BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS SUBMITTED TO THE COMBINED ANNUAL GENERAL MEETING

AGM OF
25 APRIL 2019

08/03/2019

Excerpt of the draft 2018 Registration Document

1 Ordinary General Meeting

Resolutions 1, 2 and 3 – Approval of the parent company and consolidated financial statements, and transactions for the year ended 31 December 2018, appropriation of 2018 earnings and setting of the dividend (€1.70 per share)

Object and purpose

We ask you to approve:

- the parent company financial statements for the year ended 31 December 2018, showing net profit of €885,856,683.29;
- the consolidated financial statements for the year ended 31 December 2018, showing net profit attributable to the Group of €1,311 million;
- the transactions recorded in those financial statements, or disclosed in the Board of Directors' management report or in the statutory auditors' report.

Those financial statements and reports are included in the 2018 Registration Document; they are also available on www.bouygues.com. The Convening Notice to the Annual General Meeting contains a set of condensed consolidated financial statements.

The financial year ended 31 December 2018 gave distributable earnings of €2,559,074,207.83, consisting of the following:

- net profit for the year: €885,856,683.29;
- transfer to the legal reserve: -€625,265.40;
- retained earnings brought forward: €1,673,842,789.94;

We propose to appropriate earnings as follows:

- the distribution of a total dividend of €633,042,496.30;
- appropriate the remainder, i.e. €1,926,031,711.53, to retained earnings.

The dividend represents a payout of €1.70 for each of the 372,377,939 existing shares at 31 December 2018. Taking account of the cancellation of 869,832 treasury shares on 20 February 2019, the total dividend is €631,563,781.90. This dividend is eligible for the optional 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code. Taking account of the aforementioned cancellation, retained earnings amounted to €1,927,510,425.93.

The dividend payment date is 3 May 2019. The ex-date and record date have been set at 30 April 2019 and the evening of 2 May 2019 respectively.

In accordance with Article 243 bis of the General Tax Code, listed below are the dividend amounts paid out in respect of the last three financial years.

	2015	2016	2017
Number of shares	345,135,316	354,908,547	366,125,285 [c]
Dividend per share	€1.60	€1.60	€1.70
Total dividend [a & b]	€552,128,505.60	€567,837,675.20	€620,427,649.70

(a) The amounts shown represent dividends actually paid, taking account of the fact that shares held by the company itself do not qualify for dividends.
(b) Amounts eligible for the optional 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code.
(c) On 31 December 2017, the share capital comprised 366,125,285 shares. Given the cancellation of 1,157,844 shares by the Board of Directors on 21 February 2018, the number of shares entitled to dividend was 364,967,441.

BOUYGUES

Resolution 4 – Approval of regulated agreements and commitments

Object and purpose

We ask you to approve the regulated agreements entered into , in 2018, between Bouygues and:

- any of its corporate officers (Executive Officer, director);
- any company in which a corporate officer of Bouygues also holds a directorship;
- any shareholder holding more than 10% of the voting rights of Bouygues.

This approval is part of what is known as the regulated (or related-party) agreements procedure, which aims to prevent potential conflicts of interest.

We also ask you to approve the commitments relative to the defined-benefit pension scheme to which the Executive Officers (Chairman and Chief Executive Officer and Deputy Chief Executive Officers) are entitled.

In accordance with law, these agreements and commitments were approved by the Board of Directors prior to signature, the directors concerned having abstained from voting. The auditors' special report on regulated agreements and commitments is in chapter 8, section 8.3 of the 2018 Registration Document. The agreements and commitments mentioned in the auditors' special report that were approved by general meetings in previous years do not have to be voted on again by this Annual General Meeting.

The agreements and commitments we ask you to approve, having acquainted yourselves with this report and the auditors' report, mainly concern the following subjects:

- Shared service agreements

  Shared service agreements are standard in groups of companies. They enable Bouygues, as the parent company of the Group, to provide its subsidiaries with services and expertise in areas such as management, human resources, finance, communication, sustainable development, patronage, new technologies, insurance, legal affairs and innovation consultancy. Bouygues and its main subsidiaries sign annual agreements relating to these services, so that each business segment can request the services and expertise it needs.

  The principle behind these agreements is based on (i) rules for allocating and invoicing the cost of shared services, including specific services, and (ii) the subsidiaries bearing a share of residual costs, up to a limit expressed as a percentage of sales of the subsidiary concerned. The share of residual costs is invoiced at cost plus a margin of 10% for high value-added services and 5% for low value-added services.

  In 2018, Bouygues invoiced the following amounts under these shared service agreements:

Bouygues Construction:	€16.46 million
Colas:	€18.77 million
TF1:	€3.45 million
Bouygues Telecom:	€8.63 million

  The amount invoiced to Bouygues Immobilier, which is 100% owned by Bouygues and falls outside the scope of the regulated agreements regime, was €3.41 million.

  The Board of Directors has authorised the renewal of these shared service agreements for 2019.

- Reciprocal service agreement between Bouygues and SCDM

  SCDM, a company owned by Martin Bouygues and Olivier Bouygues, contributes to initiatives in favour of the Bouygues group on an ongoing basis (research and analysis into strategic developments and the growth of the Bouygues group, multi-year plans, research and analysis into major investments and divestments, and specific services). This agreement enables Bouygues to benefit from the services of Martin Bouygues and Olivier Bouygues (who are paid by SCDM) and of the small team that works with them to carry out the research and analysis mentioned above, and also to obtain specific services that benefit the Group. The agreement also enables Bouygues to provide SCDM with specific services, principally management, human resources, information technology, and legal and financial services.

  The Board of Directors has authorised the renewal of this agreement for 2019.

  Under the terms of this agreement, SCDM invoices Bouygues for costs actually incurred, subject to a cap of €7 million a year:

  - salaries, in an amount corresponding to:
    - o the remuneration awarded to Martin Bouygues and Olivier Bouygues by the Bouygues Board of Directors, at the proposal of the Selection and Remuneration Committee, for their duties as corporate officers. This amount includes a fixed and a variable component, as well as the corresponding social security and tax charges;
    - o remuneration paid to their teams as consideration for assignments carried out for Bouygues, as well as the corresponding tax and social security charges;
  - specific services, invoiced at arm's length rates.

  Similarly, the specific services Bouygues provides to SCDM are invoiced at arm's length rates.

  The amount invoiced by SCDM to Bouygues under this agreement in 2018 was €6.03 million, consisting mainly of the remuneration (salaries and charges) of Martin Bouygues and Olivier Bouygues. This represents 86.2% of the total and is below the cap set by the Bouygues Board of Directors. The remainder (13.8% of the total) is for services provided by the small team that works with Martin Bouygues and Olivier Bouygues to carry out ongoing research and analysis into strategic developments and the growth of the Bouygues group. The amount invoiced by Bouygues to SCDM under this agreement in 2018 was €0.4 million.

- Renewal for a period of one year starting 1 January 2019 of the **commitment relative to the defined-benefit pension scheme** awarded to the Executive Officers of Bouygues (in common with all members of the Group Management Committee), and of the cross-charging agreements whereby Bouygues invoices its subsidiaries Bouygues Construction, Colas, TF1 and Bouygues Telecom for contributions to the supplementary pension entitlements of their respective senior executives. The supplementary pension is equivalent to 0.92% of the reference salary per year of service in the Group and is capped at eight times the annual social security ceiling, giving a cap of €324,192 in 2019. Individual potential entitlements may not exceed the cap recommended by the Afep-Medef Code, set at 45% of the reference income (annual fixed and variable remuneration owed in respect of the reference period) of the Executive Officers. The scheme has been outsourced to an insurance company.

  The performance conditions to be met in order for Olivier Roussat and Philippe Marien to obtain entitlement to their rights under the defined-benefit pension scheme are set out in section 5.4.2.2 of the 2018 Registration Document. The entitlement of Martin Bouygues and Olivier Bouygues to their rights under the defined-benefit pension scheme is not subject to performance conditions, as the pension rights acquired by these two individuals at 7 August 2015, the date the Macron law entered into force, had already reached the aforementioned cap.

  For information purposes, the contribution paid by Bouygues in 2018 in respect of the four aforementioned Executive Officers amounted to €1.7 million excluding taxes, or €2.1 million after applying the social security levy (URSSAF) of 24%. Bouygues invoiced the following amounts to the subsidiaries:

Bouygues Construction:	€0.71 million
Bouygues Immobilier:	€0.71 million
Colas:	€0.71 million
TF1:	€0.44 million
Bouygues Telecom:	€0.28 million

  The Board of Directors has authorised the renewal of these agreements and commitments for 2019.

- **Open innovation services agreements** entered into *inter alia* with Bouygues Construction, Colas, TF1 and Bouygues Telecom. The consultancy services provided to the business segments under this agreement are an integral part of the shared services offered by Bouygues to the Group's business segments. As such, they are invoiced directly through the shared service agreements mentioned above, via the residual cost of shared services. In consideration for the management services, each subsidiary pays Bouygues, on a pro rata temporis basis, a monthly flat fee of €750 excl. VAT per shareholding in a managed innovative company; the Board of Directors has authorised the renewal of these agreements for a period of one year starting 1 January 2019.
- **Agreements** related to Bouygues Construction's and Colas' participation in the Vivatech and Pollutech events.
- **Amendment to the internal audit service agreement** between Bouygues and Bouygues Telecom; the amount of services sourced from Bouygues is €350,000 excl. VAT for 2019.

In accordance with law, the persons concerned will not vote on this resolution.

Resolutions 5 and 6 – Approval of the commitments relative to the defined-benefit pension scheme to which Martin Bouygues, Chairman and Chief Executive Officer, and Olivier Bouygues, Deputy Chief Executive Officer, are entitled

Object and purpose

The members of the Group Management Committee (who include Martin Bouygues, Olivier Bouygues, Philippe Marien and Olivier Roussat), benefit from a supplementary pension scheme whereby they receive an annual supplementary pension 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, giving a cap of €324,192 in 2019.

Under the law of 6 August 2015 (the Macron law) we are required to seek your approval, through specific resolutions, of the defined-benefit pension entitlements of Martin Bouygues, whose term of office as Chairman and CEO was renewed on 16 May 2018, and of Olivier Bouygues, whose term of office as Deputy CEO was renewed on 29 August 2018.

The rights acquired by these two Executive Officers on the date the Macron law entered into force had already reached the cap set by the Board of Directors, i.e. eight times the annual social security ceiling. This obviates the need to stipulate performance conditions for them.

In accordance with law, the persons mentioned above will not vote on this resolution.

Resolutions 7 to 10 – Approval of the remuneration components and benefits paid or awarded to Executive Officers in respect of the year ended 31 December 2018 in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer

Object and purpose

Under Article L. 225-100 of the Commercial Code we are required to seek your approval for the remuneration and benefits paid or awarded to each Executive Officer in respect of the most recently ended financial year. The variable remuneration components awarded in respect of the 2018 financial year cannot be paid without your approval.

The Report on corporate governance (chapter 5, section 5.4.1 of the 2018 Registration Document) contains a detailed description of the remuneration and benefits paid or awarded in respect of the 2018 financial year to Martin Bouygues in his capacity as Chairman and Chief Executive Officer, and to Olivier Bouygues, Philippe Marien and Olivier Roussat in their capacity as Deputy Chief Executive Officers. Their remuneration and benefits were determined in accordance with the principles and criteria approved pursuant to the eleventh resolution at the Annual General Meeting of 26 April 2018.

Resolution 11 – Approval of the remuneration policy applicable to Executive Officers

Object and purpose

Pursuant to Article L. 225-37-2 of the Commercial Code, you are asked to approve the principles and criteria applicable for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds awarded to the four Executive Officers in their capacity as either Chairman and Chief Executive Officer or Deputy Chief Executive Officer for the 2019 financial year.

These principles and criteria have been approved by the Board of Directors, acting on a recommendation of the Selection and Remuneration Committee. They are presented in the Report on corporate governance (chapter 5, section 5.4.2 of the 2018 Registration Document). In accordance with Article L. 225-100 of the Commercial Code, the amounts arising from the implementation of these principles and criteria will be submitted for approval to the Annual General Meeting called to approve the 2019 financial statements.

Resolutions 12 to 19 – Renewal, for three years, of the terms of office of seven directors and appointment of one director

Object and purpose

The terms of office of nine directors (Olivier Bouygues, Clara Gaymard, Patrick Kron, Colette Lewiner, Sandra Nombret, Rose-Marie Van Lerberghe, Michèle Vilain, SCDM and SCDM Participations) expire at the end of the Ordinary General Meeting of 25 April 2019. Patrick Kron and Sandra Nombret are not seeking renewal of their terms of office as directors.

At the proposal of the Selection and Remuneration Committee, we ask you to renew the terms of office of seven of those nine directors, and to appoint a new director representing employee shareholders.

Renewal of the terms of office of three directors from the SCDM group (Olivier Bouygues, SCDM and SCDM Participations)

First of all, we are asking you to renew the terms of office of Olivier Bouygues, SCDM and SCDM Participations.

As of 31 December 2018, the SCDM group – controlled by Martin Bouygues and Olivier Bouygues – held 21.6% of the share capital and 29.1% of the voting rights of Bouygues. Consequently, it is important that Olivier Bouygues (a shareholder of SCDM, alongside his brother Martin Bouygues), SCDM (currently represented by Charlotte Bouygues) and SCDM Participations (currently represented by William Bouygues) participate in decisions taken by the Board that bind the Bouygues group in future.

Olivier Bouygues brings to the Board his in-depth knowledge of the Group's businesses and the challenges it faces, having joined the Group in 1974 and held important posts within it. He has been a director of Bouygues since 1984, and a Deputy Chief Executive Officer since 2002. He chairs the Group's Sustainable Development Committee.

SCDM and **SCDM Participations** have designated Charlotte Bouygues and William Bouygues respectively as their representatives on the Board of Directors; they took over those roles in June 2018, from Edward Bouygues and Cyril Bouygues respectively.

More detailed information about Olivier Bouygues, SCDM and SCDM Participations is provided in section 5.1 of the 2018 Registration Document.

William Bouygues graduated from the London School of Economics and Political Science in Economics and Economic History. Following work experience in various construction businesses, he joined Bouygues Bâtiment Ile-de-France – Rénovation Privée in September 2011, where he held the post of works supervisor for two years. Drawing on this experience, he then joined the sales teams within the same entity until December 2016, when he moved on to Bouygues Bâtiment International in the structure and development teams. Since March 2018, he has been Smart Office services manager at Bouygues Energies & Services.

Charlotte Bouygues graduated from Babson College where she specialised in strategic management. She was product marketing manager at L'Oréal in the United States for three years, before joining TF1 Publicité in September 2016 where she held a post in advertising sales for two years. She then joined the programming teams, in charge of programming for the TF1 channel.

Renewal of the terms of office of three independent directors (Clara Gaymard, Colette Lewiner and Rose-Marie Van Lerberghe)

We are then asking you to renew the terms of office of three independent directors.

The presence of a significant number of independent directors contributes to the quality of the work of the Board and its committees, by providing different points of view and a good mix of expertise.

Clara Gaymard has been a director of Bouygues since 2016. She offers the Board financial expertise and knowledge of corporate strategy, acquired largely in industry and in private equity. Clara Gaymard is a member of the Accounts Committee, where her financial skills are much appreciated.

Colette Lewiner, a director of Bouygues since 2010, has chaired the Selection and Remuneration Committee since 2013. Both the Board and the committee benefit from her in-depth knowledge of business and the energy-related issues that are so crucial to the future of the planet, as well as her expertise in corporate governance.

Rose-Marie Van Lerberghe has been a director of Bouygues since 2013. She has extensive experience in senior executive roles in large groups, and specific operational expertise in two areas to which the Group attaches great importance: human resources and health. Her experience in those areas has helped the work of the Ethics, CSR and Patronage Committee, of which she has been a member since 2014.

More detailed information about Clara Gaymard, Colette Lewiner and Rose-Marie Van Lerberghe is provided in section 5.1 of the 2018 Registration Document.

Renewal of the term of office of a director representing employee shareholders (Michèle Vilain) and appointment of a new director representing employee shareholders (Raphaëlle Deflesselle)

Article 13.1 of the articles of association stipulates that the Board of Directors must include one or two directors representing employee shareholders. Candidates to fill these directorships are put forward by the Supervisory Boards of the employee share ownership funds.

The presence on the Board of two directors representing employee shareholders is wholly justified given the significant portion of the share capital held by employees.

The terms of office of the two directors representing employee shareholders (Michèle Vilain and Sandra Nombret) expire at the end of the Ordinary General Meeting of 25 April 2019. The Supervisory Boards of the employee share ownership funds have proposed:

- renewing the term of office of Michèle Vilain as a director representing employee shareholders;
- appointing Raphaëlle Deflesselle as a director representing employee shareholders, to replace Sandra Nombret.

The Board of Directors formally noted their candidacies at its meeting of 20 February 2019.

Consequently, the Board is asking you to renew the term of office of Michèle Vilain and to appoint Raphaëlle Deflesselle as a director representing employee shareholders, replacing Sandra Nombret.

Michèle Vilain is Deputy Director, Opéra IT project management at Bouygues Immobilier. She has been a director of Bouygues since 2010 and a member of the Accounts Committee since 2013. More detailed information is set out in section 5.1 of the 2018 Registration Document.

Raphaëlle Deflesselle, born 27 April 1972, is an engineering graduate of École Polytechnique Féminine (EPF). She joined Bouygues Telecom in 1996. She took part in implementing network oversight tools in the network operations department. She then held various managerial positions in the technical departments from 1999 to 2009. In 2010, she was appointed head of the performance department within the Information Systems Division, before becoming head of IT infrastructures in 2013. She is currently Director, IT Governance, Research and Transformation within the Information Systems Division at Bouygues Telecom. Raphaëlle Deflesselle was a director representing employees on the Board of Bouygues from 2014 to 2018. She was also a member of the Bouygues Ethics, CSR and Patronage Committee.

Terms of office

In accordance with the articles of association, these terms of office will be for a period of three years, expiring at the end of the Ordinary General Meeting called in 2022 to approve the financial statements for the year ended 31 December 2021.

Composition of the Board of Directors after the Annual General Meeting

If you adopt the twelfth to nineteenth resolutions, the Board of Directors will have thirteen members:

Four directors from the SCDM group:

Martin Bouygues (Chairman and CEO)
Olivier Bouygues (Deputy CEO)
SCDM, represented by Charlotte Bouygues
SCDM Participations, represented by William Bouygues

One director representing employees:

Francis Castagné

Two directors representing employee shareholders:

Raphaëlle Deflesselle
Michèle Vilain

Five independent directors:

Clara Gaymard
Anne-Marie Idrac
Helman le Pas de Sécheval
Colette Lewiner
Rose-Marie Van Lerberghe

One non-independent external director:

Alexandre de Rothschild

The proportion of independent directors (calculated excluding directors representing employees and employee shareholders) will increase from five out of eleven (45.5%) to five out of ten (50%).

The proportion of women directors (calculated excluding directors representing employees) will increase from seven out of thirteen (54%) to be seven out of twelve (58%).

The average age (calculated at the date of the Annual General Meeting) will decrease from 55.4 years to 54.9 years.

Resolution 20 – Authorisation for the company to buy back its own shares

Object and purpose

As we do each year, we are asking you to renew the authorisation that allows the company to repurchase its own shares as part of a share buyback programme.

This authorisation would cover the following objectives:

1. reduce the share capital by cancelling shares under the conditions laid down by law, subject to authorisation by the Extraordinary General Meeting;
2. fulfil the obligations arising from debt securities, in particular securities that grant the right to the allotment of company shares via redemption, conversion, exchange, presentation of a warrant or otherwise;
3. grant or sell shares to employees or corporate officers of the company or related companies, in particular as part of profit-sharing schemes, stock option plans, company savings schemes and Group savings schemes or through allotment of shares;
4. improve market liquidity and the regularity of listings of the company's equity securities and avoid price discrepancies not supported by market trends, by implementing a liquidity contract managed by an investment service provider acting in compliance with a market practice accepted by the AMF;
5. retain shares and, as the case may be, deliver them subsequently as a medium of payment or exchange in an acquisition, merger, spin-off or asset-for-share exchange, in accordance with applicable regulations;
6. implement any market practice accepted by the AMF and generally carry out any other transaction in compliance with applicable regulations.

The Board of Directors decided at its meeting of 20 February 2019 to restrict the objectives of the share buyback programme to points 1, 3 and 4 above. The Board reserved the right to extend the programme to include other objectives, in which case the company would inform the market.

In 2018, the following transactions in Bouygues shares took place:

- 1.16 million shares were repurchased with a view to cancellation, and then cancelled on 21 February 2018;
- 1.34 million shares were purchased and 1.08 million shares sold through a service provider acting under the terms of a liquidity contract.

Ceilings

The authorisation is granted subject to the following upper limits:

- 5% of the share capital;
- maximum repurchase price: €55 per share;
- maximum budget: €1 billion.

In accordance with law, the transactions may be carried out at any time, including during the period of a public offer for the company's shares. It is important that the company should be able, even during the period of a public offer, to buy back its own shares with a view to achieving the objectives of the buyback programme.

Duration of authorisation

Eighteen months.

2 Extraordinary General Meeting

In the twenty-first to thirty-fourth resolutions we ask you to renew certain financial authorisations given to the Board of Directors that may have an impact on the amount of the company's share capital. The purpose of these resolutions is to enable the Board of Directors, under the conditions and within the limits set by the Annual General Meeting, to continue to benefit from authorisations that allow it to finance the development of the company and to carry out financial transactions appropriate for its strategy without being obliged to convene specific extraordinary general meetings.

Resolution 21 – Allows the Board to reduce the share capital by cancelling shares

Object and purpose

To authorise the Board of Directors, if it deems fit, to reduce the share capital, on one or more occasions, up to a limit of 10% of the share capital in any 24-month period, by cancelling some or all of the shares that the company holds or may hold as a result of using the various share buyback authorisations given by the Annual General Meeting, particularly under the twentieth resolution submitted to this Annual General Meeting for approval.

Cancelling shares makes it possible, if the Board of Directors deems fit, to offset the dilution for shareholders resulting from the creation of new shares, for example shares issued under employee share ownership plans or on the exercise of stock options.

Ceiling

Up to 10% of the share capital in any 24-month period.

Duration of authorisation

Eighteen months.

Resolution 22 – Allows the Board to increase the share capital by way of public offering with pre-emptive rights

Object and purpose

To delegate to the Board of Directors the power to increase the share capital by issuing, with pre-emptive rights for existing shareholders maintained, (i) ordinary shares in the company, and (ii) securities of any kind whatsoever, giving access in whatever manner, immediately and/or in the future, to ordinary shares to be issued by Bouygues or by any company of which Bouygues owns directly or indirectly more than half the share capital.

Shareholders would have, in proportion to the number of shares they hold, an irreducible right (and, if the Board so decides, a reducible right) to subscribe for ordinary shares and securities issued pursuant to this resolution.

Ceilings

Capital increase: €150,000,000 in nominal value, or approximately 40% of the current share capital.

Debt securities giving immediate and/or future access to shares in the company: €7,000,000,000.

These two ceilings would apply to all capital increases carried out under the twenty-fourth, twenty-fifth, twenty-eighth, twenty-ninth and thirtieth resolutions submitted to this meeting.

Duration of delegation

Twenty-six months.

Resolution 23 – Allows the Board to increase the share capital by incorporating share premium, reserves or earnings

Object and purpose

To delegate to the Board of Directors the power to increase the share capital by incorporating share premium, reserves, earnings or other amounts which may be incorporated into capital in accordance with applicable law and the articles of association, in the form of an allotment of free shares or by increasing the nominal value of the existing shares, or through a combination of those two procedures.

This resolution is decided on a simple majority of the votes cast.

Ceiling

Capital increase: €4,000,000,000 in nominal value.

Duration of delegation

Twenty-six months.

Resolution 24 – Allows the Board to increase the share capital by way of public offering without pre-emptive rights

Object and purpose

To delegate to the Board of Directors the power to increase the share capital by way of public offering by issuing, without pre-emptive rights for existing shareholders, (i) ordinary shares in the company, and (ii) any securities giving access in whatever manner, immediately and/or in the future, to new ordinary shares to be issued by the company or by any company of which it directly or indirectly owns more than half of the capital.

Ceilings

Capital increase: €85,000,000 in nominal value, or approximately 23% of the current share capital.

Debt securities giving immediate and/or future access to shares in the company: €4,000,000,000.

These transactions would count towards the ceilings set in the twenty-second resolution.

Duration of delegation

Twenty-six months.

Resolution 25 – Allows the Board to increase the share capital by way of private placement without pre-emptive rights

Object and purpose

To permit the Board of Directors to carry out capital increases by way of private placement. The aim is to allow the company to optimise its access to capital markets and to carry out transactions while benefiting from a degree of flexibility. Unlike public offerings, capital increases by way of private placement are intended for persons and entities providing asset management services to third parties, or for qualified investors or for a small group of investors, provided that these investors are acting on their own account.

The securities that may be issued are the same as those under the twenty-fourth resolution.

Ceilings

Capital increase: €75,000,000 in nominal value, or approximately 20% of the current share capital.

20% of the share capital in any 12-month period.

Debt securities giving immediate and/or future access to shares in the company: €3,500,000,000.

These transactions would count towards the ceilings set in the twenty-second resolution.

Duration of delegation

Twenty-six months.

Resolution 26 – Allows the Board to set the issue price in the event of a capital increase without pre-emptive rights

Object and purpose

To authorise the Board of Directors, with the power to sub-delegate, for issues carried out by way of public offering or private placement without pre-emptive rights for existing shareholders, to derogate from the pricing conditions stipulated by applicable regulations at the time this authorisation is used, i.e. on this day by Article R. 225 119 of the Commercial Code, and to set the price for immediate or future issues of equity securities, in accordance with the following provisions.

Setting the issue price

1) For equity securities to be issued immediately, the Board may opt for one of two alternatives:

- either the average price observed over a maximum period of six months prior to the issue date; or
- the volume-weighted average price on the market on the day preceding the issue (1-day VWAP) with a maximum discount of 20%.

2) For equity securities to be issued at a later date, the issue price would be such that the amount received immediately by the company, plus any amount receivable subsequently by the company, would be equal to or greater than the amount referred to in sub-paragraph (1) above in respect of each share.

Ceiling

10% of the share capital in any 12-month period.

Duration of authorisation

Twenty-six months.

Resolution 27 – Allows the Board to increase the number of securities to be issued in the event of a capital increase

Object and purpose

To authorise the Board of Directors to decide, in the case of a capital increase with or without pre-emptive rights for existing shareholders, to increase the number of securities to be issued, during a period of thirty days from closing of subscriptions, up to a limit of 15% of the initial issue, for the same price as the initial issue, subject to compliance with the ceilings set in the resolution pursuant to which such issue is decided. Such an authorisation makes it possible to seize opportunities while benefiting from a degree of flexibility.

Ceiling

15% of the initial issue.

Duration of authorisation

Twenty-six months.

Resolution 28 – Allows the Board to increase the share capital as consideration for contributions in kind to the company consisting of equity securities or securities giving access to the capital of another company outside of a public exchange offer

Object and purpose

To delegate to the Board of Directors, with the power to sub-delegate, the power to carry out, based on the report of expert appraisers, one or more capital increases as consideration for contributions in kind to the company consisting of equity securities or securities giving access to the capital of another company outside of a public exchange offer. The aim of this resolution is to facilitate Bouygues carrying out acquisitions of or mergers with other companies without having to pay a cash price.

Ceiling

Capital increase: 10% of the share capital.

Debt securities giving immediate and/or future access to shares in the company: €1,750,000,000.

These transactions would count towards the ceilings set in the twenty-second resolution.

Duration of delegation

Twenty-six months.

Resolution 29 – Allows the Board to increase the share capital as consideration for securities tendered to a public exchange offer initiated by Bouygues

Object and purpose

To delegate to the Board of Directors the power to carry out, taking into account the opinion of the statutory auditors on the conditions and consequences of the issue, one or more capital increases as consideration for securities tendered to a public exchange offer initiated by Bouygues for securities of a listed company. The aim of this resolution is to enable Bouygues to make an offer to the shareholders of a listed company to exchange their shares for Bouygues shares issued for this purpose, and thereby to enable Bouygues to acquire securities of the company concerned without having to resort to bank loans, for example.

Pre-emptive rights would be waived in favour of the shareholders of the listed company in question.

Ceilings

Capital increase: €85,000,000 in nominal value, or approximately 23% of the current share capital.

Debt securities giving immediate and/or future access to shares in the company: €4,000,000,000.

These transactions would count towards the ceilings set in the twenty-second resolution.

Duration of delegation

Twenty-six months.

Resolution 30 – Allows the Board to authorise the issue by a Bouygues subsidiary of securities giving access to the capital of Bouygues

Object and purpose

To delegate to the Board of Directors the power to authorise the issue, by any company in which Bouygues directly or indirectly holds more than half the capital, of securities giving access to shares in Bouygues. The aim of this delegation is to facilitate a possible merger between a Bouygues subsidiary and another company, with the shareholders of that other company being remunerated with Bouygues shares.

This entails the waiver by Bouygues shareholders of their pre-emptive rights in favour of the holders of the securities thus issued.

Issuance of such securities would be authorised by an Extraordinary General Meeting of the subsidiary in question, while issuance of the Bouygues shares to which those securities give entitlement would be decided upon by the Bouygues Board of Directors on the basis of the present financial authorisation.

Ceiling

Capital increase: €85,000,000 in nominal value, or approximately 23% of the current share capital.

These transactions would count towards the ceiling set in the twenty-second resolution.

Duration of delegation

Twenty-six months.

Resolution 31 – Allows the Board to increase the share capital for the benefit of employees

Object and purpose

To delegate to the Board of Directors the power to increase the share capital for the benefit of employees or corporate officers of Bouygues (and of French or foreign companies related to Bouygues) who are members of a company and/or Group savings scheme, with cancellation of shareholders' pre-emptive rights in favour of the employees and corporate officers for whom the capital increase is reserved.

Bouygues is convinced that it is important to enable employees who so wish to become shareholders in the company. Employee savings schemes and reserved capital increases give employees an opportunity to build up their savings and give them a direct stake and role in the orderly running of the Group, which helps to increase their commitment and motivation. For this reason, the company has implemented a dynamic employee share ownership policy.

Following the capital increases carried out in 2009, 2015, 2016, 2017 and 2018, the leveraged funds set up in association with the employee share ownership plans held 6.84% of the share capital and 8.29% of the voting rights at 31 December 2018.

Setting the subscription price

In accordance with the Labour Code, the subscription price for the new shares may not be more than the average of the quoted prices for the share on the Euronext Paris Eurolist market during the twenty trading days preceding the date of the decision setting the opening date for subscriptions, or more than the maximum legally stipulated percentage below that average.

Ceiling

Capital increase: 5% of the share capital.

Duration of delegation

Twenty-six months.

Resolution 32 – Allows the Board to grant options to acquire new or existing shares to employees or corporate officers

Object and purpose

To authorise the Board of Directors to grant to persons designated by the Board among the salaried employees and corporate officers of the company and companies or economic interest groupings related to the company, stock options giving the beneficiaries the right either to subscribe for or to buy shares in the company. Share subscription or purchase options (collectively referred to as stock options) are awarded by companies to certain employees and/or senior executives (known as the beneficiaries) as long-term remuneration instruments; they align the interest of the beneficiaries with that of the company and its shareholders, since the return on stock options depends on the rise in the share price.

Since 1988, the Board of Directors has always used stock options as the incentive mechanism to secure the loyalty of senior executives and employees and to give them an interest in the Group's development. The objective is and has always been not to grant additional remuneration but to tie these individuals into trends in the Bouygues share price. The decision to grant stock options has been borne out by the positive correlation observed between trends in the Bouygues share price and in net profit attributable to the Group. Close to 900 senior executives and employees are beneficiaries under each plan. Beneficiaries are selected and individual awards determined on the basis of responsibility and performances, with particular attention paid to high-potential executives. No discount is applied when options are granted.

The mechanism is as follows: with the Annual General Meeting's authorisation, the Board of Directors offers some or all employees and/or senior executives of the company the right to subscribe for or purchase shares at a set price, which corresponds to the average value of the share during the twenty trading days preceding the grant date. Once a specified period has elapsed, beneficiaries have a certain timeframe in which to exercise their options. If the share price rises, they can subscribe for or purchase shares at a price below their market value. If the listed price does not rise, there is no point in the beneficiaries exercising their options.

The issue price, the number of shares or options granted and the list of the beneficiaries are decided by the Board of Directors, within the limits laid down by the Annual General Meeting. Information on stock option grants, and the company's general policy for granting stock options, are contained in the special report on stock options and performance shares (see chapter 6, section 6.4.3 of the 2018 Registration Document).

In accordance with the provisions of the Afep-Medef Code, the general policy for granting stock options is debated within the Selection and Remuneration Committee and, on the basis of a proposal by that Committee, approved by the Board of Directors. Any grant of options to the company's Executive Officers (Chairman and Chief Executive Officer, Deputy Chief Executive Officers), and the exercise of options by those Executive Officers, would be subject to performance criteria determined by the Board of Directors. Martin Bouygues and Olivier Bouygues have not been awarded stock option plans since 2010.

Share subscription and purchase price

The price paid to subscribe for or purchase shares may not be less than the average share price quoted on the market for the twenty trading days preceding the day when the options are granted. In other words, no discount is authorised. Furthermore, the purchase price of existing shares may not be less than the average purchase price of own shares held by the company.

Exercise period

The exercise period is set by the Board of Directors, but cannot exceed ten years from the date on which the stock options are granted.

Ceilings

2% of the share capital. Any shares allotted free of charge pursuant to the thirty-third resolution would also count towards that ceiling.

Stock options granted to the Executive Officers of Bouygues (Chairman and Chief Executive Officer and the three Deputy Chief Executive Officers) may not represent more than 0.25% of the share capital in total. Any shares allotted free of charge to the Executive Officers pursuant to the thirty-third resolution would also count towards that sub-ceiling.

Duration of authorisation

Twenty-six months.

Resolution 33 – Allows the Board to allot shares free of charge in favour of employees or corporate officers

Object and purpose

To authorise the Board of Directors to allot shares free of charge to salaried employees and/or corporate officers of Bouygues or of companies and economic interest groupings that are related to Bouygues.

As mentioned above, the Board of Directors has always preferred stock options as a mechanism for building loyalty among senior executives and employees and for giving them a stake in the development of the Group. However, the Board would like to leave itself the possibility of using alternative mechanisms for building motivation and loyalty over the long term.

You are therefore being asked to grant the Board of Directors authorisation to allot existing or new shares free of charge to individuals designated by the Board from among the salaried employees and eligible corporate officers of Bouygues and of companies and economic interest groupings within or outside France that are related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code.

If this authorisation were to be used, the beneficiaries would not acquire ownership of the shares until the end of a minimum vesting period set by the Annual General Meeting, which we propose you set at one year. The vesting period may then be followed by a lock-up period set by the Board, during which the beneficiaries may not sell their shares. The cumulative length of the vesting period and any lock-up period may not be less than two years. The law allows exemptions to the vesting and lock-up periods in the event of death or disability. The process for awarding shares would be similar to that described for stock options (thirty-second resolution), with the caveat that the Board may, on a proposal from the Selection and Remuneration Committee, make awards of free shares wholly or partially contingent on one or more performance conditions.

Ceilings

1% of the share capital.

Shares allotted free of charge to the Executive Officers of Bouygues (Chairman and Chief Executive Officer and the three Deputy Chief Executive Officers) may not represent more than 0.125% of the share capital in total.

Duration of delegation

Twenty-six months.

Resolution 34 – Allows the Board to issue equity warrants ("Breton" warrants) free of charge during the period of a public offer for the company's shares

Object and purpose

To delegate to the Board of Directors the power to issue, if it deems fit, equity warrants during a public offer for the company's shares, with waiver of pre-emptive rights to the ordinary shares in the company to which the warrants would give entitlement.

This means that equity warrants giving entitlement to subscribe on preferential terms to shares in the company could be allotted free of charge to all existing shareholders prior to the expiry of an unsolicited public offer period.

This mechanism is designed to encourage the bidder to either withdraw its offer or make an improved offer for the company. Because warrants dilute the capital, a bidder will respond either by seeking to withdraw its offer, or by negotiating with the Board of Directors with a view to reaching a consensus on a fair valuation of the company such that the warrants would effectively lapse. Issuing share warrants during the period of a public offer is a measure designed to prevent, or at the very least hinder, an attempted public offer. In particular, the Board of Directors can use warrants as a bargaining counter to encourage a bidder to improve the terms of its offer, in the interests of the company's shareholders.

However, the powers thereby granted to the Board of Directors are not unlimited. During the public offer period, the initiator and target company must ensure that their acts, decisions and statements do not compromise the best interests of the company, or the equality of treatment and of access to information for the shareholders of the companies concerned. In addition, if the board of directors of the target company takes a decision which if implemented is liable to frustrate the offer, it must inform the AMF (Article 231-7 of the AMF General Regulation).

This resolution must be decided on a simple majority of the votes cast.

Ceilings

Capital increase: €95,000,000 in nominal value or 25% of the share capital.

The number of equity warrants may not exceed one quarter of the existing number of shares or 95,000,000.

Duration of delegation

Eighteen months.

Resolution 35 – Powers to accomplish formalities

Object and purpose

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

3 Financial authorisations submitted to the Combined Annual General Meeting

The table below summarises the financial authorisations that we ask you to confer on the Board of Directors during the Combined Annual General Meeting of 25 April 2019.

In accordance with paragraph 3 of Article L. 225-37-4 of the Commercial Code, the table summarising the financial authorisations to increase the share capital conferred on the Board of Directors by the Annual General Meeting and currently in force, and the use made of such authorisations during 2018, are set out in the Report on corporate governance in chapter 5, section 5.3.8 of the 2018 Registration Document.

The authorisations mentioned in the table below replace any previous resolutions with the same purpose.

Purpose	Maximum nominal amount	Expiry/Duration
Share buybacks and reduction in share capital		
1. Purchase by the company of its own shares (Resolution 20)	• 5% of the share capital, maximum price of €55 per share • Total outlay capped at €1 billion	25 October 2020 (18 months)
2. Reduce the share capital by cancelling shares (Resolution 21)	• 10% of the share capital in any 24-month period	25 October 2020 (18 months)
Securities issues		
3. Increase the share capital with pre-emptive rights for existing shareholders maintained (Resolution 22)	• Capital increase: €150 million • Issuance of debt securities: €7 billion	25 June 2021 (26 months)
4. Increase the share capital by incorporating share premium, reserves or earnings into capital (Resolution 23)	• €4 billion	25 June 2021 (26 months)
5. Increase the share capital by way of public offering without pre-emptive rights for existing shareholders (Resolution 24)	• Capital increase: €85 million [a] • Issuance of debt securities: €4 billion [a]	25 June 2021 (26 months)
6. Increase the share capital through a private placement (Resolution 25)	• Capital increase: 20% of the share capital over 12 months and €75 million [a] • Issuance of debt securities: €3.5 billion [a]	25 June 2021 (26 months)
7. Set the price for immediate or future issues of equity securities by way of public offering or private placement, without pre-emptive rights for existing shareholders (Resolution 26)	• 10% of the share capital in any 12-month period	25 June 2021 (26 months)
8. Increase the number of securities to be issued in the event of a capital increase with or without pre-emptive rights for existing shareholders (Resolution 27)	• 15% of the initial issue	25 June 2021 (26 months)
9. Increase the share capital as consideration for contributions in kind to the company consisting of equity securities or securities giving access to the capital of another company (Resolution 28)	• 10% of the share capital [a] • Issuance of debt securities: €1.75 billion [a]	25 June 2021 (26 months)
10. Increase the share capital as consideration for securities tendered to a public exchange offer (Resolution 29)	• Capital increase: €85 million [a] • Issuance of debt securities: €4 billion [a]	25 June 2021 (26 months)
11. Issue shares following the issue by a Bouygues subsidiary of securities giving access to shares in Bouygues (Resolution 30)	• Capital increase: €85 million [a]	25 June 2021 (26 months)
12. Issue equity warrants during the period of a public offer (Resolution 34)	• Capital increase: €95 million in nominal value and 25% of the share capital • The number of warrants is capped at one quarter of the number of existing shares and €95 million	25 October 2020 (18 months)
Issues carried out for the benefit of employees and corporate officers of the company or related companies		
13. Increase the share capital for the benefit of employees or corporate officers who are members of a company savings scheme (Resolution 31)	• 5% of the share capital	25 June 2021 (26 months)
14. Grant options to acquire new or existing shares (Resolution 32)	• 2% of the share capital • Executive Officers: 0.25% of the share capital	25 June 2021 (26 months)
15. Allot shares free of charge (Resolution 33)	• 1% of the share capital [b] • Executive Officers: 0.125% of the share capital [b]	25 June 2021 (26 months)

(a) Counts towards the overall ceiling referred to in point 3 (Resolution 22).
(b) Counts towards the ceilings referred to in point 14 (Resolution 32).