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CORPORATE GOVERNANCE

In accordance with Article L. 225-37 of the French commercial code, this section on Corporate Governance includes the Board's report on corporate governance, the composition of the Board of Directors and the conditions for the preparation and organization of its work (section 6.1 Governance bodies).

In accordance with Article L. 225-4 of the French commercial code, the Company declares that it refers to the Corporate Governance Code for listed companies revised in November 2016 (the AFEP-MEDEF Code).

This report, which is based on feedback from the dialog with our shareholders at the Shareholders' Meeting, was prepared after work completed notably by the Legal Department, working closely with the Human Resources Department, the Finance Department and the Internal Control Department. It was first presented to the Nomination and Compensation Committee on February 2, 2018 and was then approved by the Board of Directors on February 15, 2018.

6.1 GOVERNANCE BODIES

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BOARD OF DIRECTORS

Composition and organization of the Board of Directors

Composition as of December 31, 2017: 16 Directors

Name	Gender	Age	Primary function	Starting date of Director's term	Expiration date of Director's term ^(a)
Franck RIBOUD	Male	62	Director / Honorary Chairman of Danone	1992	2019
Emmanuel FABER	Male	54	Chairman and Chief Executive Officer of Danone	2002	2019
Frédéric BOUTEBBA	Male	50	Director representing employees	2016	2020
Clara GAYMARD ^(b)	Female	58	Co-founder and Chief Executive Officer of Raise and President of Women's Forum	2016	2019
Jacques-Antoine GRANJON ^(b)	Male	55	Chairman and Chief Executive Officer of vente-privee.com	2012	2018
Jean LAURENT ^(b)	Male	73	Chairman of the Board of Directors of Foncière des Régions	2005	2018
Gregg L. ENGLÉS	Male	61	Founder and partner of Capitol Peak Partners	2017	2020
Gaëlle OLIVIER ^(b)	Female	46	Member of the Management Committee of the AXA Group and Chair and Chief Executive Officer of AXA GLOBAL P&C ^(d)	2014	2020
Benoît POTIER ^(b)	Male	60	Chairman and Chief Executive Officer of Air Liquide SA	2003	2021 ^(c)
Isabelle SEILLIER	Female	58	Vice-President of Investment Banking at J.P. Morgan for Europe, the Middle East and Africa	2011	2020
Mouna SEPEHRI ^(b)	Female	54	Executive Vice-President Office of the CEO and Member of the Executive Committee of Renault SAS	2012	2018
Jean-Michel SEVERINO ^(b)	Male	60	Head of I&P SARL	2011	2020
Virginia A. STALLINGS ^(b)	Female	67	Professor of Pediatrics at the Children's Hospital of Philadelphia	2012	2021 ^(c)
Bettina THEISSIG	Female	55	Director representing employees	2014	2020
Serpil TIMURAY ^(b)	Female	48	Member of the Executive Committee of the Vodafone group	2015	2021 ^(c)
Lionel ZINSOU-DERLIN ^(b)	Male	63	Vice-Chairman of the Supervisory Board of PAI Partners SAS	2014	2020

(a) Date of the Shareholders' Meeting.

(b) Independent Director [see section *Review of Directors' Independence* hereafter].

(c) Provided his/her term of office is renewed by the Shareholders' Meeting of April 26, 2018.

(d) Until November 15, 2017.

Lead Independent Director

In accordance with its rules of procedure, the Board of Directors includes a Lead Independent Director, Mr. Jean LAURENT. In light of his decision to not seek renewal of his term of office, the Board of Directors proposes that the shareholders appoint Mr. Michel LANDEL as Director to serve as Lead Independent Director upon his appointment by the Shareholders' Meeting. The Lead Independent Director's powers were enhanced to ensure a balance among the various governance bodies [see hereafter section *Lead Independent Director*].

Employee representatives

Pursuant to Act No. 2013-504 of June 14, 2013 and the Company's by-laws, two Directors representing employees sit on the Board, one appointed by the Works Council and the other by the European Works Council. In addition, a member of the Works Council participates in Board of Directors' meetings in an advisory capacity.

Honorary Chairman

The Board of Directors decided to appoint Mr. Franck RIBOUD as Honorary Chairman in recognition of his invaluable contribution to the Board's work. In this capacity, he may, at the request of the Chairman and Chief Executive Officer, be called upon to share his experience and speak to Danone's teams. He may also be asked to represent Danone, particularly among its long-time partners, and take part in major corporate events.

Honorary Vice-Chairman

The Board of Directors also includes an honorary Vice-Chairman of the Board of Directors, Mr. Michel DAVID WEILL, who was appointed to this function following the Shareholders' Meeting in 2011 and serves in an advisory capacity.

Governance structure

Offices of Chairman of the Board of Directors and Chief Executive Officer combined since December 1, 2017

In 2014, the offices of Chairman of the Board of Directors and Chief Executive Officer were separated to ensure the successful transition between Mr. Franck RIBOUD and Mr. Emmanuel FABER as head of Danone. The chairmanship with enhanced duties was put in place for a period that was to expire before the end of 2017.

At the end of this smooth, seamless and effective transition, the Nomination and Compensation Committee and the Board of Directors held discussions to identify the most appropriate governance structure.

Upon recommendation of the Nomination and Compensation Committee, on October 18, 2017 the Board of Directors unanimously decided to end the chairmanship with enhanced duties and to approve in principle the combination of the offices of Chairman of the Board of Directors and Chief Executive Officer by appointing Mr. Emmanuel FABER as Chairman and Chief Executive Officer as of December 1, 2017.

The Board believed that this governance structure was the most appropriate for several reasons:

- in the past, the decision to combine the functions of Chairman and Chief Executive Officer proved to be consistent with the Company's organization, operation and activity and is therefore in line with Danone's tradition;
- the decision to separate the offices was made for transition purposes;
- this simplified governance structure ensures the Company's unified and effective management. This tighter and therefore more responsive form of governance facilitates decision-making and accountability as well as the Company's strategic leadership;

The Board agreed to discuss annually, as part of its report on its operation and each time the Chairman and Chief Executive Officer's term of office is renewed, the appropriateness of the governance structure chosen.

Balanced distribution of powers

The governance bodies, which are subject to a system of checks and balances, were deemed strong enough to ensure balanced governance. Thus, this balance is ensured, in particular, by the presence of a Lead Independent Director, the independence and powers of the Board and its Committees, and the limits imposed on the Chief Executive Officer as described hereinafter.

In particular, the Chief Executive Officer must obtain the Board of Directors' prior authorization for the following transactions:

Type of transaction	Authorization threshold for Danone's share
Acquisitions or disposals of securities and/or assets, partnerships or joint ventures (in cash or by asset contributions, carried out in one or more transactions)	€250 million per transaction: <ul style="list-style-type: none"> • for acquisitions, partnerships and joint ventures; • for disposals: proceeds received
Any off-balance sheet commitment made by Danone	€100 million
Other investments	€200 million
Internal reorganizations	Any reorganization representing an overall cost exceeding €50 million.

This governance structure, subject to the rules of procedure of the Board and its Committees, therefore provides the necessary safeguards to ensure compliance with best governance practices as part of a return to a unified management approach.

Enhancement of the powers of the Lead Independent Director

On December 14, 2017, the Board decided to implement a more balanced distribution of powers. It therefore amended the provisions of the rules of procedure by expanding the duties, resources and responsibilities of the Lead Independent Director, particularly as regards setting the agenda for Board meetings and facilitating the dialog with shareholders (see hereafter section *Lead Independent Director*).

Independence and powers of the Board and Committees

The composition of the Board of Directors contributes to the balance of powers, particularly with the high proportion of Independent Directors, which allows the Board to exercise full oversight of the Chief Executive Officer. All the Committees are chaired by Independent Directors. All the members of the Audit Committee and the Nomination and Compensation Committee are Independent Directors. The full involvement of the Directors in the work of the Board and Committees, their diverse profiles and the regular meetings of the external Directors also ensure this balance.

The Directors' ability to convene directly the Board in case of emergency also contributes to the balance of powers. This convening, which may be verbal, can result from a decision made by the majority of the current Directors, or by one-third of them if the Board of Directors has not met in more than two months.

Limits on the powers of the Chief Executive Officer

The rules of procedure provide for limits on powers exceeding the legal requirements beyond which any decision must be authorized in advance by the Board of Directors (see details in table hereinafter).

Powers of the Chief Executive Officer

The Chief Executive Officer has full power to act in all circumstances in the name of the Company, within the scope of its corporate purpose and subject to the powers that the law expressly attributes to shareholders' meetings and to the Board of Directors. The Board of Directors' rules of procedure provide for limits to these powers for certain decisions which, due to their purpose or the sums involved, are subject to prior approval by the Board.

Thus, the Board of Directors must approve strategic investment projects and all transactions, namely acquisitions or disposals, which may significantly impact Danone's results, its balance sheet structure or its risk profile.

Lead Independent Director

Presentation of the Lead Independent Director

In existence since 2013

In 2013, discussions with the Company's shareholders brought to the attention of the Board of Directors the fact that certain shareholders perceived corporate governance risks in combining the offices of Chairman of the Board of Directors and Chief Executive Officer.

The Board believed it was appropriate to make the appointment of a Lead Independent Director mandatory when the functions of Chairman of the Board of Directors and Chief Executive Officer are combined in order to provide additional assurance as to the smooth operation of the Board and the balance of powers within General Management and the Board. On February 18, 2013 the Board of Directors therefore amended the rules of procedure to create the position of Lead Independent Director.

The Lead Independent Director is appointed by the Board of Directors from among the Independent Directors, upon proposal of the Nomination and Compensation Committee. He/she remains in office throughout the duration of his/her term of office. Each time the Lead Independent Director's term of office expires, the Board completes a review of the operation of this office and re-examines its holder's powers in order to adapt them if necessary.

Appointment of Mr. Jean LAURENT from 2013 to 2018

Mr. Jean LAURENT was appointed Lead Independent Director in 2013. He has held this position within the Board since then and therefore supported Danone's governance transition process. Mr. Jean LAURENT decided to not seek renewal of his term of office as Director.

Appointment of Mr. Michel LANDEL, subject to approval of his appointment as Director by the 2018 Shareholders' Meeting

On December 14, 2017, the Board of Directors decided to appoint Mr. Michel LANDEL as Lead Independent Director upon and subject to his appointment as Director by the 2018 Shareholders' Meeting.

Enhancement of the powers of the Lead Independent Director in 2017

In 2017, as part of the combination of the offices of Chairman of the Board of Directors and Chief Executive Officer, the Board decided to enhance the powers of the Lead Independent Director. In this respect, the Lead Independent Director was given a greater role in shareholder relations, enabling him to now be informed directly of their demands, meet with them, when necessary, without the Chairman and Chief Executive Officer, and convey their concerns regarding governance to the Board. The Lead Independent Director's involvement in organizing the Board's work was also enhanced, particularly by allowing him/her to be consulted on the agenda and schedule of Board meetings, to require that Board meetings be convened for a specific agenda and to maintain an open and regular dialog with each of the Directors.

Responsibilities and powers of the Lead Independent Director

Organization of the Board's work and relations with Directors

The Lead Independent Director:

- is consulted on the agenda and schedule of Board meetings and may propose additional agenda items to the Chairman. He/she may require that the Chairman convene a Board meeting for a specific agenda;
- chairs Board meetings in the Chairman's absence;
- participates in the recruitment process of members of the Board of Directors;

- ensures that the Directors are capable of performing their duties under the best possible conditions, and particularly that they are properly informed prior to Board of Directors' meetings;
- acts as a link between the Independent Directors and the other Board members and General Management. He/she maintains a regular and open dialog with each of the Directors, particularly the Independent Directors, and organizes a meeting of the external Directors at least once a year;
- prevents conflicts of interest from occurring, particularly by taking measures to raise awareness. He/she brings any conflicts of interest involving the corporate officers and other Board members that he/she has identified to the attention of the Board of Directors;
- ensures compliance with the Board of Directors' rules of procedure;
- participates in the Board of Directors' assessment process.

Relations with shareholders

The Lead Independent Director:

- receives questions from shareholders regarding governance and ensures that they are answered;
- assists the Chairman or the Chief Executive Officer to answer questions from shareholders, makes himself/herself available to meet with some of them, even without the Chairman and Chief Executive Officer, and conveys shareholders' concerns regarding governance to the Board.

Participation in Board of Directors' Committees

The Lead Independent Director:

- may be appointed by the Board of Directors to serve as Chairman or member of one or more Board of Directors' Committees. In any case, he/she may attend Committee meetings and has access to the work of all the Committees;
- in particular, the Lead Independent Director is involved in the work of the Nomination and Compensation Committee concerning the annual performance assessment and recommendations regarding the compensation of the corporate officers, even if he/she is not the Chairman or a member of the Nomination and Compensation Committee.

Means

The Lead Independent Director:

- has access to all documents and information that he/she deems necessary to fulfill his/her duties. He/she may, in performing his/her functions, request the completion of external technical studies at the Company's expense;
- is regularly informed of the Company's activity. He/she may also meet with the operational or functional managers, at his/her request and after informing the Chairman and the Chief Executive Officer;
- may also request assistance from the Board secretary in order to perform his/her duties.

Report

The Lead Independent Director reports on the execution of his/her duties once a year to the Board of Directors. During Shareholders' Meetings, he/she may be asked by the Chairman to report on his/her actions.

Work

In 2017, the work of the Lead Independent Director included the following:

- active participation in the discussions regarding the change in the governance structure and in the process resulting in the decision to combine the offices of Chairman of the Board of Directors and Chief Executive Officer;
- heading the process of selecting the future Lead Independent Director;
- review of the conflict of interest questionnaires;
- organization and participation in the meeting of the external Directors;
- visits to foreign sites and operations;
- participation in the annual strategic seminar for Danone senior executives.

Rules applicable to the composition, organization and governance of the Board of Directors

Diversity policy within the Board of Directors and Committees

The Board of Directors gives special attention to its composition, particularly in terms of promoting its diversity and that of its Committees. In fact, this diversity is essential for the Board as it is a source of vitality, creativity and performance and ensures the quality of the Board's discussions and decisions. To this end, it has implemented a policy regarding the composition of the governance bodies to achieve a balanced representation, particularly in terms of independence, gender, age and seniority of the Board, and to promote diverse cultures, skills, experience and nationalities. In particular, the Board ensures that its members' skills are varied, in line with the long-term strategic policies and cover the fast moving

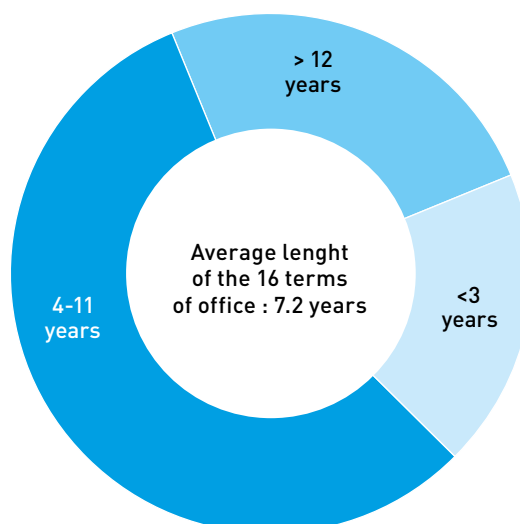
consumer goods industry, the food and beverage industry, nutrition, governance, operational management of companies, international experience, finance, mergers and acquisitions and corporate social and environmental responsibility. The Board also focuses on ensuring that its members' profiles are complementary and in line with Danone's strategy and that a balance exists between the oldest Directors and recent appointees, which gives the Board both vitality and experience. The diversity of the Board's composition is also ensured by the length of the terms of office (three years) and the fact that their expiration dates are staggered. Lastly, the Board regularly reviews its composition and that of its Committees and identifies the steps to be taken to ensure the best possible balance.

Diversity and expertise of the Board members as of December 31, 2017 and compatibility with their membership on the Committee to which they were appointed

Nom	Directors' expertise							Board Committees			
	FMCG / food and beverage industry	Operational management of large companies / governance of listed companies	Experience in emerging markets	International experience	Finance / Audit / M&A	Social and environmental responsibility	Nutrition / Health	Audit Committee	Nomination and Compensation Committee	Social Responsibility Committee	Strategy Committee
Franck RIBOUD	✓	✓	✓	✓	✓	✓	✓				•
Emmanuel FABER	✓	✓	✓	✓	✓	✓	✓				•
Frédéric BOUTEBBA	✓										
Clara GAYMARD		✓		✓		✓			•		
Jacques-Antoine GRANJON	✓	✓									
Jean LAURENT		✓		✓	✓	✓			C		
Gregg L. ENGLÉS	✓	✓	✓	✓	✓	✓	✓				
Gaëlle OLIVIER		✓	✓	✓	✓	✓		•			
Benoît POTIER		✓	✓	✓	✓				•		C
Isabelle SEILLIER		✓		✓	✓						•
Mouna SEPEHRI		✓	✓	✓	✓	✓		•			
Jean-Michel SEVERINO		✓	✓	✓	✓	✓	✓	C			•
Virginia A. STALLINGS				✓			✓			C	
Bettina THEISSIG	✓					✓	✓			•	
Serpil TIMURAY	✓	✓	✓	✓	✓	✓	✓			•	
Lionel ZINSOU-DERLIN	✓	✓	✓	✓	✓	✓	✓		•		

Committee member: • Committee Chairman: C

Breakdown of the length of Board members' terms of office and average length of terms of office as of December 31, 2017



Change in the composition of the Board of Directors proposed to the Shareholders' Meeting of April 26, 2018

Changes in the composition of the Board of Directors that occurred in 2017 and are planned for 2018 - French Financial Markets Authority recommendation No. 2012-02

	Departures	Appointments	Renewals
Board of Directors' meeting of April 27, 2017^(a)			Bettina THEISSIG Frédéric BOUTEBBA
Shareholders' Meeting of April 27, 2017	Bruno BONNELL	Gregg L. ENGLES	Gaëlle OLIVIER Isabelle SEILLIER Jean-Michel SEVERINO Lionel ZINSOU-DERLIN
Shareholders' Meeting of April 26, 2018	Jean LAURENT Mouna SEPEHRI Jacques-Antoine GRANJON	Michel LANDEL Cécile CABANIS Guido BARILLA	Benoît POTIER Virginia A. STALLINGS Serpil TIMURAY

(a) Board of Directors' meeting at which these renewals were acknowledged.

Presentation of Directors whose proposed appointment is subject to approval by the Shareholders' Meeting of April 26, 2018

The proposed appointment of Mr. Michel LANDEL, former Chief Executive Officer of SODEXO, is subject to approval by the Shareholders' Meeting of April 26, 2018. If approved, this proposed appointment will enhance the diversity and complementarity of the profiles within Danone's Board of Directors given Mr. Michel LANDEL's international expertise in the fast moving consumer goods sector and in-depth knowledge of the food and beverage industry.

The proposed appointment of Mrs. Cécile CABANIS, Danone's EVP, Chief Financial Officer, IS/IT, Cycles & Procurement, is subject to approval by the Shareholders' Meeting of April 26, 2018. The appointment of Mrs. Cécile CABANIS as a Board member is consistent with Danone's long-time practice, which encourages the presence of members of management on the Board of Directors. In fact, her

appointment would enrich the Board's operational approach while also increasing its diversity and enhancing its skills thanks to her extensive expertise in finance, her knowledge of the food and beverage industry and her experience both in France and internationally.

The proposed appointment of Mr. Guido BARILLA, Chairman of the Board of Directors of BARILLA, is subject to approval by the Shareholders' Meeting of April 26, 2018. If approved, Mr. Guido BARILLA will bring a highly valuable contribution to the Board's activities in particular thanks to his experience as an officer of a worldwide food company which he contributed to turn into a world leader, his marketing expertise as well as his in-depth knowledge of the global issues of the food sector and of the sustainable management of agricultural resources.

Composition of the Board of Directors and its Committees

Characteristics of the Board of Directors subject to approval by the Shareholders' Meeting of April 26, 2018 of the proposed renewals and appointments

	Composition subsequent to the Shareholders' Meeting held in			
	2015	2016	2017	2018
Rate of independence	77%	79%	71%	64%
Percentage of women	38%	43%	43%	43%
Average age of Directors	55.4 years	56.4 years	57.4 years	58.1 years
Average length of terms of office	6.9 years	7.3 years	7.2 years	7.1 years
Percentage of Directors of non-French nationality	31%	29%	36%	36%

The Board continued to increase the percentage of female members, in particular by appointing a woman to chair one of its Committees for the first time, and to enhance the diversity and expertise of its members through the appointment of Mr. Gregg L. ENGLES by the Shareholders' Meeting of April 27, 2017 and Mr. Michel LANDEL, Mrs. Cécile CABANIS and Mr. Guido BARILLA by the Shareholders' Meeting of April 26, 2018.

Therefore, following the Shareholders' Meeting of April 26, 2018, subject to a favorable vote by the Meeting, the rate of independence of the Board of Directors would be:

- 64% based on the Board of Directors' assessment;
- 57% by strictly applying the criteria of the AFEP-MEDEF Code.

The percentage of women would still be higher than the percentage required by French law, which requires such percentage to be at least 40%.

Methodology concerning Directors representing employees

Directors representing employees are not included:

- in accordance with the recommendations of the AFEP-MEDEF Code, in the calculation of the rate of independence of the Board of Directors;

- in accordance with applicable laws, in the calculation of the percentage of women on the Board;
- consequently and to ensure the consistency of the data presented, in the calculation of the average age, the average length of the term of office and the percentage of Directors of non-French nationality.

Rules applicable to the operation of the Board of Directors**Directors' terms of office****Length and renewal of terms of office**

Pursuant to the by-laws, Directors are appointed for a three-year term of office that may be renewed. The term of office of a Director who is an individual expires automatically at the end of the Shareholders' Meeting convened to vote on the past fiscal year's statutory financial statements and held in the year during which such Director has turned or will turn 70. However, upon a decision of the Shareholders' Meeting, this age limit does not apply to one or more Directors who may remain in office or be reappointed one or more times, so long as the number of Directors concerned by this decision does not exceed one-fourth of the number of Directors in office.

In order to support the smooth renewal of the Board, the Directors' terms of office are staggered. The regular renewal of such terms of office by shareholders is thus facilitated (i) due to the fact that the by-laws limit the terms of office to three years and (ii) by spreading the expiration dates of the various terms of office and thereby enabling the Shareholders' Meeting to vote on the terms of office of several Directors each year.

Holding of DANONE shares by the Directors

Although French law no longer requires a minimum shareholding by directors, Danone's by-laws, in accordance with the AFEP-MEDEF Code, require each Director (except for the Directors representing employees) to hold a minimum of 4,000 shares. For information purposes, 4,000 DANONE shares represent an amount of €279,800 based on the share closing price on December 29, 2017.

Rules of procedure

The Board of Directors adopted rules of procedures, which set out the Directors' rights and obligations and the Board's method of operation for the first time in 2002.

These rules:

- are reviewed on a regular basis and have been amended following regulatory developments and several Board of Directors' self-assessments;
- were amended several times in 2017, particularly within the framework of the change in the conflict of interest management procedure, the end of the chairmanship with enhanced duties and the expansion of the Lead Independent Director's powers;
- are published on Danone's website and a number of provisions are summarized hereinafter.

Summary of the main provisions of the Rules in force**General**

The Board of Directors sets the Company's business policies and ensures that they are implemented. It votes on all decisions concerning Danone's major strategic, economic, social, financial, environmental and technological policies.

The Board of Directors is a collegiate body that meets at least five times a year.

In addition, the independent Directors meet at least once a year on the proposal of the Lead Independent Director, who may invite the Company's other external Directors to attend the meeting.

The Board of Directors may create one or more specialized Committees and determine their composition, powers and rules of operation. The Committees perform their duties under the Board of Directors' responsibility.

The Committees are composed solely of Directors: their members are appointed by the Board of Directors upon the recommendation of the Nomination and Compensation Committee. They are appointed in their individual capacity and may not appoint a proxy to represent them.

Directors' Code of Ethics

Each year, after reviewing the opinion of the Nomination and Compensation Committee, the Board of Directors individually considers the situation of each Director in light of the AFEP-MEDEF Code independence rules.

Duty to report conflicts of interest

Each Director must, at all times, make every effort to avoid carrying out activities or completing transactions that could give rise to a conflict of interest with Danone. Each Director must inform the Board Secretary in advance of any conflict of interest, including potential or future conflicts of interest, that he/she has or is liable to have, in order to obtain the Secretary's approval. The Board Secretary may, where applicable and if he/she deems necessary, seek the opinion of the Nomination and Compensation Committee prior to giving such approval.

Each Director must provide a sworn statement indicating whether or not he/she has any conflicts of interest, including potential conflicts of interest, (i) at the time he/she takes office, (ii) annually, in response to the Company's request when preparing the Registration Document, (iii) at any time, if requested by the Chairman of the Board of Directors or, where applicable, the Lead Independent Director, and (iv) within 10 business days of the occurrence of any event that causes a Director's previously filed statement to become inaccurate, in whole or in part.

A Director who has a conflict of interest, including a potential conflict of interest, must refrain from participating in discussions and voting on the matter in question.

Market ethics

Generally speaking, Directors are bound by a duty of care and due diligence, as well as an obligation to take special care with respect to any transactions involving DANONE shares or any financial instruments related to such shares. They must therefore comply with regulations regarding insider trading. In particular, they are required to comply with the applicable stock exchange regulations related to (i) the definition, use and disclosure of inside information, (ii) the provision of a list of persons closely associated with them, (iii) compliance with blackout periods, and (iv) the reporting of transactions involving DANONE shares.

Board of Directors' assessment

The Board of Directors' performance is assessed every two years. This assessment may be a self-assessment, an assessment by the Nomination and Compensation Committee or an assessment by a third-party organization. Once a year, the Board devotes one item on its agenda to a discussion of its operation.

Training of Directors

All Directors are entitled to the training they need to perform their duties, either upon appointment or during their term of office. This internal or external training enables them to fully understand Danone's business, risks and organization, or to develop certain specific skills. Training is organized and paid for by the Company. The Directors representing employees receive suitable training to carry out their terms of office as soon as they assume their position.

The Board Secretary is responsible for providing the Directors with working documents. More generally, he/she is available to them for any request for information regarding their rights and obligations, the Board's operation or the Company's activities. In addition, the Directors may, at any time, ask the Chairman to provide them with all information and documents they deem necessary to perform their duties.

Operation during the fiscal year

Review of Directors' independence

On February 15, 2018, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, conducted its annual review of the independence of each of the Directors based on the independence criteria defined by the rules of procedure in accordance with the AFEP-MEDEF Code. It determined that, as of February 5, 2018, 10 of the 14 Directors were independent and 4 were not independent, resulting in an independence rate of 71%; the two Directors representing employees were not assessed in accordance with the recommendations of the AFEP-MEDEF Code.

Danone applies the recommendations of the AFEP-MEDEF Code, with the exception of the independence criterion whereby holding a term of office for more than 12 years is *ipso facto* sufficient to result in the loss of independence. In fact, the Board has on many occasions reaffirmed the importance it places on the Company's cultural factors in order to assess the pertinence and feasibility of the projects submitted to it. It believes that Danone's culture constitutes a unique competitive advantage that benefits both itself and

its shareholders. Along these lines, the Board has noted that many years of experience as a Board member allow a better understanding of the cultural traits specific to the Company and its mission and therefore helps to inform the Board's work and allows its members to make critical and independent decisions while preserving Danone's identity and culture over the long term. Based on these assessment criteria analyzed on a practical, regular and individual basis, the Board of Directors decided that the 12-year criterion defined by the AFEP-MEDEF Code, among five other criteria, was not in itself sufficient to cause the member to lose his/her independent status.

When examining the business relationship between a Director and Danone to determine whether there are significant business relations that may affect a Director's independence, the criteria used by the Board are both quantitative and qualitative and include namely the amount of sales generated between Danone and the company or group that the Director represents, in both absolute and relative terms, and an analysis of the nature of the existing relationship.

Non-independent Directors

Emmanuel FABER	Corporate officer of Danone
Franck RIBOUD	Former corporate officer of Danone
Isabelle SEILLIER	<p>Senior executive at the J.P. Morgan group</p> <p>The Nomination and Compensation Committee and the Board specifically examined the business relationship between Danone and J.P. Morgan, which is one of the banks with which Danone regularly conducts business. Although Mrs. Isabelle SEILLIER has no decision-making power in the contracts entered into between the two groups and does not receive compensation related to these contracts, the Board believed that this business relationship could potentially create a conflict of interest given the very nature of the business relationship, as J.P. Morgan is a bank that Danone regularly uses, particularly for financing. The Board therefore decided to consider Mrs. Isabelle SEILLIER a non-independent Director.</p> <p>In that context, at the recommendation of the Nomination and Compensation Committee, the Board has taken various steps to ensure that potential conflicts of interest related to Mrs. Isabelle SEILLIER's functions are managed by Danone, in particular: (i) Mrs. Isabelle SEILLIER's automatic abstention from participating in discussions and voting on any matter that could put her in a situation where even a potential conflict of interest exists, (ii) express mention in the Board of Directors' report to the Shareholders' Meeting of her designation as a non-independent Director and the existence of potential conflicts of interest involving her, (iii) for any new agreement between Danone and J.P. Morgan which, given its nature and/or amount, would constitute a regulated agreement: full transparency as to the terms of compensation of J.P. Morgan by Danone and submission to a vote by the shareholders – by a separate resolution – at the next Shareholders' Meeting, and (iv) Mrs. Isabelle SEILLIER's non-involvement in the negotiation and implementation of agreements entered into between Danone and J.P. Morgan.</p>
Gregg L.ENGLES	<p>Founder and partner of Capitol Peak Partners and former corporate officer of The WhiteWave Foods Company</p> <p>The Nomination and Compensation Committee and the Board reviewed his situation based on the rules of the AFEP-MEDEF Code defining the independence criteria for Directors and, in particular, in light of Danone's acquisition of The WhiteWave Foods Company in April 2017. The Board therefore decided to consider Mr. Gregg L. ENGLES a non-Independent Director given that he is a former corporate officer of The WhiteWave Foods Company, which is now controlled by Danone.</p> <p>As a reminder, pursuant to the recommendations of the AFEP-MEDEF Code, various measures related to preventing conflicts of interest are set out in the rules, including: (i) prior notice given by Mr. Gregg L. ENGLES to the Board Secretary of any conflict of interest, including potential or future conflicts of interest, that he has or is liable to have, in order to obtain the Secretary's approval, (ii) the obligation to provide a sworn statement indicating whether or not he has a conflict of interest at the time he takes office, each year at the time of preparation of the Company's Registration Document or at any time if requested by the Chairman of the Board of Directors or, where applicable, the Lead Independent Director, and (iii) within 10 business days of the occurrence of any event that causes a Director's previously filed statement to become inaccurate, in whole or in part. In addition, Mr. Gregg L. ENGLES must refrain from participating in discussions and voting on any matter that could put him in a situation where even a potential conflict of interest exists.</p>

Independent Directors

The Board concluded that the following directors were independent:

- Mr. **Benoît POTIER**: a Director for more than 12 years, the Board noted, in addition to the above explanation regarding the Board of Directors' assessment of the 12-year seniority criterion, the strong contribution to the Board's discussions by Mr. Benoît POTIER, Chairman and Chief Executive Officer of Air Liquide, one of the largest CAC 40 companies, as well as his ability to think and express himself freely. Mr. Benoît POTIER also presents himself as a very independent thinker. Moreover, the Board noted the absence of a significant business relationship between Mr. Benoît POTIER and Danone based on the criteria presented above.
- Mr. **Jean LAURENT**: a Director for more than 12 years, the Board noted, in addition to the above explanation regarding the Board of Directors' assessment of the 12-year seniority criterion, the objectivity that Mr. Jean LAURENT has always demonstrated during the Board's discussions and decisions, his ability to express his beliefs and make informed and critical decisions, when necessary, and his in-depth knowledge of Danone. Moreover, the Board noted the absence of a significant business relationship between Mr. Jean LAURENT and Danone based on the criteria presented above;
- Mrs. **Gaëlle OLIVIER**, Mrs. **Mouna SEPEHRI**, Mrs. **Serpil TIMURAY**, Mrs. **Clara GAYMARD**, Mrs. **Virginia A. STALLINGS** and Mr. **Jacques-Antoine GRANJON**, Mr. **Jean-Michel SEVERINO** and Mr. **Lionel ZINSOU-DERLIN**: the Board confirmed that they meet all the AFEP-MEDEF Code independence criteria, particularly as regards the absence of a business relationship between them and Danone, and therefore confirmed their designation as independent Directors.

Situation as of February 15, 2018 of each Director with regard to the independence criteria defined by the AFEP-MEDEF Code - French Financial Markets Authority recommendation No. 2012-02

Name	Employee or executive director and officer during the past five years ^(a)	Cross-directorships ^(a)	Significant business relationship ^(a)	Family relationship ^(a)	Statutory audit ^(a)	Term of office exceeding 12 years ^{(a) (b)}
Franck RIBOUD		✓	✓	✓	✓	
Emmanuel FABER		✓	✓	✓	✓	
Frédéric BOUTEBBA		✓	✓	✓	✓	✓
Clara GAYMARD	✓	✓	✓	✓	✓	✓
Jacques-Antoine GRANJON	✓	✓	✓	✓	✓	✓
Jean LAURENT	✓	✓	✓	✓	✓	✓ (b)
Gregg L.ENGLES		✓	✓	✓	✓	✓
Gaëlle OLIVIER	✓	✓	✓	✓	✓	✓
Benoît POTIER	✓	✓	✓	✓	✓	✓ (b)
Isabelle SEILLIER	✓	✓		✓	✓	✓
Mouna SEPEHRI	✓	✓	✓	✓	✓	✓
Jean-Michel SEVERINO	✓	✓	✓	✓	✓	✓
Virginia A. STALLINGS	✓	✓	✓	✓	✓	✓
Bettina THEISSIG		✓	✓	✓	✓	✓
Serpil TIMURAY	✓	✓	✓	✓	✓	✓
Lionel ZINSOU-DERLIN	✓	✓	✓	✓	✓	✓

(a) "✓" means that the independence criterion is met; no sign means that it is not met.

(b) Concerning the application of the criterion of a term of office exceeding 12 years, see section *Review of Directors' independence* above.

Conflicts of interest

To the Company's knowledge:

- there are no family ties among the Company's corporate officers. Moreover, during the last five years, no executive director and officer has been convicted of fraud, declared bankrupt, been placed in receivership or liquidation, been officially and publicly accused and/or penalized by any statutory or regulatory authority, or been prohibited by a court from being a member of a company's administrative, management or supervisory body or from participating in the management or administration of a company's business;
- there are no potential conflicts of interest between any Director's duties to the Company and their private interests and/or other duties, with the exception of Mrs. Isabelle SEILLIER and Mr. Gregg L. ENGLES (see section *Review of Directors' independence* above).

On the date of this Registration Document, no executive director and officer is connected to the Company or one of its subsidiaries via a service contract granting any benefits whatsoever.

Training of Directors

When assuming their positions, all new Directors receive documents and information that enable them to know and understand Danone and its culture and its specific accounting, financial and operating characteristics.

Danone offers (i) each new Director an extensive integration process that includes individual meetings with several Directors and individual interviews with members of General Management and the Executive Committee, and (ii) all Directors the opportunity to attend presentations by directors of Danone's main functions as

well as regular on-site visits. For example, Mr. Gregg L. ENGLES, a Director appointed in 2017, completed an integration program in 2017 that included several individual interviews with members of General Management and the Executive Committee and attended presentations by several directors of Danone's main functions.

To ensure that Danone's unique culture is shared and preserved, Directors participate in major events organized by Danone. In addition, during their term of office, Directors also receive regular press summaries containing articles about Danone and its environment, as well as analysts' reports regarding DANONE shares.

Involvement of Directors outside of Board meetings

Danone's Directors are involved in activities other than Board meetings:

They have discussions among themselves and with Danone's corporate officers outside of Board meetings. They also meet informally outside of Board meetings, including for social gatherings. In particular:

- they regularly attend working days in Evian, where an annual seminar is held for all Danone senior executives during which Danone's strategy and those of its various Divisions are discussed in detail;
- they also participate in annual strategic presentations.

Directors' attendance fees

The rules related to the payment of attendance fees are presented in detail in section 6.3 *Compensation and benefits of governance bodies*.

Work

The Board of Directors met six times in 2017 (nine times in 2016, due mainly to the acquisition of The WhiteWave Company). The average length of each meeting was three hours and 4 minutes (two hours and 15 minutes in 2016).

Directors' attendance, expressed by their rate of participation at these meetings, was 90.6% in 2017 (88% in 2016). The average individual attendance rate at Board of Directors' and Committee meetings for 2017 is indicated in each Director's profile (see section 6.2 *Positions and responsibilities of the Directors and Nominees to the Board of Directors*).

The following recurring matters were reviewed and discussed by the Board of Directors in 2017 and in February 2018:

Strategy

- regular presentation by the Chief Executive Officer of Danone's strategic priorities and key operational choices;
- annual strategic presentations of each Division by each Division head during a special one-day event;
- consultation with the Works Council on strategic policies;
- follow-up on the acquisition of The WhiteWave Foods Company and the disposals of businesses in that context.

Activity and results

- review of Danone's financial position and debt (change, amount, composition and repayment schedules);
- review of Danone's financial commitments (security interests and guarantees) and renewals of financial delegations to General Management (bond issues, share buybacks, guarantees, short-term marketable securities program) and capital increases (annual capital increase reserved for employees, capital increase);
- monitoring of its stock performance, share capital and share ownership structure;
- review of the preparatory work for the year-end closing, preparation of the annual consolidated and statutory financial statements and interim consolidated financial statements and drafting of the financial forecasts;
- preparation of the management report and the other reports sent to shareholders;
- monitoring of Danone's financial communication policy (including a review of all press releases regarding the annual and interim consolidated financial statements);
- regular information about Danone's risk management and internal control systems and review of Danone's risks;
- dividend distribution proposal.

Corporate governance

- monitoring of the end of the chairmanship with enhanced duties;
- review of the governance structure and decision to combine the offices of Chairman and Chief Executive Officer;
- decision to enhance the powers of the Lead Independent Director and selection of a new Lead Independent Director, appointment of an Honorary Chairman;
- review of the policy regarding the composition of the Board and Committees and decisions regarding changes in their composition to take into account diversity, in terms of the percentage of women, international diversification, age, length of terms of office and expertise;
- proposal to renew terms of office and proposed appointments of new Directors at the 2017 and 2018 Shareholders' Meetings;
- changes to the Board's rules of procedure;
- review of the governance/compensation resolutions submitted to shareholders for approval and preparation of the Shareholders' Meeting.

Compensation

- development and formalization of the compensation policies for corporate officers;
- determination of the annual compensation principles for 2017 and 2018, in particular: review of the balance between the various components of compensation, determination of the various amounts (target, maximum, minimum), determination of the objectives of annual variable compensation;
- review of long-term compensation instruments, particularly as regards share grant plans (GPS) and GPU: determination of the performance conditions of new plans, grant decision, acknowledgement of the achievement of performance conditions of past plans;
- review of the compensation of corporate officers for previous years (2016 in February 2017 and 2017 in February 2018): acknowledgement of the level of attainment of the various objectives, review of the balance between the various components;
- review of the corporate officers' retirement plans and of the implementation of the former Board Chairman's retirement;
- review of directors' attendance fees;
- approval of the compensation policy for corporate officers and review of the publications regarding compensation.

Corporate Social Responsibility (CSR)

- review of Danone's social and environmental responsibility (Company's non-financial reporting, non-financial rating);
- annual report on FTSE4GOOD;
- review of the social risk materiality matrix;
- annual review of Danone's situation and policy concerning work and pay equality for men and women;
- review of the social funds created at Danone's initiative;
- approval of Danone's annual contribution to Danone Communities.

Assessment

In accordance with its rules of procedure, the Board of Directors conducts an assessment every two years (the last one in 2016), which covers the composition, organization and operation of the Board itself and of each of its Committees. The results of this assessment are reviewed by the Nomination and Compensation Committee. Following some of these assessments, the Board has amended its operating methods and rules of procedure. In addition, once a year the Board devotes one item on the agenda of one of its meetings to a discussion of its operation.

Assessment in 2016

In 2016, an external assessment of the Board of Directors' operation was carried out based on individual interviews with each Director conducted by a specialized consulting firm (which conducts most of the external assessments of French listed companies), with the help of an interview guide prepared in conjunction with the Lead Independent Director and the Board Secretary.

The results and recommendations of this external assessment were presented extensively on pages 212 and 213 of the 2016 Registration Document.

In 2017, the Board implemented a number of these recommendations resulting from the external assessment. For example, the Directors had an opportunity to meet with Danone's operational managers on several occasions, including at the general managers' seminar in Évian and during the day dedicated to strategic presentations. In addition, during the joint meetings of the Audit Committee and the Social Responsibility Committee, several of Danone's managers

and members of the Executive Committee had a chance to share technical presentations with the Directors.

A detailed presentation of Danone's key risk matrix was also made to the Board members.

In response to the request to improve the relationship between the Strategy Committee and the Board, the Directors were invited to participate in a Strategy Committee meeting.

Review of the Directors' individual contribution

When conducting the joint assessment of the Board, the specialized consulting firm reviewed the Directors' individual contribution to the work of the Board and its Committees. This review revealed that the Directors have a high level of involvement, attendance and preparation, which reflects all the Board members' strong support for Danone's values and project and their capacity to challenge and contribute to the Board's discussions. At the time of this review, it was stated that it may be necessary to strengthen the Board's composition in the future by adding individuals from the retail and/or fast moving consumer goods sectors who have experience in either the US or Asia.

Review of the Board's operation

In 2017, the Board conducted an annual review of its own operation and that of each of its Committees. This review showed that the relationship of trust that exists among the Directors fosters cohesive, high-quality exchanges. Discussions are therefore open and constructive. In that context, the Directors participate independently in the work and decisions of the Board and its Committees.

AUDIT COMMITTEE

Composition as of December 31, 2017

Jean-Michel SEVERINO Chairman	Beginning of the term of office: April 2012, Chairman of the Committee since April 2012 Mr. Jean-Michel SEVERINO is the "Committee's financial expert" within the meaning of Article L. 823-19 of the French commercial code given his skills and expertise. He is an Inspector General of Finance who previously held such positions as Development Director at the French Ministry of Cooperation, Vice-President for East Asia at the World Bank and Chief Executive Officer of the French Development Agency (AFD). In his previous positions, he developed solid expertise in accounting and finance as well as in internal control and risk management.
Gaëlle OLIVIER	Beginning of the term of office: February 2015 Mrs. Gaëlle OLIVIER developed strong financial expertise while working on the trading floor at Crédit Lyonnais and then as investment transactions manager for AXA Life Japan. She also has recognized expertise in risks and internal audit and was Chief Executive Officer of AXA Global P&C and a Member of the Management Committee of the AXA group.
Mouna SEPEHRI	Beginning of the term of office: April 2012 Mrs. Mouna SEPEHRI has been involved in the development of the Renault group since 1996 and contributes to its major acquisitions and strategic partnerships. Her extensive experience in the area of mergers and acquisitions demonstrates her proven financial skills; furthermore, as head of the legal division of a major international listed group, Mrs. Mouna SEPEHRI also brings valuable experience in risk management and internal control.

Rules of procedure

Main provisions

The Audit Committee is responsible for monitoring the following:

- the preparation process of the financial statements and financial information;
- the effectiveness of the internal control, risk management and internal audit systems;
- the statutory audit of the annual and consolidated financial statements by the Statutory auditors;
- the independence of the Statutory auditors.

Duties

- regarding the financial statements and financial information: (i) reviewing the Company's statutory and consolidated financial statements before they are submitted to the Board of Directors, (ii) ensuring the consistency of the accounting policies the Company applies, (iii) reviewing the accounting treatment of the main complex and/or non-recurring transactions, (iv) reviewing the consolidation scope of Danone's companies, (v) reviewing the policy for monitoring off-balance sheet commitments, (vi) being informed of the Statutory auditors' opinions and comments, (vii) reviewing the Company's financial position, cash position and commitments every six months, (viii) reporting the main options concerning the closing of the annual and interim consolidated financial statements to the Board of Directors, (ix) reviewing, together with General Management, press releases on Danone's results and receiving Danone's main financial communication documents, and (x) receiving non-financial information published by Danone which has been presented to the Social Responsibility Committee;
- regarding Danone's Statutory auditors: (i) managing the selection process by supervising the calls for tender launched by General Management and, in particular (ii) making proposals for the appointment, renewal and compensation of the Statutory auditors, (iii) reviewing the results of their work and audits as well as their recommendations and follow-up action on them, (iv) regularly meeting with the Statutory auditors, including without directors being present, and (v) ensuring the independence of the Statutory auditors, particularly by approving some of their audits in advance;
- regarding risk management: (i) ensuring that structures and systems are in place to identify and evaluate Danone's risks, as well as monitoring the effectiveness of such systems, (ii) being informed of any events that expose the Company to a significant risk, and (iii) being informed of Danone's main social, societal and environmental risks;
- regarding internal control: (i) ensuring that an internal control system is in place and monitoring its effectiveness, (ii) being informed of any significant failures or weaknesses in internal control and any major fraud, (iii) reviewing the report on the composition, preparation and organization of the Board's work,

Work

In 2017, the Audit Committee met six times (six times in 2016), including once jointly with the Social Responsibility Committee. Its members' attendance rate, expressed by their rate of participation at these meetings, was 80% (73% in 2016).

A report on each Audit Committee meeting is presented at the next Board of Directors' meeting. In addition, the minutes of Audit Committee meetings are sent to all Directors. The reports and the minutes communicated to the Directors enable the Board to stay fully informed, thereby facilitating its decisions.

In 2017 and early 2018, the Committee's work focused mainly on the following matters:

- Danone's financial position;
- review of Danone's annual and interim consolidated financial statements; the annual consolidated financial statements were reviewed at meetings held, in accordance with the AFEP-MEDEF Code, sufficiently in advance, namely at least two days before the Board meeting approving these financial statements. This review always involves: (i) presentation of Danone's financial position by the Chief Financial Officer, (ii) presentation by the Statutory auditors of their audit approach, (iii) joint presentation by the

as well as the internal control and risk management procedures implemented by the Company, (iv) ensuring that procedures are in place to process complaints received by Danone concerning accounting and financial transactions, breaches of internal control rules or anti-corruption and anti-fraud rules, (v) being informed of significant complaints received under this system and supervising the processing of the most important files referred to it, and (vi) being available for consultation by the Social Responsibility Committee for any questions relating to the business conduct policy or ethics;

- regarding internal audit: (i) approving the internal audit plan and overseeing its implementation, (ii) reviewing the internal audit structure, being informed of the content of Danone's Internal Audit Charter and being informed and consulted on decisions related to the appointment or replacement of the Internal Audit Director, and (iii) expressing its opinion on the adequacy of resources and the independence of internal audit.

In performing its duties, the Audit Committee may regularly interview the corporate officers, General Management of Danone and its subsidiaries, as well as the Internal Audit Director, the Statutory auditors and Danone's senior executives in particular, those responsible for preparing Danone's consolidated and statutory financial statements, risk management, internal control, legal affairs, fiscal affairs, treasury, financing and ethics compliance. At the Committee's request, these interviews may take place without the representatives of Danone's General Management present. In addition, the Audit Committee may obtain the opinion of independent external advisors, particularly on legal and accounting matters, and request any internal or external audits. The Audit Committee invites the Statutory auditors to attend each of its meetings. In addition, an Audit Committee meeting is held once a year with the Statutory auditors without the corporate officers present.

Main amendments/changes

The Audit Committee's rules of procedures are reviewed regularly, such as to ensure that they comply with the latest legal provisions and updated recommendations of the AFEP-MEDEF Code. The rules of procedure were amended at the Board of Directors' meeting on December 10, 2013 to implement the new recommendations of the AFEP-MEDEF Code.

person responsible for the financial statements (Consolidation and Reporting Director), on the one hand, and the Statutory auditors, on the other hand, of the main accounting options used, (iv) review of Danone's main litigation, (v) review of off-balance sheet commitments, and (vi) hearing the findings of the Statutory auditors, including their audit adjustments;

- review of IFRS developments;
- review of the draft press releases on the annual and interim consolidated results. On this occasion, the Committee ensured that the financial information presented to the markets was consistent with the consolidated financial statements, and that the process of preparing the press releases included their review by the Statutory auditors;
- presentation of the proposed dividend payment to be submitted to the shareholders for approval;
- review of the financial authorizations subject to approval by the Shareholders' Meeting;
- semi-annual review of the mapping of Danone's key risks (including financial risks) presented by the person responsible for risk monitoring and management;

- monitoring the organization and effectiveness of the audit and internal control systems;
- approval of Danone's internal audit plan and review and summary of the principal results of audits conducted during the year;
- review of the draft section of the report on internal control and risk management;
- approval and regular monitoring of the Statutory auditors' fees;
- approval of the procedure for authorizing the services provided by the Statutory auditors and the members of their networks;
- annual review of food safety at Danone;
- annual review of compliance within Danone, with a specific update on the new French anti-corruption law (Sapin II law);
- review of the materiality matrix, risk assessment and non-financial ratings;
- information about the action plan developed pursuant to the new EU regulation on data protection;
- operation of the Committee and establishing its program and priorities for the 2017 and 2018 fiscal years;
- review of Danone's tax situation and changes in the fiscal environment;
- update on foreign exchange risk management; update on the integration of The WhiteWave Foods Company;
- review of the procedure for managing inside information at Danone following the new EU Market Abuse Regulation ("MAR").

NOMINATION AND COMPENSATION COMMITTEE

Composition as of December 31, 2017

	Start date as Committee member
Jean LAURENT Chairman	April 2005, Chairman since April 28, 2011
Benoît POTIER	April 2012
Lionel ZINSOU-DERLIN	February 2015
Clara GAYMARD	April 2016

Rules of procedures

Main provisions

The corporate officers are regularly involved in the work of the Nomination and Compensation Committee, except for matters that concern them personally.

Duties

Related to nomination

- determine and regularly review a policy regarding composition, participate in the assessment of the governance bodies and propose to the Board any changes related to the composition and operation of the Board and Committees;
- review (i) the appropriateness of the Company's governance structure, (ii) changes to the management bodies and future potential managers (such as by drafting a succession plan in the event of an unexpected vacancy), and (iii) the corporate governance rules applicable to the Company and monitor their implementation and any changes to them;
- review and make recommendations regarding each Director's independence and review any issues related to potential conflicts of interest.

Related to compensation

- be informed of Danone's general compensation policy and make any related comments;
- review the compensation and retirement policy of Danone and the management bodies, express an opinion on any related issues, propose the corporate officers' compensation to the Board and, in this respect: (i) define the rules for setting objectives for the variable portion and check that these rules are applied by ensuring consistency with the corporate officers' performance assessment and Danone's strategy, (ii) be informed of the long-term compensation mechanisms and the general payment policy, and review the plans and proposals regarding payments to the management bodies;
- review the amount of directors' fees and make any recommendations regarding their distribution.

Main amendments/changes

The Nomination and Compensation Committee's rules of procedures are reviewed on a regular basis. They were completely updated in 2017.

Work

In 2017, the Nomination and Compensation Committee met six times (six times in 2016) and its members' attendance rate (rate of participation at these meetings) was 94% (94% in 2016).

A report on each Nomination and Compensation Committee meeting is presented at the next Board of Directors' meeting. The purpose of these reports is to keep the Board fully informed, thereby facilitating its decisions.

In 2017 and early 2018, the work of the Nomination and Compensation Committee focused mainly on the following matters:

Regarding governance

- monitoring of the transition from chairmanship with enhanced duties;
- review of Danone's governance and recommendation to combine the offices of Chairman and Chief Executive Officer;
- enhancement of the powers of the Lead Independent Director;
- review of the composition of the Board in light of the diversity policy, particularly as regards the percentage of women and its rate of independence, which prompted a review at the 2017 and 2018 Shareholders' Meetings of the renewal of terms of office, the appointment of new Directors and the appointment of Mr. Michel LANDEL as Lead Independent Director;
- review of the composition of the Committees and, more specifically, of the appointment of Mrs. Virginia A. STALLINGS as Chairman of the Social Responsibility Committee and Mr. Benoît POTIER as Chairman of the Strategy Committee;
- annual individual review of the independence of each Director and of the existence of any conflicts of interest, including potential conflicts of interest. A detailed analysis of these candidates' expertise and a review of their independence is provided above in section *Review of Directors' independence*;
- annual review of the operation of the Board of Directors.

Regarding compensation

- review of Danone's compensation policy, particularly the balance between the various components and the consistency of the performance conditions;
- review and determination of the various criteria and weighting factors for annual variable compensation; in particular, definition for each criterion of the target, cap, maximum and minimum that may be granted;
- review of the compensation programs: (i) the multi-annual program, including a review of whether performance objectives were achieved for each prior year and setting performance objectives at the beginning of each new year; and (ii) the long-term program, including the determination of performance conditions and a review of whether they were achieved and of the obligation of the corporate officers and the other members of the Executive Committee to retain their shares;
- review of the 2017 compensation policy for the corporate officers;
- preparation of the resolutions proposed at the 2017 Shareholders' Meeting regarding the 2016 compensation of the corporate officers;
- review of the 2018 compensation policy for the corporate officers;
- preparation of the resolutions proposed at the 2018 Shareholders' Meeting regarding the 2017 compensation of the corporate officers;
- review of draft resolutions regarding the grant of GPS by the 2017 and 2018 Shareholders' Meetings;
- review of the amount of directors' fees;
- review of the publications related to compensation: February, July 2017 and February 2018.

SOCIAL RESPONSIBILITY COMMITTEE

Composition as of December 31, 2017

	Start date as Committee member
Virginia A. STALLINGS ^(a) Chair	February 2015, Chair since July 2017
Bettina THEISSIG	October 2016
Serpil TIMURAY ^(a)	April 2015

(a) Independent Director.

Rules of procedure

Main provisions

The Social Responsibility Committee is mainly responsible for overseeing Danone's societal project. Its scope covers all areas of social responsibility related to Danone's mission and activities and, in particular, social, environmental and ethical issues.

The Social Responsibility Committee focuses mainly on Danone's action principles, policies and practices in the following areas:

- social, relating to Danone's employees and those of its partners, subcontractors, suppliers and customers;
- environmental, relating to (i) activities controlled directly (industrial production, packaging, etc.) or indirectly by Danone (purchasing, transport, energy, etc.), and (ii) the use of non-renewable natural resources;
- ethical, relating to Danone employees, consumers and, more generally, all of Danone's stakeholders;
- nutrition, relating in particular to public health issues, the social impacts of its products and information provided to consumers.

Duties

- reviewing the main environmental risks and opportunities for Danone in light of the issues specific to its projects and activities;
- being informed of the internal control procedures implemented at Danone as regards its main environmental risks;
- being consulted by the Audit Committee with respect to audit projects related to its areas of activity;
- reviewing Danone's social policies, the objectives set and the results obtained;
- reviewing the reporting, evaluation and control systems to enable Danone to produce reliable non-financial information;
- reviewing all non-financial information published by Danone, particularly concerning social and environmental matters;
- annually reviewing a summary of the ratings given to the Company and its subsidiaries by non-financial rating agencies;
- ensuring the application of the ethics rules defined by Danone;
- being regularly informed of complaints received under the employee whistleblowing procedure which concern ethical, social or environmental issues and reviewing those related to its mission, in coordination with the work carried out by the Audit Committee;

Work

In 2017, the Social Responsibility Committee met three times (four times in 2016), including once jointly with the Audit Committee, and its members' attendance rate (rate of participation at these meetings) was 100% (89% in 2016).

A report on each Social Responsibility Committee meeting is presented to the Board of Directors. In addition, the minutes of Social Responsibility Committee meetings are sent to all Directors. These reports and the minutes communicated to the Directors enable the Board to stay fully informed about issues related to social and environmental responsibility, thereby facilitating its decisions.

In 2017 and early 2018, the Committee's work focused mainly on the following matters:

- review of Danone's ongoing social projects and, more specifically, the budgets of the funds created at Danone's initiative, namely the amount paid by the Company for its annual financial contribution

- regularly reviewing the results of Danone's self-assessments under the Danone Way program.

In addition, in the area of socially responsible investments, the Committee is responsible for:

- assessing the impact of these investments for Danone;
- reviewing the application of the rules established by Danone concerning social investments and programs in areas related to Danone's activities;
- ensuring that the Company's interests are protected, with particular focus on preventing any conflicts of interest between these investments and the rest of Danone's activities.

The Committee's role is also to prepare for and inform the work of the Board regarding investments and action programs with a social purpose led by Danone or in which it participates.

Main social amendments/changes

The Social Responsibility Committee's rules of procedure are regularly updated. The most recent updates involved changes in the performance and exact scope of its responsibilities, particularly in relation to the Audit Committee (more specifically, in terms of reviewing Danone's risks and non-financial communication).

to Danone Communities, new investments made by the Danone Communities professional specialized fund ("FPS"), and monitoring the Danone Ecosystem Fund and the Livelihoods funds;

- annual review of Danone's policy concerning work and pay equality for men and women;
- annual review of Danone's non-financial reporting;
- review of Danone's new parenting policy;
- annual update on food safety at Danone;
- annual review of Danone's participation in the FTSE4Good index;
- annual review of compliance within Danone, with a specific update on the new French anti-corruption law (Sapin II law);
- review of the materiality matrix, risk assessment and non-financial ratings.

STRATEGY COMMITTEE

Composition as of December 31, 2017

	Start date as Committee member
Benoît POTIER ^(a) Chairman	2015, Chairman since 2017
Emmanuel FABER	2015
Franck RIBOUD	2015
Isabelle SEILLIER	2015
Jean-Michel SEVERINO ^(a)	2015

(a) Independent Director.

Rules of procedures

Main provisions

The role of the Strategy Committee is to analyze Danone's major strategic policies. It prepares and informs the Board's work on key matters of strategic interest such as:

- areas of development;
- external growth opportunities;
- divestments;
- significant agreements and partnerships;
- transactions involving the Company's share capital;
- diversification opportunities; and
- more generally, any transaction of significance for Danone's future.

Work

In 2017, the Strategy Committee met two times (four times in 2016) and its members' attendance rate (rate of participation at these meetings) was 100% (100% in 2016).

In 2017 and early 2018, the Committee's work focused mainly on:

- reviewing changes in the Company's shareholder structure and investors' expectations and analyses;
- reviewing Danone's risk mapping;
- strategic priorities and strategic planning process.

EXECUTIVE COMMITTEE

Role

Under the authority of the Chief Executive Officer, the Executive Committee is responsible for Danone's operational management. It implements the strategy defined by the Board of Directors, reviews and approves resource allocation, ensures the consistency of the

actions taken by all the subsidiaries and Divisions and, depending on the results achieved, decides on action plans to be implemented. The Executive Committee meets at least once a month.

Composition as of March 1, 2018: 7 members

Name	AGE	Principal position at Danone	Starting date on Executive Committee
Emmanuel FABER	54	Chairman and Chief Executive Officer	2000
Bertrand AUSTRUY	44	EVP, Human Resources and General Secretary	2015
Henri BRUXELLES	52	EVP, Waters and Africa	2017
Cécile CABANIS	47	EVP, Chief Financial Officer, IS/IT, Cycles & Procurement	2015
Francisco CAMACHO	52	EVP, Essential Dairy and Plant-Based	2011
Bridgette HELLER	56	EVP, Early Life Nutrition and Advanced Medical Nutrition	2016
Véronique PENCHIENATI	50	EVP, Growth and Innovation	2018

APPLICATION OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES

Pursuant to the law of July 3, 2008, on December 18, 2008 the Board of Directors reviewed the provisions of the AFEP-MEDEF Code and decided that Danone would refer to this Code of Governance. This code is available on the MEDEF website (www.medef.com).

Danone applies the recommendations of the AFEP-MEDEF Code, with the exception of the following points which the Company does not apply in a strict manner:

Recommendations	Danone's practice and justification
<p>Termination of employment contract in case of appointment as corporate officer (section 21 of the AFEP-MEDEF Code)</p> <p><i>"When an employee is appointed as a corporate officer, it is recommended to terminate his or her employment contract with the company or with a company affiliated to the group, whether through contractual termination or resignation. This recommendation applies to the chairman, chairman and chief executive officer, and general manager of companies with a board of directors [...]."</i></p>	<p>On October 18, 2017, the Board of Directors confirmed the position it had taken in September 2014 and decided that Mr. Emmanuel FABER's employment contract should be maintained (while remaining suspended) given his age, his personal situation and his seniority as a Danone employee. The Board considered this arrangement relevant for managers with at least 10 years of seniority at Danone in order to encourage the principle of internal promotion and long-term management which Danone strives to implement, as terminating the employment contract could, on the contrary, discourage internal candidates from accepting positions as corporate officers.</p> <p>The Board believed that implementing the recommendations of the AFEP-MEDEF Code to permanently terminate these employment contracts would cause them to lose the rights and benefits gradually acquired under their employment contracts during their careers at Danone on the basis of seniority (<i>i.e.</i> 19 years for Mr. Emmanuel FABER) and actual service, particularly the severance pay and long-term benefits (such as participation in group plans), the total amount of which, in any case, would not exceed the cap of two years of compensation (fixed and variable).</p>
<p>Functioning of the Compensation Committee (section 17.3 of the AFEP-MEDEF Code)</p> <p><i>"When the report on the work of the Compensation Committee is presented, the Board should deliberate on issues relating to the compensation of the corporate officers without the presence of the latter."</i></p>	<p>Corporate officers are present when the Board of Directors deliberates on issues relating to their compensation but do not take part in any debate or vote in relation to decisions that affect them.</p> <p>In addition, the Board of Directors only decides on compensation upon the recommendation of the Nomination and Compensation Committee, which is composed entirely of independent Directors and therefore includes no corporate officers.</p> <p>A Lead Independent Director has been in place since 2013 to provide additional assurance that the Board is functioning correctly and that power is well-balanced within General Management and the Board.</p>
<p>Supplementary pension plans (section 24.6.2 of the AFEP-MEDEF Code)</p> <p><i>"Supplementary defined benefit pension plans are subject to the condition that the beneficiary be an executive director and officer or employee of the company when claiming his or her pension rights in accordance with the rules in force."</i></p>	<p>The retirement plan set up in 1976 has been closed since 2003. Corporate officers' eligibility for the retirement plan is subject to the condition that they are performing their duties at Danone at the time of retirement. As an exception to this principle, only in the event of dismissal after age 55 is the benefit derived from this plan maintained provided that the beneficiary does not take up paid employment. This last provision, consistent with applicable French regulations, protects all beneficiaries against the risks related to a dismissal occurring after age 55 but before they have reached retirement age.</p>

Recommendations**Independence criteria for directors (section 8.5 of the AFEP-MEDEF Code)**

"The criteria to be reviewed by the Committee and the Board in order for a director to qualify as independent [...] are the following: [...]

- not to have been a director of the corporation for more than 12 years. The loss of the status of independent director occurs on the date of the 12th anniversary."

Danone's practice and justification

On February 15, 2018, the Board of Directors, at the recommendation of the Nomination and Compensation Committee, conducted its annual review of the independence of each of the Directors based on the independence criteria defined by the rules in accordance with the AFEP-MEDEF Code (see section *Board of Directors' rules* above).

Concerning the independence criterion of the AFEP-MEDEF Code whereby holding a term of office for more than 12 years is ipso facto sufficient to result in the loss of independence, the Board observes that Danone's development strategy is based on a dual economic and social project which gives it a unique culture. In this respect, the Board has reaffirmed on many occasions the importance that it places on the Company's cultural factors in order to assess the pertinence and feasibility of the projects submitted for its approval. It believes that Danone's culture constitutes a unique competitive advantage that benefits both Danone and its shareholders. Along these lines, the Board has noted that many years of experience as a Board member allows a better understanding of the cultural traits specific to the Company and its mission and therefore helps to inform the Board's work and allows its members to make critical and independent decisions while preserving Danone's identity and culture over the long term. Given these assessment criteria analyzed on a practical and regular basis, the Board of Directors believed, based on the work of the Nomination and Compensation Committee, that the 12-year criterion defined by the AFEP-MEDEF Code, among five other criteria, was not in itself sufficient to cause the member to lose his/her independent status.

Therefore, as of February 15, 2018, Danone's Board of Directors consists of 14 Directors, 10 of whom are considered independent and four are not independent; as the two Directors representing employees were not assessed, the independence rate is 71%. As a reminder, in accordance with the recommendations of the AFEP-MEDEF Code, the two Directors representing employees are not included in the calculation of the independence rate.

Regarding Mr. Jean LAURENT, the Board noted that his in-depth knowledge of Danone supports his capacity to make informed and critical decisions. It also believed that his personality and commitment, recognized by Danone's shareholders, 98% of whom approved the renewal of his term of office on April 29, 2015, demonstrate his ability to think independently. Concerning Mr. Benoît POTIER, Chairman and Chief Executive Officer of one of the largest companies in the CAC 40, the Board acknowledged his strong contribution to the Board's discussions as well as his ability to think and express himself freely. Lastly, the Board believed that the ability to speak freely, involvement and critical thinking demonstrated by Mr. Benoît POTIER, whose term of office was renewed by 96.58% of shareholders on April 29, 2015, are evidence of his independence.

Presence of a Director representing employees on the Nomination and Compensation Committee (section 17.1 of the AFEP-MEDEF Code)

"It is recommended [...] that an employee-director be a member of it"


During its review of the composition of the various Committees, the Board, in consultation with the Directors representing employees, did not feel it was appropriate to appoint a Director representing employees to the Nomination and Compensation Committee. However, it decided to appoint Mrs. Bettina THEISSIG, Director representing employees, to the Social Responsibility Committee, which is responsible for overseeing Danone's societal project and, in particular, monitoring social, environmental and ethical issues. The Board believed that her profile, experience and in-depth knowledge of Danone are valuable assets for this Committee's work.

In any case, Danone's Nomination and Compensation Committee consists entirely of Directors considered independent and carries out its work under the responsibility of the Board. The work, recommendations and opinions of the Committee are the subject of detailed reports and are discussed during Board meetings by all the Directors, including the Directors representing employees.

6.2 POSITIONS AND RESPONSIBILITIES OF THE DIRECTORS AND NOMINEES TO THE BOARD OF DIRECTORS

(Article R. 225-83 of the French commercial code)

Information regarding the Directors and the nominees to the Board of Directors:

- the terms of office in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships;
- unless otherwise indicated, the companies are in France;
- the terms of office followed by the symbol  are subject to approval by the Shareholders' Meeting of April 26, 2018;
- for each Director already on the Board, the 2017 BoD attendance rate is the Director's attendance rate at Board of Directors' meetings during fiscal year 2017.

Appointments proposed to the Shareholders' Meeting

Guido BARILLA
Cécile CABANIS
Michel LANDEL

Directors whose renewal of office is proposed

Benoît POTIER
Virginia A. STALLINGS
Serpil TIMURAY

Current Directors

Franck RIBOUD
Emmanuel FABER
Clara GAYMARD
Gregg L.ENGLES
Gaëlle OLIVIER
Isabelle SEILLIER
Jean-Michel SEVERINO
Lionel ZINSOU-DERLIN

Director whose term of office is not being renewed

Jacques-Antoine GRANJON
Jean LAURENT
Mouna SEPEHRI

Directors representing employees

Frédéric BOUTEBBA
Bettina THEISSIG



GUIDO BARILLA

Chairman of the Board of Directors of BARILLA

Nominee to the Board of Directors

Born July 30, 1958, Italian nationality
BoD attendance rate 2017: N/A

Personal background – experience and expertise

After studying philosophy, Guido BARILLA began his career in 1982 with a two year experience abroad in the Sales Department at Barilla France, a subsidiary of the Barilla Group. Following his European training, he worked at several food companies in the United States. Once he returned to Parma, headquarter of the Barilla Group, he became an executive at the company in July 1986 and was mainly responsible for the Group's international expansion. In the same year, he was appointed as a member of the Board of Directors of Barilla G. & R. F.lli S.p.A., and was then named Vice Chairman in May 1988. Following his father's death, in October 1993, he became Chairman of the Board of Directors of Barilla G. e R. F.lli S.p.A. and Group Chairman as of March 2003. In 2009, he became Chairman of the Advisory Board of the Barilla Center for Food and Nutrition (BCFN), currently the BCFN Foundation.

Terms of office held at December 31, 2017

Listed companies

None

Unlisted companies

- Director and Chairman of BARILLA HOLDING S.P.A. (Italy), CO.FI. BA. S.R.L. (Italy), GELP - S.P.A. (Italy), BARILLA G. E R. FRATELLI S.P.A.^[a] (Italy), BARILLA INIZIATIVE S.P.A.^[a] (Italy), CONSUMER GOODS FORUM BOARD (France)
- Director of ARLANDA LIMITED (New Zealand), BARBROS S.R.L. (Italy), GAZZETTA DI PARMA FINANZIARIA S.P.A (Italy), GAZZETTA DI PARMA S.R.L. (Italy), PUBLIEDI - S.R.L. (Italy), RADIO TV PARMA S.R.L. (Italy), GUIDO M. BARILLA E F.LLI S.R.L (Italy),
- Special Procurator of BARILLA SERVIZI FINANZIARI S.P.A ^[a] (Italy), F.I.R.S.T. COMMERCIALE S.R.L^[a] (Italy), F.I.R.S.T. RETAILING S.P.A.^[a] (Italy)

Terms of office that expired over the past five years

None

[a] Barilla group company.



FRÉDÉRIC BOUTEBBA

Head of Market Danone Eaux France S.A.E.M.E.

Director representing employees

Born August 18, 1967, French nationality

BoD attendance rate 2017: 100%

Personal background – experience and expertise

Frédéric BOUTEBBA joined Danone in 1992 where he held a number of responsibilities in the Sales Department. In 2006, he changed course and began to represent and defend employees' interests, joining various Employee Representative Bodies both at the head office of Danone Eaux France S.A.E.M.E. and at the national level.

Terms of office held at December 31, 2017

Listed companies

Director representing employees of DANONE SA

Unlisted companies

None

Terms of office that expired over the past five years

Listed companies

- Member of the Danone Group-level Works Council

Unlisted companies

- Shop Steward, member and Union Representative of the Works Council of DANONE EAUX FRANCE S.A.E.M.E.
- Member representing employees of the *BRANCHE EAUX, BIÈRES ET B.R.S.A.*
- Union Secretary of the *CFDT 24 AGRI-FOOD UNION*



CÉCILE CABANIS

Chief Financial Officer, IS/IT, Cycles and Procurement

Nominee to the Board of Directors 

Born December 13, 1971, French nationality

BoD attendance rate 2017: N/A

Personal background – experience and expertise

Cécile Cabanis graduated from the Institut National Agronomique Paris-Grignon as an agricultural engineer. She began her career in 1995 at L'Oréal in South Africa, where she worked as logistics manager and head of management control, then in France as an internal auditor. In 2000, she joined Orange as Assistant Director in the group's Mergers-Acquisitions division. Cécile Cabanis came to Danone in 2004, where she carried out key duties in the Finance Division as a Corporate Financial Officer, then Head of Development. In 2010, she was appointed Chief Financial Officer of the Fresh Dairy Products Division. Since February 2015, she has been Danone's Chief Financial Officer and a member of the Executive Committee. She became the Head of Information Systems and Technologies in March 2017, and she has been in charge of Cycles, Procurement and Sustainable Resources Development at Danone since October 2017.

Terms of office held at December 31, 2017

Listed companies

- Director and Chair of the Audit and Risks Committee of SCHNEIDER ELECTRIC SE
- Member of the Supervisory Board of *MEDIAWAN*

Unlisted companies

- Chief Executive Officer, *DANONE CIS HOLDINGS BV*^(a) (Netherlands)
- Director of *DANONEWAVE PUBLIC BENEFIT CORPORATION*^(a) (United States)
- Director of *MICHEL ET AUGUSTIN SAS*^(a)
- Member of the Supervisory Board of *SOCIÉTÉ ÉDITRICE DU MONDE*

Terms of office that expired over the past five years

Listed companies

None

Unlisted companies

- Director of *DANONE SA*^(a) (Spain), *DANONE DJURDJURA*^(a) (Algeria), *DANONE CHIQUITA FRUITS*^(a), *FRESH DAIRY PRODUCTS IBERIA*^(a) (Spain), *CENTRALE DANONE*^(a) (Morocco), *FROMAGERIE DES DOUKKALA*^(a) (Morocco), *DAN TRADE B.V.*^(a) (Netherlands), *DANONE LIMITED*^(a) (UK), *DANONE RUSSIA*^(a) (Russia), *DANONE INDUSTRIA LLC*^(a) (Russia), *DANONE SP. Z.O.O.*^(a) (Poland)
- Member of the Supervisory Board of *TOECA INTERNATIONAL COMPANY B.V.*^(a) (Netherlands)

(a) Danone group company or company in which Danone holds a stake.



GREGG L. ENGLÉS

Founder and Partner in CAPITOL PEAK PARTNERS

Non-Independent Director

Born August 16, 1957, U.S. nationality
BoD attendance rate 2017: 66.67%

Personal background – experience and expertise

Gregg L. ENGLÉS received a Bachelor's degree in economics at Dartmouth College and a juris doctorate degree in law at Yale University. After graduation, he founded and was President of several investment firms: Kaminski Engles Capital Corporation in 1988, Engles Capital Corporation in 1989, and Engles Management Corporation in 1993. Gregg L. ENGLÉS founded Suiza Foods Corporation in 1993 and became Chairman of the Board and Chief Executive Officer in 1994. Suiza Foods Corporation, later called Dean Foods Company, was founded to consolidate the U.S. fluid milk industry. Gregg L. ENGLÉS served as Chairman of the Board of Directors and Chief Executive Officer of Dean Foods Company, which became one of the nation's leading food and beverage companies, from 1994 until 2012, and became a listed company in 1996. Gregg L. ENGLÉS created a branded dairy alternative business within the Dean Foods portfolio and built The WhiteWave Foods Company through a series of successful acquisitions, including International Delight in 1997, Silk in 2002, Horizon Organic in 2004, and Alpro in 2009. Following the spin-off of Dean Foods Company, Gregg L. ENGLÉS became Chairman and Chief Executive Officer of WhiteWave Foods Company from October 2012 to April 2017, when the company was purchased by Danone.

Terms of office held at December 31, 2017

Listed companies

- Director of DANONE SA
- Director, Audit Committee Chairman, member of the Compensation Committee, member of the Nominating and Corporate Governance Committee, *LIBERTY EXPEDIA HOLDINGS, INC.* (United States)

Unlisted companies

- Manager of CAPITOL PEAK PARTNERS LLC (United States)

Terms of office that expired over the past five years

Listed companies

- Chairman and Chief Executive Officer of *THE WHITEWAVE FOODS COMPANY* (United States)

Unlisted companies

None



EMMANUEL FABER

Chairman and Chief Executive Officer of DANONE SA

Non-Independent Director

Born January 22, 1964, French nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Emmanuel FABER began his career as a consultant at Bain & Company before working as an investment banker at Baring Brothers. He joined Legris Industries and was appointed Chief Executive Officer in 1996. Emmanuel joined Danone in 1997 to head the Finance, Strategies and Information Systems department, and became a member of the Executive Committee in 2000. In 2005, he was appointed Chief Executive Officer of the Asia-Pacific region. In 2008 he became Deputy General Manager of Danone, and in 2011 he was appointed Vice-Chairman of the Board of Directors. He became Chief Executive Officer of Danone in October 2014. Since December 1, 2017, he is Danone's Chairman and Chief Executive Officer.

Emmanuel FABER is very engaged in the development of new, more inclusive business models. In 2005, he supervised the first social enterprise trials in Bangladesh with Grameen Bank, as well as the creation of Danone Communities, in close collaboration with Mohammad YUNUS, 2006 Nobel Peace Prize recipient. With Martin HIRSCH, Emmanuel FABER is also the founder and co-chairman of Action-Tank Entreprise et Pauvreté, an organization created in 2010 at the initiative of the HEC Paris Chair "Social Business - Enterprise and Poverty". This organization brings businesses, community organizations and academia together around a shared objective: contribute to reducing poverty and exclusion in France by developing innovative economic models. At the request of the Deputy Minister of Development, he drafted a report with Jay NAIDOO in 2013 titled: "Innover par la mobilisation des acteurs : 10 propositions pour une nouvelle approche de l'aide au développement" (Innovate by mobilizing stakeholders: 10 proposals for a new approach to development aid).

Terms of office held at December 31, 2017

Listed companies

- Chairman and Chief Executive Officer, and member of the Strategy Committee of *DANONE SA*

Unlisted companies

- Chairman and member of the Board of Directors of *LIVELIHOODS FUND FOR FAMILY FARMING SAS*^(a)
- Director of *COFCO DAIRY INVESTMENTS LIMITED* (Hong Kong), *GRAMEEN DANONE FOODS LIMITED* (Bangladesh), *danone.com-munities (SICAV)*^(a), *PROMINENT ACHIEVER LIMITED* (Hong Kong)
- Director and Vice-President of *NAANDI COMMUNITY WATER SERVICES PRIVATE LTD*^(b) (India)

Terms of office that expired over the past five years

Listed companies

- Deputy General Manager, member of the Social Responsibility Committee of *DANONE SA*

Unlisted companies

- Member of the Steering Committee of *LIVELIHOODS FUND*^(a) (Luxembourg)
- Member of the Supervisory Board of *LEGRIS INDUSTRIES SA*

(a) Duties performed within the framework of social projects initiated by Danone.
(b) Danone group company or company in which Danone holds a stake.

**CLARA GAYMARD**

Cofounder and Chief Executive Officer of RAISE CONSEIL and President of the WOMEN'S FORUM FOR THE ECONOMY AND SOCIETY

Independent Director

Born January 27, 1960, French nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Clara GAYMARD, a graduate of the École Nationale d'Administration (ENA, class of 1986, Denis Diderot), holds a degree in law and history from the Institut d'Études Politiques de Paris. She held numerous positions within the senior civil service from 1982 to 2006. Before entering the ENA, she was an administrative officer at the Paris Mayor's Office between 1982 and 1984. After leaving the ENA, she joined the French Public Audit Office (Cour des Comptes) as an auditor, where she was promoted to the position of public auditor in 1990. She then served as assistant to the head of the French Trade Office in Cairo (1991-1993) and later as head of the European Union office in the foreign economic relations department (DREE) of the Ministry of Economy and Finance. In June 1995, she was named cabinet director for the Minister for Solidarity between Generations. She was then appointed Assistant Director of SME Support and Regional Action at the DREE (1996-1999) before being named head of the SME Mission (1999-2003). From 2003, she served as Goodwill Ambassador in charge of foreign investments and as President of the French Agency for International Investments (AFII). She joined General Electric (GE) in 2006, where she became President of GE France and then President of the Northwest Europe region from 2008 to 2010. In 2009, she was named Vice-President of GE International in charge of the major public accounts, and then in 2010 Vice-President for Governments and Cities. In 2014, she was a member of the negotiating team on the acquisition of Alstom's power business. She left GE at the end of 2015 to focus on Raise, a company she co-founded with Gonzague DE BLIGNIERES. She also serves on the Boards of Directors of Veolia, Bouygues and LVMH and is President of the Women's Forum.

Terms of office held at December 31, 2017

Listed companies

- Director and member of the Nomination and Compensation Committee of DANONE SA
- Director and member of the Accounts Committee of BOUYGUES
- Director of LVMH
- Director, member of the Compensation Committee and the Research, Innovation and Sustainable Development Committee of VEOLIA ENVIRONNEMENT

Unlisted companies

- President of the WOMEN'S FORUM FOR THE ECONOMY AND SOCIETY, PABAJAMET, RAISE CARAS SAS
- Chief Executive Officer of RAISE CONSEIL, LE PONTON SAS

Terms of office that expired over the past five years

Listed companies

None

Unlisted companies

- Chair of GENERAL ELECTRIC FRANCE, GE INDUSTRIAL FRANCE
- Representative in France of GENERAL ELECTRIC INTERNATIONAL INC (United States)



JACQUES-ANTOINE GRANJON

Chairman and Chief Executive Officer of VENTE-PRIVEE.COM SA

Independent Director

Born August 9, 1962, French nationality
BoD attendance rate 2017: 66.67%

Personal background – experience and expertise

Jacques-Antoine GRANJON is a graduate of the European Business School in Paris. After completing his studies, his entrepreneurial spirit led him and a friend to found Cofotex SA in 1985, which specialized in wholesale close-outs. In 1996, he purchased the former printing plants of "Le Monde" newspaper, which were being sold as part of an urban renewal program for La Plaine-Saint-Denis, where he established the headquarters of Oredis group. He came up with a completely innovative concept: a Web platform dedicated to private sales of brand name products at deeply discounted prices. Together with his partners, in January 2001 he launched vente-privee.com in France. He thus took his experience in drawing down inventories of close-outs from leading fashion and home furnishing brands to the Internet by applying a dual approach: event-based and exclusive, while always emphasizing customer satisfaction. vente-privee.com was built in the image of its founder as a model corporate "citizen" promoting responsible growth, training and employability and a social conscience. In 2011, he partnered with Xavier NIEL and Marc SIMONCINI to create the École Européenne des Métiers de l'Internet.

Terms of office held at December 31, 2017

Listed companies

- Director of DANONE SA

Unlisted companies

- Chairman and Chief Executive Officer of VENTE-PRIVEE.COM SA
- Chairman of OREFI ORIENTALE ET FINANCIERE SAS ^(a),
- Chairman of the Board of Directors of PALAIS DE TOKYO SAS
- Member of the Supervisory Board of LE NOUVEL OBSERVATEUR

(a) Jacques-Antoine GRANJON also holds the following corporate offices in companies controlled by OREFI Orientale and Financière SAS:

- Chairman of HOLDING DE LA RUE MONSIGNY, HOLDING DE LA RUE BLANCHE SAS, ORIMM SAS, MB Wilson SAS, VENTE PRIVEE USA BRANDS, INC (United States), VENTE-PRIVEE.COM DEUTSCHLAND GmbH (Germany), VENTE-PRIVEE.COM LIMITED (Great Britain), VENTA-PRIVADA IBERICA (Spain), VENDITA PRIVATA ITALIA SRL (Italy) ORELOG Orientale et Logistique SAS, LES BOUFFES PARISIENS SAS
- Chairman and Chief Executive Officer of PIN UP SA;
- Chief Executive Officer of PROPER SAS;
- Manager of L'EGLISE WILSON SARL, ORIMM BIENS SARL;
- Co-Manager of VENTE-PRIVEE.COM IP SARL (Luxembourg) and Marques Holding Luxembourg SARL (Luxembourg);
- Director of VENTE-PRIVEE.COM HOLDING SA (Luxembourg), LOOKLET (Sweden), VENTE-PRIVEE USA, LLC (United States);
- Director of SOCIÉTÉ NOUVELLE D'EXPLOITATION DE RÉNOVATION ET DE RENAISSANCE DU THÉÂTRE DE PARIS SA;
- Manager of French civil partnerships (*sociétés civiles françaises*) SCI 249, BM WILSON SCI, FRUITIER WILSON SCI, LANDY WILSON SCI, LYON 3 SCI, MM WILSON SCI, PRESSENSE WILSON SCI, SCI BRETONS WILSON, SCI LE STADE WILSON, SCI SAINT WILSON, SCI HOTEL WILSON, SCI BEAUNE-WILSON, MALAKOFF WILSON SCI, SCI DE LA GRENOUILLE-ALLARD, SCI DE LA GRENOUILLE WILSON, SCI YVETTE WILSON, SCI AMBROISE WILSON, SCI TISSERAND-WILSON;
- Chairman of VENTE-PRIVEE HOLDING PRODUCTIONS SAS;
- Chairman of HOLDING DE LA RUE DE LA MICHODIÈRE SAS (France) and THÉÂTRE DE LA MICHODIÈRE SAS;
- Chairman of PRODUCTS AND BRANDS STUDIO SAS;
- Director of PRIVALIA VENTA DIRECTA, S.A.U.

Terms of office that expired over the past five years

Listed companies

None

Unlisted companies

- Director of GROUPE COURREGES SAS;
- Manager of SCI 247.



MICHEL LANDEL

Chief Executive Officer of SODEXO ^(a) Nominee to the Board of Directors

Born November 7, 1951, French nationality
BoD attendance rate 2017: N/A

Personal background – experience and expertise

Michel Landel began his career in 1977 at Chase Manhattan Bank. In 1980 he became Director of a civil engineering products factory with the Poliet group. He was recruited by Sodexo in 1984 as Operations Manager for East and North Africa, then promoted to Director Africa (Remote Sites activities), and took over responsibility for the North American businesses in 1989. He contributed in particular to the 1998 merger with Marriott Management Services and the creation of Sodexo Marriott Services. In 1999 he became Chief Executive Officer of Sodexo Marriott Services, later Sodexo, Inc. In February 2000, Michel Landel was appointed Vice-Chairman of the Sodexo Executive Committee. From June 2003 to August 2005, Michel Landel served as Group Deputy General Manager in charge of North America, the United Kingdom and Ireland, as well as Remote Sites. Since 2005 he has served as Chief Executive Officer of Sodexo and Chairman of the Executive Committee. On January 23, 2018, he resigned from his functions as Chief Executive Officer and Chairman of the Executive Committee of Sodexo, of which he is now only a director.

Terms of office held at December 31, 2017

Listed companies

- Chief Executive Officer and director of SODEXO ^(a) ;

Unlisted companies

- Director of Louis Delhaize – Compagnie franco-belge d'Alimentation (Belgium), SODEXO INC. (United States)
- Member of the Supervisory Board of ONE SCA
- Member of the Board of Directors of SODEXO PASS INTERNATIONAL SAS, ONE SAS

Terms of office that expired over the past five years

Listed companies

None

Unlisted companies

None

(a) He resigned from his functions since January 23, 2018. He is now only a director of Sodexo.

**JEAN LAURENT**

Chairman of the Board of Directors of FONCIERE DES REGIONS SA

Independent Director and Lead Independent Director

Born July 31, 1944, French nationality
BoD attendance rate 2017: 83.33%

Personal background – experience and expertise

Jean LAURENT is a graduate of the École Nationale Supérieure de l'Aéronautique (1967) and has a Master of Sciences degree from Wichita State University. He spent his entire career at the Crédit Agricole group, first with Crédit Agricole de Toulouse, and later with Crédit Agricole du Loiret and then Crédit Agricole de l'Île de France, where he carried out or supervised various retail banking activities. He then joined Caisse Nationale du Crédit Agricole, first as Deputy General Manager (1993-1999) and later as Chief Executive Officer (1999-2005). In that capacity, he was responsible for the public offering of Crédit Agricole SA (2001) and the acquisition and integration of Crédit Lyonnais into the Crédit Agricole group. He is also Chairman of the Board of Directors of Foncière des Régions. He has been Chairman of Danone's Nomination and Compensation Committee since 2011 and Lead Independent Director since 2013.

Terms of office held at December 31, 2017

Listed companies

- Lead Independent Director and Chairman of the Nomination and Compensation Committee of DANONE SA
- Chairman of the Board of Directors, member of the Strategy and Investments Committee of FONCIÈRE DES RÉGIONS SA

Unlisted companies

- Director and member of the Executive and Investment Committee of *BENI STABILI* (Italy)

Terms of office that expired over the past five years

Listed companies

- Chairman and member of the DANONE SA Board of Directors' Social Responsibility Committee
- Vice-Chairman of the Supervisory Board, Chairman of the Audit Committee and member of the Finance Committee of EURAZÉO SA

Unlisted companies

- Member of the Board of Directors of *UNIGRAINS SA*

**GAËLLE OLIVIER**

Member of the Management Committee of the AXA Group and Chair and Chief Executive Officer of AXA Global P&C ^(a)

Independent Director

Born May 25, 1971, French nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Gaëlle OLIVIER is a graduate of the École Polytechnique, the ENSAE and the Institut des Actuaires. After starting her career at Crédit Lyonnais in the equity derivatives trading room, in 1998 Gaëlle OLIVIER joined the AXA group where she held various positions in France and abroad in several of the group's business areas. After two years at AXA Investment Managers, she served for five years as Executive Assistant to AXA Group's Chairman and Chief Executive Officer Henri DE CASTRIES and Secretary of the Supervisory Board. In 2004, she joined AXA Life Japan as Head of Investment Operations and became a member of the Management Committee in charge of Strategy, Winterthur Japan Integration and Audit in 2006. In 2009, she became AXA group Head of Communications and Corporate Responsibility before being named Chief Executive Officer of the Property & Casualty Insurance business at AXA Asia in 2011. In January 2016, she became Chief Executive Officer of AXA Entreprises in France. In July 2016, she was appointed Chief Executive Officer of AXA Global P&C and joined the AXA group's Management Committee. In 2017, she was appointed Chair of the Board of Directors and director of AXA Global Direct SA. She left the Axa group on November 15, 2017.

Terms of office held at December 31, 2017

Listed companies

- Director and member of the Audit Committee of DANONE SA

Unlisted companies

None

Terms of office that expired over the past five years

Listed companies

None

Unlisted companies

- Chair and Chief Executive Officer of AXA GLOBAL P&C
- Chair and member of the Board of Directors of AXA THAILAND PUBLIC COMPANY LIMITED (Thailand), AXA ART (Germany)
- Chair of the Board of Directors and of the Compensation Committee of AXA CORPORATE SOLUTIONS ASSURANCE
- Director of AXA UK and AXA GLOBAL DIRECT SA
- Chief Executive Officer of AXA ENTREPRISES
- Director of AXA GENERAL INSURANCE HONG KONG LIMITED (China), AXA GENERAL INSURANCE CHINA LIMITED (China), AXA INSURANCE SINGAPORE PTE LTD (Singapore), AXA AFFIN GENERAL INSURANCE BERHAD (Malaysia), BHARTI – AXA GENERAL INSURANCE COMPANY LIMITED (India), WIN PROPERTY (SHANGHAI LINKS) LIMITED (China), AXA TECHNOLOGY SERVICES SINGAPORE PTE LTD (Singapore), AXA ASIA REGIONAL CENTRE PTE LTD (Singapore), AXA TIAN PING PROPERTY & CASUALTY INSURANCE COMPANY LIMITED (China)

(a) Until November 15, 2017



BENOÎT POTIER

Chairman and Chief Executive Officer of AIR LIQUIDE SA

Independent Director

Born September 3, 1957, French nationality
BoD attendance rate 2017: 83.33%

Personal background – experience and expertise

A graduate of the École Centrale de Paris, Benoît POTIER joined Air Liquide in 1981 as a Research and Development engineer. He then held positions as Project Manager in the Engineering and Construction Department and Head of Energy Development within the Large Industry segment. In 1993 he was named Head of Strategy-Organization and in 1994 he was appointed Head of Chemicals, Steel, Refining and Energy Markets. He became Deputy General Manager in 1995 and added to the aforementioned responsibilities that of Head of Construction Engineering and Large Industry for Europe. Benoît POTIER was appointed Chief Executive Officer in 1997, Director of Air Liquide in 2000 and Chairman of the Management Board in November 2001. In 2006, he was named Chairman and Chief Executive Officer of Air Liquide SA.

Terms of office held at December 31, 2017

Listed companies

- Director, Chairman of the Strategy Committee and member of the Nomination and Compensation Committee of DANONE SA
- Chairman and Chief Executive Officer of AIR LIQUIDE SA

Unlisted companies

- Chairman and Chief Executive Officer of AIR LIQUIDE INTERNATIONAL, AIR LIQUIDE INTERNATIONAL CORPORATION (United States)
- Director of AMERICAN AIR LIQUIDE HOLDINGS INC.^(a) (United States)

Terms of office that expired over the past five years

Listed companies

- Member of the Supervisory Board and Member of the Audit Committee of MICHELIN

Unlisted companies

None

(a) Air Liquide group company.



FRANCK RIBOUD

Honorary Chairman of DANONE SA

Non-Independent Director

Born November 7, 1955, French nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Franck RIBOUD is a graduate of the École Polytechnique Fédérale de Lausanne. He joined the Group in 1981, where he held successive positions through 1989 in Management Control, Sales and Marketing. After serving as Head of Sales at Heudebert, in September 1989 he was appointed to head up the department responsible for the integration and development of new companies in the Biscuits Division. He was involved in the largest acquisition, at the time, by a French group in the United States, namely the acquisition of Nabisco's European activities by BSN. In July 1990, he was appointed Chief Executive Officer of Société des Eaux Minérales d'Évian. In 1992, he became Head of Danone's Development Department. Danone then launched its international diversification marked by increased development in Asia and Latin America and the creation of an Export Department. Between May 1996 and September 30, 2014, he was Chairman and Chief Executive Officer of Danone. He became Chairman of the Board of Directors in October 2014. Since December 2017, he has been the Honorary Chairman of Danone.

Terms of office held at December 31, 2017

Listed companies

- Honorary Chairman, Director and member of the Strategy Committee of DANONE SA

Unlisted companies

- Director of BAGLEY LATINOAMERICA SA^(a) (Spain), RENAULT SAS, ROLEX SA (Switzerland), ROLEX HOLDING SA (Switzerland), QUIKSILVER, INC. (United States)

Term of office that expired over the past five years

Listed companies

- Chairman of the Board of Directors, Chief Executive Officer, Chairman of the Strategy Committee of DANONE SA
- Director of RENAULT SA

Unlisted companies

- Member of the Steering Committee of LIVELIHOODS FUND (SICAV)^(b) (Luxembourg)
- Chairman of the Board of Directors of Livelihoods Fund for Family Farming SAS^(a)
- Chairman of the Board of Directors of danone.communities (SICAV)^(b)
- Director of DANONE SA (Spain)

(a) Danone group company.

(b) Duties performed within the framework of social projects initiated by Danone.



ISABELLE SEILLIER

Vice President of J.P MORGAN Investment Bank for Europe, the Middle East and Africa

Non-Independent Director

Born January 4, 1960, French nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Isabelle SEILLIER is a graduate of Sciences-Po Paris (Economics-Finance, 1985) and holds a Master's degree in business law. In 1987, she began her professional career in the options division of Société Générale in Paris, where she headed the Sales Department for options products in Europe until 1993. She joined J.P. Morgan in Paris in 1993 as head of the sales department for derivative products in France for industrial companies. In 1997, she became an investment banker at J.P. Morgan & Cie SA as a banking advisor providing coverage for large industrial clients. In March 2005, she was appointed joint head of investment banking before being named sole head of this activity in June 2006. From 2008, she was Chair of J.P. Morgan for France while remaining in charge of investment banking for France and North Africa. Since January 2016, she has been Vice-President of Investment Banking for J.P. Morgan for Europe, the Middle East and Africa. She is involved in philanthropic activities, in particular children's support associations. Under her direction, J.P. Morgan France developed a philanthropic program that helps these associations.

Terms of office held at December 31, 2017

Listed companies

- Director and member of the Strategy Committee of DANONE SA

Unlisted companies

None

Terms of office that expired over the past five years

Listed companies

None

Unlisted companies

- Chair J.P. MORGAN CHASE BANK



MOUNA SEPEHRI

Executive Vice-President, office of the CEO, member of the Executive Committee of RENAULT SAS

Independent Director

Born April 11, 1963, French and Iranian nationalities
BoD attendance rate 2017: 83.33%

Personal background – experience and expertise

After receiving her law degree and being admitted to the Paris bar, Mouna SEPEHRI began her career in 1990 as a lawyer in Paris and then New York, where she specialized in Mergers & Acquisitions and International Business Law. She joined Renault in 1996 as the group's Deputy General Counsel. She played an integral part in the group's international growth and participated in the creation of the Renault-Nissan Alliance from the beginning (1999) as a member of the negotiating team. In 2007, she joined the Office of the CEO and was in charge of managing the cross-functional teams. In 2009, she was appointed Director of the Renault-Nissan Alliance CEO Office and Secretary of the Renault-Nissan Alliance Board of Directors. In 2010, she also became a member of the steering committee of the Alliance cooperation with Daimler. As a part of that mission, she was responsible for steering the implementation of Alliance synergies, coordinating strategic cooperation and heading new projects. In April 2011, she joined the Renault group's Executive Committee as Executive Vice-President, office of the CEO. She oversees the following functions: Legal, Public Affairs, Communications, Public Relations, Corporate Social Responsibility, Property and General Services, Prevention and group Protection, Cross-functional Support, the Operating Costs Effectiveness Program and Strategy and Group Planning. In 2013, she was appointed as a permanent member of the Management Board of the Renault-Nissan Alliance.

Terms of office held at December 31, 2017

Listed companies

- Director and member of the Audit Committee of DANONE SA
- Director, Chair of the Governance and Corporate Social Responsibility Committee (CGRSE) of ORANGE
- Member of the Supervisory Board, member of the Audit Committee of M6 SA (MÉTROPOLE TÉLÉVISION)
- Member of the Management Board of RENAULT-NISSAN ALLIANCE (Netherlands)

Unlisted companies

None

Terms of office that expired over the past five years

Listed companies

- Director of NEXANS SA

Unlisted companies

None



JEAN-MICHEL SEVERINO

Manager of I&P SARL

Independent Director

Born September 6, 1957, French nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Jean-Michel SEVERINO is a graduate of the École Nationale d'Administration, ESCP, IEP Paris and holds a postgraduate degree (DEA) in economics and a degree in law. After four years working at the Inspection générale des finances (French General Inspection of Finance) (1984-1988), he was named technical advisor for economic and financial affairs at the French Ministry of Cooperation (1988-1989). He later became the head of that Ministry's Department of Economic and Financial Affairs and then its Development Director. In 1996, he was recruited by the World Bank as Director for Central Europe at a time when this region was marked by the end of the Balkans conflict and reconstruction. He became the World Bank's Vice-President in charge of East Asia from 1997 to 2001 and focused on the management of the major macroeconomic and financial crisis that shook these countries. Then, he was named Chief Executive Officer of the Agence Française de Développement (AFD), where from 2001 to 2010 he led the expansion efforts to cover the entire emerging and developing world. In 2010, at the end of his third term of office, he returned to the Inspection Générale des Finances, where he was responsible for the French Water Partnership. In May 2011, he left the civil service to head up I&P (Investisseurs et Partenaires), a fund management company specializing in financing African small and medium-sized businesses. In addition to his professional duties, he has significant experience in the educational and research areas, notably as an associate professor at CERDI (Centre d'Études et de Recherches sur le Développement International). He was

elected as a member of the Académie des Technologies (2010) and is currently a senior fellow and director of the Fondation pour les Études et Recherches sur le Développement International (FERDI) and a Member of the Académie des Technologies. He has published numerous articles and books.

Terms of office held at December 31, 2017

Listed companies

- Director, Chairman of the Audit Committee and member of the Strategy Committee of DANONE SA
- Director and member of the Audit Committee of ORANGE

Unlisted companies

- Chairman of the Board of Directors of EBI SA (ECOBANK INTERNATIONAL)
- Director of I&P GESTION (Mauritius), I&P DEVELOPPEMENT (Mauritius), PHITRUST IMPACT INVESTORS SA
- Chairman of the Board of Directors of I&P AFRIQUE ENTREPRENEURS (Mauritius)
- Director of ADENIA PARTNERS (Mauritius)
- Member of the Investment Committee of ENERGY ACCESS VENTURES
- Manager of EMERGENCES DEVELOPPEMENT (EURL), I&P SARL (INVESTISSEURS ET PARTENAIRES)

Terms of office that expired over the past five years

Listed companies

- Member of the Social Responsibility Committee of DANONE SA
- Member of the Governance and Corporate Social Responsibility Committee of ORANGE

Unlisted companies

- Member of the Investment Committee of ADENIA PARTNERS (Mauritius)



VIRGINIA A. STALLINGS

Professor of Pediatric Medicine at The CHILDREN'S HOSPITAL OF PHILADELPHIA

Independent Director

Born September 18, 1950, U.S. nationality
BoD attendance rate 2017: 83.33%

Personal background – experience and expertise

Virginia A. STALLINGS is a Professor of Pediatrics at the University of Pennsylvania Perelman School of Medicine, and holds a Chair in Gastroenterology and Nutrition. She is also Director of the Nutrition Center at The Children's Hospital of Philadelphia. She is a pediatrician and an expert in nutrition and growth in children with chronic illnesses. Her research interests are in nutrition-related growth in healthy children and those with chronic illnesses including obesity, sickle cell disease, osteoporosis, cystic fibrosis, cerebral palsy, Crohn's disease, HIV and congenital heart disease. She has been extensively involved in pediatric nutrition clinical care and research for more than 25 years. She recently founded a company, Medical Nutrition Innovation, LLC, to develop new nutrition products for infants, children and adults. Dr. STALLINGS plays a significant role in the community of nutrition scientists and physicians as a current or past member of the US National Academy of Medicine, the Food and Nutrition Board of the US National Academy of Sciences and the Council of the American Society for Nutrition. She steered the National Academy of Medicine committee reports entitled Nutrition Standards for Food in Schools, and School Meals: Building Blocks for Healthy Children, which led to the development of a new policy to improve the nutritional quality of school meals in the United States.

She chaired the National Academy of Medicine Committee on "Food Allergies: Global Burden, Causes, Treatment, Prevention and Public Policy," which published its conclusions and recommendations in 2016. She has received research and teaching awards from the American Society of Nutrition, the American Academy of Pediatrics and the National Academy of Medicine.

Terms of office held at December 31, 2017

Listed companies

- Director, Chair and Member of the Social Responsibility Committee of DANONE SA

Unlisted companies

- Director of FITLY, digital health startup (United States)
- Founder of MEDICAL NUTRITION INNOVATION, LLC (United States)

Terms of office that expired over the past five years

None



BETTINA THEISSIG

Chair of the Works Council of MILUPA GmbH

Director representing employees

Born July 2, 1962, German nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Bettina THEISSIG began her training in the industrial sector in 1978 at Milupa GmbH, a baby food and formula manufacturer that has been part of Danone's Early Life Nutrition Division since the acquisition of the Numico Group in 2007. She acquired her first professional experience in Milupa's advertising department. She then held various responsibilities in several departments, including marketing, sales, human resources and medical, which enabled her to gain further knowledge of the company. Her unwavering interest in the condition of employees and the protection of their rights prompted her to join Milupa's Works Council in 2002. She is currently Chair of Milupa's Works Council, Chair of Milupa's Central Works Council and Representative to the Works Council of Danone's sites in Germany. She is also a member of Danone's European Works Council and its steering committee. Bettina THEISSIG has also represented employees with disabilities since 1998.

Terms of office held at December 31, 2017

Listed companies

- Director representing employees, member of the Social Responsibility Committee and member of the DANONE SA European Works Council and its steering committee

Unlisted companies

- Chair of the Works Council, Chair of the Central Works Council, Representative of employees with disabilities, Health Officer, Representative to the Works Council of Danone's sites in Germany, MILUPA GmbH (Germany)

Terms of office that expired over the past five years

None



SERPIL TIMURAY

Member of the Executive Committee of the VODAFONE group

Independent Director

Born July 7, 1969, Turkish nationality
BoD attendance rate 2017: 100%

Personal background – experience and expertise

Serpil TIMURAY holds a degree in business administration from Bogazici University in Istanbul. She began her career in 1991 at Procter & Gamble, where she assumed several marketing roles and was subsequently appointed to the Executive Committee for Turkey. In 1999, she moved to Danone as Marketing Director and a member of the Executive Committee for the Fresh Dairy Products subsidiary in Turkey. From 2002 to the end of 2008, she served as General Manager of Danone Turkey, overseeing the acquisition and integration of several companies. In 2009, she joined the Vodafone group as Chief Executive Officer of Vodafone Turkey, leading the turnaround and substantial growth of the company. In January 2014, she was appointed as the Regional CEO of Africa, Middle East, Asia-Pacific and joined the Executive Committee of Vodafone Group. In October 2016, she was appointed as the Group Chief Commercial Operations and Strategy Officer and continues to be a member of the Executive Committee of Vodafone Group.

Terms of office held at December 31, 2017

Listed companies

- Director and member of the Social Responsibility Committee of DANONE SA
- Chief Commercial Operations & Strategy Officer for VODAFONE Group (United Kingdom)

Unlisted companies

- Chair of the Board of Directors of VODAFONE TURKEY^(a) (Turkey)
- Director of GSMA (United Kingdom)

Terms of office that expired over the past five years

Listed companies

- Chief Executive Officer Africa, Middle East and Asia-Pacific Region and Designated Chief Executive Officer Africa, Middle East and Asia-Pacific Region for VODAFONE GROUP (United Kingdom)
- Chair and Chief Executive Officer of VODAFONE TURKEY (Turkey)
- Director, member of the Nomination Committee, member of the Compensation Committee of VODACOM GROUP^(a) (South Africa)
- Director, member of the Nomination and Compensation Committee of SAFARICOM KENYA^(a) (Kenya)
- Director of VODAFONE QATAR^(a) (Qatar)

Unlisted companies

- Director, member of the Nomination Committee, member of the Compensation Committee of VODAFONE HUTCHISON AUSTRALIA^(a) (Australia)
- Director, Chair of the Social Responsibility Committee, member of the Nomination and Compensation Committee of VODAFONE INDIA^(a) (India)
- Director of VODAFONE EGYPT (Egypt)
- Chair of VODAFONE and QATAR FOUNDATION LLC^(a) (Qatar)

(a) Vodafone group companies.



LIONEL ZINSOU-DERLIN

Vice-Chairman of the Supervisory Board of PAI Partners SAS

Independent Director

Born October 23, 1954, French and Beninese nationalities

BoD attendance rate 2017: 83.33%

Personal background – experience and expertise

Lionel ZINSOU-DERLIN is a graduate of the École Normale Supérieure (Paris), the London School of Economics and the Institut d'Études Politiques of Paris. He holds a Master's degree in Economic History and is an Associate Professor of Economic and Social Sciences. He started his career as a Senior Lecturer and Professor of Economics at Université Paris XIII. Between 1984 and 1986, he was an Adviser to the Minister of Industry and the Prime minister of Benin. In 1986, he joined Danone where he held various positions, including Group Corporate Development Director and then Chief Executive Officer of HP Foods and Lea & Perrins. In 1997, he joined Rothschild & Cie bank as Managing Partner where he was Head of the Consumer Products Group, Head of Middle East and Africa region and a member of the Global Investment Bank Committee. In 2008, he joined PAI Partners SAS, where he served as Chairman between 2009 and 2015 and was Chairman of the Executive Committee between 2010 and 2015. He has been Vice-Chairman of the Supervisory Board of PAI Partners SAS since 2015. From June 2015 to April 2016, he was the Prime Minister of Benin.

Terms of office held at December 31, 2017

Listed companies

- Director and member of the Nomination and Compensation Committee of DANONE SA
- Director of AMERICANA (United Arab Emirates)

Unlisted companies

- Vice-Chairman of the Supervisory Board of PAI PARTNERS SAS
- Chairman and Chief Executive Officer of SOUTH BRIDGE FRANCE
- Chairman of SOUTHBRIDGE
- Chairman of the Board of Directors of SOUTH BRIDGE HOLDING (Mauritius)
- Director of INVESTISSEURS & PARTENAIRES (Mauritius), I&PAFRIQUE ENTREPRENEURS (Mauritius), SOUTH BRIDGE PARTNER (Mauritius)
- Chairman and Member of the Supervisory Board of LES DOMAINES BARONS DE ROTHSCHILD (LAFITE) SCA
- Member of the Supervisory Board of AP-HP INTERNATIONAL
- Manager of SOFIA - SOCIETE FINANCIERE AFRICAINE SARL

Terms of office that expired over the past five years

Listed companies

- Director of KAUFMAN & BROAD SA, ATOS

Unlisted companies

- Chairman of PAI PARTNERS SAS
- Director of PAI SYNDICATION GENERAL PARTNER LIMITED (Guernsey), PAI EUROPE III GENERAL PARTNER LIMITED (Guernsey), PAI EUROPE IV GENERAL PARTNER LIMITED (Guernsey), PAI EUROPE V GENERAL PARTNER LIMITED (Guernsey), PAI EUROPE VI GENERAL PARTNER LIMITED (Guernsey), STRATEGIC INITIATIVES FRANCE SAS
- Member of the Advisory Council of MOET HENNESSY
- Member of the Supervisory Board of CERBA EUROPEAN LAB SAS
- Alternate Director of UNITED BISCUITS TOPCO LTD (Luxembourg)

6.3 COMPENSATION AND BENEFITS OF GOVERNANCE BODIES

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COMPENSATION POLICY FOR CORPORATE OFFICERS

This section entitled *Compensation policy for corporate officers* is the report on corporate governance prepared by the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code on the principles and criteria for determining, allocating

General principles

Role of the Nomination and Compensation Committee

Danone's compensation policy is regularly reviewed by the Nomination and Compensation Committee. This Committee is composed entirely of independent Directors and is chaired by the Lead Independent Director.

The Committee reviews the best market practices, based on (i) a benchmark prepared by a specialized and objective firm that consists of large international companies listed in France (CAC 40), and (ii) a peer group (or "panel") of leading global food and beverage groups. This panel is also used to determine the performance conditions for Group Performance Shares (GPS) and the severance pay of corporate officers. It currently includes Unilever N.V., Nestlé S.A., PepsiCo Inc., The Coca-Cola Company, General Mills Inc., Kellogg Company, The Kraft Heinz Company and Mondelez International Inc. Danone is seeking to position the compensation for these officers between the median compensation and the third superior quartile of the benchmark CAC 40 index companies. The Nomination and Compensation Committee takes particular care to ensure that:

- the compensation is such as to attract, retain and motivate talented individuals while remaining consistent with market practices and Danone's internal salary scales;
- multi-annual performance-based compensation is sufficiently significant compared to annual compensation, to encourage corporate officers to achieve high performance over the long term;
- the performance criteria for compensation are stringent, complementary and stable such that they compensate long-term performance to ensure that the interests of shareholders, in line with the targets announced by Danone to the financial markets, are aligned with the interests of management. In addition, these performance conditions reflect best compensation practices, such as "no payment under guidance" and "no payment below the median" for the external performance conditions;

and granting the fixed, variable and extraordinary components of compensation that make up the total compensation and benefits to which Danone's corporate officers are entitled for their terms of office for the 2018 fiscal year.

- in its recommendations on the compensation of corporate officers and members of the Executive Committee, all the components of compensation are taken into account, including the potential benefit of a supplementary retirement plan, and their balance is ensured.

Basic principles for determining the compensation of corporate officers

According to the principles for determining the compensation of Danone's corporate officers, this compensation must:

- be tied to the Company's performance;
- be balanced and in line with investors' and shareholders' expectations;
- be subject to stringent conditions, aligned with shareholders' interests and in line with best market practices;
- be consistent with the principles that Danone applies to its 1,500 senior executives worldwide;
- be determined by the Board of Directors on the basis of the Nomination and Compensation Committee's recommendations, as described above, and in compliance with the AFEP-MEDEF Code, to which Danone adheres;
- take into account the manager's responsibilities and market practices;
- take into account all components of compensation in order to establish a global view of the overall compensation of corporate officers, including the components approved by the Shareholders' Meetings pursuant to Article L. 225-42-1 of the French Commercial Code and described in the Statutory auditors' special report on related party agreements and commitments.

Danone's compensation policy is based on these simple, stable and transparent principles, and their application results in:

- a long-term compensation component namely in the form of Group performance shares (GPS) (since 2010);
- the preponderance of the component of managers' compensation being subject to performance conditions;

- the implementation of an obligation requiring corporate officers and Executive Committee members to retain DANONE shares, thereby aligning their interests with those of shareholders;
- overall compensation being capped.

All the performance conditions related to these components of long-term compensation and the review of their achievement have been described in detail in Danone's Registration Document for several years.

Components of the compensation of the Chairman (non-executive corporate officer)

The following principles are applied in case of separation of the offices of Chairman of the Board of Directors and Chief Executive Officer.

Directors' fees

Pursuant to Danone's policy on the payment of directors' fees (see *Compensation of the other Board members*), the Chairman of the Board of Directors can receive directors' fees only if he does not receive a fixed compensation. Directors' fees must be allocated in accordance with the allocation rules decided by the Board of Directors.

Fixed compensation and benefits in kind

Fixed compensation

The Chairman's fixed compensation is determined by the Board of Directors on the basis of the Nomination and Compensation Committee's opinion and in accordance with the principles presented above, and in particular it is consistent with the Chairman's responsibilities and experience and with market practices.

The Chairman's fixed compensation may be reviewed at relatively long intervals.

Benefits in kind

The Chairman may be entitled to benefits in kind only if they comply with Danone's policy (such as access to the cars and drivers' pool).

Variable compensation

In accordance with the AFEP-MEDEF Code recommendations, the Chairman is not entitled to variable compensation.

Performance-based multi-annual compensation (GPU)

In accordance with the AFEP-MEDEF Code recommendations, the Chairman is not entitled to multi-annual compensation.

Performance-based long-term compensation (GPS)

In accordance with the AFEP-MEDEF Code recommendations, the Chairman is not entitled to long-term compensation.

Extraordinary compensation

In the event of the appointment of a new Chairman of the Board of Directors, the Board of Directors may, upon recommendation of the Nomination and Compensation Committee, decide to grant this person extraordinary compensation in order to offset, in whole or part, the potential loss of compensation resulting from the acceptance of his/her new duties.

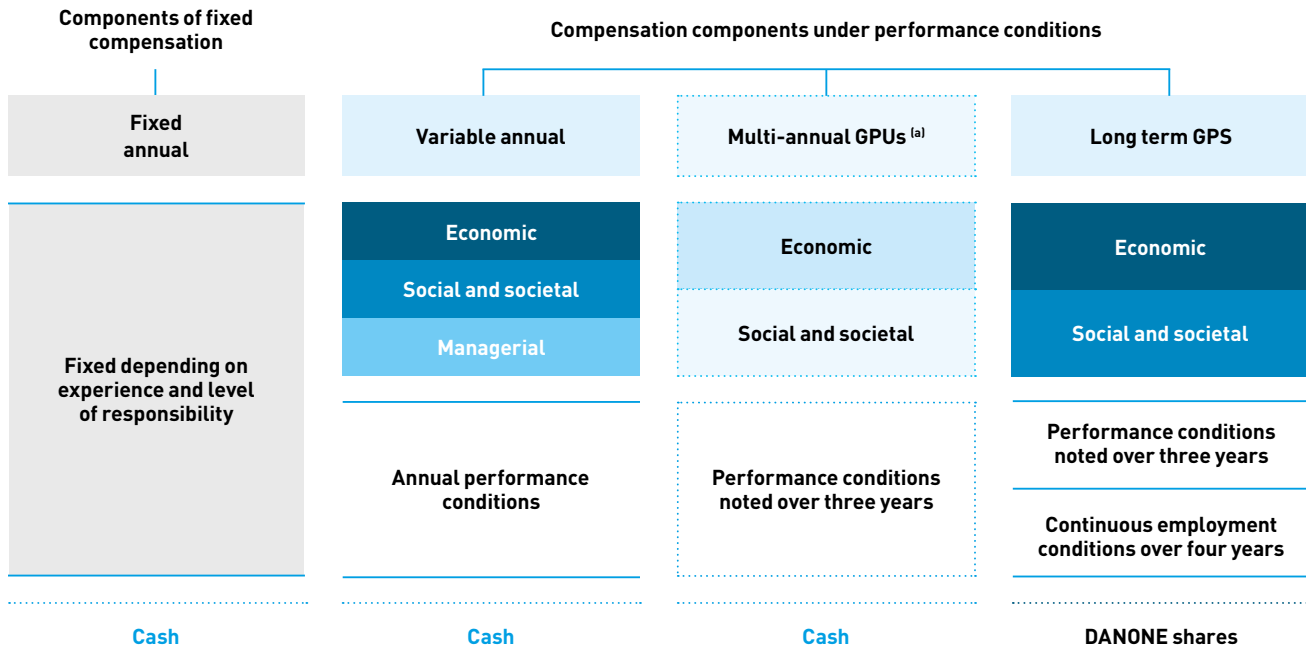
If such compensation is granted, it will, pursuant to Article L. 225-37-2 of the French Commercial Code, only be paid after it has been approved by the Shareholders' Meeting.

Other components of the Chairman's compensation

As indicated above, all the components of compensation are taken into consideration when assessing the overall compensation of the corporate officers. Therefore, where applicable, the determination of the Chairman's compensation takes into account the components approved by the Shareholders' Meeting pursuant to Article L. 225-42-1 of the French Commercial Code and described in the Statutory auditors' special report on related party agreements and commitments.

Compensation components of executive corporate officers

Compensation structure



(a) In an effort to simplify his compensation, no GPUs have been granted to Mr. Emmanuel FABER since 2017.

As a reminder, the components of variable or, where applicable, extraordinary compensation granted to the Chief Executive Officer for the previous year may be paid only after the relevant components have been approved by the Shareholders' Meeting under the conditions set out in Articles L. 225-37-2 and L. 225-100 of the French Commercial Code.

Directors' fees

Pursuant to Danone's policy on directors' fees (see the section hereinafter *Compensation of the other Board members*), executive corporate officers are not entitled to receive directors' fees.

Fixed compensation and benefits in kind

Fixed compensation

The fixed compensation of executive corporate officers is:

- determined by the Board of Directors on the basis of the Nomination and Compensation Committee's opinion and in accordance with the principles presented above, and taking into account their responsibilities, their experience and market practices;
- reviewed at relatively long intervals; and
- paid monthly.

For example, the fixed compensation of Mr. Emmanuel FABER, which remains unchanged since 2014, is €1 million.

Benefits in kind

Executive corporate officers may be entitled to benefits in kind only if they comply with Danone's policy (such as access to the cars and drivers' pool).

Variable compensation

Annual variable compensation

Principles

Annual variable compensation:

- is determined by the Board of Directors on the basis of the Nomination and Compensation Committee's opinion and in accordance with the principles presented above, and is consistent with the responsibilities and experience of the person concerned and with market practices;
- is subject to performance conditions based on quantifiable economic criteria and social and managerial criteria determined in an objective and precise manner and described hereinafter;
- has a target amount that may be up to 100% of the fixed compensation; and
- is capped at 200% of the fixed compensation.

Structure

Annual variable compensation is based on performance conditions determined in advance, which take into account the following components:

- a quantifiable economic component that is based on Danone's main financial targets, such as organic net sales growth, operating margin improvement and free cash flow delivery;
- a social and societal component, based on Danone's objectives; and
- a managerial component, based on Danone's business development objectives.

The cap for each of these components equals twice the target; short-term annual variable compensation for a given year is therefore capped at 200% of the fixed compensation, with no guaranteed minimum.

Multi-annual and long-term compensation

The multi-annual compensation and long-term compensation represent, at the grant time, approximately 50% of the overall compensation in value of executive corporate officers and cannot exceed 60% of this total compensation.

Multi-annual compensation (GPU)

Multi-annual compensation is performance-based cash compensation over a three-year period that is based on one or more quantifiable economic criteria and, in some cases, additional societal criteria. These conditions are determined in advance by the Board of Directors, upon recommendation of the Nomination and Compensation Committee, which each year also determines whether or not targets are achieved for each GPU plan.

To simplify the Chief Executive Officer's compensation structure and increase its share-based component in value, no GPUs have been granted to Mr. Emmanuel FABER since 2017.

More information on GPU plans is provided in section 6.4 *Detailed information on long-term and multi-annual compensation plans*, including: (i) general principles; (ii) performance targets; (iii) other applicable rules; (iv) details of grants in 2017 and review of the potential achievement of performance conditions for 2017; and (v) detailed information on the plans in effect as of December 31, 2017.

Performance-based long-term compensation (GPS)

Long-term compensation:

- was introduced in 2010 to strengthen the commitment of beneficiaries (corporate officers, Executive Committee members and over 1,500 senior executives) to support Danone's development and increase its share price over the long term;
- has been approved annually by the Shareholders' Meeting since 2013;
- is granted by the Board of Directors upon recommendation of the Nomination and Compensation Committee in the form of DANONE performance-based shares (GPS);
- is subject to performance conditions that generally consist of complementary criteria that are representative of Danone's performance and consistent with the specific nature of its business, assessed over a three-year period. These reflect the key indicators monitored by investors and analysts to measure the performance of companies in the food and beverage sector. They may also include a societal and/or environmental criterion;
 - an external performance criterion, based on Danone's organic sales growth compared to that of a group of Danone's historical peers, composed of leading international groups in the food and beverage sector;
 - an internal performance criterion, based on a key financial indicator, such as operating margin, free cash flow or other; and
 - an external environmental performance criterion, based on the rating assigned by CDP for the Climate Change program.
- is set by the Board of Directors, which also reviews the potential achievement of the performance conditions after a preliminary review by the Nomination and Compensation Committee;
- is granted definitively subject to a continuous employment condition applicable to all beneficiaries, with the exceptions specified in the plan rules (namely in the event of death or disability) or as decided by the Board of Directors; however, in the case of executive corporate officers, the Board of Directors may decide to waive the continuous employment condition only partially, on a prorata basis and based on a reasoned opinion;

- DANONE shares vested to corporate officers and Executive Committee members must be retained according to the principles determined by the Board of Directors and described hereinafter;
- is capped as follows: the number of performance shares granted to corporate officers may not exceed 60% of each corporate officer's overall target compensation in terms of accounting valuation (in accordance with the IFRS standards) estimated at the time of the grant.

More information on GPS plans is provided in section 6.4 *Detailed information on long-term and multi-annual compensation plans*, including: (i) general principles; (ii) performance targets; (iii) other applicable rules; (iv) GPS granted in 2017 and review of the potential achievement of performance conditions under previous plans; and (v) detailed information on the plans in effect as of December 31, 2017.

Extraordinary compensation

In the event of the appointment of a new executive corporate officer, further to an external hiring, the Board of Directors may, under the conditions set out in the AFEP-MEDEF Code and upon recommendation of the Nomination and Compensation Committee, decide to grant this person extraordinary compensation mainly in the form of multi-annual and long-term compensation subject to performance conditions, in order to offset, in whole or part, the potential loss of compensation resulting from the acceptance of his/her new duties.

If such compensation is granted, it will, pursuant to Article L. 225-37-2 of the French Commercial Code, only be paid after it has been approved by the Shareholders' Meeting.

Mr. Emmanuel FABER has never received any extraordinary compensation.

Other components of the compensation of executive corporate officers

The Nomination and Compensation Committee takes into account all components of compensation in order to establish a global view of the overall compensation of corporate officers, namely the components approved by the Shareholders' Meetings pursuant to Article L. 225-42-1 of the French Commercial Code and described in the Statutory auditors' special report on related party agreements and commitments.

Concerning Mr. Emmanuel FABER, the Committee took into account the severance pay and the non-compete indemnity to which he is entitled, as well as the defined benefit pension plan put into place for certain key managers having the "Group Director" status, which was closed to new beneficiaries on December 31, 2003.

These components are detailed in section 6.6 *Related party agreements and commitments*.

It should be noted that, if a new executive corporate officer were to be appointed, he/she could be eligible for severance pay in an amount of up to two years of gross annual compensation (fixed and variable) and which would be subject to stringent performance conditions.

COMPENSATION AND BENEFITS GRANTED TO CORPORATE OFFICERS FOR 2017 AND COMPENSATION PRINCIPLES FOR 2018

Summary of the situation of Danone's corporate officers

Overall amount of compensation payable and the value, on the grant date, of GPU and GPS granted in 2016 and 2017 to each corporate officer (information required by Table 1 of the French Financial Markets Authority's recommendation on the compensation of corporate officers)

	Year ended December 31	
(in €)	2016	2017
Franck RIBOUD		
Annual compensation ^(a)	2,000,000	1,833,333 ^(e)
Benefits in kind ^(b)	4,620	4,235
Multi-annual compensation (maximum value of the GPUs granted for the year) ^(c)	–	–
Long-term compensation (book value of the GPS granted for the year) ^(d)	–	–
Total	2,004,620	1,837,568
Emmanuel FABER		
Annual compensation ^(a)	2,200,000	2,200,000
Benefits in kind ^(b)	4,620	4,620
Multi-annual compensation (maximum value of the GPUs granted for the year) ^(c)	600,000	–
Long-term compensation (book value of the GPS granted for the year) ^(d)	2,012,670	2,013,007
Total	4,817,290	4,217,627

(a) Fixed and variable amounts due.

(b) Benefits in kind correspond to the cars and drivers' pool made available to all corporate officers.

(c) The maximum values are €30 per GPU granted in 2016. In 2017, in an effort to simplify his compensation, no GPUs were granted to Mr. Emmanuel FABER.

(d) The amount corresponds to the total estimated value on the grant date according to IFRS 2, assuming that the performance conditions have been met (see details above and Note 7.4 of the Notes to the consolidated financial statements).

(e) This amount corresponds to an annual fixed compensation of €2 million over 11 months, given that Mr. Franck RIBOUD resigned as Chairman of the Board of Directors on November 30, 2017.

Summary of the Corporate officers' contracts, plans and indemnities

Contracts, plans and indemnities to which Danone's corporate officers are entitled in 2017 (information required by the AMF recommendation on disclosures in registration documents on the compensation of corporate officers – Table 11 of the AMF recommendation)

Name	Employment contract		Supplementary retirement plan		Indemnities or benefits due or likely to be due as a result of termination or change in function		Indemnities related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Franck RIBOUD	✓ ^(a)		✓			✓		✓
Chairman of the Board (until November 30, 2017)								
First appointment: 1992								
Current appointment ends: 2017								
Emmanuel FABER	✓		✓		✓		✓	
Chairman and Chief Executive Officer (since December 1, 2017, previously Chief Executive Officer)								
First appointment: 2002								
Current appointment ends: 2019								

(a) Mr. Franck RIBOUD resigned as Chairman of the Board of Directors on November 30, 2017. He remains Director of Danone, his term of office expiring in 2019

Mr. Franck RIBOUD's compensation in 2017

Compensation and benefits granted in 2017

Breakdown of monetary compensation and benefits due and paid to Mr. Franck RIBOUD

Amount of annual compensation due and paid and benefits granted in 2016 and 2017 to Mr. Franck RIBOUD (information required by Table 2 of the AMF recommendation on the compensation of corporate officers)

(in €)	2016		2017	
	Amount due	Amount paid	Amount due	Amount paid
Annual fixed compensation ^(a)	2,000,000	2,000,000	1,833,333 ^(e)	1,833,333
Annual variable compensation	N/A	N/A	N/A	N/A
Compensation due with respect to pension benefits	N/A	N/A	119,199	N/A
Multi-annual compensation ^(b)	N/A	N/A	N/A	650,000
Benefits in kind ^(c)	4,620	4,620	4,235	4,235
Extraordinary compensation	N/A	N/A	N/A	N/A
Directors' fees ^(d)	N/A	N/A	12,000	N/A
Total	2,004,620	2,004,620	1,968,767	2,499,568

(a) Gross amount. The amounts due are the amounts allocated for the current year. The amounts paid are the amounts actually paid during the year and include amounts due from the previous year.

(b) These are the amounts actually paid during the year.

(c) Benefits in kind include the cars and drivers' pool made available to all corporate officers.

(d) Mr. Franck RIBOUD was not entitled to directors' fees while serving as Chairman of the Board of Directors. Since December 1, 2017, he has been Honorary Chairman and can receive directors' fees.

(e) This amount corresponds to an annual fixed compensation of €2 million over 11 months, given that Mr. Franck RIBOUD resigned on November 30, 2017.

Annual fixed compensation for 2017

The fixed compensation due to Mr. Franck RIBOUD for 2017, in his capacity as Chairman of the Board of Directors, until the end of his term of office remained stable relative to that received in 2016 and totaled €1,833,333.

In 2017, in addition to overseeing the work of the Board of Directors, and within the framework of his enhanced duties, Mr. Franck RIBOUD played an active role in various projects, including:

- active involvement in the discussion and decision-making process regarding the change in governance alongside the Lead Independent Director and the Chairman of the Nomination and Compensation Committee through regular, sustained dialogue both internally and externally;
- Chairman of the Strategy Committee;
- regular meetings with the teams of Danone and its subsidiaries, namely with new employees as part of his role to promote the company's culture, strategy and history; participation in numerous Conventions and several openings of industrial and administrative sites (for example, a new Evian plant, a new Blédina head office in the Lyon region, etc.);
- representing Danone vis-à-vis the government authorities of several countries of strategic importance to its development, to support the Chief Executive Officer;
- relations with Danone's long-time strategic partners in various activities (minority shareholders of certain subsidiaries or majority shareholders of companies in which Danone has a minority interest who have a long personal relationship with Franck RIBOUD);

- regular dialogue with General Management regarding certain management projects and decisions related to organizational changes and innovation; and
- Chairman of Livelihoods Fund for Family Farming SAS and Chairman of the Board of Directors of the danone.communities mutual investment fund (SICAV).

The Chairman of the Board of Directors was therefore able to share his vision and experience on certain General Management projects and decisions, particularly with respect to organizational matters.

Annual variable compensation for 2017

As a reminder, during his term as Chairman of the Board, Mr. Franck RIBOUD did not receive annual variable compensation.

Multi-annual compensation and long-term compensation

It should be noted that no GPS or GPUs have been granted to the Chairman of the Board of Directors since his appointment in October 2014.

The characteristics of GPU and GPS plans and the plans still in effect are presented in section 6.4 *Detailed information on long-term and multi-annual compensation plans*.

Group Performance Units

No GPUs have been granted to Mr. Franck RIBOUD since October 2014. In 2017, he received the last delivery of GPUs under the last grant made to him in July 2014.

Year ended December 31

(in €)	2016	2017
Franck RIBOUD	0 ^(a)	650,000 ^(b)

(a) The Group Performance Units granted in 2013 were valued at €0 since no target was fully achieved in 2013, 2014 and 2015.

(b) Amount paid in respect of the last Group Performance Units granted to Mr. Franck RIBOUD in 2014.

Group Performance Shares

As Chairman and Chief Executive Officer, Mr. Franck RIBOUD was granted the following GPS prior to October 1, 2014:

Date of Board meeting that granted the GPS	7/26/2012	7/26/2013	7/24/2014
Number of GPS	54,500	54,500	50,000
Value of the GPS granted during the year ^(a)	2,197,985	1,882,413	2,513,500
Number of GPS void or canceled ^(b)	-	-	-
Number of GPS that have become available	27,250	36,334	-
Delivery date ^(c)	7/27/2016	7/27/2017	7/25/2018

(a) For each year (except 2013), the value of the GPS represents the total estimated value on the grant date according to IFRS 2, assuming that the performance conditions have been met (see details above and Note 7.4 of the Notes to the consolidated financial statements). For 2013, the amount indicated reflects the non-achievement of the performance condition related to operating margin, which reduced the value of the Group Performance Shares granted in July 2013 by one-third.

(b) The notion of void or canceled Group Performance Shares covers the cases where the continuous employment condition was not met and does not include the Group Performance Shares that were not delivered because of the non-achievement of performance conditions.

(c) These shares are subject to a conservation period.

In accordance with the GPS rules, in July 2018 Mr. Franck RIBOUD will receive the last delivery of shares in respect of the last GPS granted to him in July 2014. In fact, these rules stipulate that, in case of retirement more than 12 months after GPS are granted, all beneficiaries continue to be eligible for delivery of the GPS granted to them provided that the performance conditions of these GPS have been achieved, as for any GPS beneficiary. It should be noted that the performance conditions were achieved in April 2017, when Mr. Franck RIBOUD was still at the Company.

Stock options exercised

Since Mr. Franck RIBOUD exercised no stock options in 2017, Table 5 of the AMF Nomenclature referred to in the AMF's recommendation on disclosures in registration documents on the compensation of corporate officers does not apply.

Approval of the components of compensation paid or granted in 2017

Pursuant to Article L. 225-100 of the French Commercial Code, the components of fixed, variable and extraordinary compensation that make up the total compensation and benefits paid or granted to Mr. Franck RIBOUD for 2017 will be submitted to the Shareholders' Meeting for approval on April 26, 2018. Pursuant to article L.225-100 of the French Commercial Code, it is reminded that the components of variable or extraordinary compensation granted for 2017 can only be paid with the prior approval of the Shareholders' Meeting; this provision does not apply to Mr. Franck RIBOUD, to whom such grants were not made in 2017.

Compensation paid or granted to Mr. Franck RIBOUD for his duties as Chairman of the Board between January 1 and November 30, 2017

Components of compensation paid or granted for 2017	Amount or accounting valuation submitted to a vote	Presentation
Fixed compensation	€1,833,333	The fixed annual compensation has not changed since 2014. The smaller amount paid in 2017 (€1,833,333) compared to 2016 (€2 million) was due to the calculation on a prorata basis, given that Mr. Franck RIBOUD resigned as Chairman of the Board on November 30, 2017. This fixed compensation is presented in detail in the section entitled <i>Compensation policy for corporate officers</i> .
Annual variable compensation	Not applicable	In accordance with the <i>Compensation policy for corporate officers</i> , no annual variable compensation was paid to the Chairman of the Board for 2017.
Multi-annual variable compensation	Not applicable	In accordance with the <i>Compensation policy for corporate officers</i> , no multi-annual variable compensation was granted to the Chairman of the Board for 2017.
Extraordinary compensation	Not applicable	In accordance with the <i>Compensation policy for corporate officers</i> , no extraordinary compensation was granted or paid to the Chairman of the Board for 2017.
Long-term compensation	Not applicable	In accordance with the <i>Compensation policy for corporate officers</i> , no long-term compensation (GPS) was granted to the Chairman of the Board for 2017.
Stock options	Not applicable	In 2017, no stock options were granted to the Chairman of the Board.

Components of compensation paid or granted for 2017	Amount or accounting valuation submitted to a vote	Presentation
Directors' fees	Not applicable	In accordance with the <i>Compensation policy for corporate officers</i> , no directors' fees were granted or paid to the Chairman of the Board for 2017.
Benefits in kind	€4,235	This amount represents the cars and drivers' pool made available to the Chairman of the Board until November 30, 2017.
Severance pay	Not applicable	Mr. Franck RIBOUD's resignation as Chairman of the Board did not give rise to any severance pay.
Non-compete indemnities	Not applicable	The Chairman of the Board is not entitled to a non-compete indemnity. When he resigned as Chairman of the Board, Mr. Franck RIBOUD did not receive a non-compete indemnity.
Supplementary retirement plan	Not applicable	At the time of his resignation as Chairman of the Board, Mr. Franck RIBOUD claimed his pension rights on December 1, 2017. This defined benefit pension plan, put in place for all key managers having the "Group Director" status, was closed on December 31, 2003. The details of this plan are provided hereinafter and in section 6.6 <i>Related party agreements and commitments</i> . The annual gross amount payable by Danone for this defined benefit pension plan (after deduction of the amount payable by social security and the supplementary pension plan) was €1,430,392.

Mr. Emmanuel FABER's compensation in 2017

Compensation and benefits granted in 2017

Breakdown of monetary compensation and benefits due and paid to Mr. Emmanuel FABER

Amount of annual compensation due and paid and benefits granted in 2016 and 2017 to Mr. Emmanuel FABER (information required by Table 2 of the AMF's recommendation on the compensation of corporate officers)

Year ended December 31

(in €)	2016		2017	
	Amount due	Amount paid	Amount due	Amount paid
Annual fixed compensation ^(a)	1,000,000	1,000,000	1,000,000	1,000,000
Annual variable compensation ^(a)	1,200,000	1,240,000	1,200,000	1,200,000
Multi-annual compensation ^(b)	600,000	–	–	468,000
Benefits in kind ^(c)	4,620	4,620	4,620	4,620
Extraordinary compensation	N/A	N/A	N/A	N/A
Directors' fees ^(d)	N/A	N/A	N/A	N/A
Total	2,804,620	2,244,620	2,204,620	2,672,620

(a) Gross amount. The amounts due are the amounts allocated for the current year. The amounts paid are the amounts actually paid during the year and include amounts due from the previous year.

(b) The amounts due are the maximum value of the GPU for the year. The amounts paid are the GPU actually paid during the year.

(c) Benefits in kind include the cars and drivers' pool made available to all corporate officers.

(d) Mr. Emmanuel FABER is not entitled to directors' fees.

Annual fixed compensation for 2017

The fixed compensation due to Mr. Emmanuel FABER for 2017 is €1 million and has not changed since he was appointed Chief Executive Officer in September 2014.

This compensation takes into account both his experience and his level of responsibility.

Annual variable compensation for 2017

Compensation target and annual cap set for 2017

Target amount of annual variable compensation: €1,000,000 (remains unchanged since 2014)

Performance conditions and cap

	Performance indicators	Portion of the target amount	Potential variation of this portion	Potential variation after weighting
Économic Quantifiable portion, calculated on the basis of Danone's targets communicated to the market	Organic sales growth	25%	0% to 200%	0% to 50%
	Recurring operating margin growth	25%	0% to 200%	0% to 50%
	Free cash flow delivery	10%	0% to 200%	0% to 20%
	Total	60%	0% to 200%	0% to 120%
Social and societal Reference to Danone's targets (development of talent and organizations, development of societal and environmental initiatives)	Quality of workplace environment, employees commitment as measured by a comprehensive external survey	10%	0% to 200%	0% to 20%
	Spread of Danone's influence through initiatives in the societal (food revolution) and environmental (climate commitment) areas	10%	0% to 200%	0% to 20%
	Total	20%	0% to 200%	0% to 40%
	Managerial Reference to the implementation of Danone's strategy (product innovations, market share, expansion into new regions) and the performance of the management teams.	Closing of the WhiteWave acquisition, integration, development of the activity and synergies	10%	0% to 200%
Implementation of the Protein cost reduction plan				
Management team's achievements and progress as well as management of the operating activities		10%	0% to 200%	0% to 20%
Total	20%	0% to 200%	0% to 40%	
Total		100%	0% to 200%	0% to 200%

Review of the achievement of objectives and weightings

At its meeting on February 15, 2018, upon recommendation of the Nomination and Compensation Committee, the Board of Directors determined the level of fulfillment for Emmanuel FABER's annual variable compensation.

It determined Mr. Emmanuel FABER's annual variable compensation for 2017 to be 120% of the target compensation on the basis of the following fulfillment figures:

Indicators	Weighting	Percentage of achievement	Percentage after weighting	Achievement amount (in €)
Economic	60%	125%	75%	750,000
Social and societal	20%	125%	25%	250,000
Managerial	20%	100%	20%	200,000
Total variable compensation for 2017	100%	-	120%	1,200,000

After the Audit Committee's validation of the financial statements, the Board of Directors determined the following fulfillment levels for the economic indicators constituting the economic target, namely:

Indicators	Weighting	Percentage of achievement	Weighted
Sales	25%	60%	15%
Margin	25%	160%	40%
Free cash flow	10%	200%	20 %
Total	60%	-	75%

The Board of Directors considered that the levels of each of the indicators had been achieved as follows:

Economic component: 125% of the target

- partial achievement of the organic net sales growth criterion due to a 2.5% growth;
- achievement exceeding the recurring operating margin target due to a 70 basis point increase;
- maximum achievement of the free cash flow target due to the delivery of a free cash flow totaling €2,083 million.

With respect to the social and societal and managerial components, the Board of Directors estimated that:

Social and societal component: 125% of the target

- acknowledgement of Danone's high employee commitment level, which was measured by an anonymous survey conducted by an external firm for all of the company's employees around the world between September and October 2017. This assessment is implemented by Danone every two years. For the 2017 edition, the survey had an 89% participation rate and the results for the Danone's "Sustainable Commitment" are well above the average in the FMCG sector (+8 points in 2017).

The "Sustainable Commitment" level is calculated on the basis of three indicators (Commitment, Support and Stimulation) for measuring the pride in belonging, the willingness to contribute further, the support and stimulation brought on a daily basis to the employees, within the workplace environment, in order to

achieve a high level of productivity. This indicator of competitiveness linked to the company's human capital allows a comparison with the "norm" of the FMCG sector.

- with respect to the societal component, the Board of Directors assessed Danone's commitments with respect to climate change and noted the recognition of the Science Based Targets Initiative (SBTi), consistent with the global measures articulated in the Paris Agreement to prevent global temperatures from rising by more than 2 degrees Celsius. This recognition attests to Danone's commitment as it transitions toward a less carbon-intensive economy, notably by working on more sustainable agriculture, whose carbon footprint currently represents 57% of total carbon emissions. In that light, Danone also joined the "4/1,000: Soils for Food Security and Climate" international initiative launched by the French government to promote productive and resilient agriculture, based on sustainable soil management. Danone also joined the RE100 initiative and made a commitment to shift to 100% renewable energy sources for electricity by 2030, with an intermediary step of 50% by 2020.

Managerial component: 100% of the target

- closing of the WhiteWave acquisition and the integration of that company, the creation of synergies and the launch of the Protein cost-reduction program.
- regarding the progressive actions of management teams, the Board pointed in particular to the new streamlined organization of the Executive Committee as part of Danone's new governance.

Multi-annual compensation and long-term compensation

Group Performance Units

Grants in 2017 and over the past two years

Date of Board meeting that granted the Group Performance Units	7/23/2015	7/27/2016	7/26/2017
Number of Group Performance Units	20,000	20,000	–
Maximum value of Group Performance Units granted during the year ^(a)	580,000	600,000	–
Amount paid	Pending	Pending	–
Delivery date	7/24/2018	7/28/2019	

(a) €30.

Amounts paid

(in €)	Year ended December 31	
	2016	2017
Emmanuel FABER	– ^(a)	468,000 ^(b)

(a) The GPUs granted in 2013 are valued at €0 since no target was fully achieved in 2013, 2014 and 2015.

(b) Amounts paid out in respect of GPUs granted in 2014 in view of the partial achievement of targets for 2014 and 2015, and full achievement of the targets set for 2016.

Group Performance Shares

Grants in 2017 and over the past five years

Date of Board meeting that granted the GPS	7/26/2012	7/26/2013	7/24/2014	7/23/2015	7/23/2016	7/26/2017
Number of GPS	41,250	41,250	36,000	36,000	34,200	35,021 ^(d)
Value of the GPS granted for the year ^(a)	1,663,613	1,424,775	1,809,720	2,034,360	2,012,670	2,013,007
Number of GPS void or canceled ^(b)	–	–	–	–	–	–
Number of GPS that have become available	20,625	27,500	–	–	–	–
Delivery date ^(c)	7/27/2016	7/27/2017	7/25/2018	7/24/2019	7/28/2020	7/27/2021

(a) For each year (except 2013) the value of the GPS represents the full value estimated on the grant date in accordance with IFRS 2 assuming that the performance conditions have been met (see breakdown above and Note 7.4 of the Notes to the consolidated financial statements). For 2013, the amount indicated reflects the non-achievement of the margin performance target, which reduced the value of the Group Performance Shares granted in July 2013 by one third.

(b) Void or cancelled GPS occur when the continuous employment condition was not met and do not include GPS that were not delivered because performance conditions were not achieved.

(c) These shares are subject to a conservation period.

(d) If the continuous employment condition is validated, the performance condition related to the free cash flow delivery is fully met and the net sales growth condition is overperformed, Mr. Emmanuel FABER could receive 36,772 shares in 2021.

The characteristics of GPS plans and the plans still in effect are presented in section 6.4 *Detailed information on long-term and multi-annual compensation plans*.

Stock-options exercised

Since Mr. Emmanuel FABER exercised no stock options in 2017, Table 5 of the AMF Nomenclature pursuant to the AMF's recommendation on "information on the compensation of corporate officers to be included in registration documents" does not apply.

Approval of the components of compensation paid or granted in 2017

Pursuant to Article L.225-100 of the French Commercial Code, the fixed, variable and extraordinary components of compensation that make up the total compensation and benefits in kind paid or granted to Mr. Emmanuel FABER for fiscal year 2017 will be subject to approval by the Shareholders' Meeting of April 26, 2018. However, only the variable and extraordinary components granted for the prior fiscal year cannot be paid without the approval of the Shareholders' Meeting.

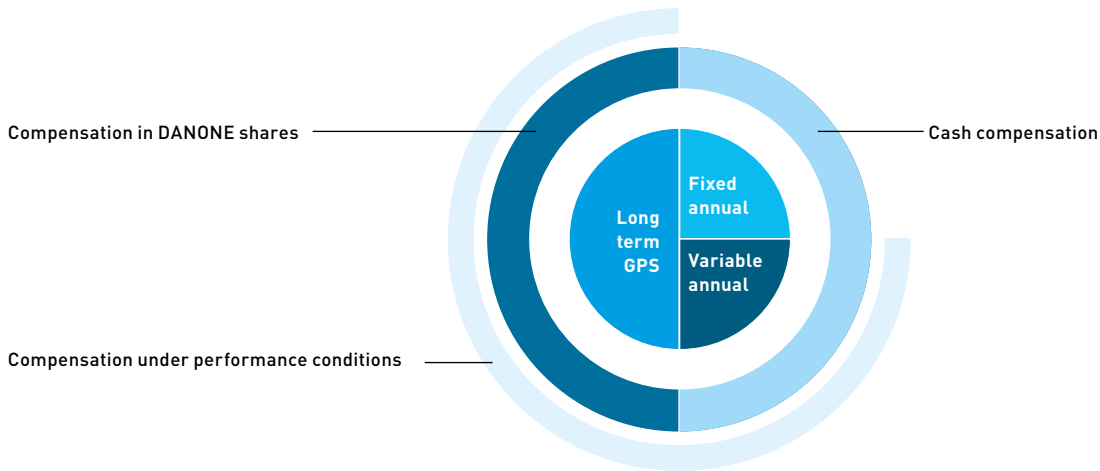
Compensation paid or granted to Mr. Emmanuel FABER for 2017

Components of compensation paid or granted for fiscal year 2017	Amounts or accounting valuation submitted to a vote	Presentation
Fixed compensation	€1,000,000	Fixed compensation takes into account Mr. Emmanuel FABER's experience and level of responsibility. It has not changed since 2014 and represented approximately 25% of his total compensation in 2017.
Annual variable compensation <i>(payment of this compensation is subject to approval by the Shareholders' Meeting)</i>	€1,200,000	The target annual variable compensation was set by the Board at €1,000,000. This compensation, subject to performance conditions based on the fulfillment of quantifiable economic criteria (representing 60% of the target compensation), social criteria (representing 20% of the target compensation) and managerial criteria (representing 20% of the target compensation) is capped at 200% of fixed compensation.
Multi-annual variable compensation	Not applicable	In order to simplify the overall compensation of the Chief Executive Officer, the decision was made in 2017 not to grant him group performance units (GPUs).
Extraordinary compensation	Not applicable	Danone has not put in place any mechanisms for granting extraordinary compensation to Mr. Emmanuel FABER.
Long-term compensation	GPS: €2,013,007 (35,021 shares)	Long-term compensation takes the form of Group performance shares (GPS). GPS are shares of the Company subject to performance conditions. Mr. Emmanuel FABER was granted 35,021 GPS 2017 on July 26, 2017, representing a book value of €2,013,007. This grant, whose performance conditions are described in section 6.4 <i>Detailed information on long-term and multi-annual compensation plans</i> , represents 0.01% of Danone's share capital. If the continuous employment condition is validated, the performance condition related to the cash flow delivery is fully met and the net sales growth condition is overperformed, Mr. Emmanuel FABER could receive 36,772 shares in 2021.
Stock options	Not applicable	No stock options granted. The last time stock options were granted to corporate officers was in November 2009.
Directors' fees	Not applicable	In accordance with the Compensation policy for corporate officers, no directors' fees were granted or paid to Mr. Emmanuel FABER for fiscal year 2017.
Benefits in kind	€4,620	This amount corresponds to the cars and drivers' pool made available to corporate officers.
Severance pay	No amount owed for 2017	Severance payments for corporate officers are subject to performance conditions. In addition, the amount of these payments has been capped, and such payments have been made in only a small number of cases. Mr. Emmanuel FABER's severance pay is presented in the <i>Severance pay</i> section hereinafter.
Non-compete indemnity	No amount owed for 2017	Mr. Emmanuel FABER's non-compete indemnity is presented in the <i>Non-compete indemnity</i> section hereinafter.
Supplementary retirement plan	No amount owed for 2017	Corporate officers are also entitled to a defined-benefits retirement plan established for certain key managers having the "Group Directors" status; 115 employees continue to benefit from this plan. This retirement plan has been closed to new beneficiaries since December 31, 2003. Eligibility for this plan is subject to the conditions described in the <i>Supplementary retirement plan for corporate officers</i> section hereinafter.

Compensation principles for 2018

Upon recommendation of the Nomination and Compensation Committee, the Board of Directors determined, at its meeting of February 15, 2018, the principles of the compensation for Mr. Emmanuel FABER for fiscal year 2018.

The structure and components of compensation will therefore be as follows:



<p>Fixed compensation €1,000,000</p>	<p>The amount of Emmanuel FABER’s annual fixed compensation, which remains unchanged since 2014, was confirmed by the Board of Directors at its meeting of February 15, 2018, upon recommendation of the Nomination and Compensation Committee.</p>
<p>Annual variable compensation</p> <p>The target amount of the annual variable compensation for 2018, its components and the maximum compensation percentage are the same as the previous year.</p> <ul style="list-style-type: none"> • Target amount: €1,000,000 • Maximum cap equal to 200% • No floor 	<p>As in 2017, it will consist of three components – an economic component that is based on Danone’s main financial targets, a social and societal component and a managerial component, with the same weightings as the previous years.</p> <p>In accordance with the French financial markets authority’s recommendation no. 2012-02 of February 9, 2012, the expected level of fulfillment for each of these criteria was specified in advance by the Board of Directors, upon recommendation of the Nomination and Compensation Committee, but is not disclosed publicly for reasons of confidentiality.</p> <p>In accordance with AFEP-MEDEF Code recommendations, the allocation of this performance-based variable compensation will be specifically disclosed at the close of the 2018 fiscal year. It will also be presented in the 2018 Registration Document.</p> <p>In addition, pursuant to Article L.225-100 of the French Commercial Code, the fixed, variable and extraordinary components that make up the total compensation and benefits in kind paid or granted for fiscal year 2018 will be subject to approval by the 2019 Shareholders’ Meeting. The variable and extraordinary components of compensation granted for fiscal year 2018 will be paid only after approval by the 2019 Shareholders’ Meeting.</p>

OTHER COMPENSATION AND BENEFITS TO WHICH CORPORATE OFFICERS ARE ENTITLED

Suspension of employment contract

Suspension of Mr. Emmanuel FABER's employment contract

At its meeting of February 13, 2008, the Board of Directors approved an amendment to his employment contract to specify the terms under which his employment contract (which had been suspended when he was appointed a Danone corporate officer) would be resumed if his term of office ended, for whatever reason. This amendment stipulates that:

- the amount of time during which he will have served as a Danone corporate officer will be fully taken into account in respect of his length of service and the associated rights under his employment contract;
- Danone agrees to offer him a position with responsibilities that are comparable to those currently exercised by the members of Danone's Executive Committee;
- his annual compensation cannot be less than the annual average total compensation (gross base salary, benefits in kind, any bonuses) paid to the members of the Executive Committee during the 12 months preceding the resumption of his employment contract;
- he will benefit from the supplementary retirement plan for managers on the basis of his total length of service as a corporate officer and under his employment contract;
- the indemnity to be paid if the employment contract is terminated will be cancelled.

At the time of the renewal of his term of office as Director and upon recommendation of the Nomination and Compensation Committee, on February 22, 2016 the Board of Directors confirmed the position it took in September 2014, as it had considered that:

- the employment contract of Mr. Emmanuel FABER should be maintained (although it should remain suspended), given his age, personal situation and seniority as a Danone employee. The Board had considered this arrangement to be appropriate for corporate officers whom Danone has employed for at least ten years. This serves to promote the principles of internal promotion and sustainable management to which Danone is committed, since terminating an employment contract could dissuade employees from accepting a position as a corporate officer; and
- implementing the recommendations of the AFEP-MEDEF Code to permanently terminate this employment contract would cause him to lose the rights and benefits gradually acquired under his employment contract during his career at Danone on the basis of seniority (*i.e.* 20 years for Mr. Emmanuel FABER) and actual service, particularly the severance pay and long-term benefits, such as participation in group plans, the total amount of which, in any case, would not exceed the cap of two years of compensation (fixed and variable).

In addition, the Board had noted that the AMF (the French financial markets authority) considers that a detailed explanation of why a corporate officer's employment contract has been maintained can justify the decision not to observe the AFEP-MEDEF Code's recommendation.

Termination of Mr. Franck RIBOUD's employment contract

Mr. Franck RIBOUD terminated his employment contract with effect from November 30, 2017. He received no severance pay at that time.

Information about his employment contract is presented in the *Related party agreements* section.

Supplementary retirement plan for Mr. Emmanuel FABER

Defined-benefits retirement plan

Mr. Emmanuel FABER is entitled to a defined-benefits retirement plan that was established for certain key managers, subject to the provisions of Article L.137-11 of the French Social Security Code.

This retirement plan was set up in 1976 to retain key managers having the status of "Group Directors" as at December 31, 2003, from which date the plan was closed to new beneficiaries. On December 31, 2017, 115 Group Directors were members of this plan (excluding plan beneficiaries who had already claimed their pension benefits), compared to 170 potential beneficiaries in 2003.

General principles

Eligibility

Eligibility for the defined-benefits retirement plan shall be subject to the following conditions:

- The beneficiary must still be employed at Danone at the time of retirement, it being specified that the beneficiary of the plan shall be maintained in the following exceptions:
 - the employee is terminated after the age of 55, provided that he or she does not take up paid employment elsewhere; and
 - the employee incurred a 2nd or 3rd class disability, as defined under French social security law, while working for Danone.

Although these two exceptions are in accordance with French regulations and the position of social security authorities, they are not however included in the AFEP-MEDEF Code recommendations. They serve to protect all beneficiaries between the age of 55 and the retirement age from the risk of termination or disability;

- Danone 'Group Directors' (within the meaning of the retirement plan rules) must have served for at least five years in order to be eligible. The number of years of service includes employment under an employment contract and as a corporate officer. All benefits will be lost if the plan member leaves the company before the age of 55.

The supplementary retirement plan is a collective contractual commitment that benefits a number of Danone's key managers. Given the way in which the plan was set up and in which the potential beneficiaries were informed of the plan, its amendment would require the individual agreement of each plan member.



Coverage and funding

The amount provisioned for the defined-benefits retirement plan constitutes Danone's commitment at December 31, 2017 in accordance with IFRS, i.e. a total of €22.6 million for Danone's corporate officers and Executive Committee members.

Partial cover of this plan has been outsourced to insurance companies.

Related payroll taxes and social security contributions

- during the build-up phase the beneficiary owes no contribution or other charge;
- premiums paid to the insurance company are deductible from the corporate income tax base and are subject to the employer's contribution of 24%, pursuant to Article L.137-11, 2° of the French Social Security Code.

Calculation of the annuity and cap

The defined-benefits retirement plan to which Mr. Emmanuel FABER, like other key managers, is entitled provides for the payment of an annuity which:

- equals 1.5% of the 1st bracket of the reference compensation (which is defined under the plan rules as being the portion of the compensation between 3 to 8 times the French social security ceiling) per year of service (up to 20 years of service), and 3% of the 2nd bracket of the reference compensation (which is defined under the plan rules as being the portion of the compensation that exceeds 8 times the French social security ceiling) per year of service (up to 20 years of service);
 - the reference compensation defined under the plan's rules is the average of the compensation received for the last three years (either before retirement, a 2nd or 3rd class disability or termination after age 55), including the annual base salaries and the average of the last three bonuses and excluding any other component of compensation.
 - the recommendation of the AFEP-MEDEF Code, which calls for a 45% cap on the reference income, does not apply to this retirement plan, since it was closed to new members on December 31, 2003 and this cap does not apply to retirement plans that are closed to new members (see Article 24 of the AFEP-MEDEF Code, as amended in November 2016).
- may not exceed 30% of the 1st bracket of the reference compensation and 60% of the 2nd bracket of the reference compensation;
- is paid after the deduction of certain pensions representing the total retirement rights acquired under a non-contributory supplementary retirement plan provided by the Company.

Other information

- the size of the potential amounts under this plan in respect of Mr. Emmanuel FABER depends mainly on his length of service (20 years) and not on the percentage of the calculation base per year of service, which is limited to between 1.5% and 3% per year (see details hereafter);
- pursuant to Articles L. 225-22-1 and L. 225-42-1 of the French commercial code (as amended by Act No. 2015-990 of August, 6 2015, the "Macron Act"), the Board of Directors' meeting of February 22, 2016, acting upon recommendation of the Nomination and Compensation Committee, decided (i) to subject the annual increase in Mr. Emmanuel FABER's retirement benefits to a performance condition starting with the renewal of his appointment in 2016; and (ii) to make this increase in these conditional future retirement benefits subject to the approval of the April 28, 2016 Shareholders' Meeting. This Board decision was published on Danone's website and Mr. Emmanuel FABER's pension commitments were approved by a 92.75% majority of shareholders at the meeting of April 28, 2016;
- the meeting of the Board of Directors of October 18, 2017, which mainly addressed the combination of the functions of the Chairman of the Board of Directors and of the Chief Executive Officer, found that the retirement commitment made to Mr. Emmanuel FABER should remain unchanged; and that
- the Nomination and Compensation Committee and the Board of Directors have taken the material benefit to Mr. Emmanuel FABER stemming from this retirement plan into account when determining the overall compensation of the corporate officers.

Details on the calculation of the annuity for Mr. Emmanuel FABER:*Reference compensation used to calculate the annuity*

The compensation that is used to calculate the annuity (the "Base") is the average of the annual fixed and variable compensation received during three full years of service at Danone just before retirement. The period of reference used to calculate benefits therefore spans several years.

For example, on December 31, 2017 the Base for Mr. Emmanuel FABER would be €2,044,396.

The increase in potential benefits

The annual increase is progressive and represents only a small percentage of the beneficiary's compensation:

- the amount of the life annuity to which Mr. Emmanuel FABER is entitled is (i) 1.5% of the Base per year of service (for the portion of the Base that is between 3 to 8 times the French social security ceiling) and (ii) 3% of this Base per year of service (for the portion that exceeds 8 times the French social security ceiling), it being specified that this amount will however be:
- capped at a maximum length of service of 20 years; and
- subject to the deduction of all pension entitlements that Mr. Emmanuel FABER has acquired under Danone's non-contributory supplementary defined-contributions retirement plan.

Therefore, given the above percentages and the maximum potential length of service of 20 years, the life annuity cannot exceed 60% of the Base.

- If Mr. FABER retires without satisfying the conditions for obtaining a full social security pension, his annuity will be reduced by 1.25% per quarter between his age at retirement and the age at which he would have received a full social security pension;
- Furthermore, as of the Shareholders' Meeting of April 28, 2016 and in compliance with the provisions of the Macron Act, the increase in Mr. Emmanuel FABER's pension entitlement for each fiscal year depends on:
 - the arithmetic average of internal ("organic") growth in Danone's net revenue (CA in French) (the "Group Revenue") during that fiscal year and the five previous fiscal years (the "Reference Period"); and
 - the arithmetic average of internal ("organic") growth in revenue achieved by the Panel members (the "Panel Revenue") over the Reference Period.

Thus, in April 2017, the Board noted a 3% increase in Mr. Emmanuel FABER's benefits for the year 2016.

Estimated amount at December 31, 2017

As of December 31, 2017, Mr. Emmanuel FABER had been with Danone for 20 years. The overall retirement package he could receive would be equivalent to 60% of the portion of his compensation that exceeds eight times the French social security ceiling, as defined above. Therefore, assuming that the performance condition to be determined at the Board of Directors' meeting of April 2018 is achieved, the increase in rights for 2017 would be 3%.

As of December 31, 2017, the estimated amount of the annuity that Mr. Emmanuel FABER could receive would be €1,095,522. From this must be deducted all retirement annuities and pensions to which he is entitled under Danone's supplementary defined-contributions retirement plan. This amount was determined:

- by estimating the annuity on an annual basis;
- by taking into account Mr. Emmanuel FABER's years of service at the end of 2017 (20 years);
- using the reference compensation specified in the plan rules (the average of the compensation for the past three years, including the base salary and the average of the past three bonuses and excluding any other component of compensation);
- by calculating the estimated annuity independently of the terms of the commitment, as if Mr. Emmanuel FABER could receive the annuity immediately after the fiscal year.

Definition

Group Revenue	The arithmetic average of internal ("organic") growth in Danone's revenue over the Reference Period (on a consolidated and a like-for-like basis, <i>i.e.</i> excluding changes in consolidation scope and exchange rates).
Each Panel member's Revenue	The arithmetic average of internal ("organic") growth in net revenue posted by a given Panel member over the Reference Period (on a consolidated and a like-for-like basis, <i>i.e.</i> excluding changes in consolidation scope and exchange rates).
Panel Revenue	The combined Revenue of all Panel members.
Median Revenue of the Panel	The Panel member Revenue that half of the Panel members exceed (<i>i.e.</i> there are as many Panel members with Revenue exceeding or equal to the Median as there are with Revenues that are less than or equal to the Median). If there is an even number of Panel members, the Median Sales of the Panel will be the arithmetic average of the two central Panel amounts of Revenue.
Panel	Eight leading international groups in the food and beverage sector: Kellogg Company, Unilever N.V., Nestlé S.A., The Kraft Heinz Company (Kraft Foods Group Inc. until 2014), Mondelez International Inc., PepsiCo Inc., The Coca-Cola Company and General Mills Inc.
Over the Reference Period (<i>i.e.</i> at the end of each fiscal year):	<ul style="list-style-type: none"> • if the Group's Revenue is equal to or greater than the Median Revenue of the Panel, the increase in Mr. Emmanuel FABER's conditional retirement benefits for the fiscal year will vest (provided that the other conditions stipulated in the retirement plan have been fulfilled); • if the Group's Revenue is less than the Median Revenue of the Panel, Mr. Emmanuel FABER will not receive an increase in conditional future rights to pension benefits for that fiscal year (expressed as a percentage of the Basis). <p>Each year, prior to the Shareholders' Meeting held to approve the previous financial statements, the Board of Directors shall issue a statement as to whether this performance condition has been satisfied, based on the report of a financial advisor, and will determine the increase in Mr. Emmanuel FABER's pension benefits for that fiscal year, through duly justified decisions made upon recommendation of the Nomination and Compensation Committee.</p> <p>This performance condition is similar to the one that applies to the severance pay granted to Mr. Emmanuel FABER in the event he ceases to be the Chief Executive Officer.</p>

Others applicable rules

Ensure that the Revenue amounts obtained are comparable	Revenue figures may be readjusted (for example, to correct for changes in consolidation scope or exchange rates) only when this is strictly necessary to ensure that the method for calculating the Revenue of all Panel members and the Group's Revenue is consistent over the entire Reference Period. The Board of Directors may, by a duly justified decision, change the composition of the Panel in the event of the acquisition, absorption, dissolution, spin-off, merger or change of activity of one or more of the Panel members, provided that it maintains its overall consistency.
Event of no publication or late publication of audited accounting or financial data	By one Panel member: the Board of Directors may, exceptionally and by a duly justified decision, exclude this member from the Panel; By two or more Panel members: the Board of Directors will make a duly justified decision on the basis of the audited financial statements published by these Panel members and by Danone over the last five fiscal years for which financial statements are available for all Panel members and for Danone.
The acquisition, absorption, dissolution, spin-off or merger of a Panel member or a change of its business activity	The Board of Directors may, through a duly justified subsequent decision, change the composition of the Panel, provided that it maintains its overall consistency.

In April 2018, when the Panel members have published their annual financial statements, the Board of Directors will determine whether performance conditions for the 2017 fiscal year have been achieved over the aforementioned Reference Period.

Mr. Emmanuel FABER was born on January 22, 1964 and may exercise his rights to the defined-benefits retirement plan as from February 2026, provided he remains employed at Danone.

Defined-contributions retirement plan

The corporate officers are also entitled to a defined-contributions retirement plan that is available to all Danone employees who are affiliated with the AGIRC pension fund pursuant to Articles 4 and 4b of the collective bargaining agreement of March 14, 1947 and whose annual compensation exceeds 3 times the French social security ceiling. Annuities that may be paid under this plan will be deducted from any annuities to be paid under the defined-benefits retirement plan.

This plan was established pursuant to Article L. 242-1, paragraphs 6 and 7 of the French Social Security Code.

Under this plan, retirement benefits:

- may be claimed no earlier than:
 - the pension entitlement date of a compulsory pension plan or,
 - the minimum age stipulated under Article L. 351-1 of the French Social Security Code.

Severance pay

In October 2017, when the offices of Chairman of the Board and Chief Executive Officer were combined, Mr. Emmanuel FABER was named Chairman and Chief Executive Officer. At that time, the Board, upon recommendation of the Nomination and Compensation Committee, acknowledged the continuation of the entire severance package for which Mr. Emmanuel FABER was already eligible as Chief Executive Officer. This plan, identical to the previous plan, had been approved by the Shareholders' Meeting of April 28, 2016 when Mr. Emmanuel FABER was reappointed as Director.

- are funded through quarterly contributions that are paid exclusively by Danone to an insurance company:
 - at a rate of 6% of brackets B and C of the compensation paid to plan beneficiaries;
 - are excluded from the social security contributions calculation base, up to a limit of 5% of the compensation up to a maximum of 5 times the French social security ceilings (*i.e.* €9,654 in 2016); and
 - are subject to the fixed-rate "social tax" (*forfait social*) of 20%.

Danone's employer contributions paid for this plan for the 2017 fiscal year were €16,219 for Mr. Emmanuel FABER.

Annuities that may be paid under this plan will be deducted from any annuities to be paid under the defined-benefits retirement plan.

Supplementary retirement plan for Mr. Franck RIBOUD

Mr. RIBOUD was entitled, as corporate officer, to a defined-benefits retirement plan established for certain key managers, subject to Article L 137-11 of the French Social Security Code, which was closed on December 31, 2003 and is described in section 6.7 *Related party agreements and commitments*.

With the termination of his duties as Chairman of the Board of Directors, Mr. Franck RIBOUD claimed his pension benefits on December 1, 2017.

Mr. Emmanuel FABER's severance pay has the following characteristics:

- stringent performance conditions that cover a five-year period prior to the termination of the corporate officer's duties;
- the amount of severance pay due in certain cases of termination is capped at two years of gross compensation (fixed annual and variable annual). The capped amount may also include the indemnity paid to salaried employees when their employment is terminated. The cap therefore applies to all termination indemnities paid in respect of a term of office or an employment contract; and

- the severance payment is only made in the event of a forced termination, of whatever type or form, that is the result of a change in control or of strategy.

Non-compete indemnity

The non-compete clause that applies to Chief Executive Officer Emmanuel FABER enables Danone to either enforce the clause for a period of 18 months in exchange for the payment of gross monthly financial compensation equivalent to 50% of Mr. FABER's gross average fixed and target variable compensation paid over the last 12 months (the "Consideration for the non-compete clause"), or release Mr. FABER from his obligations under the clause with no financial compensation. This non-compete clause aims to protect Danone.

Furthermore, to avoid any aggregation of (i) the indemnity provided under Danone's collective agreement which applies to all Danone employees (the "Indemnity for Termination of an Employment Contract"); (ii) the indemnity that is due in certain cases of the

All information concerning Mr. Emmanuel FABER's severance pay is provided in section 6.7 *Related party agreements and commitments*.

termination of a corporate officer's term of office; and (iii) the Consideration for the Non-Compete Clause that could exceed twice the gross annual compensation (comprising both fixed and variable compensation) and which would therefore not comply with the AFEP-MEDEF Code's recommendations; at its meeting of February 10, 2010, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, amended Mr. Emmanuel FABER's suspended employment contract such that Danone may only enforce the non-compete clause if Mr. FABER resigns, in which case neither the indemnity for termination of the employment contract nor the indemnity that is due in certain cases of termination of his office would be paid.

COMPENSATION OF THE OTHER BOARD MEMBERS

Principle

Directors receive directors' fees; however, the members of the Executive Committee, the Company's executive corporate officers, the honorary Directors, the Chairman of the Board (if he receives fixed compensation) and the Directors representing employees do not receive any directors' fees.

The Shareholders' Meeting must approve the total maximum amount of directors' fees to be divided among the Directors. These fees must be allocated in accordance with the allocation rules the Board of Directors has decided.

The allocation of directors' fees takes into account the Directors' attendance at Board and Committee meetings with a variable component that constitutes the greater portion of these fees.

Amount authorized by the Shareholders' Meeting and paid

<i>(in €)</i>	Year ended December 31	
	2016	2017
Total annual amount authorized	1,000,000	1,000,000
Date of the Shareholders' Meeting that authorized this amount	4/29/2015	4/29/2015
Amount paid	687,000	720,000

Allocation rules since February 15, 2018

<i>(in €)</i>	Annual fixed amount	Amount per meeting	For travel – residing in Europe (not in France)	For travel – residing outside of Europe
Lead Independent Director	80,000	–	–	–
Director	10,000	–	–	–
Board meeting	–	–	–	–
Director	–	3,000	2,000	4,000
Committee meeting	–	–	–	–
Chairs	–	8,000	2,000	4,000
Members	–	4,000	2,000	4,000

Application

Compensation and benefits of the Board members

The amount of annual compensation due and paid and benefits granted in 2016 and 2017 to members of the Board of Directors who are not corporate officers (Table 3 of the French financial markets authority's recommendation on the compensation of corporate officers)

Year ended December 31

<i>(in €)</i>	2016			2017		
	Directors' fees ^(a)	Benefits in kind	Total of annual compensation	Directors' fees ^(a)	Benefits in kind	Total of annual compensation
	Amounts paid	Amounts paid	Amounts paid	Amounts paid	Amounts paid	Amounts paid
Bruno BONNELL	55,000	–	55,000	60,000	–	60,000
Gregg ENGLÉS ^(b)	–	–	–	5,000	–	5,000
Clara GAYMARD	11,000	–	11,000	58,000	–	58,000
Jacques-Antoine GRANJON	25,000	–	25,000	25,000	–	25,000
Jean LAURENT	121,000	–	121,000	126,000	–	126,000
Gaëlle OLIVIER	64,000	–	64,000	46,000	–	46,000
Benoît POTIER	68,000	–	68,000	59,000	–	59,000
Isabelle SEILLIER	67,000	–	67,000	50,000	–	50,000
Mouna SEPEHRI	41,000	–	41,000	37,000	–	37,000
Jean-Michel SEVERINO	91,000	–	91,000	78,000	–	78,000
Virginia A. STALLINGS	60,000	–	60,000	70,000	–	70,000
Serpil TIMURAY	60,000	–	60,000	51,000	–	51,000
Lionel ZINSOU-DERLIN	24,000	–	24,000	55,000	–	55,000
Total	687,000	–	687,000	720,000	–	720,000

(a) Gross amount paid in the fiscal year before the withholding tax.

(b) Mr. Gregg ENGLÉS was appointed as Director by the Shareholders' Meeting of April 27, 2017.

The two Directors who represent employees have an employment contract with Danone and therefore receive compensation in that capacity that is unrelated to their duties on the Board. This compensation is therefore not disclosed.

The amounts paid for each fiscal year consist of the amounts due for the second half of the previous fiscal year (paid in January/February) and for the first half of the fiscal year in question (paid in July/August).

6.4 DETAILED INFORMATION ON LONG-TERM AND MULTI-ANNUAL COMPENSATION PLANS

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GROUP PERFORMANCE SHARES

Principal rules

General principles

Authorization by the Shareholders' Meeting

Group Performance Shares were introduced in 2010. The grant of GPS must be authorized by the Shareholders' Meeting. Since 2013, this authorization has been granted until the end of each fiscal year and is therefore subject to shareholders approval the following year.

Limitations for GPS not yet delivered

Shareholders' Meeting that approved the GPS	4/29/2014	4/29/2015	4/28/2016	4/27/2017
Maximum number of GPS that may be granted ^(a)	0.2%	0.2%	0.2%	0.2%
<i>Of which the maximum number of GPS that may be granted to all corporate officers ^(a)</i>	<i>0.05%</i>	<i>0.03%</i>	<i>0.03%</i>	<i>0.03%</i>

(a) Expressed as a percentage of that year's share capital subsequent to the Shareholders' Meeting that authorized the plans. This number of shares does not reflect any adjustments that may be made pursuant to legal and regulatory requirements or any contractual provisions that may require other adjustments in order to maintain the rights of shareholders and other rights-holders.

A new authorization with the same caps as those approved by the Shareholders' Meeting of April 27, 2017 will be submitted to the Shareholders' Meeting of April 26, 2018 for approval.

Grant by the Board of Directors

Group Performance Shares are granted annually by the Board of Directors on the recommendation of the Nomination and Compensation Committee, at the same times each year. In principle, they are therefore granted at the end of July and, if necessary, are granted to certain new employees in October. It should be noted that, in accordance with the compensation policy, the number of GPS granted to the corporate officers may not exceed 6% of each corporate officer's overall target compensation in terms of accounting valuation (in accordance with the IFRS standards) estimated at the time of the grant.

Cap on the number of Group Performance Shares granted

Danone's Group Performance Shares have always had limited impact on capital dilution and share ownership.

GPS grants are subject to a double cap approved by the Shareholders' Meeting that limits both (i) the total number of GPS that may be granted and (ii) the total number of GPS that may be granted to corporate officers.

Review of the achievement of performance objectives by the Board of Directors

The Board of Directors determines whether or not performance objectives have been achieved, after an initial review by the Nomination and Compensation Committee.

Valuation and accounting in the consolidated financial statements

Long-term compensation in the form of GPS is valued and accounted for in Danone's consolidated financial statements pursuant to IFRS 2, *Share-based payments* (see Note 7.4 of the Notes to the consolidated financial statements).

Performance conditions

The performance conditions for GPS are determined in advance at the beginning of the year and are indicated in the comments on the resolutions submitted to the Shareholders' Meeting describing the resolution related to GPS.

Performance conditions are determined by the Board of Directors at the recommendation of the Nomination and Compensation Committee. They are the same for all GPS beneficiaries and apply to all the GPS granted.

Performance conditions are stringent and consistent with Danone's current environment. They include complementary criteria that are representative of Danone's performance and adapted to the specific nature of its business.

These criteria reflect the key indicators monitored by investors and analysts to measure the performance of companies in the food and beverage sector.

Some of these criteria are internal and some are external.

Regarding the external financial performance criterion, the composition of the panel that has been used to determine the GPS, severance pay of corporate officers and the annual review of the Chief Executive Officer's retirement rights, is essentially the same since 2007. However, the following adjustments were required:

- the first time in 2013, when Kraft Foods Group, Inc. was spun off in 2012 and replaced by the two resulting companies: Kraft Foods Group Inc. and Mondelez International Inc.; and
- the second time in 2015, subsequent to the merger of Kraft Foods Group Inc. with Heinz, which resulted in the replacement of Kraft Foods Group Inc. with The Kraft Heinz Company.

All the criteria related to GPS are subject to a three-year reference period.

On the recommendation of the Nomination and Compensation Committee, the Board of Directors determines whether the continuous employment conditions were met.

Continuous employment condition

The definitive grant of GPS is subject to a four-year continuous employment condition that applies to all beneficiaries. Therefore, a beneficiary of a share grant who leaves Danone before the end of the conservation period may not retain his or her shares except in the cases allowed by law (including death and disability), and barring exceptions decided by the Board of Directors based on a reasoned opinion.

However, in the specific case where an employee retires at the legal age (or prior to this as allowed by law), the GPS granted in the 12 months preceding the retirement date are cancelled without any possible exception.

Regarding the executive corporate officers, the Board of Directors may, where applicable, decide an exception to the continuous employment condition, solely partially and on a prorata basis.

Finally, as a reminder, the GPS plans enable beneficiaries to be exempted from the continuous employment and performance conditions in the event of a change of control of the Company.

Definitive grant

The grants of Group performance shares become final and DANONE shares are delivered to their beneficiaries at the end of the vesting period set by the Board of Directors.

In 2010, 2011 and 2012, the Board set up "3+2" plans (three-year vesting period and two-year holding period) and "4+0" plans (four-year vesting period and no holding period) depending on the social security contributions regime of beneficiaries (*i.e.* "3+2" for the French regime and "4+0" for those of other countries). Since 2013, the Board of Directors has only set up "4+0" plans.

Notwithstanding the provisions of Act No. 2015-990 of August 6, 2015 known as the "Macron Law", which shortened the minimum vesting period for shares subject to performance conditions, Danone decided to maintain a four-year vesting period with no holding period.

Others applicables rules

The rules that govern GPS plans prohibit beneficiaries from hedging in any manner (i) their position with respect to their right to receive GPS, or (ii) their position with respect to shares which they have already received and are still subject to the holding period. For the corporate officers, the prohibition of hedging extends to all DANONE shares or financial instruments related to these shares which they own or may be in a position to own. In addition, each beneficiary of GPS has personally agreed not to use hedging instruments. To Danone's knowledge, no hedging instruments have been used. In addition, an obligation to hold DANONE shares resulting from GPS applies to corporate officers and other Executive Committee members. They must hold (in registered form) a number of shares resulting from GPS (and until termination of their duties) that is equivalent to 35% of the gain at exercise, net of tax and social security contributions, that they would be able to realize if they sold all the shares obtained from each GPS plan.

Given the significant level of the holding obligation applicable to corporate officers and other Executive Committee members, on the recommendation of the Nomination and Compensation Committee, the Board of Directors decided that it was not necessary to require them to purchase a certain number of DANONE shares at the end of the holding period for their shares subject to performance conditions.

In addition, at the proposal of the Nomination and Compensation Committee, the Board of Directors, at its meeting on February 14, 2012, decided to add to the current scheme an overall holding ceiling for the requirement to hold shares resulting from the grant of performance shares or from exercises of stock options representing the equivalent in shares of four years of fixed compensation for corporate officers and two years of fixed compensation for the other Executive Committee members.

The Board of Directors confirmed this holding obligation when it renewed Mr. Emmanuel FABER's term of office as Director on February 22, 2016 and when it approved the grant of GPS at its meeting on July 26, 2017.

Summary of GPS delivered in 2017 and not yet delivered

Summary of GPS plans at December 31, 2017

Characteristics of outstanding Group Performance Share plans as of December 31, 2017, grants made under these plans and changes in these plans during 2017 (information required pursuant to the French Financial Markets Authority's recommendation related to disclosures in registration documents about the compensation of corporate officers)

Outstanding Group Performance Share plans		
Shareholders' Meeting authorizing the GPS		4/25/2013
Number of GPS authorized by the Shareholders' Meeting		1,268,724
<i>Of which number of GPS not granted</i>		447,081
Date of the Board of Directors' meeting authorizing the GPS	7/26/2013	10/23/2013
Plans	"4+0"	"4+0"
Number of GPS granted	817,993	3,650
GPS characteristics		
Share delivery date	7/27/2017	10/24/2017
End date of holding period	-	-
Performance conditions		<ul style="list-style-type: none"> • weighted two-thirds, average growth in sales greater than or equal to the Panel median sales in 2013, 2014 and 2015; • weighted one-third, achievement of the trading operating margin growth targets on a like-for-like basis for 2013 and 2014.

Assessment of achievement of performance conditions

- Sales growth target from 2013 to 2015: achieved;
- Non-achievement of the operating margin target: zero value for one-third of the GPS granted.

Changes in 2017 and situation as of December 31, 2017

Group Performance Shares at December 31, 2016	407,146	1,269
GPS granted in 2017	-	-
<i>Of which GPS granted to the corporate officers</i>	-	-
GPS void or cancelled in 2017	(24,628)	-
<i>Of which GPS cancelled in 2017 due to non-fulfillment of some performance conditions</i>	-	-
Transfer of GPS "3+2" Plan to "4+0" Plan	-	-
Shares delivered in 2017	(382,518)	(1,269)
<i>Of which shares delivered to corporate officers</i>	(27,500)	-
<i>Of which GPS granted to the 10 employees (excluding corporate officers) who received the largest number of shares in 2017</i>	(36,334)	-
Group Performance Shares at December 31, 2017		
<i>Of which GPS granted to the corporate officers</i>	137,000	-
<i>Of which GPS granted to Executive Committee members</i>	239,500	-
<i>Of which number of Executive Committee members beneficiaries</i>	10	-
<i>Of which GPS granted to the 10 Danone employees (excluding corporate officers) who received the largest number of shares in 2017^(a)</i>	-	-
Number of beneficiaries ^(a)	1,578	9
Void or cancelled Group Performance Shares at December 31, 2017	(434,241)	(2,381)

(a) Total number of beneficiaries for the "3+2" and "4+0" plans granted by the Board.

(b) Up to 676,741 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

(c) Up to 3,546,955 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

					Total
	4/29/2014	4/29/2015	4/28/2016	4/27/2017	
	1,262,056	1,287,584	1,309,902	1,311,784	
	483,685	642,212	685,074	667,364	
7/24/2014	10/17/2014	7/23/2015	7/27/2016	7/26/2017	
"4+0"	"4+0"	"4+0"	"4+0"	"4+0"	
776,521	1,850	645,372	624,828	644,420^(b)	3,514,634^(c)
	7/25/2018	10/18/2018	7/24/2019	7/28/2020	7/27/2021
	-	-	-	-	-
<ul style="list-style-type: none"> • weighted two-thirds, average growth in sales greater than or equal to the Panel median sales in 2014, 2015 and 2016; • weighted one-third, average growth in the operating margin in 2014, 2015 and 2016 on a like-for-like basis. 	<ul style="list-style-type: none"> • weighted two-thirds, average growth in sales greater than or equal to the Panel median sales in 2015, 2016 and 2017; • weighted one-third, improvement over three years (2015, 2016 and 2017) in growth in the operating margin on a like-for-like basis. 	<ul style="list-style-type: none"> • weighted by 50%, average growth in sales greater than or equal to the Panel median sales in 2016, 2017 and 2018; • weighted by 50%, improvement over three years (2016, 2017 and 2018) in growth in the operating margin on a like-for-like basis. 	<ul style="list-style-type: none"> • weighted by 50%, average growth in sales greater than or equal to the Panel median sales in 2017, 2018 and 2019; • weighted by 50%, achievement of a free cash flow level of more than €6 billion in 2017, 2018 and 2019. 		
<ul style="list-style-type: none"> • Sales growth target from 2014 to 2016: achieved; • Margin-related criterion: achieved. 	<ul style="list-style-type: none"> • Sales growth target from 2015 to 2018: the Board of Directors will determine achievement in April 2018. • Margin-related criterion: achieved. 	A review will be conducted in 2019 by the Board of Directors to determine whether these criteria were achieved.	A review will be conducted in 2020 by the Board of Directors to determine whether these criteria were achieved.		
647,603	1,850	619,436	622,263		2,299,567
-	-	-	-	644,420	644,420 ^(b)
-	-	-	-	35,021	35,021 ^(d)
(83,885)	-	(81,400)	(52,809)	(1,162)	(243,884)
-	-	-	-	-	-
-	-	-	-	-	-
(450)	-	(405)	(471)	-	(385,113)
-	-	-	-	-	(27,500)
-	-	-	-	-	(36,334)
563,268	1,850	537,631	568,983	643,258	2,314,990
122,000	-	36,000	34,200	35,021 ^(d)	364,221 ^(e)
217,500	-	109,710	104,268	89,158 ^(f)	760,136
10	-	12	12	8	-
-	-	-	-	102,256 ^(g)	-
1,327	4	1,332	1,394	1,499	-
(211,453)	-	(106,616)	(55,374)	(1,162)	(811,227)

(d) Up to 36,772 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

(e) Up to 365,972 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

(f) Up to 93,615 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

(g) Up to 107,368 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

Impact on share capital dilution and share ownership

Year ended December 31

	2016		2017	
	Number of shares	Percentage of share capital ^(a)	Number of shares	Percentage of share capital ^(a)
Grants during the year				
Group Performance Shares granted	624,828	0.10%	644,420 ^(c)	0.10%
<i>Of which GPS granted to the Chief Executive Officer</i>	34,200	0.01%	35,021 ^(d)	0.01%
Balance as of December 31 ^(b)				
GPS not yet vested	2,299,567	0.35%	2,314,990 ^(e)	0.35%
<i>Of which GPS granted to corporate officers</i>	329,200	0.05%	364,221 ^(f)	0.06%

(a) Percentage of share capital at December 31.

(b) Balance of GPS not yet vested at December 31.

(c) Up to 676,741 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

(d) Up to 36,772 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

(e) Up to 2,347,311 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

(f) Up to 365,972 GPS in case of fulfillment of the continuous employment condition, maximum achievement of the free cash flow condition and overperformance of the sales condition.

Presentation of 2018 GPS submitted to the Shareholders' Meeting for approval on April 26, 2018

General rules

A proposal is made to the Shareholders' Meeting to set up a new GPS plan for 2018. All beneficiaries would receive GPS from a single plan, the 4+0 plan, *i.e.* with a four-year vesting period and no holding period.

Performance conditions

The 2018 GPS would be subject to performance conditions based on three complementary criteria that are representative of Danone's performance and adapted to the specific nature of its business.

- weighted by 50%, an external performance condition related to sales growth;
- weighted by 30%, an internal performance condition related to the achievement of a free cash flow level; and
- weighted by 20%, an external environmental performance condition;

under the conditions described hereinafter.

Sales growth performance condition, weighted by 50%

PRINCIPLE

The average growth in Danone's consolidated net sales ("CA") is compared, on a like-for-like basis, with that of a benchmark panel over a three-year period, *i.e.* 2018, 2019 and 2020.

- if Danone's CA is less than the Median Panel CA, the definitive grant will be 0% of the shares subject to the sales-related performance condition, pursuant to the "no payment under the median" principle;
- if Danone's CA is equal to the Median Panel CA, the definitive grant will be 90% of the shares subject to the sales-related performance condition;
- if Danone's CA is between the Median Panel CA and 120% of the Median Panel CA, the definitive grant will be between 90% and 110% of the shares subject to the sales-related performance condition based on a linear graduate scale between 100% and 120% of the Median Panel CA;
- if Danone's CA is greater than or equal to 120% of the Median Panel CA, the definitive grant will be 110% of the shares subject to the sales-related performance condition.

DEFINITIONS

Danone's CA	Average internal ("organic") growth in Danone's net sales (on a consolidated and like-for-like basis) in 2018, 2019 and 2020, it being specified that "net sales" and changes "on a like-for-like basis" correspond to financial indicators used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 <i>Financial indicators not defined by IFRS</i>).
Each Panel member's CA	Average internal ("organic") growth in sales generated (on a consolidated and like-for-like basis) by a given Panel member in 2018, 2019 and 2020.
Panel CA	Median Panel CA
Median Panel CA	Value of the Panel member CA that half of the Panel members exceed (<i>i.e.</i> there are as many Panel members with CA exceeding or equal to the Median as there are with CA less than or equal to the Median). If there is an even number of Panel members, the Median Panel CA will be the arithmetic average of the two central Panel CA.
Panel	Eight leading international groups in the food and beverage sector: Unilever N.V., Nestlé S.A., PepsiCo Inc., The Coca-Cola Company, The Kraft Heinz Company, Mondelez International Inc., General Mills Inc. and Kellogg Company.

OTHERS APPLICABLES RULES

Ensure the consistency of the calculation method for the CA of all Panel members and Danone's CA over the entire period under review	Restatements (mainly adjustments for changes in scope and/or exchange rates) may be made only to the extent strictly necessary to ensure that the method of calculating the CA of all Panel members and Danone's CA is consistent over the entire period under review.
No publication or late publication of audited accounting or financial data	By one Panel member: the Board of Directors may, exceptionally and by a duly justified decision indicated in the Board's report to the Shareholders' Meeting, exclude this member from the Panel. By two or more Panel members: the Board of Directors will make a duly justified decision, on the basis of the most recent audited financial statements published by these Panel members and by Danone over the last three fiscal years for which financial statements are available for all Panel members and for Danone.
The acquisition, absorption, dissolution, spin-off, merger or change in the business activity of one or more Panel members	The Board of Directors may, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, change the composition of the Panel, provided that it maintains the overall consistency of the panel.

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been achieved	The Board of Directors must state whether this performance condition was achieved, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, subsequent to the Nomination and Compensation Committee's recommendation, and based on a financial advisor's report.
Date of assessment of achievement of the performance condition	In 2021, after the companies in the Panel have published their sales figures.

Performance condition related to the attainment of a free cash flow level, weighted by 30%**PRINCIPLE**

Attainment of a free cash flow ("FCF") level of more than €6 billion over a three-year period, i.e. for 2018, 2019 and 2020

If the sum of the FCF is:

- less than or equal to €6 billion, the definitive grant will be 0% of the shares subject to the FCF performance condition;
- between €6 billion and €6.5 billion, the definitive grant will be between 0% and 100%, based on a linear graduate scale between €6 billion and €6.5 billion;
- greater than or equal to €6.5 billion, the definitive grant will be 100%.

DEFINITION

Sum of the "FCF"

Sum of the amounts of "Free Cash Flow" for 2018, 2019 and 2020, it being specified that "Free Cash Flow" is a financial indicator not defined by IFRS, the calculation of which is indicated in Danone's financial press releases (see also section 3.6 *Financial indicators not defined by IFRS*), excluding changes in scope and exchange rates.

OTHER APPLICABLE RULES

Percentage of shares subject to this performance condition

30% of the shares granted subject to performance conditions will be subject to this performance condition related to the attainment of a free cash flow level over three years.

However, this percentage may be increased to 40% or 50% in case of no publication or late publication of the Level related to the environmental performance condition defined hereinafter.

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been achieved

The Board of Directors must determine the level of achievement of this second performance condition, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, subsequent to the Nomination and Compensation Committee's recommendation.

Date of assessment of achievement of the performance condition

In early 2021, after the approval of the 2020 financial statements.

Environmental performance condition, weighted by 20%**PRINCIPLE**

Levels assigned to Danone by CDP under its Climate Change pro-gram in 2019, 2020 and 2021 (taking into account, in particular, Danone's environmental performance in 2018, 2019 and 2020 fiscal year)

If the «Leadership» Level:

- is not assigned to Danone or is assigned only one year between 2019 and 2021, the definitive grant will be 0% of the shares subject to the environmental performance condition;
- is assigned to Danone two years between 2019 and 2021, the definitive grant will be 50% of the shares subject to the environmental performance condition;
- is assigned to Danone in 2019, 2020 and 2021, the definitive grant will be 100% of the shares subject to the environmental performance condition.

DEFINITIONS

CDP

CDP, a not-for-profit organization that runs a global disclosure system for investors, companies, cities, states and regions to help them assess and manage their environmental impacts.

Level

Level assigned by CDP each year to Danone under its Climate Change program in its 2019, 2020 and 2021 publications, based on Danone's environmental performance in 2018, 2019 and 2020.

"Leadership" Level

A score of "A" or "A-" assigned by CDP under its Climate Change program or, in case of a change in the range of scores used by CDP for this program, any other score representing the upper fourth of the range of scores assigned by CDP, or the highest score if this new range of scores assigned by CDP includes fewer than four scores.

OTHERS APPLICABLES RULES

Many Levels during the same year	If, in a single year, CDP publishes two different Levels, the lower Level will be taken into account.
Change in the name of CDP or the Climate Change program	If the name of CDP or the Climate Change program changes without a change in their scoring methods, the publications of the entity or program whose name was changed will, for the purposes of this grant of shares, be considered the publications produced by CDP or the Climate Change program.
No publication or late publication of the Level	<p>If, by December 31 of 2019 and/or 2020 and/or 2021, CDP has not assigned a Level to Danone under the Climate Change program during the year in question, the following rules will apply, as an exception to the above:</p> <ul style="list-style-type: none"> • if no Level was published in 2021 and the "Leadership" Level was assigned to Danone in 2019 and in 2020, the definitive grant will be 100% for one-half of the shares subject to the environmental performance condition and the other half will increase the basis of the shares subject to the FCF condition (in this case, the FCF condition will affect 40% of the shares granted); • if no Level was published in 2021 and the "Leadership" Level was assigned to Danone neither in 2019 nor in 2020, the definitive grant will be 0% of the shares subject to the environmental performance condition; • if no Level was published in 2021 and the "Leadership" Level was achieved by Danone in one year (2020 or 2019), the definitive grant will be 0% for one-half of the shares subject to this environmental performance condition and the other half will increase the basis of the shares subject to the FCF condition (in this case, the FCF condition will affect 40% of the shares granted); • if no Level was published in 2020 and the "Leadership" Level was not achieved by Danone in 2019, the definitive grant will be 0% for one-half of the shares subject to this environmental performance condition and the other half will increase the basis of the shares subject to the FCF condition (in this case, the FCF condition will affect 40% of the shares granted); • if no Level was published in 2020 and the "Leadership" Level was assigned to Danone in 2019, all the shares subject to the environmental performance condition will increase the basis of the shares subject to the FCF condition (in this case, the FCF condition will affect 50% of the shares granted); and • if no Level was published in 2019, all the shares subject to the environmental performance condition will increase the basis of the shares subject to the FCF condition (in this case, the FCF condition will affect 50% of the shares granted).

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been achieved	The Board of Directors must determine the level of achievement of this third performance condition, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, after the Nomination and Compensation Committee's recommendation.
Date of assessment of achievement of the performance condition	Early 2022.

Review of the conditions related to GPS not yet delivered

GPS granted in 2017

The 2017 GPS are subject to the two performance conditions described hereinafter.

Sales growth performance condition, weighted by 50%

PRINCIPLE

The average growth in Danone's consolidated net sales ("CA") is compared, on a like-for-like basis, with that of a benchmark panel over a three-year period, *i.e.* 2017, 2018 and 2019.

- if Danone's CA is less than the Median Panel CA, the definitive grant will be 0%, pursuant to the "no payment under the median" principle;
- if Danone's CA is equal to the Median Panel CA, the definitive grant will be 90% of the shares subject to the sales-related performance condition;
- if Danone's CA is between the Median Panel CA and 120% of the Median Panel CA, the definitive grant will be between 90% and 110% of the shares subject to the sales-related performance condition based on a linear graduate scale between 100% and 120% of the Median Panel CA;
- if Danone's CA is greater than or equal to 120% of the Median Panel CA, the definitive grant will be 110% of the shares subject to the sales-related performance condition.

DEFINITIONS

Danone's CA	Average internal ("organic") growth in sales (on a consolidated and like-for-like basis) in 2017, 2018 and 2019.
Each Panel member's CA	Average internal ("organic") growth in sales generated (on a consolidated and like-for-like basis) by a given Panel member in 2017, 2018 and 2019.
Net sales and change on a like-for-like basis	Non-IFRS financial indicators that Danone uses, the calculation of which is indicated in Danone's financial press releases (see also section 3.6 <i>Financial indicators not defined in IFRS</i> of the 2017 Registration Document).
Panel CA	The CA of all Panel members
Median Panel CA	Value of the Panel member CA that half of the Panel members exceed (<i>i.e.</i> there are as many Panel members with CA exceeding or equal to the Median as there are with CA less than or equal to the Median). If there is an even number of Panel members, the Median Panel CA will be the arithmetic average of the two central Panel CA.
Panel	Eight leading international groups in the food and beverage sector: Unilever N.V., Nestlé S.A., PepsiCo Inc., The Coca-Cola Company, The Kraft Heinz Company, Mondelez International Inc., General Mills Inc. and Kellogg Company.
Change on a like-for-like basis	Non-IFRS financial indicators that Danone uses, the calculation of which is indicated in Danone's financial press releases (see also section 3.6 <i>Financial indicators not defined in IFRS</i>).

AUTRES RÈGLES APPLICABLES

Ensure the consistency of the calculation method for the CA of all Panel members and Danone's CA over the entire period under review	Restatements (mainly adjustments for changes in scope and/or ex-change rates) may be made only to the extent strictly necessary to ensure that the method of calculating the CA of all Panel members and Danone's CA is consistent over the entire period under review.
No publication or late publication of audited accounting or financial data	By one Panel member: the Board of Directors may, exceptionally and by a duly justified decision indicated in the Board's report to the Shareholders' Meeting, exclude this member from the Panel. By two or more Panel members: the Board of Directors will make a duly justified decision indicated in the Board's report to the Shareholders' Meeting, on the basis of the most recent audited financial statements published by the Panel members and by Danone over the last three years for which financial statements were published by all Panel members and by Danone.
The acquisition, absorption, dissolution, spin-off, merger or change in the business activity of one or more Panel members	The Board of Directors may, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, change the composition of the Panel, provided that it maintains the overall consistency of the panel.

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been achieved	The Board of Directors must state whether this performance condition was achieved, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, subsequent to the Nomination and Compensation Committee's recommendation, and based on a financial advisor's report.
Date of assessment of achievement of the performance condition	In 2020, after the companies in the Panel have published their sales figures.

Performance condition related to the attainment of a free cash flow level, weighted by 50%

PRINCIPLE

Attainment of a free cash flow ("FCF") level of more than €6 billion over a three-year period, <i>i.e.</i> for 2017, 2018 and 2019	If the sum of the FCF over three years (2017, 2018 and 2019) is: <ul style="list-style-type: none"> • less than or equal to €6 billion, the definitive grant will be 0% of the shares subject to the FCF performance condition; • between €6 billion and €6.5 billion, the definitive grant will be between 0% and 100%, based on a linear graduate scale between €6 billion and €6.5 billion; • greater than or equal to €6.5 billion, the definitive grant will be 100%.
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DEFINITIONS

Sum of the "FCF"	Sum of the amounts of "Free Cash Flow" for 2017, 2018 and 2019 ("Free Cash Flow" is a financial indicator not defined by IFRS, the calculation of which is indicated in Danone's financial press releases) (see also section 3.6 Financial indicators not defined by IFRS of the 2017 Registration Document), excluding changes in scope (but including the WhiteWave entities for all of 2017) and exchange rates.
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ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this second performance condition, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, subsequent to the Nomination and Compensation Committee's recommendation.
Date of assessment of achievement of the performance condition	Early 2020, after the approval of the 2019 financial statements.

GPS granted in 2016

The 2016 GPS are subject to the two performance conditions described hereinafter.

Sales growth performance condition, weighted by 50%**PRINCIPLE**

The average growth in Danone's consolidated net sales ("CA") is compared, on a like-for-like basis, with that of a benchmark panel over a three-year period, *i.e.* 2016, 2017 and 2018

- if Danone's CA is greater than or equal to the Median Panel CA, the definitive grant will be 100%; and
- if Danone's CA is less than the Median Panel CA, the definitive grant will be 0%, pursuant to the "no payment under the median" principle.

DEFINITIONS

Danone's CA	Average internal ("organic") growth in sales (on a consolidated and like-for-like basis) in 2016, 2017 and 2018.
Each Panel member's CA	Average internal ("organic") growth in sales generated (on a consolidated and like-for-like basis) by a given Panel member in 2016, 2017 and 2018.
Panel CA	The CA of all Panel members
Median Panel CA	Value of the Panel member CA that half of the Panel members exceed (<i>i.e.</i> there are as many Panel members with CA exceeding or equal to the Median as there are with CA less than or equal to the Median). If there is an even number of Panel members, the Median Panel CA will be the arithmetic average of the two central Panel CA.
Panel	Eight leading international groups in the food and beverage sector: Unilever N.V., Nestlé S.A., PepsiCo Inc., The Coca-Cola Company, The Kraft Heinz Company, Mondelez International Inc., General Mills Inc. and Kellogg Company.
Change on a like-for-like basis	Non-IFRS financial indicators that Danone uses, the calculation of which is indicated in Danone's financial press releases (see also section 3.6 <i>Financial indicators not defined by IFRS</i>).

OTHER APPLICABLE RULES

Ensure the consistency of the calculation method for the CA of all Panel members and Danone's CA over the entire period under review	Restatements (mainly adjustments for changes in scope and/or exchange rates) may be made only to the extent strictly necessary to ensure this consistency.
No publication or late publication of audited accounting or financial data	By one Panel member: the Board of Directors may, exceptionally and by a duly justified decision indicated in the Board's report to the Shareholders' Meeting, exclude this member from the Panel. By two or more Panel members: the Board of Directors will make a duly justified decision indicated in the Board's report to the Shareholders' Meeting, on the basis of the most recent audited financial statements published by the Panel members and by Danone over the last three years for which financial statements were published by all Panel members and by Danone.
The acquisition, absorption, dissolution, spin-off, merger or change in the business activity of a Panel member	The Board of Directors may, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, exclude this Panel member, provided that it maintains the overall consistency of the panel.

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, subsequent to the Nomination and Compensation Committee's recommendation, and based on a financial advisor's report.
Date of assessment of achievement of the performance condition	In early 2019, after the companies in the Panel have published their sales figures.

Trading operating margin performance condition, weighted by 50%

PRINCIPLE

Improvement in growth in the trading operating margin on a like-for-like basis over a three-year period, <i>i.e.</i> for 2016, 2017 and 2018	<p>If growth in the trading operating margin on a like-for-like basis over three years (2016, 2017 and 2018) is:</p> <ul style="list-style-type: none"> • greater than or equal to +35 basis points, the definitive grant will be 100%; • less than +35 basis points, the definitive grant will be 0%.
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DÉFINITIONS

Trading operating margin	Non-IFRS financial indicators that Danone uses, the calculation of which is indicated in Danone's financial press releases (see also section 3.6 <i>Financial indicators not defined in IFRS</i>).
Trading operating income	
Change on a like-for-like basis	

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been achieved	The Board of Directors must state whether this performance condition was achieved, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, subsequent to the Nomination and Compensation Committee's recommendation.
Date of assessment of achievement of the performance condition	Early 2019, after the approval of the 2018 financial statements.

GPS granted in 2015

The 2015 GPS are subject to the two performance conditions described hereinafter.

Sales growth performance condition, weighted by two-thirds

PRINCIPLE

The average growth in Danone's net sales ("CA") is compared, on a like-for-like basis, with that of a benchmark panel over a three-year period, <i>i.e.</i> 2015, 2016 and 2017	<ul style="list-style-type: none"> • if Danone's CA is greater than or equal to the Median Panel CA, the definitive grant will be 100%; and • if Danone's CA is less than the Median Panel CA, the definitive grant will be 0%, pursuant to the "no payment under the median" principle.
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DÉFINITIONS

Danone's CA	Average internal ("organic") growth in Danone's sales in 2015, 2016 and 2017 (on a consolidated and like-for-like basis).
Each Panel member's CA	Average internal ("organic") growth in the sales generated by a given Panel member in 2015, 2016 and 2017 (on a consolidated and like-for-like basis).
Panel CA	The CA of all Panel members
Median Panel CA	Value of the Panel member CA that half of the Panel members exceed (<i>i.e.</i> there are as many Panel members with CA exceeding or equal to the Median as there are with CA less than or equal to the Median). If there is an even number of Panel members, the Median Panel CA will be the arithmetic average of the two central Panel CA.
Panel	Eight leading international groups in the food and beverage sector: Unilever N.V., Nestlé S.A., PepsiCo Inc., The Coca-Cola Company, Kraft Foods Group Inc. (which became The Kraft Heinz Company in 2015), Mondelez International Inc., General Mills Inc. and Kellogg Company.
Change on a like-for-like basis	Non-IFRS financial indicators that Danone uses, the calculation of which is indicated in Danone's financial press releases (see also section 3.6 <i>Financial indicators not defined in IFRS</i>).

OTHERS APPLICABLES RULES

Ensure the consistency of the calculation method for the CA of all Panel members and Danone's CA over the entire period under review	Restatements (mainly adjustments for changes in scope and/or exchange rates) may be made only to the extent strictly necessary to ensure this consistency.
No publication or late publication of audited accounting or financial data	By one Panel member: the Board of Directors may, exceptionally and by a duly justified decision indicated in the Board's report to the Shareholders' Meeting, exclude this member from the Panel. By two or more Panel members: the Board of Directors will make a duly justified decision indicated in the Board's report to the Shareholders' Meeting, on the basis of the most recent audited financial statements published by the Panel members and by Danone over the last three years for which financial statements were published by all Panel members and by Danone.
Exclusion of a Panel member in case of acquisition, absorption, dissolution, spin-off, merger or change in its business	The Board of Directors may, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, exclude this Panel member, provided that it maintains the overall consistency of the panel.

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, subsequent to the Nomination and Compensation Committee's recommendation, and based on a financial advisor's report.
Date of assessment of achievement of the performance condition	In the first half of 2018, after the companies in the Panel have published their sales figures.

Trading operating margin performance condition, weighted by one-third

PRINCIPLE

Improvement in growth in the trading operating margin on a like-for-like basis over three years, <i>i.e.</i> for 2015, 2016 and 2017	If the average growth in the trading operating margin calculated over three years (2015, 2016 and 2017) is: <ul style="list-style-type: none"> • positive (<i>i.e.</i> greater than or equal to +1 basis point), the definitive grant will be 100%; • equal to zero or negative, the definitive grant will be 0%.
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DEFINITIONS

Average growth in the trading operating margin	Average growth in the trading operating margin on a like-for-like basis: <ul style="list-style-type: none"> • in 2015 compared to 2014; • in 2016 compared to 2015; and • in 2017 compared to 2016.
Sales	Danone's consolidated sales, as defined under IFRS.
Trading operating margin	Non-IFRS financial indicators that Danone uses, the calculation of which is indicated in Danone's financial press releases (see also section 3.6 <i>Financial indicators not defined by IFRS</i>).
Trading operating income	
Change on a like-for-like basis	

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

Assessment of achievement of the performance condition	Upon recommendation of the Nomination and Compensation Committee, on February 15, 2018 the Board of Directors noted the achievement of the operating margin condition, with growth of +65 basis points.
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Review of the rules related to the GPS granted in 2014 and to be delivered in 2018

The 2014 GPS are subject to the two performance conditions described hereinafter.

Sales growth performance condition, weighted by two-thirds

The average growth in Danone's net sales ("CA") is compared, on a like-for-like basis, with that of a benchmark panel over three years (<i>i.e.</i> 2014, 2015 and 2016)	<ul style="list-style-type: none"> if Danone's CA is greater than or equal to the Median Panel CA, the definitive grant will be 100%; and if Danone's CA is less than the Median Panel CA, the definitive grant will be 0%, pursuant to the "no payment under the median" principle.
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DEFINITIONS

Danone's CA	Average internal ("organic") growth in Danone's sales in 2014, 2015 and 2016 (on a consolidated and like-for-like basis, <i>i.e.</i> excluding changes in scope, in exchange rates and in the applicable accounting principles).
Each Panel member's CA	Average internal ("organic") growth in the sales generated by a given Panel member in 2014, 2015 and 2016 (on a consolidated and like-for-like basis, <i>i.e.</i> excluding changes in scope, in exchange rates and in the applicable accounting principles).
Panel CA	The CA of all Panel members
Median Panel CA	Value of the Panel member CA that half of the Panel members exceed (<i>i.e.</i> there are as many Panel members with CA exceeding or equal to the Median as there are with CA less than or equal to the Median). If there is an even number of Panel members, the Median Panel CA will be the arithmetic average of the two central Panel CA.
Panel	Eight leading international groups in the food and beverage sector: Unilever N.V., Nestlé S.A., PepsiCo Inc., The Coca-Cola Company, Kraft Foods Group Inc. (which became The Kraft Heinz Company in 2015), Mondelez International Inc., General Mills Inc. and Kellogg Company.

OTHERS APPLICABLES RULES

Ensure the consistency of the calculation method for the CA of all Panel members and Danone's CA over the entire period under review	Restatements (mainly adjustments for changes in scope and/or exchange rates) may be made only to the extent strictly necessary to ensure that the method of calculating the CA of all Panel members and Danone's CA is consistent over the entire period under review.
No publication or late publication of audited accounting or financial data	<p>By one Panel member: the Board of Directors may, exceptionally and by a duly justified decision indicated in the Board's report to the Shareholders' Meeting, exclude this member from the Panel.</p> <p>By two or more Panel members: the Board of Directors will make a duly justified decision indicated in the Board's report to the Shareholders' Meeting, on the basis of the most recent audited financial statements published by the Panel members and by Danone over the last three years for which financial statements were published by all Panel members and by Danone.</p>
Exclusion of a Panel member in case of acquisition, absorption, dissolution, spin-off, merger or change in its business	The Board of Directors may, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, exclude this Panel member, provided that it maintains the overall consistency of the panel.

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

Assessment of achievement of the performance condition	Upon recommendation of the Nomination and Compensation Committee, on April 27, 2017 the Board of Directors noted that this criterion had been achieved.
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Trading operating margin performance condition, weighted by one-third

Growth in the trading operating margin over three years (<i>i.e.</i> 2014, 2015 and 2016)	<p>If the average growth in the trading operating margin calculated over three years (2014, 2015 and 2016) is:</p> <ul style="list-style-type: none"> • positive (<i>i.e.</i> greater than or equal to +1 basis point), the definitive grant will be 100%; • equal to zero or negative, the definitive grant will be 0%.
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DEFINITIONS

Average growth in the trading operating margin	<p>Average growth in the trading operating margin on a like-for-like basis:</p> <ul style="list-style-type: none"> • in 2014 compared to 2013; • in 2015 compared to 2014; and • in 2016 compared to 2015.
Trading operating margin	Ratio of trading operating income to sales.
Sales	Danone's consolidated sales, as defined under IFRS.
Trading operating income	<p>Danone's operating income excluding Other operating income (expense). In accordance with CNC Recommendation 2009-R.03 "on the format of financial statements of entities applying international accounting standards", "Other operating income (expense)" includes significant items which, because of their extraordinary nature, cannot be viewed as inherent to Danone's current activities. This mainly includes capital gains and losses on disposals of consolidated companies, impairment charges on goodwill, significant costs related to strategic restructuring and major external growth transactions, and costs (incurred or estimated) related to major crises and litigation. Under revised IFRS 3, Business Combinations, in the "Other operating income (expense)" item Danone also presents (i) costs to acquire companies in which the Group acquires a controlling interest, (ii) revaluation variances recorded following a loss of control, and (iii) changes in additional purchase prices subsequent to the acquisition of a controlling interest.</p>
Change in the trading operating margin on a like-for-like basis	<p>Increase or decrease, mainly after exclusion of the impact of: (i) changes in exchange rates, with both previous year and current year indicators calculated based on the same exchange rates (the exchange rate used is a projected annual rate determined by Danone for the current year and applied to both years), (ii) changes in consolidation scope, with indicators related to the current year calculated on the basis of the scope of consolidation of the previous year, and (iii) changes in applicable accounting principles.</p>

ASSESSMENT OF ACHIEVEMENT OF THE PERFORMANCE CONDITION

Achievement of the performance condition	Upon recommendation of the Nomination and Compensation Committee, on February 14, 2017 the Board of Directors noted that the margin condition had been satisfied, since its average growth between 2014 and 2016 was positive.
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FORMER STOCK-OPTION PLANS (SITUATION AT DECEMBER 31, 2017)

Summary of the former stock-option plans

Characteristics of the former plans and changes in these plans in 2017 (information required by Tables 8 and 9 of the French Financial Markets Authority's recommendation about the compensation of corporate officers)

This information includes adjustments made to the number of stock options granted subsequent to the June 25, 2009 share capital increase, and to the exercise prices of the plans in effect on that date. The maximum number of stock options authorized by the various Shareholders' Meetings was not changed.

Stock-option plans in effect			Total
Shareholders' Meeting authorizing the options	4/26/2007	4/23/2009	
Options authorized by the Shareholders' Meeting	6,000,000 ^(b)	6,000,000	
<i>Of which options not granted</i>	476,942 ^(c)	5,979,600	
Date of Board of Directors' meeting that authorized the options	4/23/2009 ^(d)	10/20/2009	
Total number of shares that can be subscribed or purchased			
<i>Of which number that can be subscribed or purchased by:</i>			
Franck RIBOUD	164,300		
Emmanuel FABER	82,150		
Options granted ^(a)	2,704,611	20,400	2,725,011
Option characteristics			
First exercise date ^(e)	4/23/2013	10/20/2013	
Expiration date	4/22/2017	10/19/2017	
Exercise price	34.85	40.90	
Changes in 2017 and situation as of December 31, 2017			Total
Active options at December 31, 2016	325,916	7,100	333,016
Void or cancelled options in 2017	(39,644)	-	(39,644)
Options exercised in 2017	(286,272)	(7,100)	(293,372)
<i>Of which options exercised by the corporate officers in 2017</i>	<i>(82,150)</i>	<i>-</i>	<i>(82,150)</i>
Active options at December 31, 2017	-	-	-
<i>Of which options granted to the corporate officers</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Of which options granted to Executive Committee members</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Of which number of Executive Committee member beneficiaries</i>	<i>-</i>	<i>-</i>	<i>-</i>
Void or cancelled options at December 31, 2017	(546,429)	(4,000)	(550,429)

(a) The number of options granted was adjusted to reflect the June 25, 2009 capital increase.

(b) The number of options authorized was not adjusted to reflect the June 25, 2009 capital increase.

(c) The number of options not granted was not adjusted to reflect the June 25, 2009 capital increase.

(d) Date of last grant of options to the corporate officers.

(e) The first exercise date corresponds to the end of the vesting period.

Obligation to hold Danone shares resulting from the exercise of stock options

An obligation to hold DANONE shares resulting from the exercise of stock options applies to all corporate officers and other Executive Committee members. The Chairman and Chief Executive Officer must hold (in registered form) a certain number of shares resulting from the exercise of options granted under each stock-option plan approved as of January 1, 2007 until his term of office is terminated.

The Board of Directors decided (i) that this obligation to hold a portion of the shares would apply to a number of shares corresponding to 35% of the capital gain upon acquisition, net of tax and social security contributions, realized on all the shares resulting from an exercise of stock options by the officer concerned under

this plan; and (ii) to make all other Executive Committee members subject to this obligation to hold shares under the same conditions.

In addition, at the proposal of the Nomination and Compensation Committee, the Board of Directors, at its meeting on February 14, 2012, decided to add to the current scheme an overall holding ceiling for the requirement to hold shares resulting from performance shares or from the exercise of stock options representing the equivalent in shares of four years of fixed compensation for corporate officers and two years of fixed compensation for the other Executive Committee members.

Moreover, in accordance with the AFEP-MEDEF Code and at the recommendation of the Nomination and Compensation Committee, the Board of Directors, at its meeting on February 22, 2016, re-examined and confirmed these obligations to hold shares resulting

from the exercise of stock options and performance shares as part of the review of the compensation of the corporate officers and the renewal of their terms of office.

Impact on share capital dilution and share ownership

Year ended December 31, 2009

	Number of shares	Percentage of share capital ^(a)
Grants during the year		
Stock options granted	2,725,011	0.4%
<i>Of which stock options granted to all corporate officers</i>	<i>575,050</i>	<i>0.1%</i>

(a) Percentage of share capital on the grant date (date of the Shareholders' Meeting that authorized the stock-option grants).

Year ended December 31

	2016		2017	
	Number of shares	Percentage of share capital ^(a)	Number of shares	Percentage of share capital ^(a)
Balance as of December 31 ^(b)				
Active stock options	333,016	0.05%	0	0%
<i>Of which stock options granted to all corporate officers</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>

(a) Percentage of share capital at December 31.

(b) Balance of exercisable stock options at December 31.

GROUP PERFORMANCE UNITS

Principles

Danone's multi-annual compensation consists of Group Performance Units (GPUs) that are subject to multi-annual performance conditions over a three-year period.

GPUs were introduced in 2005 to more closely align the compensation of the corporate officers, Executive Committee members and 1,500 senior executives with Danone's overall medium-term operational and economic performance.

Group Performance Units are granted each year by a decision of the Board of Directors and at the recommendation of the Nomination and Compensation Committee for a three-year period.

Value

Each GPU has a maximum value of €30. Information on the valuation of existing GPUs is provided hereinafter in section *Group Performance Units, Annual objectives*.

Performance objectives

The Board of Directors determines the objective(s) for Group Performance Units on the basis of recommendations by the Nomination and Compensation Committee. These objectives are based on one or more key financial indicators and/or one or more

societal indicators. The Board of Directors, at the recommendation of the Nomination and Compensation Committee, assesses the achievement of each plan's objectives. These objectives are the same for all beneficiaries of Group Performance Units.

Continuous employment condition

The payment of GPUs is subject to a three-year continuous employment condition that applies to all beneficiaries. However, in case of a change of control, the performance objectives for the valuation period, *i.e.* the three calendar years during which the three-year performance objectives will be assessed, would be:

- valued on the basis of the achievement of the objectives validated by the Board of Directors;

- considered fully achieved if the objectives were not yet validated by the Board of Directors on the date of change of control. A payment would be made for all outstanding Group Performance Unit plans in the month following the change of control.

Moreover, the continuous employment and performance conditions are partially waived in case of a beneficiary's death or voluntary or non-voluntary retirement.

For the corporate officers, in case of departure before the end of the term set for assessing the performance criteria, payment of multi-annual compensation is cancelled, except under exceptional circumstances justified by the Board. Therefore, in case of the voluntary or non-voluntary retirement of a corporate officer:

- he/she loses all rights to the Group Performance Units granted during the 12 months preceding his/her departure;

- the Group Performance Units granted previously (a) are considered vested by said beneficiary and the three-year continuous employment condition does not apply; and (b) are valued as of the date of the event based on the following rules:

- the calendar year(s) for which the financial statements were approved by the Board of Directors are assessed based on achievement of the objectives;
- the current or future calendar year(s) is/are deemed to have no value.

Situation as of December 31, 2017

Outstanding Group Performance Unit plans					
Year of grant	2014	2015	2016	2017	Total
Date of Board meeting that granted the Group Performance Units	7/24/2014	7/23/2015	7/27/2016	7/26/2017	N/A
Number of Group Performance Units granted	967,017	927,439	943,266	952,130	3,789,852
<i>Of which number granted to corporate officers</i>	61,000 ^(a)	20,000 ^(b)	20,000 ^(b)	– ^(c)	101,000
Number of beneficiaries	1,330	1,331	1,394	1,498	
Group Performance Unit characteristics					
Year paid	2017	2018	2019	2020	
Objectives ^(d)	Annual objectives for 2014, 2015 and 2016	Annual objectives for 2015, 2016 and 2017	Annual objectives for 2016, 2017 and 2018	Objectives set in 2017 for a three-year period	
Unit value of the Group Performance Units	€26, since the 2014 and 2015 objectives were partially achieved and the 2016 objective was fully achieved	€29, since the 2015 objective was partially achieved and the 2016 and 2017 objectives were fully achieved	Maximum €30, since the 2016 and 2017 objectives were fully achieved	Maximum €30	

(a) Grant to Mr. Emmanuel FABER and Mr. Franck RIBOUD. This was the last grant to Mr. Franck RIBOUD.

(b) Grant to Mr. Emmanuel FABER.

(c) Since 2017, Mr. Emmanuel FABER no longer receives GPUs.

(d) The objectives and information concerning their achievement are presented in detail hereinafter.

Objectives applicable to the GPUs in effect

Objective applicable for 2014

Objective applicable to the first year of the 2014 GPUs

Objective	Objective achievement level in 2015	Value of each GPU for 2015 (in €)	Level of achievement	Value
Increase in sales of at least 5% on a like-for-like basis	< 4.5%	0	On February 14, 2015, the Board of Directors noted that this objective had been achieved to a value of €7.	€7
	≥ 4.5%	5		
	≥ 4.6%	6		
	≥ 4.7%	7		
	≥ 4.8%	8		
	≥ 4.9%	9		
	≥ 5%	10		

Objective applicable for 2015

Objective applicable to the second year of the 2014 GPUs and to the first year of the 2015 GPUs

Objective	Objective achievement level in 2015	Value of each GPU for 2015 (in €)	Level of achievement	Value
Increase in sales of at least 4.5% on a like-for-like basis	< 4.0%	0	On February 22, 2016, the Board of Directors noted that this objective had been achieved to a value of €9.	€9
	≥ 4.0%	5		
	≥ 4.1%	6		
	≥ 4.2%	7		
	≥ 4.3%	8		
	≥ 4.4%	9		
	≥ 4.5%	10		

Objective applicable for 2016

Objective applicable to the third year of the 2014 GPUs, to the second year of the 2015 GPUs and to the first year of the 2016 GPUs

Objective	Objective achievement level in 2015	Value of each GPU for 2015 (in €)	Level of achievement	Value
Growth in the operating margin on a like-for-like basis	< +25 bps	0	The Board noted that 100% of the 2016 objective was achieved and therefore valued the GPUs for 2016 at €10.	€10
	≥ +25 pbs	5		
	≥ +26 pbs	6		
	≥ +27 pbs	7		
	≥ +28 pbs	8		
	≥ +29 pbs	9		
	≥ +30 pbw	10		

Objectives applicable for 2017

Objectives applicable to the third year of the GPU 2015 and the second year of the GPU 2016

Objective	Objective achievement level in 2015	Value of each GPU for 2015 (in €)	Level of achievement	Value
Earnings per share	≥ +10%	10	The Board noted that 100% of the 2017 objective was achieved and therefore valued the GPUs for 2017 at €10.	€10
	< +10 %	0		

Objectives of the GPUs granted in 2017

Objectives	Level of achievement of the objective	Value of the objective (in €)	Level of achievement	Value
Growth in the operating margin on a like-for-like basis over a three-year period, <i>i.e.</i> for 2017, 2018 and 2019	≥ +100 bps	24	A review will be conducted in 2020 by the Board of Directors to determine	Max. €30
	= +90 bps	21		
	= +80 bps	18		
	= +70 bps	15		
	= +60 bps	12		
	< +60 bps	0		
Annual reduction of the carbon footprint over a three-year period, <i>i.e.</i> for 2017, 2018 and 2019	≥ +4%	3		
	< +4%	0		
Level of employee commitment based on the Danone People survey compared to that of the FMCG sector over a three-year period, <i>i.e.</i> for 2017, 2018 and 2019	> FMCG	3		
	≤ FMCG	0		

6.5 DANONE SHARES HELD BY THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS

NUMBER OF DANONE SHARES HELD BY THE BOARD MEMBERS AND THE EXECUTIVE COMMITTEE MEMBERS
(WHICH INCLUDES 1 DIRECTOR)

As of December 31, 2017

Board of Directors	
Franck RIBOUD	234,495
Emmanuel FABER	61,955
Frédéric BOUTEBBA	–
Gregg L. ENGLES	4,000
Clara GAYMARD	4,100
Jacques-Antoine GRANJON	4,235
Jean LAURENT	5,284
Gaëlle OLIVIER	4,242
Benoît POTIER	8,645
Isabelle SEILLIER	4,073
Mouna SEPEHRI	4,234
Jean-Michel SEVERINO	4,361
Virginia A. STALLINGS	4,000
Bettina THEISSIG	–
Serpil TIMURAY	4,418
Lionel ZINSOU-DERLIN	4,104
Executive Committee (excluding Emmanuel FABER)	36,861
Total number of shares	389,007
Total percentage of the Company's share capital	0.06%

TRANSACTIONS ON DANONE SHARES

Transactions on DANONE shares completed in 2017 by individuals with managerial responsibilities

Name	Title	Type of security	Type of transaction	Date of transaction	Gross unit price ^(a)	Number of shares ^(a)	Total gross amount
Franck RIBOUD	Chairman	Shares	Disposal	5/2/2017	€63.97	18,580	€1,188,552.46
		Shares	Disposal	5/2/2017	€63.88	4,000	€255,533.60
		Shares	Disposal	5/2/2017	€63.88	17,420	€1,112,879.31
		Shares	Disposal	9/8/2017	€66.63	36,832	€2,454,130.89
		Shares	Disposal	9/8/2017	€66.63	3,168	€211,085.11
		Shares	Disposal	11/2/2017	€69.78	9,050	€631,476.42
		Shares	Disposal	11/2/2017	€69.88	7,382	€515,829.06
		Shares	Disposal	11/3/2017	€70.15	24,252	€1,701,396.63
A legal entity related to Franck RIBOUD		Shares	Disposal	2/24/2017	€62.63	3,160	€197,910.80
Emmanuel FABER	Chief Executive Officer	Shares	Donation to a non-profit legal entity	11/15/2017	€00.00	33,260	€00.00
Gregg ENGLÉS	Director	Shares	Acquisition	5/23/2017	\$75.14	4,000	\$300,580.09
Serpil TIMURAY	Director	Shares	Acquisition	8/28/2017	€66.43	296	€19,663.28

(a) The amounts have been rounded to two decimals for the gross unit price and to the whole number for the number of shares.

Corporate officers and Executive Committee members are required to hold their DANONE shares resulting from Group Performance Shares and stock options. This requirement is described in the above sections *Others applicables rules* extracted from the section

6.4 Detailed information on long-term and multi-annual compensation plans, and *Obligation to hold DANONE shares acquired from the exercise of stock options.*

6.6 RELATED PARTY AGREEMENTS AND COMMITMENTS

On a preliminary basis, it should be noted that, based on an in-depth analysis, the Board of Directors considered that the syndicated facilities agreement of July 28, 2011 entered into between the Company and 12 other banks, including the J.P Morgan group, as well as its subsequent amendments, were no longer regarded as related party agreement, given the nature, the amount and the

number of contracting parties, as well as the functions of Mrs. Isabelle SEILLIER within J.P Morgan, the fact she does not hold any corporate office within J.P Morgan and any decision authority, and the fact she is not granted with any compensation linked to the syndicated facilities agreement and its subsequent amendments.

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

To the Danone Shareholders' Meeting,

In our capacity as Statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of as well as of the reasons for those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are useful or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code concerning the implementation, during the year, of the agreements and commitments already approved by the shareholders' meeting.

We have performed the due diligence procedures that we deemed necessary in accordance with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) for this type of assignment. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS' MEETING

We hereby inform you that we were not notified of any agreement or commitment authorized during the previous year to be submitted for

Shareholders' Meeting approval in accordance with the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in prior fiscal years

a) whose implementation continued during the past fiscal year

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the execution of the agreements and commitments described below, already approved by the Shareholders' Meeting in prior fiscal years, continued during the past fiscal year.

1. With the danone.communities mutual investment fund (SICAV)

Persons concerned

Mr. Franck Riboud, Chairman of the Board of Directors until November 30, 2017 and director as of December 1, 2017, Chairman of the Board of Directors of the danone.communities mutual investment fund until November 30, 2017, and Mr. Emmanuel Faber, Chief Executive Officer until November 30, 2017 and Chairman and Chief Executive Officer as of December 1, 2017, director of the danone.communities mutual investment fund.

Cooperation agreement within the framework of the Danone Communities project

Nature, purpose and conditions

On April 26, 2007, within the framework of the Danone Communities project, the company's Board of Directors unanimously authorized the signing of a cooperation agreement established between your company, the danone.communities mutual investment fund (Société d'Investissement à Capital Variable – SICAV), the danone.communities FCPR (venture capital fund, now FPS), and companies of the Crédit Agricole group, namely IDEAM (which was merged into Amundi in 2011) and Crédit Agricole Private Equity (now renamed Omnes Capital), respectively management companies for the SICAV and the FPS, it being specified that as of the date of this Board meeting, Mr. Jean Laurent, Director of your company, was also the Chairman of the Board of Directors of Calyon, a subsidiary of the Crédit Agricole group, and abstained from voting. This agreement governs the relations between your company and other entities that have taken part in the Danone Communities project, and in particular provided for the initial subscription of shares of the danone.communities SICAV by your company for a maximum amount of €20 million, as well as the annual financial contribution by your company of a maximum amount of €1.5 million for the first fiscal year, it being specified that this amount must be revised annually by your company's Board of Directors.

On February 14, 2017, the Board of Directors voted unanimously (with Messrs. Franck Riboud and Emmanuel Faber abstaining) to set your company's annual financial contribution for 2017 at a maximum of €3.95 million (the total amount of financial contributions by your company to Danone Communities for 2017 was therefore €3.7 million).

On February 15, 2018, the Board of Directors voted unanimously (with Mr. Emmanuel Faber abstaining) to set your company's annual financial contribution for 2018 at a maximum of €3.7 million.

2. With Mr. Franck Riboud, Chairman of the Board of Directors until November 30, 2017 and a director since December 1, 2017

1) Agreement related to the conditions under which Mr. Franck Riboud's employment contract would be resumed following the conclusion of his term as a corporate officer

Nature, purpose and conditions

On July 21, 2004, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, voted unanimously (with Mr. Franck Riboud abstaining) to update the conditions under which Mr. Franck Riboud's employment contract,

which was suspended on August 26, 1994 when he was appointed a corporate officer of your company, would be resumed if his term of office ended, for whatever reason, and established that:

- the amount of time during which he exercised his duties as a corporate officer for the benefit of your company will be entirely taken into account with respect to seniority and his resulting rights within the framework of his employment contract;
- the company undertakes to offer him a position involving duties comparable to those currently exercised by the members of your company's Executive Committee;
- the annual compensation that will be paid out to him cannot be less than the total annual average compensation (gross base salary, benefits in kind, and bonus of any type) allocated to all members of the Executive Committee during the 12 months preceding the resumption of his employment contract; and
- he will benefit from the company's defined benefit pension plan based on his seniority as a corporate officer and his seniority under his employment contract.

This agreement remained in effect in 2017 but was not implemented. It ended as Mr. Franck Riboud resigned from his suspended employment contract with effect on November 30, 2017.

2) Amendment to the suspended employment contract of Mr. Franck Riboud

Nature, purpose and conditions

On February 10, 2010, the Board of Directors amended the suspended employment contract of Mr. Franck Riboud (who abstained from the vote) such that:

- the indemnity provided under the company's collective agreement applicable to all Company employees (the "Indemnity for Termination of the Employment Contract") is: (i) subject to a limit of two years' fixed and variable gross compensation; and (ii) in the event of the payment of both the Indemnity for Termination of the Employment Contract and the indemnity due in certain instances of the termination of the term of office of a corporate officer, included in an overall limit, also subject to a limit of two years' fixed and variable gross compensation, applicable to all termination indemnities paid in respect of a term of office or an employment contract;
- the portion of the Indemnity for Termination of the Employment Contract corresponding to the seniority acquired in respect of the term of office of the person concerned is subject to the same performance conditions as the indemnity due in certain instances of the termination of the term of office of the corporate officer;
- in the exclusive event that a change in control results in the forced termination of his term of office as a corporate officer, provided he has not committed serious misconduct or gross negligence, the person concerned may request the termination of his employment contract in the form of termination within three months from the date of the termination of his term of office as a corporate officer (*i.e.* the date on which his employment contract is resumed).

In the event of the amendment of the performance conditions applicable to the indemnity due in certain instances of the termination of the term of office of a corporate officer, the performance conditions applicable to the portion of the Indemnity for Termination of the Employment Contract corresponding to the seniority acquired in respect of the term of office will be automatically amended.

The portion of the Indemnity for Termination of the Employment Contract which is subject to performance conditions and which corresponds to the seniority acquired in respect of the term of office will be subject to the authorization from the Board of Directors and the approval of the shareholders on each occasion the term of office is renewed.

It should be noted that Mr. Franck Riboud is not subject to any non-compete clause.

This agreement remained in effect in 2017 but was not implemented. It ended as Mr. Franck Riboud resigned from his position covered by the suspended employment contract with effect on November 30, 2017.

3) Commitment concerning the defined benefit pension plan of Mr. Franck Riboud

Nature, purpose and conditions

On February 13, 2008, the Board of Directors unanimously confirmed (with Mr. Franck Riboud abstaining) your company's commitment on behalf of Mr. Franck Riboud, a corporate officer, relative to the payment of a defined-benefit pension in the form of an annuity (with a reversion option), calculated on the basis of the following elements:

- the basis of calculation for the retirement guarantee corresponds to the average of annual base salaries and bonuses for the last three entire years of activity within the group. The length of service taken into account would include the period corresponding to the term of office;
- in the event of retirement without satisfying the conditions necessary for obtaining the full rate with respect to the social security pension, a reduction of 1.25% per quarter between the age at which the person retired and the age at which he would have received his full rate social security pension will be applied to this annuity;
- the amount of the annuity that would be paid to Mr. Franck Riboud would correspond to 2% of this calculation basis per year of service (this amount will, however, be capped at 65% of the calculation basis), less the full amount of the pension rights vested by Mr. Franck Riboud during his professional life, including the supplementary pension plan fully funded by the company.

Mr. Franck Riboud is eligible to benefit from this pension plan only if he was performing his duties within the group at the time of retirement (it being specified that in the event he leaves the group before reaching the age of 55, all vested rights will be lost, and that in the event such officer is terminated after the age of 55, the benefit derived from this plan will be preserved, on condition that he does not take up a salaried position).

On February 22, 2016, upon renewing the term of office of Mr. Franck Riboud as Chairman, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, voted unanimously (with Mr. Franck Riboud abstaining) to:

- take due note of existing retirement commitments taken by the company on behalf of Mr. Franck Riboud, approved by the Shareholders' Meeting of April 29, 2008 and submitted to shareholders for an advisory opinion as part of the so-called "say on pay" resolutions approved at each Shareholders' Meeting since 2014;
- observe that in light of his length of service at your company, Mr. Franck Riboud had in 2014 reached the ceiling on annuity payments that he was eligible to receive;
- and then note that given the absence of any annual increase in his conditional rights to a pension during his future term of office, there was no need to consider performance conditions or submit these conditional rights to the Shareholders' Meeting for approval.

This agreement remained in effect in 2017 and was implemented, as Mr. Franck Riboud exercised his rights to the pension as of December 1, 2017. The annuity paid out to him in 2017 totaled €0.12 million.

b) not implemented during the last fiscal year

We were also informed that the following agreements and commitments, which had already been approved by the Shareholders' Meeting in previous years, remained in effect but were not implemented during the last fiscal year.

With Mr. Emmanuel Faber, Chief Executive Officer until November 30, 2017 and Chairman and Chief Executive Officer since December 1, 2017.

1. Agreement concerning conditions for resuming the employment contract of Mr. Emmanuel Faber at the conclusion of his term of office

Nature, purpose and conditions

On February 13, 2008, the Board of Directors voted unanimously (with Mr. Emmanuel Faber abstaining) to authorize an amendment to the company's employment contract with Mr. Emmanuel Faber, for the purpose of determining the conditions under which his employment contract would be resumed (it was suspended when he was appointed a corporate officer of the company), assuming that his term of office ends for whatever reason.

This amendment provides that:

- his entire length of service as a corporate officer on behalf of your company will be taken into account for the purpose of seniority and the resulting rights within the framework of his employment contract;
- the company undertakes to offer him a position involving duties comparable to those currently exercised by the members of your company's Executive Committee;
- the annual compensation that will be paid out to him cannot be less than the total annual average compensation (gross base salary, benefits in kind, and bonus of any type) allocated to all members of the Executive Committee during the 12 months preceding the resumption of his employment contract;
- he will benefit from your company's defined-benefit pension plan based on his seniority as a corporate officer and his seniority under the employment contract;
- the contractual indemnity due in the event of the termination of his employment contract will be canceled.

2. Amendments to the suspended employment contract of Mr. Emmanuel Faber

Nature, purpose and conditions

On February 10, 2010, the Board of Directors amended the suspended employment contract of Mr. Emmanuel Faber, who abstained from voting, such that:

- the indemnity provided under the company's collective agreement applicable to all Company employees (the "Indemnity for Termination of the Employment Contract") is: (i) subject to a limit of two years' fixed and variable gross compensation; and (ii) in the event of the payment of both the Indemnity for Termination of the Employment Contract and the indemnity due in certain instances of the termination of the term of office of a corporate officer, included in an overall limit, also subject to a limit of two years' fixed and variable gross compensation, applicable to all termination indemnities paid in respect of a term of office or an employment contract;
- the portion of the Indemnity for Termination of the Employment Contract corresponding to the seniority acquired in respect of the term of office of the person concerned is subject to the same

performance conditions as the indemnity due in certain instances of the termination of the term of office of the corporate officer;

- in the exclusive event that a change in control results in the forced termination of his term of office as a corporate officer, the person concerned may, provided he has not committed serious misconduct or gross negligence, request the termination of his employment contract in the form of termination within three months from the date of the termination of his term of office as a corporate officer (*i.e.* the date on which his employment contract is resumed).

In the event of the amendment of the performance conditions applicable to the indemnity due in certain instances of the termination of the term of office of a corporate officer, the performance conditions applicable to the portion of the Indemnity for Termination of the Employment Contract corresponding to the seniority acquired in respect of the term of office will be automatically amended.

The portion of the Indemnity for Termination of the Employment Contract which is subject to performance conditions and which corresponds to the seniority acquired in respect of the term of office will be subject to the agreement of the Board of Directors and the authorization of shareholders on each occasion the term of office is renewed.

In addition, the non-compete clause included in the suspended employment contract of Mr. Emmanuel Faber was amended such that it may not be implemented by your company and trigger the payment of consideration except in the case of a resignation.

As part of the reunification of the Chairman and Chief Executive Officer functions, the Board of Directors on October 18, 2017 took note to the extent necessary and acting on the recommendation of the Nomination and Compensation Committee, that the non-compete clause contained in the suspended employment contract of Mr. Emmanuel Faber remained unchanged.

3. Commitment concerning the indemnification conditions applicable to Mr. Emmanuel Faber in certain cases of termination of his term of office as Chief Executive Officer

Nature, purpose and conditions

At the time of the appointment of Mr. Emmanuel Faber as Deputy General Manager, the Board of Directors meeting of February 13, 2008 approved in a unanimous vote, with Mr. Emmanuel Faber abstaining, the principle and conditions of the indemnification rights in certain cases of termination of his term of office.

On February 18, 2013, the Board of Directors (excluding Mr. Emmanuel Faber who abstained from voting) unanimously decided, at the time of renewal of Mr. Emmanuel Faber's term of office subject to approval by the Shareholders' Meeting of April 25, 2013, to renew his rights to indemnity in certain cases of termination of his duties. These rights to indemnity had been renewed on the same basis as that set by the Board of Directors on February 10, 2010 and approved by the Shareholders' Meeting of April 22, 2010, subject to certain amendments made in order to ensure compliance with the provisions of the AFEP-MEDEF Code or to make the payment conditions more restrictive. The indemnification rights, amended slightly by the Board of Directors on February 18, 2013, were approved by the Shareholders' Meeting of April 25, 2013.

On September 2, 2014, in connection with the separation of the offices of Chairman of the Board of Directors and Chief Executive Officer and Mr. Emmanuel Faber's appointment as Chief Executive Officer, the Board of Directors (excluding Mr. Emmanuel Faber who abstained from voting) decided that his rights to indemnity should remain unchanged (as decided by the Board of Directors meeting on February 18, 2013). These indemnification rights were approved by the Shareholders' Meeting of April 29, 2015.

In connection with the renewal of Mr. Emmanuel Faber's term of office as Chief Executive Officer, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, voted unanimously (with Mr. Emmanuel Faber abstaining) on February 22, 2016 to keep Mr. Faber's indemnification rights identical to those approved by the Shareholders' Meeting of April 29, 2015.

These indemnification rights were approved by the Shareholders' Meeting of April 28, 2016, following which Mr. Emmanuel Faber's term of office as Chief Executive Officer was renewed.

As part of the reunification of the Chairman and Chief Executive Officer functions, the Board of Directors on October 18, 2017 took note to the extent necessary and acting on the recommendation of the Nomination and Compensation Committee, that the indemnification rights of Mr. Emmanuel Faber in the event his term of office as Chief Executive Officer ends remained unchanged.

The indemnification rights decided by the Board of Directors meeting of February 18, 2013 and maintained without changes since then are described below.

(i) Amount of the Indemnity

Mr. Emmanuel Faber will receive, by way of indemnity (the "Indemnity") and subject to performance conditions, an amount equal to twice his gross annual compensation (including both fixed and variable compensation) received in respect of his term of office during the 12 months preceding the date of termination of said duties.

The sum of the amounts of: (i) the indemnity provided under the company's collective agreement applicable to all Company employees (the "Indemnity for Termination of the Employment Contract"), with the portion of this indemnity that corresponds to the length of service acquired for the term of office being subject to performance conditions; and (ii) the Indemnity must not exceed twice the gross annual compensation (including both fixed and variable compensation) received in respect of the term of office over the last 12 months.

In the event that the amount of the Indemnity and the amount of the Indemnity for Termination of the Employment Contract exceeds this ceiling of twice the gross annual compensation, and to ensure strict compliance with this ceiling, the amount actually paid to Mr. Emmanuel Faber will first be charged to the Indemnity and then, where applicable, to the portion of the Indemnity for Termination of the Employment Contract subject to performance conditions and corresponding to the length of service acquired in respect of the term of office.

(ii) Cases of payment of the Indemnity

The Indemnity will be payable to Mr. Emmanuel Faber only in case of termination of his term of office as corporate officer related to a change in control or strategy, on the initiative of the Board of Directors, regardless of the form of such termination, in particular dismissal or non-renewal (except in case of serious misconduct, *i.e.* an extremely serious fault which precludes any continuation of his term of office, or gross negligence, *i.e.* an extremely serious fault committed with the intention of harming the company), and subject to the performance conditions being met. It is specified that "change of control" means any change in the company's legal situation resulting, in particular, from a merger, restructuring, sale, takeover bid or exchange offer, following which a shareholder that is a legal entity or individual, acting either alone or in concert, comes to hold, directly or indirectly, more than 50% of your company's share capital or voting rights.

Moreover, in accordance with the recommendations of the AFEP-MEDEF Code, no payment of the Indemnity will be due if Mr. Emmanuel Faber is able to avail himself of his pension benefits within a short period of time under the terms and conditions defined by the pension plans.

Given the automatic resumption of Mr. Emmanuel Faber's employment contract in the event of the termination of his term as a corporate officer, the Indemnity will be due if Mr. Emmanuel Faber ceases to carry out his duties under said employment contract or resigns from his salaried position within the three months following the date on which his term as a corporate officer came to an end due to a change of control.

Where applicable, no Indemnity pursuant to the office will be due if Mr. Emmanuel Faber resumes a salaried position and does not request that such position be terminated within the aforementioned three-month period.

(iii) Performance conditions governing payment of the Indemnity

Payment of the Indemnity will be based on:

a) the arithmetic average internal ("organic") growth in the Danone Group's net sales (the "Group's CA") over the five completed fiscal years preceding the date of termination of the term of the corporate officer (the "Reference Period"); and

b) the arithmetic average internal ("organic") growth in net sales recorded by the Panel members ("CA of the Panel") over the Reference Period.

For the application of these conditions, it is noted that:

- the Group's CA refers to the arithmetic average internal ("organic") growth in Danone Group's net sales over the Reference Period (on a consolidated basis and on a like-for-like basis, *i.e.* excluding changes in consolidation scope and exchange rates);
- the CA of each Panel member refers to the arithmetic average internal ("organic") growth in net sales recorded by said Panel member over the Reference Period (on a consolidated basis and on a like-for-like basis, *i.e.* excluding changes in consolidation scope and exchange rates);
- the CAs of the Panel refer to the CAs of all members of the Panel;
- the Median CA of the Panel refers to the value of the CA of a Panel member that divides the Panel CAs into two equal parts (*i.e.* such that there are as many Panel members with a CA exceeding or equal to the Median as Panel members with a CA being less than or equal to the Median), it being specified that if the Panel members are an even number, the Median CA of the Panel will be equal to the arithmetic average of the two central values of the Panel CA;
- the Panel consists of eight benchmark international groups in the food and beverage sector, namely Kellogg Company, Unilever N.V., Nestlé S.A., Kraft Heinz Company (Kraft Foods Group Inc. until 2014), Mondelez International Inc., PepsiCo Inc., The Coca-Cola Company and General Mills Inc.

The Board of Directors must determine whether these performance conditions are met within three months of the date of termination of the term of office of the corporate officer. Its explicit decision must be duly justified and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination and Compensation Committee, and based on a report of a financial advisor.

To ensure the comparability of the CAs used, it is specified that:

- restatements may be made (such as corrections related to changes in consolidation scope and exchange rates) to the strict extent necessary in order to ensure that the method of calculating the CAs of all Panel members and the Group's CA is consistent over the Reference Period;
- in the event that the audited accounting or financial results of one of the Panel members are not published or are published late,

the Board of Directors may, exceptionally, exclude this member from the Panel through a duly justified decision;

- in the event that the audited accounting or financial results of two or more members of the Panel are not published or are published late, the Board of Directors will make a decision duly justified at a later date, on the basis of the most recent audited financial statements published by the members of the Panel and by the company over the last five fiscal years for which financial statements were published for all members of the Panel and for your company;
- the Board of Directors may, through a duly justified decision taken at a later date, change the Panel members in the event of an acquisition, absorption, dissolution, spin-off, merger or change of activity of one or more members of the Panel, provided that it maintains the overall consistency of the peer group.

During the Reference Period:

- if the Group's CA exceeds or is equal to the Median CA of the Panel, 100% of the Indemnity will be paid to Mr. Emmanuel Faber; and
- if the Group's CA is lower than the Median CA of the Panel, no Indemnity will be paid to Mr. Emmanuel Faber.

In accordance with the amendment to Mr. Emmanuel Faber's employment contract (authorized by the Board of Directors on February 10, 2010), it should be noted that the same performance conditions will apply to the portion of the Indemnity for Termination of the Employment Contract corresponding to the length of service acquired pursuant to the office and that the sum of the Indemnity pursuant to the office and of the Indemnity for Termination of the Employment Contract may not exceed twenty-four (24) months of gross fixed and variable compensation.

At the time of each renewal of Mr. Emmanuel Faber's term of office, these performance conditions and, where appropriate, the composition of the Panel will be reexamined by the Board of Directors and, where appropriate, modified to take into account changes affecting your company and its business sectors.

(iv) Payment of the Indemnity

The amount of the Indemnity determined according to the above rules will be paid within 30 days following the date of the Board of Directors' meeting which will decide whether the performance conditions governing payment of the Indemnity have been met.

Meanwhile, it is noted that in accordance with the employment contract of Mr. Emmanuel Faber, amended by the decision of the Board of Directors on February 10, 2010, the performance conditions applicable to the portion of the Indemnity for Termination of the Employment Contract corresponding to seniority acquired as part of his term of office will be adjusted automatically through the approval of this commitment.

4. Commitment concerning the defined benefit pension plan of Mr. Emmanuel Faber

Nature, purpose and conditions

On February 13, 2008 and with Mr. Emmanuel Faber abstaining, the Board of Directors unanimously confirmed the company's commitment on behalf of Mr. Emmanuel Faber, Deputy General Manager, relative to the payment of a defined benefit pension in the form of an annuity (with a reversion option), calculated on the basis of the following elements:

- the basis of calculation for the annuity corresponds to the average of annual base compensation and bonuses for the three full years of activity at your company before retirement, with the length of service taken into account including the period corresponding to the term of office (the "Basis");

- in the event of a retirement that does not satisfy the conditions necessary for obtaining the full rate with respect to the social security pension, the annuity will be reduced by 1.25% per quarter between the age at which Mr. Emmanuel Faber retired and the age at which he would have received his full rate social security pension;
- the amount of the annuity to be attributed to Mr. Emmanuel Faber would correspond to: (i) 1.5% per year of seniority (including the period as a corporate officer) of the Basis, for the tranche of the Basis between three and eight French Social Security Ceiling levels; and (ii) 3% per year of seniority (including the period as a corporate officer) of the Basis, for the tranche that is higher than these eight Ceiling levels (this amount will nevertheless be capped on the basis of 20 years maximum seniority) less the full amount of pension rights vested by Mr. Emmanuel Faber through the implementation of the supplementary pension plan fully funded by your company.

Mr. Emmanuel Faber is eligible to benefit from this pension plan only if he was performing his duties within the group at the time of retirement (it being specified that in the event the person leaves the group before reaching the age of 55, all vested rights will be lost, and that in the event such officer is terminated after the age of 55, the benefit derived from this plan will be preserved, on condition that the person does not take up a salaried position).

On February 22, 2016, in connection with the renewal of Mr. Emmanuel Faber's term of office as Chief Executive Officer, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, voted unanimously (with Mr. Emmanuel Faber abstaining) to:

- recognize that Mr. Emmanuel Faber has amassed 18 years' seniority at your company and take note of the company's existing pension obligations toward Mr. Emmanuel Faber and approved by the Shareholders Meeting of April 29, 2008;
- decide, in accordance with Articles L. 225-22-1 and L.225-42-1 of the French Commercial Code (as amended by law No. 2015-990 of August 6, 2015 known as the "Macron law"): (i) to subordinate the annual increase of his conditional rights that may be granted starting from the renewal of his term of office as Chief Executive Officer to the performance condition described below; and (ii) to make increases in his future conditional pension rights subject to the approval of the Shareholders' Meeting of April 28, 2016.

As part of the reunification of the Chairman and Chief Executive Officer functions, the Board of Directors on October 18, 2017 took note to the extent necessary and acting on the recommendation of the Nomination and Compensation Committee, to that the pension obligation on behalf of Mr. Emmanuel Faber in his capacity as Chief Executive Officer remained unchanged.

(i) Performance condition related to the increase in conditional pension rights

As of the Shareholders' Meeting of April 28, 2016, the increase in Mr. Emmanuel Faber's pension rights for each fiscal year will depend on:

- a) the arithmetic average internal ("organic") growth in the Danone Group's net sales (the "Group's CA") during the said fiscal year and five previous fiscal years (the "Reference Period"); and
- b) the arithmetic average internal ("organic") growth in net sales by members of the Panel (the "CA of the Panel") during the Reference Period;

it being noted that the terms "CA of the Group", "CA of each member of the Panel", "CA of the Panel", "Median CA of the Panel" and "Panel" are defined as indicated above in section b) 3 (iii) regarding the performance conditions of the indemnity for termination of Mr. Emmanuel Faber's term as a corporate officer, and that the Board of Directors may apply the principles described in that paragraph to ensure the comparability of sales (CA) used.

During the Reference Period (i.e. at the end of each fiscal year):

- if the Group's CA is equal to or greater than the Median CA of the Panel, the increase in Mr. Emmanuel Faber's future conditional pension rights for that fiscal year will vest (assuming the retirement plan's other performance conditions have been satisfied);
- if the Group's CA is less than the Median CA of the Panel, Mr. Emmanuel Faber will not qualify to receive an increase in future conditional pension rights for that fiscal year (expressed as a percentage of the calculation Basis);

it being noted that in all cases, the amount of the annuity that would be paid to Mr. Emmanuel Faber will remain capped on the basis of twelve years' maximum seniority, less the sum of pension benefits vested by Mr. Emmanuel Faber through the implementation of the supplementary pension plan fully funded by the company.

(ii) Determination as to whether the performance condition has been satisfied and whether to increase pension benefits

Each year, prior to the Shareholders' Meeting held to approve the previous fiscal year's financial statements, the Board of Directors will decide whether this performance condition has been satisfied, based on the report of a financial advisor, and will determine the increase in Mr. Emmanuel Faber's pension benefits for said fiscal year, through duly justified decisions taken after a recommendation from the Nomination and Compensation Committee.

On April 27, 2017, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, determined through a unanimous vote (with Mr. Emmanuel Faber abstaining) that the performance condition was satisfied and approved the increase in pension rights in connection with the 2016 fiscal year.

Neuilly-sur-Seine and Paris La Défense, March 5, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

Anik CHAUMARTIN

François JAUMAIN

Ernst & Young Audit

Jeanne BOILLET

Pierre-Henri PAGNON

