



**Euro 500,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes
Issue Price: 100.001 per cent.**

**issued under the Euro 13,000,000,000
Euro Medium Term Note Programme
for the issue of Notes**

This document constitutes a prospectus (this “**Prospectus**”) for the purposes of Article 6 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”) in respect of, and for the purposes of giving information with regard to Danone (“**Danone**” or the “**Issuer**”), the Issuer and its subsidiaries taken as a whole (the “**Group**”), which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reason for the issuance and its impact on the Issuer.

This Prospectus has been approved by the *Autorité des marchés financiers* (the “**AMF**”) in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes which are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application will be made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive (EU) 2014/65 of 15 May 2014, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority (the “**ESMA**”) (a “**Regulated Market**”).

The Euro 500,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes (the “**Notes**”) will be issued by the Issuer on 16 September 2021 (the “**Issue Date**”) under its Euro 13,000,000,000 Euro Medium Term Note Programme. Principal and interest and other amounts (including Arrears of Interest and/or Additional Interest Amounts) on the Notes constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank *pari passu* among themselves and *pari passu* with all other present or future Deeply Subordinated Obligations, but shall be subordinated to the *titres participatifs* issued by, and the *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of or issued by the Issuer (as all such terms are defined in “Terms and Conditions of the Notes – Status of the Notes – Deeply Subordinated Notes”). See “Terms and Conditions of the Notes – Status of the Notes – Deeply Subordinated Notes” herein.

Unless previously redeemed in accordance with “Terms and Conditions of the Notes – Redemption and Purchase” and subject to the further provisions described in “Terms and Conditions of the Notes – Interest”, the Notes shall bear interest on their principal amount:

- (i) from, and including, the Issue Date to, but excluding, 16 December 2026 (the “**First Reset Date**”), at a rate of 1.000 per cent. *per annum*;
- (ii) from, and including, the First Reset Date to, but excluding, 16 December 2031 (the “**First Step-up Date**”), at an interest rate *per annum* which shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Initial Margin;
- (iii) from, and including, the First Step-up Date to, but excluding, 16 December 2046 (the “**Second Step-up Date**”), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the First Step-up Margin; and
- (iv) from, and including, the Second Step-up Date to, but excluding, the date on which the Issuer redeems the Notes, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the Second Step-up Margin,

provided that the Initial Margin shall be of 1.271 per cent. *per annum*, the First Step-up Margin shall be 0.25 per cent. *per annum* and the Second Step-up Margin shall be of 1.00 per cent. *per annum*.

Each Interest Amount shall be payable annually in arrear on 16 December of each year, commencing on 16 December 2021, provided that there will be a short first coupon for the period from and including the Issue Date to, but excluding, 16 December 2021.

Interest payments under the Notes may be deferred at the option of the Issuer, in whole or in part, as set out in “Terms and Conditions of the Notes – Interest – Interest Deferral” herein.

The Notes do not contain events of default.

The Notes are undated and have no final maturity. The Issuer may, at its option, redeem all, but not some only, of the Notes at their principal amount (together with any accrued interest and Arrears of Interest (including Additional Interest Amounts thereon)) (i) on any date during the period commencing on (and including) 16 September 2026 and ending on (and including) the First Reset Date or (ii) upon any Interest Payment Date thereafter, as set out in “Terms and Conditions of the Notes – Redemption and Purchase – Optional Redemption” or (iii) at any time (a) prior to 16 September 2026 and (b) after the First Reset Date and in accordance with the provisions set out in “Terms and Conditions of the Notes – Redemption and Purchase – Make-whole Redemption by the Issuer”. In addition, the Issuer may redeem all, but not some only, of the Notes upon the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deductibility Event, an Accounting Event, a Capital Event or a Repurchase Event. See “Terms and Conditions of the Notes – Redemption and Purchase”. The Issuer may also, at any time, redeem all, but not some only, of the Notes following the occurrence of a Change of Control Call Event. See “Terms and Conditions of the Notes – Redemption and Purchase – Redemption following a Change of Control Call Event”. If such Change of Control Call Option is not exercised, the interest payable on the Notes will be increased by an additional margin of 5.00 per cent. *per annum*.

The Notes will be in bearer dematerialised form (*au porteur*) in the denomination of Euro 100,000 inscribed as from the Issue Date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes”) including Euroclear Bank SA/NV (“**Euroclear**”) and the depository bank for Clearstream Banking, S.A. (“**Clearstream**”). The Notes will at all times be in book entry form (*dématerialisés*) in the books of the Euroclear France Account Holders in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes have been rated Baa3 by Moody’s Italia S.r.l. (“**Moody’s**”) and BBB- by S&P Global Ratings Europe Limited (“**S&P**”). The long term debt of the Issuer is currently rated Baa1 (stable outlook) by Moody’s and BBB+ (stable outlook) by S&P. As of the date of this Prospectus, Moody’s and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the “**CRA Regulation**”) and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA’s website (www.esma.europa.eu/supervision/credit-rating-agencies/risk). Moody’s and S&P are not established in the United Kingdom (the “**UK**”) and are not registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK CRA Regulation**”). However, the ratings of the long term debt of the Issuer have been endorsed by Moody’s Investors Service Ltd and S&P Global Ratings UK Limited, respectively, in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by each of Moody’s and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Printed copies of this Prospectus may be obtained, free of charge, at the registered office of the Issuer during normal business hours. Copies of this Prospectus will also be available on the website of the AMF (www.amf-france.org) and on the website of the Issuer (www.danone.com).

The Notes are not intended to be sold and should not be sold to retail clients in the European Economic Area or in the United Kingdom, as defined in the Regulations (as defined below) other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the paragraphs headed “Important – EEA Retail Investors” and “Important – UK Retail Investors” on page 5 of this Prospectus for further information.

Prospective investors should carefully review and consider the section of this Prospectus entitled “Risk Factors” prior to purchasing any Notes.

Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner

J.P. Morgan

Joint Bookrunners

**Barclays
Citigroup**

**BNP Paribas
NatWest Markets**

This Prospectus should be read and construed in conjunction with the documents incorporated by reference in this Prospectus (see “Documents Incorporated by Reference”) each of which shall be incorporated in, and form part of, this Prospectus (except to the extent so specified in, or to the extent inconsistent with, this Prospectus).

*No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of J.P. Morgan AG (the “**Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner**”), Barclays Bank Ireland PLC, BNP Paribas, Citigroup Global Markets Europe AG and NatWest Markets N.V. (together with the Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner, the “**Joint Bookrunners**”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or that any other information supplied in connection with this Prospectus is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

Other than in relation to the documents which are deemed to be incorporated by reference (see “Documents Incorporated by Reference”), the information on the websites to which this Prospectus refers does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus and has not been scrutinised or approved by the AMF.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. No Notes may be offered or sold, directly or indirectly, and none of this Prospectus or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Joint Bookrunners have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and France. For a description of certain restrictions on offers and sales of Notes and distribution of this Prospectus, see “Subscription and Sale” below.

IMPORTANT - EEA RETAIL INVESTORS – *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive (EU) 2014/65, as amended (“MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

IMPORTANT – UK RETAIL INVESTORS – *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in the Prospectus Regulation as it forms part of the UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the*

Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (“**ESMA**”) on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

CANADA - The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“**Regulation S**”).

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners to subscribe for, or purchase, any Notes.

The Joint Bookrunners have not separately verified the information contained or incorporated by reference in this Prospectus. The Joint Bookrunners do not have any fiduciary duties to investors and therefore assume no liability or obligation to investors. None of the Joint Bookrunners makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other information incorporated by reference in this Prospectus is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Joint Bookrunners that any recipient of this Prospectus or any other information incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor

should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Joint Bookrunners undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Bookrunners.

IMPORTANT CONSIDERATIONS

Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Regulatory Restrictions

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Notes.

Certain tax considerations

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. Payments of interest and other amounts under the Notes may also be subject to taxation. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of financial instruments such as the Notes. The tax impact on an individual Noteholder may differ from the situation for Noteholders generally. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor.

Potential conflict of interest with the Joint Bookrunners and/or the Calculation Agent

All or some of the Joint Bookrunners and, as the case may be, the calculation agent, and their affiliates have and/or may in the future engage, in lending, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group (as defined in the cover page of this Prospectus). They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group. In the context of these transactions, certain of such Joint Bookrunners have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including

potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the Calculation Agent and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes. In particular, whilst the Calculation Agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur.

Factors which the Issuer believes are specific to the Issuer and/or the Notes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in the Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

In each sub-category below the Issuer sets out first the most material risks, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.

Words and expressions defined under “Terms and Conditions of the Notes” shall have the same meaning in this section.

1. RISK FACTORS RELATING TO THE ISSUER

Please refer to pages 20 to 32 of the 2020 Universal Registration Document as defined under "Documents incorporated by reference" which are incorporated by reference in this Prospectus and include the following:

- strategic risks;
- external environment risks; and
- operational risks.

2. RISK FACTORS RELATING TO THE NOTES

The following is a description of risk factors in relation to the Notes which set out the most material risks (in descending order of importance), taking into account the negative impact of such risks on the Issuer and the probability of their occurrence. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.

GENERAL RISKS RELATING TO THE NOTES

French Insolvency Law

As a *société anonyme* incorporated in France, French insolvency laws apply to the Issuer. Under French insolvency law, holders of debt securities are grouped into a single assembly of holders (the “**Assembly**”) (either automatically or where authorised by the supervising judge depending on certain statutory conditions being satisfied) in case of the opening in France of a safeguard procedure

(*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme, and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer approved by the other creditors' committees (*i.e.* the committee for (i) credit institutions, or assimilated entities, having a claim against the debtor other than notes, or entities having granted credit or advances in favour of the debtor (or the assignees of such claim or of a claim acquired from a supplier) and (ii) suppliers having a claim that represents more than 3 per cent. of the total amount of the claims of all the debtor's suppliers (and smaller suppliers if invited by the court-appointed administrator as the case may be), convened under the same conditions set out for the Assembly above (except in accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) where the suppliers are not affected by the procedure and therefore the suppliers' committee is not convened).

Draft plan submitted to the Assembly:

- must take into account subordination agreements entered into by the creditors before the opening of the proceedings;
- may reschedule, partially or totally write-off their receivables (unless the debt was incurred (i) during the conciliation procedure which resulted in an approved conciliation agreement (*accord de conciliation homologué*) and benefitted from the new money lien as provided for therein or (ii) as part of a previous safeguard or judicial reorganisation proceedings provided such debt benefits from the newly enacted safeguard/reorganisation lien¹);
- may establish a differentiated treatment between holders of debt securities (including the Noteholders) if their difference of situations so justifies; and/or
- may provide for the conversion of debt securities (including the Notes) into shares or other securities that give or may give right to share capital (such conversion requiring the relevant shareholders' consent).

Each member of the Assembly informs the court-appointed administrator of any agreement subjecting its vote to certain conditions or providing for the total or partial payment of its claim by a third party or of any subordination agreement. The court-appointed administrator can then modulate the voting rights of such a creditor and will submit to the creditor the conditions of calculation of its voting

¹ The safeguard/reorganisation lien has recently been introduced by ordinance No. 2020-596 of 20 May 2020 aiming at temporarily adapting pre-insolvency and insolvency proceedings to the consequences of the Covid-19 situation and shall apply to proceedings initiated between 21 May 2020 and 31 December 2021 (pursuant to Article 124 of Law No. 2020-1525 of 7 December 2020 that renewed most of provisions, and in particular Article 5 of ordinance No. 2020-596 of 20 May 2020, until 31 December 2021). There are other temporary Covid-19 related measures which will not be further detailed in this document.

rights. In case of disagreement on this calculation, the creditor or the court-appointed administrator may bring the matter by way of summary proceedings before the president of the Court.

Decisions of the Assembly will be taken by a two third majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required on convocation of the Assembly. The holders (i) whose rights are not modified by the proposed plan or, (ii) paid in full in cash upon adoption of the plan or upon admission of their receivable do not participate in the vote. The amounts of claims secured by a trust (*fiducie*) granted by the debtor do not give rise to voting rights.

Decisions of the Assembly will be binding upon holders of debt securities if the proposed safeguard or rehabilitation plan is (i) adopted by the other creditors' committees of the Issuer (committee of financial institutions and committee of suppliers) and (ii) approved by the commercial court.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in Condition 9 will not be applicable, to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

It should be noted that a new European directive entitled “Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132”, has been adopted by the European Union on 20 June 2019. Once transposed into French law (which is scheduled to happen within twenty-four months of the entry into force of French statute n°2019-486 dated May 22, 2019), such directive should have a material impact on French insolvency law, especially with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this directive, “affected parties” (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of interest based on verifiable criteria. As a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority in the amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States of the European Union at not higher than 75% in the amount of claims or interests in each class, it being noted that Member States of the European Union may require that in addition a majority in number of affected parties be obtained in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority upon the proposal of a debtor or with the debtor’s agreement by applying a cross-class cram-down, provided notably that:

- (a) creditors that share enough commonality of interest within a class benefit from equality of treatment and are treated in proportion to their claim;
- (b) the plan has been notified to all affected parties;
- (c) the plan complies with the best interest of creditors test (*i.e.*, no dissenting creditor would be worse off under the restructuring plan than they would be in the event of liquidation, whether

piecemeal or sale as a going concern or in the frame of the next-best-alternative scenario if the restructuring plan were not to be confirmed);

- (d) as the case may be, any new financing necessary to implement the restructuring plan and does not unfairly prejudice the interest of creditors;
- (e) the plan has a reasonable prospect of preventing the insolvency of the debtor or ensuring the viability of the business;
- (f) the plan has been approved: (i) by a majority of the voting classes of affected parties, provided that at least one of those classes is a secured creditors class or is senior to the ordinary unsecured creditors class; or, failing that, (ii) by at least one of the voting classes of affected parties or where so provided under national law, impaired parties, other than an equity-holders class or any other class which, upon a valuation of the debtor as a going-concern, would not receive any payment or keep any interest, or, where so provided under national law, which could be reasonably presumed not to receive any payment or keep any interest, if the normal ranking of liquidation priorities were applied under national law; it being specified that Member States may increase the minimum number of voting classes of affected parties or, where so provided under national law, of impaired parties;
- (g) the plan complies with the relative priority rule (*i.e.*, dissenting voting classes of affected creditors are treated at least as favourably as any other class of the same rank and more favourably than any junior class). By way of derogation, Member States of the European Union may instead provide that the plan shall comply with the absolute priority rule (*i.e.*, a dissenting voting class of creditors must be satisfied in full before a more junior class may receive any distribution or keep any interest under the restructuring plan); and
- (h) no class of affected parties can, under the restructuring plan, receive or keep more than the full amount of its claims or interests.

Member States may maintain or introduce provisions derogating from the conditions above where they are necessary in order to achieve the aims of the restructuring plan and where the restructuring plan does not unfairly prejudice the rights or interests of any affected parties.

Therefore, when such directive is transposed into French law, it cannot be excluded that the Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The procedures, as described above or as they will or may be amended, could have an adverse impact on the Noteholders seeking repayment in the event that the Issuer is to be subject to French insolvency proceedings. The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. Any decisions taken by the Assembly or a class of creditors, as the case may be, could materially and negatively impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover amounts due to them from the Issuer.

Modification and waivers

Condition 9 contains provisions for calling General Meetings of Noteholders or consulting them by way of Written Resolutions to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not participate in the relevant General Meeting or the relevant written consultation and Noteholders who voted in a manner contrary to the majority. General Meetings or written consultations may deliberate on any proposal relating to the modification of the conditions of the Notes subject to the limitation provided by French law. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes and hence investors may lose part of their investment.

RISKS RELATED TO THE STRUCTURE OF THE NOTES

The Notes are lowest ranking subordinated obligations of the Issuer

In accordance with Condition 2, the principal and interest and other amounts (including Arrears of Interest and/or Additional Interest Amounts (each, as defined in the Terms and Conditions of the Notes)) on the Notes are direct, unconditional, unsecured and lowest ranking subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Deeply Subordinated Obligations (which include, for the avoidance of doubt, the Euro undated deeply subordinated fixed rate resettable notes issued by the Issuer on 30 October 2017 (FR0013292828)), but shall be subordinated to the *titres participatifs* issued by, and the *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. In accordance with Condition 2.2, in the event of any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary liquidation of the Issuer or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency), the rights of Noteholders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including holders of Unsubordinated Notes), of the ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Obligations), of lenders in relation to *prêts participatifs* granted to the Issuer and of holders of *titres participatifs* issued by the Issuer, if and to the extent that there is still cash available for those payments. Thus, the Noteholders face a higher recovery risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer.

The claims of the Noteholders under the Notes are intended to be senior only to claims of shareholders. There are currently no instruments of the Issuer that rank junior to the Notes other than the ordinary shares of the Issuer. Thus, the Noteholders face a significantly higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer which could result in (i) a loss of all or a part of a Noteholder's investment in the event of a bankruptcy and (ii) more volatility in the market price of the Notes as compared to senior obligations of the Issuer.

The Notes are undated securities

In accordance with Condition 5.1, the Notes are undated securities with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Notes at any time, and the Noteholders have no right to require redemption of the Notes except, in accordance with Condition 8, in the event that a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency). As the Notes do not have a fixed maturity, the, Noteholders must bear the financial risks of an investment in the Notes for an indefinite period of time and may not recover their investment in a foreseeable future.

Deferral of interest payment

In accordance with Condition 4.7, on any applicable Interest Payment Date, the Issuer may elect to defer payment, in whole or in part, of the interest accrued to that date, and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes not paid on an applicable Interest Payment Date will, so long as the same remains outstanding, be deferred and shall constitute Arrears of Interest and, if due for at least a year in accordance with Article 1343-2 of the French *Code civil*, bear interest, and shall be payable as outlined in Condition 4.7.

Any deferral of interest payments or the perception that the Issuer will need to exercise its optional deferral right will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Early Redemption Risk

Condition 5 provides that the Issuer may redeem all of the Notes (but not some only) (i) as of any date during the period from, and including, 16 September 2026 to, and including, the First Reset Date; (ii) upon any Interest Payment Date thereafter, and at any time, following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deductibility Event, an Accounting Event, a Capital Event, a Change of Control Call Event or a Repurchase Event and (iii) at any time at the Make-Whole Redemption Amount, in each case, as further outlined in the Terms and Conditions of the Notes.

In the event of an early redemption following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Change of Control Call Event or a Repurchase Event, such early redemption of the Notes will be made at the principal amount of the Notes together with any accrued interests to the date set for redemption and Arrears of Interest (including any Additional Interest Amounts thereon), as outlined in the Terms and Conditions of the Notes. In the event of an early redemption at the option of the Issuer following the occurrence of a Tax Deductibility Event, an Accounting Event or a Capital Event, such early redemption of the Notes will be made (i) at the Early Redemption Price together with any accrued interest to the date set for redemption and Arrears of Interest (including any Additional Interest Amounts thereon), where such redemption occurs before 16 September 2026, or

(ii) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after 16 September 2026, as outlined in the Terms and Conditions of the Notes.

In addition, in the event of an early redemption at the option of the Issuer by exercise of the Make-whole Redemption by the Issuer, such early redemption of the Notes will be made at the Make-whole Redemption Amount, as outlined and defined in Condition 5.7 (which will be calculated taking into accounts the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note up to and discounted from (A) if the relevant Make-whole Redemption Date occurs prior to the date falling 3 months prior to the First Reset Date, 16 September 2026 or (B) if the relevant Make-whole Redemption Date occurs after the First Reset Date, thereafter on the next succeeding Interest Payment Date, in each case to such Make-whole Redemption Date on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate).

The redemption at the option of the Issuer might negatively affect the market value of the Notes. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to 16 September 2026. The Issuer may also redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Notes had they not been redeemed.

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on “Financial Instruments with Characteristics of Equity”, (the “**DP/2018/1 Paper**”). The Discussion Paper was open for comment until 7 January 2019. The IASB met on 21-23 April 2020 to discuss the direction of the project and again on 28 April 2021 to continue its discussions on potential refinements to disclosure proposals explored in DP/2018/1 Paper, namely, proposals for disclosure of information about terms and conditions, priority on liquidation and potential dilution. These disclosure proposals relate to financial instruments an entity issues and, if finalised, would be incorporated into *IFRS 7 Financial Instruments: Disclosure*. Any final rules implemented as a result of the DP/2018/1 Paper may determine the timing and the manner of implementation of such rules and may in turn impact the earliest timing when the Accounting Event may occur (which could be earlier than the last day of application of the current IFRS rules) which may result in materialisation of the Risk Factor entitled “*The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event*” below, and lead to an early redemption of the Notes.

The Issuer is not required to redeem the Notes in the case of a Withholding Tax Event

There is uncertainty as to whether gross-up obligations in general, including those under the Terms and Conditions of the Notes, are enforceable under French law. If any payment obligations under the Notes, including the obligations to pay additional amounts under Condition 7, are held illegal or unenforceable under French law, the Issuer will have the right, but not the obligation, to redeem the Notes. Accordingly, if the Issuer does not redeem the Notes upon the occurrence of a Withholding

Tax Event (as defined in Condition 5.3(b)), holders of Notes may receive less than the full amount due, and the market value of such Notes will be adversely affected.

There are no events of default or cross default under the Notes

The Terms and Conditions of the Notes do not provide for events of default or cross default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be negatively affected.

The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event

In June 2018, the IASB (International Accounting Standards Board) published the DP/2018/1 Paper and several public meetings were held, including on 16 December 2020, 16 February 2021 and 28 April 2021 to discuss the proposal. During the 16 December 2020 meeting, the IASB decided to add the “Financial Instruments with Characteristics of Equity” project to its standard-setting programme. During the 16 February 2021 meeting, (i) the IASB discussed potential refinements to disclosure proposals explored in the DP/2018/1 Paper – namely, proposals for information about priority on liquidation, potential dilution, and terms and conditions, but was not asked to make any decisions but directed the staff to further consider the objectives of the proposed disclosures and their scope and (ii) the IASB also discussed challenges in accounting for financial instruments with obligations that arise only on liquidation of an entity and also discussed potential classification, presentation and disclosure requirements to address those challenges and tentatively decided not to change how such instruments should be classified; but instead to develop presentation and disclosure requirements in relation to them.

While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented, the current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer may have the option to redeem, in whole but not in part, the Notes (pursuant to Condition 5.4). The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is still uncertain. Accordingly, the future classification of the Notes may vary from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes pursuant to the Terms and Conditions of the Notes. The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

For a description of the risks related to the early redemption of the Notes, see the Risk Factor entitled “*Early Redemption Risk*”.

No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer’s financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Any decline in the credit ratings of the Issuer may affect the market value of the Notes and changes in rating methodologies may lead to the early redemption of the Notes

The Notes have been assigned a rating of BBB- by S&P and of Baa3 by Moody’s. The rating granted by each of S&P and Moody’s or any other rating assigned to the Notes may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes.

In addition, each of S&P and Moody’s or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer’s senior securities and ratings assigned to securities with features similar to the Notes, sometimes called “notching”. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

If as a consequence of a change in the rating methodology of S&P or Moody’s or of a rating downgrade of the Issuer from an investment grade to a non-investment grade rating, (i) the Notes are no longer eligible for the same or higher category of equity credit attributed to the Notes at the date of their issue or (ii) the period of time during which the relevant Rating Agency assigned to the Notes a particular level of "equity credit" is being shortened as compared to the period of time for which such Rating Agency did assign to the Notes that level of "equity credit" on the Issue Date (or, in each case (i) and (ii) above, if such “equity credit” was not assigned on the Issue Date, at the date when the “equity credit” was assigned for the first time), the Issuer may redeem all of the Notes (but not some only), as provided in “Terms and Conditions of the Notes – Redemption and Purchase – Redemption following a Capital Event”. The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

Liquidity risk

There is currently no secondary market for the Notes. Application will be made for the Notes to be admitted to trading on Euronext Paris. There can, however, be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

The Terms and Conditions of the Notes contain a prohibition of set-off

In accordance with Condition 2.3, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Noteholder will be deemed to have waived all such rights of set-off, compensation or retention, subject to applicable law. As a result, a Noteholder which is also a debtor of the Issuer cannot set-off its payment obligation against any sum due to it by the Issuer under the Notes. This prohibition of set-off could therefore have an adverse impact on the counterparty risk for a Noteholder in the event that the Issuer were to become insolvent.

Fixed Interest Rate Notes

The Notes bear interest at a rate of 1.000 per cent. *per annum* to, but excluding, the First Reset Date.

A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital market (“**Market Interest Rate**”) typically changes on a daily basis. As the Market Interest Rate changes, the price of such note changes in the opposite direction. If the Market Interest Rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the Market Interest Rate. Holders of Notes should be aware that movements of the Market Interest Rate can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell their Notes.

Reset of Interest Rate linked to the 5-year Swap Rate

From, and including, the First Reset Date to but excluding the date on which the Issuer redeems the Notes, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year Swap Rate (as defined in Condition 4) for the relevant Reset Period plus a Margin (as defined in Condition 4).

The performance of the 5-year Swap Rate and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of the 5-year Swap Rate is an indication of the future development of the 5-year Swap Rate. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the Market Interest Rate, as the Market Interest Rate fluctuates. During each of these periods, the investor is exposed to the risk “Fixed Interest Rate Notes” described above.

Regulation and reform of “benchmarks” may adversely affect the value of the Notes

From and including the First Reset Date to but excluding the date on which the Issuer redeems the Notes, the Notes bear interest at a rate *per annum* which shall be equal to the relevant 5-year Swap

Rate plus the Margin for each Reset Period subject in each case to a minimum of zero (0) per cent. *per annum*.

The 5-year Swap Rate and the Euro Interbank Offered Rate (“**EURIBOR**”) (used for the purposes of determining the 5-year Swap Rate) constitute benchmarks for the purposes of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmarks Regulation**”). The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Notwithstanding the provisions of Condition 4.2 which seek to offset any adverse effects for the Noteholders, the Benchmarks Regulation could have an adverse effect on their market value and return if the methodology or other terms of EURIBOR as a “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the 5-year Swap Rate.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to such “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmarks” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

The Terms and Conditions of the Notes provide that the 5-year Swap Rate shall be determined by reference to the Screen Page (or its successor or replacement). Where the Reuters screen “ICESWAP2/EURSFIXA” is not available, and no successor or replacement for the Screen Page is available, the Terms and Conditions of the Notes provide for the 5-year Swap Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. If such quotations are not available, the 5-year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last 5-year Swap Rate available on the Reuters screen “ICESWAP2/EURSFIXA” as determined by the Calculation Agent. This could result in the effective application of a fixed rate to the Notes. As a consequence, the Noteholders may receive less than they would have received in the absence of a Benchmark Event.

If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 4.2). The Independent Adviser shall endeavour to determine a

Successor Rate or Alternative Rate to be used in place of the 5-year Swap Rate, in accordance with the Terms and Conditions of the Notes.

Furthermore, if a Successor Rate or Alternative Rate for the 5-year Swap Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

The Successor Rate or Alternative Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the Successor Rate or Alternative Rate may perform differently from the discontinued benchmark. This could significantly affect the performance of an alternative rate compared to the historical and expected performance the relevant benchmark. There can be no assurance that any adjustment factor applied to the Notes will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the Notes. Moreover, any Noteholders that enter into hedging instruments based on the Screen Page (as defined in the Terms and Conditions of the Notes) may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the Successor Rate or Alternative Rate.

Notwithstanding the fallback provisions relating to Benchmark Events discussed above, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of “equity credit” assigned to the Notes by any Rating Agency when compared to the “equity credit” assigned to the Notes immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Notes for “equity credit” from any Rating Agency.

Benchmarks Regulation reforms, investigations and licensing issues may cause the Noteholders to receive lower return on the Notes than anticipated at the time of the issue.

The existing provisions of the Benchmarks Regulation were amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 published in the Official Journal of the European Union on 12 February 2021 and applies since 13 February 2021 (the “**Amending Regulation**”). The Amending Regulation introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks by conferring on the Commission or competent national authorities the power to designate a statutory replacement for certain benchmarks, resulting in such benchmarks being replaced in contracts and financial instruments that have not been renegotiated before the date of cessation of the relevant benchmarks and contain either no contractual replacement (or so-called “fallback provision”) or a fallback provision which is deemed unsuitable by the Commission or competent national authorities. For instance, if pursuant to a fallback provision included in the Condition 4.2 any of the 5-year Swap Rate or the EURIBOR rate is replaced by a benchmark which no longer reflects or which significantly diverges from the underlying market or the economic reality that the benchmark in cessation is intended to measure, a statutory replacement of such benchmark may be designated. This replacement could have a negative impact on the value or liquidity of, and return on, the Notes and may not operate as intended at the relevant time or may

perform differently from the discontinued or otherwise unavailable benchmark. However, there are still uncertainties about the exact implementation of these provisions of the Amending Regulation pending the implementing acts of the European Commission.

Risk Relating to the Change in the Rate of Interest

Interest on the Notes before the First Reset Date, which are calculated at a fixed rate of 1.000 per cent. *per annum*, involve the risk that subsequent changes in market interest rates may adversely affect the market value of the Notes. In particular, a Noteholder, which pays interest at a fixed rate, is exposed to the risk that the market value of such Note could fall as a result of changes in the market interest rate. While the nominal interest rate of the Notes specified herein is fixed until the First Reset Date (as specified in Condition 4), the current interest rate on the capital markets (“**market interest rate**”) typically varies on a daily basis. As the market interest rate changes, the market value of the Notes would typically change in the opposite direction. If the market interest rate increases, the market value of the Notes would typically fall, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the market value of the Notes would typically increase, until the yield of such Notes is approximately equal to the market interest rate. The degree to which the market interest rate may vary is uncertain and presents a significant risk to the market value of the Notes if a Noteholder were to dispose of the Notes.

In accordance with Condition 4, following the First Reset Date, the Interest Rate will be reset on each Reset Date. Such Interest Rate will be determined two Business Days before the relevant Reset Date on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus the Initial Margin and/or the First Step-up Margin and/or the Second Step-up Margin, as the case may be, and as such is not pre-defined at the date of issue of the Notes. These mid swap rates are not pre-defined for the lifespan of the Notes. Higher mid swap rates for Euro swap transactions mean a higher interest under the Notes and lower mid swap rates for Euro swap transactions with a maturity of five years mean a lower interest under the Notes. The degree to which the mid swap rates for Euro swap transactions with a maturity of five years may vary is uncertain. Accordingly, such Interest Rate may be different from the initial Interest Rate and may adversely affect the yield of the Notes.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see “Terms and Conditions of the Notes”.

Issuer	Danone.
LEI	969500KMUQ2B6CBAF162
Securities	€500,000,000 Undated Euro Deeply Subordinated Fixed Rate Resettable Notes (the “Notes”).
Maturity	Perpetual.
Form and Denomination	The Notes will be issued in dematerialised bearer form (<i>au porteur</i>) and in the denomination of €100,000.
Issue Date	16 September 2021.
Status/Ranking	<p>The Notes are Deeply Subordinated Notes issued pursuant to the provisions of Article L.228-97 of the French <i>Code de commerce</i>. The principal and interest and other amounts (including Arrears of Interest and/or Additional Interest Amounts) on the Notes constitute direct, unconditional, unsecured and Deeply Subordinated Obligations (which include, for the avoidance of doubt, the Euro undated deeply subordinated fixed rate resettable notes issued by the Issuer on 30 October 2017 (FR0013292828)) of the Issuer and rank and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present or future Deeply Subordinated Obligations, but shall be subordinated to the <i>titres participatifs</i> issued by, and the <i>prêts participatifs</i> granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations, of or issued by, the Issuer.</p> <p>“Deeply Subordinated Notes” means any bonds or notes of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (<i>titres subordonnés de dernier rang</i>) of the Issuer and which rank and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future Deeply Subordinated Obligations, but junior to the <i>titres participatifs</i> issued by, and <i>prêts participatifs</i> granted to, the Issuer, and junior to the Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer.</p> <p>“Deeply Subordinated Obligations” means any Deeply Subordinated Notes or other Obligations or lowest ranking</p>

Obligations (*engagements subordonnés de dernier rang*) of the Issuer which rank, or are expressed to rank, *pari passu* with the Notes.

“**Obligations**” means, in respect of any person, any financial obligation expressed to be assumed by or imposed on it under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

“**Ordinary Subordinated Obligations**” means any Obligations which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Ordinary Subordinated Obligations, but in priority to the *prêts participatifs* granted to, and the *titres participatifs* issued by, the Issuer and Deeply Subordinated Obligations.

“**Unsubordinated Obligations**” means any Obligations which are unsubordinated.

Prohibition of set-off

Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Noteholder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention.

Interest

Unless previously redeemed in accordance with the Conditions and subject, in particular, but not limited to, the provision relating to interest deferral, the Notes shall bear interest on their principal amount:

- from, and including, the Issue Date to, but excluding, 16 December 2026 (the “**First Reset Date**”), at a rate of 1.000 per cent. *per annum*;
- from, and including, the First Reset Date to, but excluding, 16 December 2031 (the “**First Step-up Date**”), at an interest rate *per annum* which shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Initial Margin;
- from, and including, the First Step-up Date to, but excluding, 16 December 2046 (the “**Second Step-up Date**”), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to

the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the First Step-up Margin; and

- from, and including, the Second Step-up Date to, but excluding, the date on which the Issuer redeems the Notes, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the Second Step-up Margin.

Each Interest Amount shall be payable annually in arrear on 16 December of each year commencing on 16 December 2021 (each an “**Interest Payment Date**”). There will be a short first coupon for the period from and including the Issue Date to, but excluding, 16 December 2021.

In no event shall the applicable Interest Rate (including, for the sake of clarity, any applicable margin) be less than zero.

“**Initial Margin**” means 1.271 per cent. *per annum*.

“**First Step-up Margin**” means 0.25 per cent. *per annum*.

“**Second Step-up Margin**” means 1.00 per cent. *per annum*.

“**Reset Date**” means the First Reset Date and each 5th anniversary thereof.

“**Reset Period**” means the period from, and including, the First Reset Date to, but excluding, the next Reset Date and subsequently each period from, and including, a Reset Date to, but excluding, the next succeeding Reset Date.

“**Reference Rate**” means the 5-year Swap Rate.

“**5-year Swap Rate**” means:

- (i) the mid-swap rate for a term of 5 years as displayed on Reuters screen “ICESWAP2/EURSFIXA” as at 11:00 a.m. (Central European time) or, if such rate is not displayed on such screen as at the relevant time, the mid-swap rate as displayed on a successor or replacement page (in each case, the “**Screen Page**”);
- (ii) in the event that the 5-year Swap Rate does not appear on the Screen Page on the relevant Interest Determination Date, the 5-year Swap Rate will be the Reference Bank Rate on such Interest Determination Date.

Benchmark Event

If a Benchmark Event occurs then the Issuer may appoint an Independent Adviser in accordance with Condition 4.2, to

advise the Issuer in determining a Successor Rate or an Alternative Rate and any applicable Adjustment Spread.

Rate of Interest following a Change of Control

Further to the occurrence of a Change of Control Call Event (as defined below), if the Change of Control Call Option has not been exercised by the Issuer, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum* from and including the date of the Call Event Notice (as defined below) to, but excluding, the redemption of the Notes.

Interest Deferral

Optional Interest Payment

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer elects to defer such payment in whole or in part, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has been deferred on an Interest Payment Date shall constitute “**Arrears of Interest**”.

Payment of Arrears of Interest

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole or in part, at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in full on whichever is the earliest of:

- (i) ten (10) Business Days following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all or part of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the voluntary or judicial liquidation of the Issuer (*liquidation judiciaire* or *liquidation amiable*) or the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the “**Arrears Interest Rate**”) and the amount of such interest (the “**Additional Interest Amount**”) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Conditions.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with Article 1343-2 of the French *Code civil* to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest for the purpose only of calculating the Additional Interest Amount accruing thereafter.

For the purpose hereof:

“**Equity Securities**” means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer’s share capital (including preference shares (*actions de préférence*)).

A “**Mandatory Payment Event**” means that:

- (i) a dividend, other distribution or payment of any nature was validly declared, paid or made in respect of any Equity Securities or any Parity Securities of the Issuer, or
- (ii) the Issuer has repurchased, redeemed, or otherwise acquired any Equity Securities or any Parity Securities of the Issuer other than, (i) with respect to Equity Securities, in connection with the satisfaction by the Issuer of its obligations under any buy-back programme, share option, or free share allocation plan reserved for directors, officers and/or employees of the Issuer’s group, liquidity agreement (*programme de liquidité*) or any associated hedging transaction or the hedging of convertible securities of the Issuer or (ii) the acquisition by the Issuer of any Parity Securities (in whole or in part) in a public tender offer or public exchange offer at a purchase price per Parity Security (including, for the avoidance of doubt, the Notes) below its par value;

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities.

“**Parity Securities**” means, at any time, any Deeply Subordinated Notes and any securities which rank *pari passu* with the Notes (including, for the avoidance of doubt, the undated deeply subordinated notes by the Issuer on 30 October 2017 (FR0013292828)). The term Parity Securities shall apply *mutatis mutandis* to any instruments issued by any Subsidiary of the Issuer, where relevant, provided that each such instrument shall qualify as Parity Securities only to the extent such instrument is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer’s obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer’s obligations under Parity Securities.

“**Subsidiary**” means any fully consolidated subsidiary (as defined in Article L.233-1 of the French *Code de commerce*) of the Issuer.

Taxation

All payments of principal, interest and other revenues in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

Additional Amounts

If French law should require that payments of principal, interest or other revenues made by or on behalf of the Issuer in respect of any Notes be subject to deduction or withholding in respect of any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note in certain circumstances as more fully described in the Conditions.

Final Redemption

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

Optional Redemption at the option of the Issuer

The Issuer will have the right to redeem all of the Notes (but not some only) (i) on any date during the period commencing on (and including) 16 September 2026 and ending on (and including) the First Reset Date, or (ii) upon any Interest Payment Date thereafter. Such early redemption of the Notes will be made at their principal amount together with any accrued interest to the date set of redemption and Arrears of Interest (including any Additional Interest Amounts thereon).

Early Redemption following a Gross-Up Event or Withholding Tax Event

If by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (a “**Gross-Up Event**”), then the Issuer may, at its option, at any time, redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.

If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts (a “**Withholding Tax Event**”), then the Issuer may redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is passed, as soon as practicable thereafter.

Early Redemption following a Tax Deductibility Event

If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation,

or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a “**Tax Deductibility Event**”), the Issuer may, at its option, at any time redeem all of the Notes (but not some only) at (i) the Early Redemption Price (as defined below) where such redemption occurs before 16 September 2026, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after 16 September 2026, provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

Early Redemption following an Accounting Event

If an Accounting Event shall occur after the Issue Date, the Issuer may, at its option, redeem all of the Notes (but not some only) at any time, at (i) the Early Redemption Price (as defined below) where such redemption occurs before 16 September 2026, or (ii) their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after 16 September 2026.

“**Accounting Event**” means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that the funds raised through the issue of the Notes may not or will no longer, from the implementation date of the relevant new International Financial Reporting Standards (“**IFRS**”) or any other accounting standards that may replace IFRS, be recorded as “equity” pursuant to IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Early Redemption following a Capital Event

If a Capital Event has occurred, then the Issuer may, at its option, redeem all the Notes (but not some only) at any time, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the 16 September 2026, or (ii) their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after 16 September 2026

provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the Notes will no longer be eligible for the same or higher category of equity credit.

For the purpose hereof:

“Capital Event” means that the Issuer has received written confirmation from any Rating Agency (as defined in Condition 5.6) from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that, due to an amendment, clarification of or change in hybrid capital methodology or a change in the interpretation thereof, in each case occurring or becoming effective after the Issue Date, (a) the Notes will no longer be eligible (or if the Notes have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit in part or in full as a result, the Notes would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation had they not been re-financed) in whole or in part, for the same or a higher amount of, “equity credit” (or such other nomenclature that such Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Notes at the Issue Date (or if such “equity credit” is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which “equity credit” is assigned by such Rating Agency for the first time) or (b) the period of time during which such Rating Agency assigned to the Notes a particular level of “equity credit” is shortened as compared to the period of time for which such Rating Agency did assigned to the Notes that level of “equity credit” on the Issue Date (or if such “equity credit” is not assigned on the Issue Date as the date on which the “equity credit” is assigned for the first time).

Make-whole Redemption at the option of the Issuer

The Issuer will have the right to redeem all of the Notes (but not some only) at any time (other than (i) during the period from, and including, 16 September 2026 and including the First Reset Date or (ii) on any subsequent Interest Payment Date) at the Make-whole Redemption Amount.

Early Redemption following a Change of Control

If a Change of Control Call Event (as defined below) occurs after the Issue Date, the Issuer may, at its option (a **“Change of Control Call Option”**), at any time, redeem or procure the purchase of all the Notes (but not some only) at their principal

amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

For the purpose hereof:

A “**Change of Control Call Event**” shall be deemed to have occurred at each time (i) a Change of Control occurs and (ii) within the Change of Control Period a Rating Downgrade occurs as a result, in whole or primarily, of that Change of Control or of a Potential Change of Control.

A “**Change of Control**” shall be deemed to have occurred at each time (whether or not approved by Danone) that any Relevant Person(s), at any time following the Issue Date of the Notes, acquire(s) Control of Danone unless all or substantially all of the shareholders of the Relevant Person (the “**Relevant Shareholders**”) are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of Danone with the Relevant Person holding the same (or substantially the same) pro rata interest in the share capital of Danone as the Relevant Shareholders have, or as the case may be, had in the share capital of Danone and the Relevant Shareholders holding all or substantially all of the share capital and voting rights of the Relevant Person.

“**Relevant Person**” means any person or persons acting in concert (as defined in Article L.233-10 and L.233-10-1 of the French *Code de commerce*) or any person or persons acting on behalf of any such person(s).

“**Control of Danone**” means: the holding or acquisition, directly or indirectly, by any Relevant Person of such number of shares in the capital of Danone carrying more than 50 per cent. of the total voting rights normally exercisable at an ordinary or extraordinary shareholders’ general meeting of Danone;

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if (i) within the Change of Control Period (a) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) previously assigned to the Issuer by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency or (b) the non-investment grade credit rating

(Ba1/BB+, or equivalent, or worse) assigned to the Issuer by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency or (c) the Issuer has no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Issuer and, (ii) in making the relevant decision(s) referred to (a) and (b) above, the relevant Rating Agency announces publicly or confirms in writing to Danone, that such decision(s) resulted, in whole or primarily, from the occurrence of the Change of Control or from the occurrence of the Potential Change of Control, provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, Danone shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and shall be read accordingly for the purpose hereof.

“Rating Agencies” means S&P Global Ratings Europe Limited, and/or Moody’s Italia S.r.l. and/or and/or Fitch Ratings and their respective successors or affiliates and/or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of the Issuer at any relevant time (each a **“Rating Agency”**).

“Change of Control Period” means (i) the period starting the earlier of (x) the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control or (y) the date of the first public announcement by Danone of the relevant Change of Control; in each case (x) and (y), ending on the date which is 120 days thereafter (inclusive) or (ii) the period commencing 180 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control and ending on the date of such announcement (inclusive).

“Potential Change of Control” means any public announcement or statement by the Issuer, any actual or potential bidder relating to any potential Change of Control of Danone.

Within three (3) Paris business days after receipt of a written official notice or after a public announcement issued by the relevant Rating Agency that a Change of Control Call Event has occurred, the Issuer shall give notice (a “**Call Event Notice**”) to the Noteholders specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption of the Notes will take place or the Issuer’s election not to redeem the Notes.

If the Issuer elects to redeem the Notes, such redemption or purchase will take place not less than twenty (20), nor more than sixty (60) days after a Call Event Notice is given.

Early Redemption Price

“**Early Redemption Price**” means 101 per cent. of the principal amount of the Notes, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

“**Early Redemption Date**” means the effective date of redemption of the Notes.

Purchase and Redemption following a Repurchase Event

The Issuer may, at any time, purchase the Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

In the event that at least 75 per cent. of the aggregate principal amount of the Notes has been purchased by the Issuer (a “**Repurchase Event**”), the Issuer may, at its option, at any time, redeem all of the outstanding Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

Negative Pledge

There will be no negative pledge in respect of the Notes.

No Events of Default and no Cross Default

There will be no events of default in respect of the Notes. There will be no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the

whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency). No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

Representation of Noteholders

Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* governed by the provisions of the French *Code de commerce* subject to certain exceptions and provisions (the “**Masse**”). The Masse will be a separate legal entity, and will be acting in part through one representative and in part through a general meeting of the Noteholders. The Issuer is entitled in lieu of holding a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution.

Admission to trading

Application will be made for the Notes to be admitted to trading on Euronext Paris. Such admission to trading are expected to occur as of the Issue Date.

Selling Restrictions

There are restrictions on the offer and sale of the Notes and the distribution of offering material.

Ratings

The Notes have been rated Baa3 by Moody's Italia S.r.l. (“**Moody's**”) and BBB- by S&P Global Ratings Europe Limited (“**S&P**”). The long term debt of the Issuer is currently rated Baa1 (stable outlook) by Moody's and BBB+ (stable outlook) by S&P. As of the date of this Prospectus, Moody's and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the “**CRA Regulation**”) and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website: (www.esma.europa.eu/supervision/credit-rating-agencies/risk).

Governing law

The Notes will be governed by, and construed in accordance with, French law.

Settlement

Euroclear France.

Fiscal Agent, Principal Paying Agent, Redenomination Agent,

Citibank Europe Plc.

**Consolidation Agent and
Calculation Agent
Paris Paying Agent**

Citibank Europe Plc, France Branch.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following:

- (a) the pages referred to in the table below included in the 2019 Universal Registration Document in the French language¹, filed with the AMF on 19 March 2020 under No. 20-0139, which contains the audited consolidated annual financial statements of Danone for the financial year ended 31 December 2019 (the “**2019 Universal Registration Document**”) (https://www.danone.com/en/emtn-prospectus/2019/udr_2019.pdf);
- (b) the pages referred to in the table below included in the 2020 Universal Registration Document in the French language², filed with the AMF on 18 March 2021 under No. 21-0151, which contains the audited consolidated annual financial statements of Danone for the financial year ended 31 December 2020 (the “**2020 Universal Registration Document**”) (https://www.danone.com/content/dam/danone-corp/danone-com/investors/fr-all-publications/2020/registrationdocuments/Danone_URD2020_FR.pdf); and
- (c) the sections referred to in the table below included in the 2021 Interim Financial Report in the French language for the six-month period ended 30 June 2021 which is dated 29 July 2021 (the “**2021 Interim Financial Report**”) (<https://www.danone.com/content/dam/danone-corp/danone-com/investors/fr-all-publications/2021/interimfinancialreports/Danone%20-%20Rapport%20financier%20semestriel%202021.pdf>),

which shall be deemed to be incorporated by reference, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

This Prospectus and copies of all documents incorporated by reference in this Prospectus shall be published on and may be obtained from the website of the Issuer (www.danone.com).

Other than in relation to the documents which are incorporated by reference, the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

For the purpose of the Prospectus Regulation, information can be found in the documents incorporated by reference in this Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant items of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation, as amended, (the “**Commission Delegated Regulation**”)).

Where only certain parts of a document are incorporated by reference, the non-incorporated parts are either not relevant for the investor for the purposes of Annex 7 of the Commission Delegated

² For information purposes only, the English language translations of (i) the 2019 Universal Registration Document and (ii) the 2020 Universal Registration Document are available on the website of the Issuer (www.danone.com). For ease of reference, the page numbering of the English language translations of the documents incorporated by reference is identical to the French versions. These English language translations are not incorporated by reference herein.

Regulation or covered elsewhere in this Prospectus. For the avoidance of doubt, “Not applicable” in the cross-reference table below means that the information is not relevant for the purposes of Annex 7 of the Commission Delegated Regulation. Items of such Annex 7 of the Commission Delegated Regulation which are not listed in the cross-reference table below are included elsewhere in this Prospectus.

Commission Delegated Regulation – Annex 7	2021 Interim Financial Report	2020 Universal Registration Document	2019 Universal Registration Document
A7.2 STATUTORY AUDITORS			
A7.2.1 Names and addresses of the issuer’s auditors for the period covered by the historical financial information (together with their membership in a professional body).		Page 6	Pages 6 and 7
A7.2.2 If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.		Not applicable	Not applicable
A7.3 RISK FACTORS			
A7.3.1 A description of the material risks that are specific to the issuer and that may affect the issuer’s ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed ‘Risk Factors’. In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.	Page 10	Pages 20 to 32	
A7.4 INFORMATION ABOUT THE ISSUER			
A7.4.1 History and development of the Issuer:			
A7.4.1.1 the legal and commercial name of the Issuer;		Page 6	
A7.4.1.2 the place of registration of the issuer and its registration number and legal entity identifier (‘LEI’);		Page 6	

Commission Delegated Regulation – Annex 7	2021 Interim Financial Report	2020 Universal Registration Document	2019 Universal Registration Document
A7.4.1.3 the date of incorporation and the length of life of the Issuer, except where indefinite; and		Page 6	
A7.4.1.4 the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.		Page 6	
A.7.4.1.5 Any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer's solvency.	Pages 4-5, 10, 20 and 31	Pages 14-15, 69-70 and 112	
A7.5 BUSINESS OVERVIEW			
A7.5.1 Principal activities:			
A7.5.1.1 A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed; and		Pages 12 to 20, 40 to 42	
A7.5.1.2 The basis for any statements in the registration document made by the issuer regarding its competitive position.		Page 7 (16 th and 17 th references of the table of paragraph 1.2), 12 and 18	
A7.6 ORGANISATIONAL STRUCTURE			
A7.6.1 If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.		Pages 20 and 41	
A7.6.2 If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.		Not applicable	

Commission Delegated Regulation – Annex 7	2021 Interim Financial Report	2020 Universal Registration Document	2019 Universal Registration Document
A7.9 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
<p>A7.9.1 Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>		<p>Pages 210-211 and 232 to 244</p> <p>Not applicable</p>	
<p>A7.9.2 Administrative, Management, and Supervisory bodies conflicts of interests</p> <p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p>		<p>Pages 215 to 218</p>	
A7.10 MAJOR SHAREHOLDERS			
<p>A7.10.1 To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.</p>		<p>Pages 301 to 303</p>	
<p>A7.10.2 A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.</p>		<p>Page 305</p>	

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A7.11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
A7.11.1 Historical Financial Information			
<p>A7.11.1.1 Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.</p> <p>(a) balance sheet;</p> <p>(b) income statement;</p> <p>(c) cash flow statement; and</p> <p>(d) accounting policies and explanatory notes</p>	<p>Pages 12 to 32</p> <p>Pages 14 and 15</p> <p>Pages 12 and 13</p> <p>Page 16</p> <p>Pages 18 to 31</p>	<p>Pages 60 to 118</p> <p>Pages 62 and 63</p> <p>Page 60</p> <p>Page 64</p> <p>Pages 67 to 113</p>	<p>Pages 54 to 117</p> <p>Pages 56 and 57</p> <p>Pages 54 and 55</p> <p>Page 58</p> <p>Pages 61 to 112</p>
A7.11.1.3 Accounting standards		Pages 68 and 69	Page 62
<p>The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.</p> <p>If Regulation (EC) No 1606/2002 is not applicable the financial statements must be prepared according to:</p> <p>(a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/EU;</p> <p>(b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers.</p>			

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<p>Otherwise the following information must be included in the registration document:</p> <p>(a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information;</p> <p>(b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the issuer in preparing its annual financial statements.</p>			
A7.11.1.5 Consolidated financial statements	Pages 12 to 32	Pages 60 to 118	Page 54 to 117
<p>If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>			
A7.11.2 Auditing of historical annual financial information			
<p>A7.11.2.1 The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC and Regulation (EU) No 537/2014.</p>	Page 32 (limited review)	Pages 114 to 118	Pages 113 to 117
<p>A7.11.2.1a Where audit reports on the annual financial statements have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given,</p>	Not applicable	Not applicable	Page 113

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and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.			
A7.11.3 Legal and arbitration proceedings			
A7.11.3.1 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Pages 30 and 31	Pages 111, 133 and 134	
A7.11.4 Significant change in the issuer's financial position			
A7.11.4.1 A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	Page 31	Page 55	
A7.12 MATERIAL CONTRACTS			
A7.12 A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.		Page 42	

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue of the €500,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes (the “**Notes**”) of Danone (the “**Issuer**” or “**Danone**”) has been authorised by a resolution of the Board of Directors (*Conseil d’administration*) of the Issuer held on 18 February 2021 and a decision of Juergen Esser, Chief Financial, Technology and Data Officer of the Issuer, dated 7 September 2021.

An amended and restated agency agreement dated 21 April 2021 (the “**Amended and Restated Agency Agreement**”) has been agreed between Danone, Citibank Europe Plc as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Amended and Restated Agency Agreement, and are collectively referred to as the “**Agents**”.

References to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below and references to “**day**” or “**days**” are, unless the context otherwise specifies, to the calendar days.

1 Form, Denomination and Title

The Notes are issued on 16 September 2021 (the “**Issue Date**”) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the “**Code**”) by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France (“**Euroclear France**”), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (“**Euroclear**”) and the depositary bank for Clearstream Banking, S.A. (“**Clearstream**”).

Title to the Notes shall be evidenced by entries in the accounts of Account Holders and will pass upon, and transfer of the Notes may only be effected through, registration of the transfer in such accounts.

2 Status of the Notes

2.1 Deeply Subordinated Notes

The Notes are Deeply Subordinated Notes issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*.

The principal and interest and other amounts (including Arrears of Interest (as defined below) and/or Additional Interest Amounts (as defined below)) on the Notes constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Deeply Subordinated Obligations (which include, for the avoidance of doubt, the Euro undated deeply subordinated fixed rate resettable notes issued by the Issuer on 30 October 2017 (FR0013292828)), but shall be subordinated to the *titres participatifs* issued by, and

the *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer.

“**Deeply Subordinated Notes**” means any bonds or notes of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations, but junior to the *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, and junior to the Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer.

“**Deeply Subordinated Obligations**” means any Deeply Subordinated Notes or other Obligations or lowest ranking Obligations (*engagements subordonnés de dernier rang*) of the Issuer which rank, or are expressed to rank, *pari passu* with the Notes.

“**Obligations**” means, in respect of any person, any financial obligation expressed to be assumed by or imposed on it under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

“**Ordinary Subordinated Obligations**” means any Obligations which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present or future Ordinary Subordinated Obligations, but in priority to the *prêts participatifs* granted to, and the *titres participatifs* issued by, the Issuer and Deeply Subordinated Obligations.

“**Unsubordinated Obligations**” means any Obligations which are unsubordinated.

2.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary liquidation of the Issuer or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency), the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- unsubordinated creditors of the Issuer (including holders of Unsubordinated Obligations);
- ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Obligations);
- lenders in relation to *prêts participatifs* granted to the Issuer;
- holders of *titres participatifs* issued by the Issuer; and
- deeply subordinated creditors of the Issuer (including holders of Deeply Subordinated Obligations).

In the event of liquidation of the Issuer, the Notes shall rank in priority only to any payments to holders of Equity Securities. The holders of Deeply Subordinated Notes (including the Notes) shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with any present or future Deeply Subordinated Notes (including the Notes) shall be terminated.

“**Equity Securities**” means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer’s share capital (including preference shares (*actions de préférence*)).

2.3 Prohibition of set-off

Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Noteholder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention.

3 Negative Pledge

There will be no negative pledge in respect of the Notes.

4 Interest

4.1 General

Unless previously redeemed in accordance with the Conditions and subject to the further provisions of this Condition (in particular, but not limited to Condition 4.7), the Notes shall bear interest on their principal amount:

- (i) from, and including, the Issue Date to, but excluding, 16 December 2026 (the “**First Reset Date**”), at a rate of 1.000 per cent. *per annum* (the “**First Interest Rate**”);
- (ii) from, and including, the First Reset Date to, but excluding, 16 December 2031 (the “**First Step-up Date**”), at an interest rate *per annum* which shall be equal to the sum of the Reference Rate of the relevant Reset Period and the Initial Margin (the “**Second Interest Rate**”);
- (iii) from, and including, the First Step-up Date to, but excluding, 16 December 2046 (the “**Second Step-up Date**”), at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the First Step-up Margin (the “**Third Interest Rate**”); and
- (iv) from, and including, the Second Step-up Date to, but excluding, the date on which the Issuer redeems the Notes, at an interest rate *per annum* which will be subject to a reset every five years and shall be equal to the sum of the Reference Rate of the relevant Reset Period, the Initial Margin and the Second Step-up Margin (the “**Fourth Interest Rate**”).

Each Interest Amount shall be payable annually in arrear on 16 December of each year, commencing on 16 December 2021 (each an “**Interest Payment Date**”). There will be a short first coupon for the period from and including the Issue Date to, but excluding, 16 December 2021 amounting to €249.32 per Note.

In no event shall the applicable Interest Rate (including, for the sake of clarity, any applicable margin) be less than zero.

For the purpose hereof:

“**5-year Swap Rate**” means:

- (v) the mid-swap rate for a term of 5 years as displayed on Reuters screen “ICESWAP2/EURSFIXA” as at 11:00 a.m. (Central European time) or, if such rate is not displayed on such screen as at the relevant time, the mid-swap rate as displayed on a successor or replacement page (in each case, the “**Screen Page**”);

- (vi) in the event that the 5-year Swap Rate does not appear on the Screen Page on the relevant Interest Determination Date, the 5-year Swap Rate will be the Reference Bank Rate on such Interest Determination Date.

“5-year Swap Rate Quotations” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the first day of the relevant Reset Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

“Business Day” means any day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

“Initial Margin” means 1.271 per cent. *per annum*.

“First Step-up Margin” means 0.25 per cent. *per annum*.

“Second Step-up Margin” means 1.00 per cent. *per annum*.

“Reset Date” means the First Reset Date and each 5th anniversary thereof.

“Reset Period” means the period from, and including, the First Reset Date to, but excluding, the next Reset Date and subsequently each period from, and including, a Reset Date to, but excluding, the next succeeding Reset Date.

“Reference Bank Rate” means the percentage rate determined on the basis of the 5-year Swap Rate Quotations provided by at least five leading swap dealers in the interbank market (the **“Reference Banks”**) to the Calculation Agent at its request at approximately 11:00 a.m. (Central European time), on the relevant Interest Determination Date. If one quotation is provided, the Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the last 5-year Swap Rate available on the Screen Page as determined by the Calculation Agent.

“Reference Rate” means the relevant 5-year Swap Rate determined by the Calculation Agent on the day falling two Business Days prior to the first day of the relevant Reset Period (each an **“Interest Determination Date”**).

“TARGET 2 Settlement Day” means any day on which the TARGET 2 System is operating.

“TARGET 2 System” means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor thereto.

“Interest Rate” means the First Interest Rate, the Second Interest Rate, the Third Interest Rate or the Fourth Interest Rate (all as defined above), as applicable.

Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Interest Rate for each Note and calculate the relevant Interest Amount (as defined in Condition 4.4 below).

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount (as defined in Condition 4.4 below) payable per Note to be notified to the Issuer, each of the Paying Agents and, if

required by the rules of the regulated market of Euronext in Paris (“**Euronext Paris**”) or any other stock exchange on which the Notes are admitted to trading from time to time, on such stock exchange, and to holders of Notes (the “**Noteholders**” and each a “**Noteholder**”) in accordance with Condition 10 without undue delay, but, in any case, not later than on the fourth Business Day after its determination.

4.2 Discontinuation of the 5-year Swap Rate

If a Benchmark Event occurs in relation to the Euro 5-Year Swap Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to such Euro 5-Year Swap Rate, then the following provisions shall apply and shall prevail over other fallbacks specified in Condition 4.1.

4.2.1 Independent Adviser

The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.2.2 and, in either case, an Adjustment Spread if any (in accordance with Condition 4.2.3) and any Benchmark Amendments (in accordance with Condition 4.2.4).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4.2 shall act in good faith in a commercially reasonable manner as an independent expert and in consultation with the Issuer. The Issuer will not take any discretionary decision on the basis of such consultation. In the absence of bad faith, manifest error or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents or the Noteholders for any determination made by it, pursuant to this Condition 4.2.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.2.1 prior to the relevant Interest Determination Date, the 5-year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last 5-year Swap Rate available on the Screen Page as determined by the Calculation Agent. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.2.

4.2.2 Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.2.3) subsequently be used in place of the Euro 5-year Swap Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.2); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.2.3) subsequently be used in place of the Euro 5-year Swap Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.2).

4.2.3 Adjustment Spread

If the Independent Adviser, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a

formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

4.2.4 *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4.2 and the Independent Adviser, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2.5, without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, and in connection with any such variation in accordance with this Condition 4.2.4, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of “equity credit” (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) assigned to the Notes by any Rating Agency when compared to the “equity credit” assigned to the Notes immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency or (ii) otherwise prejudice the eligibility of the Notes for “equity credit” from any Rating Agency.

4.2.5 *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.2 will be notified promptly by the Issuer, after receiving such information from the Independent Adviser, to the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative of the Masse and, in accordance with Condition 10, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders and the Representative of the Masse of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by an authorised signatory of the Issuer and the Independent Adviser:

- (i) confirming, on the basis of the determination of the Independent Adviser (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4.2; and
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's, the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

4.2.6 *Survival of the 5-year Swap Rate*

Without prejudice to the obligations of the Issuer under this Condition 4.2, the 5-year Swap Rate and the fallback provisions provided for in Condition 4.1 will continue to apply unless and until a Benchmark Event has occurred.

4.2.7 *New Benchmark Event in respect of the Successor Rate or Alternative Rate*

If Benchmark Amendments have been implemented pursuant to this Condition 4.2 and a new Benchmark Event occurs in respect of the then applicable Successor Rate or Alternative Rate, the provisions of this Condition 4.2 shall apply as if the Successor Rate or Alternative Rate were the 5-year Swap Rate.

4.2.8 *Definitions*

For the purpose hereof:

“Adjustment Spread” means either a spread (which may be positive or negative), or a formula or a methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate, as the case may be, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit, as the case may be, to Noteholders as a result of the replacement of the 5-year Swap Rate with the Successor Rate or the Alternative Rate, as the case may be, and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the 5-year Swap Rate with the Successor Rate by any Relevant Nominating Body (if no such recommendation has been made or in the case of an Alternative Rate); or
- (ii) the Independent Adviser determines and which is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the 5-year Swap Rate; or (if the Independent Adviser determines that no such spread is customarily applied); or
- (iii) the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the 5-year Swap Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4.2.2 and which is customarily applied in

international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in euro.

“**Benchmark Amendments**” has the meaning given to it in Condition 4.2.4.

“**Benchmark Event**” means:

- (i) the 5-year Swap Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the 5-year Swap Rate that it has ceased or that it will cease publishing the 5-year Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5-year Swap Rate); or
- (iii) a public statement by the supervisor of the administrator of the 5-year Swap Rate, that the 5-year Swap Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the 5-year Swap Rate as a consequence of which the 5-year Swap Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (v) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the 5-year Swap Rate; or
- (vi) a public statement by the supervisor of the administrator of the 5-year Swap Rate that, in the view of such supervisor, such 5-year Swap Rate is no longer representative and an underlying market or that its method of calculation has significantly changed,

provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on or within the six months preceding the date of the cessation of publication of the 5-year Swap Rate, the discontinuation of the 5-year Swap Rate, or the prohibition of use of the 5-year Swap Rate, as the case may be, and not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4.2.1.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate, as applicable:

- (i) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the 5-year Swap Rate which is formally recommended by any Relevant Nominating Body. If, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser will determine among those successor or replacement rates, the one which is the most appropriate, taking into consideration, without limitation, the particular features of the relevant Notes and the nature of the Issuer.

4.3 Rate of Interest following a Change of Control Call Event

Further to the occurrence of a Change of Control Call Event described in Condition 5.6 below, if the Change of Control Call Option has not been exercised by the Issuer, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum* from, and including, the date of the Call Event Notice (as defined in Condition 5.6 below) to, but excluding, the redemption of the Notes.

4.4 Calculation of the Interest Amount

The amount of interest (the “**Interest Amount**”) payable on each Note and on each Interest Payment Date will be the product of the principal amount of such Note and the applicable Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

For the purpose hereof:

“**Actual/Actual (ICMA)**” means:

- if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of days in the relevant period divided by the number of days in the Interest Period in which the relevant period falls;
- if interest is required to be calculated for a period of more than one year, the sum of (a) the number of days of the relevant period falling in the Interest Period in which it begins divided by the total number of days in such Interest Period and (b) the number of days of the relevant period falling in the next Interest Period divided by the total number of days in such next Interest Period (including the first such day but excluding the last).

“**Interest Period**” means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date (or the first Interest Payment Date, as the case may be).

4.5 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Reference Banks (or any of them) or the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

4.6 Calculation Agent

The Amended and Restated Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone interbank market to act in its place. The Calculation

Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert in the performance of its duties and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10 and, for so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

4.7 Interest Deferral

(a) *Optional Interest Payment*

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer, by giving notice to the Noteholders in accordance with sub-paragraph (c) below, elects to defer such payment in whole or in part, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with this paragraph will be deferred and shall constitute “**Arrears of Interest**” and shall be payable as outlined below.

(b) *Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole or in part, at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in full on whichever is the earliest of:

- (i) ten (10) Business Days following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all or part of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the voluntary or judicial liquidation of the Issuer (*liquidation judiciaire* or *liquidation amiable*) or the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason, as contemplated under Condition 8.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the “**Arrears Interest Rate**”) and the amount of such interest (the “**Additional Interest Amount**”) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph (b) and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with Article 1343-2 of the French *Code civil* to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest, for the purpose only of calculating the Additional Interest Amount accruing thereafter.

For the purpose hereof:

A “**Mandatory Payment Event**” means that:

- (i) a dividend, other distribution or payment of any nature was validly declared, paid or made in respect of any Equity Securities or any Parity Securities of the Issuer, or
- (ii) the Issuer has repurchased, redeemed, or otherwise acquired any Equity Securities or any Parity Securities of the Issuer other than, (i) with respect to Equity Securities, in connection with the satisfaction by the Issuer of its obligations under any buy-back programme, share option, or free share allocation plan reserved for directors, officers and/or employees of the Issuer’s group, liquidity agreement (*programme de liquidité*) or any associated hedging transaction or the hedging of convertible securities of the Issuer or (ii) the acquisition by the Issuer of any Parity Securities (in whole or in part) in a public tender offer or public exchange offer at a purchase price per Parity Security (including, for the avoidance of doubt, the Notes) below its par value;

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities.

“**Parity Securities**” means, at any time, any Deeply Subordinated Notes, and any securities which rank *pari passu* with the Notes (including, for the avoidance of doubt, the undated deeply subordinated notes issued by the Issuer on 30 October 2017 (FR0013292828)). The term Parity Securities shall apply *mutatis mutandis* to any instruments issued by any Subsidiary of the Issuer, where relevant, provided that each such instrument shall qualify as Parity Securities only to the extent such instrument is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer’s obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer’s obligations under Parity Securities.

“**Subsidiary**” means any fully consolidated subsidiary (as defined in Article L.233-1 of the French *Code de commerce*) of the Issuer.

(c) *Notice of Deferral and Payment of Arrears of Interests*

Notice of (i) deferral of any interest under the Notes on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Noteholders in accordance with Condition 10, and the Paying Agents and the Calculation Agent at least five (5) Business Days in Paris, but no more than thirty (30) Business Days in Paris, prior to such Interest Payment Date or date. So long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

(d) *Partial Payment of Arrears of Interest and Additional Interest Amount*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and

- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

5 Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition.

5.1 Final Redemption

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

5.2 Optional Redemption

The Issuer will have the right to redeem all of the Notes (but not some only) (i) on any date during the period commencing on (and including) 16 September 2026 and ending on (and including) the First Reset Date, or (ii) upon any Interest Payment Date thereafter, subject, in each case, to having given not more than sixty (60) nor less than twenty (20) days' prior notice to the Noteholders (which notice shall be irrevocable). Such early redemption of the Notes will be made at their principal amount together with any accrued interest to the date set for redemption and Arrears of Interest (including any Additional Interest Amounts thereon).

5.3 Redemption for Taxation Reasons

- (i) If by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7 below (a "**Gross-Up Event**"), then the Issuer may, at its option, at any time, subject to having given not more than sixty (60) nor less than twenty (20) days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below (a "**Withholding Tax Event**"), then the Issuer may, upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 10, redeem all of the Notes (but not some only) at their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is passed, as soon as practicable thereafter.
- (iii) If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification

results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a “**Tax Deductibility Event**”), then the Issuer may, at its option, at any time (subject to having given not more than sixty (60) nor less than twenty (20) days’ prior notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 10), redeem all of the Notes (but not some only) at (i) the Early Redemption Price (as defined below) where such redemption occurs before the 16 September 2026, or (ii) their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the 16 September 2026; provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

Prior to the giving of any such notice of redemption in this Condition 5.3, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Noteholders, a certificate signed by a duly authorised representative of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met.

5.4 Redemption following an Accounting Event

If an Accounting Event shall occur after the Issue Date, the Issuer may, at its option, redeem all of the Notes (but not some only) at any time, subject to the Issuer having given the Noteholders not less than twenty (20), or more than sixty (60), days’ prior notice (which notice shall be irrevocable) in accordance with Condition 10, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the 16 September 2026, or (ii) their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the 16 September 2026.

Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Noteholders, (i) a certificate signed by a duly authorised representative of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) a copy of the letter or report referred to in the definition “Accounting Event”.

“**Accounting Event**” means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that, as a result of a change in the accounting rules or methodology effective after the Issue Date, the funds raised through the issue of the Notes may not or will no longer, from the implementation date of (i) the relevant new International Financial Reporting Standards (“**IFRS**”) or any other accounting standards that may replace IFRS or (ii) the new rules or methodology, be recorded as “equity” pursuant to IFRS for the purposes of the annual consolidated financial statements of the Issuer.

The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the earlier of such dates on which the change in the relevant new IFRS rules is officially announced by the IFRS-IASB or equivalent body of IFRS-EU or officially adopted or put into practice (the “**Accounting Event Adoption Date**”). The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. For the avoidance of doubt such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

5.5 Redemption following a Capital Event

If a Capital Event has occurred and is continuing, then the Issuer may, at its option, redeem all the Notes (but not some only) at any time, subject to having given not less than twenty (20) nor more than sixty (60) days' notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable), at (i) the Early Redemption Price (as defined below) where such redemption occurs before 16 September 2026, or (ii) their principal amount together with any accrued interest to the date set for redemption and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after 16 September 2026; provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the Notes will (or would) no longer be eligible for the same or higher category of equity credit.

Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent and, in accordance with Condition 10, to the Noteholders, (i) a certificate signed by a duly authorised representative of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) evidence of the written confirmation or copy of the publication referred to in the definition of "Capital Event".

For the purpose of this Condition 5.5:

"Capital Event" means that the Issuer has received written confirmation from any Rating Agency (as defined in Condition 5.6) from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that, due to an amendment, clarification of, or change in the hybrid capital methodology of such Rating Agency, or a change in the interpretation thereof by such Rating Agency, in each case occurring or becoming effective after the Issue Date, (a) the Notes will no longer be eligible (or if the Notes have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit in part or in full as a result, the Notes would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation had they not been re-financed) in whole or in part, for the same or a higher amount of, "equity credit" (or such other nomenclature that such Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Notes at the Issue Date (or if such "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time) or (b) the period of time during which such Rating Agency assigned to the Notes a particular level of "equity credit" is shortened as compared to the period of time for which such Rating Agency did assign to the Notes that level of "equity credit" on the Issue Date (or if such "equity credit" is not assigned on the Issue Date as the date on which the "equity credit" is assigned for the first time).

5.6 Redemption following a Change of Control Call Event

If a Change of Control Call Event (as defined below) occurs after the Issue Date, the Issuer may, at its option (a **"Change of Control Call Option"**), at any time, redeem or procure the purchase of all the Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

For the purpose of this Condition 5.6:

A **"Change of Control Call Event"** shall be deemed to have occurred at each time (i) a Change of Control occurs and (ii) within the Change of Control Period a Rating Downgrade occurs as a result, in whole or primarily, of that Change of Control or of a Potential Change of Control.

A “**Change of Control**” shall be deemed to have occurred at each time (whether or not approved by Danone) that any Relevant Person(s), at any time following the Issue Date of the Notes, acquire(s) Control of Danone unless all or substantially all of the shareholders of the Relevant Person (the “**Relevant Shareholders**”) are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of Danone with the Relevant Person holding the same (or substantially the same) pro rata interest in the share capital of Danone as the Relevant Shareholders have, or as the case may be, had in the share capital of Danone and the Relevant Shareholders holding all or substantially all of the share capital and voting rights of the Relevant Person.

“**Relevant Person**” means any person or persons acting in concert (as defined in Article L.233-10 and L.233-10-1 of the French *Code de commerce*) or any person or persons acting on behalf of any such person(s).

“**Control of Danone**” means the holding or acquisition, directly or indirectly, by any Relevant Person of such number of shares in the capital of Danone carrying more than 50 per cent. of the total voting rights normally exercisable at an ordinary or extraordinary shareholders’ general meeting of Danone;

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if:

- (i) within the Change of Control Period:
 - (A) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) previously assigned to the Issuer by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (B) the non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) assigned to the Issuer by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
 - (C) the Issuer has no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Issuer; and
- (ii) in making the relevant decision(s) referred to (A) and (B) above, the relevant Rating Agency announces publicly or confirms in writing to Danone, that such decision(s) resulted, in whole or primarily, from the occurrence of the Change of Control or from the occurrence of the Potential Change of Control, provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, Danone shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 5.6 shall be read accordingly.

“**Rating Agencies**” means S&P Global Ratings Europe Limited, and/or Moody’s Italia S.r.l. and/or Fitch Ratings and their respective successors or affiliates and/or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of the Issuer at any relevant time (each a “**Rating Agency**”).

“**Change of Control Period**” means:

- (i) the period starting the earlier of (x) the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control or

- (y) the date of the first public announcement by Danone of the relevant Change of Control; in each case (x) and (y), ending on the date which is 120 days thereafter (inclusive); or
- (ii) the period commencing 180 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF (or any other competent authority) of the relevant Change of Control and ending on the date of such announcement (inclusive).

“**Potential Change of Control**” means any public announcement or statement by the Issuer, any actual or potential bidder relating to any potential Change of Control of Danone.

Within three (3) Paris business days after receipt of a written official notice or after a public announcement issued by the relevant Rating Agency that a Change of Control Call Event has occurred, the Issuer shall give notice (a “**Call Event Notice**”) to the Noteholders in accordance with Condition 10 specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption of the Notes will take place or the Issuer’s election not to redeem the Notes.

If the Issuer elects to redeem the Notes, such redemption or purchase will take place not less than twenty (20), nor more than sixty (60) days after a Call Event Notice is given.

5.7 **Make-Whole Redemption by the Issuer**

The Issuer may, subject to compliance by the Issuer with all applicable laws and regulations and on giving not less than fifteen (15) nor more than thirty (30) days’ irrevocable notice in accordance with Condition 10 to the Noteholders, redeem the Notes, in whole (but not some only), at any time, other than (i) during the period from, and including, 16 September 2026 to, and including the First Reset Date or (ii) on any subsequent Interest Payment Date (the “**Make-whole Redemption Date**”) at their Make-whole Redemption Amount.

The Issuer shall, not less than fifteen (15) days before the giving of any notice referred to above, notify the Fiscal Agent and the Calculation Agent of its decision to exercise the Make-whole Redemption Option. No later than the Business Day immediately following the Calculation Date, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-whole Redemption Rate and the Make-whole Redemption Amount. All Notes shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Condition.

For the purposes of this Condition 5.7:

“**Benchmark Rate**” means the amount displayed on the Reference Screen Rate or, if the Reference Screen Rate is not available, the average of the four quotations given by Reference Dealers on the Business Day immediately preceding the Calculation Date at market close of the mid-market annual yield to maturity of the Reference Bond. If the Reference Bond is no longer outstanding or the Reference Screen Rate does not quote the yield on the Reference Bond, a Similar Security will be chosen by Calculation Agent on the Business Day immediately preceding the Calculation Date.

The Benchmark Rate (and the reference of the Similar Security if applicable) will be published by the Issuer in accordance with Condition 10.

“**Calculation Date**” means the third Business Day prior to the Make-whole Redemption Date.

“**Make-whole Margin**” means 0.25 per cent. *per annum*³.

³ 15 per cent. of reoffer spread, capped at 50bps

“Make-whole Redemption Amount” means, in respect of each Note, an amount in Euro, determined by the Calculation Agent, equal to the sum of:

- (i) the greater of (x) the principal amount of such Note and (y) the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note (assuming, in each of the cases (A) and (B) below that accrued interest to (but excluding) such dates would be payable and that the principal amount would be repaid on such date) (excluding in each case any Arrears of Interest and Additional Interest Amount thereon and any interest accruing on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) up to and discounted from: (A) if the relevant Make-whole Redemption Date occurs prior to the date falling 3 months prior to the First Reset Date, 16 September 2026 or (B) if the relevant Make-whole Redemption Date occurs after the First Reset Date, thereafter on the next succeeding Interest Payment Date, in each case to such Make-whole Redemption Date on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate; and
- (ii) any interest accrued and any Arrears of Interest (and Additional Interest Amount thereon) but not paid on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date, to, but excluding, the Make-whole Redemption Date.

“Make-whole Redemption Rate” means the sum, as calculated by the Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

“Reference Bond” means the German government bond bearing interest at a rate of 0.00 per cent. *per annum* and maturing in October 2026 with ISIN DE0001141844.

“Reference Dealers” means four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or makers in pricing corporate bond issues.

“Reference Screen Rate” means Bloomberg HP page for the Reference Bond (using the settings “Mid YTM” and “Daily”).

“Similar Security” means the German government treasury bond(s) selected as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed (assuming for this purpose only that the Notes mature: (A) if the relevant Make-whole Redemption Date occurs prior to 16 September 2026, or (B) if the relevant Make-whole Redemption Date occurs after the First Reset Date, on the next succeeding Interest Payment Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable to the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

5.8 Purchase and Redemption following a Repurchase Event

The Issuer may, at any time, purchase the Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

In the event that at least 75 per cent. of the aggregate principal amount of the Notes has been purchased by the Issuer (a “**Repurchase Event**”), the Issuer may at its option, at any time, redeem all of the outstanding Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon), subject to the Issuer having given the Noteholders not less than twenty (20), or more than sixty (60), days’ prior notice (which notice shall be irrevocable) in accordance with Condition 10.

5.9 Cancellation

All Notes which are purchased for cancellation by the Issuer pursuant to this Condition 5 will forthwith be cancelled (together with rights to interest and any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

5.10 Definitions

For the purposes of these Conditions:

“**Early Redemption Price**” means 101 per cent. of the principal amount of the Notes together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

“**Early Redemption Date**” means the effective date of redemption of the Notes made in accordance with this Condition.

6 Payments

6.1 Method of Payment

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Notes will be made in euro by transfer to a euro-denominated account of the relevant Account Holder. All payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.2 Payments on Business Days

If any due date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

6.3 Fiscal Agent, Paying Agent and Calculation Agent

The names of the initial Agents and their specified offices are set out below:

Fiscal Agent, Principal Paying Agent and Calculation Agent

Citibank Europe Plc

1 North Wall Quay
Dublin 1
Ireland

Paris Paying Agent

Citibank Europe Plc, France Branch

1-5, rue Paul Cézanne
75008 Paris
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent, Paying Agent or Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent, a Principal Paying Agent and a Calculation Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10 and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

7 Taxation

All payments of principal, interest and other revenues in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

If French law should require that payments of principal, interest and other revenues in respect of any Notes by or on behalf of the Issuer be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority thereof or therein having power to tax, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Noteholder (including a beneficial owner (*ayant droit*)) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or interest coupon by reason of his having some connection with France other than the mere holding of the Note or interest coupon.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, the Early Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 5, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, if any, all Arrears of Interest and all Additional Interest Amount) payable pursuant

to Condition 4 and (iii) “**principal**” and/or “**interest**” shall be deemed to include any Additional Amounts that may be payable under this Condition.

Each Noteholder shall be responsible for supplying to the Paying Agent via the clearing systems, in a reasonable and timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by Article 242 *ter* of the French *Code général des impôts*.

8 No Events of Default and no Cross Default

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency). No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

9 Representation of the Noteholders

Noteholders will be grouped automatically for the defence of their common interests in a *masse* (in each case, the “**Masse**”).

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, the second sentence of Article L.228-65 II, R.228-61, R.228-63 and R.228-69 subject to the following provisions:

9.1 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (the “**General Meeting**”).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

9.2 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors and its employees as well as their ascendants, descendants and spouses; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors their statutory auditors and their employees as well as their ascendants, descendants and spouses; or
- (iii) companies holding ten (10) per cent. or more of the share capital of the Issuer and companies having ten (10) per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and the alternate Representative are the following:

Initial Representative:

MCM AVOCAT
Selarl d'avocats interbarreaux inscrite au Barreau de Paris
10, rue de Sèze
75009 Paris
France
Represented by Maître Antoine Lachenaud,
Co-gérant – associé

Alternate Representative:

Maître Philippe Maisonneuve
Avocat
10, rue de Sèze
75009 Paris
France

In connection with its functions or duties, the Representative will be entitled to a remuneration of €350 (VAT excluded) per year payable on the Issue Date and on each anniversary thereafter.

In the event of death, retirement, dissolution or revocation of appointment of the initial Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate Representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

9.3 Powers of the Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

9.4 General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 10 not less than fifteen (15) days prior to the date of the General Meeting on first convocation,

and five (5) days on second convocation. Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders as provided *mutatis mutandis* by Article R.225-97 of the French *Code de commerce*.

Each Note carries the right to one vote.

9.5 Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the initial Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Decisions of General Meetings and Written Resolutions once approved must be published in accordance with the provisions set forth in Condition 10.

9.6 Written Resolutions

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a resolution in writing (a “**Written Resolution**”). Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders (“**Electronic Consent**”).

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 10 not less than fifteen (15) days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

A Written Resolution will be approved if (i) Noteholders expressing their approval or rejection of such proposed Written Resolution hold at least one fifth of the principal amount of the Notes then outstanding

and (ii) Noteholders expressing their approval hold at least 66.6 per cent. of such quorum. Each Note carries the right to one vote.

9.7 Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting and Written Resolution Date, and, in the case of an adjourned General Meeting, 5-day period preceding the holding of such adjourned General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolutions, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting or in the Written Resolution.

9.8 Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and seeking of a Written Resolution and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

9.9 Benchmark Discontinuation

By subscribing the Notes and solely in the context of a Benchmark Event which leads to the application of a Benchmark Amendment, each Noteholder shall be deemed to have agreed and approved any Benchmark Amendments or such other necessary changes pursuant to Condition 4.2.

For the avoidance of doubt, in this Condition 9, the term “outstanding” shall not include those Notes subscribed or purchased by the Issuer in accordance with applicable laws and regulations that are held by it and not cancelled.

10 Notices

- (a) Notice to the Noteholders shall be valid if published so long as the Notes are admitted to trading on Euronext Paris, at the option of the Issuer, (i) in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), (ii) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (iii) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF.
- (b) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.
- (c) Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and publication on the website of the Issuer (www.danone.com) in substitution for the mailing and publication of a notice required by Conditions 10(a) and (b) above; except that so long as the Notes are admitted to trading on Euronext Paris and the rules of such regulated market so require, notices shall also be published in a leading daily newspaper of general circulation in France.
- (d) Notices relating to the convocation, decision(s) of the General Meetings and Written Resolutions pursuant to Condition 9 and to any decision taken by the Issuer following a General Meeting or a Written Resolution or pursuant to Article R.236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice

to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and publication on the website of the Issuer (www.danone.com).

11 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall be prescribed and become void unless made within five (5) years (in the case of principal or interest) from the due date for payment thereof.

12 Further Issues

The Issuer may, from time to time, without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for principal amount thereon and for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality.

13 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes may be brought before any competent court located in Paris.

The following paragraphs in italics do not form part of the Conditions:

Restrictions regarding redemption and repurchase of the Notes.

The Issuer intends (without thereby assuming a legal obligation), that if it redeems or repurchases any Notes (or any part thereof), it will so redeem or repurchase the relevant Notes (or any part thereof) only to the extent that such part of the aggregate principal amount of the Notes (or any part thereof) to be redeemed or repurchased as was categorised as equity by S&P at the time of its issuance ("equity credit") does not exceed such part of the net proceeds received by the Issuer or any Subsidiary of the Issuer on or prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P, as the case may be, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the relevant Notes (or any part thereof) to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or the interpretation thereof since the issuance of the relevant Notes), unless:

- (i) *the long-term corporate rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least the same as or higher than the long-term corporate credit rating assigned to the Issuer on the date of the last additional hybrid issuance (excluding any refinancing transaction of the hybrid securities which were assigned a similar "equity credit" by S&P (or such similar nomenclature then used by S&P) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*

- (ii) in the case of a repurchase, such repurchase is of less than (i) 10 per cent. of the Issuer's aggregate hybrid capital outstanding in any period of 12 consecutive months or (ii) 25 per cent. of the Issuer's hybrid capital outstanding in any period of 10 consecutive years; or*
- (iii) the relevant Notes are redeemed pursuant to a Capital Event, an Accounting Event, a Tax Deductibility Event, a Withholding Tax Event, a Repurchase Event or a Gross-Up Event; or*
- (iv) the relevant Notes are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or*
- (v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns "equity content" under its prevailing methodology, or*
- (vi) such redemption or repurchase occurs on or after 16 December 2046.*

Terms used but not defined in the above paragraphs shall have the same meaning as that set out in the Conditions.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The estimated net proceeds of the Notes will amount to €498,005,000. The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes, including to refinance part of the existing €1,250,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes issued by the Issuer on 30 October 2017 (ISIN: FR0013292828) to be purchased in the context of a tender offer.

RECENT DEVELOPMENTS

The following press release was published by Danone on 29 July 2021:

"Press Release – Paris, July 29, 2021

Danone's Board of Directors to initiate a composition renewal program

As part of the transition initiated earlier this year on the company's governance framework, Danone's Board of Directors, following a meeting on July 28, decided on a number of evolutions to its upcoming composition.

Last March, the Board of Directors decided to separate the functions of Chairman and Chief Executive Officer. This first step led to the appointment on March 14 of Gilles Schnepp as Independent Chairman and, on May 17, to the appointment of a Chief Executive Officer with a strong FMCG experience, Antoine de Saint-Affrique, who will join the company on September 15.

The second step announced today corresponds to an overhaul of the Board's composition. It has been proposed by all the members of the Board and aims at serving Danone's performance and mission for the years to come.

This overhaul will entail the renewal of Danone's Board of Directors and will be completed by Danone's 2023 Shareholders' Meeting. The Directors whose terms end in April 2022 decided not to seek the renewal of their mandates. The other Directors, with the exception of the Chairman and the two Directors representing employees, decided not to seek, with one year of anticipation, the renewal of their current mandates - with effect from the Shareholders' Meetings of April 2022 or 2023.

At the 2022 and 2023 Shareholder's Meetings, the election of new Directors will be proposed with the aim of constituting a Board of Directors composed of 12 members (including the two Directors representing employees). As announced on May 17, the Board will propose the candidacy of Antoine de Saint-Affrique as a Director at the next Shareholder's Meeting.

On his decision not to seek the renewal of his Director mandate in April 2022, Franck Riboud, former Chairman and Chief Executive Officer:

"I am happy that a new cycle is beginning for Danone and the Board. My only aspiration remains to serve Danone as well as possible and to strongly support Antoine de Saint-Affrique in his work to put Danone back on its growth path. This Board evolution will, I am sure, facilitate the implementation of his project. I, for certain, will obviously be keen to continue to assume the role of Honorary President as it is envisaged at Danone. It will allow me, with a caring yet demanding perspective of the company and its teams, to continue to actively promote the vision and the managerial and entrepreneurial culture of this unique group. The very ones that have built the success of Danone for so many years."

On the decision of the Board of Directors, Gilles Schnepp, Chairman:

"I would first like to thank all of the Directors who wanted these major evolutions to be decided in a collegial and responsible way. This Board of Directors demonstrated its commitment and ability to take decisions in the sole interest of the company. The overhaul of Danone's Board of Directors will be completed in several stages by 2023, allowing the candidates to prepare for their future responsibilities as Directors while enabling for an orderly transition. From here on, we will focus on the next step of Danone's governance evolution with two objectives: on the one hand, recruit new talent with strong international experience and sectorial expertise while ensuring the diversity and independence of the Board of Directors; and on the other, clarify the working principles of the Board of Directors within the new framework of separated governance."

ANNEX

Composition of Board of Directors

Since Danone's 2021 Shareholders' Meeting, the Board of Directors has been composed of 13 members, of which 11 Directors elected by the General Assembly, and 2 Directors representing employees, the latter not being impacted by the Governance changes announced on July 28.

Nordi Benassem, delegate of the Social and Economic Committee of Danone SA, also attends the Board of Directors' meetings in advisory capacity.

Among the Directors appointed by the Shareholders' Meeting, 73% are independent and 45% are women.

Name	Starting date of Director's term	End of current term
Guido Barilla	2018	2024
Frédéric Boutebba (*)	2016	2023
Cécile Cabanis	2018	2024
Clara Gaymard	2016	2022
Michel Landel	2018	2024
Gaëlle Olivier	2014	2023
Franck Riboud	1992	2022
Gilles Schnepp	2020	2023
Isabelle Seillier	2011	2023
Jean-Michel Severino	2011	2023
Bettina Theissig (*)	2014	2023
Serpil Timuray	2015	2024
Lionel Zinsou-Derlin	2014	2023

(*) Directors representing employees"

The following press release was published by Danone on 7 September 2021:

"Press release – Paris, 7 September 2021

Danone successfully prices a €500 million hybrid bond issue

As part of its permanent focus on optimizing its capital and debt structure, Danone announces today that it has successfully priced its issue of €500 million undated deeply subordinated fixed rate resettable notes (the "New Notes"), taking advantage of favorable market conditions (the "New Issue").

Proceeds of the New Issue will be used for the general corporate purposes, including to refinance part of Danone's existing €1.25 billion undated deeply subordinated fixed rate resettable notes callable in March 2023 (ISIN: FR0013292828) (the "Existing Notes") to be purchased in the context of a tender offer (the "Tender Offer").

The New Issue consists of a euro-denominated undated deeply subordinated notes offering a fixed resettable coupon of 1%, with a first call date on 16 December 2026. The New Notes will be fully accounted as equity in accordance with IFRS standards and will be treated as 50% equity by Moody's and Standard & Poor's in their credit metrics.

The settlement of the New Issue is expected to take place on 16 September 2021 and the New Notes will be listed on the regulated market of Euronext Paris.

The prospectus containing the terms and conditions of the New Notes will be available on Danone's website at the following address: <http://www.danone.com/en/for-you/investors/investor-center/debt-rating>."

SUBSCRIPTION AND SALE

Subscription Agreement

J.P. Morgan AG (the “**Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner**”), Barclays Bank Ireland PLC, BNP Paribas, Citigroup Global Markets Europe AG and NatWest Markets N.V. (together with the Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner, the “**Joint Bookrunners**”) have, pursuant to the Amended and Restated Dealer Agreement dated 21 April 2021 and a Subscription Agreement dated 14 September 2021, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes at an issue price equal to 100.001 per cent. of the principal amount of the Notes, less any applicable commission.

Selling Restrictions

European Economic Area

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the European Economic Area.

For the purposes of these provisions:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (b) a customer within the meaning of Directive 2016/97/EU, as amended (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in the Prospectus Regulation.
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

This EEA selling restriction is in addition to any other selling restrictions set out below.

France

Each of the Joint Bookrunners has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, this Prospectus or any other offering material relating to the Notes to qualified investors as defined in Article 2(e) of the Prospectus Regulation.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code.

Each Joint Bookrunner has agreed that, except as permitted by the Amended and Restated Dealer Agreement and/or the Subscription Agreement, it will not offer or sell (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the UK.

For the purposes of these provisions:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
 - (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
 - (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

- (ii) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Joint Bookrunner has agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, each Joint Bookrunner has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes in the Republic of Italy (“Italy”) and that copies of this Prospectus or any other document relating to the offering of the Notes have not and will not be distributed in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the “Prospectus Regulation”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and/or, to the extent applicable, Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “Consolidated Financial Services Act”), Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the Italian laws.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the offering of the Notes in Italy under (a) or (b) above must be:

- a. made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the “Banking Act”) and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time; and
- b. in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Any investor purchasing the Notes in this offering is exclusively responsible for ensuring that any offer or resale of the Notes it purchased in this offering occurs in compliance with applicable laws and regulations.

Belgium

The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, “consumers” (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Joint Bookrunners has represented and agreed that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, ministerial guidelines and regulations of Japan.

Hong Kong

This Prospectus has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong.

Each Joint Bookrunner has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People’s Republic of China (PRC)

Each Joint Bookrunner has represented, warranted and agreed that the offer of the Notes is not an offer of securities within the meaning of the securities laws of the PRC or other pertinent laws and regulations of the PRC and the Notes have not been offered or sold and may not be offered or sold, directly or indirectly,

in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the laws of the PRC.

Further, no PRC persons may directly or indirectly purchase any of the Notes or any beneficial interest therein without obtaining all prior approvals or completing all registrations or filings that are required from PRC regulators, whether statutorily or otherwise. Persons who come into possession of this document are required by the Joint Bookrunner to observe these restrictions.

Singapore

Each Joint Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Russia

This Prospectus or information contained therein is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer securities in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. Information contained in this Prospectus is not intended for any persons in the Russian Federation who are not "qualified investors" within the meaning of Article 51.2 of the Federal Law No. 39-FZ "On the Securities Market" dated 22 April 1996, as amended (the "**Russian QIs**") and must not be distributed or circulated into Russia or made available in Russia to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law. The Notes have not been and will not be registered in Russia and are not intended for "placement" or "circulation" in Russia (each as defined in Russian securities laws) unless and to the extent otherwise permitted under Russian law. Information contained herein may not correspond to the risk profile of a particular investor, does not take in account one's personal preferences and expectations on risk and/or profitability and does not constitute an individual investment recommendation for the purposes of Russian law.

Each Joint Bookrunner has agreed that the Notes will not be offered, delivered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Joint Bookrunner has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers or sells Notes or has in its possession or distributes this Prospectus or any other offering material and obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and neither Danone, or any other Joint Bookrunner shall have responsibility therefore.

GENERAL INFORMATION

(1) Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is: 969500KMUQ2B6CBAF162.

(2) Approval by the AMF

This Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation under approval number 21-400. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer or of the quality of the Notes which are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus is valid until the date of admission of the Notes to trading on Euronext Paris (*i.e.*, 16 September 2021). The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

(3) Admission to trading

Application has been made for Notes to be admitted to trading on Euronext Paris.

The estimated costs for the admission to trading are Euro 19,500 (including AMF's fees).

(4) Corporate authorisations

The issue of the Notes has been authorised by a decision of Juergen Esser, Chief Financial, Technology and Data Officer, of the Issuer, dated 7 September 2021, pursuant to a resolution of the *Conseil d'administration* of the Issuer dated 18 February 2021.

(5) No significant change in the financial position or financial performance

Save as disclosed in this Prospectus and the information incorporated by reference herein, there has been no significant change in the financial position or financial performance of Danone or the Group since 30 June 2021.

(6) No material adverse change

Save as disclosed in this Prospectus and the information incorporated by reference herein, there has been no material adverse change in the prospects of Danone or of the Group since 31 December 2020.

(7) Legal and arbitration proceedings

Save as disclosed in this Prospectus, Danone is not or has not been involved in any litigation or arbitration proceedings (including any such proceeding which are pending or threatened of which Danone is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Danone or the Group.

(8) Clearing

The Notes will be inscribed in the books of Euroclear France (acting as central depository). The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

The Notes have been accepted for clearance through the Euroclear and Clearstream systems which are entities in charge of keeping the records. The Common Code for the Notes is 238649633 and the International Securities Identification Number (ISIN) is FR0014005EJ6.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

(9) Documents available

For so long as Notes are outstanding, the following documents will be accessible on the website of the Issuer (www.danone.com) and available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer, or otherwise, using any kinds of communication means, permitted by law, at the choice of the Issuer:

- (i) the up-to-date *statuts* of the Issuer;
- (ii) the published annual report of the Issuer, the audited non-consolidated and consolidated accounts of the Issuer for the two financial years ended 31 December 2019 and 2020;
- (iii) a copy of this Prospectus, any supplement thereto and the documents incorporated by reference herein; and
- (iv) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus.

In accordance with the Prospectus Regulation, the Prospectus will be available on the websites of the Issuer (www.danone.com) and of the AMF (www.amf-france.org).

Copies of the latest annual report and non-consolidated and consolidated accounts of Danone (in English and French) (in each case as soon as they are published) may be obtained at the specified offices of the Issuer and the Paying Agents during normal business hours, so long as the Notes are outstanding.

(10) Regulation S

The Notes issued by the Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act ("**Regulation S**").

(11) Statutory auditors

PricewaterhouseCoopers Audit and Ernst & Young Audit have audited and rendered an unqualified audit report on the consolidated financial statements of Danone for the years ended 31 December 2019 and 31 December 2020 and have reviewed, and rendered a report on, the consolidated financial statements of the Issuer for the six months ended 30 June 2021, prepared in accordance with IFRS as adopted by the European Union. PricewaterhouseCoopers Audit

and Ernst & Young Audit are regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

(12) Yield

The yield in respect of the Notes is 1.000 per cent. *per annum* from the Issue Date up to the First Reset Date and is calculated at the Issue Date on the basis of the issue price of the Notes. It is not an indication of future yield.

(13) Conflicts of interest

Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

To the knowledge of the Issuer, save as disclosed in the information incorporated by reference in this Prospectus, there are no potential conflicts of interest between any duties owed by the members of the Board of Directors to the Issuer and their private interests and/or other duties.

(14) Stabilisation

In connection with the issue of the Notes, J.P. Morgan AG will act as stabilising manager (the “**Stabilising Manager**”). The Stabilising Manager (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the Notes and 60 calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

(15) Issuer’s website

The website of the Issuer is www.danone.com. The information on such website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

(16) Benchmarks Regulation

Amounts payable under the Notes from and including the First Reset Date are calculated by reference to the 5-year Swap Rate which itself refers to ICESWAP2/EURSFIXA, which is provided by ICE Benchmark Administration Limited (the “**Administrator**”). As at the date of this Prospectus, the Administrator is included in the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulation.

(17) Currency

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999.

(18) Ratings

The long term debt of the Issuer is currently rated Baa1 (stable outlook) by Moody’s and BBB+ (stable outlook) by S&P. Each of Moody’s and S&P is established in the European Union and is registered under the CRA Regulation. Each of Moody’s and S&P is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Prospectus. Moody’s and S&P are not established in the United Kingdom and are not registered in accordance with the UK CRA Regulation. However, the ratings of the long term debt of the Issuer have been endorsed by Moody’s Investors Service Ltd and S&P Global Ratings UK Limited, respectively, in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by each of Moody’s and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

I hereby certify, to the best of my knowledge, that the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Danone

17, Boulevard Haussmann
75009 Paris
France

Duly represented by:

Juergen Esser

Chief Financial, Technology and Data Officer
authorised signatory
on 14 September 2021



This Prospectus has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, as amended. The AMF approves this Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129, as amended.

This approval should not be construed as a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

The Prospectus has been approved on 14 September 2021 and is valid until the date of admission of the Notes to trading on Euronext Paris and shall, during this period and in accordance with the provisions of Article 23 of Regulation (EU) 2017/1129, as amended, be completed until such date by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies. The Prospectus obtained the following approval number: 21-400.

Registered Office of the Issuer

DANONE

17, Boulevard Haussmann
75009 Paris
France

Structuring Agent to the Issuer, Global Coordinator and Joint Bookrunner

J.P. Morgan AG

Taunustor 1 (Taunus Turm)
60310 Frankfurt am Main
Germany

Joint Bookrunners

Barclays Bank Ireland PLC

One Molesworth Street
Dublin 2
Ireland D02RF29

BNP Paribas

16, boulevard des Italiens
75009 Paris
France

Citigroup Global Markets Europe AG

Reuterweg 16
60323 Frankfurt am Main
Germany

NatWest Markets N.V.

Claude Debussylaan 94, 7th floor
1082 MD Amsterdam
The Netherlands

Fiscal Agent, Principal Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent

Citibank Europe Plc

1 North Wall Quay
Dublin 1
Ireland

Paris Paying Agent

Citibank Europe Plc, Paris Branch

1-5, rue Paul Cézanne
75008 Paris
France

Statutory Auditors Danone

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Ernst & Young Audit
Tour First, 1, place des Saisons
92400 Courbevoie – Paris – La Défense 1
France

Legal Advisers
As to French law

To the Issuer

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To the Joint Bookrunners

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