



Donnons vie au progrès

REMUNERATION OF EXECUTIVE OFFICERS OF BOUYGUES SA

1. REMUNERATION POLICY

This document presents the remuneration policy applied to each Executive Officer.

The Board meeting 19 February 2020, acting on a recommendation from the Selection and Remuneration Committee, set the criteria and methods (as described below) for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds of each Executive Officer for 2020.

In accordance with Article L. 225-37-2 of the Commercial Code, this policy is being submitted for approval by the Annual General Meeting on 23 April 2020.

1.1 Remuneration policy applicable to the Chairman and CEO in 2020

FIXED REMUNERATION

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 activities.

For the 2020 financial year, the gross annual fixed remuneration of Martin Bouygues is still €920,000.

ANNUAL VARIABLE REMUNERATION

The Board of Directors and the Selection and Remuneration Committee seek to ensure that the variable remuneration of the Chairman and CEO is consistent with the company's performance objectives, so that it is aligned with the corporate interest and with the medium/long-term commercial strategy.

The Board of Directors has decided that the criteria for annual variable remuneration will be set as follows:

- **Four quantifiable financial criteria** (already used as criteria for 2019 variable remuneration, and three of which refer to the three-year business plan)
 - Actual consolidated **current operating profit (COP)** of the Group for the year / Objective = COP per the 2020 plan **(P1)**
 - Actual **consolidated net profit attributable to the Group (CNP)** for the year / Objective = CNP per the 2020 plan **(P2)**
 - Actual **consolidated net profit attributable to the Group** for the year (excluding exceptional items) / Objective = actual CNP for the previous year (excluding exceptional items) **(P3)**
 - **Change in net debt (CND)** (excluding external growth not built into the plan) / Objective = CND per the 2020 plan **(P4)**



- **Extra-financial criteria (P5)**

Variable remuneration is also based on three extra-financial criteria: two linked to the group's compliance and CSR performance, and one based on an overall assessment of the Executive Officer's managerial performance.

The three extra-financial criteria are weighted as follows:

- **Compliance** (commitment to developing compliance programmes and implementing the Sapin 2 law): weighted 10%;
- **Corporate social responsibility** (reducing the workplace accident rate versus 2019, and implementing a climate policy to achieve a reduction in greenhouse gas emissions compatible with the Paris Agreement across all business segments: weighted 10%;
- **Managerial performance**: weighted 10%.

The Board of Directors reserves the right to make an overall downward adjustment that would reduce or eliminate application of the extra-financial criteria in the event of a serious adverse event during the year.

Method used to determine annual variable remuneration for 2020

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

(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 cap of 30% of FR.



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 fixed remuneration.

Pre-conditions for payment

Variable remuneration due for a given year is determined by the Board meeting that signs off the financial statements for that year. Consequently, as required by Article L. 225-100 of the Commercial Code, payment of the variable remuneration due for 2020 is contingent on approval by the Annual General Meeting called in 2021 to approve the 2020 financial statements. It is paid after payment has been approved by the Annual General Meeting.

Cessation of office

If the Chairman and CEO leaves office during the financial year, his variable remuneration for that year will be apportioned on a pro rata temporis basis for the period during which he held office in that year, and on the basis of the Board's assessment of his actual performance level for each of the criteria initially adopted.

Long-term remuneration

The Chairman and CEO is eligible for long-term remuneration. However, Martin Bouygues does not receive long-term variable remuneration given his personal circumstances, which already guarantee that his interests are aligned with those of the shareholders.

Remuneration for serving as a director

The Chairman and CEO receives remuneration for serving as a director.

He also receives remuneration for serving as a director of TF1.

Benefits in kind

The Chairman and CEO has the use of a company car.

Bouygues also provides the Chairman and CEO, for his personal needs, with a part-time personal assistant and a chauffeur/security guard.

For information, those benefits in kind were valued at €31,180 for the 2019 financial year.

Collective death, disability and health cover

The Chairman and CEO is entitled to benefits under the collective death, disability and health cover policies applied within Bouygues on the same terms and conditions as other employees.

The insurance policies relating to these schemes are subject to the same termination clauses as are standard under the ordinary law governing this type of policy.



Supplementary pension scheme

Contingent-rights collective pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of employment prior to 1 January 2020).

The Chairman and CEO, who joined the scheme before 4 July 2019, is eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code. Bouygues has brought its pension scheme into compliance with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of 3 July 2019. Consequently, the scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Provided that they end their career within the Bouygues group, senior executives who joined the scheme prior to 4 July 2019 retain their rights under that scheme, the terms of which are:

1. Conditions for joining the scheme and other eligibility conditions whereby the beneficiary must:
 - be a member of the Bouygues 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 a Group company (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 AGIRC-ARRCO mandatory supplementary schemes.
2. Reference salary equal to the average gross salary for the three best calendar years received by the senior executive within the Bouygues group during his or her period of membership of the Bouygues 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 of the termination of his or her contract of employment.

The reference gross salary applied consists of the annual fixed and variable remuneration used to calculate social security contributions in accordance with Article L. 242-1 of the Social Security Code.
3. Frequency 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. Funding is contracted out to an insurance company, to which an annual contribution is paid.
7. Performance conditions:
 - a) Executive Officer concerned

Martin Bouygues cannot acquire any further supplementary pension rights since the rights vested in him to date exceed the cap set by the Board of Directors (eight times the annual social security ceiling).
 - b) The performance conditions for 2019 were:

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



Terms for determining the vesting of pension rights based on performance:

- 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, the pension rights awarded would vary on a straight-line basis between 0% and 0.92% of the reference salary.

Due to the closure of the scheme and the freezing of scheme members' rights, no further rights can vest under this scheme on or after 1 January 2020. From that date onwards it is no longer necessary to set performance conditions for the scheme.

Vested-rights collective pension scheme governed by Article L. 137-11-2 of the Social Security Code (rights for periods of employment subsequent to 1 January 2020).

The Board of Directors has decided to introduce a new pension scheme in compliance with currently applicable legal requirements. The new scheme will enable Executive Officers who have not reached the cap adopted by the Board to accumulate pension rights for periods of employment subsequent to 1 January 2020 such that they will receive the same level of annuity (0.92% a year) as under the previous scheme in place within Bouygues, subject to fulfilment of the performance conditions described above. In accordance with the new regulations, pension rights will vest annually and will no longer be subject to the individual still being with the Bouygues group at retirement.

The Chairman and CEO is eligible for this new pension scheme.

However, in this specific case Martin Bouygues cannot acquire any further supplementary pension rights since the rights vested in him to date exceed the cap set by the Board of Directors (eight times the annual social security ceiling).

Severance benefit on leaving office

No severance benefit is payable to the Chairman and CEO on leaving office.

Non-competition indemnity

The Chairman and CEO is not entitled to any non-competition indemnity.

1.2 Remuneration policy applicable to the Deputy CEOs in 2020

FIXED REMUNERATION

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 activities.



Given that the fixed remuneration of a Deputy CEO has not changed since 2003 while the duties of Olivier Roussat have been extended (due especially to Philippe Marien leaving office), the Board of Directors – acting on a recommendation from the Selection and Remuneration Committee – has decided to align Olivier Roussat’s gross annual fixed remuneration on market practice by raising it to €1,250,000.

The fixed remuneration of Philippe Marien and Olivier Bouygues is unchanged.

Consequently, gross annual fixed remuneration for 2020 is:

- €1,250,000 for Olivier Roussat;
- €920,000 for Philippe Marien;
- €500,000 for Olivier Bouygues.

ANNUAL VARIABLE REMUNERATION

The Board of Directors and the Selection and Remuneration Committee seek to ensure that the variable remuneration of the Deputy CEOs is consistent with the company’s performance objectives, so that it is aligned with the corporate interest and on its commercial strategy.

The criteria for awarding annual variable remuneration are the same as those described above for the Chairman and CEO.

Method used to determine annual variable remuneration for 2020

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

Cap

The sum of the five components P1, P2, P3, P4 and P5 may never exceed a cap of 160% of fixed remuneration.

Pre-conditions for payment

Variable remuneration due for a given year is determined by the Board meeting that signs off the financial statements for that year. Consequently, as required by Article L. 225-100 of the Commercial Code, payment of the variable remuneration due for 2020 is contingent on approval by the Annual General Meeting called in 2021 to approve the 2020 financial statements. It is paid after payment has been approved by the Annual General Meeting.

There is no other contingent deferral period.

Cessation of office

If a Deputy CEO leaves office during the financial year, his variable remuneration for that year will be apportioned on a pro rata temporis basis for the period during which he held office in that year, and on the basis of the Board’s assessment of his actual performance level for each of the criteria initially adopted.



Long-term remuneration

All Executive Officers may be awarded long-term remuneration.

Because Philippe Marien has resigned from office as a Deputy CEO, he will not receive any contingent award of shares in 2020.

Olivier Bouygues is not entitled to long-term remuneration, since his personal circumstances mean that his interests are already aligned with those of the shareholders.

Olivier Roussat is entitled to long-term remuneration in the form of a contingent award of existing Bouygues shares; this is intended to align his interests more closely with those of the shareholders, in particular by taking account of the stock market performance of Bouygues shares.

The terms of this long-term remuneration package specify the award of no more than 40,000 Bouygues shares to each beneficiary at the end of a three-year period (2020, 2021 and 2022). The award is contingent upon the fulfilment of performance conditions at the end of that three-year period.

Performance conditions

A1 = Average of actual consolidated current operating profit (COP) of the Group for the three financial years covered by the Group's annual business plans (2020, 2021 and 2022) / Average of the 3 COP figures set as objectives in the annual business plans.

A2 = Average of actual consolidated net profit attributable to the Group (CNP) for the three financial years covered by the Group's annual business plans (2020, 2021 and 2022) / Average of the 3 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.

The number of shares awarded in 2023 (capped at 40,000 shares) would be determined as follows:

- **A1: Objective** = average of the current operating profit (COP) figures for the 2020, 2021 and 2022 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 2023 (i.e. 15,000 shares in 2023).

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 2023).

- **A2: Objective** = average of the consolidated net profit attributable to the Group for the 2020, 2021 and 2022 financial years set as objectives in the annual business plans.
 - If the Objective is attained, A2 = 0 shares.
 - If the average of the three CNP figures is at least 20% above the Objective, A2 = 37.5% of the total number of shares potentially awardable in 2023 (i.e. 15,000 shares in 2023).

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).

(a) Total Shareholder Return.



■ **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 stock market performance of Bouygues shares 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 2023 (i.e. 10,000 shares in 2023).

In calculating the TSR of the CAC 40, the starting point would be the average of the 40 opening quoted market prices preceding (but not including) 1 January 2020, and the end point would be the average of the 40 opening quoted market prices preceding (but not including) 1 January 2023.

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 2023).

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 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.

Continuing employment condition

The beneficiary would have to be serving as a Deputy CEO of Bouygues on 31 December 2022.

If that condition is no longer met, the beneficiary's entitlement to long-term remuneration is forfeited on the date of cessation of office.

The Board of Directors reserves the right to derogate from that rule on a case by case basis based on advice from the Selection and Remuneration Committee.

As an exception to the above, the beneficiary will not forfeit entitlement to long-term remuneration in the following circumstances:

- (a) incapacity;
- (b) death;
- (c) retirement, subject to apportionment on a pro rata temporis basis to reflect time actually spent in office during the reference period.



Lock-up and hedging

In addition, acting in line with the recommendations of the Afep-Medef Code, at its meeting of 20 February 2019, the Board set a minimum quantity of shares that the beneficiary would be required to hold in registered form until he ceases to hold office. The 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, the 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 cannot exceed a limit of 100% of the cap set for the beneficiary's fixed and variable remuneration. In determining whether that limit is reached, the value of the shares delivered is calculated on the basis of the opening market price of Bouygues shares on the day before delivery.

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

Remuneration for serving as a director

Olivier Bouygues receives remuneration for serving as a director.

The Deputy CEOs receive remuneration for serving as directors in other Group companies.

Benefits in kind

The Deputy CEOs have the use of a company car.

Bouygues also provides Olivier Bouygues, for his personal needs, with a part-time personal assistant and a chauffeur/security guard.

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

For information, those benefits in kind for the 2019 financial year were valued at €10,756 for Olivier Bouygues; €3,660 for Philippe Marien; and €20,457 for Olivier Roussat (including unemployment insurance cover for the latter).

Collective death, disability and health cover

The deputy CEOs are entitled to benefits under the collective death, disability and health cover policies applied within Bouygues on the same terms and conditions as other employees.

The insurance policies relating to these schemes are subject to the same termination clauses as are standard under the ordinary law governing this type of policy.

Supplementary pension scheme

Contingent-rights collective pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of employment prior to 1 January 2020).

The Deputy CEOs, who joined the scheme before 4 July 2019, are eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code, as described above.



The Deputy CEOs can no longer accrue rights under this scheme because it was closed to new members on 4 July 2019 and the rights of existing members were frozen as of 31 December 2019, in line with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of 3 July 2019.

Due to the closure of the scheme and the freezing of scheme members' rights, no further rights can vest under this scheme on or after 1 January 2020.

For information, the performance conditions for 2019 were:

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

Terms for determining the vesting of pension rights based on performance:

- 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, the pension rights awarded would vary on a straight-line basis between 0% and 0.92% of the reference salary.

Vested-rights collective pension scheme governed by Article L. 137-11-2 of the Social Security Code (rights for periods of employment subsequent to 1 January 2020).

The Board of Directors has decided to institute a new pension scheme that complies with currently applicable legislation. The new scheme will enable Executive Officers who have not reached the cap adopted by the Board to accumulate pension rights for periods of employment subsequent to 1 January 2020 such that they will receive the same level of annuity (0.92% a year) as under the previous scheme in place within Bouygues, subject to fulfilment of the performance conditions described above. In accordance with the new regulations, pension rights will vest annually and will no longer be subject to the individual still being with the Bouygues group at retirement.

The Deputy CEOs are eligible for this new pension scheme.

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

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

Severance benefit on leaving office

The Deputy CEOs are not entitled to any severance benefit on leaving office.

However, in the event that their employment contracts (currently suspended) are terminated, they would be entitled to a severance benefit on the terms specified in the Labour Code and the collective agreement applied by Bouygues SA.

Non-competition indemnity

The Deputy CEOs are not entitled to any non-competition indemnity.



2. REMUNERATION OF CORPORATE OFFICERS IN 2019

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

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 25 April 2019 (fourth resolution) under the regulated agreements procedure.

2.1 Total annual remuneration of the Chairman and CEO in respect of the 2019 financial year

FIXED REMUNERATION

For the 2019 financial year, Martin Bouygues received gross annual fixed remuneration of €920,000. The amount of his fixed remuneration has remained unchanged since 2003.

VARIABLE REMUNERATION

The principles and criteria for 2019 annual variable remuneration were determined by the Board of Directors on 20 February 2019 and approved by the Annual General Meeting of 25 April 2019 (eleventh resolution). The Board meeting of 19 February 2020 evaluated the 2019 performance of the Executive Officers.

An objective is set for each criterion. When an 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 2019, of 160% of each Executive Officer's fixed remuneration.

The criteria for variable remuneration, and their relative weights and attainment levels, are shown in the summary table below.

The five criteria for determining gross annual variable remuneration in 2019

The gross annual variable remuneration of Martin Bouygues for 2019 is based on the performance of the Group, determined by reference to:



• **Four financial criteria:**

- **P1** – Actual consolidated **current operating profit (COP)** of the Group for the year / Objective = COP per the 2019 plan.
- **P2** – Actual **consolidated net profit attributable to the Group (CNP)** for the year / Objective = CNP per the 2019 plan.
- **P3** – Actual **CNP** for the year (excluding exceptional items) / Objective = actual CNP for the previous year (excluding exceptional items).
- **P4** – **Change in net debt (CND)** in the year (excluding external growth not built into the plan) / Objective = CND per the 2019 plan.

Those objectives are precisely defined, but are not disclosed for confidentiality reasons. Nevertheless, the attainment level for each criterion (as a percentage of fixed remuneration) is disclosed in the table below.

• **Extra-financial criteria: performance in CSR and compliance, and an assessment of managerial performance.**

The Board of Directors determines the effective weight of each of the extra-financial criteria, subject to a cap of 30% of fixed remuneration. Each of the CSR, compliance and managerial assessment criteria is subject to a cap of 10%.

For 2019, the Board defined the following objectives:

- improving safety in terms of reducing workplace accident rates;
- the Bouygues group retaining its place in the Carbon Disclosure Project (CDP) index with an A or A- rating;
- applying the Sapin 2 law.

Martin Bouygues received gross annual variable remuneration of €1,472,000.

Summary table: gross annual variable remuneration of Martin Bouygues for 2019

		Theoretical annual variable remuneration if objective is attained Caps as % of FR	Maximum theoretical annual variable remuneration if objective is exceeded as % of FR	Annual variable remuneration awarded based on 2019 performance as % of FR
Financial criteria				
P1	COP for the year per the 2019 plan	30%	40%	30%
P2	CNP for the year per the 2019 plan	30%	40%	40%
P3	CNP for the previous year (2018 CNP)	30%	35%	18%
P4	Change in net debt per the 2019 plan	40%	55%	55%
Extra-financial criteria				
P5	CSR - Compliance - Managerial assessment	30%	30%	27%
		Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap		160%	160%	160%

FR: Fixed Remuneration.



EXCEPTIONAL REMUNERATION

Martin Bouygues did not receive any exceptional remuneration in respect of the 2019 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 remuneration policy, the principle of awarding long-term remuneration in the form of contingent awards of shares to Executive Officers, to strengthen the alignment between their interests and those of the shareholders.

Martin Bouygues was not awarded any long-term remuneration given his personal circumstances, which already guarantee that his interests are aligned with those of the shareholders.

OTHER COMPONENTS OF REMUNERATION

Social protection

Martin Bouygues benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Supplementary pension scheme

The Chairman and CEO, who joined the scheme before 4 July 2019, is eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the French Social Security Code. Bouygues has brought its pension scheme into compliance with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of 3 July 2019. Consequently, the scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Performance conditions for the supplementary pension in 2019

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 cannot acquire any supplementary pension rights in 2019 since the rights vested in him to date have reached the cap set by the Board of Directors (eight times the annual social security ceiling).

The table below summarises the method used to determine pension rights for 2019:

Supplementary pension		
Annual cap on vesting of pension rights = 0.92% of the 2019 reference salary (Fixed + Annual Variable)		
Performance conditions		
Objective = plan average - 10% (average of CNP figures per the 2019, 2018 and 2017 plans)	If the average of actual CNP figures for 2019, 2018 and 2017 is more than 10% below the Objective Pension rights = 0	If the average of actual CNP figures for 2019, 2018 and 2017 is \geq the Objective Pension rights = 0.92%
<p>Linear interpolation between 0% and 0.92%</p>		

Overall cap on pension rights = eight times social security ceiling (giving a cap of €324,192 in 2019).

Note: Annual pension rights for 2019 are contingent on CNP performances for 2019, 2018 and 2017.



Information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 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 Bouygues 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 consists of the fixed and variable remuneration 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 €324,192 in 2019.
8. Funding arrangements for the benefit: outsourced to an insurance company, to which a contribution is paid each year.
9. Estimated amount of annual annuity as of 31 December 2019: €320,184.
10. Tax and social security charges borne by the company: the contributions paid into the scheme by the company are not subject to employer's 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.

OTHER FORMS OF REMUNERATION

Martin Bouygues received benefits in kind consisting of the use of a company car and the part-time assignment of a personal assistant and a chauffeur/security guard for his personal needs.

Those benefits amounted to €31,180 based on the valuation method used.



REMUNERATION FOR SERVING AS A DIRECTOR

Martin Bouygues received annual remuneration of €93,900 for serving as a director, of which €23,900 came from Group subsidiaries.

2.2 Total annual remuneration of the Deputy CEO – Olivier Bouygues

FIXED REMUNERATION

For the 2019 financial year, Olivier Bouygues received gross annual fixed remuneration of €500,000.

VARIABLE REMUNERATION

The principles and criteria applied in determining the annual variable remuneration of Olivier Bouygues are identical to those applied to the Chairman and CEO (see section 2.1 – Components of remuneration – Variable remuneration).

Olivier Bouygues received gross annual variable remuneration of €800,000.

Summary table: gross annual variable remuneration of Olivier Bouygues for 2019

		Theoretical annual variable remuneration if objective is attained Caps as % of FR	Maximum theoretical annual variable remuneration if objective is exceeded as % of FR	Annual variable remuneration awarded based on 2019 performance as % of FR
Financial criteria				
P1	COP for the year per the 2019 plan	30%	40%	30%
P2	CNP for the year per the 2019 plan	30%	40%	40%
P3	CNP for the previous year (2018 CNP)	30%	35%	18%
P4	Change in net debt per the 2019 plan	40%	55%	55%
Extra-financial criteria				
P5	CSR – Compliance – Managerial assessment	30%	30%	27%
		Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap		160%	160%	160%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Olivier Bouygues did not receive any exceptional remuneration in respect of the 2019 financial year.



LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 remuneration policy, the principle of awarding long-term remuneration in the form of contingent awards of shares to Executive Officers, to strengthen the alignment between their interests and those of the shareholders.

Olivier Bouygues was not awarded any long-term remuneration given his personal circumstances, which already guarantee that his interests are aligned with those of the shareholders.

OTHER COMPONENTS OF REMUNERATION

Social protection

Olivier Bouygues benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Supplementary pension scheme

The Deputy CEOs, who joined the scheme before 4 July 2019, are eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the French Social Security Code. Bouygues has brought its pension scheme into compliance with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of 3 July 2019. Consequently, the scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

PERFORMANCE CONDITIONS FOR THE SUPPLEMENTARY PENSION IN 2019

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. Olivier Bouygues could not acquire any supplementary pension rights in 2019 since the rights vested in him to date had reached the cap set by the Board of Directors (eight times the annual social security ceiling).

The method used to calculate pension rights for 2019, and the information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 of the Commercial Code, are identical to those described for the Chairman and CEO (see section 2.1. – Components of remuneration – Supplementary pension).

The estimated amount of the annual annuity as of 31 December 2019 is €256,464.

OTHER FORMS OF REMUNERATION

Olivier Bouygues received benefits in kind consisting of the use of a company car and the part-time assignment of a personal assistant and a chauffeur/security guard for his personal needs.

Those benefits amounted to €10,756 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Olivier Bouygues received annual remuneration of €89,144 for serving as a director, of which €49,144 came from Group subsidiaries.



2.3 Total annual remuneration of the Deputy CEO – Olivier Roussat

FIXED REMUNERATION

For the 2019 financial year, Olivier Roussat received gross annual fixed remuneration of €920,000.

VARIABLE REMUNERATION

The principles and criteria applied in determining the annual variable remuneration of Olivier Roussat are identical to those applied to the Chairman and CEO (see section 2.1 – Components of remuneration – Variable remuneration).

Olivier Roussat received gross annual variable remuneration of €1,472,000.

Summary table: gross annual variable remuneration of Olivier Roussat for 2019

		Theoretical annual variable remuneration if objective is attained Caps as % of FR	Maximum theoretical annual variable remuneration if objective is exceeded as % of FR	Annual variable remuneration awarded based on 2019 performance as % of FR
Financial criteria				
P1	COP for the year per the 2019 plan	30%	40%	30%
P2	CNP for the year per the 2019 plan	30%	40%	40%
P3	CNP for the previous year (2018 CNP)	30%	35%	18%
P4	Change in net debt per the 2019 plan	40%	55%	55%
Extra-financial criteria				
P5	CSR - Compliance - Managerial assessment	30%	30%	27%
		Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap		160%	160%	160%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Olivier Roussat did not receive any exceptional remuneration in respect of the 2019 financial year.



LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 remuneration policy, the principle of awarding long-term remuneration in the form of contingent awards of shares to Executive Officers, to strengthen the alignment between their interests and those of the shareholders.

Olivier Roussat received a contingent award of a maximum of 40,000 shares, subject to performance conditions measured over three years, and valued at a total of €588,632 on the date of the award.

The number of shares awarded in 2019 was determined as follows:

■ **A1: Objective** = average of the current operating profit (COP) figures 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 three 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 three 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).

Overview of performance conditions for the 2019 contingent award of shares

37.5% Average COP	37.5% Average CNP	25% Bouygues TSR/CAC 40 TSR
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In 2019, Bouygues ended the multi-year variable remuneration package to which Olivier Roussat had been entitled. Consequently, it was proposed that from 2019 (in line with the remuneration policy approved by the eleventh resolution of the Annual General Meeting of 25 April 2019) he should be granted a new long-term remuneration package on the following terms:



Additional award:

- of a maximum of 13,333 shares subject to performance conditions relating to the 2019 financial year, with a total value of €270,216 at the date of the award;

As regards that award, the Board meeting of 19 February 2020 formally noted that:

- i. criterion A1 had not been met, so no award would be made for that criterion;
- ii. criterion 2 performance was above the upper limit, so 5,000 shares would be awarded for that criterion (half of them in the form of a cash payment);
- iii. criterion A3 had not been met, so no award would be made for that criterion.

Consequently, after an assessment of the performance criteria, 5,000 shares were awarded to Olivier Roussat in respect of the 2019 financial year. Payment of that long-term remuneration (half of which will be in the form of a cash payment) will be subject to approval at the Annual General Meeting of 23 April 2020.

- of a maximum of 26,666 shares subject to performance conditions relating to the 2019 and 2020 financial years, with a total value of €460,711 at the date of the award.

OTHER COMPONENTS OF REMUNERATION

Social protection

Olivier Roussat benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Olivier Roussat also received a benefit in the form of unemployment insurance, the amount of the employer's contribution being €12,765.

Supplementary pension scheme

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.

Olivier Roussat benefited from the supplementary pension scheme in place within the Bouygues group, in accordance with (i) the method used to calculate pension rights for 2019 and (ii) the information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 of the Commercial Code described for the Chairman and CEO (see section 2.1 – Components of remuneration – Supplementary pension scheme).

The relevant performance levels were achieved by Olivier Roussat in 2019. Consequently, his pension rights would be 0.92% of his reference salary.

The estimated amount of the annual annuity as of 31 December 2019 is €272,031.

OTHER FORMS OF REMUNERATION

Olivier Roussat received benefits consisting of the use of a company car with chauffeur for business purposes and unemployment insurance.

Those benefits amounted to €20,457 based on the valuation method used.



REMUNERATION FOR SERVING AS A DIRECTOR

Olivier Roussat received annual remuneration of €48,363 for serving as a director with Group companies.

5.4.2.4 Total annual remuneration of the Deputy CEO – Philippe Marien

FIXED REMUNERATION

For the 2019 financial year, Philippe Marien received gross annual fixed remuneration of €920,000.

VARIABLE REMUNERATION

The principles and criteria applied in determining the annual variable remuneration of Philippe Marien are identical to those applied to the Chairman and CEO (see section 2.1 – Components of remuneration – Variable remuneration).

Philippe Marien received gross annual variable remuneration of €1,472,000.

Summary table: gross annual variable remuneration of Philippe Marien for 2019

		Theoretical annual variable remuneration if objective is attained Caps as % of FR	Maximum theoretical annual variable remuneration if objective is exceeded as % of FR	Annual variable remuneration awarded based on 2019 performance as % of FR
Financial criteria				
P1	COP for the year per the 2019 plan	30%	40%	30%
P2	CNP for the year per the 2019 plan	30%	40%	40%
P3	CNP for the previous year (2018 CNP)	30%	35%	18%
P4	Change in net debt per the 2019 plan	40%	55%	55%
Extra-financial criteria				
P5	CSR – Compliance – Managerial assessment	30%	30%	27%
		Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap		160%	160%	160%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Philippe Marien did not receive any exceptional remuneration in respect of the 2019 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 remuneration policy, the principle of awarding long-term remuneration in the form of contingent awards of shares to Executive Officers, to strengthen the alignment between their interests and those of the shareholders.



Philippe Marien received a contingent award of a maximum of 40,000 shares, subject to performance conditions measured over three years, and valued at a total of €588,632 on the date of the award.

The number of shares awarded in 2019 (capped at 40,000 shares) was determined as follows:

■ **A1: Objective** = average of the current operating profit (COP) figures 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 three 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 three 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).

In 2019, Bouygues ended the multi-year variable remuneration package to which Philippe Marien had been entitled. Consequently, it was proposed that from 2019 (in line with the 2019 remuneration policy approved by the eleventh resolution of the Annual General Meeting of 25 April 2019) he should be granted a new long-term remuneration package on the following terms:

Additional award:

- of a maximum of 13,333 shares subject to performance conditions relating to the 2019 financial year, with a total value of €270,216 at the date of the award;

As regards that award, the Board meeting of 19 February 2020 formally noted that:

- i. criterion A1 had not been met, so no award would be made for that criterion;
- ii. criterion 2 performance was above the upper limit, so 5,000 shares would be awarded for that criterion (half of them in the form of a cash payment);
- iii. criterion A3 had not been met, so no award would be made for that criterion.



Consequently, after an assessment of the performance criteria, 5,000 shares were awarded to Philippe Marien in respect of the 2019 financial year. Payment of that long-term remuneration (half of which will be in the form of a cash payment) will be subject to approval at the Annual General Meeting of 23 April 2020.

- of a maximum of 26,666 shares subject to performance conditions relating to the 2019 and 2020 financial years, with a total value of €460,711 at the date of the award.

OTHER COMPONENTS OF REMUNERATION

Social protection

Philippe Marien benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Supplementary pension scheme

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.

Philippe Marien benefited from the supplementary pension scheme in place within the Bouygues group, in accordance with (i) the method used to calculate pension rights for 2019 and (ii) the information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 of the Commercial Code described for the Chairman and CEO (see section 2.1. – Components of remuneration – Supplementary pension scheme).

The relevant performance levels were achieved by Philippe Marien in 2019. Consequently, his pension rights would be 0.92% of his reference salary.

The estimated amount of the annual annuity as of 31 December 2019 is €249,400.

OTHER FORMS OF REMUNERATION

Philippe Marien received benefits consisting of the use of a company car with chauffeur for business purposes.

Those benefits amounted to €3,660 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Philippe Marien received annual remuneration of €77,739 for serving as a director with Group companies.