



Making progress become reality

REMUNERATION OF THE EXECUTIVE OFFICERS OF BOUYGUES SA – DECISION OF THE BOARD OF DIRECTORS OF 28 JULY 2020

Update to the remuneration policy for Executive Officers

As announced by the Chairman and Chief Executive Officer of the Bouygues group at the Annual General Meeting on 23 April 2020, in light of the exceptional circumstances related to the Covid-19 pandemic, the Board of Directors – in its meeting of 28 July 2020 and acting on a recommendation from the Selection and Remuneration Committee – has decided to reduce by 25% the overall remuneration (fixed and variable) of the Executive Officers for 2020.

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

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

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

“ANNUAL VARIABLE REMUNERATION

[...]

P6 criterion related to management of the Covid-19 crisis

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

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

Method used to determine annual variable remuneration for 2020

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



P1, P2, P3 and P4

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

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

The four variable components P1, P2, P3 and P4 are calculated as follows (FR = Fixed Remuneration):

1) If actual performance is between 0 the Objective:

P1 = 0% to 25% of FR

P2 = 0% to 25% of FR

P3 = 0% to 30% of FR

P4 = 0% to 20% of FR

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

P1 = 25% to 35% of FR

P2 = 25% to 30% of FR

P3 = 30% to 35% of FR

P4 = 20% to 40% of FR

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

P5 and P6

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

Cap

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