

2018 REMUNERATION DISCLOSURES

Report on remuneration in accordance with Article L. 225-37-3 of the French Commercial Code

This chapter contains the reports required by the French Commercial Code and the tables recommended in:

- the AFEP/MEDEF Code of Corporate Governance as revised in June 2018, application of which is overseen by the High Committee on Corporate Governance;
- the AMF Recommendation of 22 December 2008 as amended on 26 November 2018, on executive remuneration disclosures to be included in the registration documents of listed companies.

1.1 REMUNERATION OF THE EXECUTIVE OFFICER

PRINCIPLES AND RULES FOR DETERMINING THE REMUNERATION OF THE EXECUTIVE OFFICER

General preliminary remarks

- The Executive Officer holds an employment contract with Bouygues SA.
- The Board of Directors has not granted the Executive Officer any entitlement to compensation for assumption, cessation or change of office, or for any non-competition undertaking in the event that he leaves the company.
- He has not been granted any deferred annual variable remuneration, multi-year variable remuneration or exceptional remuneration.
- The total remuneration of the Executive Officer takes into account the existence of a capped supplementary pension and the fact that he has not been granted any entitlement to compensation of the type mentioned above.
- Other than directors' fees (see Table 2 below), the Executive Officer does not receive any remuneration from any subsidiary of the Bouygues group or of the TF1 group.

Role of the Board of Directors

The Board of Directors determines the criteria for awarding the variable portion of remuneration, and the overall amount of remuneration, to be paid to the Executive Officer of TF1. Before doing so, the Board consults the Remuneration Committee, which takes into account AFEP/MEDEF recommendations on the remuneration of executive officers of listed companies.

The remuneration determined by the Board of Directors is in the general interests of the company. Three factors are taken into account:

- the company's performance: the Board took the view that the remuneration should be commensurate with the work done and outcomes achieved in a highly complex economic, regulatory and competitive environment;
- stock market performance: the remuneration was considered in light of the company's performance on the stock market, in particular trends in its average share price;
- sector and intra-group comparisons: the remuneration is benchmarked against that awarded to other media sector executives in France and the rest of Europe, and is based on rules that are applied consistently across the Bouygues group's business lines.

This remuneration and the associated social security charges are paid to the Executive Officer by Bouygues (which employs him) and then re-invoiced to TF1. Each year, the TF1 Board of Directors authorises the re-invoicing of this remuneration.

FIXED REMUNERATION

The Executive Officer's fixed remuneration is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 225-53 of the French Commercial Code, after taking advice from the Remuneration Committee. Fixed remuneration is determined in line with the general interests of the company, and takes into account the following factors:

- the level and difficulty of the Executive Officer's responsibilities;
- his experience in the post;
- his length of service with the Group;
- practices followed by the Group or by companies carrying on comparable businesses.

For 2018, Gilles Pélisson's fixed remuneration was set at €920,000.

BENEFITS IN KIND

Benefits in kind consist of the use of a company car and the part-time assignment of a personal assistant and a chauffeur/bodyguard for the personal needs of the Executive Officer.

Those benefits have been valued at €6,220 for the Executive Officer (Gilles Pélisson).

VARIABLE REMUNERATION

General policy on variable remuneration

The criteria for determining variable remuneration are set by the Board in light of AFEP/MEDEF recommendations.

The variable component is an integral part of the Executive Officer's remuneration.

General description of the method used to determine the Executive Officer's variable remuneration

An objective is defined for each criterion.

Those objectives are precisely defined, but are not disclosed for confidentiality reasons.

When an objective is attained, a variable portion corresponding to a percentage of fixed remuneration is awarded. If all five objectives are attained, the sum total of the five variable portions equals the overall cap of 150%, which the variable remuneration of the Executive Officer cannot exceed.

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 below a specified threshold. In any event, the sum total of the five variable portions calculated on this basis cannot under any circumstances exceed the overall cap, which for the Executive Officer is set at 150% of his fixed remuneration.

No deferred annual or multi-year variable remuneration is awarded to the Executive Officer.

The five criteria used to determine the variable portion

On the advice of the Remuneration Committee, since 2010 the Board has attached greater weight to qualitative criteria in the case of the Executive Officer, on the grounds that his performance must be measured by more than just financial results.

The Executive Officer's gross variable remuneration for 2018 is based on the performances of the TF1 and Bouygues groups, measured by reference to significant economic indicators that are stable and relevant over the long term:

- Quantitative:
 - Criterion P1: change in "consolidated net profit attributable to the Group" for Bouygues (30% of fixed remuneration when the objective is met; captures the financial performances of the entire Bouygues group).
 - Criterion P2: variance in TF1 current operating margin relative to the business plan (10% of fixed remuneration when the objective is met; gives the Executive Officer an incentive to improve the financial performances of the TF1 group).
 - Criterion P3: variance in "consolidated net profit attributable to the Group" for TF1 relative to the business plan (25% of fixed remuneration when the objective is met; rewards the Executive Officer for meeting budget commitments).
 - Criterion P4: year-on-year change in "consolidated net profit attributable to the Group" for TF1 excluding exceptional items (35% of fixed remuneration when the objective is met; captures growth performance relative to the previous financial year).
- Qualitative:
 - Criterion P5: this criterion comprises four qualitative sub-criteria, including one related to Corporate Social Responsibility (50% of fixed remuneration when the objectives are met).

In 2014, the Remuneration Committee decided that a Corporate Social Responsibility (CSR) criterion would be added to the qualitative criteria. This criterion is being applied again in 2018, and requires that TF1 retain its place in four extra-financial CSR indices. During 2018, the TF1 group did indeed retain its place in four such extra-financial indices (DJSI, Ethibel, Gaia and Oekom).

The method used to determine annual variable remuneration will be published in the TF1 Registration Document.

Overall cap

The overall cap for variable remuneration is set at 150% of fixed remuneration.

The variable remuneration awarded to Gilles Pélisson (Executive Officer since 19 February 2016) for 2018 was €1,380,000, or 150% of his fixed remuneration.

The variable remuneration paid to the Executive Officer (Gilles Pélisson) in previous years was:

- 2016: 55.5% of his fixed remuneration, following his decision to waive 50% of his variable remuneration; without that waiver, his variable remuneration would have been 115% of his fixed remuneration.
- 2017: 150% of his fixed remuneration.

In addition, the Remuneration Committee decided that from 2017 onwards, if none of the P2, P3 or P4 components were to be payable, the total amount of the P1 and P5 components would be capped at 75% of fixed remuneration, i.e. half of the 150% overall cap.

EXCEPTIONAL REMUNERATION

In exceptional circumstances, the Board of Directors reserves the right, after taking advice from the Remuneration Committee, to award an exceptional bonus.

No exceptional remuneration was awarded to Gilles Pélisson for 2018.

DIRECTORS' FEES

The Executive Officer receives and retains directors' fees paid by TF1.

STOCK OPTIONS AND PERFORMANCE SHARES

Because the Executive Officer (Gilles Pélisson) holds a contract of employment with Bouygues SA, the Bouygues Board of Directors may award him options giving entitlement to subscribe for new Bouygues shares.

During 2018, Gilles Pélisson received options giving entitlement to subscribe for new Bouygues shares; those options were awarded on 1 June 2018 following a decision taken by the Bouygues Board of Directors on 16 May 2018¹.

COMPENSATION FOR ASSUMPTION, CESSATION OR CHANGE OF OFFICE

The Executive Officer is not entitled to compensation or benefits due or potentially due as a result of cessation or change of office, or to any indemnity relating to a non-competition clause.

The Bouygues group and its subsidiaries have not made any commitment or promise regarding the payment of severance benefits to any salaried director. Although not a severance benefit as such, in the event of termination of the employment contract of a director who is an employee of Bouygues SA, that director would be entitled under the relevant collective agreement (in the case of Bouygues SA, the collective agreement for managers in the building industry in the Paris region) to compensation equal to approximately one year's salary.

ANNUAL GENERAL MEETING OF 19 APRIL 2018 – SAY ON PAY

The Annual General Meeting expressed a favourable opinion on the remuneration package awarded to Gilles Pélisson in respect of the 2017 financial year (5th resolution, passed with 86.4% of votes in favour).

The Annual General Meeting also approved the remuneration policy for the Chairman & Chief Executive Officer (principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds awarded to Gilles Pélisson, 6th resolution, passed with 86.4% of votes in favour).

SUMMARY OF THE REMUNERATION OF THE EXECUTIVE OFFICER (GILLES PÉLISSON) IN RESPECT OF THE 2018 FINANCIAL YEAR

No remuneration other than that mentioned in the table below was paid to the Executive Officer by the TF1 and Bouygues groups.

¹ For a description of the principles and rules applied in awarding these options, refer to the Bouygues Registration Document.

TABLE 1 – SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED TO THE EXECUTIVE OFFICER

Gilles Pélisson – Chairman and CEO since 19/02/2016 (€)	2018	2017
Remuneration payable for the year (see Table 2)	2,324,720	2,324,720
Value of options awarded during the year (see Table 4)	148,144	263,736
Value of performance shares awarded during the year (see Table 6)	-	-
TOTAL	2,472,864	2,588,456
Change	- 4%	-

TABLE 2 – REMUNERATION OF THE EXECUTIVE OFFICER (GILLES PÉLISSON)

Gilles Pélisson – Chairman and CEO since 19/02/2016 (€)	2018		2017	
	Gross amounts due before taxes	Gross amounts paid before taxes	Gross amounts due before taxes	Gross amounts paid before taxes
Fixed remuneration	920,000	920,000	920,000	920,000
Change	-	-	-	-
Variable remuneration	1,380,000	1,380,000	1,380,000	510,232 ⁽¹⁾
Change	-	-	-	-
% Variable/Fixed ⁽²⁾	150%	-	150%	-
Cap	150%	-	150%	-
Other remuneration ⁽³⁾	-	-	-	-
Directors' fees	18,500	18,500	18,500	18,500
Benefits in kind	6,220	6,220	6,220	6,220
TOTAL	2,324,720	2,324,720	2,324,720	1,454,952

(1) Gilles Pélisson waived 50% of his variable remuneration for 2016; calculated using the specified criteria, his variable remuneration would have been €1,062,232.

(2) By reference to his fixed annual remuneration of €920,000.

(3) Gilles Pélisson received no additional remuneration whether from TF1, Bouygues, or subsidiaries of TF1.

For 2018, Gilles Pélisson's remuneration amounted to €2,324,720.

Gilles Pélisson's variable remuneration for 2018 was €1,380,000. The quantitative and qualitative criteria were met. Payment is suspended pending adoption of the 6th resolution at the Annual General Meeting of 18 April 2019 ("Ex post approval of components of remuneration and benefits paid or awarded to Gilles Pélisson in respect of 2018").

The following factors were taken into account in determining Gilles Pélisson's remuneration:

- The company's performance: the Board took the view that the remuneration was commensurate with the work done and the quality of outcomes. Factors taken into account included growth in Group audience figures; a 6.21% rise in advertising revenue; and an increase in current operating profit (of €10 million or +5.4%) in a year featuring the Football World Cup. In addition, the Group continued to transform its core business by signing distribution agreements with all the French telecoms operators and Canal+, locking in additional recurring revenue streams. The Group also continued its expansion in production, and firmed up on its digital strategy with the acquisition of the aufeminin group. Finally, the Board looked at trends in the TF1 share price over the last two years. In a media sector that has been on an overall downtrend in recent months, the TF1 share price has fallen, but in line with that of its main European peers: the share has lost 25%, compared with falls of 57% for ProSieben, 42% for ITV and 33% for Mediaset.
- Sector and intra-group comparisons: the remuneration is benchmarked against that awarded to other media sector CEOs in France and the rest of Europe, and is based on rules that are applied consistently across the Bouygues group's business lines.

SUPPLEMENTARY PENSION

The Board meeting of 30 October 2017 authorised the award of a supplementary pension to Gilles Pélisson, Chairman and Chief Executive Officer of TF1, with effect from 1 January 2018. Vesting of his supplementary pension rights is subject to certain conditions, which will apply to the defined-benefit collective pension agreement signed by Bouygues. Entitlement is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary still being with the Group at the date of retirement. Management of the scheme is contracted out to an insurance company.

Performance conditions

Article 229 of the law of 6 August 2015 on growth requires that vesting of the pension rights of executive officers of listed companies in respect of a given financial year be subject to performance conditions.

For 2018, vesting of Gilles Pélisson's annual supplementary pension rights was determined on the basis of the attainment of objectives for average consolidated net profit relative to the annual budget for the 2016, 2017 and 2018 financial years.

For subsequent financial years, the basis will be the annual budget for that financial year and the two immediately previous financial years.

Depending on the level of attainment of the consolidated net profit objectives, the supplementary pension rights will be in a range from a minimum of 0% to a maximum of 0.92% of the reference salary. The criteria have been met for 2018, taking his entitlement to 0.92% of his reference salary.

The annual supplementary pension is capped at eight times the annual upper limit for social security contributions²; for 2018, that cap is €317,856, which is below the ceiling of 45% of reference salary specified in the AFEP/MEDEF Code.

The Board of Directors also authorised the re-invoicing by Bouygues to TF1 of the portion of the premium paid to the insurance company in respect of Gilles Pélisson, for a period of one year from 1 January 2018.

DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE DIRECTORS

The Annual General Meeting of 23 April 2003 set the total amount of directors' fees payable to TF1 directors at €350,000 annually, leaving it to the Board of Directors to determine how this amount should be allocated.

Directors' fees are allocated as follows:

- The theoretical annual fee for each director is €18,500. Since 1 January 2014, 70% of the fees have been allocated on the basis of attendance at Board Meetings, and 30% on the basis of the director's responsibilities.
- Committee members:
 - Audit Committee: €3,000 per member per quarter;
 - Remuneration Committee: €1,350 per member per quarter;
 - Director Selection Committee: €1,350 per member per quarter;
 - Ethics and CSR Committee: €1,350 per member per quarter.

Not all of the €350,000 available for directors' fees was used in 2018.

The total gross amount of directors' fees before taxes paid to directors (including Gilles Pélisson) was €276,406, as indicated in the tables below.

TABLE 3 – DIRECTORS' FEES AND OTHER REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS(€)

Non-executive director		Gross amounts before tax due for 2018	Gross amounts before tax due for 2017
Martin Bouygues	Directors' fees	23,900	20,200
Olivier Bouygues	Directors' fees	18,500	18,500
Fanny Chabirand ⁽¹⁾ (employee representative)	Directors' fees	23,900	23,900
Laurence Danon Arnaud	Directors' fees	30,500	30,500
Pascaline de Dreuzy	Directors' fees	30,500	28,650
Catherine Dussart	Directors' fees	27,142	29,300
Janine Langlois-Glandier	Directors' fees	23,900	23,900
Sophie Leveaux Talamoni ⁽¹⁾ (employee representative)	Directors' fees	21,922	22,050
Philippe Marien	Directors' fees	33,742	35,900
Olivier Roussat	Directors' fees	23,900	22,050
TOTAL		257,906	254,950

(1) Directors' fees due to the employee representative directors were paid directly to two trade unions: CFTC (€21,922) and FO (€23,900).

² The annual upper limit for social security contributions for 2018 is €39,732.

No other remuneration was paid to the non-executive directors in respect of their corporate office.

The only remuneration paid by TF1 to Martin Bouygues, Olivier Bouygues, Olivier Roussat and Philippe Marien was TF1 directors' fees.

The salaried directors, Fanny Chabirand and Sophie Leveaux Talamoni, received no exceptional remuneration in respect of their corporate office in the TF1 group.

Directors' fees paid to the Executive Officer were as follows:

DIRECTORS' FEES PAID TO THE EXECUTIVE OFFICER

(€)	Gross amounts before tax due for 2018	Gross amounts before tax due for 2017
Gilles Pélisson	18,500	18,500
TOTAL	18,500	18,500

1.2 REPORT ON STOCK OPTIONS AND PERFORMANCE SHARES

As required by Articles L. 225-184 and L. 225-197-4 of the French Commercial Code.

This chapter contains the reports required by the French Commercial Code and the tables recommended in the AFEP/MEDEF Code of Corporate Governance or in AMF pronouncements on executive remuneration disclosures to be included in the registration documents of listed companies.

During 2018, the Board of Directors awarded stock subscription options and performance shares.

PRINCIPLES AND RULES FOR AWARDS OF STOCK OPTIONS AND PERFORMANCE SHARES

AUTHORISATIONS GIVEN TO THE BOARD OF DIRECTORS BY THE ANNUAL GENERAL MEETING

Currently valid authorisations: The 24th resolution of the Annual General Meeting of 13 April 2017 renewed, for a 38-month period, the authorisation of the Board of Directors to award to employees and corporate officers of TF1 or related companies, on one or more occasions, options to subscribe for new or existing shares.

The 17th resolution of the Annual General Meeting of 14 April 2016 authorised the Board of Directors, for a 38-month period, to award to employees and corporate officers of TF1 or related companies, on one or more occasions, performance shares which at the Board's discretion may be either existing shares repurchased by the company or new shares issued for the purpose.

To that end, the Annual General Meeting delegated powers to the Board of Directors to set conditions for making such awards, with a view to linking the remuneration of key executives more closely with the performance and future of the Group and with the outcomes of their work.

The maximum amount of such awards was set at 3% of the share capital.

The 17th and 24th resolutions on stock options and performance share awards stipulate that:

- the Board of Directors determines the conditions, in particular the maximum amount for the awarding of stock options or shares to the Executive Officers, as well as the performance criteria applicable to such awards;
- the Board of Directors draws up a list or determines the categories of other beneficiaries of options or shares, and determines the performance criteria applicable to such awards.

Under the 24th resolution on stock options, no discount is permitted. Depending on the circumstances:

- the subscription price must be no less than the average quoted share price over the 20 trading days preceding the date of grant;
- the purchase price of shares must be no less than (i) the average quoted share price over the 20 trading days preceding the date of grant or (ii) the average price at which the shares were purchased by the company pursuant to Articles L. 225-208 and L. 225-209 of the Commercial Code.

Since 2011, the Board of Directors has granted options entitling their holders to subscribe for new TF1 shares subject to performance conditions. The Board of Directors has decided not to award any TF1 stock options or TF1 performance shares to the Executive Officer.

GENERAL RULES ON AWARDS OF STOCK OPTIONS AND PERFORMANCE SHARES

The Board of Directors has taken into account the recommendations of the AFEP/MEDEF code and of the AMF.

The general rules applied are summarised below:

- Stock options or performance shares are awarded to attract key executives and employees, secure their loyalty, reward them, and give them a medium- and long-term interest in the company's development, reflecting their contribution to value creation.
- Stock option and performance share plans are awarded to approximately 150 employees of TF1 (or of Group companies) who sit on any of the three management bodies. Grantees are selected and individual awards decided so as to reflect each beneficiary's responsibilities and performance, with particular attention paid to high-potential executives.
- No stock options or performance shares are awarded to the Executive Officer (Gilles Pélisson).
- No discount is applied to grants of stock options.
- Awards of stock options and performance shares are subject to performance conditions.
- Executives who benefit from these plans are informed about insider trading. Various internal rules have been issued to prevent insider trading. These include establishing a list of individuals with access to privileged information, reminders of prohibitions on trading, and information about stock market law. A dedicated compliance programme was approved and distributed during 2015.
- All TF1 stock option plans and TF1 performance share plans prohibit employees who are on the TF1 insiders list from exercising their options, or selling shares derived from exercised options or awarded shares, during the period preceding publication of the financial statements. That period extends for thirty calendar days up to and including the day of publication of the TF1 half-year and full-year financial statements, and for fifteen calendar days up to and including the day of publication of the quarterly financial statements. This prohibition also applies during any period in which such persons are aware of privileged information, and on the date of publication of such information.
- Options are automatically cancelled on termination of the grantee's employment contract or corporate office, unless given special dispensation or in the event of disability or retirement.

PERFORMANCE CRITERIA APPLICABLE TO STOCK OPTIONS AND PERFORMANCE SHARES AWARDED IN 2018

The following performance criteria determine the number of stock options/performance shares awarded:

- Actual consolidated revenue on a constant structure basis versus budget:
 - if actual performance is equal to or better than 95% of the objectives, 100% of the options and performance shares will vest;
 - if actual performance is equal to or better than 85% but less than 95% of the objectives, the options and performance shares will vest up to the actual percentage performance, calculated on a straight line basis;
 - if actual performance is less than 85% of the objectives, no options or performance shares will vest.
- Actual ratio of current operating profit to consolidated revenue versus budget, provided that ratio is at least 3%:
 - if actual performance is equal to or better than 90% of the objectives, 100% of the options and performance shares will vest;
 - if actual performance is equal to or better than 75% but less than 90% of the objectives, the options and performance shares will vest up to the actual percentage performance, calculated on a straight line basis;
 - if actual performance is less than 75% of the objectives, no options or performance shares will vest.
- A third criterion - attaining a current operating margin rate of 10% in 2019 and 2020 - has been introduced for the 2018 performance share plan:
 - if the actual rates achieved in 2019 and 2020 are greater than or equal to 10%: 100% of the shares awardable under criteria 1 and 2 would be awarded;
 - if the actual rates achieved in 2019 and 2020 are less than 10%: 50% of the shares awardable under criteria 1 and 2 would be awarded.

Options and performance shares would vest as follows:

- 50% on the basis of the arithmetical average of performances for 2018 and 2019 on a constant structure basis, as compared with the budgets for those years;
- 50% on the basis of the arithmetical average of performances for 2019 and 2020 on a constant structure basis, as compared with the budgets for those years.

Each of the two criteria carries a 50% weight.

SPECIFIC RULES APPLICABLE TO CORPORATE OFFICERS

No stock options or performance shares are awarded to the Executive Officer (Gilles Pélisson).

POLICY ON STOCK OPTIONS AND PERFORMANCE SHARES

Acting on a proposal from the Remuneration Committee, the Board has authorised the use of two forms of medium/long-term incentive plan for key executives.

These plans are intended to:

- keep key executives motivated to deliver growth in revenue and profitability (performance shares);
- foster team spirit by setting collective objectives and giving everyone an interest in sustaining the transformation of TF1 over time;
- build the loyalty of executives over the long term (stock options).

APPLICATION OF PERFORMANCE CONDITIONS FOR PREVIOUS PLANS

2011: For stock option plan no.12 (awarded in 2011), 100% of the options have vested. The calculation was made on the basis of the arithmetical average of performances in 2011, 2012 and 2013 on a constant structure basis, as compared with the budgets set in 2010, 2011 and 2012 for the 2011, 2012 and 2013 financial years, respectively.

2012: For plan no. 13 (awarded in 2012), 100% of the options have vested. The calculation was made on the basis of the arithmetical average of performances in 2012, 2013, 2014 and 2015 on a constant structure basis, as compared with the budgets set in 2011, 2012, 2013 and 2014 for the 2012, 2013, 2014 and 2015 financial years, respectively.

2015: For plan no. 14 (awarded in 2015), the performance conditions have been met. 50% of the options have vested on the basis of growth in consolidated revenue and 50% on the basis of the ratio of current operating profit to consolidated revenue. The calculation was made on the basis of the arithmetical average of performances in 2015, 2016 and 2017 on a constant structure basis, as compared with the budgets set in 2014, 2015 and 2016 for the 2015, 2016 and 2017 financial years, respectively.

2016: For stock option plan no. 15 (awarded in 2016) and the performance share plan awarded in 2016, the performance conditions have been met. The calculation was made (i) 50% on the basis of the arithmetical average of performances in the 2016 and 2017 financial years on a constant structure basis, as compared with the budgets set for those financial years and (ii) 50% on the basis of the arithmetical average of performances in the 2017 and 2018 financial years on a constant structure basis as compared with the budgets set for those financial years. Performances for the 2016, 2017 and 2018 financial years were assessed on a constant structure basis by reference to the budgets set in 2015, 2016 and 2017 for the 2016, 2017 and 2018 financial years, respectively.

2017: For plan no. 16 and the performance share plan awarded in 2017, the calculation will be made (i) 50% on the basis of the arithmetical average of performances in the 2017 and 2018 financial years on a constant structure basis, as compared with the budgets set for those financial years and (ii) 50% on the basis of the arithmetical average of performances in the 2018 and 2019 financial years on a constant structure basis as compared with the budgets set for those financial years. Performances for the 2017, 2018 and 2019 financial years will be assessed on a constant structure basis by reference to the budgets set in 2016, 2017 and 2018 for the 2017, 2018 and 2019 financial years, respectively.

Vesting of the stock options and performance shares will be determined by reference to two criteria, each carrying a 50% weight:

1. Actual consolidated revenue on a constant structure basis versus budget
 - If actual performance is equal to or better than 95% of the objectives:
 - ▶ 100% of the stock options and 100% of the performance shares would vest.
 - If actual performance is equal to or greater than 85% but less than 95% of the objectives:
 - ▶ The options and performance shares would vest up to the actual percentage performance, calculated on a straight line basis.
 - If actual performance is less than 85%:
 - ▶ No options or performance shares would vest.

2. Actual ratio of current operating profit to consolidated revenue (versus budget), provided that ratio is at least 3%:
 - If actual performance is equal to or better than 90% of the objectives:
 - ▶ 100% of the stock options and 100% of the performance shares would vest.
 - If actual performance is equal to or better than 75% but less than 90% of the objectives:
 - ▶ The options and performance shares would vest up to the actual percentage performance, calculated on a straight line basis.
 - If actual performance is less than 75%:
 - ▶ No options or performance shares would vest.

The Remuneration Committee will examine the performance criteria on which vesting of the stock options and performance shares is contingent.

GENERAL INFORMATION AND CHARACTERISTICS OF STOCK OPTIONS

- Terms and period of exercise: see Table 8.

STOCK SUBSCRIPTION OPTIONS GRANTED OR EXERCISED IN 2018

STOCK SUBSCRIPTION OPTIONS GRANTED OR EXERCISED DURING THE YEAR

Options giving entitlement to subscribe for TF1 shares were awarded in 2018 (see Table 8).

On 25 April 2018, the Board of Directors approved the granting on 8 June 2018 of 700,900 options, equivalent to 0.3% of the share capital, to 121 grantees from the TF1 group.

The exercise price of €9.83 per share is the average of the quoted market prices on the 20 trading days preceding 8 June 2018.

On the date of grant, the value of each option (as measured using the method applied for the purposes of the consolidated financial statements) was €0.89.

Gilles Pélisson was not awarded any stock subscription options.

During 2018, a total of 63,198 options were exercised, all of them under plan no. 13 (exercise price: €6.17). No discount was applied.

As of 31 December 2018, the only potentially exercisable TF1 stock subscription options were those granted under plan no. 13 (607,485 options, equivalent to 0.3% of the share capital).

STOCK SUBSCRIPTION OPTIONS AWARDED BY TF1 OR ANY GROUP COMPANY, GRANTED TO OR EXERCISED BY THE EXECUTIVE OFFICER DURING THE YEAR

Gilles Pélisson was not awarded any options to purchase or subscribe for TF1 shares in 2018.

In connection with the office he holds at Bouygues, Gilles Pélisson received during 2018 options giving entitlement to subscribe for new Bouygues shares; those options were awarded on 1 June 2018 following a decision taken by the Bouygues Board of Directors on 16 May 2018.

TABLE 4 – OPTIONS GRANTED TO THE EXECUTIVE OFFICER IN 2018

Name of Executive Officer	Plan no. and date	Type of option (purchase or subscription)	Value of option based on method used in consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
	Bouygues plan Board Meeting date: 16/05/2018 Date of grant: 01/06/2018	Subscription	€1.8518	80,000	€41.75	02/06/2020 to 01/06/2028
Gilles Pélisson						
TOTAL			€148,144	80,000		

The exercise price was calculated by reference to the average of the opening quoted market prices on the twenty trading days preceding 1 June 2018; no discount was applied.

TABLE 5 – OPTIONS EXERCISED BY THE EXECUTIVE OFFICER OF TF1 IN 2018

The Executive Officer (Gilles Pélisson) did not exercise any stock subscription options in 2018.

STOCK SUBSCRIPTION OPTIONS AWARDED BY TF1 OR ANY GROUP COMPANY, GRANTED TO OR EXERCISED BY SALARIED DIRECTORS DURING THE YEAR

Options granted to salaried directors in 2018 were as follows:

Name of salaried director	Plan no. and date	Type of option (purchase or subscription)	Number of options granted/ exercised during the year	Exercise price
	Plan no. 17 Board Meeting date: 25/04/2018 Date of grant: 08/06/2018	Subscription	13,000	€9.83
Sophie Leveaux Talamoni				
TOTAL			13,000	

Sophie Leveaux Talamoni did not exercise any stock subscription options in 2018.

PERFORMANCE SHARES

A performance share plan was awarded in 2018.

TABLE 6 – PERFORMANCE SHARES GRANTED TO THE EXECUTIVE OFFICER

No performance shares were awarded by TF1 to the Executive Officer (Gilles Pélisson) in 2018.

TABLE 7 – PERFORMANCE SHARES THAT BECAME AVAILABLE TO THE EXECUTIVE OFFICER DURING THE YEAR

No performance shares became available as none has been awarded by the company to the Executive Officer (Gilles Pélisson).

PAST STOCK OPTION AWARDS AND OTHER INFORMATION

TABLE 8 – PAST STOCK OPTION AWARDS

	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
Date of Shareholders' Meeting	14/04/2011	14/04/2011	17/04/2014	17/04/2014	13/04//2017	19/04/2018
Date of Board meeting	12/05/2011 & 25/07/2011	14/05/2012	29/04/2015	26/04/2016	27/04/2017	25/04/2018
Date of grant	10/06/2011	12/06/2012	12/06/2015	08/06/2016	12/06/2017	08/06/2018
Type of plan	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription
Total number of options granted subject to performance conditions	1,500,000	1,437,200	1,308,800	642,000	710,400	700,900
- to corporate officers	7,200	7,200	16,000	13,000	13,000	13,000
- to the 10 employees awarded the greatest number	272,000	302,000	368,000	114,000	118,000	103,000
Start date of exercise period	10/06/2015	12/06/2016	12/06/2018	08/06/2019	12/06/2020	08/06/2021
Expiration date	10/06/2018	12/06/2019	12/06/2022	08/06/2023	12/06/2024	08/06/2025
Subscription price	€12.47	€6.17	€15.46	€10.99	€11.45	€9.83
Terms of exercise	Options may be exercised and shares sold from 4th anniversary of date of grant	Options may be exercised and shares sold from 4th anniversary of date of grant	Options may be exercised and shares sold from 3rd anniversary of date of grant	Options may be exercised from 3rd anniversary of date of grant and shares sold from 4th anniversary of date of grant	Options may be exercised from 3rd anniversary of date of grant and shares sold from 4th anniversary of date of grant	Options may be exercised from 3rd anniversary of date of grant and shares sold from 4th anniversary of date of grant
Number of shares subscribed at 31 December 2018	274,400	666,915	-	-	-	-
Cumulative number of options cancelled, not awarded, or forfeited	1,225,600	162,800	112,900	54,300	36,100	500
Number of options outstanding at end of period	0	602,485	1,195,900	587,700	674,300	700,400

For an analysis of the movement in the number of options outstanding, refer to note 7-4-6-2 to the TF1 consolidated financial statements for the year ended 31 December 2018. The expense recognised for the stock subscription option plans granted by TF1 is presented in note 7-4-6-3 to the consolidated financial statements. The value per option on the date of grant, calculated according to the Black-Scholes model, is €1.18 (plan no. 12), €0.70 (plan no. 13), €2.75 (plan no. 14), €2.15 (plan no. 15), €1.85 (plan no. 16) and €0.89 (plan no. 17).

The most recently lapsed plan is stock option plan no 11, which expired on 20 March 2016.

STOCK OPTIONS GRANTED TO THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) OF TF1 (OR ANY COMPANY WITHIN THE SCOPE OF COMPANIES ENTITLED TO AWARD STOCK OPTIONS) WHO WERE AWARDED THE MOST OPTIONS IN 2018

Employee	Total number of options awarded/shares subscribed or purchased	Exercise price	Expiry date	Plan no.
Christophe Marx	13,000	9.83	08/06/2025	17
Romain Bessi	13,000	9.83	08/06/2025	17
Frédéric Pedraza	10,000	9.83	08/06/2025	17
Frédéric Carné	10,000	9.83	08/06/2025	17
Nathalie Toulza	9,500	9.83	08/06/2025	17
Laurent Bliaut	9,500	9.83	08/06/2025	17
Tristan Du Laz	9,500	9.83	08/06/2025	17
Jérôme Dessaux	9,500	9.83	08/06/2025	17
Yann Geneste	9,500	9.83	08/06/2025	17
Corinne Derudder	9,500	9.83	08/06/2025	17

STOCK OPTIONS EXERCISED BY THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) OF TF1 WHO EXERCISED THE MOST OPTIONS IN 2018

Employee	Total number of options exercised	Exercise price	Expiry date	Plan no.
Hervé Pavard	7,998	6.17	12/06/2019	13

PAST PERFORMANCE SHARE AWARDS AND OTHER INFORMATION

TABLE 9 – PAST PERFORMANCE SHARE AWARDS

	2016 performance shares	2017 performance shares	2018 performance shares
Date of Shareholders' Meeting	14 April 2016	14 April 2016	14 April 2016
Date of Board meeting	26 April 2016	27 April 2017	25 April 2018
Date of grant	8 June 2016	12 June 2017	8 June 2018
Type of shares	New shares to be issued	New shares to be issued	New shares to be issued
Maximum number of shares awarded subject to performance conditions	170,000	172,000	172,300
to corporate officers	0	0	0
to the 10 employees awarded the most shares	79,600	80,500	86,500
Vesting period	8 June 2016 to 7 June 2019	12 June 2017 to 11 June 2020	8 June 2018 to 7 June 2021
Lock-up period	8 June 2019 to 7 June 2020	12 June 2020 to 11 June 2021	8 June 2021 to 7 June 2022
Date available for sale	From 8 June 2020	From 12 June 2021	From 8 June 2022
Continuing employment condition	Yes	Yes	Yes
Performance conditions	Yes	Yes	Yes
Number of shares vested as of 31 December 2018	-	-	-
Number of shares cancelled or forfeited	9,900	-	3,400
Number of shares not yet vested	160,100	172,000	168,900

The value per performance share on the date of grant, calculated according to the Black-Scholes model, is €11.40 (2016 plan), €11.72 (2017 plan), and €9.38 (2018 plan).

PERFORMANCE SHARES AWARDED DURING THE YEAR BY TF1 (OR ANY COMPANY WITHIN THE SCOPE OF COMPANIES ENTITLED TO AWARD PERFORMANCE SHARES) TO THE TEN EMPLOYEES OF TF1 (OR OF ANY COMPANY WITHIN THAT SCOPE) AWARDED THE MOST PERFORMANCE SHARES

Name	Number of performance shares awarded in 2018	Vesting date
Ara Aprikian:	12,000	08/06/2021
Régis Ravanas:	12,000	08/06/2021
Philippe Denery:	9,000	08/06/2021
Arnaud Bosom:	8,500	08/06/2021
Thierry Thuillier:	8,500	08/06/2021
Olivier Abecassis:	8,500	08/06/2021
Jean-Michel Counillon:	7,500	08/06/2021
Christine Bellin:	7,500	08/06/2021
Maylis Çarçabal:	6,500	08/06/2021
Olivier Jacobs:	6,500	08/06/2021

1.3 OTHER DISCLOSURES ABOUT THE EXECUTIVE OFFICER

TABLE 10 – MULTI-YEAR VARIABLE REMUNERATION OF THE EXECUTIVE OFFICER

No deferred annual or multi-year variable remuneration is awarded to the Executive Officer.

TABLE 11 – OTHER DISCLOSURES ABOUT THE EXECUTIVE OFFICER

	Employment contract		Supplementary pension scheme ⁽²⁾		Compensation or benefits due or liable to become due on cessation or change of office ⁽³⁾		Non-competition indemnity	
	Yes	No	Yes	No	Yes	No	Yes	No
	Gilles Pélisson	X ⁽¹⁾		X ⁽³⁾			X ⁽⁴⁾	

(1) Gilles Pélisson has an employment contract with Bouygues SA, and not with TF1 SA.

(2) See "Supplementary Pension" above. The annual supplementary pension entitlement is set at 0.92% of the reference salary (average of three best years) for each year of scheme membership, subject to a cap set at eight times the annual upper limit for social security contributions (2018 value of the cap: €317,856). This pension scheme is closed, and membership is obligatory. Entitlement is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary still being with the Group at the date of retirement. The Bouygues group is not required to set aside provisions for this supplementary pension, which takes the form of an insurance policy with an insurer from outside the Group. This annual supplementary pension has been subject to the approval procedure for related party agreements.

(3) See "Supplementary Pension" above. "The Annual General Meeting of 13 April 2017 approved the supplementary pension awarded to Gilles Pélisson with 75% of the votes cast. Subject to certain conditions, Gilles Pélisson will be entitled to benefit from a supplementary pension scheme on his retirement. This supplementary pension scheme is subject to performance conditions. Vesting of his annual supplementary pension rights will be subject to conditions relating to performances within his control. Those conditions relate to the attainment of objectives for average consolidated net profit relative to the annual budget:

– for the 2018 financial year: based on the 2016, 2017 and 2018 annual budgets;

– for subsequent financial years, based on the annual budget for that financial year and the two immediately previous financial years.

Depending on the level of attainment of the consolidated net profit objectives, the supplementary pension rights will be in a range from a minimum of 0% to a maximum of 0.92% of the reference salary.

(4) Severance benefits: The Bouygues group and its subsidiaries have not made any commitment or promise regarding the payment of severance benefits to the Executive Officer. Nor has any such commitment or promise been made to the salaried directors of Bouygues. Although not a severance benefit as such, a director who is an employee of Bouygues SA is covered by the relevant collective agreement (in the case of Bouygues SA, the collective agreement for managers in the building industry in the Paris region) and consequently is entitled to any compensation stipulated by that agreement on termination of an employment contract. Any such compensation would be re-invoiced to TF1 on a pro rata basis for the number of years of service as an employee or corporate officer of the TF1 group.