is for the services provided by the small group that supports Martin Bouygues and Olivier Bouygues, by conducting an ongoing research and analysis into strategic developments and the growth of the Bouygues group.

This agreement also enables Bouygues to be remunerated by SCDM in respect of the various specific services that it carries out on its behalf, principally management, human resources, information technology, legal and financial services. The amount invoiced by Bouygues to SCDM under this agreement in 2017 was €0.28 million.

- Renewal for a period of one year starting 1 January 2018 of the **commitment relative to the defined-benefit pension scheme** for Executive Officers of Bouygues and members of the Group Management Committee, as well as the cross-charging agreements whereby Bouygues invoices its subsidiaries Bouygues Construction, Colas, TF1 and Bouygues Telecom, for the contributions to this additional retirement provision, from which their senior executives benefit. The additional retirement provision is equivalent to 0.92% of the reference salary per year of service in the Group, and capped at eight times the annual ceiling under the social security regime, giving a cap of €317,856 in 2018. Individual potential entitlements may not exceed the ceiling of 45% of the reference income for Executive Officers as recommended by the Afep-Medef Code (annual fixed and variable remuneration owed in respect of the reference period). The scheme has been outsourced to an insurance company;

The performance conditions to be met in order for Olivier Roussat and Philippe Marien to obtain entitlement to their rights under the defined-benefit pension scheme are set out in section 5.4.2.2 of the Registration Document. The entitlement of Martin Bouygues and Olivier Bouygues to their rights under the defined-benefit pension scheme is not subject to performance conditions, as the pension rights acquired by these two individuals at 7 August 2015, the date the Macron law entered into force, had already reached the aforementioned ceiling.

For information purposes, the contribution paid by Bouygues in 2017 in respect of the four aforementioned Executive Officers amounted to €1.7 million excluding taxes, or €2.1 million after applying the social security levy (URSSAF) of 24%. Bouygues invoiced the following amounts to the subsidiaries below:

Bouygues Construction	€0.71 million
Bouygues Immobilier	€0.71 million
Colas	€0.71 million
TF1	€0.44 million
Bouygues Telecom	€0.28million

The Board of Directors authorised the renewal of these agreements and commitments for 2018.

- **Letter of support to Alstom** in connection with the proposal to merge the rail activities of Alstom and Siemens. In this document, co-signed by Alstom, Bouygues has undertaken to: a) retain its Alstom shares until the earlier of (i) the Extraordinary General Meeting of Alstom shareholders called to approve the merger or (ii) 31 July 2018; b) vote in favour of the resolutions relating to the merger at the Extraordinary General Meeting of Alstom shareholders; c) vote in favour of the resolution to cancel double voting rights at a Special General Meeting of Alstom shareholders; and d) have the Bouygues representatives on the Alstom Board of Directors approve any decision necessary to implement the merger.

- **Open innovation services agreements** entered into *inter alia* with Bouygues Construction, Colas, TF1 and Bouygues Telecom. The consultancy services provided to the business segments under this agreement are an integral part of the shared services offered by Bouygues to the Group's business segments. As such, they are invoiced directly through the shared service agreements mentioned above in respect of the share of the residual amount of shared service fees. In consideration for the management services, each subsidiary pays Bouygues, on a pro rata temporis basis, a monthly flat fee of €750 excl. VAT per shareholding in a managed innovative company; the Board of Directors authorised, for a period of one year starting 1 January 2018, the renewal of these agreements.
- **Sale by Bouygues of Mainby shares to Bouygues Construction and Colas** for a total amount of CHF0.89 million.
- **Sale by Bouygues of SPEIG shares to Colas** for a total amount of €1.61 million.
- **Amendment to the internal audit service agreement** between Bouygues and Bouygues Telecom; the amount of services entrusted to Bouygues is €0.35 million excl. VAT for 2018.
- Agreements entered into with Bouygues Construction, Colas and Bouygues Telecom in connection to their participation in the **Viva Technology** event held in June 2017.
- **Trademark licence agreement** between Bouygues and GIE 32 Hoche for a fee of €1,000 excl. VAT a year.

In accordance with law, the persons concerned will not vote on this resolution.

Fourth resolution

(Approval of regulated agreements and commitments specified in Article L. 225-38 of the Commercial Code)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, having acquainted itself with the auditors' special report, and pursuant to Article L. 225-40 of the Commercial Code, hereby approves the regulated agreements and commitments set out in this report that have not yet been approved by the Annual General Meeting.

Resolutions 5 and 6 – Approval of the commitments relative to the defined-benefit pension scheme to which Martin Bouygues, Chairman and Chief Executive Officer, and Olivier Bouygues, Deputy Chief Executive Officer, are entitled

Object and purpose

The members of Group Management Committee, which includes Martin Bouygues, Olivier Bouygues, Philippe Marien and Olivier Roussat, benefit from a supplementary pension scheme whereby they receive an additional retirement provision set at 0.92% of the reference salary (average of the best three years) per year in the scheme. Benefits are capped at eight times the social security ceiling, i.e. approximately €317,856 in 2018.

Under the law of 6 August 2015 (the Macron law), you are required to approve, through specific resolutions, the defined-benefit pension entitlement of Martin Bouygues, whose term of office as Chairman and CEO was renewed on 16 May 2017, and of Olivier Bouygues, whose term of office as Deputy CEO was renewed on 30 August 2017, at the above-mentioned dates.

The rights acquired by these two Executive Officers on the date the Macron law entered into force had already reached the ceiling set by the Board of Directors, i.e. eight times the annual social security ceiling. This therefore obviates the need to stipulate performance conditions for them.

In accordance with law, the persons mentioned above will not vote on this resolution.

Fifth resolution

(Approval of the commitment relative to the defined-benefit pension scheme to which Martin Bouygues, Chairman and Chief Executive Officer, is entitled)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, having acquainted itself with the auditors' special report, and pursuant to Article L. 225-42-1 of the Commercial Code, hereby approves the commitment relative to the defined-benefit pension scheme to which Martin Bouygues is entitled, with effect from 16 May 2017, the date of the renewal of his appointment as Chairman and Chief Executive Officer.

Sixth resolution

(Approval of the commitment relative to the defined-benefit pension scheme to which Olivier Bouygues, Deputy Chief Executive Officer, is entitled)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, having acquainted itself with the auditors' special report, and pursuant to Article L. 225-42-1 of the Commercial Code, hereby approves the commitment relative to the defined-benefit pension scheme to which Olivier Bouygues is entitled, with effect from 30 August 2017, the date of the renewal of his appointment as Deputy Chief Executive Officer.

Resolutions 7 to 10 – Approval of the remuneration components and benefits paid or awarded to Executive Officers in respect of the year ended 31 December 2017 in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer

Object and purpose

In accordance with Article L. 225-100 of the Commercial Code, you are now required to approve the remuneration and benefits paid or awarded to each Executive Officer in respect of the financial year ended. The variable remuneration components awarded in respect of the 2017 financial year cannot be paid without your approval.

The Report on corporate governance (chapter 5, section 5.4.1 of the Registration Document) contains a detailed description of the remuneration and benefits paid or awarded in respect of the 2017 financial year to Martin Bouygues, in his capacity as Chairman and Chief Executive Officer, and to Olivier Bouygues, Philippe Marien and Olivier Roussat, in their capacity as Deputy Chief Executive Officers. Their remuneration and benefits were determined in accordance with the principles and criteria approved under the twelfth resolution at the Annual General Meeting of 27 April 2017.

Seventh resolution

(Approval of the remuneration components and benefits paid or awarded to Martin Bouygues, in his capacity as Chairman and Chief Executive Officer, in respect of the year ended 31 December 2017)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, pursuant to Article L. 225-100 of the Commercial Code, having acquainted itself with the Report on corporate governance, hereby approves the fixed and variable components of the total remuneration and benefits of all kinds paid or awarded in respect of the year ended 31 December 2017 to Martin Bouygues, Chairman and Chief Executive Officer. Those components are set out in chapter 5, section 5.4.1 of the Registration Document.

Eighth resolution

(Approval of the remuneration components and benefits paid or awarded to Olivier Bouygues, in his capacity as Deputy Chief Executive Officer, in respect of the year ended 31 December 2017)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, pursuant to Article L. 225-100 of the Commercial Code, having acquainted itself with the Report on corporate governance, hereby approves the fixed and variable components of the total remuneration and benefits of all kinds paid or awarded in respect of the year ended 31 December 2017 to Olivier Bouygues, in his capacity as Deputy Chief Executive Officer. Those components are set out in chapter 5, section 5.4.1 of the Registration Document.

Ninth resolution

(Approval of the remuneration components and benefits paid or awarded to Philippe Marien, in his capacity as Deputy Chief Executive Officer, in respect of the year ended 31 December 2017)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, pursuant to Article L. 225-100 of the Commercial Code, having acquainted itself with the Report on corporate governance, hereby approves the fixed and variable components of the total remuneration and benefits of all kinds paid or awarded in respect of the year ended 31 December 2017 to Philippe Marien, in his capacity as Deputy Chief Executive Officer. Those components are set out in chapter 5, section 5.4.1 of the Registration Document.

Tenth resolution

(Approval of the remuneration components and benefits paid or awarded to Olivier Roussat, in his capacity as Deputy Chief Executive Officer, in respect of the year ended 31 December 2017)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, pursuant to Article L. 225-100 of the Commercial Code, having acquainted itself with the Report on corporate governance, hereby approves the fixed and variable components of the total remuneration and benefits of all kinds paid or awarded in respect of the year ended 31 December 2017 to Olivier Roussat, in his capacity as Deputy Chief Executive Officer. Those components are set out in chapter 5, section 5.4.1 of the Registration Document.

Resolution 11 – Approval of the principles and criteria for determining, allocating and awarding the components of remuneration and benefits to be awarded to Executive Officers, in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer

Object and purpose

Pursuant to Article L. 225-37-2 of the Commercial Code, you are asked to approve the principles and criteria applicable for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds awarded to the four Executive Officers in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer for the 2018 financial year.

These principles and criteria were approved by the Board of Directors, acting on a recommendation of the Selection and Remuneration Committee. They are presented in the Report on corporate governance (chapter 5, section 5.4.2 of the Registration Document). Pursuant to Article L. 225-100 of the Commercial Code, the amounts arising from the implementation of these principles and criteria will be submitted for approval to the Annual General Meeting called to approve the 2018 financial statements.

Eleventh resolution

(Approval of the principles and criteria for determining, allocating and awarding the components of remuneration and benefits to be awarded to Executive Officers, in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, pursuant to Article L. 225-37-2 of the Commercial Code, having acquainted itself with the Report on corporate governance, hereby approves the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds awarded to Executive Officers, in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer. Those principles and criteria are set out in chapter 5, section 5.4.2 of the Registration Document.

Resolutions 12 and 13 – Renewal of the terms of office of Martin Bouygues and Anne-Marie Idrac as directors for three years

Object and purpose

At the proposal of the Selection and Remuneration Committee, we ask you to renew the terms of office of Martin Bouygues and Anne-Marie Idrac due to expire at the end of the Ordinary General Meeting of 26 April 2018.

Information on the directors the renewal of whose term of office is submitted for approval

Martin Bouygues

Chairman and CEO

Date of birth: 03/05/1952

Education and career

Born in 1952, Martin Bouygues is the youngest son of Francis Bouygues, who founded Bouygues the same year. Martin Bouygues joined the Bouygues group in 1974 as a works supervisor. In 1978, he established Maison Bouygues, specialising in the sale of catalogue homes. In 1987, Martin Bouygues was appointed Vice-Chairman of the Bouygues Board of Directors, on which he has served since 1982. In September 1989, Martin Bouygues took over from Francis Bouygues as Chairman and CEO of Bouygues. At Martin Bouygues' instigation, the Group pursued its development in construction as well as in media (TF1) and launched Bouygues Telecom in 1996. In 2006, Bouygues acquired a stake in Alstom.

Martin Bouygues, who has chaired that Group since 1989, brings to the Board his knowledge of the Group's activities, as well as the men and women who form the Group.

- Date of first appointment to the Bouygues Board of Directors: 21 January 1982.
- Number of shares in the company (at 31/12/2017): 369,269 (76,278 329 via SCDM and SCDM Participations).

Principal positions outside Bouygues SA

- Chairman of SCDM.

Other positions and functions in the Group

- Director of TF1.
- Member of the Board of Directors of the Francis Bouygues Foundation.

Other positions and functions outside the Group

- Standing representative of SCDM; Chairman of Actiby and SCDM Participations.
- Member of the Board of Directors of the Skolkovo Foundation (Russia).

Anne-Marie Idrac

Independent director

Chairwoman of the Ethics, CSR and Patronage Committee and member of the Accounts Committee

Chair of the supervisory board of Toulouse-Blagnac Airport

Date of birth: 27/07/1951

Education and career

Anne-Marie Idrac graduated from Institut d'Études Politiques de Paris (IEP) and École Nationale d'Administration (Simone Weil intake, 1974). She began her career as a senior civil servant serving in a number of posts at the French Ministry of Infrastructure in the fields of the environment, housing, urban development and transport. She was director general at the Public Development Agency (EPA) of Cergy-Pontoise from 1990 to 1993, and director of land transportation from 1993 to 1995. She has also held political offices: Secretary of State for Transport from 1995 to 1997, then Member of Parliament for a constituency in the Yvelines from 1997 to 2002, Councillor for the Paris region from 1998 to 2002, and junior minister for foreign trade from 2008 to 2010. In addition, she has held significant responsibilities in major transport companies: she was Chair and CEO of the RATP (Paris public transport authority) from 2002 to 2006, before becoming the first woman to head the SNCF (French state railways) where she was Chair and CEO

from 2006 to 2008. She was also the first woman to become Vice-Chair of Union Internationale des Chemins de Fer (UIC – International Railway Union). In 2017, she was appointed High Representative for the development of driverless vehicles.

Anne-Marie Idrac brings to the Board and to the Ethics, CSR and Patronage Committee her valuable contribution, notably given her experience in leading large groups and her extensive expertise in the fields of the environment, housing, urban development and transport, which are also important for the Group's activities.

- Date of first appointment to the Bouygues Board of Directors: 26 April 2012
- Number of shares in the company (at 31/12/2017): 500

Principal positions outside Bouygues SA

- Chair of the supervisory board of Toulouse-Blagnac Airport.

Other positions and functions outside the Group

- Director of Total, Saint-Gobain and Air France-KLM.
- Senior Advisor to Suez and Sia Partners.

Terms of office

In accordance with the articles of association, these terms of office will be for a period of three years, expiring after the Ordinary General Meeting called in 2021 to approve the financial statements for the year ended 31 December 2020.

Composition of the Board of Directors after the Annual General Meeting

If you adopt the twelfth and thirteenth resolutions, the composition of the Board of Directors will remain unchanged after the Annual General Meeting.

The Board of Directors will still have 15 members, namely:

- Four directors from the SCDM group:
 - Martin Bouygues (Chairman and CEO)
 - Olivier Bouygues (Deputy CEO)
 - SCDM, represented by Edward Bouygues
 - SCDM Participations, represented by Cyril Bouygues
- Two directors representing employees:
 - Francis Castagné
 - Raphaëlle Deflesselle
- Two directors representing employee shareholders:
 - Sandra Nombret
 - Michèle Vilain
- Five independent directors:
 - Clara Gaymard
 - Anne-Marie Idrac
 - Helman le Pas de Sécheval
 - Colette Lewiner
 - Rose-Marie Van Lerberghe
- Two external, non-independent directors:
 - Patrick Kron
 - Alexandre de Rothschild

The proportion of independent directors (calculated excluding directors representing employees and employee shareholders) will be five out of eleven, representing 45.5%.

The proportion of women with seats on the Board (calculated excluding directors representing employees) will be six out of thirteen, representing 46.2%.

The average age (calculated at the date of the Annual General Meeting) will be 54.3.

Twelfth resolution

(Renewal of the term of office of Martin Bouygues as a director for three years)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, renews the term of office of Martin Bouygues as a director for three years. This term shall expire after the Annual General Meeting called to approve the financial statements for 2020.

Thirteenth resolution

(Renewal of the term of office of Anne-Marie Idrac as a director for three years)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, renews the term of office of Anne-Marie Idrac as a director for three years. This term shall expire after the Annual General Meeting called to approve the financial statements for 2020.

Resolution 14 – Authorisation for the company to buy back its own shares

Object and purpose

Like each year, we propose to renew the authorisation given to the Board of Directors with a view to permitting the company to buy back its own shares as part of a share buyback programme.

This authorisation would cover the following objectives:

1. reduce share capital by cancelling shares under the conditions laid down by law, subject to authorisation by the Extraordinary General Meeting;
2. fulfil the obligations arising from debt securities, in particular securities that grant the right to the allotment of company shares via redemption, conversion, exchange, presentation of a warrant or otherwise;
3. grant or sell shares to employees or corporate officers of the company or related companies on the terms and conditions laid down by law, in particular as part of profit-sharing schemes, stock option plans, company savings schemes or Group savings schemes, or through allotment of free shares;
4. ensure the liquidity of and organise trading in the company's shares, through an investment services provider acting under the terms of a liquidity contract that complies with a code of conduct recognised by the AMF;
5. retain shares and, where applicable, deliver them subsequently by way of payment or exchange in an acquisition, merger, spin-off or asset-for-share exchange, in accordance with applicable regulations;
6. implement any market practice accepted by the AMF and generally carry out any other transaction in compliance with prevailing regulations.

The Board of Directors decided at its meeting of 21 February 2018 to restrict the objectives of the share buyback programme to points 1 and 4 above. The Board reserved the right to extend the programme to include other objectives. In which case the company would inform the market.

In 2017, the buybacks of Bouygues shares involved the purchase of around 0.73 million shares and the sale of around 0.70 million shares, through a service provider acting within the scope of a liquidity contract that complies with a code of conduct approved by the AMF.

Ceilings

The authorisation is granted within the following limits:

- 5% of the share capital;
- maximum repurchase price: €65 per share;
- maximum budget: €1,200 million.

In accordance with law, the transactions may be carried out at any time, including during the period of a public offer for the company's shares. It is important that the company should be able, where applicable, and even during a public offer, to buy back its own shares with a view to achieving the objectives of the buyback programme.

Duration of authorisation

Eighteen months.

Fourteenth resolution

(Authorisation to the Board of Directors to trade in the company's shares, for a period of eighteen months, up to a limit of 5% of the share capital)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, pursuant to Article L. 225-209 of the Commercial Code, having acquainted itself with the Board of Directors' report including its description of the share buy-back programme:

1. authorises the Board of Directors to buy back, under the conditions set out below, shares representing up to 5% of the company's share capital at the date on which the authorisation is used, in compliance with the prevailing legal and regulatory conditions at that date;
2. resolves that the purpose of this authorisation is to enable the company, in relation to market practice accepted by the AMF, an objective specified in Article 5 of Commission Regulation (EU) No. 596/2014 on market abuse, or an objective mentioned in Articles L. 225-209 *et seq.* of the Commercial Code, to:
 - reduce share capital by cancelling shares under the conditions laid down by law, subject to authorisation by the Extraordinary General Meeting,
 - fulfil the obligations arising from debt securities, in particular securities that grant the right to the allotment of company shares via redemption, conversion, exchange, presentation of a warrant or otherwise,
 - grant or sell shares to employees or corporate officers of the company or related companies under the terms and conditions laid down by law, in particular as part of profit-sharing schemes, stock option plans, company savings schemes and Group savings schemes or through allotment of free shares,
 - ensure the liquidity of and organise trading in the company's shares, through an investment services provider acting under the terms of a liquidity contract that complies with a code of conduct recognised by the AMF,
 - retain shares and, where applicable, deliver them subsequently as a medium of payment or exchange in an acquisition, merger, spin-off or asset-for-share exchange, in accordance with applicable regulations,
 - implement any market practice accepted by the AMF and generally to carry out any other transaction in compliance with prevailing regulations;
3. resolves that the acquisition, sale, transfer or exchange of these shares may be carried out, on one or more occasions, in compliance with rules issued by the AMF in its Position-Recommendation DOC-2017-04, on all markets or off-market, including on Multilateral Trading Facilities (MTFs) or via a systematic "internaliser", or over-the-counter, in any manner, notably through the acquisition or sale of blocks of shares, using derivative financial instruments and at any time, including during a period of a public offer for the company's shares. All or part of the programme may be carried out through block trades;

4. resolves that the maximum purchase price be set at €65 (sixty-five euros) per share, subject to any adjustments in connection with share capital transactions. If share capital is increased by incorporating premiums, earnings or reserves into capital and allotment of free shares, or in the event of a stock split or reverse stock split, the price indicated above shall be adjusted by a multiplication factor equal to the ratio of the number of shares making up the share capital before the transaction to the number of shares after the transaction;
5. sets at €1,200,000,000 (one billion two hundred million euros) the maximum amount of funds that can be used for the share buy-back programme thus authorised, corresponding to a maximum of 18,500,000 shares purchased at a price of €65 (sixty-five euros) per share as authorised above;
6. notes that, in accordance with law, the total shares held at any given date may not exceed 10% of the share capital in issue at that date;
7. gives full powers to the Board of Directors, with the power to sub-delegate under and in accordance with applicable law, to implement this authorisation, place all stock market orders, conclude all agreements, in particular with a view to the registration of purchases and sales of shares, completing all steps, declarations and formalities with the AMF and any other body, and in general, taking all necessary measures to execute the decisions taken within the scope of this authorisation;
8. resolves that the Board of Directors shall inform the Annual General Meeting of the transactions carried out, in accordance with applicable regulations;
9. grants this authorisation for eighteen months from the date of this meeting, and notes that it cancels and supersedes the unused portion of any previous authorisation given for the same purpose.

Extraordinary General Meeting

In the fifteenth to sixteenth resolutions, we ask you to renew certain financial authorisations given to the Board of Directors that may have an impact on the amount of the share capital. The purpose of these resolutions is to enable the Board of Directors, under the conditions and within the limits set by the Annual General Meeting, to continue to benefit from the authorisations that allow it to finance the development of the company and to carry out the financial transactions that are appropriate for its strategy, without being obliged to convene specific extraordinary general meetings.

We have summarised below the purpose and the content of the various authorisations and delegations of authority (see tables summarising financial authorisations).

Resolution 15 – Option to reduce share capital by cancelling shares

Object and purpose

To authorise the Board of Directors, if it deems fit, to reduce the share capital, on one or more occasions, up to a limit of 10% of the share capital in any twenty-four month period, by cancelling some or all of the shares that the company holds or may hold as a result of using the various share buyback authorisations given by the Annual General Meeting to the Board of Directors, particularly under the fourteenth resolution submitted to this Annual General Meeting for approval.

Cancelling shares makes it possible, if the Board of Directors deems fit, to offset the dilution for shareholders resulting from the creation of new shares in connection, for example, with employee savings transactions and the exercise of stock options.

Ceiling

Option to cancel up to 10% of the share capital in any 24-month period.

Duration of authorisation

Eighteen months.

Fifteenth resolution

(Authorisation to the Board of Directors, for a period of eighteen months, to reduce share capital by cancelling treasury shares held by the company, up to a limit of 10% of the share capital in any twenty-four month period)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings, pursuant to Article L. 225-209 of the Commercial Code, having acquainted itself with the Board of Directors' report and the auditors' report:

1. authorises the Board of Directors to cancel, at its own initiative, on one or more occasions, some or all of the shares that the company holds or may hold as a result of utilising the various share buy-back authorisations given by the Annual General Meeting to the Board of Directors, up to a limit of 10% in any twenty-four month period of the total number of shares making up the company's share capital at the date of the transaction;
2. authorises the Board of Directors to charge the difference between the purchase value of the cancelled shares and their par value to all available premium and reserve funds;
3. delegates to the Board of Directors, with the power to sub-delegate under and in accordance with applicable law, full powers to carry out the capital reduction(s) resulting from cancellations of shares authorised by this resolution, to have the relevant entries made in the financial statements, to amend the articles of association accordingly, and generally to attend to all necessary formalities;
4. grants this authorisation for eighteen months from the date of this meeting, and notes that it cancels and supersedes the unused portion of any previous authorisation given for the same purpose.

Resolution 16 – Delegation to issue equity warrants (“Breton” warrants) during the period of a public offer for the company's shares

Object and purpose

To delegate to the Board of Directors the power to issue, if it deems fit, equity warrants during a public offer for the company's shares, with the waiver of pre-emptive rights to ordinary shares in the company to which any warrants issued may give entitlement.

Equity warrants enabling shareholders to subscribe on preferential terms to the shares of the company shares may, where applicable, be allotted free of charge to all shareholders who hold shares in the company prior to the expiry of an unsolicited public offer period.

This mechanism is designed to encourage a potential bidder to either withdraw its offer or make an improved offer for the company. Because warrants dilute the capital, a bidder will respond either by seeking to withdraw its offer, or by negotiating with the Board of Directors with a view to reaching a consensus on a fair valuation of the company such that the warrants would lapse. Issuing share warrants during the period of a public offer is a measure designed to prevent, or at the very least hinder, an attempted public offer. In particular, the Board of Directors can use warrants as a bargaining counter to encourage a bidder to improve the terms of its offer, in the interests of the company's shareholders.

The powers thus granted to the Board of Directors are not unlimited, however. During the public offer period, the initiator and target company must ensure that their acts, decisions and statements do not compromise the best interest of the company or the fair treatment and access to information of the shareholders of the companies concerned. In addition, if the board of directors of the target company takes a decision whose implementation frustrates the offer, it must inform the AMF (Article 231-7 of the AMF General Regulation).

This resolution must be decided on the straightforward majority of the votes cast.

Ceilings

Capital increase: €91,500,000 in nominal value or 25% of the share capital.

The number of equity warrants shall not exceed one quarter of the existing number of shares.

Duration of delegation

Eighteen months.

Sixteenth resolution

(Delegation of powers to the Board of Directors, for a period of eighteen months, to issue equity warrants during a period of a public offer for the company's shares, up to a limit of 25% of the share capital)

The Annual General Meeting, in extraordinary session but having satisfied the quorum and majority requirements for ordinary general meetings, having acquainted itself with the Board of Directors' report and the auditors' report, and in accordance with Article L. 233-32 II of the Commercial Code:

1. delegates to the Board of Directors the power to issue warrants on one or more occasions, during the period of a public offer for the company's shares, giving rights to subscribe on preferential terms for one or more shares in the company, and to allot such warrants free of charge to all shareholders who hold shares in the company prior to expiry of the offer period. These warrants will lapse automatically as soon as the offer and any other competing offer has failed, lapsed or been withdrawn;
2. resolves that the capital increase that may result from the exercise of such equity warrants may not exceed one quarter of the number of shares that make up the capital at the time the warrants are issued, or the nominal amount of €91,500,000 (ninety-one million five hundred thousand euros), and that the maximum number of equity warrants that may be issued shall not exceed one quarter of the number of shares that make up the capital at the time the warrants are issued;
3. resolves that the Board of Directors shall have full powers, with the power to sub-delegate under and in accordance with applicable law, to determine the conditions of exercise of the equity warrants, which must relate to the terms of the offer or any other competing offer, and the other characteristics of the warrants, such as the exercise price or the terms for determining the exercise price, and more generally the characteristics and terms of any issue decided under this delegation;
4. notes that this delegation entails the waiver by shareholders of their pre-emptive rights to ordinary shares in the company to which any warrants issued pursuant to this delegation may give entitlement;
5. grants this delegation for a period of eighteen months as from the date of this meeting, and notes that it cancels and supersedes the unused portion of any previous delegation given for the same purpose.

Resolution 17 – Amendment to Article 22 of the articles of association in order to remove the requirement to appoint alternate auditors

Object and purpose

The wording of the second paragraph of Article 22 of the company's articles of association currently stipulates that the ordinary general meeting of shareholders shall appoint, for six financial years, two alternate auditors who shall replace the principal auditors in the event of a principal auditor's refusal or inability to act, resignation, or death.

This wording no longer complies with Article L. 823-1 of the Commercial Code, which was amended by Law No. 2016-1691 of 9 December 2016 to remove the obligation to appoint one or more alternate auditors if the principal auditor is a natural person or a company under sole ownership.

In practice, as Bouygues' principal auditors are always legal entities rather than companies under sole ownership, the appointment of an alternate auditors is no longer required. We propose to simplify Article 22 of the articles of association by deleting the second paragraph, which is now pointless.

Seventeenth resolution

(Amendment to Article 22 of the articles of association in order to remove the requirement to appoint alternate auditors)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings, given the new text of Article L. 823-1 of the Commercial Code, hereby resolves to delete the second paragraph of Article 22 of the company's articles of association, which reads as follows: *"The general meeting of shareholders shall also appoint two alternate auditors, who shall replace the principal auditors in the event of a principal auditor's refusal or inability to act, resignation, or death."*

Resolution 18 – Powers to carry out formalities

Object and purpose

To permit carrying out all legal or administrative formalities and make all filings and publications.

Eighteenth resolution

(Powers to carry out formalities)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings, gives full powers to the holder of an original, a copy of or an excerpt from the minutes of this Annual General Meeting to carry out all necessary filings, publications and formalities.

6. FINANCIAL AUTHORISATIONS SUBMITTED TO THE COMBINED ANNUAL GENERAL MEETING

The table below summarises the financial authorisations that we ask you to confer on the Board of Directors during the Combined Annual General Meeting of 26 April 2018.

The authorisations mentioned in the table below replace any previous resolutions with the same purpose.

Purpose	Maximum nominal amount	Expiry/Duration
1. Purchase by the company of its own shares (Resolution 14)	5% of the share capital, maximum price of €65 per share, total outlay capped at €1.2 billion	26 October 2019 (18 months)
2. Reduce share capital by cancelling shares (Resolution 15)	10% of the share capital in any 24-month period	26 October 2019 (18 months)
3. Issue equity warrants during the period of a public offer (Resolution 16)	<ul style="list-style-type: none">• Capital increase: €91.5 million in nominal value and 25% of the share capital• The number of warrants is capped at one quarter of the number of existing shares	26 October 2019 (18 months)

7. PARTICIPATION IN THE ANNUAL GENERAL MEETING

As a shareholder of Bouygues, you can participate in the Annual General Meeting by either:

- attending in person;
- being represented by a natural person or legal entity of your choice; or
- voting by correspondence.

In all circumstances, you must first prove your status as a shareholder by the book entry of your shares in your name (or, where applicable, in the name of the registered intermediary if you are a non-resident), **by and before Tuesday 24 April 2018 CET**:

- in the registered share accounts of Bouygues, or
- in the bearer share accounts held by the financial intermediary which handled the book entry of your shares in its account.

Participating by internet: Votaccess

Bouygues now gives shareholders (full owners) the option of requesting their admission card, voting on the resolutions, or designating a proxy on the Votaccess secure platform.

Votaccess is accessible **from Friday 6 April 2018 at 9.00am until Wednesday 25 April 2018 at 3.00pm (CET)**. In order to avoid potential congestion on Votaccess, **shareholders are advised not to wait until the last few days before the meeting** to connect and vote.

If you are a registered shareholder:

- Go to the <https://serviceactionnaires.bouygues.com> website.
- Enter the login and the password sent to you by Bouygues in the post.
- Click on “Vote by internet” on the home page.
- Choose how you wish to participate:
 - request an admission card to attend the meeting in person;
 - vote on the resolutions;
 - give proxy to the Chairman of the meeting;
 - give proxy to a third-party.

If you are a bearer shareholder and the financial intermediary managing your securities account is a member of Votaccess:

- Connect to the internet portal of your financial intermediary.
- Click on the icon displayed on the line corresponding to your Bouygues shares to access Votaccess.
- Follow the instructions displayed on the screen.
- Choose how you wish to participate:
 - request an admission card to attend the meeting in person;
 - vote on the resolutions;
 - give proxy to the Chairman of the meeting;
 - give proxy to a third-party.

Participating by post: paper form

If you are a registered shareholder:

- Use the form and the envelope sent to you with the Convening Notice.

If you are a bearer shareholder:

- Contact the financial intermediary which handled the book entry of your shares in its account and request that it send Bouygues a certificate confirming your status as a shareholder and that it send you the form.
- You can also download the form on the www.bouygues.com website under Finance/Individual shareholders, Annual General Meeting.

To attend the meeting in person

Request your admission card as early as possible in order to receive it in time.

If you are a registered shareholder:

- Tick box A on the top left-hand side of the form sent to you with the Convening Notice; date and sign the form and send it directly to Bouygues by using the envelope provided with the Convening Notice.
- You can also send a signed written request for an admission card from Bouygues, Service Titres, 32 avenue Hoche, 75008 Paris, France (toll-free number in France only: 0 805 120 007 – Fax: +33 (0)1 44 20 12 42; e-mail: ag2018@bouygues.com).
- Bouygues will then send you an admission card so as you can attend the meeting.
- Should you not receive the admission card and if you are a registered shareholder, you can attend the meeting directly.

If you are a bearer shareholder:

- Ask the financial intermediary which handled the book entry of your shares in its account to send Bouygues a certificate confirming your status as a shareholder in order to be able to attend the meeting.
- Bouygues will then send you an admission card so as you can attend the meeting.
- Should you not receive the admission card, you can ask the financial intermediary which handled the book entry of your shares in its account to issue a participation certificate directly to you and attend the meeting with said participation certificate.

On the day of the meeting, all shareholders must present a form of identity when signing in at the desk.

To vote by correspondence or designate a proxy

You wish to vote by correspondence

- Tick box B on the top left-hand side of the form.
- Tick box "I VOTE BY CORRESPONDENCE" on the form.
- Vote according to the instructions.
- Date and sign at the bottom of the form.
- Return the form to Bouygues, Service Titres, 32 avenue Hoche, 75008 Paris, France. Registered shareholders should use the envelope that was sent to them with the Convening Notice.

The duly completed and signed postal vote form (accompanied by the participation certificate in the case of bearer shareholders) must reach Bouygues, Service Titres, 32 avenue Hoche, 75008 Paris, France, **no later than midnight (CET) on Monday 23 April 2018 (at the end of the calendar day).**

You wish to be represented by designating a proxy

Should you not be able to attend the meeting in person, you can be represented by giving proxy to:

either the Chairman of the meeting:

- date and sign at the bottom of the form (without filling it in),
- during the meeting, the Chairman will vote for the draft resolutions presented or approved by the Board of Directors and vote against all other draft resolutions;

or a natural person or legal entity of your choice:

- tick box B on the top left-hand side of the form,
- tick box "I HEREBY APPOINT" on the form,
- fill in the appropriate box, the full name and address of the person you wish to designate as a proxy,
- date and sign at the bottom of the form.

The duly completed and signed proxy vote form (accompanied by the participation certificate in the case of bearer shareholders) must be sent by post to Bouygues, Service Titres, 32 avenue Hoche, 75008 Paris, France. Registered shareholders should use the envelope that was sent to them with the Convening Notice.

If you designate a given person, you can send the form electronically in the form of a scanned copy, in an attachment sent by e-mail to ag2018@bouygues.com. To be taken into account, designations of proxy transmitted electronically must be received **no later than Wednesday 25 April 2018 at 3.00pm (CET)**.

Should you require further information, contact the Registered Share Service on 0 805 120 007 (free from a fixed line in France).

8. HOW TO GET TO THE COMBINED ANNUAL GENERAL MEETING

Thursday, 26 April 2018 at 3.30pm (CET)

Challenger

1 avenue Eugène Freyssinet, Guyancourt (Saint-Quentin-en-Yvelines), France

Tel.: +33 (0)1 30 60 33 00



By car from Paris

- **Take the A13** towards Rouen then at the junction, take the **A12** towards St-Quentin-en-Yvelines/Dreux/Rambouillet/ Bois d'Arcy/Versailles Satory, and continue for 4 kilometres.
- Follow the signs for **Toutes directions**/Evry/Lyon.
- After going through the **tunnel**, stay in the **left-hand lane** and **continue onto the A86**.
- Take the 1st exit for Guyancourt/Voisins-Le-Bretonneux.
- **Keep right** and follow the signs for Guyancourt/Les Sangliers/ Les Saules/Les Chênes/Centre commercial régional.
- **Stay on the right-hand lane** until you get to the Sangliers roundabout.
- **Exit onto avenue Eugène Freyssinet**.



By public transport

- Shuttle buses will be running between the Saint-Quentin-en-Yvelines train station and Challenger.

Contacts

Registered share service
(Toll free from a fixed line in France):

0 805 120 007

From international number:

+33 (0)1 44 20 10 61/10 36

By e-mail:

servicetitres.actionnaires@bouygues.com

REQUEST FOR DOCUMENTS AND INFORMATION

COMBINED ANNUAL GENERAL MEETING OF 26 APRIL 2018

Return to:
Bouygues
Service Titres
32 avenue Hoche
75008 Paris
France

Last name: First name:

Postal address:

.....

As the owner of:

- registered shares,
- bearer shares, held in an account with (bank, financial institution or other account holder):

.....

In accordance with Article R. 225-88 of the Commercial Code, I hereby request that the company Bouygues provide me with documents and information referred to in Article R. 225-83 of said Code, for the purposes of the Combined Annual General Meeting referred to above:

- at my postal address above
 - at the following postal address:
-

Done in Date

(Signature)

NOTE The documents and information referred to in Articles R. 225-81 and R. 225-83 of the Commercial Code are available on the company's website at www.bouygues.com.

Pursuant to paragraph 3 of Article R. 225-88 of the Commercial Code, shareholders owning registered shares may, by making a single request, obtain from the company documents and information of all subsequent general meetings.

Please tick this box if you wish to obtain said documents and information:



BOUYGUES GROUP

32 avenue Hoche

F-75378 Paris cedex 08

Tel.: +33 (0)1 44 20 10 00

bouygues.com

Twitter: @GroupeBouygues



A *Société Anonyme* (public limited company)

with a share capital of €365,104,531 •

Registration No. 572 015 246 Paris • APE code: 7010