



STATEMENT OF THE REASONS AND TEXT OF THE DRAFT RESOLUTIONS

AGO
4 SEPTEMBER 2020

31/07/2020

Resolution 1 – Payout of a dividend

Statement of the reasons

In light of economic uncertainties resulting from the health crisis caused by Covid-19, the Board of Directors, in its meeting of 1 April 2020, decided to withdraw its proposal to pay out a dividend at the Annual General Meeting of 23 April 2020.

The Annual General Meeting of 23 April 2020 therefore appropriated earnings for the financial year ended 31 December 2019 as follows:

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Net profit for the year	1,165,641,196.85
Transfer to the legal reserve	(745,018.10)
Retained earnings brought forward	1,927,750,488.03
Appropriation	
Retained earnings carried forward	3,092,646,666.78

Bouygues announced in its press release of 1 April 2020 that the Board of Directors would meet in the summer of 2020 in order to reassess the situation and review the opportunity of proposing to shareholders the payout of a dividend.

The Board of Directors, in its meeting of 28 July 2020, noted that the Group's high level of liquidity and particularly robust financial position ensure that it can cope not only with the Covid-19 crisis but also pay out a dividend to its shareholders. The level of retained earnings, at over €3 billion, is sufficient to propose the distribution of a dividend of €1.70 per qualifying share without jeopardising the Group's future prospects or financial position.

The Board of Directors is therefore asking you, at this Ordinary General Meeting which as an extraordinary measure has been called after the 2019 financial statements have been approved, to distribute a dividend of €1.70 for each share in issue as of midnight on the day preceding this General Meeting. This dividend would be appropriated from retained earnings.

As an indication, the number of shares in issue and qualifying for dividend as of 30 June 2020 was 379,942,244.

BOUYGUES SA

Registered office: 32 avenue Hoche • 75378 Paris CEDEX 08 • France
Tel.: +33 (0)1 44 20 10 00 • Fax: +33 (0)1 44 20 01 01 • bouygues.com

The ex-date and record date have been set at 9 September 2020 and the evening of 10 September 2020 respectively. The dividend payment date is 11 September 2020.

This dividend is eligible for the optional 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code.

First resolution

(Payout of a dividend)

The General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, notes that following the appropriation of earnings for the 2019 financial year by the Annual General Meeting of 23 April 2020, retained earnings amount to €3,092,646,666.78.

Acting on a proposal from the Board of Directors, the meeting resolves to pay a dividend of €1.70 per share in issue as of midnight on the day preceding the meeting, to be appropriated in full from retained earnings.

The ex-date for the Euronext Paris market will be 9 September 2020, and the dividend will be payable in cash on 11 September 2020 based on positions qualifying for payment on the evening of 10 September 2020.

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.

Resolution 2 – Approval of the update to the remuneration policy for Executive Officers

Statement of the reasons

The Combined Annual General Meeting of 23 April 2020 approved the remuneration policy for Executive Officers, pursuant to paragraph II of Article L. 225-37-2 of the Commercial Code.

As announced by the Chairman and Chief Executive Officer of the Bouygues group at the Annual General Meeting on 23 April 2020, in light of the exceptional circumstances related to the Covid-19 pandemic, the Board of Directors – acting on a recommendation from the Selection and Remuneration Committee – has decided to reduce by 25% the overall remuneration (fixed and variable) of the Executive Officers for 2020.

Consequently, the 2020 annual variable remuneration arrangements for Executive Officers is being amended by:

- Reducing the cap on annual variable remuneration to 95% of fixed remuneration (compared with 160% previously).
- Introducing a new criterion (P6) to assess the speed and effectiveness of the Executive Officers in managing the health crisis as regards employees and stakeholders, and in limiting its impacts.
- Retaining unchanged the P1 to P5 objectives set by the Board meeting of 19 February 2020.
- Readjusting the weights of criteria P1 to P4 accordingly, to reflect the introduction of the P6 criterion.
- Lowering the trigger levels ensuring that remuneration in respect of the P1 to P4 criteria is proportionate to the percentage attainment level of the objectives.



In accordance with Article L. 225-37-2, II of the Commercial Code, the update to the remuneration policy is contingent on approval by the General Meeting.

The present resolution only sets out the changes made to the remuneration policy applicable to Executive Officers in respect of the 2020 financial year as approved by the Annual General Meeting of 23 April 2020. The other components of the remuneration policy in respect of the 2020 financial year, as described in section 5.4.1 “Remuneration policy” of the 2019 Universal Registration Document, remain unchanged.

In the second resolution, we therefore ask you to approve the following changes to the 2020 remuneration policy:

“ANNUAL VARIABLE REMUNERATION

[...]

P6 criterion related to management of the Covid-19 crisis

The P6 criterion related to the management of the Covid-19 crisis has been introduced, it represents 30% of fixed remuneration and will be assessed by reference to:

- implementation of measures to protect the health and safety of employees;
- proactive management of the Group’s cash and liquidity resources;
- ability to manage costs to limit the impacts of the health crisis on the Group’s results and implementation of the business continuity plan and rapid resumption of operations.

Method used to determine annual variable remuneration for 2020

The method for determining the annual variable remuneration of Executive Officers is based on six separate variable components: P1, P2, P3, P4, P5 and P6 (as defined above).

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 (FR = Fixed Remuneration):

1) If actual performance is between 0 the Objective:

P1 = 0% to 25% of FR

P2 = 0% to 25% of FR

P3 = 0% to 30% of FR

P4 = 0% to 20% of FR

2) If actual performance is between the Objective and (Objective +20%):

P1 = 25% to 35% of FR

P2 = 25% to 30% of FR

P3 = 30 % to 35% of FR

P4 = 20 % to 40% of FR

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

P5 and P6

The Board of Directors determines the effective weight of P5 and P6, subject to a strict cap of 30% of FR.

Cap

The sum of the six components P1, P2, P3, P4, P5 and P6 calculated according to the above method may never exceed a cap of 95% of fixed remuneration. ”

Second resolution

(Approval of the update to the remuneration policy for Executive Officers)

The General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to paragraph II Article L. 225-37-2 of the Commercial Code, and having acquainted itself with the Board of Directors' report, hereby approves the changes to the remuneration policy for Executive Officers, as a result of the decision by the Board of Directors on 28 July 2020, as set out in the statement of the reasons for this resolution.

Resolution 3 – Powers to accomplish formalities

Statement of the reasons

The purpose of this resolution is to enable all legal and administrative formalities, and all filings and publications, to be carried out.

Third resolution

(Powers to accomplish formalities)

The General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, gives full powers to the bearer of an original, excerpt or copy of the minutes of this General Meeting to accomplish all legal formalities and to carry out all necessary filings, publications and declarations stipulated by the applicable legal and regulatory provisions.