

# NOTICE OF MEETING

# COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

**WEDNESDAY APRIL 29, 2015 AT 2:30 p.m.**

**Maison de la Mutualité – 24, rue Saint-Victor, 75005 Paris – France**

**Doors opening at 1:00 p.m.**

**DANONE**

Registered Office: 17, boulevard Haussmann, 75009 Paris - France

A French *société anonyme* with a share capital of €160,948,000 –

552 032 534 RCS Paris



**DANONE**



# CONTENTS

KEY FIGURES	4
AGENDA	6
HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?	7
HOW TO COMPLETE YOUR VOTING FORM?	10
DRAFT RESOLUTIONS PRESENTED AT THE SHAREHOLDERS' MEETING	12
COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING	22
APPOINTMENT AND RENEWALS OF TERMS OF OFFICE PROPOSED TO THE SHAREHOLDERS' MEETING	50
SUMMARY ON THE COMPANY'S SITUATION DURING THE LAST FISCAL YEAR	57
FINANCIAL RESULTS OF THE COMPANY DURING THE LAST FIVE FISCAL YEARS AND OTHER SIGNIFICANT FINANCIAL INFORMATION	62
REQUEST FOR ADDITIONAL INFORMATION	63

## Getting to the Shareholders' Meeting



### **MAISON DE LA MUTUALITÉ**

**24, rue Saint-Victor - 75005 Paris - France**

**M** Line 7: Get off at "Jussieu"  
Line 10: Get off at "Maubert-Mutualité" or "Cardinal Lemoine"

**BUS** Lines 47, 63, 67, 86, 87, 89:  
Get off at "Monge Mutualité" or "Maubert-Mutualité"

**GPS** coordinates:  
Latitude: 48.8486110  
Longitude: 2.3504103



# KEY FIGURES



"OUR 2014 ACHIEVEMENTS LAID A SOLID FOUNDATION FOR DANONE TO BUILD ON IN 2015 AND THE YEARS AHEAD. LOOKING AHEAD, WE ANTICIPATE AN ONGOING DIFFICULT AND UNSTABLE ENVIRONMENT, AND I HAVE WORKED TO DEFINE THREE PRIORITIES:

- CONTINUE TO MAKE OUR BRANDS AND BUSINESSES MORE COMPETITIVE TO SERVE OUR CONSUMERS;
- CONTINUE TO GENERATE PROFITABLE GROWTH IN SALES AND SET THE CONDITIONS FOR MAKING THAT GROWTH SUSTAINABLE;
- ROLL OUT OUR DANONE 2020 ROADMAP WITH A VIEW TO CREATING SHARED VALUE FOR ALL OUR STAKEHOLDERS."

*Emmanuel FABER, Chief Executive Officer*

**+4.7%**

**2014  
like-for-like  
sales growth**

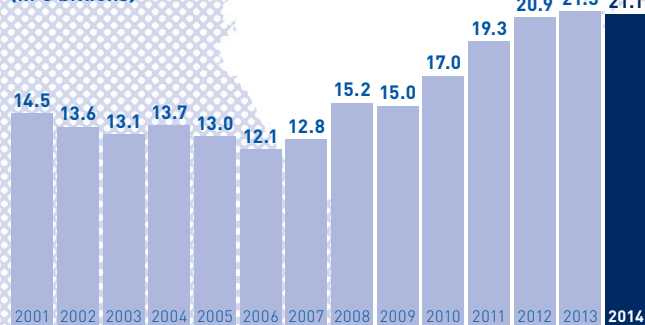
**€21,144 MLN**

**Sales  
in 2014**

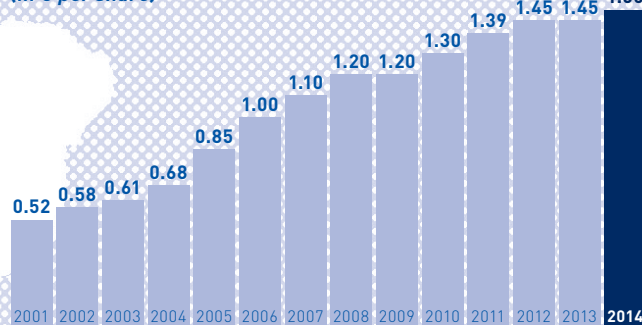
**€2,662 MLN**

**Trading  
operating income  
in 2014**

**FULL-YEAR GROUP SALES**  
(in € billions)



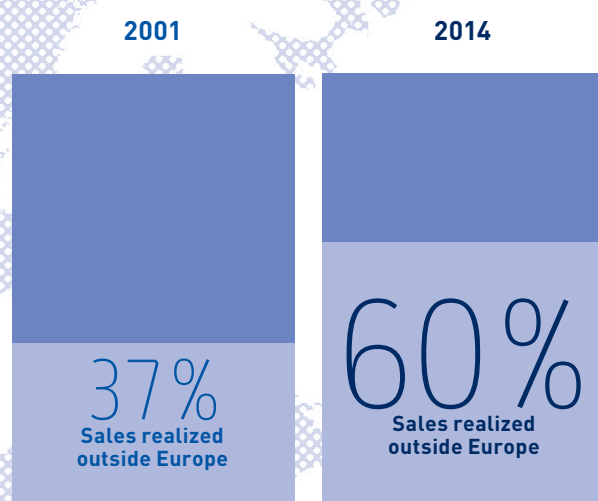
**DIVIDEND**  
(in € per share)



The Group's Strategy is consistent with its mission of "bringing health through food to as many people as possible".



## Evolution of the Group's sales since 2001



- 99,927 employees
- Reduction of carbon intensity <sup>(a)</sup> by 41.6% from 2008 to 2014
- Ranked n°1 in the ATNI index (Access To Nutrition Index)
- Ranked in leading social responsibility indexes: Dow Jones Sustainability Index, Vigeo, Ethibel Sustainability Index.

<sup>(a)</sup> Based on constant scope of consolidation, excluding Unimilk group's companies, and on emissions under Danone's direct responsibility (packaging, industrial activities, logistics and end of life).

## Key Financial Figures

Year ended December 31

	2012	2013	2014
<b>Sales <sup>(a)</sup></b>	20,869	21,298	21,144
<b>Like-for-like growth <sup>(b)</sup></b>	+5.4%	+4.8%	+4.7%
<b>Trading operating income <sup>(a) (b)</sup></b>	2,958	2,809	2,662
<b>Trading operating margin <sup>(b)</sup></b>	14.18%	13.19%	12.59%
<b>Like-for-like growth <sup>(b)</sup></b>	- 50 bps	- 81 bps	-12 bps
<b>Net income <sup>(a)</sup></b>	1,787	1,550	1,253
<b>Earnings per share - Group share <sup>(c)</sup></b>	2.78	2.42	1.88
<b>Underlying fully diluted EPS <sup>(b) (c)</sup></b>	3.01	2.78	2.62
<b>Free cash-flow excluding exceptional items <sup>(a) (b)</sup></b>	2,088	1,549	1,401
<b>Dividend <sup>(c)</sup></b>	1.45	1.45	1.50

<sup>(a)</sup> In € millions.

<sup>(b)</sup> Financial indicator not defined by IFRS, see definition in section 3.6 *Financial indicators not defined by IFRS* of the 2014 Registration Document.

<sup>(c)</sup> In € per share.

# AGENDA

Shareholders of the company Danone S.A. (the "Company") are invited to vote on the following agenda:

## AGENDA WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the statutory financial statements for the fiscal year ended December 31, 2014;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2014;
3. Allocation of earnings for the fiscal year ended December 31, 2014 and setting of the dividend at €1.50 per share;
4. Option for the payment of the dividend in shares;
5. Renewal of the term of office of Mr. Jacques-Antoine GRANJON as Director;
6. Renewal of the term of office of Mr. Jean LAURENT as Director in accordance with Article 15-II of the Company's by-laws;
7. Renewal of the term of office of Mr. Benoît POTIER as Director;
8. Renewal of the term of office of Mrs. Mouna SEPEHRI as Director;
9. Renewal of the term of office of Mrs. Virginia A. STALLINGS as Director;
10. Appointment of Mrs. Serpil TIMURAY as Director;
11. Approval of the agreements referred to in Articles L. 225-38 *et seq.* of the French commercial code entered into by the Company with the J.P. Morgan group;
12. Approval of the agreements and undertakings referred to in Articles L. 225-38 and L. 225-42-1 of the French commercial code regarding Mr. Emmanuel FABER;
13. Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Franck RIBOUD, Chairman and Chief Executive Officer until September 30, 2014;
14. Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Franck RIBOUD, Chairman of the Board of Directors as from October 1, 2014;
15. Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Deputy General Manager until September 30, 2014;
16. Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Chief Executive Officer as from October 1, 2014;
17. Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Bernard HOURS, Deputy General Manager until September 2, 2014;
18. Fixing of the amount of the Directors' attendance fees;
19. Authorization granted to the Board of Directors to purchase, retain or transfer the Company's shares;

## AGENDA WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

20. Delegation of authority to the Board of Directors to issue ordinary shares and securities, with preferential subscription right of the shareholders;
21. Delegation of authority to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, but with the obligation to grant a priority period;
22. Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a capital increase without preferential subscription right of the shareholders;
23. Delegation of authority to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, in the event of a public exchange offer initiated by the Company;
24. Delegation of powers to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, in consideration for contributions in kind granted to the Company and comprised of equity securities or securities giving access to share capital;
25. Delegation of authority to the Board of Directors to increase the Company's share capital through incorporation of reserves, profits, premiums or any other amounts that may be capitalized;
26. Delegation of authority to the Board of Directors to issue ordinary shares and securities in favor of employees who are members of a company savings plan and/or to carry out reserved sales of securities, without preferential subscription right of the shareholders;
27. Authorization granted to the Board of Directors to allocate existing or newly issued shares of the Company, without preferential subscription right of the shareholders;
28. Authorization granted to the Board of Directors to reduce the share capital by canceling shares;
29. Powers to carry out formalities.

# HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?

*The Shareholders' Meeting includes all shareholders. Thus, all shareholders, regardless the number of shares they hold, are entitled to participate in the Shareholders' Meeting. Shareholders may choose between one of the three following options of participation:*

- attend the Meeting in person;
- grant powers (proxy appointment) to the Chairman of the Shareholders' Meeting or to any individual or legal entity of their choice; or
- vote by correspondence.

## I. PRELIMINARY FORMALITIES TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

In accordance with Article R. 225-85 of the French commercial code, only shareholders who provide evidence of their status by registering their securities, in their name or in the name of their authorized intermediary acting on their behalf (pursuant to the seventh paragraph of Article L. 228-1 of the French commercial code), on the second business day preceding the Meeting, *i.e.* on Monday April 27, 2015 at 00:00 (Paris time), either in the Company's registry of registered shares or in the registry of bearer securities maintained by the authorized intermediaries, may participate in the Shareholders' Meeting.

The registration of securities in the registry of bearer securities maintained by the authorized intermediaries shall be established by a certificate of participation issued by the intermediaries and attached to the correspondence or proxy voting form or the request for an admission card, completed in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary.

## II. METHODS TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

### 1. Attendance at the Shareholders' Meeting in person

Shareholders wishing to attend the Shareholders' Meeting in person may request an admission card as follows:

#### 1.1 Request for an admission card by postal means

- **For shareholders with registered shares (pure or administered):** send, at the latest on Friday April 24, 2015, their request for an admission card, using the form attached to the notice of meeting, to BNP Paribas Securities Services, Services Assemblées Générales - CTS Assemblées Générales, Les Grands Moulins de Pantin, 9, rue du Débarcadère - 93761 Pantin Cedex or, on the Meeting day, apply to the relevant reception desk with an identification document.
- **For shareholders with bearer shares:** request their authorized intermediaries managing their securities account to deliver them an admission card. The shareholders wishing to physically attend the Meeting but having not received their admission cards on the second business day preceding the Meeting, *i.e.* on Monday April 27, 2015 at 00:00 (Paris time), may attend by carrying a certificate of participation delivered by their authorized intermediaries.

#### 1.2 Request for an admission card by electronic means

Shareholders wishing to attend the Shareholders' Meeting in person may also request an admission card by electronic means under the following procedure:

- **For shareholders with registered shares (pure or administered):** submit their request online on the VOTACCESS website via the Planetshares website at the following address: <https://planetshares.bnpparibas.com>.

Holders of pure registered shares shall log on to the Planetshares website with their usual login ID.

Holders of administered registered shares will receive a notice of meeting which will notably include their login ID, enabling them to access the Planetshares website. Shareholders having forgotten or lost their usual login ID and/or password may contact the following numbers made available to them: 0 800 320 323 (toll-free number from a fixed-line and national operators in France) or + 33 (0) 1 58 16 71 75 (from other countries).

After registration, the shareholders shall follow the on-screen instructions to access to the VOTACCESS website and request an admission card.

## HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?

- **For shareholders with bearer shares:** consult their account-holding institution in order to know whether the latter is connected to the VOTACCESS website and, in such case, whether this access is subject to specific terms of use. Only those bearer shareholders whose account-holding institution adhered to the VOTACCESS website may request an admission card online.

If the account-holding institution is connected to the VOTACCESS website, shareholders shall log on to the account-holding institution's website with their usual login ID.

Then, they shall click on the icon which is displayed on the line corresponding to DANONE shares and follow the on-screen instructions to access to the VOTACCESS website and request an admission card.

The VOTACCESS website will be open as from Friday April 3, 2015. In all cases, in order to be taken into account, the requests for an admission card by electronic means must be made at the latest the day before the Shareholders' Meeting, *i.e.* on Tuesday April 28, 2015 at 3:00 p.m. (Paris time).

## 2. Vote by correspondence or by proxy form

It is first reminded that for any proxy form without any indication of a proxy, the Chairman of the Meeting will vote for the adoption of the resolutions proposed or approved by the Board of Directors, and against the adoption of any other resolution.

### 2.1. Vote by correspondence or by proxy form by postal means

Shareholders who do not attend the Meeting in person but wish to vote by mail or be represented by granting a power to the Chairman of the Meeting or to any proxy may:

- **For shareholders with registered shares (pure or administered):** send back the correspondence/proxy voting form, which will be sent with the notice of meeting, to the following address: BNP Paribas Securities Services, Services Assemblées Générales - CTS Assemblées Générales, Les Grands Moulins de Pantin, 9, rue du Débarcadère - 93761 Pantin Cedex, using the prepaid envelope attached to the notice of meeting.
- **For shareholders with bearer shares:** request the correspondence/proxy voting form to the intermediary managing their securities account. Shareholders shall send back this voting form duly completed to their account-holding institution. Their account-holding institution will then send this voting form, together with a certificate of participation, to BNP Paribas Securities Services, Services Assemblées Générales - CTS Assemblées Générales, Les Grands Moulins de Pantin, 9, rue du Débarcadère - 93761 Pantin Cedex.

In order to be taken into account, the correspondence voting forms must be received, in all cases, by the Company or BNP Paribas Securities Services, Services Assemblées Générales, at least three calendar days before the date of the Meeting, *i.e.* on Friday April 24, 2015 at 00:00 (Paris time).

Proxy appointments or revocations sent by postal means must be received at least three calendar days before the date of the Meeting, *i.e.* on Friday April 24, 2015 at 00:00 (Paris time).

### 2.2. Vote by correspondence or by proxy form by electronic means

Shareholders may also, before the Shareholders' Meeting, communicate their voting instructions, and appoint or revoke a proxy on the Internet on the VOTACCESS website, under the conditions set out hereafter:

- **For shareholders with registered shares (pure or administered):** holders of pure or administered registered shares wishing to vote online will access the VOTACCESS website via the Planetshares website at the following address: <https://planetshares.bnpparibas.com>.

Holders of pure registered shares shall log on to the Planetshares website with their usual login ID.

Holders of administered registered shares will receive a notice of meeting which will notably include their login ID, enabling them to access the Planetshares website. Shareholders having forgotten or lost their usual login ID and/or password may contact the following numbers made available to them: 0 800 320 323 (toll-free number from a fixed-line and national operators in France) or + 33 (0) 1 58 16 71 75 (from other countries).

After being logged on, the shareholders with registered shares shall follow the on-screen instructions to access to the VOTACCESS website and vote or appoint or revoke a proxy.

- **For shareholders with bearer shares:** they shall consult their account-holding institution in order to know whether their institution is connected or not to the VOTACCESS website and, in such case, whether this access is subject to specific terms of use. Only those bearer shareholders whose account-holding institution adhered to the VOTACCESS website may vote, appoint or revoke a proxy online.

If the account-holding institution is connected to the VOTACCESS website, shareholders shall log on to the account-holding institution's website with their usual login ID. Then, they shall click on the icon which is displayed on the line corresponding to DANONE shares and follow the on-screen instructions to access to the VOTACCESS website and vote, appoint or revoke a proxy online.

If the account-holding institution is not connected to the VOTACCESS website, the notification of appointment or revocation of a proxy may also be made by electronic means, in accordance with Article R. 225-79 of the French commercial code as follows:

- shareholders shall send an e-mail to the following address: [paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com). This e-mail must include the following information: name of the relevant company (Danone), date of the Meeting (April 29, 2015), last name, first name, address and bank references of the shareholder as well as the first name, last name and, where possible, address of the proxy; and
- shareholders must necessarily request the financial intermediary managing their securities account to send a written confirmation to BNP Paribas Securities Services, Services Assemblées Générales - CTS Assemblées Générales - Les Grands Moulins de Pantin, 9, rue du Débarcadère - 93761 Pantin Cedex;
- the above-mentioned e-mail address shall be used only for the notification of appointment or revocation of a proxy. No other request or notification will be taken into account and/or processed.



## HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?

In order for online proxy appointments or revocations to be taken into account, the confirmations must be received the day before the Meeting, *i.e.* on Tuesday April 28, 2015 at 3:00 p.m. (Paris time) at the latest.

The VOTACCESS website will be open as from Friday April 3, 2015.

The opportunity to vote online before the Shareholders' Meeting will expire the day before the Meeting, *i.e.* on Tuesday April 28, 2015 at 3:00 p.m. (Paris time).

### III. IF YOU WOULD LIKE TO TRANSFER YOUR SHARES (1) AFTER HAVING VOTED ELECTRONICALLY, SENT A PROXY OR REQUESTED AN ADMISSION CARD OR A CERTIFICATE OF PARTICIPATION AND (2) BEFORE THE SHAREHOLDERS' MEETING

Pursuant to Article R. 225-85 of the French commercial code, all shareholders may transfer all or part of their shares:

- **If you transfer all or part of your shares before the second business day preceding the Meeting date**, *i.e.* Monday April 27, 2015 at 00:00 (Paris time), the Company will invalidate or modify accordingly the electronic vote, the proxy, the admission card or the certificate of participation. The authorized intermediary managing your securities account will notify the Company or BNP Paribas Securities Services, Service Assemblées Générales, of the transfer and transmit the necessary information to them;

- **If you transfer all or part of your shares after the second business day preceding the Meeting date**, *i.e.* Monday April 27, 2015 at 00:00 (Paris time), the authorized intermediary managing your securities account and the Company do not need to be notified of this transfer, and you may therefore participate in the Meeting in the manner you choose.

### IV. WRITTEN QUESTIONS TO THE BOARD OF DIRECTORS

Shareholders may, as from the date of the convening of the Meeting, send any written questions they wish to the Board of Directors. The Board of Directors will answer during the Meeting or, pursuant to Article L. 225-108 of the French commercial code, the answer will be deemed to have been given when it appears on the questions and answers page of the Company's website at the following address: [www.danone.com](http://www.danone.com) [section "Investors/Shareholders/Shareholders' Meetings/2015"].

Written questions must be sent to the Chairman of the Board of Directors, by registered letter with acknowledgement of receipt, to

the following address: Danone – Direction Juridique Corporate, 15, rue du Helder, 75439 Paris Cedex 09, at the latest by the fourth business day preceding the date of the Meeting, *i.e.* on Thursday, April 23, 2015.

In accordance with Article R. 225-84 of the French commercial code, to be taken into account, the written questions must be accompanied by a certificate confirming registration of shares, either in the Company's registry of registered shares or in the registry of bearer securities maintained by an intermediary as stipulated in Article L. 211-3 of the French monetary and financial code.

### V. PROVISIONS APPLICABLE TO THE LENDING OF SECURITIES

Pursuant to Article L. 225-126-I of the French commercial code, any person holding, alone or in concert, a number of shares that represents more than 0.5% of the voting rights following one or several reverse transactions on the Company's shares, or any transaction entailing a right or obligation to resell or return these shares to the transferor, must inform the Company and the French Financial Markets Authority thereof no later than two business days preceding the Meeting, *i.e.* on Monday, April 27, 2015, at 00:00 (Paris time), and, when the agreement that organized this transaction remains effective on that date, must specify the total number of shares temporarily held.

This statement shall, in addition to the number of shares acquired following one of the transactions mentioned above, include the identity of the transferor, the date of execution and maturity date of the agreement relating to the transaction, and if applicable, the voting agreement. The Company publishes this information, in accordance with the provisions of the general regulations of the French Financial Markets Authority.

In case of a failure to inform the Company and the French Financial Markets Authority, the shares acquired following one of these transactions are, in accordance with Article L. 225-126 II of the French commercial code, deprived from their voting rights for the relevant Meeting and for any further Meeting that would be held until said shares are resold or returned.

### VI. COMMUNICATION RIGHT OF SHAREHOLDERS

The documents that shall be made available to shareholders for this Shareholders' Meeting are available at the Company's registered office, 17, boulevard Haussmann, 75009 Paris, in the conditions set forth by applicable laws and regulations.

Within the applicable legal time periods, shareholders may obtain the documents referred to in Articles R. 225-81 and R. 225-83 of the French commercial code by requesting them from BNP Paribas Securities Services, Services Assemblées Générales - CTS

Shareholders' Meetings - Les Grands Moulins de Pantin, 9, rue du Débarcadère - 93761 Pantin Cedex.

Documents and information detailed in Article R. 225-73-1 of the French commercial code may be consulted on the Company's website at: [www.danone.com](http://www.danone.com) [section "Investors/Shareholders/Shareholders' Meetings/2015"], no later than the twenty-first day preceding the Shareholders' Meeting.

# HOW TO COMPLETE YOUR VOTING FORM?

1

**YOU WOULD LIKE TO REQUEST AN ADMISSION CARD OR TO ATTEND THE MEETING IN PERSON**

**Check box A**

2

**YOU CANNOT ATTEND THE MEETING**

and you would like to vote by correspondence of by proxy

**Check box B**

Choose one of the three options 2.1, 2.2, 2.3 (only one option is possible).

**You would like to vote by correspondence**

**Check box 2.1**

**Each numbered box correspond to the draft resolutions presented or approved by the Board of Directors and appearing in the notice of meeting.**

- To vote YES on the resolutions, DO NOT BLACKEN the corresponding boxes.
- To vote NO or to abstain (which is equivalent to a "no" vote) on certain proposed resolutions, blacken the corresponding boxes individually.

**This box shall be completed**

**only in the event that amendments or new resolutions are presented during the Meeting.**

Blacken the box corresponding to your choice.

**DEADLINE FOR RECEIPT OF YOUR FORM**

**April 24, 2015**

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions**

**A.** ☐ **QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCIR COMME CECI ■ LA OU LES CASES CORRESPONDANTES, DATER ET SIGNER**

**B.** ☐ **Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire**

**B.** ☐ **J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités**

**DANONE**

Société anonyme au capital de 160 948 000 Euros  
Siège social : 17, Boulevard Haussmann  
75009 PARIS  
RCS PARIS 552 032 534

**ASSEMBLÉE GÉNÉRALE MIXTE**  
convoquée pour le mercredi 29 avril 2015, à  
A la Maison de la Mutualité, 24, rue Saint V

**COMBINED GENERAL MEETING**  
to be held on Wednesday, 29th April, 2015  
at la Maison de la Mutualité, 24, rue Saint V

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso renvoi (2) - See reverse (2)

**2.1** ☐ **OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.**

**2.2** ☐ **Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en noircissant comme ceci ■ la case correspondant à mon choix.**

**I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote NO or I abstain.**

**On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.**

	Oui Yes	Non/No Abst/Abs		Oui Yes	Non/No Abst/Abs
1	<input type="checkbox"/>	<input type="checkbox"/>	A	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>			
3	<input type="checkbox"/>	<input type="checkbox"/>	F	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>			
5	<input type="checkbox"/>	<input type="checkbox"/>	B	<input type="checkbox"/>	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>			
7	<input type="checkbox"/>	<input type="checkbox"/>	C	<input type="checkbox"/>	<input type="checkbox"/>
8	<input type="checkbox"/>	<input type="checkbox"/>			
9	<input type="checkbox"/>	<input type="checkbox"/>	D	<input type="checkbox"/>	<input type="checkbox"/>
10	<input type="checkbox"/>	<input type="checkbox"/>			
11	<input type="checkbox"/>	<input type="checkbox"/>	E	<input type="checkbox"/>	<input type="checkbox"/>
12	<input type="checkbox"/>	<input type="checkbox"/>			
13	<input type="checkbox"/>	<input type="checkbox"/>			
14	<input type="checkbox"/>	<input type="checkbox"/>			
15	<input type="checkbox"/>	<input type="checkbox"/>			
16	<input type="checkbox"/>	<input type="checkbox"/>			
17	<input type="checkbox"/>	<input type="checkbox"/>			
18	<input type="checkbox"/>	<input type="checkbox"/>			
19	<input type="checkbox"/>	<input type="checkbox"/>			
20	<input type="checkbox"/>	<input type="checkbox"/>			
21	<input type="checkbox"/>	<input type="checkbox"/>			
22	<input type="checkbox"/>	<input type="checkbox"/>			
23	<input type="checkbox"/>	<input type="checkbox"/>			
24	<input type="checkbox"/>	<input type="checkbox"/>			
25	<input type="checkbox"/>	<input type="checkbox"/>			
26	<input type="checkbox"/>	<input type="checkbox"/>			
27	<input type="checkbox"/>	<input type="checkbox"/>			
28	<input type="checkbox"/>	<input type="checkbox"/>			
29	<input type="checkbox"/>	<input type="checkbox"/>			

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting

- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf ...

- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote NO).....

Je donne procuration (cf. au verso renvoi 4) à M., Mme ou Mlle, Raison Sociale..... pour voter en mon nom / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :  
In order to be considered, this completed form must be returned at the latest

sur 1<sup>ère</sup> convocation / on 1st notification  
24 avril 2015 / April 24, 2015

sur 2<sup>ème</sup> convocation / on 2nd notification

à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin - 93761 PANTIN Cedex

Date & Signature

**This box shall only be used to vote**

**on resolutions presented by shareholders that are not approved by the Board of Directors.**

To vote, blacken the box corresponding to your choice.

**You have decided to grant a proxy to the Chairman of the Shareholders' Meeting**

## **Check box 2.2**

**Instructions situées au verso / Before selecting, please refer to instructions on reverse side.**

**AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, SHADE BOX(ES) LIKE THIS ■, DATE AND SIGN AT THE BOTTOM OF THE FORM**  
 / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.  
 / I prefer to use the postal voting form or the proxy form as specified below.

**CADRE RÉSERVÉ À LA SOCIÉTÉ / For Company's use only**

Identifiant / Account	
Nombre d'actions / Number of shares	Nominatif / Registered
	Porteur / Bearer
Vote simple / Single vote	
Vote double / Double vote	
Nombre de voix / Number of voting rights	

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 cf. au verso renvoi (3)

**REBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
 See reverse (3)

**2.3 JE DONNE POUVOIR A : cf. au verso renvoi (4)**  
**BY APPOINT see reverse (4)**

M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

**ATTENTION : S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à la banque.**  
**ATTENTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.**

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
 Cf. au verso renvoi (1) - See reverse (1)

Signature

**You have decided to appoint a designated person as your proxy**

**(your spouse or another person – whether individual or legal entity – who will attend the Meeting)**

## **Check box 2.3**

Indicate in that box the identity of the person – whether individual or legal entity – who will represent you (last name, first name and address).

## **WRITE HERE YOUR LAST NAME, FIRST NAME AND ADDRESS**

If this information is already provided, please check its accuracy and correct it if necessary.

If the signatory is not the shareholder, he/she must enter his/her last name, first name and in which capacity he/she is signing (legal administrator, guardian, etc.).

**REGARDLESS OF YOUR CHOICE**

**Sign and date here**

## **WHERE TO FIND ALL THE DOCUMENTS RELEVANT FOR THE SHAREHOLDERS' MEETING?**

All the documents available for shareholders may be viewed and downloaded from Danone's website at the following address: **www.danone.com** (section "Investors/Shareholders/Shareholders' Meetings/2015")

# DRAFT RESOLUTIONS PRESENTED AT THE SHAREHOLDERS' MEETING

*The preliminary notice for this Shareholders' Meeting, provided for in Article R. 225-73 of the French commercial code, was published in the Bulletin des Annonces Légales Obligatoires of March 4, 2015, number 27, notice 1500409.*

## Resolutions within the authority of the Ordinary Shareholders' Meeting

### First resolution

#### **(Approval of the statutory financial statements for the fiscal year ended December 31, 2014)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the reports of the Board of Directors and of the Statutory auditors, approves the statutory financial statements of the Company for the fiscal year ended December 31, 2014, which include the balance sheet, the income statement and the notes, as presented, which show earnings amounting to €541,271,933.84, as well as the transactions reflected therein and summarized in these reports.

### Second resolution

#### **(Approval of the consolidated financial statements for the fiscal year ended December 31, 2014)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the reports of the Board of Directors and of the Statutory auditors, approves the consolidated financial statements of the Company for the fiscal year ended December 31, 2014, which include the balance sheet, the income statement and the notes, as presented, as well as the transactions reflected therein and summarized in these reports.

### Third resolution

#### **(Allocation of earnings for the fiscal year ended December 31, 2014 and setting of the dividend at €1.50 per share)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the reports of the Board of Directors and of the Statutory auditors:

- acknowledges that the earnings for fiscal year 2014 amount to €541,271,933.84;
- acknowledges that retained earnings amount to €3,124,805,677.01; totaling earnings available for allocation of profits of €3,666,077,610.85;
- decides to allocate the total earnings as follows:
  - to dividends in the amount of €965,688,000;
  - to retained earnings in the amount of €2,700,389,610.85.

The Shareholders' Meeting therefore decides the payment of a dividend of €1.50 per share.

When paid to individuals domiciled in France for tax purposes, the dividend is fully eligible for the 40% deduction provided for in Article 158-3.2° of the French tax code.

The ex-dividend date is May 7, 2015 and the dividend will be payable on June 3, 2015.

In accordance with the provisions of Article L.225-210 of the French commercial code, the Shareholders' Meeting decides that the amount of the dividend corresponding to the shares held by the Company on the payment date will be allocated to the "retained earnings" account.

As a reminder, the dividends distributed for the three previous fiscal years were as follows:

Fiscal year	Number of shares	Dividend distributed per share <sup>(a)</sup> (in €)
2011	642,246,573	1.39
2012	643,162,000	1.45
2013	631,028,000	1.45 <sup>(b)</sup>

(a) Dividend fully eligible for the 40% deduction provided for in Article 158-3.2° of the French tax code.

(b) The Shareholders' Meeting of April 29, 2014 has offered each shareholder the option for the payment of the dividend either in cash or in shares.



## Fourth resolution

### **(Option for the payment of the dividend in shares)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report and noted that the Company's share capital has been fully paid up, decides, in accordance with the provisions of Articles L.232-18 *et seq.* of the French commercial code and Articles 27.I and 34.I of the Company's by-laws, to offer each shareholder the possibility to opt for the payment in new shares of the Company of the full dividend to which the shares owned give an entitlement.

The new shares will bear rights as from January 1, 2015 and will be entirely fungible with the Company's other shares.

The issuance price of these new shares is set at 90% of the average of the opening Company share prices on Euronext over the twenty trading days preceding the date of this Shareholders' Meeting less the amount of the dividend. This issuance price will be rounded up to the next euro cent.

If the amount of the dividends to which the shareholder is entitled does not correspond to a whole number of shares, the shareholder will obtain the number of shares immediately below, and a balancing payment in cash.

The option for the payment of the dividend in shares can be exercised between May 7, 2015 and May 21, 2015 by requesting authorized financial intermediaries or, for shareholders registered in registered share accounts of the Company, to its agent (BNP Paribas Securities Services, Service Opérations sur Titres – Les Grands Moulins de Pantin, 9, rue du Débarcadère – 93761 Pantin Cedex). Failure to exercise this option within this period will result in the full amount of the dividend owed to the shareholder being paid in cash on the date of payment of the dividend, *i.e.* on June 3, 2015.

The Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, to implement this resolution, within the conditions set forth above and within the limits authorized by applicable laws, and regulations and in particular to carry out all transactions related or consecutive to the exercise of the option, acknowledge the resulting share capital increase, amend the Company's by-laws accordingly, and more generally, complete all formalities useful for the issuance, listing and financial servicing of securities issued as a result of this resolution and take all useful and necessary steps in accordance with applicable laws and regulations.

## Fifth resolution

### **(Renewal of the term of office of Mr. Jacques-Antoine GRANJON as Director)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report, renews the term of office of Mr. Jacques-Antoine GRANJON as Director for the three-year period set forth in the by-laws. Mr. Jacques-Antoine GRANJON's term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year 2017.

## Sixth resolution

### **(Renewal of the term of office of Mr. Jean LAURENT as Director in accordance with Article 15-II of the Company's by-laws)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, in accordance with the provisions of Article 15-II of the Company's by-laws, having reviewed the Board of Directors' report, renews the term of office of Mr. Jean LAURENT as Director for the three-year period set forth in the by-laws. Mr. Jean LAURENT's term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year 2017.

## Seventh resolution

### **(Renewal of the term of office of Mr. Benoît POTIER as Director)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report, renews the term of office of Mr. Benoît POTIER as Director for the three-year period set forth in the by-laws. Mr. Benoît POTIER's term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year 2017.

## Eighth resolution

### **(Renewal of the term of office of Mrs. Mouna SEPEHRI as Director)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report, renews the term of office of Mrs. Mouna SEPEHRI as Director for the three-year period set forth in the by-laws. Mrs. Mouna SEPEHRI's term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year 2017.

## Ninth resolution

### **(Renewal of the term of office of Mrs. Virginia A. STALLINGS as Director)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report, renews the term of office of Mrs. Virginia A. STALLINGS as Director for the three-year period set forth in the by-laws. Mrs. Virginia A. STALLINGS' term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year 2017.

### Tenth resolution

#### **(Appointment of Mrs. Serpil TIMURAY as Director)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report, appoints Mrs. Serpil TIMURAY as Director for the three-year period set forth in the by-laws. Mrs. Serpil TIMURAY's term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year 2017.

### Eleventh resolution

#### **(Approval of the agreements referred to in Articles L. 225-38 *et seq.* of the French commercial code entered into by the Company with the J.P. Morgan group)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the special report of the Statutory auditors concerning the agreements and undertakings referred to in Articles L.225-38 *et seq.* of the French commercial code, approves the new agreements authorized by the Board of Directors during the fiscal year ended on December 31, 2014 and entered into with the J.P. Morgan group mentioned in this report.

### Twelfth resolution

#### **(Approval of the agreements and undertakings referred to in Articles L.225-38 and L.225-42-1 of the French commercial code regarding Mr. Emmanuel FABER)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the special report of the Statutory auditors concerning the agreements and undertakings referred to in Articles L.225-38 and L.225-42-1 of the French commercial code, approves the agreements and undertakings covered by Articles L.225-38 and L.225-42-1 of the French commercial code entered into for the benefit of Mr. Emmanuel FABER and mentioned in this report.

### Thirteenth resolution

#### **(Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Franck RIBOUD, Chairman and Chief Executive Officer until September 30, 2014)**

The Shareholders' Meeting, consulted pursuant to the AFEP-MEDEF corporate governance code for listed companies, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favorable opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Franck RIBOUD, Chairman and Chief Executive Officer until September 30, 2014, as presented in the Board of Directors' report.

### Fourteenth resolution

#### **(Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Franck RIBOUD, Chairman of the Board of Directors as from October 1, 2014)**

The Shareholders' Meeting, consulted pursuant to the AFEP-MEDEF corporate governance code for listed companies, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favorable opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014, to Mr. Franck RIBOUD, Chairman of the Board of Directors as from October 1, 2014, as presented in the Board of Directors' report.

### Fifteenth resolution

#### **(Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Deputy General Manager until September 30, 2014)**

The Shareholders' Meeting, consulted pursuant to the AFEP-MEDEF corporate governance code for listed companies, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favorable opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Deputy General Manager until September 30, 2014, as presented in the Board of Directors' report.

### Sixteenth resolution

#### **(Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Chief Executive Officer as from October 1, 2014)**

The Shareholders' Meeting, consulted pursuant to the AFEP-MEDEF corporate governance code for listed companies, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favorable opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Chief Executive Officer as from October 1, 2014, as presented in the Board of Directors' report.

### Seventeenth resolution

#### **(Advisory opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Bernard HOURS, Deputy General Manager until September 2, 2014)**

The Shareholders' Meeting, consulted pursuant to the AFEP-MEDEF corporate governance code for listed companies, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favorable opinion on the components of compensation due or awarded for the fiscal year ended December 31, 2014 to Mr. Bernard HOURS, Deputy General Manager until September 2, 2014, as presented in the Board of Directors' report.

## Eighteenth resolution

### **(Fixing of the amount of the Directors' attendance fees)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report, sets, as from the 2015 fiscal year, at €1 million the maximum annual amount to be paid to the Board of Directors in attendance fees and thus until the Shareholders' Meeting decides otherwise.

## Nineteenth resolution

### **(Authorization granted to the Board of Directors to purchase, retain or transfer the Company's shares)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report and the description of the program established in accordance with Articles 241-1 *et seq.* of the general regulations of the French Financial Markets Authority:

1. Authorizes the Board of Directors to purchase, retain or transfer the Company's shares, on one or more occasions, within the context of a share repurchase program, pursuant to the provisions of Articles L.225-209 *et seq.* of the French commercial code and European Regulation 2273/2003 of December 22, 2003 implementing European Directive 2003/6/EC of January 28, 2003.

The Company may repurchase its own shares for any of the following purposes:

- the allocation of shares with respect to the exercise of stock purchase options by employees and/or corporate officers of the Company and of companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions;
- the implementation of any plan for the allocation of shares subject to performance conditions to employees and/or corporate officers of the Company and of companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions;
- the sale of shares to employees (either directly or through employee savings mutual funds) within the context of employee shareholding plans or company savings plans;
- the delivery of shares upon the exercise of rights attached to securities giving access to the Company's share capital;
- the later delivery of shares as payment or for exchange in the context of external growth transactions;
- the cancelation of shares within the maximum legal limit;
- supporting the market for the shares pursuant to a liquidity contract concluded with an investment service provider in accordance with the Ethical Charter recognized by the French Financial Markets Authority.

Within the limits permitted by applicable regulations, the shares may be acquired, sold, exchanged or transferred, in whole or in part as the case may be, on one or more occasions, by any means on any stock markets, including multilateral trading facilities (MTF) or via a systematic internalizer or over the counter, including by acquisition or disposal of blocks of shares (without limiting the portion of the share repurchase program that may be completed this way). These means include the use of any financial contract or instrument (including in particular any future or any option) except the sale of put options, in the conditions set out by applicable regulations.

2. Decides that these transactions may be completed at any time, except during the period of a public tender offer on the Company's shares, and within the limits allowed by applicable regulations.

3. Decides that the maximum purchase price may not exceed €70 per share (excluding acquisition costs).

In the event of a capital increase by incorporation of premiums, reserves or earnings through free allocations of shares or in the event of a stock split or a reverse stock split or any other transaction relating to the share capital, the price indicated above will be adjusted by a multiplying factor equal to the ratio between the number of shares comprising the share capital before the transaction and the number of shares comprising the share capital after the transaction.

4. Acknowledges that the maximum number of shares that may be purchased under this authorization may not, at any time, exceed 10% of the total number of shares comprising the share capital (i.e., on an indicative basis, 64,379,200 shares as of February 28, 2015, without taking into account the shares already held by the Company, representing a maximum theoretical purchase amount (excluding acquisition costs) of €4,506,544,000, it being specified that (i) this limit applies to an amount of the Company's capital that will be, if necessary, adjusted to take into account the transactions affecting the share capital following this Meeting and (ii) in accordance with Article L.225-209 of the French commercial code, when shares are repurchased to enhance liquidity under the conditions set out in the general regulations of the French Financial Markets Authority, the number of shares taken into account for the calculation of the above-mentioned 10% limit corresponds to the number of shares purchased, minus the number of shares resold during the authorization. The acquisitions made by the Company may not under any circumstances result in the Company holding more than 10% of its share capital, either directly or indirectly through subsidiaries.

Furthermore, the number of shares acquired by the Company to be retained and later delivered for payment or exchange in the context of an acquisition may not exceed 5% of its share capital.

5. Delegates full powers to the Board of Directors to implement this authorization, with the ability to sub-delegate in accordance with the conditions set out by law, to:
  - place all orders on any market or carry out any transaction over the counter;
  - enter into any agreements for, among other purposes, the maintenance of the share purchase and sale registries;
  - allocate or re-allocate the shares acquired to the various objectives under the applicable legal and regulatory conditions;
  - prepare all documents, file all declarations, issue all statements and carry out all formalities with the French Financial Markets Authority or any other authority regarding the transactions carried out pursuant to this resolution;
  - define the terms and conditions under which, where applicable, the rights of holders of securities giving access to the Company's share capital will be preserved in accordance with regulatory provisions; and
  - carry out all other formalities and, generally, take any necessary measures.

The Board of Directors will inform the Shareholders' Meeting of the transactions carried out pursuant to this resolution.

This authorization is granted for an 18-month period as from the date of this Meeting and supersedes with effect from this day the authorization granted by the Shareholders' Meeting of April 29, 2014 in its 18<sup>th</sup> resolution.

### Resolutions within the authority of the Extraordinary Shareholders' Meeting

#### Twentieth resolution

##### **(Delegation of authority to the Board of Directors to issue ordinary shares and securities, with preferential subscription right of the shareholders)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors and acknowledged that the share capital is fully paid up, and acting in accordance with Articles L. 225-129 to L. 225-129-6, L. 228-91 and L. 228-92 of the French commercial code, delegates to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, the authority to decide on the issuance of, on one or more occasions, in the proportions and periods that it deems appropriate, except during the period of a public tender offer on the Company's shares, in France and abroad, either in euros or any foreign currency, and with preferential subscription right of the shareholders, (i) ordinary shares of the Company and/or (ii) securities which are equity securities of the Company giving access by any means, immediately and/or in the future, to other equity securities of the Company and/or to an allotment of debt securities, and/or (iii) debt securities giving or entitling access by any means, immediately and/or in the future, to equity securities of the Company to be issued.

The Shareholders' Meeting decides that any issuance of preferred shares and securities giving a right to preferred shares is expressly excluded.

a) The maximum nominal amount of the increase in the Company's share capital resulting from all issuances realized either immediately and/or in the future pursuant to this delegation is fixed at an amount of €56.3 million, it being specified that the nominal amount of ordinary shares issued under the 21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> resolutions of this Meeting will be applied to this maximum amount.

It is noted that the limit indicated in paragraph (a) above is determined without having taken into account the nominal value of the ordinary shares of the Company to be issued, if applicable, pursuant to the adjustments made in order to protect the interests of the holders of rights attached to securities giving access to the Company's share capital, in accordance with applicable legal and regulatory requirements and contractual provisions. To this end, the Shareholders' Meeting authorizes the Board of Directors, when necessary, to increase the share capital proportionately.

b) All issuances of debt securities carried out pursuant to this delegation shall not exceed a maximum principal amount of €2 billion (or the corresponding value of this amount for an issuance in a foreign currency or monetary unit determined by reference to several currencies); this limit is a common limit applicable to all issuances of debt securities, which may be carried out pursuant to the delegations granted in the 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions submitted to this Meeting.

In calculating the limit set forth in paragraph (b) above, the corresponding value in euros of the nominal value of debt securities issued in foreign currencies shall be determined on the date of the issuance.

Shareholders may exercise, in accordance with the provisions provided for by law, their preferential subscription right by irrevocable entitlement (*à titre irréductible*). The Board of Directors may furthermore grant to shareholders a preferential subscription right subject to *pro rata* reduction (*à titre réductible*), in proportion to their subscription rights and, in any case, limited to the number of securities requested.

According to Article L.225-134 of the French commercial code, if the amount of subscriptions exercised by irrevocable entitlement and, if applicable, subject to *pro rata* reduction, does not attain the amount of the entire issuance, the Board of Directors may use, at its option and in the order it finds most appropriate, one or more of the following options:

- limit the issuance to the amount of subscriptions received, provided this amounts to at least three quarters of the approved issuance;
- allocate at its discretion all or part of the unsubscribed securities; and
- offer to the public, on the French or international market, all or part of the unsubscribed securities.

The Shareholders' Meeting acknowledges that this delegation entails *ipso jure* the waiver by the shareholders of their preferential subscription right to the Company's ordinary shares, to which the securities that would be issued on the basis of this delegation would give right, for the benefit of the holders of securities giving access to the Company's share capital and issued pursuant to this delegation.

The Board of Directors will have the necessary powers, with the ability to sub-delegate in accordance with the conditions set out by law, to carry out this resolution, determine the conditions of the issuance, and in particular, the form and characteristics of the securities to be created, to acknowledge the resulting increases in share capital, and to proceed with, as necessary, any adjustments to take into account the impact of the transactions on the Company's share capital, determine the terms and conditions according to which the preservation of the rights of the holders of securities giving access to the Company's share capital shall be ensured, in accordance with applicable legal, regulatory and contractual provisions, amend the by-laws of the Company accordingly, charge the fees and expenses to the issue premium and take generally all necessary measures.

In the event of an issuance of debt securities, the Board of Directors will have all powers, with the ability to sub-delegate in accordance with the conditions set out by law, to decide whether or not they are subordinated, to set their interest rate, duration (which may be with or without a fixed-term), the fixed or variable redemption price with or without a premium, the terms and conditions for their redemption in accordance with market conditions, the conditions according to which these securities shall give access to the Company's share capital and their other terms and conditions.

The Shareholders' Meeting decides that, in the case of an issuance of ordinary Company warrants (*bons de souscription d'actions*), included in the maximum limit mentioned in paragraph (a) above, the issuance may take place either by cash subscription according to the conditions provided for hereafter, or by a free allocation of these warrants to the holders of existing shares.

The Board of Directors will set, with the ability to sub-delegate in accordance with the conditions set out by law, the issuance price of the ordinary shares or securities. The sum received immediately by the Company, increased, if applicable, by the sum that may be received at a later date by the Company, shall be at least equal to the nominal value for each ordinary share issued as of the issue date of said securities.

This delegation is granted for a 26-month period as from the date of this Meeting and supersedes with effect from this day the delegation granted by the Shareholders' Meeting of April 25, 2013 in its 12<sup>th</sup> resolution.



## Twenty-first resolution

### **(Delegation of authority to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, but with the obligation to grant a priority period)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors and acknowledged that the share capital is fully paid up, and acting in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 228-91 and L. 228-92 of the French commercial code, delegates to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, the authority to decide to issue, on one or more occasions, in the proportions and periods that it deems appropriate, except during the period of a public tender offer on the Company's shares, in France and abroad, either in euros or any foreign currency, through a public offering, (i) ordinary shares of the Company and/or (ii) securities which are equity securities of the Company giving access by any means, immediately and/or in the future, to other equity securities of the Company and/or to an allotment of debt securities, and/or (iii) debt securities giving or entitling access by any means, immediately and/or in the future, to equity securities of the Company to be issued.

The Shareholders' Meeting decides to waive the preferential subscription right of the shareholders to these ordinary shares, equity securities and securities giving access to the Company's equity securities to be issued with the understanding that the Board of Directors will be required to grant shareholders a right of priority to the totality of the issuance, for a minimum period of five trading days and under the conditions it will set in accordance with the applicable legal and regulatory provisions. This subscription priority will not give rise to the creation of negotiable rights but may be exercised, by irrevocable entitlement (*à titre irréductible*) or subject to *pro rata* reduction (*à titre réductible*), if the Board of Directors decides that it is appropriate.

a) The maximum nominal amount of the increase in the Company's share capital resulting from all issuances carried out either immediately and/or in the future pursuant to this delegation is fixed at €16 million, which is a common limit applicable to the capital increases made pursuant to the delegations granted in the 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> resolutions submitted to this Meeting. The capital increases carried out pursuant to this delegation shall be deducted from the global maximum amount mentioned in paragraph (a) of the 20<sup>th</sup> resolution of this Meeting.

It is noted that the limit indicated in paragraph (a) above is determined without taking into account the nominal value of the ordinary shares of the Company to be issued, if applicable, pursuant to the adjustments made in order to preserve the interests of the holders of rights attached to securities giving access to the Company's share capital, in accordance with applicable legal and regulatory requirements and contractual provisions. To this end, the Shareholders' Meeting authorizes the Board of Directors, when necessary, to increase the share capital proportionately.

b) All issuances of debt securities carried out pursuant to this delegation shall not exceed a maximum principal amount of €2 billion (or the corresponding value of this amount for an issuance in a foreign currency or monetary unit determined by a reference of several currencies); this limit is a common limit applicable to all issuances of debt securities, which may be carried out pursuant to the delegations granted in the 20<sup>th</sup>, 22<sup>nd</sup> and 23<sup>th</sup> resolutions submitted to this Meeting.

In calculating the limit set forth in paragraph (b) above, the corresponding value in euros of the principal amount of the debt securities issued in foreign currencies shall be determined on the date of the issuance.

The Shareholders' Meeting acknowledges that this delegation entails, *ipso jure*, the waiver by the shareholders of their preferential subscription right to the Company's ordinary shares and equity securities to which the securities that would be issued on the basis of this delegation would give right, for the benefit of the holders of securities giving access to the Company's share capital, and issued pursuant to this delegation.

The Board of Directors will have the necessary powers, with the ability to sub-delegate in accordance with the conditions set out by law, to implement this resolution, determine the conditions of issuances, and in particular, the form and characteristics of the securities to be created, acknowledge the resulting increases in share capital, amend the by-laws of the Company accordingly, charge the fees and expenses to the issue premium and take generally all necessary measures. It is specified that:

- the issuance price of the ordinary shares shall be at least equal to the minimum value provided for by the legal and regulatory provisions applicable when this delegation is implemented, after adjustment of this amount, if necessary, to take into account the difference in the dividend entitlement date of the shares. On the date of this Meeting, the minimum price corresponds to the weighted average price of the last three trading sessions on Euronext preceding the fixing of the subscription price and possibly subject to a maximum of 5% discount;
- the issuance price of the securities giving access to the Company's share capital shall be such that the sum received immediately by the Company increased, if applicable, by the sum that may be received at a later date by the Company for each ordinary share issued as a result of the issuance of securities, shall be at least equal to the amount set forth in the preceding paragraph after adjustment, if necessary, of this amount to take into account the difference in the dividend entitlement date of the shares.

In the event of an issuance of debt securities, the Board of Directors will have all powers, with the ability to sub-delegate in accordance with the conditions set out by law, to decide whether or not they are subordinated, to set their interest rate, duration (which may be with or without a fixed-term), the fixed or variable redemption price with or without a premium, the terms and conditions for their redemption in accordance with market conditions, the conditions according to which these securities shall give access to the Company's share capital and their other terms and conditions.

This delegation is granted for a 26-month period as from the date of this Meeting and supersedes with effect from this day the delegation granted by the Shareholders' Meeting of April 25, 2013 in its 13<sup>th</sup> resolution.

### Twenty-second resolution

#### **(Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a capital increase without preferential subscription right of the shareholders)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors, and acting in accordance with Article L.225-135-1 of the French commercial code, delegates to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, the authority to decide to increase, except during the period of a public tender offer on the Company's shares, the number of securities to be issued, for any issuance approved pursuant to the 21<sup>st</sup> resolution above, in accordance with the conditions of the abovementioned Article L.225-135-1, up to a maximum of 15% of the initial issue and at the same price as the price of the initial issue.

The Shareholders' Meeting decides that the amount of the capital increases that may be carried out pursuant to this delegation will be applied to the capital increase limit stipulated in the 21<sup>st</sup> resolution of this Meeting.

This delegation is granted for a 26-month period as from the date of this Meeting and supersedes with effect from this day the delegation granted by the Shareholders' Meeting of April 25, 2013 in its 14<sup>th</sup> resolution.

### Twenty-third resolution

#### **(Delegation of authority to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, in the event of a public exchange offer initiated by the Company)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors, and acting in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-148, L. 228-91 and L. 228-92 of the French commercial code, delegates to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, the authority to decide, except during the period of a public tender offer on the Company's shares, to issue (i) ordinary shares of the Company and/or (ii) securities which are equity securities of the Company giving access, by any means, immediately and/or in the future, to other equity securities of the Company and/or to an allotment of debt securities, in consideration for securities tendered in a public exchange offer initiated by the Company in France or abroad, according to local regulations, for another company's securities which are listed on one of the regulated markets provided in the above-mentioned Article L.225-148, and decides, to the extent necessary, to waive the shareholders' preferential subscription right to the ordinary shares and securities to be issued for the benefit of the holders of these securities.

The Shareholders' Meeting acknowledges that this delegation entails, *ipso jure*, the waiver by the shareholders of their preferential subscription rights to the Company's ordinary shares and equity securities to which the securities that will be issued pursuant to this delegation may give right, for the benefit of the holders of securities giving access to the Company's share capital issued pursuant to this delegation.

a) The maximum nominal amount of the increase in the Company's share capital resulting from all issuances carried out either immediately and/or in the future pursuant to this delegation is fixed at an amount of €16 million, it being specified that the issuances that may be carried out as a result of this delegation shall be deducted from the limits provided for in paragraphs (a) of the 20<sup>th</sup> and 21<sup>st</sup> resolutions submitted to this Meeting.

b) All issuances of debt securities carried out pursuant to this delegation shall not exceed a maximum principal amount of €2 billion (or the corresponding value of this amount for an issuance in a foreign currency or monetary unit determined by reference to several currencies); this limit is a common limit applicable to all issuances of debt securities, which may be carried out pursuant to the delegations granted in the 20<sup>th</sup>, 21<sup>st</sup> and 22<sup>nd</sup> resolutions submitted to this Meeting.

In calculating the limit set forth in paragraph (b) above, the corresponding value in euros of the principal amount of the debt securities issued in foreign currencies shall be determined on the date of the issuance.

The Shareholders' Meeting grants to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, all necessary powers to carry out the issuances of ordinary shares and/or securities in consideration for the tendered shares pursuant to the abovementioned public exchange offers, in particular for:

- in the case of an issuance of securities as consideration for securities in a public exchange offer (*offre publique d'échange* (OPE)), determine the list of securities to be exchanged, determine the conditions of the issuance, the exchange parity as well as, if applicable, the amount of cash to be paid and determine the terms of the issuance in the context of an exchange offer, or an alternative tender or exchange offer, either a single tender or exchange offer for securities in exchange for shares and cash, or a principal public tender offer or exchange offer, together with a subsidiary exchange offer or tender offer, or an exchange offer carried out in France or abroad according to local regulations (for example, in connection with a reverse merger in the United States) relating to securities meeting the conditions provided for in Article L.225-148 of the French commercial code, or any other form of public offer in accordance with the laws and regulations applicable to the such public offer;
- determine the dates, conditions of issuance, notably the price and dividend entitlement date of new ordinary shares or, if need be, of securities;
- record as liabilities in the balance sheet in an "additional paid-in capital" account, to which all shareholders have rights, the difference between the issue price of new ordinary shares and their nominal value;
- charge, if the need arises, all expenses and amounts incurred in connection with such transaction to the "additional paid-in capital" account; and
- acknowledge the completion of the capital increases carried out pursuant to this delegation, amend the by-laws of the Company accordingly, carry out all necessary formalities and request all authorizations for the completion of these contributions, and to take generally all necessary measures.

This delegation is granted for a 26-month period as from the date of this Meeting and supersedes with effect from this day the delegation granted by the Shareholders' Meeting of April 25, 2013 in its 15<sup>th</sup> resolution.

## Twenty-fourth resolution

**(Delegation of powers to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, in consideration for contributions in kind granted to the Company and comprised of equity securities or securities giving access to share capital)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors, and acting in accordance with Articles L. 225-147 of the French commercial code, delegates to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, the powers necessary to decide, within the limit of 10% of the Company's share capital, on the date of the Board's decision and except during the period of a public tender offer on the Company's shares, upon the report of the Contribution auditor(s) mentioned in the first and second paragraphs of the above-mentioned Article L.225-147, to issue (i) ordinary shares of the Company and/or (ii) securities which are equity securities of the Company giving access, by any means, immediately and/or in the future, to other equity securities of the Company, in consideration for the contributions-in-kind granted to the Company and comprised of equity securities or securities giving access to share capital, when the provisions of Article L.225-148 of the French commercial code are not applicable, and decides, to the extent necessary, to waive, for the benefit of the holders of these securities, which are the object of these contributions-in-kind, the shareholders' preferential subscription right to the securities issued pursuant to this delegation.

The Shareholders' Meeting acknowledges that this delegation entails, *ipso jure*, the waiver by the shareholders of their preferential subscription right to the Company's ordinary shares to which the securities, that would be issued on the basis of this delegation, would give right, for the benefit of holders of securities giving access to the Company's share capital issued pursuant to this delegation.

In addition to the legal limit of 10% of the Company's share capital provided in Article L.225-147 of the French commercial code, the issuances carried out pursuant to this delegation shall be deducted from the limits provided for in paragraphs (a) of the 20<sup>th</sup> and 21<sup>st</sup> resolutions submitted for approval to this Meeting.

The Board of Directors will have full powers, with the ability to sub-delegate in accordance with the conditions set out by law, to implement this resolution, in particular:

- to decide, on the basis of the report of the Contribution auditor(s) mentioned in the first and second paragraphs of the above-mentioned Article L.225-147, on the valuation of the contributions and the granting of certain advantages and their values;
- to acknowledge the completion of the capital increases carried out pursuant to this delegation, amend the by-laws of the Company accordingly, enable any setting off of expenses against the contribution premium, carry out all necessary formalities and request all authorizations for the completion of these contributions, and to take generally all necessary measures.

This delegation is granted for a 26-month period as from the date of this Meeting and supersedes with effect from this day the delegation granted by the Shareholders' Meeting of April 25, 2013 in its 16<sup>th</sup> resolution.

## Twenty-fifth resolution

**(Delegation of authority to the Board of Directors to increase the Company's share capital through incorporation of reserves, profits, premiums or any other amounts that may be capitalized)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Board of Directors' report, and acting in accordance with Articles L. 225-129 to L. 225-129-6 and L. 225-130 of the French commercial code, delegates to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, the authority to decide to increase the share capital, on one or more occasions, at the times and under the conditions that it deems appropriate, except during the period of a public tender offer on the Company's shares, through the incorporation of reserves, profits, premiums or any other amounts that may be capitalized, followed by the issuance and the free allocation of shares or the increase of the nominal value of the existing ordinary shares, or any combination of these two methods.

The Shareholders' Meeting decides that rights corresponding to fractional shares may neither be negotiable nor transferable and that the corresponding shares will be sold. The amounts obtained from the sale shall be distributed to the holders of the rights within the applicable legal time period.

The maximum nominal amount of the share capital increase that may be achieved, immediately or in the future, pursuant to this resolution is fixed at €40.2 million. This limit is set (i) without taking into account the nominal value of the Company's ordinary shares to be issued, if applicable, pursuant to the adjustments carried out in order to protect the interests of holders of rights attached to the securities that shall be issued on the basis of this delegation, in accordance with legal and regulatory requirements as well as applicable contractual provisions and (ii) independently from the limits on the share capital increases resulting from the issuances of the ordinary shares or securities as authorized in the 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> resolutions submitted to this Meeting.

The Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, to implement this resolution, particularly in order to:

- determine the terms and conditions of the authorized transactions and in particular decide on the amount and the nature of the reserves and premiums to incorporate into the share capital, determining the number of new shares to issue or the amount to which the nominal value of the existing shares comprising the share capital will be increased, decide on the dividend entitlement date (even retroactive) of the new shares or the date on which the increase in their nominal value will take effect;
- take all necessary measures to protect the rights of the holders of securities giving access to the Company's share capital on the day of the capital increase;
- acknowledge the capital increase resulting from the issuance of shares, amend the by-laws of the Company accordingly and carry out all necessary publicity formalities;
- and generally take all measures and complete all formalities required to ensure the proper completion of each capital increase.

This delegation is granted for a 26-month period as from the date of this Meeting and supersedes with effect from this day the delegation granted by the Shareholders' Meeting of April 25, 2013 in its 17<sup>th</sup> resolution.

### Twenty-sixth resolution

#### **(Delegation of authority to the Board of Directors to issue ordinary shares and securities in favor of employees who are members of a company savings plan and/or to carry out reserved sales of securities, without preferential subscription right of the shareholders)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors, and acting in accordance with Articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French commercial code and Articles L.3332-1 *et seq.* of the French labor code, delegates to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, the authority to decide to increase the Company's share capital, on one or more occasions, at the times and under the conditions that it deems appropriate, through the issuance of ordinary shares or securities giving access to ordinary shares reserved for the members subscribing to a company savings plan of the Company or of French or foreign companies related to the Company according to Articles L.225-180 of the French commercial code and L.3344-1 of the French labor code.

The maximum nominal amount of the increase of the Company's share capital that may be completed pursuant to this resolution may not exceed €3.2 million, it being specified that the issues carried out pursuant to this delegation shall be deducted from the limits provided for in paragraph (a) of the 20<sup>th</sup> and 21<sup>st</sup> resolutions submitted to this Meeting.

It is noted that the above limit is determined without taking into account the nominal value of the ordinary shares of the Company to be issued, if applicable, pursuant to the adjustments made in order to preserve the interests of the holders of rights attached to securities giving access to the Company's share capital, in accordance with applicable legal and regulatory requirements and contractual provisions. To this end, the Shareholders' Meeting authorizes the Board of Directors, when necessary, to increase the share capital proportionately.

The Shareholders' Meeting decides to waive in favor of the beneficiaries, as defined above, the shareholders' preferential subscription right to the ordinary shares or securities giving access to ordinary shares to be issued according to this resolution and to waive any right to the shares or other securities allocated free of charge on the basis of this delegation.

The Shareholders' Meeting decides to set the discount offered under the company savings plan at 20% of the average of the Company's opening share prices listed on Euronext during the 20 trading sessions preceding the date of the decision setting the opening date for subscription. When this delegation will be implemented, the Board of Directors may decrease the amount of the discount on a case-by-case basis only for reasons of legal, tax or social constraints that may be applicable outside of France, in any of the countries in which the Danone group's entities employing the employees participating in the share capital increases are located. The Board of Directors may also decide, pursuant to the provisions of Article L.3332-21 of the French labor code, to substitute the discount with a grant of free shares for subscribers of new shares.

The Shareholders' Meeting decides that the Board of Directors may also grant to the aforementioned beneficiaries free shares or other securities giving access to the Company's share capital

to be issued or already issued, by way of company contribution (*abondement*), within the limits set forth by Article L.3332-21 of the French labor code.

The Shareholders' Meeting grants the Board of Directors full powers, with the ability to sub-delegate in accordance with the conditions set out by law, to implement this resolution, particularly in order to:

- set the subscription price, the amount, the dividend entitlement date of the shares (even retroactively) and the terms of each issuance of shares or securities giving access to ordinary shares;
- determine if the subscriptions may be made directly by the beneficiaries or through a collective investment undertaking, and in particular through a company investment fund;
- set the opening and closing dates of the subscriptions, and more generally decide on all other conditions of each issuance;
- at its sole discretion and if it deems it appropriate, charge the expenses of capital increases to the amount of the premiums associated to these increases, and deduct from this amount the sums needed to bring the legal reserve to one-tenth of the new capital after each share capital increase; and
- acknowledge completion of one or more share capital increases through the issuance of ordinary shares up to the amount of ordinary shares that shall be subscribed, enter into all agreements, take all measures necessary to carry out such increases, complete the subsequent formalities, in particular those related to the listing of the securities created, amend the by-laws of the Company accordingly, and generally take all necessary measures.

Pursuant to applicable legal provisions, the transactions carried out pursuant to this resolution may also take the form of the sale of shares to members of a company savings plan.

This delegation is granted for a 26-month period as from the date of this Meeting and supersedes with effect from this day the delegation granted by the Shareholders' Meeting of April 25, 2013 in its 18<sup>th</sup> resolution.

### Twenty-seventh resolution

#### **(Authorization granted to the Board of Directors to allocate existing or newly issued shares of the Company, without preferential subscription right of the shareholders)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors, in accordance with Articles L.225-197-1 *et seq.* of the French commercial code:

1. Authorizes the Board of Directors to freely allocate, on one or more occasions, shares of the Company, existing or to be issued, to members of personnel or to certain categories thereof that it shall select among eligible employees and corporate officers of the Company and of affiliates of the Company within the meaning of Article L.225-197-2 of the French commercial code. If the shares allocated are to be issued, this authorization will result, after the expiration of the vesting period(s), in a capital increase through the incorporation of reserves, earnings or premiums in favor of the beneficiaries of said shares.
2. Decides that the Board of Directors will proceed with the allocations and will determine the identity of the beneficiaries of said allocations.



3. Decides that the allocation of shares in accordance with this authorization may not represent a number of existing or newly issued shares exceeding 0.2% of the Company's share capital at the end of this Meeting; this percentage shall be calculated without taking into account the adjustments that may be made in accordance with any applicable legal and regulatory requirements or any contractual provisions providing for any other adjustments, to protect the rights of the holders of securities or other rights giving access to the share capital. It is noted that the nominal amount of the existing or newly issued shares allocated pursuant to this authorization shall be deducted from the limits provided for in paragraph (a) of the 20<sup>th</sup> and 21<sup>st</sup> resolutions submitted to this Meeting.
4. Decides that the existing or newly issued shares allocated pursuant to this authorization may be allocated, in accordance with legal requirements, to corporate officers of the Company, provided that the total thereof does not represent more than 0.03% of the Company's share capital at the end of this Meeting (subject to any adjustment mentioned in the preceding paragraph).
5. Decides that the allocation of shares to their beneficiaries will become final after a vesting period, the duration of which will be set by the Board of Directors and shall not be less than three years. The beneficiaries must hold said shares for a duration set by the Board of Directors and the holding period may not be less than two years after the final allocation of such shares. However, if the vesting period for all or a part of one or more allocations is a minimum of four years, the Shareholders' Meeting authorizes the Board of Directors not to impose any holding period for the shares in question. It is reminded that the Board of Directors may provide for longer vesting and holding periods than the aforementioned minimum durations.
6. Expressly subjects the final allocation of all existing or newly issued shares under this resolution to the achievement of the performance conditions determined by the Board of Directors and presented in the Board of Directors' report.
7. Decides, moreover, that, in the event that the disability of the beneficiary corresponds to a classification in the second or third of the categories provided in Article L.341-4 of the French social security code, the shares will be definitively allocated to the beneficiary before the end of the remaining vesting period. Said shares will be freely transferable from delivery.
8. Acknowledges that this authorization entails *ipso jure* the waiver by the shareholders of their preferential subscription right to the shares that would be issued as a result of this resolution, to the benefit of the beneficiaries.
9. Grants full powers to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, to implement this resolution, within the conditions set forth above and within the limits authorized by applicable laws and regulations, and in particular to determine, if applicable, the terms and conditions of the issuances that will be completed as a result of this authorization, as well as the dividend entitlement dates of the newly issued shares, acknowledge the share capital increases, amend the Company's by-laws accordingly, and more generally complete all formalities useful for the issuance, listing and financial servicing of securities issued as a result of this resolution and take all useful and necessary steps in accordance with applicable laws and regulations.

This authorization is granted until December 31, 2015.

Each year, the Board of Directors will inform the Ordinary Shareholders' Meeting, in accordance with legal and regulatory requirements, and in particular Article L.225-197-4 of the French commercial code, of the transactions completed pursuant to this resolution.

### Twenty-eighth resolution

#### **(Authorization granted to the Board of Directors to reduce the share capital by canceling shares)**

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report and the special report of the Statutory auditors, and acting in accordance with Articles L. 225-209 *et seq.* of the French commercial code:

1. Authorizes the Board of Directors to reduce the Company's share capital by cancelling, on one or more occasions, within the limit of 10% of the Company's share capital on the date of this Meeting and by 24-month periods, all or part of the Company's shares that the Company holds or may acquire within the framework of share repurchase programs authorized by the Shareholders' Meeting.
2. Decides that the excess of the repurchase price of the shares over their par value shall be charged to the "additional paid-in capital" account or to any other available reserve account, including the legal reserve, within the limit of 10% of the reduction of share capital completed.
3. Delegates full powers to the Board of Directors, with the ability to sub-delegate in accordance with the conditions set out by law, to carry out, on its sole decision, the cancellation of shares thus acquired, to proceed with the resulting reduction of share capital, and the aforementioned deduction, as well as to amend the by-laws of the Company accordingly.

This authorization is granted for a 24-month period as from the date of this Meeting and replaces the authorization granted by the Shareholders' Meeting of April 25, 2013 in its 20<sup>th</sup> resolution.

### Twenty-ninth resolution

#### **(Powers to carry out formalities)**

The Shareholders' Meeting gives full powers to any bearer of an original, a copy or an excerpt of these minutes to make all legal and administrative formalities and carry out all filings and any publicity required by applicable laws and regulations.

# COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

*The paragraphs referred to hereafter in the comments on the resolutions of the Shareholders' Meeting correspond to those of the 2014 Registration Document, which was filed with the French Financial Markets Authority on March 19, 2015 under number D. 15-0176 and which is available on Danone's website at the following address: [www.danone.com](http://www.danone.com) (section "Investors/2014 Registration Document").*

## Approval of the statutory and consolidated financial statements for fiscal year 2014 (1<sup>st</sup> and 2<sup>nd</sup> resolutions)

We request that you approve the Company's statutory and consolidated financial statements for the fiscal year ended December 31, 2014.

In accordance with Article 223 *quater* of the French tax code, it is stipulated that the total amount of expenses and charges referred to

in paragraph 4 of Article 39 of the French tax code totaled €382,377 during the year under review, and that the tax borne as a result of these expenses and charges totaled €145,303.

## Allocation of earnings (3<sup>rd</sup> and 4<sup>th</sup> resolutions)

### Allocation of earnings and dividend proposal (3<sup>rd</sup> resolution)

You are asked to:

- acknowledge that the earnings for fiscal year 2014 amount to €541,271,933.84;
- acknowledge that the retained earnings amount to €3,124,805,677.01;

totaling earnings available for allocation of profits of €3,666,077,610.85;

- decide to allocate the total earnings available for allocation as follows:
  - to dividends in the amount of €965,688,000; and
  - to retained earnings in the amount of €2,700,389,610.85.

The amount of €965,688,000 distributed among shareholders enables the payout of a dividend of €1.50 per share.

Where this is paid to individuals domiciled in France for tax purposes, the dividend is fully eligible for the 40% tax allowance provided for in Article 158-3.2° of the French tax code.

The ex-dividend date is May 7, 2015 and the dividend will be payable as from June 3, 2015.

In accordance with Article L. 225-210 of the French commercial code, the amount of the dividend corresponding to the shares held by the Company on the payment date will be allocated to "retained earnings" account.

## Dividends paid in respect of the last three fiscal years

Fiscal year	Number of shares	Dividend distributed per share <sup>(a)</sup>
		(in €)
2011	642 246 573	1.39
2012	643,162,000	1.45
2013	631,028,000	1.45 <sup>(b)</sup>

(a) Dividend fully eligible for the 40% deduction provided for in Article 158-3.2° of the French tax code.

(b) The Shareholders' Meeting of April 29, 2014 has offered each shareholder the option for the payment of the dividend either in cash or in shares.

### Option for the payment of the dividend in shares (4<sup>th</sup> resolution)

We propose, in accordance with applicable legal provisions and the Company's by-laws, to offer each shareholder the possibility to opt for the payment in new shares of the Company of the full dividend to which the shares owned give an entitlement.

This option, already offered by the Company in 2009 and 2014, would allow shareholders opting to have their dividend paid in shares to immediately reinvest the amount of their dividend and obtain in return new DANONE shares.

The new shares would bear rights as from January 1, 2015 and would be entirely fungible with the Company's other shares.

The issuance price of these new shares would be set at 90% of the average of the opening Company share prices on Euronext over the twenty trading days preceding the date of the Shareholders' Meeting less the amount of the dividend. This issuance price would be rounded up to the next euro cent.

If the amount of the dividends to which the shareholder is entitled did not correspond to a whole number of shares, the shareholder would obtain the number of shares immediately below, and a balancing payment in cash.

The option for dividends to be paid in shares would be open from May 7, 2015 to May 21, 2015.

Failure to exercise this option within this period would result in the full amount of the dividend owed to the shareholder being paid in cash.

The ex-dividend date is set at May 7, 2015. The date set for payment in cash or delivery of the shares is June 3, 2015.

### Composition of the Board of Directors (5<sup>th</sup> to 10<sup>th</sup> resolutions)

We request that you renew the terms of office of Mr. Jacques-Antoine GRANJON, Mr. Jean LAURENT, Mr. Benoît POTIER, Mrs. Mouna SEPEHRI and Mrs. Virginia A. STALLINGS as Directors for the three-year period set forth in the by-laws. These renewed terms of office would expire at the end of the Shareholders' Meeting convened to approve the financial statements for fiscal year 2017.

We request that you also appoint Mrs. Serpil TIMURAY as a Director for a three-year period. Her term of office would also expire at the end of the Shareholders' Meeting convened to approve the financial statements for fiscal year 2017.

The Board of Directors noted that, if all its proposals are approved by the Shareholders' Meeting, the changes in the Board's composition will allow the Board to continue the ongoing improvement in the Company's governance.

Accordingly, at the end of the Shareholders' Meeting of April 29, 2015, and in comparison with the composition of the Board at the end of the Shareholders' Meeting of April 29, 2014:

- the rate of independence of the Board would rise from 71% to 77%;
- the percentage of women on the Board would rise from 29% to 38%;
- the average age of Directors would fall from 56.1 years to 55.4 years;
- the average length of term of office as Director would fall from 7.4 years to 6.9 years; and
- the international composition of the Board would rise from 29% to 31%.

The Board recalls that it has been committed toward its shareholders for several years to improving its governance, particularly in terms of its independence, the percentage of women on the Board, its expertise and the diversity of its composition.

### Renewal of terms of office as Directors (5<sup>th</sup> to 9<sup>th</sup> resolutions)

#### Regarding Mr. Jacques-Antoine GRANJON (5<sup>th</sup> resolution)

We request that you renew the term of office as Director of Mr. Jacques-Antoine GRANJON.

#### 1. Mr. Jacques-Antoine GRANJON's situation with regard to multiple directorships rules

On February 19, 2015, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, examined Mr. Jacques-Antoine GRANJON's situation with regard to the law and the recommendations of the AFEP-MEDEF Code concerning multiple directorships. The Board came to the conclusion that, in this instance, the rules had been complied with in full. In particular, Mr. Jacques-Antoine GRANJON currently holds no other term of office as director of another listed company.

A biography and a list of all Mr. Jacques-Antoine GRANJON's positions and responsibilities as of December 31, 2014 and of those held during the last five years are included above in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors*.

#### 2. Mr. Jacques-Antoine GRANJON's attendance rate

Over the past three years, Mr. Jacques-Antoine GRANJON's attendance rate at Board meetings has averaged 85%. He was not a Member of any Board Committee in 2014.

#### 3. Mr. Jacques-Antoine GRANJON's situation with regard to independence rules

In the annual individual review of the independence of Directors, the Board of Directors of February 19, 2015 confirmed, upon recommendation of the Nomination and Compensation Committee, the qualification of Mr. Jacques-Antoine GRANJON as an independent Director pursuant to the AFEP-MEDEF Code independence criteria (see section 6.1 *Governance bodies, Review of Directors' independence*).

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

### Regarding Mr. Jean LAURENT (6<sup>th</sup> resolution)

We request that you renew the term of office as Director of Mr. Jean LAURENT.

#### 1. Mr. Jean LAURENT's situation with regard to multiple directorships rules

On February 19, 2015, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, examined Mr. Jean LAURENT's situation with regard to the law and the recommendations of the AFEP-MEDEF Code concerning multiple directorships. The Board came to the conclusion that, in this instance, the rules had been complied with in full. In particular, Mr. Jean LAURENT currently holds only two terms of office in other listed companies (Chairman of the Board of Directors of Foncière des Régions and Vice Chairman of the Supervisory Board of Eurazeo).

A biography and a list of all Mr. Jean LAURENT's positions and responsibilities as of December 31, 2014 and of those held during the last five years are included above in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors*.

#### 2. Mr. Jean LAURENT's attendance rate

Over the past three years, Mr. Jean LAURENT's attendance rate has averaged 96% at Board meetings, 100% at Nomination and Compensation Committee meetings and 100% at Social Responsibility Committee meetings. As part of its review of Committee membership, the Board of Directors meeting of February 19, 2015 confirmed Mr. Jean LAURENT in the position of Chairman of the Nomination and Compensation Committee. The Board also decided to replace him with Mr. Bruno BONNELL as the Chairman of the Social Responsibility Committee.

#### 3. Mr. Jean LAURENT's situation with regard to independence rules

In the annual individual review of the independence of Directors, the Board of Directors of February 19, 2015 confirmed, upon recommendation of the Nomination and Compensation Committee, the qualification of Mr. Jean LAURENT as an independent Director pursuant to the AFEP-MEDEF Code independence criteria (see section 6.1 *Governance bodies, Review of Directors' independence*).

#### 4. Mr. Jean LAURENT's situation with regard to the age limit set in the by-laws

Mr. Jean LAURENT turned 70 in July 2014, thus the renewal of his term of office shall be determined in accordance with the provisions of Article 15.II of the Company's by-laws. This Article stipulates that Directors of the Company who are over the age of 70 on the date when the decision is made to renew their term of office are not precluded from having said term renewed by the Shareholders' Meeting and serving it in full, provided that the number of Directors affected by this age limit does not exceed one-fourth of the Directors serving terms on the Board. This limit is largely satisfied, since at the end of the April 29, 2015 Shareholders' Meeting, Mr. Jean LAURENT will be the only Director of the Company over the age of 70 and no other Directors will reach that age during their respective terms of office.

#### 5. Renewal of Mr. Jean LAURENT's term of office as Lead Independent Director

With the completion of Mr. Jean LAURENT's initial term of office as Lead Independent Director and in accordance with its rules of procedure, the Board of Directors meeting of February 19, 2015 examined the operation of this body and reviewed its powers (see above section 6.1 *Governance bodies, Review of the Lead Independent Director at the end of his term of office*). On that occasion, the Board confirmed the powers of the Lead Independent Director and reappointed Mr. Jean LAURENT to the position (subject to the condition precedent of the renewal of his term of office as Director by the Shareholders' Meeting of April 29, 2015).

### Regarding Mr. Benoît POTIER (7<sup>th</sup> resolution)

We request that you renew the term of office as Director of Mr. Benoît POTIER.

#### 1. Mr. Benoît POTIER's situation with regard to multiple directorships rules

On February 19, 2015, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, examined Mr. Benoît POTIER's situation with regard to the law and the recommendations of the AFEP-MEDEF Code concerning multiple directorships. The Board came to the conclusion that, in this instance, the rules had been complied with in full. In particular, Mr. Benoît POTIER currently holds only one term of office in another listed company (Chairman and Chief Executive Officer of Air Liquide).

A biography and a list of all Mr. Benoît POTIER's positions and responsibilities as of December 31, 2014 and of those held during the last five years are included above in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors*.

#### 2. Mr. Benoît POTIER's attendance rate

Over the past three years, Mr. Benoît POTIER's attendance rate has averaged 88% at Board meetings and 100% at Nomination and Compensation Committee meetings. As part of its review of Committee membership, the Board of Directors meeting of February 19, 2015 appointed Mr. Benoît POTIER to the Strategy Committee and confirmed his position as a Member of the Nomination and Compensation Committee.

#### 3. Mr. Benoît POTIER's situation with regard to independence rules

In the annual individual review of independence of the Directors, the Board of Directors of February 19, 2015 confirmed, upon recommendation of the Nomination and Compensation Committee, the qualification of Mr. Benoît POTIER as an independent Director and confirmed that his seniority of more than 12 years did not prevent him from such qualification (see section 6.1 *Governance bodies, Review of Directors' independence*).

### Regarding Mrs. Mouna SEPEHRI (8<sup>th</sup> resolution)

We request that you renew the term of office as Director of Mrs. Mouna SEPEHRI.

#### 1. Mrs. Mouna SEPEHRI's situation with regard to multiple directorships rules

On February 19, 2015, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, examined Mrs. Mouna SEPEHRI's situation with regard to the law and the recommendations of the AFEP-MEDEF Code concerning multiple directorships. The Board came to the conclusion that, in this instance, the rules had been complied with in full. In particular, Mrs. Mouna SEPEHRI currently holds three terms of office in other listed companies (Director of Nexans, Member of Supervisory Board of M6 and Director of Orange).

A biography and a list of all Mrs. Mouna SEPEHRI's positions and responsibilities as of December 31, 2014 and of those held during the last five years are included above in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors*.

#### 2. Mrs. Mouna SEPEHRI's attendance rate

Over the past three years, Mrs. Mouna SEPEHRI's attendance rate has averaged 90% at Board meetings and 94% at Audit Committee meetings. As part of its review of Committee membership, the Board of Directors meeting of February 19, 2015 confirmed Mrs. Mouna SEPEHRI's position as a Member of the Audit Committee.



## 3. Mrs. Mouna SEPEHRI's situation with regard to independence rules

In the annual individual review of independence of the Directors, the Board of Directors of February 19, 2015 confirmed, upon recommendation of the Nomination and Compensation Committee, the qualification of Mrs. Mouna SEPEHRI as an independent Director pursuant to the AFEP-MEDEF Code independence criteria (see section 6.1 *Governance bodies, Review of Directors' independence*).

## Regarding Mrs. Virginia A. STALLINGS (9<sup>th</sup> resolution)

We request that you renew the term of office as Director of Mrs. Virginia A. STALLINGS.

### 1. Mrs. Virginia A. STALLINGS' situation with regard to multiple directorships rules

On February 19, 2015, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, examined Mrs. Virginia A. STALLINGS' situation with regard to the law and the recommendations of the AFEP-MEDEF Code concerning multiple directorships. The Board came to the conclusion that, in this instance, the rules had been complied with in full. In particular, Mrs. Virginia A. STALLINGS currently holds no other term of office as director of another listed company.

A biography and a list of all Mrs. Virginia A. STALLINGS' positions and responsibilities as of December 31, 2014 and of those held during the last five years are included above in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors*.

### 2. Mrs. Virginia A. STALLINGS' attendance rate

Over the past three years, Mrs. Virginia A. STALLINGS' attendance rate has averaged 100% at Board meetings. In 2014, she was not a Member of any Board Committee. As part of its review of Committee membership, the Board of Directors meeting of February 19, 2015 appointed Mrs. Virginia A. STALLINGS to the Social Responsibility Committee.

### 3. Mrs. Virginia A. STALLINGS' situation with regard to independence rules

In the annual individual review of independence of the Directors, the Board of Directors of February 19, 2015 confirmed, upon recommendation of the Nomination and Compensation Committee, the qualification of Mrs. Virginia A. STALLINGS as an independent Director pursuant to the AFEP-MEDEF independence criteria (see section 6.1 *Governance bodies, Review of Directors' independence*).

## Appointment of a new Director (10<sup>th</sup> resolution)

On February 19, 2015, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, examined the situation of Mrs. Serpil TIMURAY, whose appointment is proposed to you:

### 1. Skills and expertise of Mrs. Serpil TIMURAY

A native of Turkey, 45-year-old Mrs. Serpil TIMURAY holds a degree in business administration from Bogazici University in Istanbul.

Mrs. Serpil TIMURAY began her career in 1991 at Procter & Gamble, where she was later on appointed to the Executive Committee of Procter & Gamble Turkey. In 1999, she moved to the Danone group as the marketing director and a member of the executive committee for the fresh dairy products subsidiary in Turkey. From 2002 to 2008, she served as General Manager of Danone Turkey, overseeing the acquisition and integration of several companies in the region. In 2009 she joined Vodafone Turkey as the Chief Executive Officer, contributing to the considerable growth of this company. Since January 2014, she is serving as the Regional CEO of Africa, Middle East and Asia-Pacific and as a member of the Executive Committee of Vodafone group.

The Board noted that her widely recognized skills in executive positions, her success in helping international groups grow their business, and her thorough knowledge of markets that are critical for Danone will be valuable assets for the work of the Board of Directors.

### 2. Mrs. Serpil TIMURAY's situation with regard to multiple directorships rules

On February 19, 2015, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, examined Mrs. Serpil TIMURAY's situation with regard to the law and the recommendations of the AFEP-MEDEF Code concerning multiple directorships. The Board came to the conclusion that, in this instance, the rules had been complied with in full. In particular, Mrs. Serpil TIMURAY currently holds only one term of office in another listed company (Director of Vodacom, a listed subsidiary of Vodafone group).

A biography and a list of all Mrs. Serpil TIMURAY's positions and responsibilities as of December 31, 2014 and of those held during the last five years are included above in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors*.

### 3. Mrs. Serpil TIMURAY's situation with regard to independence rules

In the annual individual review of independence of the Directors, the Board of Directors of February 19, 2015, upon recommendation of the Nomination and Compensation Committee, considered that Mrs. Serpil TIMURAY is an independent Director pursuant to the AFEP-MEDEF Code independence criteria (see section 6.1 *Governance bodies, Review of Directors' independence*). In particular, the Board considered that Mrs. Serpil TIMURAY's prior position as an employee and senior manager of a Group company until 2008 (*i.e.* more than seven years ago) should not block her qualification as an independent Director. The Board also noted the absence of any significant business relationship between Mrs. Serpil TIMURAY and the Danone group.

### Approval of agreements and commitments referred to in the Statutory auditors' special report (11<sup>th</sup> and 12<sup>th</sup> resolutions)

We are asking you to approve the regulated agreements referred to in Articles L. 225-38 *et seq.* of the French commercial code, which were authorized by the Board of Directors during the 2014 fiscal year.

First, the Board would like to inform you that pursuant to the French Order No. 2014-863 of July 31, 2014, agreements entered into with wholly-owned subsidiaries of the Company, previously approved by shareholders, are no longer subject to the procedure of regulated agreements. Two agreements are covered by this provision and are therefore excluded from this report: the guarantee granted by the Company in respect of commitments of Danone Finance International (the subsidiary that notably manages the Group's treasury centralization) and the guarantee granted by the Company in respect of commitments of Danone Corporate Finance Services (a subsidiary that carries out financial risk management transactions (mainly currency and interest rate risk) on behalf of Group companies).

The only regulated agreements authorized by the Board of Directors during fiscal year 2014 and submitted for approval are those entered into between (i) the Company and J.P. Morgan group (11<sup>th</sup> resolution) and (ii) the commitments regarding Mr. Emmanuel FABER as Chief Executive Officer in cases of termination of his duties (12<sup>th</sup> resolution).

Lastly, it should be noted that, by law, only new agreements are subject to a vote of the Shareholders' Meeting. However, for the information of the shareholders, the special report of the Statutory auditors (see above section 6.5 *Statutory auditors' special report on related party agreements and commitments*) describes agreements authorized during prior fiscal years, the performance of which continued during the fiscal year ended December 31, 2014. Those agreements were again reviewed by the Board of Directors of February 19, 2015, in accordance with the requirements of the French Order N°2014-863 of July 31, 2014. The Board intends to continue providing a high level of information to shareholders concerning the execution of regulated agreements authorized during prior fiscal years and the performance of which may continue in future years.

### Approval of regulated agreements entered into with J.P. Morgan group (11<sup>th</sup> resolution)

As part of its activities, the Group works with various leading financial institutions, including the J.P. Morgan group.

In 2014, the Board of Directors thus authorized the signing of the following three agreements: (i) a consulting agreement in connection with a possible planned disposal of certain Group assets; (ii) a new amendment to the syndicated facilities agreement signed in 2011; and (iii) a subscription agreement as part of a bond issue.

These three agreements constitute regulated agreements (subject to the provisions of Articles L. 225-38 *et seq.* of the French commercial code), given the presence on the Board of Directors of Mrs. Isabelle SEILLIER, also a senior executive of the J.P. Morgan group.

Mrs. Isabelle SEILLIER has been a Director of the Company since the Shareholders' Meeting of April 28, 2011. Due to her position at J.P. Morgan, she was designated non-independent Director by the Board of Directors, upon recommendation of the Nomination and Compensation Committee.

The Board of Directors noted in this regard that several measures have been taken to ensure that any potential conflict of interest linked to Mrs. Isabelle SEILLIER's responsibilities is properly controlled by the Group, in particular:

- systematic abstention by Mrs. Isabelle SEILLIER from participating in discussions and voting on any deliberations which could place her in a situation giving rise to a conflict of interest involving (directly or indirectly) the J.P. Morgan group;
- express reference in the report of the Board of Directors to the Shareholders' Meeting of her qualification as a non-independent Director and of the existence of potential conflicts of interest involving her;
- complete transparency on terms of compensation for J.P. Morgan group by the Group in connection with agreements subject to shareholders' approval; and
- systematic resolution concerning all new regulated agreements which might be entered into with the J.P. Morgan group in the future, it being specified that this resolution would be automatically be put to a separate shareholders' vote during the subsequent Shareholders' Meeting.

#### 1. Consulting agreement of October 28, 2014

The Board of Directors of October 17, 2014 unanimously approved the signature of a consulting agreement with J.P. Morgan Limited relating to an eventual planned disposal of certain Group assets; Mrs. Isabelle SEILLIER abstained from voting.

Under the terms of this consulting agreement, which was entered into on October 28, 2014, J.P. Morgan Limited acted as the Company's financial advisor and in particular agreed to assist the Company in finding purchasers, in drafting a memorandum presenting the activities to be sold, in analyzing the bids, coordinating due diligence work, structuring and defining the transaction's terms and conditions and negotiating the documents needed to complete the transaction.

Under the terms of the agreement and subject to the successful completion of the transaction, the Company was to pay J.P. Morgan Limited a commission as consideration for its efforts, with the amount representing approximately 0.32% of the total value of the assets to be sold and measured as of the agreement date.

Since the planned disposal was not completed, the consulting agreement will expire on May 15, 2015 and will not give rise to the payment of the above-mentioned commission, in accordance with the terms of the agreement.

As part of this planned disposal, the Company had also retained a second advisory bank whose terms for participating in the transaction were similar to those applicable to the J.P. Morgan group, notably with regard to the scope of the assignment and compensation.

#### 2. New amendment to the December 18, 2014 syndicated facilities agreement

The Board of Directors of July 27, 2011 had unanimously authorized the Company, Mrs. Isabelle SEILLIER abstained from voting, to enter into a syndicated facilities agreement with J.P. Morgan Europe Limited and J.P. Morgan Limited (hereinafter "J.P. Morgan").

On July 28, 2011, the Company therefore entered into a syndicated facilities agreement with J.P. Morgan and several other banks, this agreement providing for the establishment of a €2 billion (multi-currency) revolving credit line, combined with a €300 million "swingline" facility, up to a maximum principal amount of €2 billion. The agreement's term was initially five years, with the possibility of renewal for up to two additional years subject to banks' approval.

Interest owed by the Company on amounts drawn under this syndicated facilities agreement are calculated on the basis of market rates (EURIBOR, EONIA, or equivalent indices in other currencies), plus a margin and any additional costs under certain conditions. A utilization fee is added to the interest due based on the credit portion used and, if the facility is not drawn down, a non-utilization fee equivalent to a percentage of the margin is applied. Finally, the Company paid the customary fees to the banks as part of the establishment of the syndicated facilities agreement in 2011.

The shareholders approved the signing of this syndicated facilities agreement at the Shareholders' Meeting of April 26, 2012.

In 2012 and 2013, the Company twice exercised the extension options included in the agreement. As a result, the syndicated facilities agreement was extended for two additional years, *i.e.*, until July 28, 2018.

On December 11, 2014, the Board of Directors, Mrs. Isabelle SEILLIER abstained from voting, unanimously authorized the Company to enter into a new amendment to the syndicated loan facility in order to: (i) lower the applicable margin and non-utilization fee; (ii) cancel the additional margin for amounts drawn in U.S. dollars; (iii) extend the duration of the facility for up to five years as from the signature date of the amendment, with options to extend it by up to two additional years, subject to the approval of the banks and under the same terms as the initial syndicated facilities agreement; and (iv) carry out other technical or legal adjustments in order to reflect changes in applicable legislation or market practices.

Pursuant to this authorization and through a legal agreement dated December 18, 2014, the Company entered into a syndicated facilities agreement along these lines with all banks party to the syndicated facilities agreement (including J.P. Morgan).

J.P. Morgan's commitment as a lender under the syndicated facilities agreement remains equal to €210 million, *i.e.*, 10.5% of the total, which is the same percentage as the other banks having the first rank in the syndicated facilities agreement. The fees and interest owed to the J.P. Morgan group by the Company are determined on a strict pro-rated basis relative to its commitments under the syndicated facilities agreement and are therefore equivalent to the fees and interest due to the other banking institutions having a first rank in the facilities agreement.

No amount was drawn under this syndicated facilities agreement in 2014.

In 2014, the Company paid J.P. Morgan a total of €508,083 in fees related to these credit facilities (fees related to the establishment of the amendment as well as non-utilization fees).

The Board of Directors noted that the shareholders will be informed each year, by means of the Statutory auditors' special report on related party agreements and commitments, of the amount actually paid to J.P. Morgan in respect of this agreement during the preceding fiscal year.

### **3. Subscription agreement of January 12, 2015 in connection with a bond issue**

At its December 11, 2014 meeting, the Board of Directors unanimously, Mrs. Isabelle SEILLIER abstained from voting, authorized the Company to enter with the J.P. Morgan into group subscriptions agreements in connection with a bond issue by the Company.

Under this authorization and within the scope of a €1.3 billion bond issue in two tranches under the EMTN program (a €550 million tranche with a five-year maturity and a €750 million tranche with a 10-year maturity), the Company entered into a subscription agreement with the banks responsible for placing the bonds (including J.P. Morgan Securities PLC) on January 12, 2015, under the terms

of which said banks underwrote the Company's entire bond issue, which they then immediately placed with investors wishing to participate in the issue.

Under the subscription agreement, a fee of 0.21% of the nominal amount of the bonds issued (€1.3 billion) was equally divided among the banks responsible for placing the bonds (including J.P. Morgan Securities PLC).

In this context, the amount paid to each of the banks responsible for the placement of the bonds, including J.P. Morgan Securities PLC after equal sharing of the commission, amounted to €390,000.

### **4. Benefit for the Company and its shareholders of these agreements entered into with J.P. Morgan**

The Board of Directors recalls that the decision to retain J.P. Morgan for these three transactions is justified on objective grounds and is therefore in the strict interest of the Company and its shareholders.

In particular, the Board of Directors emphasizes that:

- it is essential that the Group be able to rely on first-tier international banks, especially in a period of financial crisis;
- the J.P. Morgan group is a major international bank, whose expertise in strategic transactions is recognized in France and abroad (particularly in the United States);
- this bank has worked in the past with the Group on similar strategic transactions and therefore has a very good understanding of the Group and its activities, as well as excellent knowledge of the various players in the worldwide food and beverage industry, which further adds to the relevance of its advice; and
- the terms of J.P. Morgan's involvement (and in particular its compensation) are based on customary market practices, as evidenced by the presence, for each of the three respective agreements, of other banks receiving similar terms as those granted to J.P. Morgan.

In this context, we request that you approve the three above-mentioned agreements entered into by the Company with the J.P. Morgan group, which were authorized by the Board of Directors during the fiscal year ended December 31, 2014.

### **Approval of related party agreements and commitments concerning Mr. Emmanuel FABER (12<sup>th</sup> resolution)**

By law, upon the appointment of Mr. Emmanuel Faber as Chief Executive Officer as from October 1, 2014, the Company's shareholders must decide as to the renewal of his rights to indemnity in the event of termination of his duties.

The Board of Directors of February 18, 2013, upon recommendation of the Nomination and Compensation Committee, unanimously decided, at the time of the renewal of Mr. Emmanuel Faber's term of office as Director, subject to the vote of the Shareholders' Meeting of April 25, 2013, to renew his rights to indemnity applicable in certain cases of termination of his duties, Mr. Emmanuel FABER abstained from voting. These rights to indemnity were renewed on the same basis as that set by the Board of Directors of February 10, 2010 (approved by the Shareholders' Meeting of April 22, 2010), subject to certain amendments made in order to ensure strict compliance with the provisions of the AFEP-MEDEF Code, and to make the payment conditions more restrictive. These amendments were approved by the Company's Shareholders' Meeting of April 25, 2013.

In connection with the separation of the Chairman of the Board of Directors and Chief Executive Officer offices and the appointment

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

of Mr. Emmanuel Faber as Chief Executive Officer, the Board of Directors of September 2, 2014, upon recommendation of the Nomination and Compensation Committee, decided to maintain the same rights to indemnity (by taking into account, for the calculation basis of the indemnity, his average compensation received during the last 12 months in respect of his term of office as Chief Executive Officer and, in the event of termination of his duties before October 1, 2015, in respect of his term of office as Deputy General Manager, if appropriate), Mr. Emmanuel FABER abstained from voting, as approved by the Company's Shareholders' Meeting of April 25, 2013.

The rights to indemnity that entered into force as from October 1, 2014 (the date when Mr. Emmanuel Faber effectively assumed his duties as Chief Executive Officer) are described above in section 6.5 *Statutory auditors' special report on related party agreements and commitments*.

### **Advisory opinion on the components of compensation of corporate officers for the fiscal year ended December 31, 2014 (13<sup>th</sup> to 17<sup>th</sup> resolutions)**

#### Reminder of the principles of the Group's compensation policy for corporate officers

In accordance with the recommendations of the AFEP-MEDEF Code, the Company submits to the advisory opinion of its shareholders the components of compensation due or awarded for the fiscal year ended December 31, 2014 to its corporate officers. Given the changes in the Group's governance decided by the Board of Directors of September 2, 2014, five resolutions will be presented to the vote of the shareholders for fiscal year 2014.

The compensation of Mr. Franck RIBOUD, Chairman and Chief Executive Officer until September 30, 2014 and Chairman of the Board of Directors as from October 1, 2014, Mr. Emmanuel FABER, Deputy General Manager until September 30, 2014 and Chief Executive Officer as from October 1, 2014, and Mr. Bernard HOURS, Deputy General Manager until September 2, 2014, was determined by the Board of Directors on the basis of recommendations made by the Nomination and Compensation Committee. We remind you that these two bodies are predominantly (for the Board) or in whole (for the Nomination and Compensation Committee) composed of independent directors.

In accordance with the AFEP-MEDEF Code, the compensation of the Company's corporate officers is:

- appropriate and balanced in its various components, while favoring the award of a main part in the form of a variable multi-annual compensation; and
- determined in line with that of other directors and officers of the Group's subsidiaries worldwide.

#### **Compensation of the Chairman and Chief Executive Officer and of the Deputy General Managers until September 30, 2014, then as from October 1, 2014, of the Chief Executive Officer**

The compensation of these corporate officers is divided into two distinct components: an annual compensation and a multi-annual compensation, whose principles are described hereafter.

The Nomination and Compensation Committee undertook an in-depth study of best practices in the market on the basis of a benchmark prepared by external consultants, whose objectivity was verified by the Nomination and Compensation Committee, including large international companies listed in France (CAC 40) and a panel of eight leading international groups in the food and beverage sector (the same panel as used for the performance conditions of Group performance shares and termination indemnities of corporate officers, and including Unilever N.V., Nestlé S.A., Pepsico Inc.,

The Coca-Cola Company, Kraft Foods Group Inc., Mondelez International Inc., General Mills Inc. and Kellogg Company).

The Nomination and Compensation Committee determines the compensation of its corporate officers, taking care:

- on the one hand, that the mid-term and long-term portion is sufficiently significant in relation to their annual compensation (to motivate the corporate officers to work in a long-term perspective); and
- on the other hand, that the part subject to performance conditions is also sufficiently significant when compared to the fixed part so as to ensure effective alignment of the interests of management with the general interest of the Company and shareholders.

In addition, the Nomination and Compensation Committee determines the overall compensation of its corporate officers by integrating the advantage represented by the potential benefit of a supplementary pension plan.

The performance conditions are established so as to be both complementary and stable over the long-term. They are drawn up with reference to the Group's objectives communicated to the market. In addition, these performance conditions reflect compensation best practices, such as the integration of internal and external performance conditions, the latter being drawn up according to the "no pay below median" principle. The Nomination and Compensation Committee is therefore particularly careful to ensure that the performance criteria for compensation are demanding and reward long-term performance in line with market expectations.

The compensation policy implemented is based on simple, stable and transparent principles: thus Group performance units have been awarded since 2005 and Group performance shares since 2010. All the components of compensation of corporate officers, as well as an assessment of whether they have been achieved, are published on the Company's website and in the Registration Document (see section 6.3 *Compensation and benefits for corporate officers and governance bodies*). Lastly, for several years, the Company has been holding regular dialogs with its shareholders on this subject.

The annual compensation of the corporate officers comprises the following components:

- a fixed compensation, reviewed after relatively long periods (this fixed compensation has been reviewed for Mr. Emmanuel FABER, on the occasion of his appointment as Chief Executive Officer; his compensation for his duties as Deputy General Manager was stable since 2011), in accordance with the recommendations of the AFEP-MEDEF Code and which reflects the experience and level of responsibility of the beneficiary; and



## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

- a short-term annual variable compensation:
  - with regard to the short-term annual variable compensation granted to corporate officers until September 30, 2014:
    - for the Chairman and Chief Executive Officer, the short-term variable compensation target represents 135% of his fixed compensation and it is capped at 175% of his annual variable target compensation;
    - for the Deputy General Managers, the short-term variable compensation target represents 83% of their fixed compensation and it is capped at 200% of their annual variable target compensation; and
  - with regard to the short-term annual variable compensation granted to the Chief Executive Officer as from October 1, 2014, the target represents 100% of his fixed compensation and it is capped at 200% of his annual variable target compensation.

It is specified, as necessary, that, for fiscal year 2014, the annual compensation of the corporate officers has been calculated *pro rata temporis* depending on the effective date on which Mr. Franck RIBOUD and Mr. Emmanuel FABER took up their new duties (as from October 1, 2014) and on the date on which Mr. Bernard HOURS ceased his duties as Deputy General Manager (on September 2, 2014).

The short-term annual variable compensation is granted subject to predetermined performance conditions, calculated on the basis of objective and precise quantitative and qualitative criteria and determined on the basis of economic, social and managerial objectives. It includes:

- a variable economic portion representing 60% for the corporate officers (except for the Chairman and Chief Executive Officer), calculated with reference to the Group's objectives as communicated to the market in terms of the following indicators:
  - sales;
  - trading operating margin; and
  - free cash-flow;
- a variable social portion, representing 20% for the corporate officers (except for the Chairman and Chief Executive Officer), calculated with reference to the Group's social objectives (safety at work, employee training, skills development, environmental parameters and societal initiatives); and
- a variable managerial portion, representing 20% for the corporate officers (except for the Chairman and Chief Executive Officer), calculated with reference to objectives related to growth of the Group's business (product innovation, market share, development in new geographical areas, implementation of strategic decisions).

The achievement evaluation of the annual variable compensation different criteria is described in details in section 6.3 *Compensation and benefits for corporate officers and governance bodies* related to 2014 annual short-term variable compensation.

During fiscal year 2014, the medium- and long-term variable compensation of corporate officers was composed of the following components:

- a medium-term variable compensation in the form of "Group performance units" paid subject to multi-annual performance conditions being met over a three-year period; and
- a long-term variable compensation in the form of Group performance shares subject to long-term performance conditions based on internal performance criteria related to the objec-

tives communicated to the market by the Group and external performance criteria related to a comparison of the Group's performance against those of a panel of its peers. The Company's program for awarding Group performance shares is therefore in line with best market practices (see comments on the 27<sup>th</sup> resolution hereafter).

### Compensation of the Chairman of the Board of Directors as from October 1, 2014

In consistence with the organization of the transition of Danone's General Management, the compensation of Mr. Franck RIBOUD has been globally reviewed.

The separation of the offices of Chief Executive Officer and Chairman was proposed by Mr. Franck RIBOUD with the objective of laying the groundwork for his smooth succession at the head of the Company and of focusing on the key strategic issues for Danone in the medium and long term.

The Lead Independent Director, Mr. Jean LAURENT, was involved in the reflection and organization of the General Management's succession.

Several elements were taken into consideration, in particular, the fact that Mr. Franck RIBOUD, as Chairman and Chief Executive Officer, had transformed the Group in a worldwide company turned to emerging markets and prepared for future challenges; but also the fact that DANONE share value was multiplied by five during his term of office and that the dividend was never lowered and finally, the fact that Mr. Franck RIBOUD embodies Danone and its values, its management style and its very specific culture.

That is why, the Board of Directors, upon recommendation of the Nomination and Compensation Committee and of the Lead Independent Director, accepted the proposal made by Mr. Franck RIBOUD to lay the groundwork for his succession before being 60 years old, but wished he remained involved full-time in the Company life, without assuming executive responsibilities, in order to ensure a smooth and progressive transition. It has thus organized a reinforced Chairmanship enabling Mr. Franck RIBOUD to remain totally involved in the company life.

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Since October 2014, beyond the charge of directing the work of the Board of Directors and within the framework of the reinforced Chairmanship, Mr. Franck RIBOUD has been actively devoted to several duties including in particular:

- support in the setting up of the new general management and presentation of the new governance principles to Danone's teams (notably through the attendance at conventions and internal great events, and at various managerial meetings), and to the main business and financial partners of the Company;
- configuration of the new Strategy Committee which will begin its work at the first semester of 2015: composition proposal, functioning, work and reflection items and themes, coordination of the Committee work with the Board, etc.;
- dialogue with the management on the Danone 2020 project, initiated in April 2014, in particular, to help fixing objectives and levels of ambition of the various work streams;
- representation of the Company towards meetings with public authorities of first rank, notably with French, Russian and American public authorities, or with the shareholders of certain of international Group entities, notably in Latin America;

- participation to several symbolic events for Danone's development and reputation like the inauguration of a research and development center in Argentina or the world final of the Danone Nations Cup in Brazil; and

- investment in various projects in connection with Danone's culture and the dual economic and social project like the launch of the new Livelihoods fund for familial farming in alliance with Mars Inc.

Thus, the annual fixed compensation, the amount of which was decided on September 2, 2014, for application as from October 1, 2014, is the single component of compensation of Mr. Franck RIBOUD for fiscal year 2015. Those conditions of compensation will be reviewed on a regular basis in view of proposing a compensation structure suited to the Chairman duties, in consistency with the interest of the Company and of its shareholders.

For more information on the compensation policy for corporate officers, see section 6.3 *Compensation and benefits for corporate officers and governance bodies*.

### Concerning the components of compensation due or awarded in respect of the fiscal year ended December 31, 2014 to Mr. Franck RIBOUD, Chairman and Chief Executive Officer until September 30, 2014 (13<sup>th</sup> resolution)

The shareholders are asked to issue an opinion on the following components of compensation due or awarded to Mr. Franck RIBOUD, Chairman and Chief Executive Officer until September 30, 2014:

(in €)	Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015	Presentation
<b>Components of compensation due or awarded to Mr. Franck RIBOUD, Chairman and Chief Executive Officer until September 30, 2014, in respect of the fiscal year just ended</b>		
Fixed compensation	787,500	Fixed compensation is reviewed after relatively long periods in accordance with the recommendations of the AFEP-MEDEF Code and takes into account the executive's experience and level of responsibility. Fixed compensation paid to Mr. Franck RIBOUD has been stable during seven years.
Annual variable compensation	1,594,688	Short-term variable compensation is subject to performance conditions, calculated on the basis of objective, specific quantitative and qualitative criteria and determined on the basis of the economic, social and managerial objectives described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Principles applicable to annual variable compensation</i> .  The annual variable target compensation of Mr. Franck RIBOUD in respect of this period was equal to €1,063,125. Concerning the achievement evaluation of the annual variable compensation various criteria, see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>2014 annual short-term variable compensation</i> .
Deferred variable compensation	Not applicable	Purposeless, the Group does not provide for deferred variable compensation for corporate officers.
Multi-annual variable compensation (i.e. Group performance units) <sup>(a)</sup>	675,000	Multi-annual variable compensation consists of Group performance units (GPU) paid subject to multi-annual performance conditions over a three-year period.  The 2014 GPU were allocated to Mr. Franck RIBOUD on July 24, 2014.  General principles as well as the annual objectives of GPU granted in 2014 are presented in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>General principles of Group performance units</i> and to <i>Description of the Group performance units program (multi-annual variable compensation)</i> .
Extraordinary compensation	Not applicable	Purposeless, the Group does not provide for extraordinary compensation for corporate officers.

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

<i>(in €)</i>	<b>Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015</b>	<b>Presentation</b>
Stock-options, performance shares (i.e. Group performance shares) and other long-term compensation <sup>(b)</sup>	Options = Not applicable	None granted.  The most recent grant of stock-options to corporate officers occurred in November 2009 (see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Long-term compensation in the form of stock-options (until 2009)</i> and to <i>Description of stock-options programs (as of December 31, 2014)</i> ).
	Group performance shares = 2,513,500	Long-term variable compensation takes the form of Group performance shares (GPS). GPS are Company shares subject to performance conditions.  The 2014 GPS were allocated to Mr. Franck RIBOUD on July 24, 2014.  General principles and performance conditions applying to GPS granted in 2014 are presented in sections 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Long-term compensation in the form of Group performance shares (program introduced in 2010)</i> and to <i>Description of the Group performance shares program (long-term variable compensation)</i> .
Directors' attendance fees	Not applicable	Directors who are also members of the Executive Committee and/or corporate officers do not receive attendance fees.
Value of benefits of any kind	3,465	Benefits in kind correspond to the Company's car pool and drivers made available to all Executive Committee members.
<b>Components of compensation due or awarded in respect of the fiscal year just ended and which are or were voted on by the Shareholders' Meeting under the procedure for related party agreements and commitments</b>		
Termination indemnities	No amount due in respect of the fiscal year just ended	In accordance with French law, payment of termination indemnities to corporate officers is subject to performance conditions. In addition, and in compliance with the AFEP-MEDEF Code, the amount of these termination indemnities is subject to a limit and they are to be paid only in certain cases.  Comprehensive information concerning the termination indemnity for Mr. Franck RIBOUD is provided in section 6.5 <i>Statutory auditors' special report on related party agreements and commitments</i> .
Non-compete indemnities	Not applicable	No non-compete clause is applicable to Mr. Franck RIBOUD.
Supplementary retirement plan	No amount due in respect of the fiscal year just ended	Corporate officers are covered by the defined benefit retirement plan set up for certain executives classified as Group Senior Managers (139 persons still benefit from this plan). This retirement plan was closed to any new beneficiaries as of December 31, 2003.  Eligibility for this plan is subject to the conditions described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Obligations relative to executives' supplementary retirement plans</i> .

(a) Maximum value of GPU granted in the fiscal year in question, taking into account the partial achievement of the 2014 objective, i.e. €27 per GPU.

(b) Represents the estimated value as of the grant date in accordance with IFRS 2, *Share-based Payment*.

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Concerning the components of compensation due or awarded in respect of the fiscal year ended December 31, 2014 to Mr. Franck RIBOUD, Chairman of the board of Directors as from October 1, 2014 (14<sup>th</sup> resolution)

The shareholders are asked to issue an opinion on the following components of compensation due or awarded to Mr. Franck RIBOUD, Chairman of the Board of Directors as from October 1, 2014:

<i>(in €)</i>		<b>Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015</b>	<b>Presentation</b>
<b>Components of compensation due or awarded to Mr. Franck RIBOUD, Chairman of the Board of Directors as from October 1, 2014, in respect of the fiscal year just ended</b>			
Fixed compensation	500,000	As part of the new duties of Mr. Franck RIBOUD, which he exercises on a full-time basis, his compensation has been globally reviewed and has led to significant arbitration. Thus, for his annual compensation, he has only benefited from a fixed compensation, the monetary annual and multi-annual variable compensation being not applicable.	
		The amount of this compensation has been established both by taking into account the importance of the duties entrusted to Mr. Franck RIBOUD which are, within the framework of a reinforced Chairmanship, larger than those provided by French Law, the active role played by Mr. Franck RIBOUD in the transition of the General Management of Danone, his seniority within the Group, and his in-depth knowledge of Danone's markets, culture and environment.	
		With regard to the complementary tasks entrusted to Mr. Franck RIBOUD, he chairs and leads the new Strategy Committee, ensures compliance with the values of Danone and its culture, may represent the Group in its high-level relations (at the request of the Chief Executive Officer) on a national and international level, may be consulted on any significant events concerning the strategy of the Group and participate to internal meetings with managers and teams of the Group (see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Details of annual compensation and benefits due and paid to corporate officers</i> ).	
Annual variable compensation	Not applicable	Mr. Franck RIBOUD does not benefit from any variable compensation.	
Deferred variable compensation	Not applicable	Purposeless, the Group does not provide for deferred variable compensation for corporate officers.	
Multi-annual variable compensation (i.e. Group performance units)	0	Multi-annual variable compensation consists of Group performance units (GPU) paid subject to multi-annual performance conditions over a three-year period. No GPU has been granted to corporate officers since October 1, 2014.	
Extraordinary compensation	Not applicable	Purposeless, the Group has not introduced a system of extraordinary compensation for corporate officers.	
Stock-options, performance shares (i.e. Group performance shares) and other long-term compensation	Options = Not applicable	None granted. The most recent grant of stock-options to corporate officers occurred in November 2009 (see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Long-term compensation in the form of stock-options (until 2009)</i> and to <i>Description of stock-options programs (as of December 31, 2014)</i> ).	
	Group performance shares = 0	Long-term variable compensation takes the form of Group performance shares (GPS). GPS are Company's shares subject to performance conditions. No GPS has been granted to corporate officers since October 1, 2014.	
Directors' attendance fees	Not applicable	Directors who are also members of the Executive Committee and/or corporate officers do not receive attendance fees.	
Value of benefits of any kind	1,155	Benefits in kind correspond to the Company's car pool and drivers made available to all Executive Committee members.	



## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

(in €)	Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015	Presentation
<b>Components of compensation due or awarded in respect of the fiscal year just ended and which are or were voted on by the Shareholders' Meeting under the procedure for related party agreements and commitments</b>		
Termination indemnities	Not applicable	As part of his new duties, Mr. Franck RIBOUD waived his termination indemnity in respect of his corporate office.  It should be noted that Mr. Franck RIBOUD also benefits from a termination indemnity as part of his suspended employment contract (for more details, see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Suspension of the employment contract of corporate officers</i> ).
Non-compete indemnities	Not applicable	No non-compete clause is applicable to Mr. Franck RIBOUD.
Supplementary retirement plan	No amount due in respect of the fiscal year just ended	Corporate officers are covered by the defined benefit retirement plan set up for certain executives classified as Group Senior Managers (139 persons still benefit from this plan). This retirement plan was closed to any new beneficiaries as of December 31, 2003.  Eligibility for this plan is subject to the conditions described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Obligations relative to executives' supplementary retirement plans</i> .

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Concerning the components of compensation due or awarded in respect of the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Deputy General Manager until September 30, 2014 (15<sup>th</sup> resolution)

The shareholders are asked to issue an opinion on the following components of the compensation due or awarded to Mr. Emmanuel FABER, Deputy General Manager until September 30, 2014:

<i>(in €)</i>		<b>Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015</b>	<b>Presentation</b>
<b>Components of compensation due or awarded to Mr. Emmanuel FABER, Deputy General Manager until September 30, 2014, in respect of the fiscal year just ended</b>			
Fixed compensation	511,125	Fixed compensation is reviewed after relatively long periods in accordance with the recommendations of the AFEP-MEDEF Code and takes into account the executive's experience and level of responsibility. Fixed compensation paid to Mr. Emmanuel FABER has been stable during four years.	
Annual variable compensation	435,690	Short-term variable compensation is subject to performance conditions, calculated on the basis of objective, specific quantitative and qualitative criteria and determined on the basis of the economic, social and managerial objectives described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Principles applicable to annual variable compensation</i> .  The annual variable target compensation of Mr. Emmanuel FABER in respect of this period was equal to €423,000.  Concerning the achievement evaluation of the annual variable compensation various criteria, see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>2014 annual short-term variable compensation</i> .	
Deferred variable compensation	Not applicable	Purposeless, the Group does not provide for deferred variable compensation for corporate officers.	
Multi-annual variable compensation (i.e. Group performance units) <sup>(a)</sup>	486,000	Multi-annual variable compensation consists of Group performance units (GPU) paid subject to multi-annual performance conditions over a three-year period.  The 2014 GPU were allocated to Mr. Emmanuel FABER on July 24, 2014.  General principles as well as the annual objectives of the GPS granted in 2014 are presented in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>General principles of Group performance units</i> and to <i>Description of the Group performance units program (multi-annual variable compensation)</i> .	
Extraordinary compensation	Not applicable	Purposeless, the Group has not introduced a system of extraordinary compensation for corporate officers.	
Stock-options, performance shares (i.e. Group performance shares) and other long-term compensation <sup>(b)</sup>	Options = Not applicable	None granted.  The most recent grant of stock-options to corporate officers occurred in November 2009 (see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Long-term compensation in the form of stock-options (until 2009)</i> and to <i>Description of stock-options programs (as of December 31, 2014)</i> ).	
	Group performance shares = 1,809,720	Long-term variable compensation takes the form of Group performance shares (GPS). GPS are Company's shares subject to performance conditions.  The 2014 GPS were allocated to Mr. Emmanuel FABER on July 24, 2014.  General principles and performance conditions applying to GPS granted in 2014 are presented in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Long-term compensation in the form of Group performance shares (program introduced in 2010)</i> and to <i>Description of the Group performance shares program (long-term variable compensation)</i> .	
Directors' attendance fees	Not applicable	Directors who are also members of the Executive Committee and/or corporate officers do not receive attendance fees.	
Value of benefits of any kind	3,465	Benefits in kind correspond to the Company's car pool and drivers made available to all Executive Committee members.	

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

<b>Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015</b>		<b>Presentation</b>
<b>Components of compensation due or awarded in respect of the fiscal year just ended and which are or were voted on by the Shareholders' Meeting under the procedure for related party agreements and commitments</b>		
Termination indemnities	No amount due in respect of the fiscal year just ended	<p>In accordance with French law, payment of termination indemnities to corporate officers is subject to performance conditions. In addition, and in compliance with the AFEP-MEDEF Code, the amount of these termination indemnities is subject to a limit and they are to be paid only in certain cases.</p> <p>Comprehensive information concerning the termination indemnity for Mr. Emmanuel FABER is provided in section 6.5 <i>Statutory auditors' special report on related party agreements and commitments</i>.</p>
Non-compete indemnities	No amount due in respect of the fiscal year just ended	<p>The non-compete clause currently applicable to Mr. Emmanuel FABER provides, at Danone's discretion, either for the activation of the clause for a 18-month period subject to a gross monthly payment equivalent to 50% of his gross average base salary and of his target bonus paid over the last 12 months, or for his release from the clause without any financial compensation.</p> <p>To avoid any situation of aggregation, which would not fall within the recommendations of the AFEP-MEDEF Code, the Board of Directors of February 10, 2010, and as recommended by the Nomination and Compensation Committee, amended Mr. Emmanuel FABER's suspended employment contract to ensure that the non-compete clause may only be activated by the Company in the event of his resignation, in respect of which neither the indemnity for the termination of his employment contract nor the indemnity due in certain cases upon the cessation of his duties would be paid.</p>
Supplementary retirement plan	No amount due in respect of the fiscal year just ended	<p>Corporate officers are covered by the defined benefit retirement plan set up for certain executives classified as Group Senior Managers (139 persons still benefit from this plan). This retirement plan was closed to any new beneficiaries as of December 31, 2003.</p> <p>Eligibility for this plan is subject to the conditions described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Obligations relative to executives' supplementary retirement plans</i>.</p>

[a] Maximum value of GPU granted in the fiscal year in question, taking into account the partial achievement of the 2014 objective, i.e. €27 per GPU.

[b] Represents the estimated value as of the grant date in accordance with IFRS 2, *Share-based payment*.

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Concerning the components of compensation due or awarded in respect of the fiscal year ended December 31, 2014 to Mr. Emmanuel FABER, Chief Executive Officer as from October 1, 2014 (16<sup>th</sup> resolution)

The shareholders are asked to issue an opinion on the following components of the compensation due or awarded to Mr. Emmanuel FABER, Chief Executive Officer as from October 1, 2014:

<i>(in €)</i>		<b>Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015</b>	<b>Presentation</b>
<b>Components of compensation due or awarded to Mr. Emmanuel FABER, Deputy General Manager, as from October 1, 2014, in respect of the fiscal year just ended</b>			
Fixed compensation	250,000	Within the framework of the new duties of Mr. Emmanuel FABER, his fixed compensation has been reviewed globally. It takes into account in accordance with the recommendations of the AFEP-MEDEF Code, his executive's experience and his level of responsibility.	
Annual variable compensation	257,500	Short-term variable compensation is subject to performance conditions, calculated on the basis of objective, specific quantitative and qualitative criteria and determined on the basis of the economic, social and managerial objectives described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Principles applicable to annual variable compensation</i> .  The annual variable compensation of Mr. Emmanuel FABER in respect of this period was equal to €250,000.  Concerning the achievement evaluation of the annual variable compensation various criteria, see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>2014 annual short-term variable compensation</i> .	
Deferred variable compensation	Not applicable	Purposeless, the Group does not provide for deferred variable compensation for corporate officers.	
Multi-annual variable compensation (i.e. Group performance units) <sup>[a]</sup>	0	Multi-annual variable compensation consists of Group performance units (GPU) paid subject to multi-annual performance conditions over a three-year period.  No GPU has been granted to corporate officers since October 1, 2014.	
Extraordinary compensation	Not applicable	Purposeless, the Group has not introduced a system of extraordinary compensation for corporate officers.	
Stock-options, performance shares (i.e. Group performance shares) and other long-term compensation <sup>[b]</sup>	Options = Not applicable	None granted.  The most recent grant of stock-options to corporate officers occurred in November 2009 (see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Long-term compensation in the form of stock-options (until 2009)</i> and to <i>Description of stock-options programs (as of December 31, 2014)</i> ).	
	Group performance shares = 0	Long-term variable compensation takes the form of Group performance shares (GPS). GPS are Company's shares subject to performance conditions.  No GPS has been granted to corporate officers since October 1, 2014.	
Directors' attendance fees	Not applicable	Directors who are also members of the Executive Committee and/or corporate officers do not receive attendance fees.	
Value of benefits of any kind	1,155	Benefits in kind correspond to the Company's car pool and drivers made available to all Executive Committee members.	



## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

(in €)	Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015	Presentation
<b>Components of compensation due or awarded in respect of the fiscal year just ended and which are or were voted on by the Shareholders' Meeting under the procedure for related party agreements and commitments</b>		
Termination indemnities	No amount due in respect of the fiscal year just ended	<p>In accordance with French law, payment of termination indemnities to corporate officers is subject to performance conditions. In addition, and in compliance with the AFEP-MEDEF Code, the amount of these termination indemnities is subject to a limit and they are to be paid only in certain cases.</p> <p>Comprehensive information concerning the termination indemnity for Mr. Emmanuel FABER is provided in section 6.5 <i>Statutory auditors' special report on related party agreements and commitments</i>.</p>
Non-compete indemnities	No amount due in respect of the fiscal year just ended	<p>The non-compete clause currently applicable to Mr. Emmanuel FABER provides, at Danone's discretion, either for the activation of the clause for a 18-month period subject to a gross monthly compensation equivalent to 50% of his gross average base salary and of his target bonus paid over the last 12 months, or for his release from the clause without any financial compensation.</p> <p>To avoid any situation of aggregation, which would not fall within the recommendations of the AFEP-MEDEF Code, the Board of Directors of February 10, 2010, and as recommended by the Nomination and Compensation Committee, amended Mr. Emmanuel FABER's suspended employment contract to ensure that the non-compete clause may only be activated by the Company in the event of his resignation, in respect of which neither the indemnity for the termination of his employment contract nor the indemnity due in certain cases upon the cessation of his duties would be paid.</p>
Supplementary retirement plan	No amount due in respect of the fiscal year just ended	<p>Corporate officers are covered by the defined benefit retirement plan set up for certain executives classified as Group Senior Managers, (139 persons still benefit from this plan). This retirement plan was closed to any new beneficiaries as of December 31, 2003.</p> <p>Eligibility for this plan is subject to the conditions described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Obligations relative to executives' supplementary retirement plans</i>.</p>

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Concerning the components of compensation due or awarded in respect of the fiscal year ended December 31, 2014 to Mr. Bernard HOURS, Deputy General Manager until September 2, 2014 (17<sup>th</sup> resolution)

The shareholders are asked to issue an opinion on the following components of the compensation due or awarded in respect of the fiscal year just ended to Mr. Bernard HOURS, Deputy General Manager until September 2, 2014:

<b>Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015</b>		<b>Presentation</b>
<i>(in €)</i>		
<b>Components of compensation due or awarded to Mr. Bernard HOURS, Deputy General Manager, until September 2, 2014, in respect of the fiscal year just ended</b>		
Fixed compensation	457,445	Fixed compensation is reviewed after relatively long periods in accordance with the recommendations of the AFEP-MEDEF Code and takes into account the executive's experience and level of responsibility. Fixed compensation paid to Mr. Bernard HOURS has been stable during four years.
Annual variable compensation	394,550	Short-term variable compensation is subject to performance conditions, calculated on the basis of objective, specific quantitative and qualitative criteria and determined on the basis of the economic, social and managerial objectives described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Principles applicable to annual variable compensation</i> .  The annual variable target compensation of Mr. Bernard HOURS in respect of this period was equal to €376,000.  Concerning the achievement evaluation of the annual variable compensation various criteria, see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>2014 annual short-term variable compensation</i> .
Deferred variable compensation	Not applicable	Purposeless, the Group does not provide for deferred variable compensation for corporate officers.
Multi-annual variable compensation (i.e. Group performance units) <sup>[a]</sup>	0	Multi-annual variable compensation consists of Group performance units (GPU) paid subject to multi-annual performance conditions over a three-year period.  The 18,000 GPU allocated to Mr. Bernard HOURS on July 24, 2014 became void as a result of his departure from the Group.
Extraordinary compensation	Not applicable	Purposeless, the Group has not introduced a system of extraordinary compensation for corporate officers.
Stock-options, performance shares (i.e. Group performance shares) and other long-term compensation <sup>[b]</sup>	Options = Not applicable	None granted.  The most recent grant of stock-options to corporate officers occurred in November 2009 (see section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Long-term compensation in the form of stock-options (until 2009)</i> and to <i>Description of stock-options programs (as of December 31, 2014)</i> .
	Group performance shares = 0	Long-term variable compensation takes the form of Group performance shares (GPS). GPS are Company's shares subject to performance conditions.  The 36,000 GPS allocated to Mr. Bernard HOURS on July 24, 2014 became void as a result of his departure from the Group.
Directors' attendance fees	Not applicable	Directors who are also members of the Executive Committee and/or corporate officers do not receive attendance fees.
Value of benefits of any kind	3,080	Benefits in kind correspond to the Company's car pool and drivers made available to all Executive Committee members.

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

(in €)	Amount or value for accounting purposes submitted to a vote at the Shareholders' Meeting of April 29, 2015	Presentation
<b>Components of compensation due or awarded in respect of the fiscal year just ended and which are or were voted on by the Shareholders' Meeting under the procedure for related party agreements and commitments</b>		
Termination indemnities	2,109,640	<p>Following the Board of Directors decision to abolish the two offices of Deputy General Managers as part of the evolution of the Group's strategic directions, Mr. Bernard HOURS' office as Deputy General Manager and his Dutch statutory director contract were terminated on September 2, 2014, as well as his employment contract.</p> <p>Consequently, Mr. Bernard HOURS received an indemnity of a global amount of €2,109,640, comprising €321,720 pursuant to the termination of his corporate office and equal to €1,787,920 pursuant to the termination of his employment contract.</p> <p>In accordance with the recommendations of the AFEP-MEDEF Code, (i) all sums received by Mr. Bernard HOURS in the framework of the cessation of his duties within the Group have not exceeded an amount equal to twice the gross annual compensation (comprising both fixed and variable compensation) received during the last 12 months preceding the date on which duties ceased and (ii) the indemnity has been paid only after the acknowledgement of the achievement of the applicable performance condition by the Board of Directors.</p> <p>Comprehensive information concerning the termination indemnity for Mr. Bernard HOURS is provided in section 6.5 <i>Statutory auditor's special report on agreements and commitments</i>.</p>
Non-compete indemnities	Not applicable	<p>The non-compete clause which benefited to Mr. Bernard HOURS was not implemented and he did not receive any non-compete indemnity, as the payment of the financial counterpart which solely applies in the event of a resignation.</p>
Supplementary retirement plan	No amount due in respect of the fiscal year just ended	<p>Corporate officers are covered by the defined benefit retirement plan set up for certain executives classified as Group Senior Managers (139 persons still benefit from this plan). This retirement plan was closed to any new beneficiaries as of December 31, 2003.</p> <p>Eligibility for this plan is subject to the conditions described in section 6.3 <i>Compensation and benefits for corporate officers and governance bodies</i> related to <i>Obligations relative to executives' supplementary retirement plans</i>.</p>

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

### Fixing of the amount of Directors' attendance fees (18<sup>th</sup> resolution)

We propose to increase the maximum amount of attendance fees that may be paid to all Directors from €800,000 to €1 million per fiscal year. As a reminder, this overall annual amount of €800,000 was set by your Shareholders' Meeting in 2013.

The increase in the overall amount of attendance fees would make it possible to:

- bear the costs relating to the functioning of the Strategy Committee created by the Board of Directors of September 2, 2014 as well as the costs relating to the functioning and composition of the other Committees; and
- increase the variable portion paid out for Board meetings (from €2,000 to €3,000, with no changes to the other rules) in order to better take into account the Directors' effective attendance at Board meetings, in accordance with the best governance practices and the recommendations of the AFEP-MEDEF Code.

The Board reviewed the distribution rules for allocating attendance fees among CAC 40 companies and its international peers, with regard to the overall annual amount authorized by the Shareholders' Meeting and the amount actually paid out to Directors, regardless of whether they are or not members of committees. The Board noted that this increase in the amount of attendance fees to be paid out to Directors for their attendance at Board meetings is in line with its policy to renew the membership and is consistent with the objectives of independent, diverse and international Board members.

In 2015 and subject to the adoption of this resolution, the allocation formula would therefore still include a fixed portion that remains unchanged, and the allocation of the overall amount of attendance fees between Directors would be made as follows:

#### (i) Fixed portion

- Director: fixed amount of €10,000 per year (amount unchanged); and
- Lead Independent Director: fixed amount of €50,000 per year (amount unchanged).

#### (ii) Variable portion

##### (a) Board of Directors' meetings

- a new amount of €3,000 per meeting (up from €2,000 currently); and
- for travel by Directors residing outside of France:
  - an additional amount of €2,000 per trip to a meeting of the Board of Directors for Directors residing elsewhere in Europe (amount unchanged); and
  - an additional amount of €4,000 per trip to a meeting of the Board of Directors for Directors residing outside of Europe (amount unchanged).

It should be noted that the aforementioned rules also apply for meetings of independent Directors convened by the Lead Independent Director.

##### (b) Board committees' meetings

- Members: €4,000 per meeting (amount unchanged); and
- Chairman: €8,000 per meeting (amount unchanged).

Moreover, for the additional amounts linked to travel to the Board Committees' meetings, the same rules apply as those specified for Directors.

The Board noted that in accordance with its rules of procedure, Directors who are also members of the Executive Committee or employees or corporate officers (including the Chairman of the Board of Directors) within the Group do not receive these attendance fees.

The individual amounts of attendance fees due for the 2013 and 2014 fiscal years are described in section 6.3 *Compensation and benefits for corporate officers and governance bodies*.

Finally, the Board undertook that as part of this resolution, any change in the allocation rules presented above shall be disclosed in the Registration Document.

### Acquisition by the Company of its own shares (19<sup>th</sup> resolution)

The 19<sup>th</sup> resolution renews the authorization granted to the Board to purchase or transfer Company shares.

#### Description of the authorization

We ask you to authorize your Board to purchase, hold or transfer Company shares within the scope of a repurchase program coming under the provisions of Article L. 225-209 *et seq.* of the French commercial code and European Regulation 2273/2003 of December 22, 2003 implementing European Directive 2003/6/EC of January 28, 2003.

A description of the share repurchase program set up in accordance with Articles 241-1 *et seq.* of the general regulations of the French Financial Markets Authority is given in section 7.2 *Treasury shares and DANONE call options held by the Company and its subsidiaries*.

The repurchase by the Company of its own shares may be implemented for any of the following purposes:

- the allocation of shares with respect to the exercise of stock purchase options by employees and/or corporate officers of the Company and of companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions;
- the implementation of any plan for the allocation of Group performance shares to employees and/or corporate officers of the

Company and of companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions;

- the sale of shares to employees (either directly or through an employee savings mutual fund) within the context of employee shareholding plans or company savings plans;
- the delivery of shares upon the exercise of rights attached to securities giving access to the Company's share capital;
- the later delivery of shares as payment or for exchange in the context of external growth transactions;
- the cancellation of shares within the maximum legal limit; or
- supporting the market for the shares pursuant to a liquidity contract entered into with an investment service provider in accordance with the Ethical Charter recognized by the French Financial Markets Authority.

These transactions may not be carried out during periods of public tender offers on the Company's shares.

Depending on the case, the shares may be acquired, sold, exchanged or transferred, in whole or in part, as the case may be, by any means on any stock markets or over the counter, including

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

by external growth transactions or disposal of blocks of shares (without limiting the portion of the share repurchase program that may be completed this way). These means include the use of any financial contract or instrument (including in particular any future or any option), except the sale of put options, in the conditions set out by applicable regulations.

The maximum number of shares that may be purchased would represent 10% of the share capital, or 64,379,200 shares as of February 28, 2015, at a maximum purchase price of €70 (net of acquisition costs), resulting in a maximum theoretical total purchase amount of €4,506,544,000. The latter figure is for information purposes only, as it does not include shares already held by the Company.

This authorization would be given for a 18-month period as of the Meeting and would supersede with effect from its adoption the 18<sup>th</sup> resolution approved by the Shareholders' Meeting of April 29, 2014.

### Justification for the authorization request

It is important for the Company and its shareholders that your Board continues to have the necessary powers to carry out transactions involving the Company's shares.

These transactions enable the Board to make payments in Company shares in the context of external growth transactions and to offer shares to the Group's employees and corporate officers, notably as part of allocations of shares subject to performance conditions.

In 2014, therefore, the share repurchase program implemented resulted in the acquisition of 1.7 million shares for the purpose of granting shares to the Group's corporate officers and eligible employees and in connection with a liquidity agreement (for more information on these transactions, see section 7.2 *Treasury shares and DANONE call options held by the Company and its subsidiaries*).

It should be noted, insofar as it is necessary, that the Company purchased call options on DANONE shares in 2011 to cover a portion of the stock purchase option plans granted to certain employees and corporate officers. These calls, which represented a total of 0.16% of the company's share capital as of December 31, 2014, may be exercised at any time to allow the Company to fulfill its obligations to deliver shares to these beneficiaries.

In accordance with the regulation of the French Financial Markets Authority, share repurchase transactions are disclosed in detail each week on the Company's website.

## Financial authorizations (20<sup>th</sup> to 27<sup>th</sup> resolutions)

Proposed financial authorizations<sup>(a)</sup> – 26 months<sup>(b)</sup>

Common maximum amount applicable to all dilutive and non-dilutive issuances: 35% of capital	Maximum amount applicable to non-dilutive issuances: 35% of capital	Capital increase with preferential subscription right for shareholders (20 <sup>th</sup> resolution)	35%
		Capital increase without preferential subscription right but with a priority period for shareholders (21 <sup>st</sup> resolution)	10%
	Maximum amount applicable to dilutive issuances: 10% of capital	Over-allotment (as a % of initial issuance) <sup>(c)</sup> (22 <sup>nd</sup> resolution)	15%
		Public exchange offer initiated by the Company (23 <sup>rd</sup> resolution)	10%
		Contributions in-kind (24 <sup>th</sup> resolution)	10%
		Capital increase reserved for employees (26 <sup>th</sup> resolution)	2%
		Grants of shares subject to performance conditions (Group performance shares) (27 <sup>th</sup> resolution)	0,2%
		Incorporation of reserves, earnings, premiums or other amounts (25 <sup>th</sup> resolution)	25%

(a) The percentages indicated in the above table are indicative rounded-off amounts, as the maximum amounts applicable to the authorizations are set in nominal amounts and not in percentages of share capital (the nominal amounts of such ceilings are described hereafter for each resolution).

(b) Except for the authorization to grant Group performance shares (27<sup>th</sup> resolution) which would expire on December 31, 2015.

(c) The 15% ceiling would be calculated relative to the amount of each issuance made pursuant to the resolution to increase the capital without preferential subscription right but with a priority period (21<sup>st</sup> resolution).



## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

We recommend that you renew the financial authorizations approved by the Shareholders' Meetings of April 25, 2013 and April 29, 2014, whose use is presented in section 7.3 *Authorizations for securities issues giving rights to the share capital*, under the terms and conditions presented hereafter.

The proposed authorizations would empower the Board with regard to financial management by enabling it to increase the share capital using various means and to serve different purposes.

Each authorization corresponds to a specific objective. Like all major multinational groups, Danone needs to have the flexibility to respond quickly to changes in market conditions and thereby be able to obtain financing under the best possible conditions.

Any use of these authorizations will take into account the impact on existing shareholders. Moreover, such use will be subject to an offering memorandum (note d'information) approved by the French Financial Markets Authority on the reasons and conditions of the transaction in all cases required by applicable regulations.

We draw your attention to the fact that the approval of certain resolutions (21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> resolutions) is intended to enable capital increases while waiving the preferential subscription right for shareholders.

In order to respect shareholders' interests to the greatest extent possible, this waiver of preferential subscription right is accompanied, in the context of the general authorization (21<sup>st</sup> resolution), by an obligation for the Board to grant a priority period to shareholders.

In accordance with financial market best practices and shareholders' recommendations, the financial authorizations subject to your vote were also restricted in several regards. Thus:

- the maximum amount applicable to the resolution on a capital increase without preferential subscription right but with an obligation to grant a priority period (21<sup>st</sup> resolution) was lowered from 14.7% to 10% of the share capital, it being noted that this limit applies to all dilutive issuances; and
- the issuances with or without preferential subscription right (20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup> and 25<sup>th</sup> resolutions), excluding transactions reserved for employees and corporate officers, may not be decided by the Board of Directors during periods of a public tender offer on the Company's shares, in accordance with the recommendations of shareholders following the enactment of Law No. 2014-384 of March 29, 2014 aimed at reconquering the real economy (so-called "Florange law");

In addition, the financial authorizations retain the provisions favorable to shareholders which were adopted within the framework of previous authorizations, in particular:

- the resolution on a capital increase without preferential subscription right but with an obligation to grant a priority period (21<sup>st</sup> resolution) provides as was the case under the previous authorization for a priority period of a minimum duration of at least five trading days, which exceeds the legal minimum period of three trading days;
- the limitation on the application scope for the overallotment option (22<sup>nd</sup> resolution) was maintained only for share capital increases without preferential subscription right, as was the case under the previous authorization; and
- the resolution allowing the allocation of Group performance shares (27<sup>th</sup> resolution) makes it possible to submit all shares to be issued to performance conditions and is applicable for a one-year period.

The Board will also continue to use these authorizations strictly in accordance with the Group's strategic needs. It should be noted that the authorizations to be renewed were not used, with the exception of the authorization for capital increases reserved for employees (in the amount of approximately 0.13% of the share capital) and the one relating to the allocation of Group performance shares (in the amount of approximately 0.12% of the share capital).

The Board therefore recommends that you renew the following financial authorizations:

- 20<sup>th</sup> resolution: issuance of shares and securities with preferential subscription right;
- 21<sup>st</sup> resolution: issuance of shares and securities, without preferential subscription right but with the obligation to grant a priority period;
- 22<sup>nd</sup> resolution: increase in the number of securities to be issued in the event of an issuance of shares and securities without preferential subscription right of the shareholders (overallotment option);
- 23<sup>rd</sup> resolution: issuance of shares and securities in the event of a public exchange offer initiated by the Company;
- 24<sup>th</sup> resolution: issuance of shares and securities as consideration for contributions in-kind;
- 25<sup>th</sup> resolution: capital increase through incorporation of reserves, earnings, premiums or other amounts;
- 26<sup>th</sup> resolution: issuance of shares and securities reserved for employees who are members of a company savings plan; and
- 27<sup>th</sup> resolution: allocation of Group performance shares.

Following this general presentation of the resolutions, the conditions and objectives specific to each financial authorization subject to your vote are described hereafter.

### Issuance of shares and securities with preferential subscription right (20<sup>th</sup> resolution)

#### Description of the authorization

We request that you renew, for a 26-month period, the delegation of authority granted to the Board of Directors to decide to issue, with preferential subscription right, (a) ordinary shares of the Company and/or (b) securities which are equity securities of the Company giving access to other equity securities of the Company and/or to an allotment of debt securities, and/or (c) debt securities giving access to equity securities of the Company to be issued.

In comparison with the previous authorization granted by the Shareholders' Meeting in 2013 and that is soon to expire, the maximum amounts of this new authorization would be as follows:

(i) for ordinary shares to be issued by the Company:

- a nominal amount of €56.3 million representing, on an indicative basis, approximately 35% of the share capital as of February 28, 2015, similar to the amount authorized by the Shareholders' Meeting of April 25, 2013;
- as was the case under the previous authorization, the nominal amount of ordinary shares that would potentially be issued under the 21<sup>st</sup> resolution (dilutive issuance without preferential subscription right but with the obligation to grant a priority period), 22<sup>nd</sup> resolution (authorization to increase the number of securities to be issued), 23<sup>rd</sup> resolution (issuance of shares and securities in

the event of a public exchange offer), 24<sup>th</sup> resolution (issuance of shares and securities as consideration for contributions in-kind), 26<sup>th</sup> resolution (issuance of shares and securities reserved for employees) and 27<sup>th</sup> resolution (allocation of Group performance shares) would be applied to this maximum amount; and

(iii) for issuances of debt securities carried out pursuant to this authorization: a principal amount of €2 billion, unchanged from the amount authorized by the Shareholders' Meeting of April 25, 2013 (maximum amount unchanged and common with the 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions).

These issuances may not be decided by the Board of Directors during a period of a public tender offer on the Company's shares.

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2013.

This new authorization would supersede with effect from its adoption the 12<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

## Justification for the authorization request

The renewal of this general authorization is intended to enable the Company to obtain financing any time through the issuance of shares or securities giving access to the share capital by calling on the Company's shareholders. They will be given, under the applicable legal provisions and in proportion to their ownership interest in the Company's share capital, a preferential right to subscribe new shares or securities. This detachable and negotiable right will make it possible, if the holder does not wish to subscribe to the capital increase, to financially offset the dilution resulting from the non-subscription to the capital increase.

Moreover, in accordance with the recommendations of shareholders following the enactment of the Florange law, this resolution has been supplemented by the Board of Directors in order to introduce the prohibition of deciding to issue securities during a period of a public tender offer on the Company's shares on the basis of this resolution (and, therefore, without a new decision by the shareholders).

## Issuance of shares and securities without preferential subscription right but with a priority period (21<sup>st</sup> resolution)

### Description of the authorization

We request that you renew the delegation of authority granted to the Board of Directors, for a 26-month period, in order to issue (a) ordinary shares of the Company and/or (b) securities which are equity securities of the Company giving access to other equity securities of the Company and/or to an allotment of debt securities, and/or (c) debt securities giving access to equity securities of the Company to be issued, without preferential subscription right, and by public offering, both in France and abroad. When using this authorization, a priority period must be granted to existing shareholders for the entire issuance. When renewing this authorization, the Company decided to maintain the minimum priority period set up at five trading days within the framework of the previous authorization.

In comparison with the previous authorization granted by the 2013 Shareholders' Meeting, and that is soon to expire, the maximum amounts of this new authorization would be as follows:

(i) for ordinary shares to be issued by the Company:

- an nominal amount of €16 million, representing, on an indicative basis, approximately 10% of the share capital as of February 28, 2015, lowered relative to the nominal amount of 14.7% of the share capital authorized by the Shareholders' Meeting of April 25, 2013;

- this maximum amount would apply to all dilutive issuances: capital increases carried out pursuant to the 22<sup>nd</sup> resolution (authorization to increase the number of securities to be issued), 23<sup>rd</sup> resolution (issuance of shares and securities in the event of a public exchange offer), 24<sup>th</sup> resolution (issuance of shares and securities as consideration for contributions in-kind), 26<sup>th</sup> resolution (issuance of shares and securities reserved for employees) and 27<sup>th</sup> resolution (allocation of Grant performance shares);
- as was the case under the previous authorization, this common maximum amount would apply to the global maximum amount of 35% of the share capital set forth in the 20<sup>th</sup> resolution (non-dilutive issuance with preferential subscription right); and

(ii) for issuances of debt securities carried out pursuant to this authorization: a principal amount of €2 billion, identical to the amount authorized by the Shareholders' Meeting of April 25, 2013 (maximum amount unchanged and common with the 20<sup>th</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions).

We inform you that, pursuant to the applicable legal and regulatory provisions, the issuance price of the ordinary shares and securities giving access to the Company's share capital shall be at least equal to the weighted average price of the Company's share during the last three trading sessions preceding the fixing of the issuance price, possibly subject to a maximum 5% discount.

These issuances may not be decided by the Board of Directors during a period of a public tender offer on the Company's shares.

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2013.

This new authorization would supersede with effect from its adoption the 13<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

## Justification for the authorization request

The renewal of this general authorization is intended to enable the Company to obtain financing at any time through the issuance of shares or securities giving access to the share capital by calling on investors who are not yet shareholders of the Company. The implementation of this authorization could therefore enable quick access to sources of financing that may be needed by the Company.

As consideration for the waiver of preferential subscription right, the Board would be required to grant shareholders a priority period of at least five trading days, in accordance with financial market best practices and the recommendations of shareholders. This minimum priority period, which is identical to the one previously set forth under the previous authorization approved by the Shareholders' Meeting of April 25, 2013, is greater than the three trading day minimum period provided for in Article R. 225-131 of the French commercial code. The shareholders will therefore be able to subscribe the capital increase with priority over third parties and in proportion to their ownership interest in the share capital (it being noted that this priority right does not give rise to the creation of negotiable rights).

Moreover, in accordance with financial market best practices and the recommendations of shareholders, the Board of Directors decided to significantly lower the limit applicable to this resolution and all dilutive transactions, from 14.7% to 10% of the share capital.

Besides, in accordance with the recommendations of shareholders following the enactment of the Florange law, this resolution has been supplemented by the Board of Directors in order to introduce the prohibition of deciding to issue securities during a period of a public tender offer on the Company's shares on the basis of this resolution (and, therefore, without a new decision by the shareholders).

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Authorization to increase the number of securities to be issued, as part of a capital increase without preferential subscription right of shareholders (22<sup>nd</sup> resolution)

### Description of the authorization

We request that you renew the authorization granted to the Board of Directors, for a 26-month period, to increase, for each issuance that may be decided pursuant to the aforementioned 21<sup>st</sup> resolution (dilutive issuance without preferential subscription right but with a priority period), the number of securities to be issued, in accordance with the conditions set in Article L.225-135-1 of the French commercial code, within a limit of 15% of the initial issuance and at the same price as the price of the initial issue (overallotment option). It should be noted that this authorization could not result in an increase in the limit of 10% of the share capital provided for in the aforementioned resolution.

These increases in the number of securities to be issued may not be decided by the Board of Directors during a period of a public tender offer on the Company's shares.

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2013.

This new authorization would supersede with effect from its adoption the 14<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

### Justification for the authorization request

Given in particular the volatility of current market conditions, the Board feels that it is necessary to renew this authorization, which enables the implementation of a customary mechanism that complies with financial market practices.

As was the case under the previous authorization granted by the 2013 Shareholders' Meeting, the application scope of this new authorization is limited to issuances of shares or securities without preferential subscription right but with a priority period (21<sup>st</sup> resolution). This limitation is consistent with financial market best practices.

Moreover, in accordance with the recommendations of shareholders following the enactment of the Florange law, this resolution has been supplemented by the Board of Directors in order to introduce the prohibition of deciding to issue securities during a period of a public tender offer on the Company's shares on the basis of this resolution (and, therefore, without a new decision by the shareholders).

Issuance of shares and securities, without preferential subscription right, in the event of a public exchange offer initiated by the Company (23<sup>rd</sup> resolution)

### Description of the authorization

We request that you renew, for a 26-month period, the delegation of authority granted to the Board of Directors to issue (a) ordinary shares of the Company and/or (b) securities which are equity securities of the Company giving access to other equity securities of the Company and/or to an allotment of debt securities, in the event of a public exchange offer initiated by the Company on the securities of another Company whose shares have been admitted for trading on a regulated market.

The issuance of ordinary shares and/or securities would be carried out without preferential subscription right of the shareholders.

Compared with the previous authorization granted by the 2013 Shareholders' Meeting, that is soon to expire, the maximum amounts of this new authorization would be as follows:

(i) for ordinary shares to be issued by the Company:

- a nominal amount of €16 million representing, on an indicative basis, approximately 10% of the share capital as of February 28, 2015, similar to the amount authorized by the Shareholders' Meeting of April 25, 2013;
- as was the case under the previous authorization, issuances carried out pursuant to this authorization would apply to the maximum amounts of 35% of the share capital set forth in the 20<sup>th</sup> resolution (non-dilutive issuance with preferential subscription right) and 10% of the share capital set forth in the 21<sup>st</sup> resolution (dilutive issuance without preferential subscription right but with a priority period); and

(ii) for issuances of debt securities carried out pursuant to this authorization: a principal amount of €2 billion, identical to the amount authorized by the Shareholders' Meeting of April 25, 2013 (maximum amount unchanged and common to the 20<sup>th</sup>, 21<sup>st</sup> and 22<sup>nd</sup> resolutions).

Your Board of Directors would have to determine, for each offering, the nature and characteristics of the securities to be issued, the amount of the capital increase depending on the results of the offering and on the number of target company securities presented for exchange, taking into consideration the parities and the shares or securities issued.

These issuances may not be decided by the Board of Directors during a period of a public tender offer on the Company's shares.

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2013.

This new authorization would supersede with effect from its adoption the 15<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

### Justification for the authorization request

The Board felt it was necessary to renew this authorization in order to enable the Company to maintain its ability to acquire medium-sized stakes in companies whose shares are listed on a regulated market. These acquisitions could then be financed, in whole or in part, using shares instead of debt. The Board would therefore be able to respond quickly to market opportunities and have the option of issuing shares or securities to be used as consideration for the shareholders of the target company who accept the offer.

In addition, the renewal of this financial authorization appeared to be necessary in order to preserve the Company's competitiveness relative to some of its competitors, which have similar financial authorizations.

Finally, in accordance with the recommendations of shareholders following the enactment of the Florange law, this resolution has been supplemented by the Board of Directors in order to introduce the prohibition of deciding to issue securities during a period of a public tender offer on the Company's shares on the basis of this resolution (and, therefore, without a new decision by the shareholders).

Issuance of shares and securities, without preferential subscription right for shareholders as consideration for contributions in-kind granted to the Company (24<sup>th</sup> resolution)

### Description of the authorization

We request that you renew, for a 26-month period, the delegation of authority granted to the Board of Directors to decide to issue (a) ordinary shares of the Company and/or (b) securities which are equity securities of the Company giving access to other equity securities of the Company, within a limit of 10% of the Company's share capital at the date of the Board decision, in consideration for contributions in-kind granted to the Company and consisting of equity securities or securities giving access to the share capital.

The issuance of ordinary shares or securities would be carried out without any preferential subscription right of shareholders to the securities issued pursuant to this delegation. Moreover, this delegation would automatically entail a waiver by the shareholders to their preferential subscription right to the ordinary shares of the Company to which securities could entitle to, in favor of the holders of securities giving access to the Company's share capital issued pursuant to this delegation.

As was the case under the previous authorization, this authorization would have to respect the statutory limit of 10% of the share capital. Issuances carried out pursuant to this authorization would also be applicable to the limits of 35% of the share capital set forth in the 20<sup>th</sup> resolution (non-dilutive issuance with preferential subscription right) and 10% of the share capital set forth in the 21<sup>st</sup> resolution (dilutive issuance without preferential subscription right but with a priority period).

These issuances may not be decided by the Board of Directors during a period of a public tender offer on the Company's shares.

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2013.

This new authorization would supersede with effect from its adoption the 16<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

### Justification for the authorization request

The renewal of this authorization appeared necessary to the Board to allow the Company to maintain its capacity to acquire stakes in unlisted medium-sized companies. These acquisitions could then be financed, in whole or in part, using shares or securities instead of debt. The Board may therefore decide to increase the share capital in consideration for the contribution of shares or securities to the Company.

In addition, the renewal of this financial authorization is also necessary in order to preserve the Company's competitiveness relative to some of its competitors, which have similar financial authorizations.

Finally, in accordance with the recommendations of shareholders following the enactment of the Florange law, this resolution has been supplemented by the Board of Directors in order to introduce the prohibition of deciding to issue securities during a period of a public tender offer on the Company's shares on the basis of this resolution (and, therefore, without a new decision by the shareholders).

Capital increase through the incorporation of reserves, earnings, premiums or other amounts (25<sup>th</sup> resolution)

### Description of the authorization

We request that you renew, for a 26-month period, the delegation of authority granted to the Board of Directors to decide to increase the share capital through the incorporation of reserves, earnings, premiums or any other amounts that may be capitalized, followed by the issuance and the free allocation of shares and/or the increase in the par value of the existing ordinary shares.

Compared with the previous authorization granted by the 2013 Shareholders' Meeting, which is soon to expire, the maximum nominal amount of ordinary shares issuances under the present resolution would be as follows:

- an amount set at €40.2 million, representing, on an indicative basis, approximately 25% of the share capital as of February 28, 2015, similar to the amount authorized by the April 25, 2013 Shareholders' Meeting; and
- as was the case under the previous authorization, this maximum amount would be independent of the ceilings set by the 20<sup>th</sup> resolution (non-dilutive issuance with preferential subscription right), 21<sup>st</sup> resolution (dilutive issuance without preferential subscription right but with a priority period), 22<sup>nd</sup> resolution (authorization to increase the number of securities to be issued), 23<sup>rd</sup> resolution (issuance of shares and securities in the event of a public exchange offer), 24<sup>th</sup> resolution (issuance of shares and securities in consideration for contributions in-kind), 26<sup>th</sup> resolution (issuance of shares and securities reserved for employees) and 27<sup>th</sup> resolution (allocation of Group performance shares).

These issuances may not be decided by the Board of Directors during a period of a public tender offer on the Company's shares.

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2013.

This new authorization would supersede with effect from its adoption the 17<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

### Justification for the authorization request

The renewal of this authorization is designed to enable the Company to increase its share capital through a simple transfer of reserves, earnings, premiums or other amounts whose capitalization would be permitted in the "share capital" account. These transactions do not alter the Company's value nor do they affect the rights of shareholders and, in particular, can be used to bring the nominal value of the shares more in line with their market value.

Finally, in accordance with the recommendations of shareholders following the enactment of the Florange law, this resolution has been supplemented by the Board of Directors in order to introduce the prohibition of deciding to issue securities during a period of a public tender offer on the Company's shares on the basis of this resolution (and, therefore, without a new decision by the shareholders).

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Issuance of shares and securities reserved for employees who are members of a company savings plan, without preferential subscription right of the shareholders (26<sup>th</sup> resolution)

### Description of the authorization

We request that you renew, for a 26-month period, the delegation of authority granted to the Board of Directors to decide to increase the Company's share capital through the issuance of ordinary shares and/or securities giving access to ordinary shares of your Company and reserved for employees who are members of a company savings plan of the Company or related French or foreign companies according to Article L.225-180 of the French commercial code and L.3344-1 of the French labor code.

Compared with the previous authorization granted by the 2013 Shareholders' Meeting, which is soon to expire, the maximum nominal amount of ordinary share issuances under the present authorization would be as follows:

- an amount set at €3.2 million representing, on an indicative basis, approximately 2% of the share capital as of February 28, 2015, similar to the amount authorized by April 25, 2013 Shareholders' Meeting; and
- as was the case under the previous authorization, the issuances carried out pursuant to this authorization would apply to the ceilings of 35% of share capital set forth in the 20<sup>th</sup> resolution (non-dilutive issuance with preferential subscription right) and 10% of the share capital set forth in the 21<sup>st</sup> resolution (dilutive issuance without preferential subscription right but with a priority period).

The issuance of ordinary shares would be carried out without preferential subscription right of the shareholders.

The discount offered as part of the company savings plan or employee shareholding transactions would be set at 20%, which is the maximum allowed under French regulations. This discount would be calculated on the basis of the DANONE share's average opening list price on Euronext Paris during the 20 trading sessions preceding the date of the decision setting the opening date for subscription. It should be noted that during the implementation of this authorization, the Board of Directors may only reduce the amount of the discount on a case-by-case basis for reasons of legal, tax or social constraints that may apply outside of France, in any countries where Group entities are located and where the employees are participating to the share capital increases. The Board of Directors may also decide, pursuant to Article L.3332-21 of the French labor code, to freely allocate shares to subscribers of new shares instead of a discount, or in connection with a company contribution as part of the company savings plan.

In accordance with applicable legal provisions, the proposed transactions could also take the form of selling shares to members of a company savings plan.

It should be noted that under the previous authorization granted by your 2013 Shareholders' Meeting, a capital increase with a nominal amount of €207,996.50 was carried out in June 2014 following a decision of the Board of Directors of February 19, 2014 (corresponding to around 6.7% of the total authorized amount), leaving an available balance of €2,892,003.50 as of December 31, 2014, against which will be deducted another capital increase reserved for employees participating in a company savings plan approved by the Board of Directors of February 19, 2015 and scheduled to occur in June 2015.

This new authorization would supersede with effect from its adoption the 18<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

### Justification for the authorization request

As of December 31, 2014, employees held approximately 1.3% of the share capital through the "Fonds Danone" company investment fund, which corresponds to shares subscribed as part of the annual capital increases reserved for employees.

The Group would like to continue to enable employees to participate in its development. The employee shareholder transactions covered by this resolution are designed to strengthen their motivation and commitment and to enhance their sense of belonging to the Group. The vote on this resolution would therefore enable your Board of Directors to continue to implement this policy of associating employees in the Group's development.

### Allocations of ordinary shares of the Company (27<sup>th</sup> resolution)

#### Context of the authorization request

Your Board of Directors, upon recommendation of the Nomination and Compensation Committee, asks you to renew the authorization granted to it at the Shareholders' Meeting of April 29, 2014, for a period of one year (until December 31, 2014), to allocate Group performance shares (GPS).

#### Identical structure and dilutive effect

The new resolution is based on a structure which is identical to that adopted in 2014 and brings no change in terms of dilution (0.2% of share capital).

The main characteristics of this new resolution are as follows:

#### (i) Authorization to allocate Group performance shares is again proposed for one year

The resolution submitted to your vote would expire on December 31, 2015 and could therefore only give rise to share allocations in 2015.

A vote will thus enable shareholders to ensure in 2015 that, as in 2014, based on a strict and precise definition of performance conditions, the expected level of objectives would continue to be sufficiently ambitious and motivating, in line with the Group's performance.

#### (ii) Group performance shares could be allocated only to employees and executive corporate officers, the Chairman of the Board being not eligible in 2015

#### (iii) Maintenance of a single reference period of three years applicable to all performance conditions

In order to comply with investors' expectations, the reference period relating to the two performance conditions is, as in the preceding authorization, of a single period of three years.

#### (iv) Stability of performance conditions

The Board considers that a certain degree of consistency in performance conditions is an essential factor for long-term value creation. In that regard, the Board of Directors proposes to shareholders performance conditions that will continue to include growth in the Group's sales and trading operating margin.

#### (v) Demanding performance conditions that are suited to the Group's current environment

The performance conditions for shares allocated under this new resolution would consist of two complementary criteria representative of the Group's performances and adapted to the specificity of its activity:



## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

- the first criterion (an external performance criterion) would be based on the Group's sales growth over three years (2015, 2016 and 2017) compared to that of a panel of the group's historical peers, comprising benchmark multinational companies in the food and beverage sector; and
- the second criterion (an internal performance criterion) would be based on the improvement, over three years (2015, 2016 and 2017), in the Group's trading operating margin on a like-for-like basis, as communicated to the market.

The allocated shares would continue to be subject for two-thirds to the sales growth criterion and for one-third to the trading operating margin criterion.

The Board also emphasizes that these two objectives are complementary in nature and reflect key indicators followed by investors and analysts to measure companies' performance in the food and beverage sector. In particular, the heavier weighting of the sales growth criterion reflects its importance in the valuation of companies in the sector.

### **(vi) Performance conditions continuing to apply to 100% of allocated shares**

In accordance with best market practices and recommendations of shareholders, the Board of Directors has chosen to continue to require that 100% of the allocated shares be subject to performance conditions by virtue of this resolution, as in 2014.

## **Description of the authorization**

### **1. Nature of the authorization**

We request that you authorize the Board of Directors, until December 31, 2015, to freely allocate, subject to performance conditions, shares of the Company, existing or to be issued, to employees or to certain categories thereof that it shall select among eligible employees, and to corporate officers of the Company and of affiliates of the Company within the meaning of Article L.225-197-2 of the French commercial code. It should be noted that for the 2013 and 2014 fiscal years, approximately 1,300 people benefited from such share allocations.

### **2. Maximum amount of the authorization**

These allocations may not represent a number of existing or newly issued shares exceeding 0.2% of the Company's share capital, as determined at the end of the Shareholders' Meeting of April 29, 2015, which corresponds to the same amount as that approved by the Shareholders' Meeting of April 29, 2014.

The nominal amount of the existing or newly issued shares allocated under this authorization would apply to the limits of 35% of the share capital set forth in the 20<sup>th</sup> resolution (non-dilutive issuances with preferential subscription right) and of 10% of the share capital set forth in the 21<sup>st</sup> resolution (dilutive issuances without preferential subscription right, but with a priority period).

This number of shares does not reflect potential adjustments that may be made in accordance with applicable legal and regulatory requirements and, where applicable, to contractual provisions calling for other adjustments in order to maintain the rights of holders of securities or other rights giving access to the share capital. Thus to the extent that share allocation plans include adjustment clauses to the number of shares granted in the event of transactions involving the share capital during the vesting period, the application of these adjustment clauses could result in the final number of allocated shares exceeding 0.2% of the share capital.

### **3. Sub-ceiling for allocations to corporate officers**

The shares allocated pursuant to this authorization may be allocated, subject to performance conditions, to executive corporate officers, but within the maximum limit of 0.03% of the share capital at the end

of the Shareholders' Meeting of April 29, 2015 (subject to the same potential adjustments mentioned in point 2 above). Following the separation of the offices of Chairman and Chief Executive Officer and the suppression of the offices of Deputy General Managers in September 2014, this limit has been lowered relative to the sub-ceiling of the authorization approved by the Shareholders' Meeting of April 29, 2014 (which was of 0.05%).

In 2014, a total of 122,000 shares subject to performance conditions were allocated to the three corporate officers, corresponding to 0.02% of the Company's share capital and 15.7% of all shares subject to performance conditions allocated in the Group in 2014.

### **4. Vesting period**

4.1 The allocation of shares to their beneficiaries will become final after a vesting period, the duration of which will be set by the Board of Directors and shall not be less than three years. In principle, the beneficiaries must hold said shares for a duration set by the Board of Directors and the holding period may not be less than two years after the final allocation of such shares.

4.2 However, if the vesting period for all or a part of one or more allocations is a minimum of four years, the Shareholders' Meeting authorizes the Board of Directors not to impose any holding period for the shares in question.

4.3 Since July 2013, in order to increase the duration of the vesting period, the Board of Directors decided to grant performance shares solely in the form of "4+0", corresponding to a vesting period of four years and no holding period (rather than granting performance shares in the form of "4+0" to non-French residents and in the form of "3+2" for individuals domiciled in France for tax purposes). Nevertheless, the corporate officers and the members of the Executive Committee remain subject to the requirement that they hold a significant number of shares stemming from GPS allocations until the termination of their duties (see section 6.3 *Compensation and benefits for corporate officers and governance bodies*).

### **5. Conditionality of the definitive allocation of shares**

The definitive allocation of shares either in existence or to be issued will necessarily be subject to (i) the achievement of the performance conditions to be determined by the Board of Directors in accordance with the terms described hereafter (the "Performance Conditions") and (ii) a condition of continued employment within the Group (see point 5.2 hereafter).

#### **5.1 Performance conditions**

The Performance Conditions applied by your Board would be as follows:

(i) These conditions consist of two complementary criteria, indicative of the Group's performance and adapted to the specific nature of its business, namely:

(a) Comparison of the arithmetic average net sales growth (the "CA") of the Group with that of a reference panel, on a like-for-like basis, for a period of three years, *i.e.* 2015, 2016 and 2017:

- if the Group's CA exceeds or is equal to the Median CA of the Panel, the definitive allocation shall be 100%;
- if the Group's CA is less than the Median CA of the Panel, the definitive allocation will be 0%, in accordance with the "no pay below median" principle;

Where:

- the Group's CA refers to the arithmetic average internal ("organic") net sales growth of the Group during the fiscal years 2015, 2016 and 2017 (on a consolidated basis and on a like-for-like basis);

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

- the CA of each Panel member refers to the arithmetic average internal ("organic") net sales growth recorded by the said member of the Panel during the fiscal years 2015, 2016 and 2017 (on a consolidated basis and on a like-for-like basis);
- the Panel CAs refers to the CAs of all members of the Panel;
- the Median CA of the Panel refers to the value of the CA of the Panel member that divides the Panel CAs into two equal parts (i.e. such that there are as many Panel members with a CA exceeding or equal to the Median as Panel members with a CA being less than or equal to the Median), it being specified that if the Panel members are an even number, the Median CA of the Panel will be equal to the arithmetic average of the two central values of the Panel CAs;
- the Panel refers to eight benchmark multinational groups in the food and beverage sector, namely: Unilever N.V., Nestlé S.A., PepsiCo Inc., The Coca-Cola Company, Kraft Foods Group Inc., Mondelez International Inc., General Mills Inc. and Kellogg Company;
- restatements (mainly adjustments of scope and/or foreign exchange effects) will be made only to the extent strictly necessary in order to ensure the consistency of the calculation method for the CAs of all Panel members and the CA of the Group over the entire period under review;
- in the event that the audited accounting or financial results of one of the Panel members are not published or are published late, the Board of Directors may, exceptionally, exclude this member of the Panel through a duly justified decision taken at a later date that is mentioned in the Report of the Board of Directors to the Shareholders' Meeting;
- in the event that the audited accounting or financial results of two or more members of the Panel are not published or published late, the Board of Directors will make a decision duly justified at a later date and described in the Report of the Board of Directors to the Shareholders' Meeting, on the basis of the most recent audited financial statements published by the members of the Panel and by the Company over the three latest completed fiscal years for which financial statements were published by all members of the Panel and by the Company;
- the Board of Directors may, through a duly justified decision taken at a later date and mentioned in the Report of the Board of Directors to the Shareholders' Meeting, exclude a member of the Panel in the event of an acquisition, absorption, dissolution, spin-off, merger or change of activity of this member of the Panel, provided that it maintains the overall consistency of the peer group;
- the Board of Directors must state whether this first performance condition was attained, on the basis of a duly justified decision taken at a later date and mentioned in the Report of the Board of Directors to the Shareholders' Meeting, following a recommendation by the Nomination and Compensation Committee, and based on a report of a financial advisor;

(b) The improvement in trading operating margin on a like-for-like basis, over a period of three years, i.e. the years 2015, 2016 and 2017:

- if the arithmetic average of the change on a like-for-like basis in trading operating margin calculated over the three years (2015, 2016 and 2017) is positive (i.e. greater than or equal to +1 basis point), the definitive allocation will be 100%;

- if the arithmetic average of the change (on a like-for-like basis) in trading operating margin calculated over the three years (2015, 2016 and 2017) is zero or negative, the definitive allocation will be 0%;

Where:

- the arithmetic average of the change in trading operating margin means the arithmetic average of:
  - (i) growth in trading operating margin for 2015 compared on a like-for-like basis to 2014;
  - (ii) growth in trading operating margin for 2016 compared on a like-for-like basis to 2015;
  - (iii) growth in trading operating margin for 2017 compared on a like-for-like basis to 2016;
- the "trading operating margin", "trading operating income", "net sales" and the change on a "like-for-like basis" are financial indicators not defined by the IFRS regulations which are used by the Group and whose calculation is specified in the financial press releases published by the Company (see also section 3.6 *Financial indicators not defined by IFRS*); and
- the Board of Directors will need to state whether this second performance condition has been achieved through a duly informed decision made at a later date and mentioned in the Report of the Board of Directors to the Shareholders' Meeting, upon recommendation of the Nomination and Compensation Committee.
  - (ii) For all beneficiaries, provided that the condition of continued employment with the Group is met (see point 5.2 hereafter), two-thirds of the shares will be definitively allocated subject to the achievement of the performance condition related to sales growth, and the remaining third will be allocated subject to the achievement of the performance condition related to the trading operating margin.

### 5.2 Condition of continued employment with the Group

The beneficiary of a share allocation who leaves the Group before the end of the vesting period may not retain his or her shares except in the case of legally mandated early departure (including death and disability) and in exceptional cases determined by the Board of Directors.

Moreover, it should be noted that the GPS plans allocated as of July 26, 2010 provide that all GPS beneficiaries may be exempted from the conditions of continuous employment and performance in the event of the Company's change of control (see section 7.10 *Change of control*).

### 6. Impact in terms of dilution/ownership of the Company's share capital

The Board wishes to point out that the Group's policy concerning authorizations to grant stock-options and shares subject to performance conditions has always had a limited impact in terms of the dilution/ownership of share capital.

Thus:

- the outstanding number of stock-options not yet exercised as of December 31, 2014 totaled 5,688,697 options or 0.9% of the share capital;
- the outstanding number of shares subject to performance conditions granted but not yet definitively vested as of December 31, 2014 totaled 1,950,995 or 0.3% of the share capital; and
- the number of shares that may be issued through allocations of shares subject to performance conditions under this resolution may not exceed 0.2% of the share capital,

which represents a total of around 1.4% of the share capital.

## COMMENTS ON THE RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Finally, the Board noted that in the absence of any outstanding authorization as a result of the termination of the Group's stock-option program, the Company has not granted any option to purchase and/or subscribe shares since October 2009.

Each year, the Shareholders' Meeting will be informed by the Board of Directors as to the share allocations subject to performance conditions that have been made. These allocations will continue to comply with the principles and best practices applied by the Board (see section 6.3 *Compensation and benefits for corporate officers and governance bodies*), which include in particular:

- involvement at every stage (allocation, achievement evaluation of performance conditions, etc.) by the Nomination and Compensation Committee, entirely composed of independent Directors;
- compliance with best market practices concerning ceilings, applicable to GPS allocations in terms of percentage of the share capital, as well as sub-ceilings for allocations to executives;
- continuation by the Board of its policy for the allocation of "4+0" GPS, applied since 2013 to corporate officers, as recommended by the Nomination and Compensation Committee, henceforth extended to all beneficiaries in order to increase the length of the vesting period, thus conforming to financial market best practices;
- setting demanding and motivating performance conditions, affecting 100% of the shares allocated;
- stability of allocation periods, with the main allocation in principle taking place yearly at the Board meeting convened to approve the semi-annual financial statements, *i.e.* at the end of July; and
- adherence to stringent ethical rules, including the prohibition for beneficiaries who are members of the Executive Committee to use any hedging instrument in respect of GPS and shares stemming from GPS allocations, and holding obligation of a significant number of shares stemming from GPS allocations, periodically set by the Board, until the termination of their duties within the Company.

### Authorization to reduce the share capital by canceling shares (28<sup>th</sup> resolution)

The authorization granted to the Board of Directors in 2013 to cancel shares acquired by the Company pursuant to Article L.225-209 of the French commercial code is soon to expire and you are asked to renew it.

#### Description of the authorization

We therefore request that you renew the authorization granted to your Board of Directors, for a 24-month period, to reduce the share capital by cancelling, on one or more occasions, within the limit of 10% of the share capital (per 24-month period), part or all of the Company's shares that the Company holds or may acquire within the framework of share repurchase programs authorized by the Shareholders' Meeting.

The difference between the accounting amount of the canceled shares and their par value will be applied to the "Additional paid-in capital" account or on any available reserve account, including the legal reserve, within the limit of 10% of the share capital reduction achieved.

On July 26, 2013, the Board of Directors, using this delegation, cancelled 4,252,000 shares (representing approximately 0.7% of the share capital). This authorization was not used in 2014.

This new authorization would replace the 20<sup>th</sup> resolution approved by the Shareholders' Meeting of April 25, 2013.

#### Justification for the authorization request

This mechanism complements the implementation of a share buy-back program that would be authorized under the terms of the 19<sup>th</sup> resolution submitted to the Shareholders' Meeting.

# APPOINTMENT AND RENEWALS OF TERMS OF OFFICE PROPOSED TO THE SHAREHOLDERS' MEETING

## **Appointment**

Serpil TIMURAY

## **Renewal of terms of office**

Jacques-Antoine GRANJON

Jean LAURENT

Benoît POTIER

Mouna SEPEHRI

Virginia A. STALLINGS

## Appointment of Mrs. Serpil TIMURAY (10<sup>th</sup> resolution)

### SERPIL TIMURAY



Born on July 7, 1969

Age: 45

**Business address:** One Kingdom Street,  
Paddington Central – London W2 6BY –  
United Kingdom

#### Number of DANONE shares held

**as of December 31, 2014:** 0 [in accordance with the by-laws, the 4,000 DANONE shares to be held by each Director must be purchased within 3 months following his/her appointment by the Shareholders' Meeting at the latest]

Independent Director

Turkish nationality

**Principal responsibility:** Regional Chief Executive Officer Africa, Middle East, Asia and Pacific, and Executive Committee member of Vodafone Group

#### Personal background – experience and expertise:

A native of Turkey, 45-year-old Serpil TIMURAY holds a degree in business administration from Bogazici University in Istanbul.

She began her career in 1991 at Procter & Gamble, where she was later on appointed to the Executive Committee of Procter & Gamble Turkey. In 1999, she moved to Groupe Danone as the Marketing Director and a member of the Executive Committee for the Fresh Dairy Products subsidiary in Turkey. From 2002 to 2008, she served as General Manager of Danone Turkey, overseeing the acquisition and integration of several companies in the region. In 2009, she joined Vodafone Group as the Chief Executive Officer of Vodafone Turkey, contributing to its considerable growth. Since January 2014, Serpil TIMURAY is serving as the Regional CEO of Africa, Middle East and Asia-Pacific and as a member of the Executive Committee of Vodafone Group. She is also a board member in several Vodafone companies in the region and sits in boards of several non-profit organizations outside of the Vodafone Group.

#### Positions and responsibilities as of December 31, 2014 <sup>(a)</sup>

Positions	Companies	Countries
Director	VODACOM GROUP <sup>(b)</sup> <sup>(c)</sup>	South Africa
Member of the Nomination Committee		
Member of the Remuneration Committee		
Director	VODAFONE INDIA <sup>(c)</sup>	India
Chairperson of Corporate Social Responsibility Committee		
Member of the Nomination Committee		
Member of the Remuneration Committee		
Director	VODAFONE HUTCHISON AUSTRALIA <sup>(c)</sup>	Australia
Member of the Nomination Committee		
Member of the Remuneration Committee		
Director	SAFARICOM KENYA <sup>(c)</sup>	Kenya
Member of the Nomination Committee		
Member of the Remuneration Committee		
Director	VODAFONE QATAR <sup>(c)</sup>	Qatar
Member of the Nomination Committee		
Member of the Remuneration Committee		

Positions	Associations/Foundations/Other	Countries
Chairperson of the Board	YASED (Turkish International Investors Association)	Turkey
Member of the Board	TOBB-GGK (Young Entrepreneurs Council of Turkish Union of Chambers and Commodity Exchanges)	Turkey
Board of Trustees Member	Koc University	Turkey

(a) Offices shown in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships.

(b) Listed company.

(c) Companies owned by Vodafone Group.

#### Positions and responsibilities held during the past five years

Positions	Companies	Countries
Chief Executive Officer	VODAFONE TURKEY	Turkey



# APPOINTMENT AND RENEWALS OF TERMS OF OFFICE PROPOSED TO THE SHAREHOLDERS' MEETING

## Renewal of Mr. Jacques-Antoine GRANJON's term of office (5<sup>th</sup> resolution)

### JACQUES-ANTOINE GRANJON



Born on August 9, 1962

Age: 52

#### Business address:

249, avenue du Président Wilson – 93210 La Plaine-Saint-Denis – France

#### Number of DANONE shares held as of December 31, 2014: 4,127

Independent Director

French nationality

**Principal responsibility:** Chairman and Chief Executive Officer of vente-privee.com

#### Personal background – experience and expertise:

Jacques-Antoine GRANJON is a graduate of the European Business School in Paris.

After completing his studies, his entrepreneurial spirit led him and a friend to found Cofotex SA in 1985, which specialized in wholesale close-outs.

In 1996, Jacques-Antoine GRANJON purchased the former printing plants of *Le Monde* newspaper, which were being sold as part of an urban renewal program for La Plaine-Saint-Denis [93], and there he established the headquarters of Oredis group. Jacques-Antoine GRANJON came up with a completely innovative concept: a web platform dedicated to private sales of brand name products at deeply discounted prices.

In January 2001, Jacques-Antoine GRANJON and his partners launched vente-privee.com in France. He thus took his experience in drawing down inventories of close-outs from leading fashion and home furnishing brands to the Internet by applying a dual approach: event-based and exclusive, while always emphasizing customer satisfaction. vente-privee.com was built in the image of its founder as a model corporate citizen promoting responsible growth, training and employability and a social conscience.

In 2011, Jacques-Antoine GRANJON partnered with Xavier NIEL and Marc SIMONCINI to create the Ecole Européenne des Métiers de l'Internet.

#### Positions and responsibilities as of December 31, 2014<sup>(a)</sup>

Positions	Companies	Countries
Director (term of office from April 26, 2012 to the end of the Shareholders' Meeting to approve the 2017 financial statements) <sup>(c)</sup>	DANONE SA <sup>(b)</sup>	France
Chairman and Chief Executive Officer	VENTE-PRIVEE.COM SA	France
Chairman	OREFI ORIENTALE ET FINANCIÈRE SAS <sup>(d)</sup>	France
Chairman of the Board of Directors	PALAIS DE TOKYO SAS	France

Positions	Associations/Foundations/Other	Countries
Chairman	FONDATION VENTE-PRIVEE.COM	France

(a) Offices shown in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships.

(b) Listed company.

(c) Subject to the renewal of his term of office by the Shareholders' Meeting of April 29, 2015.

(d) Jacques-Antoine GRANJON also holds corporate offices in companies controlled by OREFI ORIENTALE ET FINANCIÈRE SAS:

- Chairman of HOLDING DE LA RUE BLANCHE SAS (France), ORIMM SAS (France), VENTE PRIVEE USA BRANDS, INC. (United States), VENTE-PRIVEE.COM DEUTSCHLAND (Germany), VENTE-PRIVEE.COM LIMITED (United Kingdom), VENTA- PRIVADA IBERICA (Spain), VENDITA.PRIVATA ITALIA SRL (Italy);
- Chairman and Chief Executive Officer of PIN UP SA (France);
- Manager of EGLISE WILSON SARL (France), ORIMM BIENS SARL (France);
- Co-Manager of VENTE-PRIVEE.COM IP SARL (Luxembourg);
- Director of VENTE-PRIVEE.COM HOLDING SA (Luxembourg), LOOKLET (Sweden), VENTE-PRIVEE USA, LLC (United States);
- Director of NOUVELLE D'EXPLOITATION DE RENOVATION ET DE RENAISSANCE DU THEATRE DE PARIS SA (France);
- Manager of French civil partnerships (sociétés civiles françaises) SCI 247, SCI 249, BM WILSON SCI, FRUITIER WILSON SCI, LANDY WILSON SCI, LYON 3 SCI, MM WILSON SCI, PRESSENSE WILSON SCI, SCI BRETONS WILSON, SCI LE STADE WILSON, SCI SAINT WILSON, SCI HOTEL WILSON, SCI BEAUNE-WILSON, SCI MB WILSON, and MALAKOFF WILSON;
- Chairman of VENTE-PRIVEE HOLDING PRODUCTIONS SAS (France);
- Chairman of HOLDING DE LA RUE DE LA MICHODIERE SAS (France): company pending incorporation; and
- Co-Manager of PRODUCTS AND BRANDS STUDIO SAS (France): company pending registration.

#### Positions and responsibilities held in the past five years

Positions	Companies	Countries
Chairman	ROSEBUZZ SAS	France

## Renewal of Mr. Jean LAURENT's term of office (6<sup>th</sup> resolution)

### JEAN LAURENT



Born on July 31, 1944

Age: 70

#### Business address:

30, avenue Kléber – 75208 Paris Cedex 16 – France

**Number of DANONE shares held  
as of December 31, 2014:** 5,100

Independent Director and  
Lead Independent Director

French nationality

**Principal responsibility:** Chairman of the Board of  
Directors of Foncière des Régions

#### Personal background – experience and expertise:

Jean LAURENT is a graduate of the École Nationale Supérieure de l'Aéronautique (1967) and has a Master of Sciences degree from Wichita State University.

He spent his entire career at the Crédit Agricole group, first with Crédit Agricole de Toulouse, and later with Crédit Agricole du Loiret and then Crédit Agricole de l'Île de France, where he exercised or supervised various retail banking business activities.

He then joined Caisse Nationale du Crédit Agricole, first as Deputy General Manager (1993-1999) and later as Chief Executive Officer (1999-2005). In that capacity, he was responsible for the public offering of Crédit Agricole SA (2001) and the acquisition and integration of Crédit Lyonnais in Crédit Agricole group.

He is also Chairman of the Board of Directors of Foncière des Régions.

The Board of Directors of Danone appointed Jean LAURENT as Chairman of the Social Responsibility Committee on February 14, 2007, Chairman of the Compensation and Nomination Committee on April 28, 2011 and Lead Independent Director on February 18, 2013.

#### Positions and responsibilities as of December 31, 2014 <sup>(a)</sup>

Positions	Companies	Countries
Director (term of office from February 10, 2005 to the end of the Shareholders' Meeting to approve the 2017 financial statements) <sup>(c)</sup>	DANONE SA <sup>(b)</sup>	France
Chairman and member of the Board of Directors' Compensation and Nomination Committee (since April 28, 2011 and April 22, 2005, respectively)		
Chairman and member of the Board of Directors' Social Responsibility Committee (since February 14, 2007)		
Lead Independent Director (since February 18, 2013)		
Chairman of the Board of Directors	FONCIÈRE DES RÉGIONS SA <sup>(b)</sup>	France
Member of the Strategy and Investments Committee		
Vice-Chairman of the Supervisory Board	EURAZEO SA <sup>(b) (d)</sup>	France
Chairman of the Audit Committee		
Member of the Finance Committee		
Director	BENI STABILI <sup>(a)</sup>	Italy

(a) Offices shown in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships.

(b) Listed company.

(c) Subject to the renewal of his term of office by the Shareholders' Meeting of April 29, 2015.

(d) As of December 31, 2014, Eurazeo holds 0.01% of the Company's share capital (see section 7.7 Share ownership structure as of December 31, 2014 and significant changes over the last three fiscal years).

#### Positions and responsibilities held in the past five years

Positions	Companies	Countries
Director	CRÉDIT AGRICOLE EGYPT SAE	Egypt
Member of the Supervisory Board	M6 SA (MÉTROPOLE TELEVISION) <sup>(a)</sup>	France
Member of the Audit Committee		
Director	UNIGRAINS SA	France

Positions	Associations/Foundations/Other	Countries
Chairman	PÔLE DE COMPÉTITIVITÉ "FINANCE INNOVATION" (Association)	France
Chairman of the Board of Directors	FONDATION INSTITUT EUROPLACE DE FINANCE	France

(a) Listed company.

# APPOINTMENT AND RENEWALS OF TERMS OF OFFICE PROPOSED TO THE SHAREHOLDERS' MEETING

## Renewal of Mr. Benoît POTIER's term of office (7<sup>th</sup> resolution)

### BENOÎT POTIER



Born on September 3, 1957

Age: 57

#### Business address:

75, quai d'Orsay – 75007 Paris – France

**Number of DANONE shares held  
as of December 31, 2014:** 8,343

Independent Director

French nationality

**Principal responsibility:** Chairman and Chief  
Executive Officer of Air Liquide SA

#### Personal background – experience and expertise:

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

Benoît POTIER was appointed Chief Executive Officer in 1997, Director of Air Liquide in 2000 and Chairman of the Management Board in November 2001. In 2006, he was named Chairman and Chief Executive Officer of Air Liquide SA.

In 2004, Air Liquide acquired the assets of Messer Griesheim in Germany, the United Kingdom and the United States.

In 2007, the group expanded its technology portfolio by acquiring the Lurgi engineering company and in 2008 launched the Alma company project aimed at accelerating its growth. The group is continuing to diversify internationally, notably through its growing presence in developing economies: Asia, Russia, Central and Eastern Europe, the Middle East and Latin America.

In 2008, Benoît POTIER initiated the creation of Fondation Air Liquide and has served as its Chairman since inception. Fondation Air Liquide supports research projects in the environmental and healthcare fields and contributes to local development by encouraging micro-initiatives in those areas of the world where the group is present.

Since May 2014, Benoît POTIER has also been Chairman of the European Roundtable of Industrialists (ERT).

#### Positions and responsibilities as of December 31, 2014<sup>(a)</sup>

Positions	Companies	Countries
Director (term of office from April 11, 2003 to the end of the Shareholders' Meeting to approve the 2017 financial statements) <sup>(d)</sup>	DANONE SA <sup>(b)</sup>	France
Member of the Board of Directors' Compensation and Nomination Committee (since April 26, 2012)		
Chairman and Chief Executive Officer	AIR LIQUIDE SA <sup>(b)</sup>	France
	AIR LIQUIDE INTERNATIONAL (SA) <sup>(c)</sup>	France
Director	AMERICAN AIR LIQUIDE HOLDINGS INC <sup>(c)</sup>	United States
Chairman, President & Chief Executive Officer	AIR LIQUIDE INTERNATIONAL CORPORATION (ALIC) <sup>(c)</sup>	United States

Positions	Associations/Foundations/Other	Countries
Chairman	EUROPEAN ROUNDTABLE OF INDUSTRIALISTS (ERT)	Belgium
	FONDATION D'ENTREPRISE AIR LIQUIDE	France
Vice-Chairman	ASSOCIATION NATIONALE DES SOCIÉTÉS PAR ACTIONS (ANSA)	France
Director	ASSOCIATION FRANÇAISE DES ENTREPRISES PRIVÉES (AFEP)	France
	CERCLE DE L'INDUSTRIE (Association)	France
	LA FABRIQUE DE L'INDUSTRIE (Association)	France
	ÉCOLE CENTRALE DES ARTS ET MANUFACTURES	France
Member of the Board	INSEAD	France

(a) Offices shown in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships.

(b) Listed company.

(c) Companies in the Air Liquide group in which Benoît POTIER holds a corporate office.

(d) Subject to the renewal of his term of office by the Shareholders' Meeting of April 29, 2015.

#### Positions and responsibilities held in the past five years

Positions	Companies	Countries
Member and Chairman of the Audit Committee	DANONE <sup>(a)</sup>	France
Member of the Supervisory Board	MICHELIN <sup>(a)</sup>	France
Member of the Audit Committee		

(a) Listed company.

## Renewal of Mrs. Mouna SEPEHRI's term of office (8<sup>th</sup> resolution)

### MOUNA SEPEHRI



Born on April 11, 1963

Age: 51

#### Business address:

13-15, quai Le Gallo – 92513 Boulogne-Billancourt  
– France

#### Number of DANONE shares held as of December 31, 2014: 4,127

Independent Director

Dual French and Iranian nationality

**Principal responsibility:** Executive Vice-President,  
Member of the Executive Committee,  
Vice-President CEO Office of Renault

#### Personal background – experience and expertise:

After receiving her law degree and joining the Paris bar, Mouna SEPEHRI began her career in 1990 as a lawyer in Paris and then New York, where she specialized in Mergers & Acquisitions and International Business Law.

She joined Renault in 1996 as the group's Deputy General Counsel. She played an integral part in the group's international growth and participated in the creation of the Renault-Nissan Alliance from the beginning (1999) as a member of the negotiating team.

In 2007, she joined the Office of the CEO and was in charge of the management of the cross functional teams.

In 2009, she was appointed Director of the Renault-Nissan Alliance CEO Office and Secretary of the Renault-Nissan Alliance Board of Directors. In 2010, she also became a member of the steering committee on the Alliance cooperation with Daimler. As a part of that mission, she was responsible for steering the implementation of Alliance synergies, coordinating strategic cooperation and for driving new projects.

On April 11, 2011, she joined the Renault group Executive Committee as Executive Vice President, Office of the CEO. She oversees the following functions: Legal, Public Affairs, Communications, Public Relations, Corporate Social Responsibility, Property and General Services, Prevention and Group Protection, Cross-functional Support, the Operating Costs Effectiveness Program and the Strategy and Group Planning. In 2013, she was appointed as a permanent member of the Management Board of the Renault-Nissan Alliance.

#### Positions and responsibilities as of December 31, 2014<sup>(a)</sup>

Positions	Companies	Countries
Director (term of office from April 26, 2012 to the end of the Shareholders' Meeting to approve the 2017 financial statements) <sup>(c)</sup>	DANONE SA <sup>(b)</sup>	<i>France</i>
Member of the Board of Directors' Audit Committee (since April 26, 2012)		
Director	NEXANS SA <sup>(b)</sup>	<i>France</i>
Director	ORANGE <sup>(b)</sup>	<i>France</i>
Chairwoman of the Governance and Corporate Social Responsibility Committee [CGRSE]		
Member of the Supervisory Board	M6 SA (MÉTROPÔLE TÉLÉVISION) <sup>(b)</sup>	<i>France</i>
Member of the Audit Committee		

Positions	Associations/Foundations/Other	Countries
Director	FONDATION RENAULT	<i>France</i>

(a) Offices shown in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships.

(b) Listed company.

(c) Subject to the renewal of her term of office by the Shareholders' Meeting of April 29, 2015.

#### Positions and responsibilities held in the past five years

Positions	Companies	Countries
None		

# APPOINTMENT AND RENEWALS OF TERMS OF OFFICE PROPOSED TO THE SHAREHOLDERS' MEETING

## Renewal of Mrs. Virginia A. STALLINGS' term of office (9<sup>th</sup> resolution)

### VIRGINIA A. STALLINGS



Born on September 18, 1950

Age: 64

#### Business address:

Children's Hospital of Philadelphia –  
3535 Market Street – Rm 1558 –  
Philadelphia, PA 19104 – United States

#### Number of DANONE shares held as of December 31, 2014: 4,000

Independent Director

American nationality

**Principal responsibility:** Professor of Pediatrics at  
Children's Hospital of Philadelphia

#### Personal background – experience and expertise:

Virginia A. STALLINGS is a Professor of Pediatrics at the University of Pennsylvania Perelman School of Medicine, Director of the Nutrition Center at The Children's Hospital of Philadelphia and holds a Chair in Gastroenterology and Nutrition. She is a pediatrician and an expert in nutrition and growth in children with chronic illnesses. Her research interests are in nutrition-related growth in healthy children and those with chronic illnesses including: obesity, sickle cell disease, osteoporosis, cystic fibrosis, cerebral palsy, Crohn's disease, HIV and congenital heart disease. She has been extensively involved in pediatric nutrition clinical care and research for more than 25 years.

Dr. STALLINGS plays a significant role in the community of nutrition scientists and physicians as a member of the Institute of Medicine, the Food and Nutrition Board of the US National Academy of Sciences and the Council of the American Society for Nutrition. She steered the Institute of Medicine committee report, *Nutrition Standards for Foods in Schools: Leading the Way Towards Healthier Youth*, and the committee report, *School Meals: Building Blocks for Healthy Children*, that led to new policy to improve the nutritional quality of children's meals and school meals in the United States. She has received research and teaching awards from the American Society of Nutrition, the American Academy of Pediatrics, the Institute of Medicine, and the National Academies.

#### Positions and responsibilities as of December 31, 2014 <sup>(a)</sup>

Positions	Companies	Countries
Director (term of office from April 26, 2012 to the end of the Shareholders' Meeting to approve the 2017 financial statements) <sup>(c)</sup>	DANONE SA <sup>(b)</sup>	France

Positions	Associations/Foundations/Other	Countries
Professor of Pediatrics	<i>THE CHILDREN'S HOSPITAL OF PHILADELPHIA, DEPARTMENT OF PEDIATRICS, THE UNIVERSITY OF PENNSYLVANIA PERELMAN SCHOOL OF MEDICINE</i>	United States
Director, The Nutrition Center	<i>THE CHILDREN'S HOSPITAL OF PHILADELPHIA</i>	United States
Director, Office of Faculty Development	<i>THE CHILDREN'S HOSPITAL OF PHILADELPHIA RESEARCH INSTITUTE</i>	United States
Member	<i>NATIONAL ACADEMY OF SCIENCES, INSTITUTE OF MEDICINE</i>	United States
Member of International Research Advisory Committee	<i>CHILDREN'S HOSPITAL OF LA PLATA RESEARCH INSTITUTE</i>	Argentina

(a) Offices shown in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships.

(b) Listed company.

(c) Subject to the renewal of his term of office by the Shareholders' Meeting of April 29, 2015.

#### Positions and responsibilities held during the past five years

Positions	Associations/Foundations/Other	Countries
President of the Board of Directors	DANONE INSTITUTE USA <sup>(a)</sup>	United States
	DANONE INSTITUTE INTERNATIONAL <sup>(a)</sup>	France

(a) The mission of these two organizations, which are established as non-profit associations, is to promote research and education in the field of nutrition as well as the importance of nutrition on health.



# SUMMARY ON THE COMPANY'S SITUATION DURING THE LAST FISCAL YEAR

*The Group's strategy is consistent with its mission of "bringing health through food to as many people as possible". Since the acquisition of Numico in 2007, this mission has been implemented through four Divisions: Fresh Dairy Products, Waters, Early Life Nutrition and Medical Nutrition.*

*Danone's strategy is based on (i) powerful and unique brands adapted to local environments (nutritional needs, tastes and affordability, food culture, tradition, etc.), (ii) product categories that provide health and well-being benefits, (iii) a sustained communication support, and (iv) geographic expansion in countries offering strong growth potential.*

*Consolidated net sales were up 4.7% in 2014 on a like-for-like basis.*

*Trading operating margin was 12.59% in 2014, down -12 basis points on a like-for-like basis from 2013.*

*Free cash-flow amounted to €1,401 million, excluding exceptional items.*

## GROUP SALES

### Consolidated net sales

Consolidated sales stood at €21,144 million in 2014, down -0.7% from the figures reported in 2013. Excluding the impact of changes in the basis for comparison, which include exchange rates and scope of consolidation, sales were up +4.7%. This organic growth reflects a -1.5% decline in sales volume and a +6.2% increase in value.

The negative impact of fluctuations in exchange rates was -5.5% and reflects a marked decline in certain emerging currencies, including the Russian ruble, the Argentine peso and the Indonesian rupiah.

The impact of changes in scope of consolidation were neutral on the whole (+0.1%), reflecting both the deconsolidation of various Fresh Dairy Products operations (in Saudi Arabia in 2013, and in China and Indonesia in 2014) and the full consolidation of companies in which Danone acquired a controlling interest in 2013, in particular Centrale Laitière (Morocco), YoCrunch (United States), Sirma (Turkey) and Happy Family (United States).

### Sales by Division

- The Fresh Dairy Products Division recorded sales of €11,129 million in 2014, up 1.5% on a like-for-like basis. This growth resulted from the combined impacts of a -6.6% decline in sales volume and a robust +8.1% increase in prices, reflecting the actions taken in certain regions to improve the product portfolio mix.
- The Waters Division recorded an excellent performance in 2014, with sales up 11.6% on a like-for-like basis to €4,186 million. This growth reflected the combined impact of a +7.5% increase in sales volume and +4.1% increase in prices.

- The Early Life Nutrition Division recorded sales of €4,397 million in 2014, up +6.1% on a like-for-like basis. This increase resulted from +1.7% growth in sales volume and a +4.4% increase in prices. In the first half of the year, the Division's growth remained affected by the false alarm triggered by its supplier Fonterra in August 2013, which resulted in recalls of certain infant formula products in eight Asian markets. In the second half, however, the Division's performance benefited from the favorable base impact in these eight markets, most of which have since returned to their pre-crisis levels.
- The Medical Nutrition Division recorded a very strong performance in 2014, with sales rising by +7.9% on a like-for-like basis to €1,432 million. This growth consisted of a +5.6% increase in sales volume and a +2.3% increase in prices.

### Sales by geographic area

In 2014, the Group generated 40% of its net sales in Europe excluding CIS, 22% in CIS & North America and 38% in the ALMA region (Asia-Pacific/Latin America/Middle-East/Africa). The net sales variation in 2014, on a like-for-like basis, amounted to +2.0% in Europe excluding CIS, +5.0% in CIS & North America and +7.4% in the ALMA region.

## SUMMARY ON THE COMPANY'S SITUATION DURING THE LAST FISCAL YEAR

### OTHER COMPONENTS OF THE GROUP'S INCOME STATEMENT

Trading operating income totaled €2,662 million in 2014, compared with €2,809 million in 2013.

Danone's trading operating margin stood at 12.59%, down -60 bps as reported, reflecting:

- a -20 bps decline due to changes in the scope of consolidation, resulting primarily from the integration of Centrale Laitière (Morocco), YoCrunch (United States) and Sirma (Turkey);
- a -28 bps decline due to trends in exchange rates and overinflation in Argentina in 2014; and
- a -12 bps decline in trading operating margin like-for-like.

As expected, the consequences of the false alert on quality triggered by Fonterra in August 2013 and the decline in sales of *Dumex* brand products in China in particular continued to undermine Danone's growth and profitability in 2014.

Cost of goods sold totaled €11,056 million in 2014 (€10,977 million in 2013), or 52.3% of consolidated sales (51.5% in 2013). Key developments during the year included a very steep rise in the cost of milk and dairy ingredients. This surge was offset by solid growth trends, by selective and competitive price increases, by optimization of the mix, and, finally, by additional efforts to reduce costs. A focus on optimizing raw material, production and logistics costs led to continued high productivity. In addition, most of the cost-reduction plan for Europe was finalized by the end of 2014 and delivered the savings anticipated.

Danone continued to invest in its growth drivers, with no change (on a like-for-like basis) in amounts spent on marketing, sales and research and development compared with 2013.

Selling expense was €5,209 million in 2014 (€5,425 million in 2013), or 24.6% of consolidated sales (25.5% in 2013).

General and administrative expense was €1,743 million in 2014 (€1,707 million in 2013), or 8.2% of consolidated sales (8.0% in 2013).

Research and Development costs totaled €272 million in 2014 (€275 million in 2013), or 1.3% of consolidated sales (1.3% in 2013).

Other operating items stood at €(511) million, and mainly reflected expenses related to cost-reduction and organizational adaptation plans rolled out by the Company and its affiliates, especially in Europe (€(186) million for the all plans), and the €(249) million in impairment for *Dumex* reflecting a relaunch for the brand that was longer than initially anticipated.

In 2014, the cost of net financial debt was €(179) million (€(193) million in 2013).

Cost of net debt declined despite higher net financial debt than in 2013. This decline was linked in particular to lower interest rates and the benefits of bond issues that enabled the Company to extend the average maturity of its debt at favorable market conditions.

In 2014, Other financial income and expense was €(132) million (€(70) million in 2013).

The change in Other financial income and expense resulted primarily from the exceptionally high basis for comparison in 2013, which recorded a capital gain linked to Danone's disposal of its interest in SNI as part of the transaction that led to its takeover of Centrale Laitière (Morocco).

The net income amounted to €1,253 million in 2014 (€1,550 million in 2013). The net income - Group share amounted to €1,119 million in 2014 (€1,422 million in 2013).

The sharp change in net income of affiliated companies also largely reflects the exceptionally favorable basis for comparison in 2013, boosted by the €226 million revaluation of Danone's historical 29.2% interest in Centrale Laitière. Excluding non-current items, the net income of affiliated companies came to €66 million in 2014. During the year, Danone also booked a €54 million charge representing impairment of interests in some affiliated companies consolidated on an equity basis (recorded as non-current).

Underlying net income stood at €1,561 million in 2014, up +3.6% from 2013 like-for-like and down -4.6% as reported. Underlying fully diluted EPS was €2.62, up +2.5% like-for-like from 2013 and down -5.6% as reported.

### FREE CASH-FLOW AND GROUP'S NET DEBT

#### Free cash-flow

Free cash-flow stood at €1,277 million in 2014, including €123 million (net of tax) in outlays linked to the Company and its affiliates' cost-reduction and adaptation plan in Europe.

Free cash-flow excluding exceptional items thus came to €1,401 million (6.6% of sales), down -9.6% from 2013, reflecting in particular the impact of negative exchange-rate effects.

Capital expenditure for 2014 came to €984 million, or 4.7% of sales.

#### Net debt

Net debt stood at €7,764 million as of December 31, 2014, including €2,558 million in put options granted to non-controlling shareholders. The debt represented by these options is down €686 million from December 31, 2013 due in particular to Danone's increased equity interest in Centrale Laitière (Morocco) during the year.

Excluding put options for non-controlling shareholders, the Group's net financial debt stood at €5,206 million, up €484 million from December 31, 2013. The rise is linked mainly to acquisitions made by Danone in the course of 2014, including its increased stake in Centrale Laitière (Morocco) and Mengniu (China), and its acquisition of an interest in Brookside (Kenya).

## MAIN FINANCIAL DATA OF THE GROUP FOR THE 2013 AND 2014 FISCAL YEARS

*The financial information presented in the tables hereafter is taken from the Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards (which are presented in section 4.1 Consolidated financial statements and notes to the consolidated financial statements of the 2014 Registration Document, available on Danone's website at the following address: [www.danone.com](http://www.danone.com) (section "Investors/2014 Registration Document")).*

### Consolidated income

		Year ended December 31	
(in € millions except earnings per share in €)	Notes	2013	2014
<b>Net sales</b>	5.1 to 5.2	<b>21,298</b>	<b>21,144</b>
Cost of goods sold		(10,977)	(11,056)
Selling expense		(5,425)	(5,209)
General and administrative expense		(1,707)	(1,743)
Research and development expense		(275)	(272)
Other income (expense)	5.3	(105)	(202)
<b>Trading operating income</b>		<b>2,809</b>	<b>2,662</b>
Other operating income (expense)	6.1	(681)	(511)
<b>Operating income</b>		<b>2,128</b>	<b>2,151</b>
Interest income		76	94
Interest expense		(269)	(274)
Cost of net debt	10.6	(193)	(179)
Other financial income	11.3	52	5
Other financial expense	11.3	(122)	(137)
<b>Income before tax</b>		<b>1,865</b>	<b>1,839</b>
Income tax expense	8.1	(604)	(599)
<b>Net income from fully consolidated companies</b>		<b>1,261</b>	<b>1,239</b>
Share of profit of associates	4.7	289	14
<b>Net income</b>		<b>1,550</b>	<b>1,253</b>
<b>Net income – Group share</b>		<b>1,422</b>	<b>1,119</b>
<b>Net income – non-controlling interests</b>		<b>128</b>	<b>134</b>
<b>Net income – Group share, per share</b>	13.4	<b>2.42</b>	<b>1.88</b>
<b>Net income – Group share, per share after dilution</b>	13.4	<b>2.42</b>	<b>1.88</b>

## SUMMARY ON THE COMPANY'S SITUATION DURING THE LAST FISCAL YEAR

### Net income – Group share and Net income – Group share, per share

	Year ended December 31	
<i>(in € millions except for the number of shares and net income in € per share)</i>	2013	2014
<b>Before dilution</b>		
Net income – Group share	1,422	1,119
Average number of outstanding shares <sup>(a)</sup>	587,411,533	594,472,798
<b>Net income – Group share, per share</b>	<b>2.42</b>	<b>1.88</b>
<b>After dilution</b>		
Average number of outstanding shares <sup>(a)</sup>	587,411,533	594,472,798
Payment of dividend in shares <sup>(a)</sup>	–	776,192
Shares subject to performance conditions and stock-options <sup>(a) (b)</sup>	1,058,044	287,338
<b>Outstanding shares after dilution <sup>(a)</sup></b>	<b>588,469,577</b>	<b>595,536,328</b>
<b>Net income – Group share, per diluted share</b>	<b>2.42</b>	<b>1.88</b>

(a) Weighted average.

(b) Shares subject to performance conditions and stock-options granted to certain employees and corporate officers are described in Note 7.4 of the Notes to the consolidated financial statements. Non-dilutive stock-options and shares subject to performance conditions as of December 31, 2014 could become dilutive depending on changes in the DANONE stock price and the possible achievement of the performance conditions.

### Simplified consolidated balance sheet

	As of December 31	
<i>(in € millions except percentage)</i>	2013	2014
Non-current assets	23,078	24,299
Current assets	7,850	7,448
<b>Total assets</b>	<b>30,928</b>	<b>31,747</b>
<b>Equity - Group share</b>	<b>10,694</b>	<b>11,696</b>
Non-controlling interests	35	49
Net debt	7,966	7,764
Net financial debt	4,722	5,206
Gearing based on net debt	74%	66%
Gearing based on net financial debt	44%	45%

## SUMMARY ON THE COMPANY'S SITUATION DURING THE LAST FISCAL YEAR

### Cash-flow statement data

	Year ended December 31	
<i>(in € millions)</i>	<b>2013</b>	<b>2014</b>
<b>Cash-flow from operating activities</b>	<b>2,356</b>	<b>2,189</b>
Capital expenditure	(1,039)	(984)
Disposal of tangible assets	79	67
Transaction fees related to business combinations <sup>(a)</sup>	32	6
Earn-outs related to business combinations <sup>(b)</sup>	–	–
<b>Free cash-flow</b>	<b>1,428</b>	<b>1,277</b>
Cash-flows related to plan to generate savings and adapt organization in Europe <sup>(c)</sup>	121	123
<b>Free cash-flow excluding exceptional items</b>	<b>1,549</b>	<b>1,401</b>

(a) Represents acquisition costs related to business combinations paid during the period.

(b) Represents earn-outs related to business combinations and paid subsequently to acquisition date and over the period.

(c) Net of tax.

### Net income of the Company

The net income of Danone, the Group's parent company, as approved by the Board of Directors of February 19, 2015, amounted to €541 million in 2014 (€747 million in 2013).

### Dividend

A dividend of €1.50 per share will be proposed to the Shareholders' Meeting of April 29, 2015. If this proposal is approved, the ex-dividend date will be May 7, 2015 and the dividend will be payable as from June 3, 2015.

Moreover, the Shareholders' Meeting of April 29, 2015 will propose to offer each shareholder the possibility of opting for payment of the total dividend attached to the securities owned by the shareholder in new Company shares.

*For more information on the Group's situation during the previous fiscal year, see section 3 Danone's business highlights in 2014 and outlook for 2015 of the 2014 Registration Document, available on Danone's website at the following address: [www.danone.com](http://www.danone.com) (section "Investors/2014 Registration Document").*



# FINANCIAL RESULTS OF THE COMPANY DURING THE LAST FIVE FISCAL YEARS AND OTHER SIGNIFICANT FINANCIAL INFORMATION

The information presented in the table below is taken from the financial statements of the parent company Danone (which are presented in section 4.2 Financial statements of Danone SA, parent company of the Danone group of the 2014 Registration Document, available on Danone's website at the following address: [www.danone.com](http://www.danone.com) (section "Investors/2014 Registration Document").

	2010	2011	2012	2013	2014
<b>Capital at balance sheet date</b>					
Share capital (in €)	161,980,460	160,561,643	160,790,500	157,757,000	160,948,000
Number of shares issued	647,921,840	642,246,573	643,162,000	631,028,000	643,792,000
<b>Results for the year</b>					
(in € millions)					
Net sales	347	417	478	520	474
Net income before taxes, amortization, depreciation and provisions	791	530	395	686	482
Net income tax <sup>(a)</sup>	126	109	112	77	76
Net income after taxes, amortization, depreciation and provisions	910	631	442	762	541
Dividend paid <sup>(b)</sup>	786	837	857	860	966
<b>Earnings per share</b>					
(in € per share)					
Net income after taxes, but before amortization, depreciation and provisions	1.42	1.00	0.79	1.19	0.85
Net income after taxes, amortization, depreciation and provisions	1.40	0.98	0.69	1.16	0.84
Dividend paid	1.30	1.39	1.45	1.45	1.50
<b>Personnel</b>					
Average number of employees for the year	690	725	746	740	725
Payroll expense (in € millions)	123	236	170	149	159
Compensation and benefits paid <sup>(c)</sup> (social security, social benefit schemes, etc.) (in € millions)	60	66	71	66	71

(a) Income (expense).

(b) Amount relating to the 2014 fiscal year estimated as of December 31, 2014 on the basis of the number of shares held by the Company as of that date. The 2013 dividend corresponds to the amount actually paid during the 2014 fiscal year. Of the total amount of €860 million, €315 million was paid in cash and €544 million was paid in new shares.

(c) Comprises personnel costs excluding social charges [see Note 12 of the Notes to the financial statements of the parent company Danone] and the provisions relating to stock-options and Group performance shares [see Note 13 of the Notes to the financial statements of the parent company Danone].

**FORM TO BE SENT TO:**

BNP Paribas Securities Services - Service Assemblées Générales  
CTS Assemblées Générales - Les Grands Moulins de Pantin  
9, rue du Débarcadère - 93761 Pantin Cedex - France



**DANONE**

Registered office:  
17, boulevard Haussmann,  
75009 Paris - France  
A French *société anonyme* with  
a share capital of €160,948,000  
552 032 534 RCS Paris

# COMBINED SHAREHOLDERS' MEETING OF APRIL 29, 2015

I undersigned ☐ Mr. ☐ Mrs. ☐ Company  
(Please write in capital letters)

Last name: .....

First name: .....

Full address: No. .... Street .....

Postal code ..... City .....

Country .....

Holder of: ..... registered shares

..... bearer shares hold in an account at the Bank .....

Request that the documents or information mentioned in Articles R. 225-81 and R. 225-83 of the French commercial code be sent to the above address.

Signed in ....., on ..... 2015

Signature

Pursuant to Article R. 225-88 of the French commercial code, any shareholder, beginning from the convening of the Meeting and until the fifth day preceding the Meeting, may request the Company to send the documents provided for in Articles R. 225-81 and R. 225-83 of the French commercial code.

If you would like to receive said documents, kindly return this form. We will send you said items (with the exception of those that were attached to the mail-in/proxy voting form).

We would also like to inform you that shareholders holding registered shares may, by a single request, obtain the above-mentioned documents, which will be prepared at each subsequent Shareholders' Meeting.

Any information concerning this Meeting may be requested from BNP Paribas Securities Services - Service Assemblées Générales - CTS Assemblées Générales - Les Grands Moulins de Pantin - 9, rue du Débarcadère, 93761 Pantin Cedex - France.

Shareholders hotline: 0 800 320 323 (toll-free number from a fixed-line and national operators in France) / + 33 (0) 1 58 16 71 75 (from other countries).



**DANONE**

**Danone - 15, rue du Helder - 75439 Paris Cedex 09 - France**

Visitors: 17, boulevard Haussmann - 75009 Paris - France

Shareholders' hotline: 0 800 320 323 (toll-free number from a fixed-line and national operators in France) / + 33 (0) 1 58 16 71 75 (from other countries)

Financial information: <http://finance.danone.com>