



**2015 Report on remuneration**  
(Articles L. 225-102-1 and L. 225-37  
paragraph 9 of the Commercial Code)

23 February 2016

## **Remuneration of corporate officers – Stock options granted to corporate officers and Group employees**

### **Remuneration**

Report required by Articles L. 225-102-1 and L. 225-37 paragraph 9 of the Commercial Code.

This document contains the reports required under the Commercial Code and the tables recommended by the Afep-Medef Corporate Governance Code or by the AMF.

### **Principles and rules for determining the remuneration of executive directors**

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In 2007, the Board of Directors took into account the Afep-Medef recommendations published in January 2007 relating to the remuneration of executive directors of listed companies. Afep and Medef published a new set of recommendations on 6 October 2008. The Board of Directors noted that virtually all these recommendations had already been implemented and adopted the remaining provisions in early 2009. The provisions of the guide to applying the Afep-Medef Code, published in December 2015 by the High Committee for Corporate Governance, have been taken into account. The principles and rules that the Board of Directors has adopted to date and that were used to determine the remuneration in respect of 2015 are described below.

#### **General introductory comment:**

- **Neither of the two executive directors holds an employment contract.**
- **In the event that executive directors leave the company, the Board of Directors does not grant them severance compensation or non-competition indemnities.**
- **No annual deferred variable remuneration or multi-year variable remuneration is granted to them.**
- **The existence of a capped additional retirement provision is taken into account when setting the overall remuneration of executive directors, as is the fact that they have received no severance compensation.**
- **Other than directors' fees (see Table 4 below), the executive directors do not receive any remuneration from the Group's subsidiaries.**

#### **a) Fixed remuneration**

The rules for determining fixed remuneration were decided in 1999 and have been applied consistently since then. Fixed remuneration takes account of the level and difficulty of the individual's responsibilities, job experience, and length of service in the Group and also the wage policy of groups or companies in similar sectors.

#### **b) Benefits in kind**

Benefits in kind involve use of a company car and the part-time assignment of an assistant and a chauffeur/security guard for personal requirements.

#### **c) Variable remuneration**

##### **Overview of the method used to determine variable remuneration**

Variable remuneration is awarded on an individual basis: the Board of Directors has defined four criteria for the variable portion of each executive director's remuneration.

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

If the four objectives are reached, the total of the four variable portions is equal to the overall ceiling of 150%, which the variable remuneration of each executive director cannot exceed.

If an objective is exceeded or not reached, the variable portion is adjusted within a bracket on a linear basis: the variable portion cannot exceed a maximum threshold and is reduced to zero below a minimum threshold.

It must be reiterated that the four variable portions thus determined cannot under any circumstances exceed the overall ceiling, which is set at 150% of the fixed remuneration for each of the executive directors (see below).

## The four criteria determining variable remuneration

The variable remuneration of the executive directors is based on the performance of the Group, with performance being determined by reference to four key economic criteria:

- P1 = increase in current operating profit in the financial year (P1 = 50% of fixed remuneration if the objective is reached);
- P2 = change in consolidated net profit (attributable to the Group) in the financial year versus the Plan (P2 = 25% of fixed remuneration if the objective is reached);
- P3 = change in consolidated net profit (attributable to the Group) in the financial year versus consolidated net profit (attributable to the Group) in the previous financial year (P3 = 25% of fixed remuneration if the objective is reached);
- P4 = free cash flow before changes in working capital in the financial year (P4 = 50% of fixed remuneration if the objective is reached).

These quantitative objectives are calculated precisely but are not publicly disclosed for confidentiality reasons.

Three “adjustments” were made concerning P2 and P3, the third being more general.

The calculation method for variable remuneration is summarised in the table below. In the “Actual 2015” column, the calculation of variable remuneration in respect of 2015 is detailed for the two executive directors.

	Objectives	Variable remuneration calculation method	
		Performance = objective (as a % of fixed remuneration)	Actual 2015
P1	Operating profit in the financial year as targeted in the 2015 Plan	50%	0%
P2	Consolidated net profit in the financial year as targeted in the 2015 Plan	25%	31.87%
		+ if consolidated net profit as targeted in the 2015 Plan is at least 20% lower than consolidated net profit in FY2014, P2 is capped at 25%	
P3	Consolidated net profit generated in the previous financial year (2014 CNP)	25%	50%
		+ if consolidated net profit in the financial year is more than 20% lower than that in the previous financial year, no variable remuneration is granted	
P4	Free cash flow before WCR in the 2015 Plan	50%	0%
		150%	0% as P3 more than 20% lower versus 2014 CNP
Ceiling		150%	
Adjustment at the discretion of the Board of Directors	If an exceptional item were to affect the consolidated net profit of the financial year, the Board of Directors has the right to reduce or not to grant variable remuneration where the P1, P2, P3 and P4 bonuses would have been entirely or partially due in the absence of said exceptional item		

## Overall ceiling

The overall ceiling for variable remuneration is 150% of the fixed remuneration.

**d) Exceptional remuneration**

In exceptional cases, on the advice of the Remuneration Committee, the Board of Directors may award special bonuses.

**e) Directors' fees**

The two executive directors receive and retain the directors' fees paid by Bouygues, as well as the directors' fees paid by certain Group subsidiaries (see sections on "Directors' fees" and "Principles and rules for determining the remuneration of salaried directors" below).

**f) Additional retirement provision**

The two executive directors, under certain conditions, will benefit from an additional retirement provision when they retire.

**Performance conditions**

**Article 229 of the Law of 6 August 2015 for growth** stipulates that the acquisition of defined-benefit pension rights by executive directors of listed companies in respect of a given financial year must now be subject to performance conditions.

However, Martin Bouygues and Olivier Bouygues may no longer acquire supplementary pension rights because the rights they have already acquired exceed the ceiling set by the Board of Directors (eight times the annual social security ceiling).

**Information provided by the company on pension commitments or other lifetime benefits in application of the third sentence of the third paragraph in Article L. 225-102-1**

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

1. name of the commitment concerned: defined-benefit pension scheme;
2. reference to legal provisions identifying the corresponding 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 Bouygues SA Management Committee at the date of departure or retirement,
  - have at least ten years' service with the Bouygues group at the date of departure or 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 departure or retirement),
  - be at least 65 years old at the date of departure or retirement,
  - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC).
4. terms and conditions for determining the reference salary determined by the scheme in question and used to calculate the rights of beneficiaries:

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

5. pattern of vesting of rights; annual rate; beneficiaries of the supplementary pension scheme receive an additional retirement provision set at 0.92% of the reference salary per year in the scheme, determined as explained above;
6. existence of a ceiling and the amount and terms and conditions for determining that ceiling: rights may not exceed a ceiling set at eight times the annual social security ceiling (equivalent to a ceiling of €308,928 in 2016);
7. terms and conditions for funding the benefit: financing outsourced to an insurance company, to which a contribution is paid yearly;
8. estimated amount of the annual annuity at the end of the reporting period:

Name	Annual annuity (€ '000)
Martin Bouygues	301
Olivier Bouygues	247

Note: the annual annuity of Martin Bouygues and Olivier Bouygues would 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.

9. related tax and social security charges payable 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.

**g) Other information regarding remuneration**

The existence of a capped additional retirement provision is taken into account when setting the overall remuneration of executive directors, as is the fact that no severance compensation or non-competition indemnities are granted to them.

Remuneration accruing to 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, approved under the regulated agreements procedure. Invoicing strictly reflects the remuneration amounts set by the Bouygues Board of Directors. The agreement between Bouygues and SCDM was approved by the Combined Annual General Meeting of 23 April 2015 (fourth resolution) as part of the regulated agreements procedure.

Olivier Bouygues devotes part of his time to the activities of SCDM. The Board of Directors has adapted his remuneration to the breakdown of his time. His operational duties at SCDM do not significantly reduce his availability and do not create a conflict of interest.

#### **h) Combined Annual General Meeting of 23 April 2015 – Say on Pay**

The Annual General Meeting of 23 April 2015 expressed a favourable opinion on the remuneration components awarded in respect of the 2014 financial year to Martin Bouygues (Resolution 10 adopted with 89.34% of the votes) and to Olivier Bouygues (Resolution 11 adopted with 89.33% of the votes).

## Remuneration granted to the executive directors in respect of the 2015 financial year

### Remuneration components of Martin Bouygues, Chairman and Chief Executive Officer, in respect of the 2015 financial year

I. Remuneration components owed or awarded in respect of the 2015 financial year that are submitted to the Annual General Meeting of 21 April 2016 for carrying amount approval (Resolution 6)		Comments
	(€)	
Fixed remuneration	920,000	Martin Bouygues' fixed remuneration remains unchanged since 2003.
Change versus 2014	0%	
Annual variable remuneration	0	<b>Variable remuneration criteria (2015 financial year):</b> <ul style="list-style-type: none"> <li>• Increase in current operating profit (50%)</li> <li>• Change in consolidated net profit versus the Plan (25%)</li> <li>• Change in consolidated net profit versus 2014 (25%)</li> <li>• Free cash flow before changes in working capital (50%)</li> </ul>
Change versus 2014		
% variable/fixed <sup>a</sup>	n.a.	
Ceiling <sup>b</sup>	150%	
Deferred variable remuneration		No entitlement to deferred variable remuneration.
Multi-year variable remuneration		No entitlement to multi-year variable remuneration.
Exceptional remuneration		No entitlement to exceptional remuneration.
Value of stock options, performance shares or other long-term remuneration component awarded during the financial year		No stock options, performance shares or other long-term remuneration component were awarded during the year.
Directors' fees	73,900 o/w Bouygues: 50,000 o/w subsidiaries: 23,900	
Value of benefits in kind	29,879	Company car. Part-time assignment of an assistant and a chauffeur/security guard for personal requirements.
II. Reminder: remuneration components owed or awarded in respect of the 2015 financial year that were approved by the Annual General Meeting as part of the regulated agreements procedure (Annual General Meeting of 23 April 2015, Resolution 10)		
	(€)	Comments
Severance compensation		No entitlement to severance compensation.
Non-competition indemnities		No entitlement to non-competition indemnities.
Supplementary pension scheme		Martin Bouygues, in the same way and under the same conditions as the other members of Group Management Committee, benefits from a supplementary pension scheme whereby he receives 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 €304,320 in 2015. Having reached this ceiling, Martin Bouygues can no longer acquire supplementary pension rights. Entitlement is acquired only after ten years' service with the Group and provided that the executive director is a member of the Group Management Committee at the date of retirement. If he had retired in 2015, taking into account his length of service, Martin Bouygues would have received an annual additional retirement provision of around €301,000. In accordance with the Afep-Medef Code, this amount does not exceed 45% of the reference income.
<b>TOTAL</b>	1,023,779	
Change versus 2014	-42%	
<p>(a) Variable remuneration expressed as a percentage of fixed remuneration.  (b) Variable remuneration ceiling, set as a percentage of fixed remuneration.  n.a.: not applicable.</p>		

## Remuneration components of Olivier Bouygues, Deputy Chief Executive Officer, in respect of the 2015 financial year

I. Remuneration components owed or awarded in respect of the 2015 financial year that are submitted to the Annual General Meeting of 21 April 2016 for approval (Resolution 7)		Amount or carrying amount (€)	Comments
Fixed remuneration	500,000		Olivier Bouygues' fixed remuneration remains unchanged since 2009.
Change versus 2014	0%		
Annual variable remuneration	0		<b>Variable remuneration criteria (2015 financial year):</b> <ul style="list-style-type: none"> <li>• Increase in current operating profit (50%)</li> <li>• Change in consolidated net profit versus the Plan (25%)</li> <li>• Change in consolidated net profit versus 2014 (25%)</li> <li>• Free cash flow before changes in working capital (50%)</li> </ul>
Change versus 2014			
% variable/fixed <sup>a</sup>	n.a.		
Ceiling <sup>b</sup>	150%		
Deferred variable remuneration			No entitlement to deferred variable remuneration.
Multi-year variable remuneration			No entitlement to multi-year variable remuneration.
Exceptional remuneration			No entitlement to exceptional remuneration.
Value of stock options, performance shares or other long-term remuneration component awarded during the financial year			No stock options, performance shares or other long-term remuneration component were awarded during the year.
Directors' fees	68,914 o/w Bouygues: 25,000 o/w subsidiaries: 43,914		
Value of benefits in kind	10,756		Company car. Part-time assignment of an assistant and a chauffeur/security guard for personal requirements.
<b>II. Reminder: remuneration components owed or awarded in respect of the 2015 financial year that were approved by the Annual General Meeting as part of the regulated agreements procedure (Annual General Meeting of 23 April 2015, Resolution 11)</b>			
		Amount or carrying amount (€)	Comments
Severance compensation			No entitlement to severance compensation.
Non-competition indemnities			No entitlement to non-competition indemnities.
Supplementary pension scheme			Olivier Bouygues, in the same way and under the same conditions as the other members of Group Management Committee, benefits from a supplementary pension scheme whereby he receives 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 €304,320 in 2015. Having reached this ceiling, Olivier Bouygues can no longer acquire supplementary pension rights. Entitlement is acquired only after ten years' service with the Group and provided that the executive director is a member of the Group Management Committee at the date of retirement. If he had retired in 2015, taking into account his length of service, Olivier Bouygues would have received an annual additional retirement provision of around €247,000. In accordance with the Afep-Medef Code, this amount does not exceed 45% of the reference income.
<b>TOTAL</b>	579,670		
Change versus 2014	-42%		
<i>(a) Variable remuneration expressed as a percentage of fixed remuneration.</i>			
<i>(b) Variable remuneration ceiling, set as a percentage of fixed remuneration.</i>			
<i>n.a.: not applicable.</i>			



**Table 1 – General overview of the legal status attributed to executive directors: restrictions on combining positions as corporate officer with employment contract – Supplementary retirement benefits – Severance compensation – Non-competition indemnities**

Executive directors	Employment contract		Supplementary pension scheme		Severance compensation or benefits due or likely to be due on termination or change of office		Indemnities relating to non-competition clause	
	yes	no	yes	no	yes	no	yes	no
	<b>Martin Bouygues</b> Position: Chairman and CEO		X	X			X	
<b>Olivier Bouygues</b> Position: Deputy CEO		X	X			X		X

**Table 2 – General overview of remuneration, benefits in kind and options granted to the two executive directors in 2015**

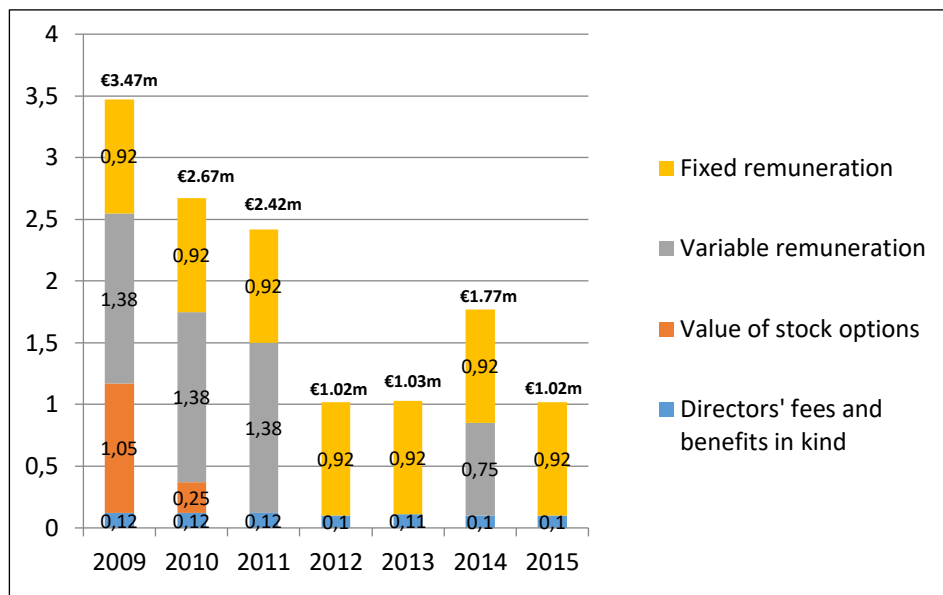
(€)	Martin Bouygues (Chairman and CEO)		Olivier Bouygues (Deputy CEO)	
	2015	2014	2015	2014
Remuneration owing in respect of the year (see breakdown in Table 3 and Table 4)	1,023,779	1,769,074	579,670	991,383
Value of options granted in the year <sup>a</sup>				
Value of performance shares granted in the year <sup>b</sup>				
<b>TOTAL</b>	<b>1,023,779</b>	<b>1,769,074</b>	<b>579,670</b>	<b>991,383</b>
<b>YoY CHANGE</b>	<b>-42%</b>		<b>-42%</b>	

(a) No options were granted to executive directors in 2014 and 2015.

(b) The company granted no performance shares.

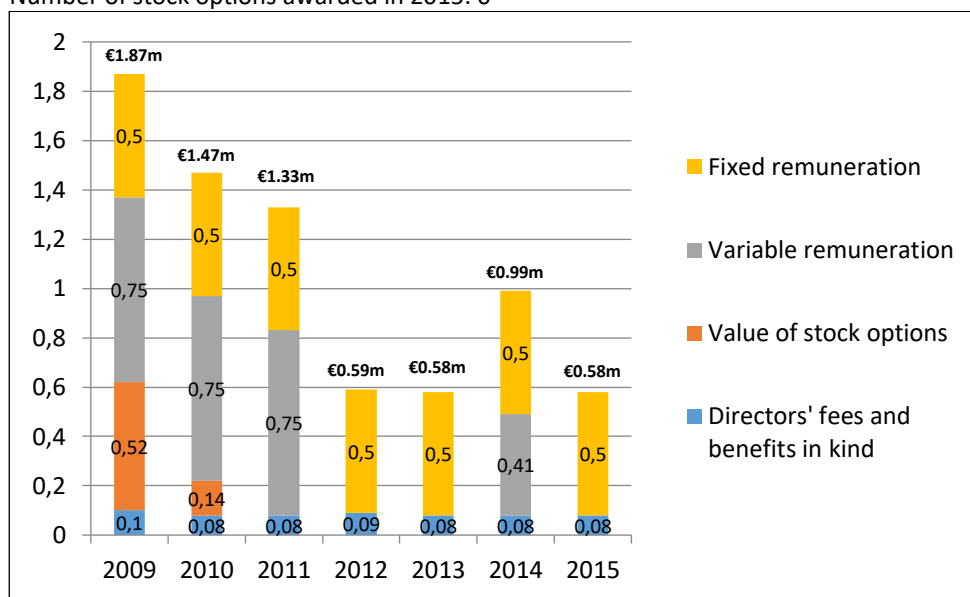
**Martin Bouygues**  
Chairman and CEO

Number of stock options awarded in 2015: 0



**Olivier Bouygues**  
Deputy CEO

Number of stock options awarded in 2015: 0



**Table 3 – Detailed overview of the remuneration of the two executive directors in respect of the 2015 financial year**

The Remuneration Committee assessed the degree to which the variable remuneration criteria of the two executive directors were met.

Position and years of service in the Group	Remuneration <sup>a</sup>	Amounts <sup>b</sup> in respect of FY2015 (€)		Amounts <sup>b</sup> in respect of FY2014 (€)		Variable remuneration criteria <sup>f</sup> (FY2015) (€)
		due <sup>c</sup>	paid	due <sup>c</sup>	paid	
<b>Martin Bouygues</b> Chairman and CEO (42 years)	Fixed	920,000	920,000	920,000	920,000	<ul style="list-style-type: none"> <li>• P1 = Increase in current operating profit (50%).</li> <li>• P2 = Change in consolidated net profit <sup>g</sup> versus the Plan (25%).</li> <li>• P3 = Change in consolidated net profit <sup>g</sup> versus 2014 (25%).</li> <li>• P4 = Free cash flow before changes in working capital (50%).</li> </ul>
	• Change	0%		0%		
	Variable	0	753,204	753,204		
	• Change	-100%				
	• % variable/fixed <sup>d</sup>	0%		81.90%		
	• Ceiling <sup>e</sup>	150%		150%		
	Exceptional remuneration					
Directors' fees	73,900	73,900	70,200	70,200		
Benefits in kind	29,879	29,879	25,670	25,670		
<b>Total</b>		<b>1,023,779</b>	<b>1,776,983</b>	<b>1,769,074</b>	<b>1,015,870</b>	
<b>Olivier Bouygues</b> Deputy CEO (42 years)	Fixed	500,000	500,000	500,000	500,000	<ul style="list-style-type: none"> <li>• P1 = Increase in current operating profit (50%).</li> <li>• P2 = Change in consolidated net profit <sup>g</sup> versus the Plan (25%).</li> <li>• P3 = Change in consolidated net profit <sup>g</sup> versus 2014 (25%).</li> <li>• P4 = Free cash flow before changes in working capital (50%).</li> </ul>
	• Change	0%		0%		
	Variable	0	409,350	409,350		
	• Change	-100%				
	• % variable/fixed <sup>d</sup>	0%		81.90%		
	• Ceiling <sup>e</sup>	150%		150%		
	Exceptional remuneration					
Directors' fees	68,914	68,914	71,277	71,277		
Benefits in kind	10,756	10,756	10,756	10,756		
<b>Total</b>		<b>579,670</b>	<b>989,020</b>	<b>991,383</b>	<b>582,033</b>	
<b>TOTAL EXECUTIVE DIRECTORS</b>		<b>1,603,449</b>	<b>2,766,003</b>	<b>2,760,457</b>	<b>1,597,903</b>	
		<b>2015 vs</b>		<b>2014 vs</b>		
<b>CHANGE</b>		<b>2014</b>		<b>2013</b>		
		-42%		+71%		

(a) No remuneration other than that mentioned in the table was paid to the executive directors by Bouygues group companies.

(b) Amounts due = all the amounts allocated in respect of one financial year. Amounts paid = all the amounts paid in the financial year. However, the variable component allocated for a financial year is actually paid in the first quarter of the following year.

(c) Amounts due – Change: the percentages inserted under the fixed and variable remuneration show variations relative to the previous financial year.

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

(e) Variable remuneration ceiling, set as a percentage of fixed remuneration.

(f) Variable remuneration criteria: the portion expresses the weighting of the criterion when determining total variable remuneration.

(g) Consolidated net profit = consolidated net profit (attributable to the Group) of Bouygues.

## Directors' fees

The Annual General Meeting of 24 April 2003 set the total amount of directors' fees to be allocated to corporate officers and directors of Bouygues at €700,000 each year, leaving it to the Board of Directors' discretion as to how this amount should be split.

Directors' fees consist of a fixed portion of 30% and a variable portion of 70% calculated on the ratio of the director's effective presence at the five annual meetings of the Board of Directors and, for committee members, at the meetings of the committee or committees concerned.

Chairman and CEO	€50,000
Directors	€25,000
Member of the Accounts Committee	€14,000
Member of another committee (Remuneration, Selection, and Ethics, CSR and Patronage)	€7,000

**Table 4 – Directors' fees paid in respect of the 2015 financial year**

(€)		Origin (Notes 1 and 2)	2015	2014
M. Bouygues	Chairman and CEO	Bouygues	50,000	50,000
		Subsidiaries	23,900	20,200
O. Bouygues	Deputy CEO	Bouygues	25,000	25,000
		Subsidiaries	43,914	46,277
		<b>Bouygues</b>	<b>75,000</b>	<b>75,000</b>
		<b>Subsidiaries</b>	<b>67,814</b>	<b>66,477</b>
<b>Sub-total for executive directors</b>		<b>Total</b>	<b>142,814</b>	<b>141,477</b>
M. Bardou	Director	Bouygues	25,000	12,625
			4,550 <sup>a</sup>	-
F. Bertière	Director	Bouygues	25,000	25,000
		Subsidiaries	20,000	19,000
J.-P. Chifflet	Director	Bouygues	21,500	25,000
			7,000	2,100
R. Deflesselle	Director	Bouygues	25,000	12,625
			5,040 <sup>b</sup>	-
A.-M. Idrac	Director	Bouygues	21,500	25,000
			19,040	17,733
P. Kron	Director	Bouygues	25,000	25,000
H. Le Bouc	Director	Bouygues	25,000	25,000
		Subsidiaries	20,000	19,000
C. Lewiner	Director	Bouygues	25,000	21,500
			7,000	7,000
		Subsidiaries	24,000	19,000
H. le Pas de Sécheval	Director	Bouygues	25,000	21,500
			21,000	21,000
S. Nombret	Director	Bouygues	25,000	25,000
			7,000	7,000
N. Paolini	Director	Bouygues	25,000	25,000
		Subsidiaries	30,107	31,000
J. Peyrelevade	Director	Bouygues	25,000	25,000
			7,000	7,000
F.-H. Pinault	Director	Bouygues	25,000	21,500
			6,650	14,000
R.-M. Van Lerberghe	Director	Bouygues	25,000	25,000
			7,000	5,775
M. Vilain	Director	Bouygues	25,000	25,000
			14,000	14,000
		<b>Bouygues</b>	<b>473,280</b>	<b>560,725</b>
		<b>Subsidiaries</b>	<b>94,107</b>	<b>88,000</b>
<b>Sub-total for directors</b>		<b>Total</b>	<b>567,387</b>	<b>648,725</b>
<b>TOTAL DIRECTORS' FEES EXECUTIVE</b>		<b>Bouygues</b>	<b>581,805</b>	<b>635,725</b>
<b>DIRECTORS AND DIRECTORS (NOTE 3)</b>		<b>Subsidiaries</b>	<b>161,921</b>	<b>154,477</b>
		<b>TOTAL</b>	<b>743,726</b>	<b>790,202</b>

Note 1: Bouygues = directors' fees paid in respect of participation on the Bouygues Board of Directors. The first line shows directors' fees paid for attending Board meetings. The second line shows directors' fees paid for participation in one or more committees.

Note 2: Subsidiaries = directors' fees paid by Group companies, within the meaning of Article L. 233-16 of the Commercial Code, i.e. mainly Colas, Bouygues Telecom and TF1.

Note 3: The total amount includes directors' fees paid to Mrs F. Bouygues, Georges Chodron de Courcel and Yves Gabriel, directors.

Mrs F. Bouygues received €10,750 and €25,000 in directors' fees from Bouygues in 2015 and 2014 respectively. She left the Board of Directors in April 2015.

Georges Chodron de Courcel received €10,750 in directors' fees from Bouygues and €3,150 for his participation in the Accounts Committee and the Selection Committee in 2015. He received €25,000 in directors' fees from Bouygues and €19,367 for his participation in the Accounts Committee and Selection Committee in 2014. He left the Board of Directors in April 2015.

Yves Gabriel received €8,875 and €25,000 in directors' fees from Bouygues in 2015 and 2014 respectively. Leaving his functions in the Group in order to take retirement, Yves Gabriel resigned from the Board of Directors on 15 March 2015.

(a) Director representing employees. Appointed as member of the Remuneration Committee on 24 February 2015.

(b) Director representing employees. Appointed as a member of the Ethics, CSR and Patronage Committee on 24 February 2015.

## Principles and rules for determining the remuneration of salaried directors

### Remuneration of salaried directors

Three of the directors are employees of Bouygues (François Bertière, Hervé Le Bouc and Nonce Paolini), each of whom is in charge of one of the Group's business segments (subsidiaries).

The principles and methods for determining the remuneration of salaried directors are similar to those used to calculate the remuneration of the two executive directors (see section 5.4.1.1, "Overview of the method used to determine variable remuneration" above).

However, three of the criteria used to determine variable remuneration are performance criteria for the subsidiary managed. For the 2015 financial year, the Board of Directors has decided to make changes to the rules for determining the variable remuneration of the salaried directors as described above.

- Five criteria (P1, P2, P3, P4 and P5) will now be used for determining variable remuneration. A new criterion, P2, was added on a recommendation from the Remuneration Committee. This criterion concerns the current operating margin of the subsidiary managed by the salaried director. The method used to determine this portion of variable remuneration is identical to that used for criteria P1, P3 and P4, which remain unchanged (see section 5.4.1.4). The new P2 criterion represents 10% of fixed remuneration if the objective is reached. Criterion P3 (which was criterion P2 before a fifth criterion was added) represents 25% (versus 35% previously) of fixed remuneration if the objective is reached.
- A "CSR Development" criterion has been added to the P5 qualitative criteria.
- An "adjustment" can be applied to P3.

The criteria for determining variable remuneration are therefore as follows:

- P1 = change in consolidated net profit (attributable to the Group) of Bouygues (30% if the objective is reached);
- P2 = change in the current operating margin of the subsidiary managed versus the Plan (10% if the objective is reached);
- P3 = change in consolidated net profit (attributable to the Group) of the subsidiary managed (Bouygues Construction, Bouygues Immobilier, Colas or TF1) versus the Plan (25% if the objective is reached);
- P4 = change in consolidated net profit (attributable to the Group) of the subsidiary managed versus the previous financial year (35% if the objective is reached);
- P5 = qualitative criteria: four qualitative criteria (50% if the objective is reached).

These quantitative and qualitative objectives, and in particular the degree to which they are met, have been calculated precisely but are not publicly disclosed for confidentiality reasons.

	Objectives	Method for calculating variable remuneration
		Performance = objective
P1	Operating profit in the financial year as targeted in the 2015 Plan	30%
P2	Percentage of current operating margin in the 2015 Plan of the subsidiary	10%
P3	Consolidated net profit in the financial year as targeted in the 2015 Plan of the subsidiary	25%
		+ if the consolidated net profit as targeted in the 2015 Plan is at least 20% lower than consolidated net profit in FY2014, P2 is capped at 25%
P4	Consolidated net profit generated by the subsidiary in the previous financial year (2014 CNP )	35%
P5	Qualitative objectives including Ethics and CSR for 20%	50%
		150%
Ceiling		150%

<b>Calculating variable remuneration</b>			
<b>Actual 2015</b>			
	<b>F. Bertière</b>	<b>H. Le Bouc</b>	<b>N. Paolini</b>
P1	60%	60%	60%
P2	10%	15.77%	8.75%
P3	25%	20.80%	0%
P4	0%	46.99%	0%
P5	50%	50%	50%
	<b>145%</b>	<b>193.56%</b>	<b>118.75%</b>

Remuneration paid by Bouygues and corresponding social charges are invoiced to the subsidiary managed by the senior executive (F. Bertière: Bouygues Immobilier; H. Le Bouc: Colas; N. Paolini: TF1).

**Remuneration of the three salaried directors in respect of the 2015 financial year**

In respect of the 2015 financial year, the Remuneration Committee has assessed the degree to which the variable remuneration criteria were met by each salaried director.

The salaried directors obtained the variable remuneration described below:

**Table 5 – Detailed overview of remuneration of salaried directors**

Position and years of service in the Group	Remuneration <sup>a</sup>	Amounts <sup>b</sup> in respect of FY2015 (€)		Amounts <sup>b</sup> in respect of FY2014 (€)		Variable remuneration criteria (2015 financial year):
		due <sup>c</sup>	paid	due <sup>c</sup>	paid	
<b>F. Bertière</b> Director (31 years)	Fixed	920,000	920,000	920,000	920,000	<ul style="list-style-type: none"> <li>• P1 = Change in consolidated net profit of Bouygues (30%).</li> <li>• P2 = Change in current operating margin of Bouygues Immobilier versus the Plan (10%).</li> <li>• P3 = Change in consolidated net profit of Bouygues Immobilier versus the Plan (25%).</li> <li>• P4 = Change in consolidated net profit of Bouygues Immobilier versus 2014 (35%).</li> <li>• P5 = Qualitative criteria (50%).</li> </ul>
	• Change	0%		0%		
	Variable	1,334,000	1,380,000	1,380,000	891,572	
	• Change	-3%		54.78%		
	• %			150%		
	variable/fixed <sup>d</sup>	145%		150%		
	• Ceiling <sup>e</sup>	150%				
Exceptional remuneration	-	-	-	-		
Directors' fees	45,000	45,000	44,000	44,000		
Benefits in kind	4,944	4,944	4,944	4,944		
<b>TOTAL</b>		<b>2,303,944</b>	<b>2,303,944</b>	<b>2,348,944</b>	<b>1,860,516</b>	
<b>H. Le Bouc</b> Director (38 years)	Fixed	920,000	920,000	920,000	920,000	<ul style="list-style-type: none"> <li>• P1 = Change in consolidated net profit of Bouygues (30%).</li> <li>• P2 = Change in current operating margin of Colas versus the Plan (10%).</li> <li>• P3 = Change in consolidated net profit of Colas versus the Plan (25%).</li> <li>• P4 = Change in consolidated net profit of Colas versus 2014 (35%).</li> <li>• P5 = Qualitative criteria (50%).</li> </ul>
	• Change	0%		0%		
	Variable	1,380,000	1,380,000	1,380,000	1,024,512	
	• Change	0%		+34.70%		
	• %			150%		
	variable/fixed <sup>d</sup>	150%		150%		
	• Ceiling <sup>e</sup>	150%				
Exceptional remuneration						
Directors' fees	45,000	45,000	44,000	44,000		
Benefits in kind	4,100	4,100	4,100	4,100		
<b>TOTAL</b>		<b>2,349,100</b>	<b>2,349,100</b>	<b>2,348,100</b>	<b>1,992,612</b>	
<b>N. Paolini</b> Director (27 years)	Fixed	920,000	920,000	920,000	920,000	<ul style="list-style-type: none"> <li>• P1 = Change in consolidated net profit of Bouygues (30%).</li> <li>• P2 = Change in current operating margin of TF1 versus the Plan (10%).</li> <li>• P3 = Change in consolidated net profit of TF1 versus the Plan (25%).</li> <li>• P4 = Change in consolidated net profit of TF1 versus 2014 (35%).</li> <li>• P5 = Qualitative criteria (50%).</li> </ul>
	• Change	0%		0%		
	Variable	1,092,500	1,380,000	1,380,000	1,024,512	
	• Change	-21%		34.70%		
	• %			150%		
	variable/fixed <sup>d</sup>	19%		150%		
	• Ceiling <sup>e</sup>	150%				
Exceptional remuneration						
Directors' fees	55,107	55,107	56,000	56,000		
Benefits in kind	5,037	5,037	5,037	5,037		
<b>TOTAL</b>		<b>2,072,644</b>	<b>2,072,644</b>	<b>2,361,037</b>	<b>2,005,549</b>	

(a) No remuneration other than that mentioned in the table was paid to corporate officers by companies in the Group.

(b) Amounts due = all the amounts allocated in respect of one financial year. Amounts paid = all the amounts paid in the financial year. However, the variable component allocated for a financial year is actually paid in the first quarter of the following year.

(c) Amounts due – Change: the percentages inserted under the fixed and variable remuneration show variations relative to the previous financial year.

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

(e) Variable remuneration ceiling, set as a percentage of fixed remuneration.

### **Employment contracts of the three salaried directors**

The employment contracts of François Bertière, Hervé Le Bouc and Nonce Paolini were maintained as the three directors have spent almost all of their careers at the Group. They all had considerable lengths of service when they were entrusted with the responsibility for one of the Group's five business segments and appointed directors.

### **Additional retirement provision**

François Bertière, Hervé Le Bouc and Nonce Paolini, under certain conditions, will benefit from an additional retirement provision when they retire. This scheme is identical to that reserved for the two executive directors (see section 5.4.1.1 above).

The estimated amounts of their annual annuities at the closing date are as follows:

<b>Salaried director</b>	<b>Annual annuity (€ '000)</b>
François Bertière	263
Hervé Le Bouc	188
Nonce Paolini	176

### **Severance compensation – non-competition indemnities**

As is the case for the executive directors, the salaried directors do not benefit from severance compensation or non-competition indemnities.

However, salaried directors are covered by the collective agreement applicable to the company (Paris region construction company executives' collective agreement for Bouygues SA), which provides for certain compensation if a director's employment contract is terminated, even though such compensation is not strictly classified as severance compensation as such. This ensures that they receive compensation equal to approximately one year's salary.

### **Salaried directors representing employee shareholders – Directors representing employees**

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

### **2016 financial year**

For the 2016 financial year, the Board of Directors reserves the right to make changes to the rules for determining variable remuneration, notably to include a CSR criterion when assessing the variable remuneration of the two executive directors.

Furthermore, while performance conditions do not need to be defined to determine entitlement to supplementary pension rights for the two executive directors (since the latter can no longer acquire such rights), the Board of Directors will define the performance conditions applicable to the other beneficiaries of the defined-benefit pension scheme.