



## 2018 grant to the Chairman and Chief Executive Officer

At its meeting of July 26, 2018, the Board of Directors of Danone decided, upon proposal of the Nomination and Compensation Committee, to grant “GPS” (Group Performance Shares) to Emmanuel FABER, Chairman and Chief Executive Officer.

### 1. Reminder of the remuneration principles applicable:

The principles of remuneration applicable to Danone’s Chairman and Chief Executive Officer are consistent with those applied to Executive Committee members and to approximately 1,500 Danone officers worldwide.

The remuneration for these officers is split into two separate elements:

#### 1.1 – Fixed and annual variable remuneration

- A fixed remuneration, reviewed every few years, in accordance with the AFEP-MEDEF Code, and which takes into account the beneficiary’s experience and level of responsibility; and
- An annual variable remuneration granted subject to performance conditions, based on economic, social and managerial objectives which are detailed with their respective weights in the Registration Document, and which is calculated with reference to quantified objective quantitative and qualitative criteria. The method of allocation of each criteria category used for the economic part is also published in the Registration Document.

With respect to the Chairman and Chief Executive Officer, the amount of his variable annual remuneration will continue to be limited to 200% of his fixed remuneration with no guaranteed minimum or floor. This ceiling will apply to the qualitative and quantitative parts.

## 1.2 – Mid-term and long-term variable remuneration

### A mid-term variable remuneration in the form of GPU (Group Performance Units)

This three-year variable remuneration program is notably based on Danone's objectives. Thus, the 2018 GPU objective of the GPU 2016, determined by the Board of Directors upon recommendation of the Nomination and Compensation Committee, is EPS double-digit growth at constant exchange rate (excluding the Yakult transaction impact), at least +10%, this condition giving a valuation of €10 if this objective is met and €0 if it is not.

As a reminder, this condition will apply to the 20,000 GPUs granted in 2016 to the Chairman and Chief Executive Officer.

It is also reminded that, in 2018, in line with the simplification of the Chairman and Chief Executive Officer's compensation, he will not be granted any GPU, as in 2017.

### Long-term variable remuneration in the form of GPS

GPS are Danone shares entirely subject to pluri-annual performance conditions, including for the first time an environmental condition.

2018 GPS conditions (detailed in the 2017 Registration Document, Section 6.4 *Detailed information on long-term and multi-annual compensation plans*, pages 264 et seq. available on the website [www.danone.com](http://www.danone.com)) are:

- weighted by 50%, an external performance condition related to the average sales growth of Danone on a "like-for-like" basis, over a period of three years (2018, 2019 and 2020), compared to the average organic sales growth median of a panel of peers, and which may result to a different achievement depending on the performance between the median (90% of the shares submitted to this condition) and above 120% of the median (110% of the shares submitted to this condition) in proportion to a linear progressive scale between 100% and 120% of the median; and
- weighted by 30%, an internal performance condition related to the achievement of a Free Cash-Flow level exceeding €6 billion, over a period of three years (2018, 2019 and 2020), and which may result to a different achievement depending on the Free Cash-Flow level between €6 billion (0%) and €6.5 billion (100%); and
- for the first time, weighted by 20%, an external environmental condition based on the levels assigned to Danone by CDP under its "Climate Change" program in 2019, 2010 and 2021 (taking into account the Danone's environmental performance over the fiscal years 2018, 2019 and 2020) and which may result to a different achievement depending on the number of years during which the Leadership level has been assigned to Danone (0% if the Leadership level is assigned only one year to Danone, 50% if the Leadership level is assigned two years to Danone, and 100% if the Leadership level is assigned three years to Danone).

**2. Decided on July 26, 2018, a nominal grant of 34,475 GPS to the Chairman and Chief Executive Officer**

This grant of GPS is consistent with the one-year authorization granted by the Shareholder's Meeting on April 26, 2018. This nominal grant may vary depending on the level of achievement of the conditions described hereabove, and could, in case of full achievement of the performance conditions, total 36,199 shares.

For further information on the remuneration of Danone's corporate officers, please refer to the 2017 Registration Document filed with the AMF and available on the website [www.danone.com](http://www.danone.com).

**3. Recognition of the 2014 GPS delivery to Emmanuel FABER**

As a reminder, on July 24, 2014, 36,000 GPS have been granted to Emmanuel FABER.

The Board of Directors noted the achievement of the two performance conditions related to the 2014 GPS.

Hence, the 2014 GPS were delivered to Emmanuel FABER on July 25, 2018.