



## **2019 grant to the Chairman and Chief Executive Officer**

At its meeting of July 24, 2019, the Board of Directors of Danone decided, upon proposal of the Governance Committee, to grant “GPS” (Group Performance Shares) to Emmanuel FABER, Chairman and Chief Executive Officer.

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

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 1,800 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, 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 as 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 compensation will continue to be limited to 200% of his fixed remuneration with no guaranteed minimum or floor.

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

### Mid-term variable remuneration in the form of GPUs (Group Performance Units)

This three-year variable remuneration program is based on Danone's objectives which are detailed in the Registration Document.

In line with the simplification of his compensation, the Chairman and Chief Executive Officer no longer receives GPUs since 2017.

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

GPS are Danone shares entirely subject to pluri-annual performance conditions, including since 2018 an environmental condition.

These conditions are detailed in the 2018 Registration Document in section 6.4 *Detailed information on long-term and multi-annual compensation plans*, pages 266 et seq. available on the website of Danone at the following address: [www.danone.com](http://www.danone.com). The performance conditions applicable to the 2019 GPS are as follows:

- for 50%, a comparison of the arithmetic average of the consolidated sales like-for-like growth of Danone with the median of an international food industry groups panel in 2019, 2020 and 2021, with (a) no payment if Danone's performance is below the median of the panel, (b) achievement of 75% of the shares subject to this performance condition if Danone's performance is equal to the median of the panel and (c) a variable achievement up to 110% if Danone's performance reaches 120% of the panel median;
- for 30%, on the cumulative amount of free cash flow over 2019, 2020 and 2021, leading to a variable impact depending on the amount of free cash flow between €6.2 billion (0% achievement) and €6.7 billion (100% achievement); and
- for 20%, on the levels attributed to Danone by CDP for its "Climate Change" program, taking into account Danone's environmental performance for the fiscal years 2019, 2020 and 2021, with an achievement of 100% only if Danone has achieved (a) the Leadership level over the three fiscal years and (b) the A score at least twice over the three fiscal years.

A four-year continuous presence requirement for the definitive allocation also applies, with the exceptions mentioned in the Registration Document.

## **2. A nominal grant of 30,000 GPS to the Chairman and Chief Executive Officer as decided by the Board of Directors of Danone on July 24, 2019**

This grant of GPS is consistent with the one-year authorization granted by the Annual General Shareholder's Meeting on April 25, 2019. 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, in particular the condition relating to sales, amount to 31,500 shares.

For further information on the remuneration of Danone's corporate officers, please refer to the 2018 Registration Document filed with the AMF and available on the website of Danone at the following address: [www.danone.com](http://www.danone.com).

**3. Acknowledgment of the 2015 GPS delivery to Emmanuel FABER**

As a reminder, on July 23<sup>rd</sup>, 2015, 36,000 GPS were granted to Emmanuel FABER.

The Board of Directors noted the achievement of the two performance conditions related to the 2015 GPS.

Hence, on July 24<sup>th</sup>, 2019, all 2015 GPS were delivered to Emmanuel FABER