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PARIS
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1. 2018 Report on remuneration

2. 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

3. 2018 Report on stock options and performance shares

5.4 Remuneration of corporate officers

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.

5.4.1 Remuneration for 2018

Information required under Articles L. 225-37-3 and L. 225-100 paragraph II of the Commercial Code, and reiterating the principles and criteria approved by the eleventh resolution of the Annual General Meeting of 26 April 2018.

5.4.1.1 Principles and rules for determining remuneration awarded to Executive Officers in 2018

The Board of Directors has consistently applied the successive changes to the Afep-Medef Corporate Governance Code concerning executive remuneration, including those in the Code itself and in the application guidance issued by the High Committee for Corporate Governance.

The principles and rules currently applied by the Board, and used to determine remuneration for the 2018 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 2018 to a shareholder vote at the Annual General Meeting of 26 April 2018. The remuneration policy was approved when the eleventh resolution of the Annual General Meeting was passed with 84.55% 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 2018.
- 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.
- Until November 2018, Olivier Roussat held office as Chairman and Chief Executive Officer of Bouygues Telecom in parallel with his role as Deputy Chief Executive Officer of Bouygues. His remuneration for 2018 was charged 60% to Bouygues SA and 40% to Bouygues Telecom. In November 2018, Olivier Roussat left his position as Chief Executive Officer of Bouygues Telecom. His remuneration for 2019 will be charged to Bouygues SA in full.

B. General structure of 2018 remuneration of Executive Officers

Fixed Remuneration (FR)

Performance-related annual variable remuneration

Performance-related multi-year variable remuneration

Directors' fees

Benefits in kind

Performance-related supplementary pension

C. 2018 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. 2018 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. 2018 annual variable remuneration

General description of method used to determine the 2018 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 2018, of 160% of each Executive Officer's fixed remuneration (see below).

The five criteria used to determine the 2018 annual variable remuneration of Martin Bouygues, Olivier Bouygues, Olivier Roussat and Philippe Marien

For 2018, 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 = Actual consolidated current operating profit (COP) of the Group for the year / Objective = COP per the 2018 plan
- P2 = Actual consolidated net profit (CNP) of the Group for the year / Objective = CNP per the 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 (CND) during the year (excluding external growth not built into the plan) / Objective = CND per the 2018 plan
- P5 = Qualitative criteria (set by the Board of Directors): 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.

The quantitative objectives (P1, P2, P3 and P4) and the qualitative criteria (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 2018 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.

The P1, P2, P3 and P4 components 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 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 in the range between the Objective and (Objective +20%):

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 P5 component is determined on the basis of performance as assessed by the Board, and is capped at 30% of FR. The Board of Directors determines the effective weight of P5, subject to a strict cap of 30% of FR. The CSR/compliance criterion and the overall qualitative assessment criterion are each 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 (i.e. €1,472,000)**.

The table below summarises the method used to determine annual variable remuneration for 2018.

	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 2018 performance (% of FR)
P1	COP for the year per the 2018 plan	40%	70%	31%
P2	CNP for the year per the 2018 plan	40%	70%	70%
P3	CNP for the previous year (2017 CNP)	30%	50%	42%
P4	Change in net debt per the 2018 plan	20%	30%	23%
P5	Qualitative criteria (CSR/compliance, overall assessment) Downward adjustment in the event of serious adverse event during the year	30%	30%	23%
		Total = 160% of FR	Total = 250% of FR Reduced to 160%	TOTAL = 189% of FR
Cap		160%	160%	160%

FR: Fixed Remuneration.

F. 2018 multi-year variable remuneration

The Annual General Meeting of 26 April 2018 approved the principle of multi-year variable remuneration (MYVR), a medium-term remuneration package determined by reference to two quantitative criteria derived from the three-year business plan.

Martin Bouygues and Olivier Bouygues had already been awarded multi-year variable remuneration in 2017. Olivier Roussat and Philippe Marien having been appointed in 2016, they were awarded multi-year variable remuneration for the first time in 2018.

Multi-year variable remuneration for 2018 is based on medium-term performance, determined by reference to two quantitative criteria potentially giving entitlement to two components (P6 and P7):

- P6 = Average 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 / Average of the COP figures set as objectives in the annual business plans.
- P7 = Average 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 / Average of the CNP figures set as objectives in the annual business plans.

Multi-year variable remuneration for 2018 was determined as follows:

(FR = Fixed Remuneration)

P6: Objective = average of the COP figures for the financial years set as objectives in the annual business plans.

- If the objective is attained, P6 = 0
- If the COP figures are at least 20% 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 CNP figures for the financial years set as objectives in the annual business plans.

- If the objective is attained, P7 = 0
- If the CNP figures are at least 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 for 2018 (total of P6 and P7) is therefore capped at 30% of fixed remuneration.

The table below summarises the method used to determine multi-year variable remuneration for 2018.

Objective	Method used to calculate multi-year variable remuneration (MYVR)			MYVR awarded based on 2018 performance
	Theoretical MYVR			
	If the Objective is attained	If actual performance is at least 20% above the Objective		
P6: Average of 2018, 2017 and 2016 COP per the plans (for Olivier Roussat and Philippe Marien, average of 2018 and 2017 COP per the plans)	0% of FR	Linear interpolation ↔ between 0% and 15%	15% of FR	1% of FR
P7: Average of 2018, 2017 and 2016 CNP per the plans (for Olivier Roussat and Philippe Marien, average of 2018 and 2017 CNP per the plans)	0% of FR	Linear interpolation ↔ between 0% and 15%	15% of FR	15% of FR
Cap			30%	30%
2018 MYVR				16%

FR: Fixed Remuneration.

G. 2018 directors' fees

Martin Bouygues and Olivier Bouygues receive directors' fees paid by Bouygues and by certain Group subsidiaries. Philippe Marien and Olivier Roussat receive directors' fees paid by certain subsidiaries (see sections 5.4.1.2 and 5.4.1.3 below).

H. 2018 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 2018

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 be subject to performance conditions.

Martin Bouygues and Olivier Bouygues cannot acquire any supplementary pension rights in 2018 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).

The Board of Directors has set performance conditions that must be met if Philippe Marien and Olivier Roussat are to acquire pension rights for 2018.

The table below summarises the method used to determine pension rights for 2018:

Supplementary pension scheme

Annual cap on vesting of pension rights = 0.92% of the 2018 reference salary (Fixed + Annual Variable)

Performance conditions

Objective = plan average – 10% (average of CNP figures per the 2018, 2017 and 2016 plans)	If the average of actual CNP figures for 2018, 2017 and 2016 is more than 10% below the Objective Pension rights = 0	If the average of actual CNP figures for 2018, 2017 and 2016 is \geq the Objective Pension rights = 0.92%
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←—————→
Linear interpolation
between 0% and 0.92%

Overall cap on pension rights = 8 times social security ceiling (giving a cap of €317,856 in 2018).

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

Those performances were achieved by Philippe Marien and Olivier Roussat in 2018. 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 (AGIRC-ARRCO);
 - 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-ARRCO 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 €317,856 in 2018.
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	314,124
Olivier Bouygues	252,766
Philippe Marien	201,808
Olivier Roussat	233,474

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.

I. 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 26 April 2018 (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, until November 2018 Olivier Roussat served as Chairman and Chief Executive Officer of Bouygues Telecom in parallel with his office as Deputy Chief Executive Officer of Bouygues, so 60% of his remuneration was charged to Bouygues and 40% to Bouygues Telecom. His remuneration is charged to Bouygues in full from 1 January 2019.

J. Combined Annual General Meeting of 26 April 2018 – Say on Pay

The Annual General Meeting of 26 April 2018 expressed a favourable opinion on the remuneration components awarded in respect of the 2017 financial year to Martin Bouygues (seventh resolution, passed with 97.79% in favour), Olivier Bouygues (eighth resolution, 97.85% in favour), Philippe Marien (ninth resolution, 97.49% in favour) and Olivier Roussat (tenth resolution, 97.55% in favour).

5.4.1.2 Remuneration of Executive Officers in respect of the 2018 financial year

Description of the remuneration of Martin Bouygues, Chairman and Chief Executive Officer, in respect of the 2018 financial year

I. Remuneration components due or awarded in respect of the 2018 financial year and submitted to the Annual General Meeting of 25 April 2019 for approval (Resolution 7)	Quantity/accounting value €	Comments
Fixed remuneration	920,000	
• Change versus 2017	0%	Martin Bouygues' fixed remuneration has not changed since 2003.
Annual variable remuneration	1,472,000	Criteria for annual variable remuneration (2018): see 5.4.1.1 (E) above.
• Change versus 2017	0%	
• Variable/fixed ^a	160%	
• Cap ^b	160%	
Multi-year variable remuneration	147,200	Criteria for multi-year variable remuneration (2018): see 5.4.1.1 (F) above.
• Change versus 2017	-18%	
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	84,100	
	• of which Bouygues: 60,200	
	• of which subsidiaries: 23,900	
Value of benefits in kind	30,222	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 2018 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 26 April 2018, Resolutions 4 & 5)		
	Quantity/accounting value €	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		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 €317,856 for 2018). Because he has reached this cap, Martin Bouygues cannot acquire any further rights. 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 2018, taking into account his length of service, Martin Bouygues would have been entitled to an annual pension of €314,124 (although the €317,856 cap would have been reached because Martin Bouygues has also acquired pension rights through the office he holds at SCDM). In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.
TOTAL	2,653,522	
Change versus 2017	-1.5%	

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

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

Description of the remuneration of Olivier Bouygues, Deputy Chief Executive Officer, in respect of the 2018 financial year

I. Remuneration components due or awarded in respect of the 2018 financial year and submitted to the Annual General Meeting of 25 April 2019 for approval (Resolution 8)	Quantity/accounting value €	Comments
Fixed remuneration	500,000	Olivier Bouygues' fixed remuneration has not changed since 2009.
• Change versus 2017	0%	
Annual variable remuneration	800,000	Criteria for annual variable remuneration (2018): see 5.4.1.1 (E) above.
• Change versus 2017	0%	
• Variable/fixed ^a	160%	
• Cap ^b	160%	
Multi-year variable remuneration	80,000	Criteria for multi-year variable remuneration (2018): see 5.4.1.1 (F) above.
• Change versus 2017	-18%	
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	93,107	
	• of which Bouygues: 40,000	
	• of which subsidiaries: 53,107	
Value of benefits in kind	10,756	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 2018 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 26 April 2018, Resolutions 4 & 6)		
	Quantity/accounting value €	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		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 €317,856 for 2018). Because he has reached this cap, Olivier Bouygues cannot acquire any further rights. 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 2018, taking into account his length of service, Olivier Bouygues would have been entitled to an annual pension of €252,766 (although the €317,856 cap would have been reached because Olivier Bouygues has also acquired pension rights through the office he holds at SCDM). In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.
TOTAL	1,483,863	
Change versus 2017	-1%	

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

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

Description of the remuneration of Olivier Roussat, Deputy Chief Executive Officer, in respect of the 2018 financial year

I. Remuneration components due or awarded in respect of the 2018 financial year and submitted to the Annual General Meeting of 25 April 2019 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 2017	0%	
Variable remuneration	883,200	Corresponds to 60% of Olivier Roussat's variable remuneration, the remainder being charged to Bouygues Telecom. Criteria for variable remuneration (2018): see 5.4.1.1 (E) above.
• Change versus 2017	0%	
• Variable/fixed ^a	160%	
• Cap ^b	160%	
Multi-year variable remuneration	88,320	Corresponds to 60% of Olivier Roussat's multi-year variable remuneration, the remainder being charged to Bouygues Telecom. Criteria for multi-year variable remuneration: see 5.4.1.1 (F) above.
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 the year.
Directors' fees	Directors' fees – subsidiaries: 36,400	
Value of benefits in kind	11,675	Company car and unemployment insurance.
II. For information: remuneration components due or awarded in respect of the 2018 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 26 April 2018, Resolution 4)		
	Quantity/accounting value €	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		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 €317,856 for 2018). 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 2018, Olivier Roussat would have been entitled, taking into account his length of service, to an annual pension of €233,474. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.
TOTAL	1,571,595	
Change versus 2017	+5.7%	

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

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

Description of the remuneration of Philippe Marien, Deputy Chief Executive Officer, in respect of the 2018 financial year

I. Remuneration components due or awarded in respect of the 2018 financial year and submitted to the Annual General Meeting of 25 April 2019 for approval (Resolution 9)	Quantity/accounting value €	Comments
Fixed remuneration	920,000	
• Change versus 2017	0%	
Variable remuneration	1,472,000	Criteria for variable remuneration (2018): see 5.4.1.1 (E) above.
• Change versus 2017	0%	
• Variable/fixed ^a	160%	
• Cap ^b	160%	
Multi-year variable remuneration	147,200	Criteria for multi-year variable remuneration (2018): see 5.4.1.1 (F) above.
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: 76,349	
Value of benefits in kind	3,644	Company car.
II. For information: remuneration components due or awarded in respect of the 2018 financial year and approved by the Annual General Meeting under the regulated agreements procedure (AGM of 26 April 2018, Resolution 4)	Quantity/accounting value €	Comments
Severance compensation		No severance compensation.
Non-competition indemnity		No non-competition indemnity.
Supplementary pension scheme		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 €317,856 for 2018). 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 2018, Philippe Marien would have been entitled, taking into account his length of service, to an annual pension of €201,808. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.
TOTAL	2,619,193	
Change versus 2017	+5.7%	
(a) Variable remuneration expressed as a percentage of fixed remuneration.		
(b) Cap on variable remuneration, set at a percentage of fixed remuneration.		

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 2018

	Martin Bouygues (Chairman and CEO)		Olivier Bouygues (Deputy CEO)		Olivier Roussat (Deputy CEO)		Philippe Marien (Deputy CEO)	
€	in 2018	in 2017	in 2018	in 2017	in 2018	in 2017	in 2018	in 2017
Remuneration due in respect of the year or period (see details in Table 3 and Table 4)	2,653,522	2,693,492	1,483,863	1,499,548	1,571,595	1,486,254	2,619,193	2,478,933
Value of options awarded during the year or period ^a								
Value of performance shares awarded during the year or period ^b								
TOTAL	2,653,522	2,693,492	1,483,863	1,499,548	1,571,595	1,486,254	2,619,193	2,478,933
CHANGE 2018 VS 2017	-1.5%		-1%		+5.7%		+5.7%	

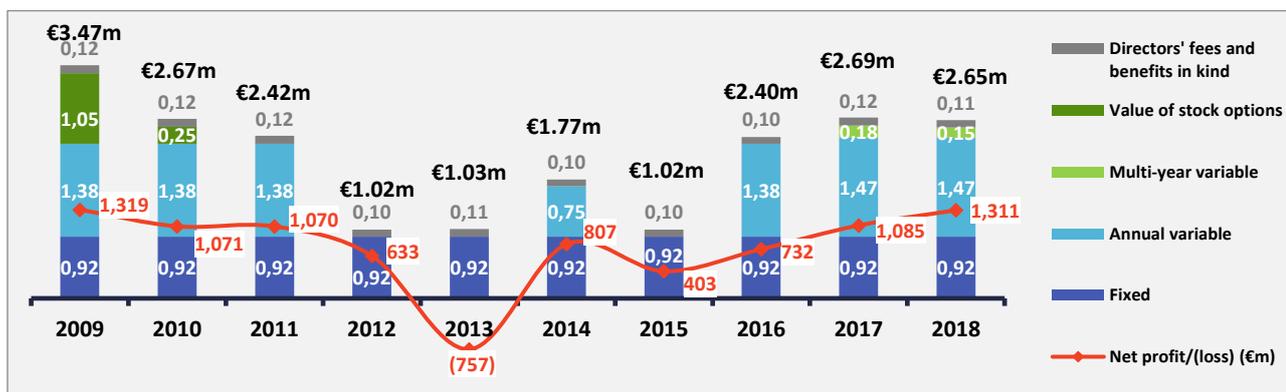
(a) No options were awarded to the Executive Officers in 2017 or 2018.

(b) Bouygues has not awarded any performance shares.

Martin Bouygues – Chairman and Chief Executive Officer

Number of options awarded in 2018: 0

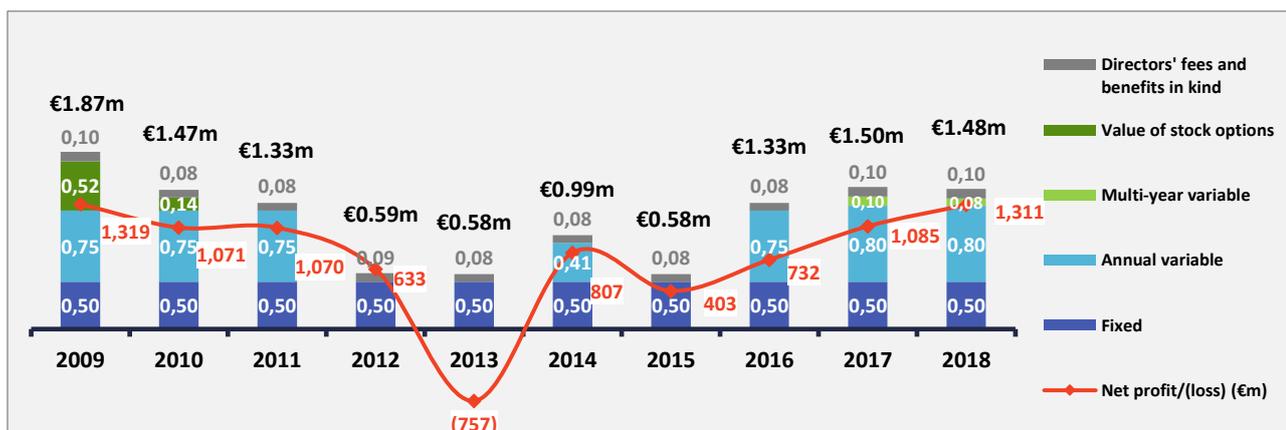
€ million



Olivier Bouygues – Deputy Chief Executive Officer

Number of options awarded in 2018: 0

€ million

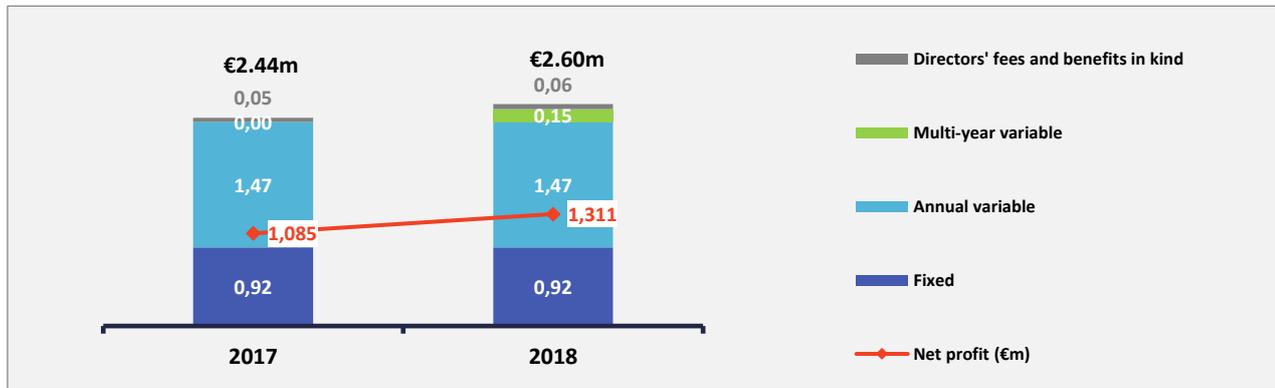


Olivier Roussat – Deputy Chief Executive Officer

Note: The amounts indicated include remuneration awarded to Olivier Roussat in respect of his functions as Chairman and Chief Executive Officer of Bouygues Telecom in 2017 and 2018 (see page 216 of the 2018 Registration Document).

Number of options awarded in 2018: 0

€ million



Philippe Marien – Deputy Chief Executive Officer

Number of options awarded in 2018: 0

€ million



Table 3 – Detailed breakdown of remuneration awarded to the four Executive Officers in respect of the 2018 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 2018 €		Amounts ^b in respect of 2017 €	
		due ^c	paid	due ^c	paid
Martin Bouygues Chairman and CEO (45 years)	Fixed	920,000	920,000	920,000	920,000
	• Change	0%	0%		
	Annual variable	1,472,000		1,472,000	1,472,000
	• Change	0%			
	• Variable/fixed ^d	160%		160%	
	• Cap ^e	160%		160%	
	Multi-year variable	147,200		179,400	179,400
	• Change	-18%			
	Deferred variable				
	Exceptional				
	Directors' fees	84,100	84,100	90,200	90,200
	Benefits in kind	30,222	30,222	31,892	31,892
	Total	2,653,522	1,034,322	2,693,492	2,693,492
Olivier Bouygues Deputy CEO (45 years)	Fixed	500,000	500,000	500,000	500,000
	• Change	0%	0%		
	Annual variable	800,000		800,000	800,000
	• Change	0%			
	• Variable/fixed ^d	160%		160%	
	• Cap ^e	160%		160%	
	Multi-year variable	80,000		97,500	97,500
	• Change	-18%			
	Deferred variable				
	Exceptional				
	Directors' fees	93,107	93,107	90,417	90,417
	Benefits in kind	10,756	10,756	11,631	11,631
	Total	1,483,863	603,863	1,499,548	1,499,548

See footnotes to table on following page.

Office held and length of service with the Group	Remuneration ^a	Amounts ^b in respect of 2018		Amounts ^b in respect of 2017	
		€		€	
		due ^c	paid	due ^c	paid
Olivier Roussat Deputy CEO (24 years)	Fixed	552,000	552,000	552,000	552,000
	• Change	0%			
	Annual variable	883,200		883,200	883,200
	• Change	0%			
	• Variable/fixed ^d	160%		160%	
	• Cap ^e	160%		160%	
	Multi-year variable	88,320		not applicable	
	Deferred variable				
	Exceptional				
	Directors' fees	36,400	36,400	34,550	34,550
	Benefits in kind	11,675	11,675	16,504	16,504
Total		1,571,595	600,075	1,486,254	1,486,254
Philippe Marien Deputy CEO (38 years)	Fixed	920,000	920,000	920,000	920,000
	• Change	0%	0%		
	Annual variable	1,472,000		1,472,000	1,472,000
	• Change	0%			
	• Variable/fixed ^d	160%		160%	
	• Cap ^e	160%		160%	
	Multi-year variable	147,200		not applicable	
	Deferred variable				
	Exceptional				
	Directors' fees	76,349	76,349	78,400	78,400
	Benefits in kind	3,644	3,644	8,533	8,533
Total		2,619,193	999,993	2,478,933	2,478,933
TOTAL FOR THE FOUR EXECUTIVE OFFICERS		8,328,173	3,238,253	8,158,227	8,158,227

- (a) Subject to remuneration awarded to Olivier Roussat in his capacity as Chairman and CEO of Bouygues Telecom (see page 216 of the 2018 Registration Document), 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 since 2018, the variable portion is 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.

5.4.1.3 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 2018 financial year

€		Source (Notes 1 & 2)	2018	2017
Martin Bouygues	Chairman and CEO	Bouygues	60,200	70,000
		Subsidiaries	23,900	20,200
Olivier Bouygues	Deputy CEO	Bouygues	40,000	40,000
		Subsidiaries	53,107	50,417
		BOUYGUES	100,200	110,000
		SUBSIDIARIES	77,007	70,617
		SUB-TOTAL	177,207	180,617
SUB-TOTAL – EXECUTIVE OFFICERS				
Cyril Bouygues	Director	Bouygues	22,800	40,000
Edward Bouygues	Director	Bouygues	22,800	40,000
		Subsidiaries	12,649	12,500
Raphaëlle Deflesselle	Director	Bouygues	22,800	40,000
			6,000	12,000
Charlotte Bouygues	Director	Bouygues	17,200	
		Subsidiaries	18,048	
William Bouygues	Director	Bouygues	17,200	
Francis Castagné	Director	Bouygues	40,000	40,000
			12,000	12,000
Clara Gaymard	Director	Bouygues	40,000	40,000
			13,760	16,000
Anne-Marie Idrac	Director	Bouygues	40,000	34,400
			23,520	28,000
Patrick Kron	Director	Bouygues	34,400	40,000
Colette Lewiner	Director	Bouygues	40,000	40,000
			12,000	12,000
		Subsidiaries	32,000	32,000
Helman le Pas de Sécheval	Director	Bouygues	34,400	34,400
			28,000	28,000
Sandra Nombret	Director	Bouygues	40,000	40,000
			12,000	12,000
Alexandre de Rothschild	Director	Bouygues	40,000	25,800
Rose-Marie Van Lerberghe	Director	Bouygues	34,400	28,800
			12,000	8,640
Michèle Vilain	Director	Bouygues	40,000	40,000
			16,000	16,000
		BOUYGUES	621,280	628,040
		SUBSIDIARIES	62,697	44,500
		SUB-TOTAL	683,977	672,540
SUB-TOTAL – OTHER DIRECTORS				
		BOUYGUES	721,480	772,440
		SUBSIDIARIES	139,704	159,117
GRAND TOTAL OF DIRECTORS' FEES: EXECUTIVE OFFICERS AND DIRECTORS		TOTAL	861,184	931,557

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).

Directors representing employee shareholders and directors representing employees

No disclosure is made of salaries paid to directors representing employee shareholders, who have an employment contract with Bouygues or one of its subsidiaries, or of salaries paid to directors representing employees.

5.4.2 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 Article L. 225-37-2 of the Commercial Code, and covered by the eleventh resolution of the Annual General Meeting of 25 April 2019.

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.

5.4.2.1 General principles

The Board of Directors has determined the following eleven general principles on the basis of which the 2019 remuneration and benefits of the Executive Officers of Bouygues will be determined.

1. Compliance with Afep-Medef Code recommendations.
2. No active 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;
 - long-term remuneration for Olivier Roussat and Philippe Marien in the form of a contingent deferred award of existing Bouygues shares accompanied by cash payments;
 - 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 additional remuneration paid to any Executive Officer by any Group subsidiary apart from directors' fees.
11. No awards of stock options or performance shares to Executive Officers pursuant to Articles L. 225-177 *et seq.* and L. 225-197-1 *et seq.* of the Commercial Code.

5.4.2.2 Criteria and methods used in 2019 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 2019 are described below.

1. Fixed remuneration

- €920,000 (Martin Bouygues, Philippe Marien and 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, Philippe Marien and 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 the 2019 plan
- P2** Actual consolidated net profit (CNP) of the Group for the year / Objective = CNP per the 2019 plan
- P3** Actual CNP for the year (excluding exceptional items) / Objective = CNP for the previous year (excluding exceptional items)
- P4** Change in net debt (CND) (excluding external growth not built into the plan) / Objective = CND per the 2019 plan
- P5** Qualitative criteria: performance in CSR and compliance and overall qualitative assessment – Overall downward adjustment in the event of a serious adverse event during the year

Method for determining annual variable remuneration for 2019

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 30% of FR
 - P2 = 0% to 30% of FR
 - P3 = 0% to 30% of FR
 - P4 = 0% to 40% of FR

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

P1 = 30% to 40% of FR

P2 = 30% to 40% of FR

P3 = 30% to 35% of FR

P4 = 40% to 55% 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. 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. Long-term remuneration package

Philippe Marien and Olivier Roussat could be entitled to a long-term remuneration package in the form of a contingent deferred award of existing Bouygues shares intended to align the interests of the Executive Officers more closely on those of the shareholders, in particular by taking account of the stock market performance of Bouygues shares.

It is proposed that Philippe Marien and Olivier Roussat should be entitled to this package. Martin Bouygues and Olivier Bouygues would not be entitled to this package, since their personal circumstances mean that their interests are already aligned on those of the shareholders.

In the case of Philippe Marien and Olivier Roussat this package would replace multi-year variable remuneration, which it is proposed to discontinue from the 2019 financial year for the four Executive Officers.

This long-term remuneration package would result in the award of no more than 40,000 Bouygues shares to each beneficiary at the end of a three-year period (2019-2021). The award would be contingent upon the fulfilment of conditions at the end of that three-year period.

Continuing employment condition

The beneficiary would have to be serving as an Executive Officer of Bouygues on 31 December 2021.

Performance conditions (quantifiable criteria: A1, A2 and A3)

A1 = Average of actual consolidated current operating profit (COP) figures of the Group for the three financial years covered by the Group's annual business plans (2019, 2020 and 2021) / Average of the three COP figures set as objectives in the annual business plans.

A2 = Average of actual consolidated net profit (CNP) figures of the Group for the three financial years covered by the Group's annual business plans (2019, 2020 and 2021) / Average of the three CNP figures set as objectives in the annual business plans.

A3 = Stock market performance of Bouygues shares, including reinvestment of the dividend at the opening market price on the dividend ex-date (TSR ^a) / CAC 40 performance over the three-year period.

(a) Total Shareholder Return.

The number of shares awarded in 2022 (capped at 40,000 shares) would be determined as follows:

A1: Objective = average of the current operating profit (COP) figures of the Group for the 2019, 2020 and 2021 financial years set as objectives in the annual business plans.

- If the Objective is attained, A1 = 0 shares
- If the average of the 3 COP figures is at least 20% above the Objective, A1 = 37.5% of the total number of shares potentially awardable in 2022 (i.e. 15,000 shares in 2022).

Between those lower and upper limits A1 varies on a straight-line basis between 0% and 37.5% (i.e. 0 to 15,000 shares in 2022).

A2: Objective = average of the consolidated net profit (CNP) figures of the Group for the 2019, 2020 and 2021 financial years set as objectives in the annual business plans.

- If the Objective is attained, A2 = 0 shares
- If the average of the 3 CNP figures is at least 20% above the Objective, A2 = 37.5% of the total number of shares potentially awardable in 2022 (i.e. 15,000 shares in 2022).

Between those lower and upper limits A2 varies on a straight-line basis between 0% and 37.5% (i.e. 0 to 15,000 shares).

A3: Objective = Stock market performance of Bouygues shares, including reinvestment of the dividend at the opening market price on the dividend ex-date (TSR) = CAC 40 performance over the plan period.

- If the objective is attained, A3 = 0 shares
- If the Bouygues share performance relative to the CAC 40 is 10% or more above the Objective over the plan period, A3 = 25% of the total number of shares potentially awardable in 2022 (i.e. 10,000 shares in 2022).

Between those lower and upper limits A3 varies on a straight-line basis between 0% and 25% (i.e. 0 to 10,000 shares in 2022).

Because their multi-year variable remuneration has been discontinued, it is proposed that Philippe Marien and Olivier Roussat start to benefit from 2019 onwards from the new long-term remuneration package, on the following basis:

- each of them could be awarded a maximum of 13,333 shares in 2020, subject to attainment of each of the three objectives on the terms described above as measured over the 2019 financial year;
- each of them could be awarded a maximum of 26,666 shares in 2021, subject to attainment of each of the three objectives on the terms described above as measured over the 2019 and 2020 financial years.

Because this package falls outside the scope of Articles L. 225-177 *et seq.* and L. 225-197-1 *et seq.* of the Commercial Code, any shares awarded as a result would at the time of the award become liable for social security charges and income tax on the same basis as salaries. It is therefore proposed that a portion of the shares awarded to the beneficiaries should be paid out in the form of a cash sum in order to facilitate payment by the beneficiaries of the social security charges and income tax arising on the salary component.

This means that subject to approval by an Ordinary General Meeting on the terms specified in Article L. 225-100 of the Commercial Code, long-term remuneration would be paid as follows:

- 50% of the shares awarded would be delivered to the beneficiary on the first working day following that General Meeting;
- an amount equivalent to the value of 50% of the shares would be paid in the week following that General Meeting, in the form of a cash sum calculated on the basis of the opening share price on the day before that General Meeting takes place.

In addition, acting in line with the recommendations of the Afep-Medef Corporate Governance Code, at its meeting of 20 February 2019, the Board set a minimum quantity of shares that the beneficiaries would be required to hold in registered form until they cease to hold office. Each beneficiary would be required to hold in registered form until he ceases to hold office a minimum quantity of shares representing the equivalent of 1.5 times his fixed annual remuneration. Until such time as that objective is reached, each beneficiary would have to set aside 60% of the shares actually delivered to him for that purpose.

The value of the shares delivered and the cash sums paid under this long-term remuneration package could not exceed an annual limit of 100% of the cap set for each beneficiary's fixed and variable remuneration. In determining whether that limit is reached, the value of the shares delivered would be calculated on the basis of the opening market price of Bouygues shares on the day before delivery.

As far as the company is aware, no instruments have been contracted to hedge the shares awardable under this long-term remuneration package. In addition, the beneficiaries have made a formal undertaking not to enter into hedging transactions to cover their risk.

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 scheme (AGIRC-ARRCO).
- 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-ARRCO 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 €324,192 in 2019).
- 6.** Financing outsourced to an insurance company 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")

2019: Objective = that the average of the consolidated net profit figures for 2019, 2018 and 2017 ("Average CNP") is no more than 10% below the average of the consolidated net profit figures specified in the plans for 2019, 2018 and 2017.

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.

6.4 Stock options and performance shares

Special report required under Articles L. 225-184 and L. 225-197-4 of the Commercial Code.

6.4.1 Principles and rules applied in awarding stock options and performance shares

Authorisations conferred by the Annual General Meeting

The twenty-eighth resolution of the Combined Annual General Meeting of 27 April 2017 authorised the Board of Directors to grant, on one or more occasions, stock options giving the beneficiaries the right to subscribe for new shares or buy existing shares. That authorisation was granted for a period of twenty-six months.

The twenty-first resolution of the Combined Annual General Meeting of 21 April 2016 authorised the Board of Directors to allot, on one or more occasions, existing or new “bonus shares” (i.e. performance shares). That authorisation was granted for a period of thirty-eight months.

The beneficiaries of such shares must be salaried employees or corporate officers of:

- Bouygues; or
- any company or economic interest grouping that is related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code.

To date, the Board of Directors has not used the authorisations to award performance shares or to grant options to buy existing shares. All the stock options granted have been options to subscribe for shares.

General rules applicable to awards of stock options or performance shares

The Board of Directors takes account of the recommendations contained in the Afep-Medef Code and those issued by the AMF. Consequently:

- Stock options or performance shares are awarded to help attract senior executives and employees, secure their loyalty, reward them and give them a medium- and long-term interest in the company's development, in light of their contribution to value creation, and constitute a true sign of recognition.
- Each plan includes around 800 to 1,000 senior executives and employees. Beneficiaries are selected and individual awards determined on the basis of responsibility, with particular attention paid to high-potential executives.
- No discount is applied to grants of stock options.
- A cap is set to prevent a significant increase in the volume of stock option plans when the market is falling. This cap is set at 15% of the volume of the previous plan.
- Any senior executive or employee included on the list of senior executives or equivalent persons (see explanation below) is prohibited from exercising options or selling shares arising from the exercise of options:
 - during the 30 calendar days preceding publication of the first-half and full-year financial statements, and on the day of such publication;
 - during the 15 calendar days preceding publication of the first-quarter and third-quarter financial statements, and on the day of such publication;
 - during the 15 calendar days preceding publication of Bouygues' quarterly sales release, and on the day of such publication.

The Board of Directors has reiterated that this prohibition also applies during any period during which a senior executive or employee holds inside information, and on the day such information is made public.

- Barring a decision to the contrary, options are awarded each May after publication of the first-quarter financial statements.

- In addition to these measures, Bouygues has disseminated various internal rules to prevent insider dealing policy breaches or offences: issuing a list of senior executives and equivalent persons with regular or occasional access to inside information or with regular access to sensitive information; reminders of the rules on trading restrictions; information about stock market law and the requirement for Executive Officers and their spouses to hold shares in registered form. A specific compliance programme (Financial Information and Securities Trading) was distributed within the Group in 2014 and was updated in 2017 to factor in the provisions of the European Market Abuse Directive, adding another layer to the preventive measures in this area.

Specific rules applicable to Executive Officers

Since 2010, the Executive Officers have at their own request not been awarded any stock options or performance shares. However, the Board of Directors does not rule out awarding stock options or performance shares to Executive Officers in the future, and has set the following rules that would apply in such a case:

- No stock options or performance shares may be granted by reason of an Executive Officer leaving office.
- There is a prohibition on speculative transactions or hedging the risk relating to the exercise of stock options or the sale of performance shares. To the best of the company's knowledge, no Executive Officer has contracted a hedging instrument.
- Executive Officers who wish to sell shares arising from the exercise of options or performance shares are required to confirm with the Group Ethics Officer that they do not hold inside information.
- The value of options awarded to a corporate officer is capped at 100% of his annual fixed and variable remuneration.
- Caps are imposed on awards made to the Chairman and Chief Executive Officer (no more than 5% of any plan) or to a Deputy Chief Executive Officer (no more than 2.5% of any plan). In light of the appointment of two new Deputy Chief Executive Officers, the Board of Directors reserves the right to reconsider those caps, with the caveat that the total volume of stock options awarded to Executive Officers during a two-year period is capped at 0.25% of the share capital under the terms of the twenty-eighth resolution of the Combined Annual General Meeting of 27 April 2017.
- Performance conditions must be met by Executive Officers when options are granted (by reference to actual consolidated net profit attributable to the Group for the financial year preceding the award) and exercised (by reference to consolidated net profit attributable to the Group for each of the financial years preceding exercise).
- When awarding stock options or performance shares, the Board of Directors must determine the number of performance shares or shares arising from exercise of options that Executive Officers are required to retain until they cease to hold office. For the most recently awarded stock option plans, Executive Officers were required to retain 25% of the shares they obtained from exercising stock options, after selling a sufficient number of shares to fund the exercise and pay the related taxes and social charges.
- Any transactions must be declared to the Board of Directors.

Rationale for awarding stock options

Ever since 1988, when Bouygues awarded its first stock option plan, the Board of Directors has always opted to use stock options as the mechanism for securing the loyalty of its senior executives and employees and giving them a stake in the Group's future development.

The objective is and always has been to incentivise them through movements in the Bouygues share price, rather than simply to pay them extra remuneration. The well-foundedness of the decision to grant stock options has been borne out by the positive correlation observed between the trend in the Bouygues share price and that in the net profit attributable to the Group.

To date, no performance share plans have been awarded.

The Board of Directors has asked the Selection and Remuneration Committee to reconsider regularly which is the most appropriate mechanism for securing loyalty and linking incentives to the value of the company's shares.

General information: characteristics of stock subscription options

All the stock subscription options granted by the Board of Directors in 2018 have the following characteristics:

- Exercise price: average of the opening quoted market prices on the 20 trading days preceding the grant date, with no discount.
- Validity: ten years from the grant date.
- Lock-up period: two years from the grant date.
- Exercise period: eight years from the end of the lock-up period (subject to three exceptions whereby options may be exercised at any time within the ten-year period: (i) exercise by heirs within six months following the death of a beneficiary; (ii) change of control of Bouygues, or public tender offer or public exchange offer for Bouygues; and (iii) exercise in accordance with Article L. 3332-25 of the Labour Code using assets acquired under a Group savings scheme.
- Options automatically cancelled in the event of termination of employment contract or loss of office, unless given special authorisation or in the case of permanent incapacity for work or retirement.

6.4.2 Stock subscription options awarded to or exercised by Executive Officers in 2018

Options giving entitlement to subscribe for new Bouygues shares were granted in 2018. On 16 May 2018, the Board of Directors decided to grant, on 1 June 2018, a total of 2,584,700 options to 803 beneficiaries drawn from among the corporate officers and employees of Bouygues or companies belonging to the Bouygues group.

The exercise price was set at €41.57 per share subscribed.

The value of each stock option was €1.85 at the grant date, estimated in accordance with the method used for the consolidated financial statements.

This stock option plan represented 0.71% of the company's share capital as of 30 April 2018.

Stock subscription options exercised by Executive Officers of Bouygues in 2018

The Board did not award any options to Martin Bouygues, Olivier Bouygues, Olivier Roussat and Philippe Marien.

Note: since April 2017, the Bouygues Board of Directors has not included salaried directors apart from directors representing employees or employee shareholders.

Stock subscription options exercised by Executive Officers of Bouygues in 2018

Person involved	Plan	Number of options exercised	Exercise price €
Olivier Roussat	March 2014	80,000	30.32
	May 2016	30,000	29.00
Philippe Marien	June 2011	98,257	31.43
	June 2012	97,000	20.11
TOTAL		305,257	

6.4.3 Performance shares

Performance shares awarded to each Executive Officer

Bouygues did not award any performance shares in 2018.

Performance shares that became available to each Executive Officer during the year

No performance shares became available because the company did not award any.

6.4.4. Summary of outstanding stock option plans

Breakdown of stock subscription option plans by plan and category of beneficiary

	2018	2017	2016	2015	2014	2013	2012
Date of AGM	26/04/2018	27/04/2017	21/04/2016	23/04/2015	21/04/2011	21/04/2011	21/04/2011
Grant date	01/06/2018	01/06/2017	30/05/2016	28/05/2015	27/03/2014	28/03/2013	13/06/2012
Number of options awarded by the Board of Directors	2,584,700	2,570,800	2,790,000	2,739,600	2,790,000	2,790,000	2,956,025
• of which the 10 employees awarded the most options	482,500	453,500	414,500	360,800	289,100	335,800	402,800
Exercise price	€41.567	€37.993	€28.997	€37.106	€30.32	€22.28	€20.11
Start date of exercise period	02/06/2020	02/06/2019	31/05/2018	29/05/2017	28/03/2018	29/03/2017	14/06/2016
Expiry date ^a	01/06/2028	01/06/2027	30/05/2026	28/05/2025	27/09/2021	28/09/2020	13/12/2019
Number of options cancelled or lapsed	14,000	69,450	100,365	140,162	205,563	218,948	253,198
Number of options outstanding at 31/12/2018	2,570,800	2,501,350	2,297,117	2,162,491	2,152,109	1,243,399	821,858
Number of options exercised between 01/01/2019 and 31/01/2019	3,000						
TOTAL OPTIONS OUTSTANDING AT 31/12/2018	13,749,124						

(a) Last day of period of validity of options.

6.4.5 Stock subscription options awarded to/exercised by the ten employees awarded/exercising the most options during 2018

Stock subscription options awarded to the employees (excluding corporate officers) of Bouygues awarded the most options during the year

Employees	Company awarding the options	Grant date	Number of options	Exercise price €
Valérie Agathon	Bouygues	1 June 2018	11,000	41.57
Pierre Auberger	Bouygues	1 June 2018	11,000	41.57
François Bertière	Bouygues	1 June 2018	80,000	41.57
Philippe Bonnavé	Bouygues	1 June 2018	80,000	41.57
Yann Boucraut	Bouygues	1 June 2018	11,000	41.57
Robert Brard	Bouygues	1 June 2018	11,000	41.57
Gérard Bucourt	Bouygues	1 June 2018	11,000	41.57
Yvon Colleu	Bouygues	1 June 2018	11,000	41.57
Georges Colombani	Bouygues	1 June 2018	15,000	41.57
Philippe Cuenot	Bouygues	1 June 2018	11,000	41.57
Emmanuel Forest	Bouygues	1 June 2018	13,500	41.57
Hervé Le Bouc	Bouygues	1 June 2018	80,000	41.57
Gilles Pélisson	Bouygues	1 June 2018	80,000	41.57
Emmanuel Roger	Bouygues	1 June 2018	11,000	41.57
Arnauld Van Eeckhout	Bouygues	1 June 2018	20,000	41.57
Gilles Zancanaro	Bouygues	1 June 2018	15,000	41.57
TOTAL			471,500	

Stock subscription options exercised during 2018 by the ten employees (excluding corporate officers) of Bouygues exercising the most options

Employees	Company awarding the options	Plan	Number of options exercised	Exercise price €
François Bertière	Bouygues	June 2011	98,257	31.43
		June 2012	97,000	20.11
Hervé Le Bouc	Bouygues	March 2014	80,000	30.32
		May 2016	80,000	29
Jean-François Guillemin	Bouygues	June 2011	33,428	31.43
Philippe Bonnavé	Bouygues	June 2011	23,298	31.43
Georges Colombani	Bouygues	June 2011	18,234	31.43
		June 2012	466	20.11
Gilles Zancanaro	Bouygues	June 2011	18,234	31.43
Pierre Auberger	Bouygues	March 2014	8,300	30.32
		May 2016	9,000	29
Emmanuel Forest	Bouygues	June 2011	13,675	31.43
Philippe Cuenot	Bouygues	June 2011	7,902	31.43
Yvon Colleu	Bouygues	March 2013	4,053	22.28
TOTAL			491,847	

During 2018, 1,988,582 Bouygues stock subscription options were exercised by employees of Bouygues or its subsidiaries, including the ten Bouygues employees listed above.